

2022

AGRICULTURAL BANK OF CHINA

GREEN FINANCE DEVELOPMENT REPORT

2022 Green Finance Development Report



耕耘美丽中国
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Message from the Chairman



Chairman of Agricultural Bank of China

Gu Shu

The Communist Party of China (CPC) Central Committee with Xi Jinping at its core has made an unprecedented push to enhance ecological conservation and taken major steps in constructing a beautiful China since the 18th CPC National Congress. Under such circumstances, Chinese eco-environment preservation has witnessed historical, transitional and global changes. The harmony between man and nature is a crucial feature of the Chinese path to modernization, as stated in the report of the 20th CPC National Congress deeply and this feature constitutes the essential principle for ecological conservation and green development of financial institutions in the new era.

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Agricultural Bank of China further studied and implemented the spirit of the 20th CPC National Congress and Xi Jinping thought on eco-civilization, practiced the new development philosophy, and took part in and served the new development pattern in 2022. We continued to improve its structure, policies, business systems and risk control mechanisms specified for eco-civilization construction and attempted to build a better ESG framework system and contribute to carbon emission reduction, pollution reduction, greening expansion, economic growth and beautiful China construction.

Bear the “top priority” of the country in mind and adhere to the responsibilities and mission of a state-owned bank. Focusing on the key decisions and plans of the Party Central Committee, the Agricultural Bank of China implemented the new development philosophy completely, accurately and in full, stuck to the theme of high-quality development and continued to implement three strategies: “Sannong” for county area development, green finance and digitalized operations. We established the Strategic Planning and Sustainable Development Committee under the Board, and the Green Finance/Carbon Peaking and Neutrality Working Committee under the senior management, to promote the whole-process, all-service and complete-scenario implementation of the green development philosophy. We practiced high green finance standards and ranked the top among the main domestic banks according to the latest green bank evaluation results released by the China Banking Association. Due to our ceaseless efforts in the environmental, social and governance system construction and the improved carbon footprint management, we were promoted to class “A” in the MSCI ESG rating in 2022.

Persist to our orientation for serving “Sannong” and fully develop our role in rural revitalization as a leading bank. The Agricultural Bank of China provides financial support to accelerate the transformation of China into an agricultural power, facilitate rural revitalization in all aspects and realize the modernization of agriculture and rural areas by highlighting key fields such as food security, rural industry and harmonious and beautiful village construction, and continuing to strengthen its high-quality financial supply. As of the end of 2022, the county-level loan balance recorded RMB 7.3 trillion and the agriculture-related loan balance recorded RMB 5.53 trillion. We insist on the top priority of ecological conservation and launched innovative and characteristic products, e.g., National Reserve Forest Loan, Rural Residential Environment Loan and Ecological Co-Prosperity Loan. We also provided more preferential policies for the protection of the Yangtze River and Yellow River basins. So, the county-level green loan balance exceeded RMB 1 trillion, accounting for above 40% of our entire green credit balance.

Boost green transformation and endeavor to serve the high-quality development of the real economy. The Agricultural Bank of China provided various types of green funds of nearly RMB 3 trillion in 2022 by fully developing its group management advantage and continuing to upgrade its multi-level and three-dimensional green investment and financing system that contains green credit, green bonds, green consumption, carbon finance, and innovative services. Based on rich

energy resources in China, we actively supported the clean and efficient utilization of traditional energy and the replacement with renewable energy and effectively promoted the construction of a new energy system. The clean energy industry-related loans of our bank exceeded RMB 600 billion. Actions have also been taken to accelerate our industrial restructuring and actively support the development and expansion of the green production system, environmental protection system and resource recycling system, in order to contribute to the prevention and control of environmental pollution, resource-saving and intensive utilization and the green transformation of high carbon emission industries. In transportation, rural and urban construction and other key fields, we provided considerate services for green transportation and environmental infrastructure construction as the loans related to green upgrading of infrastructures have exceeded RMB 1.3 trillion.

Provide people-oriented financial services and keep improving our specialized inclusive finance service capability. The Agricultural Bank of China further practiced the political and people-oriented nature of financial work and kept expanding the breadth and depth of inclusive financial services. We gave priority to small and micro organizations under inclusive finance when allocating our internal resources, strengthened the financial support for SMEs in rural revitalization, scientific and technological innovation, green development and other fields, and established 500 special institutions for inclusive finance and nearly 10,000 small and micro credit business development offices, aiming for service coverage at the grass-roots level and more professional and refined services. Multidimensional and multi-scenario portraits of SMEs under inclusive finance were drawn with big data and online credit products, including “Small & Micro E-Credit”, “Beneficial E-Credit for Farmers”, “Employment Assistance E-Credit” and etc., in order to optimize inclusive loans in their availability and convenience. As of the end of 2022, the inclusive finance-related loan balance of our bank, according to the People’s Bank of China registered RMB 2.57 trillion, indicating qualified financial regulation of SMEs for 13 consecutive years.

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The construction of beautiful China and the harmony between man and nature are not only a demand in this era, but reflect the expectation of Chinese people. The Agricultural Bank of China will continue to implement the spirit of the 20th CPC National Congress, explore the financial development model and effective path enabling the harmony between man and nature, provide financial support to contribute to ecological conservation, and spare no effort in promoting the ecology-first, energy-saving and intensive, green and low-carbon development in our journey in the new era, so that we can better promote carbon peaking and neutrality, and build a beautiful China with the harmony between man and nature!

Message from the President



President of Agricultural Bank of China

Fu Wanjun

The report of the 20th CPC National Congress pointed out that we should promote green development and harmony between man and nature. In the past year, as guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Agricultural Bank of China studied and implemented the spirit of the 20th CPC National Congress and Xi Jinping thought of eco-civilization, practiced the concept that "lucid waters and lush mountains are invaluable assets", promoted the green financial strategy, and provided overall support for rural revitalization, inclusive finance and green transformation of the real economy. So, we witnessed rapid development in all aspects. By the end of 2022, our green credit balance recorded RMB 2.7 trillion; the county-level loan balance recorded RMB 7.3 trillion, including the county-level green credit balance of more than RMB 1 trillion; the agriculture-related loan balance recorded RMB 5.53 trillion; and the inclusive finance-related loan balance of our bank according to the People's Bank of China registered RMB 2.57 trillion.

Launch more high-quality policies. Based on the general mission to serve the national eco-civilization construction, the Agricultural Bank of China incorporated green development requirements into its credit policy system and actively contributed to the harmony between man and nature and the construction of beautiful China from the financial perspective. We focused on key areas such as food security, rural industries, and the construction of beautiful countryside, launched and upgraded financial policies to support rural revitalization, supported agricultural production featuring carbon emission reduction and carbon sequestration and ensured that our financial services boosted high-quality and green agricultural development. Additionally, credit policies in key industries, including energy, transportation and manufacturing were launched and policies guiding the green development, transformation and upgrading of key industries were strengthened to realize carbon peaking and carbon neutrality. Efforts were also made to promote the green transformation and high-quality development of SMEs, launch more preferential policies for micro and small organizations under inclusive finance and add to the professionalism and precision of inclusive financial services. Supportive measures were also adopted to enlarge the credit scale and empower our talent team, aiming to stimulate and enhance the endogenous power of the whole bank to develop green finance.

Provide more funds for key fields. The Agricultural Bank of China has always been committed to our original aspiration: providing "Sannong" banking services. We served the construction of an agricultural power with green financial services, and continued to enhance financial support for the modern seed industry, the whole industrial chain of green agriculture and the improvement of the rural residential environment, together with the integrated management of mountains, water, forests, farmlands, lakes, grassland and sands, ecological protection and restoration of important basins and biodiversity conservation. Based on China's abundant energy resources, we paid particular attention to the supply of funds for carbon emission reduction projects, clean and efficient utilization of coal, construction of large-scale wind and solar power generation bases and other fields, thus assisting the clean and low-carbon transformation of the energy sector. In accordance with the requirements of new industrialization and transportation structure optimization and adjustment, we took the initiative to support the green transformation of high carbon emission industries, the recycling and efficient utilization of resources, and the green infrastructure upgrading, and made steady progress in energy-saving and intensive development. We also highlighted the green transformation of SMEs, especially the SMEs in the fields of rural revitalization, scientific and technological innovation and green development, in order to promote the in-depth combination and realize the virtuous cycle of green finance and inclusive finance.

Improve the group synergy innovation system. In key areas of green development, the Agricultural Bank of China continued to build a multi-level and three-dimensional green finance business system. We established a major green finance project library, provided financial services for key areas and strived to form driving factors for our growth. By actively combining rural revitalization and green development, we

launched innovative and characteristic products, e.g., National Reserve Forest Loan, Rural Residential Environment Loan and Ecological Co-Prospersity Loan and endeavored to build our advantageous green credit brand. Additionally, we were consigned to distribute several leading products in this industry such as the Guangdong-Hong Kong-Macao Bay Area Blue Bonds and the first batch of transformation bonds, which effectively consolidated our position as a mainstream and leading underwriter. With reference to Chinese blue bond principles and the Sino-EU Common Ground Taxonomy, we successfully issued green financial bonds valuing RMB 20 billion. With the continuously expanded green consumption application scenarios, we took action to strengthen the approval of environmentally friendly credit cards and facilitate the green and low-carbon production and consumption cycle. Endeavors were also made to upgrade the "ABC Carbon Service" system functions, so that the Agricultural Bank of China could provide better financial services for member enterprises in the national carbon market and assist the turnover of the transactional capital in the carbon market.

Upgrade the transformation risk prevention and control capability. The Agricultural Bank of China persisted in the combination of development security and paid particular attention to the prevention of green transformation risks. Therefore, we incorporated environmental and climate risks into our overall risk preference and comprehensive risk management strategy, and included environmental, social and governance risk requirements into the entire business management process. With respect to the key areas of agricultural and rural emission reduction, we seriously studied the risks, promoted smart agricultural scenarios, and strengthened the identification, assessment, early warning and disposition of risks (e.g., bad weather, pests and diseases, and environmental pollution) with technologies. Regarding high carbon consumption industries such as electricity, iron and steel, and building materials, we conducted climate risk stress testing and in-depth analysis of the climate risk transmission paths, and assessed the impact of preventive factors for carbon emission on asset quality. We also paid close attention to the impact of upgrading standards on environmental protection, energy consumption, technology and quality of small and micro enterprises, analyzed the impact of rising transformation costs on the operation of small and micro enterprises, and carried out the transformation risk assessment, prevention and control from the perspective of inclusive finance.

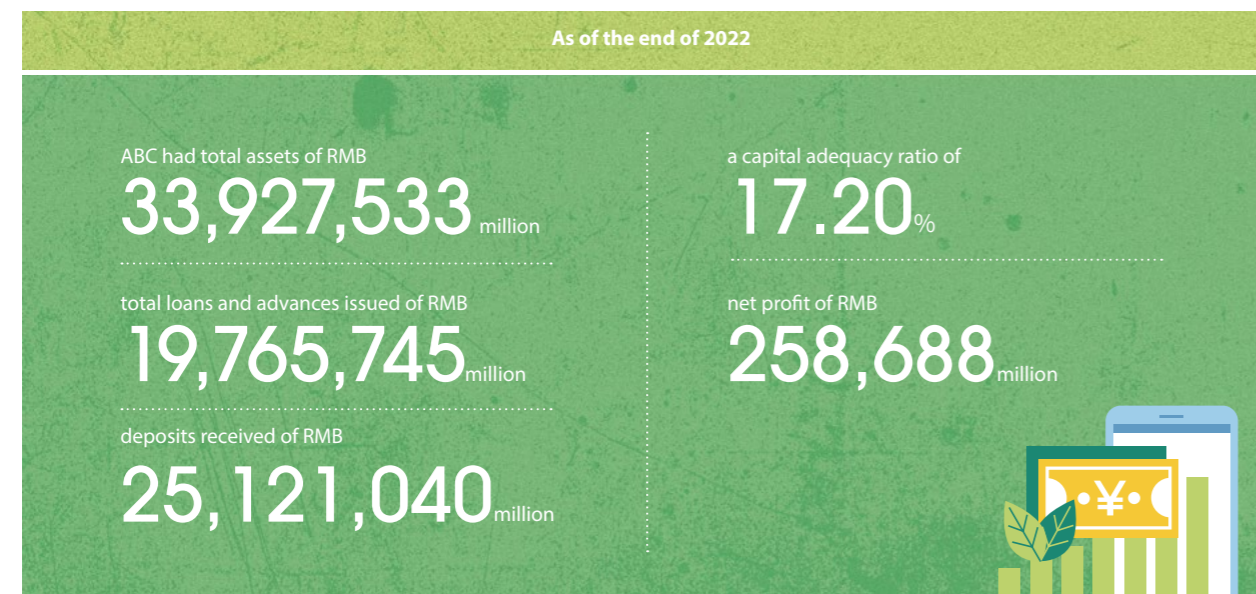
Strengthen our carbon footprint management. The Agricultural Bank of China launched a carbon peaking and neutrality plan for overall arrangement of its energy-saving and carbon reduction work. We carried out "carbon inventory" in the group in an orderly manner and accelerated the clarification of the carbon emission base and trend; took the initiative to promote the green transformation of our branches and "carbon neutral" pilot projects, and supported branches in pilot regions such as Zhejiang and Guangdong to take the lead in building "carbon neutral" branches through energy-saving transformation, use of green electricity and development of forestry carbon sinks; boosted digital transformation, green office, green procurement, and green travel, which effectively reduced resource consumption and formed a good atmosphere of energy saving, carbon reduction and green development throughout ABC; vigorously developed the green culture, and guided our employees to take part in green public welfare and environmental protection volunteer services, and to construct and protect our beautiful home.

When you set your mind to a goal, do not go for what is easy; when you decide to take on a task, do not dodge what is difficult. The Agricultural Bank of China will continue to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implement the spirit of the 20th CPC National Congress in full, act on the general principle of pursuing progress while ensuring stability, protect the green mountains and clear waters from the financial perspective, and contribute to the construction of a beautiful China and the harmony between man and nature.

About ABC

Agricultural Bank of China Limited (hereinafter referred to as ABC) is one of the major comprehensive financial service providers in China and can be dated back to the Agricultural Cooperative Bank founded in 1951. In February, ABC was approved to be re-established in February 1979 and then experienced several stages: state-specialized bank, wholly state-owned commercial bank and state-controlled commercial bank. ABC was restructured into a joint-stock company in January 2009 and listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong in July 2010.

As of the end of 2022, ABC had 22,788 domestic branches and sub-branches (including the head office, the head office banking department, 4 head office franchised institutions, 4 training institutes, 37 primary branches, 407 secondary branches, 3,329 primary sub-branches, 18,959 grass-roots banking institutions and 46 other institutions), 13 overseas branches and 4 overseas offices, and 16 major holding subsidiaries (11 domestic subsidiaries and 5 overseas subsidiaries).



The Financial Stability Board has included ABC in its list of

global systemically important banks for nine consecutive years since 2014

In 2022, ABC was ranked

28th

in the Fortune Global 500

In 2022, ABC was ranked

3rd

in the Top 1,000 World Banks by The Banker in terms of the tier one capital

As of the end of 2022, ABC had total assets of RMB 33,927,533 million, total loans and advances issued of RMB 19,765,745 million, deposits received of RMB 25,121,040 million, a capital adequacy ratio of 17.20% and net profit of RMB 258,688 million for the year.

01

Annual Development Summary

- Development strategy
- Development effect
- Major honors



Development strategy

Under the guiding principle of **high-quality development**, ABC highlighted its orientations: **“a leading bank serving rural revitalization”** and **“a main bank serving the real economy”**, implemented **“three strategies”**: **“Sannong” for county area development, green finance and digitalized operations in all aspects** and strived to become a world-class commercial bank group as soon as possible.

As green finance was one of its main strategies, ABC adhered to the strategic guidance of green finance, continued to strengthen its top-level design, upgraded its management systems, policies and systems, promoted innovation of diversified products and service models, and provided greater financial support for green industries. ABC also took solid steps in advancing its energy saving and carbon emission reduction, and boosted green transformation of its operation and management in all respects, in order to contribute to protecting green hills and clear waters and building a beautiful China enabling the harmony between man and nature.



Gu Shu, Chairman and Secretary of the Party Committee Assigned Key Party Building and Management Tasks in 2022 during the 2022 Party Building and Management Work Conference of ABC. (Photo by ABC Newspaper Limited)

Strategic orientation

Implement the new development philosophy completely, accurately and in full; persist to the system concept, innovation-driven, group synergy and sustainable development; accelerate the green financial customer structure improvement, product and service innovation and transformation of the governance system; strive to build a distinctive and widely recognized advantageous brand in green finance; and provide strong financial support for China's eco-civilization construction and green, low-carbon and high-quality development.

Basic principles

Strategic guidance

Vigorously implement the green financial strategy, promote green financial development for the purpose of corporate governance, and practice the green development philosophy and requirements in all areas and throughout the process of business management.

Innovation-driven

Follow the development trend of green finance at home and abroad, actively explore new areas of green finance, upgrade green finance systems, and stimulate the endogenous power to develop green finance.

Group synergy

Give full play to the integrated and urban-rural coverage banking advantages, and take advantage of equity, debt, loan, investment and other instruments to enhance the green customer financial service capability and group synthesis capability.

Sustainable development

Consider both economic and social benefits under the guidance of market demands, take effective measures to seek a balance between accelerating business development, preventing financial risks and realizing commercial sustainability, and continue to improve ABC's market competitiveness and risk prevention and control capability.

Development goals



Growing business scale

Boost rapid growth in the scale and improvement of the structure of green financial services such as green credit, green bonds, green leasing, green funds and green finance.



Prominent brand advantages

Build a multi-level and three-dimensional green finance business system, significantly enhance the green finance innovation capability, and develop more service models.



Sound system and mechanism

Establish an effective mechanism in compliance with green finance development and fully activate and release endogenous power.



Higher risk control capability

Maintain high quality of green financial assets, and continue to improve the environmental, social and governance risk identification, assessment and management level.

Development effect

Continuously strengthening strategic guidance

ABC actively implemented the relevant national policies and regulatory requirements for green and low-carbon development, and continuously promoted the implementation of ABC's existing strategies, such as the 14th Five-Year Plan, the *Green Finance Development Plan of Agricultural Bank of China (2021-2025)* and the *Guidance on Accelerating the Development of Green Finance Business*. ABC strengthened the linkage between the central and branch offices and the coordination of departments to focus on various key tasks of green finance, and formulated the *Green Finance Work Highlights of Agricultural Bank of China in 2022* to clarify the annual work objectives and key tasks. Furthermore, ABC formulated the *Carbon Peaking and Neutrality Work Plan of the Agricultural Bank of China* to continuously promote energy conservation, carbon reduction and green development across ABC.

Increasing credit support for green industry

By the end of 2022
ABC's green credit balance was RMB **2697.5** billion representing an increase of RMB **719.7** billion or **36.4%** as compared with the end of last year, which was significantly higher than the average growth rate of bank-wide loans

Since the implementation of the People's Bank of China's carbon emission reduction support tool
a total of RMB **104.8** billion of carbon emission reduction loans have been granted driving the reduction of carbon emissions by **23.72** million tons ranking first in the industry

Accelerating the development of green bond business

By the end of 2022
the balance of proprietary green bond investment was RMB **121.6** billion up RMB **33.3** billion or **37.8%**

In 2022
56 issues of green bonds (including carbon-neutral bonds) were underwritten with a total raised capital of RMB **66.6** billion underwriting share of RMB **41.3** billion representing a year-on-year increase of **76.7%**

In 2022
inter-bank green bond transactions amounted to RMB **33.1** billion up **10.7** billion or **47.8%**
ABC issued green financial bonds meeting domestic and foreign green standards with a total amount of RMB **20** billion

Accelerating the development of innovative business

As a shareholder of the National Green Development Fund, ABC actively participated in the fund operation and project investment. The "Carbon Peaking" Clean Energy Fund was set up to lock in high-quality new energy projects by means of investment-loan linkage.

As of the end of 2022
ESG-themed wealth management products were in existence **43** with a total time scale of RMB **49** billion

By the end of 2022
the balance of green lease assets was RMB **55.1** billion up RMB **6.3** billion from the end of last year

In 2022
a total of RMB **40.2** billion was invested in green projects through debt-to-equity swap with an additional investment of RMB **13.8** billion

Continuing to promote its own green transformation

ABC formulated the *Implementation Plan of "Carbon Inventory" of the Agricultural Bank of China*, and launched the Group-wide "Carbon Inventory" to accelerate the mapping of carbon emission bases and emission trends. The business model was optimized, and the green transformation of outlets and the "Carbon Neutrality" pilot, and build "Carbon Neutrality" outlets in pilot institutions such as Zhejiang and Guangdong were actively promoted. ABC promoted green office, green energy use, green procurement and green travel, to effectively reduce resource consumption, continuously strengthen its own carbon footprint management, and promote the construction of a resource-saving and environment-friendly bank.

Continuing to promote exchanges and cooperation

ABC deeply participated in international and domestic exchanges and discussions to strengthen communication and cooperation with relevant national ministries and commissions, major peers and external institutions, and gather and share advanced experience in green development and climate change response. ABC was elected as the new director of the Green Credit Committee of the China Banking Association to set up an industry exchange platform. Relying on the Green Finance Research Institute, ABC strengthen cooperation with local governments to provide decision-making reference for local green and low-carbon development.

Fu Wanjun, President and Deputy Secretary of the Party Committee of the Bank, Delivered a Speech at the "Financial Support for Promoting Rural Revitalization in an All-Round Way" Forum of the 2022 Financial Street Forum, Introducing ABC's Major Initiatives in Serving Rural Industry Revitalization and Promoting Rural Green Development. (Photo provided by the Rural Revitalization Finance Department)



Major honors

Evergreen Award-Green Award
for Sustainable Development

Caijing Magazine



Excellent Member Organization

Yangtze River Ecological
Environmental Protection Industry
Alliance



Outstanding
Contribution
Organization of Green
Credit Committee

China Banking
Association



Top Ten Cases of Green
Development in 2022

Beijing News



Outstanding Green and Sustainable Bond Issuers
Outstanding Green and Sustainable Loan Structure Advisor
Pioneer in Climate Disclosure Planning
ESG Disclosed Optimization Pioneer

HKQAA



Green Bank Evaluates Advanced
Organization

China Banking Association

Sina Golden Kirin Porterfiel-Best
Green Asset Management Company
of the Year Award

Finance Sina

China Banking ESG Practice
Award in 2022

STCN

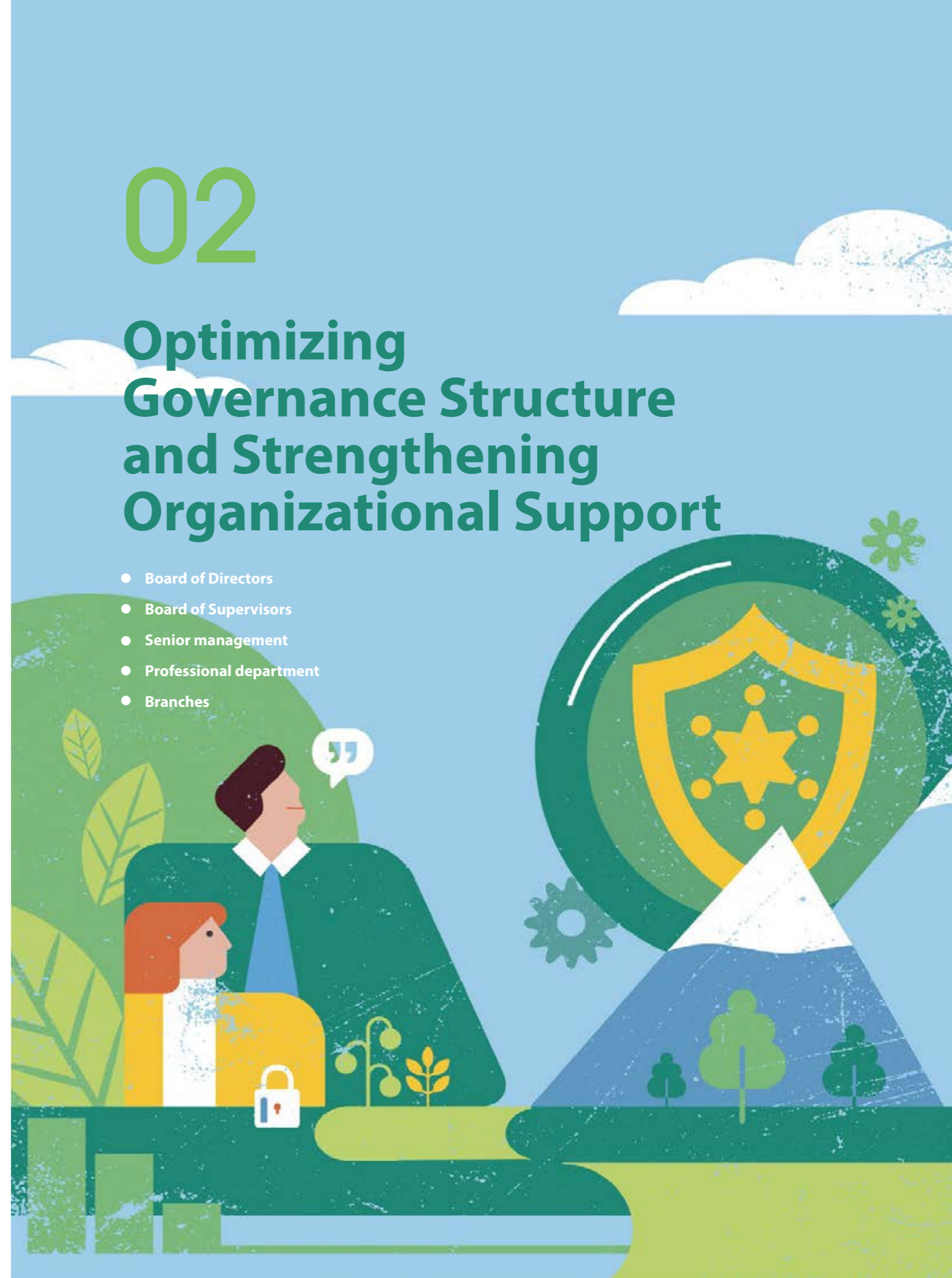
Carbon Neutral Innovation
Bank in 2022

Finance Sina

02

Optimizing Governance Structure and Strengthening Organizational Support

- Board of Directors
- Board of Supervisors
- Senior management
- Professional department
- Branches



ABC continued to improve the top-level design of green finance, integrating green development and environment-related strategic objectives into the corporate governance structure of “Board of Directors-Board of Supervisors-Senior Management”, providing organizational guarantee for promoting the development of green finance business as a whole. The directors, supervisors and senior management personnel continued to improve their green financial management capabilities by attending or attending relevant meetings, attending lectures and training activities, and conducting in-depth discussions and exchanges on green financial business.

Board of Directors

The Board of Directors is responsible for formulating ABC’s sustainable development strategies and objectives and assessing the risks and implementation of the strategies. The Board of Directors established the Strategic Planning and Sustainable Development Committee to assist the Board of Directors in formulating and assessing sustainable development strategies and objectives.

The Board of Directors actively assumed the responsibility of the green financial entity, determined ABC-wide green financial development strategy, assessed the implementation of the strategy, promoted ABC-wide implementation of the national green development and carbon peaking and neutrality decision-making deployment, and accelerated the improvement of the green financial governance system.

In 2022, the Board of Directors and the Strategic Planning and Sustainable Development Committee considered and approved the Annual Report, CSR Report and Annual Green Finance Development Report of Agricultural Bank of China.



Topic Improving Green Financial Management Capability

In September 2022, members of the Board of Directors attended a special training on “double carbon” and green finance. The courses covered areas such as Xi Jinping thought on eco-civilization, interpretation of carbon peaking and neutrality “1+N” policy system, carbon trading mechanism and carbon management system, ESG investment under the “double carbon” target, and the impact of ESG information disclosure requirements on listed banks. The courses deepened the understanding of green finance development and effectively improved green finance management capabilities.

Board of Supervisors

The Board of Supervisors oversees the implementation of the Bank-wide green strategy, manages and discusses issues related to green finance and carbon peaking and neutrality.

In 2022, the Board of Supervisors considered and approved the Annual Report, CSR Report and Annual Green Finance Development Report of Agricultural Bank of China.

In September 2022, members of the Board of Supervisors participated in the special training on “double carbon” and green finance in 2022.



Senior management

According to the decision of the Board of Directors, the senior management formulated the green financial business objectives, established mechanisms and processes, and implemented the green financial development strategy.

According to the decision of the Board of Directors, the senior management formulated the green financial business objectives, established mechanisms and processes, and implemented the green financial development strategy.

The Green Finance/Carbon Peaking and Neutrality Working Committee held regular meetings and continued to study and promote the key work of green finance and carbon peaking and neutrality. In 2022, the Committee considered and approved the annual green finance work points, the annual green finance development report and ABC-wide carbon peaking and neutrality work plan, to promote the effective implementation of the green finance development strategy and existing work arrangements.

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

The Risk Preference Statement and Comprehensive Risk Management Strategy of the Agricultural Bank of China Group, as revised by the Risk Management and Internal Control Committee in 2022, further improved the qualitative description of risk preference and risk management strategies in areas such as green credit under the sound risk preference, and more actively and fully reflected the requirements of serving the major national strategies and supporting economic and social development.



Professional department

Various professional departments continued to strengthen the coordination and linkage between green finance and carbon peaking and neutrality. According to the division of functions, we will implement the deployment of green finance business development, policies and systems, product innovation, incentives and constraints, information disclosure, green operation, carbon footprint management, cultural construction and other work, and jointly do a good job in green finance and carbon peaking and neutrality related work.



Branches

With reference to the management mechanism of the Head Office, each branch has established its own leadership and coordination mechanism for green finance and carbon peaking and neutrality, clarified the corresponding work responsibilities, adjusted measures to local conditions, innovated and developed, and formed systematic joint efforts in terms of business operation, resource guarantee, product innovation and its own green operation, and continuously strengthened the linkage between the branches.



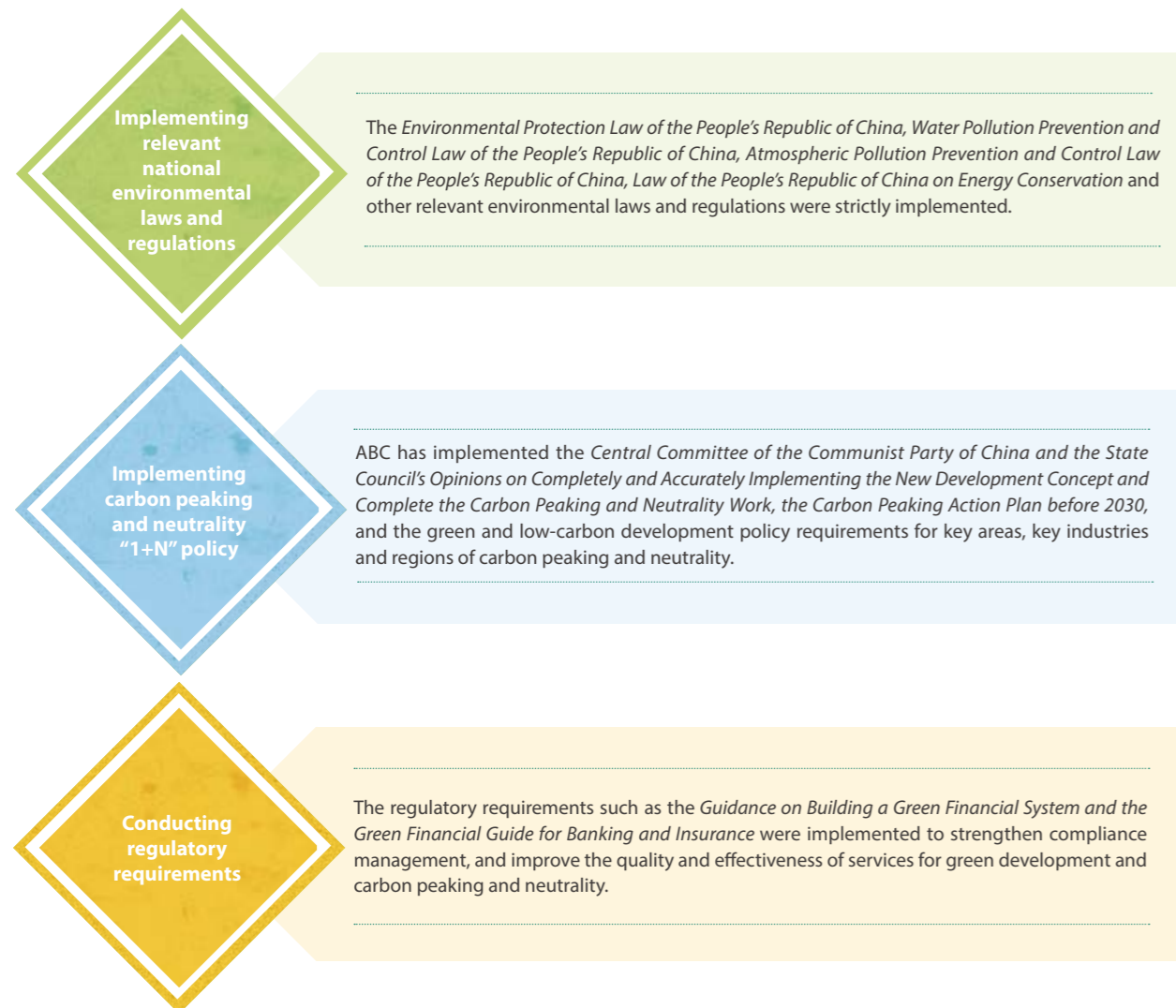
03

Improving Policies and Systems and Strengthening Fine Management

- Credit policy
- Resource allocation
- Incentive constraint
- Green operation



ABC strictly abided by relevant environmental policies and regulations, and implemented the national industrial policies and standards, continuously improved the internal management system adapted to green development, to improve the level of refined management of policies.



Credit policy

Strengthening the annual policy guidance

ABC had closely followed the guidance of the national green development policy, the Bank incorporated the green and low-carbon development requirements into the annual credit policy guidelines, the "Three Rural Issues" credit policy guidelines and the inclusive finance credit policy guidelines, clarified the annual green financial development requirements and management measures, and coordinated and coordinated the policies to promote the green and low-carbon development in key economic and social areas.



Zhang Xuguang, Vice President of ABC and a Member of the Party Committee, Went to Henan Branch to Survey "Sannong" Financial Services in Areas such as Seed Industry Revitalization and High-Standard Farmland Construction. (Photo by Henan Branch)

Strengthening industry policy guidance

ABC properly addressed the relationship between pollution reduction and carbon reduction and energy security, and formulated credit policies for energy industries such as hydropower, solar power generation, wind power generation and biomass power generation, to strengthen energy security supply, and promote the green and low-carbon transformation of energy production and consumption. ABC formulated credit policies for high-carbon industries such as iron and steel, petrochemical, coal chemical and non-ferrous metals, and actively supported energy-consuming enterprises in energy conservation and carbon reduction. Furthermore, ABC formulated special policies to support the construction of a modern infrastructure system and the healthy development of aquaculture enterprises, so as to meet the funding needs for green infrastructure upgrading and green and low-carbon development of agriculture.

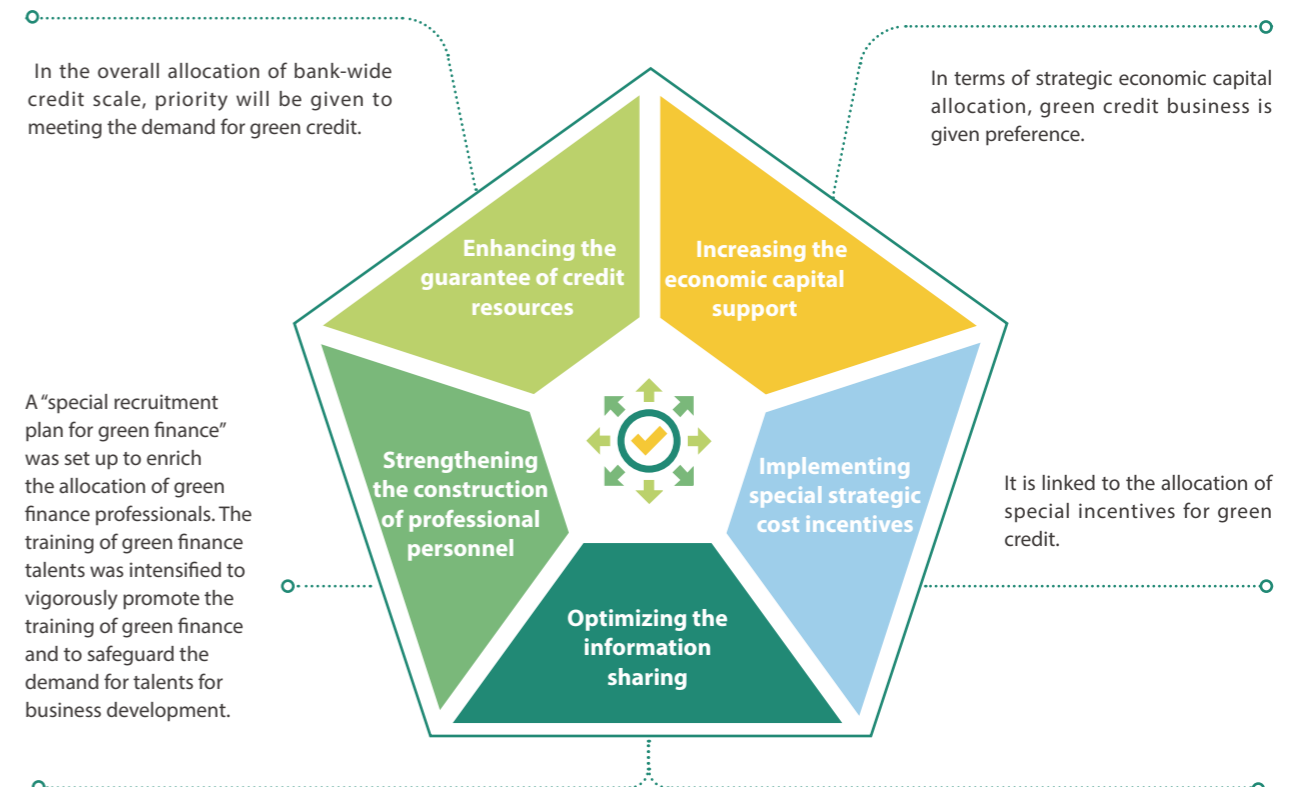
Strengthening differentiated policy support

ABC continued to follow up the People's Bank of China's carbon emission reduction support tool and the special re-lending monetary policy tool for clean and efficient use of coal, to improve the work flow and strengthen the policy guarantee. A major green finance project bank was established to strengthen policy support and increase funding for major green projects. ABC fully supported the construction of large-scale national wind power photovoltaic base projects and provided financial services for the base projects. Differentiated policy arrangements for high-quality customers and projects in the national green financial reform and innovation pilot zone and green industry concentration zone were implemented. ABC strengthened its support for the examination and approval of key areas of green finance to open a "green channel" and continuously improve the efficiency of business processing.

Credit Policy in Relevant Areas

	Agriculture	Credit policies in the fields of food industry, seed industry and fertilizer were formulated. On the premise of serving the national food security, ABC has focused on the fields of crop structure adjustment, crop variety improvement, organic fertilizer application and promotion of green and efficient cultivation techniques, etc. Moreover, ABC has strengthened credit support and clarified the green and environment-friendly policy direction.
	Forestry	ABC has formulated credit policies for forestry-related industries, implemented the national plan to promote the construction of forestry ecological system, and strengthened support for national forestry industry demonstration parks and under-forest economy demonstration bases, to promote the exploration of pledge of forestry carbon sink rights and interests.
	Livestock and Poultry Breeding and Fishery	ABC formulated credit policies in the fields of animal husbandry, aquaculture and processing, and feed to actively supported the national low-carbon emission reduction for livestock and poultry and the emission reduction and remittance increase for fishery. Furthermore, ABC actively supported the improvement of feed varieties, the recycling of livestock and poultry manure, various demonstration farms, marine pastures and other business entities, to promoted the development of ecological breeding industry.
	Biodiversity Conservation	A number of credit policies relating to biodiversity conservation, including seed industry, forestry and traditional Chinese medicine were developed to increase support for the green agriculture industry chain including ecological planting, ecological breeding, under-forest economy and modern agricultural seed industry; actively support afforestation and forest resources tending projects with outstanding carbon sink or sequestration effect; actively support the protection of natural forests and animal and plant resources, the construction and protective operation of nature reserves, ecological function zones and national parks, as well as the project of returning farmland to forest and grass, the protection of river and lake wetlands, and the comprehensive control of water and soil loss.
	Energy	Credit policies for industries such as coal, thermal power, hydropower, wind power, solar power, nuclear power and biomass power generation were formulated, to properly handle the relationship between carbon reduction and energy security, increase support for credit extension in the clean energy industry, and put forward green and low-carbon management requirements from the aspects of green, environmental protection, energy consumption and safe production at the same time to promote the green and low-carbon transformation of energy production and consumption.
	Mining	Credit policies for coal, oil and gas mining, metal mining and other related industries were formulated, and relevant requirements for environmental, social and governance risks were put forward to serve the green and low-carbon development of the mining industry.
	Transportation	Credit policies for transportation-related industries such as railways, highways, urban rail transit, airports and air transportation were formulated to implement the green transformation requirements of the transportation industry, vigorously support green transportation projects such as urban public transportation and rail transit. Moreover, relevant requirements for environmental, social and governance risks were put forward, so as to serve the green and low-carbon development of transportation-related industries.
	Construction	Credit policies for construction-related industries were formulated to actively promote the development of green construction and fabricated construction enterprises. Furthermore, relevant requirements for environmental, social and governance risks were put forward to serve the green and low-carbon development of construction enterprises.
	Material	ABC formulated credit policies for the petrochemical, iron and steel, non-ferrous metals, flat glass, cement, rubber products and other materials industries, and put forward relevant requirements for environmental, social and governance risks, to serve the green and low-carbon development of materials manufacturing enterprises.

Resource allocation



An information sharing mechanism for green financial work was established and the green finance newsletter was issued on schedule to timely convey the latest decision-making and deployment of national carbon peaking and neutrality, green and low-carbon development of the manufacturing industry and regulatory policies, and summarize and share the highlights and achievements of the bank-wide green finance work.



Incentive constraint



Operating plan management

Green credit plans were separated to guide branches to increase green credit business.



Perfecting evaluation incentives

The evaluation of green financial business was carried out to enhance the enthusiasm and initiative for the development of green financial business.



Strengthening compliance management

The green financial compliance management system was improved, and business supervision and management were completed to lay a solid foundation for the development of green financial compliance.

Green operation

Strengthening the top-level design

ABC's carbon peaking and neutrality work plan was formulated to clearly identify key tasks such as building green outlets, implementing green offices and advocating green travel, promote energy conservation, carbon reduction and green development, and strengthen its own carbon footprint management.

Promoting green operation

ABC has made clear the thinking of building green outlets, taking the upgrading and transformation of outlets as an opportunity to further implement the concept of green operation and low-carbon development, refine energy-saving and emission-reduction measures, and promote green operation of outlets.

Strengthening resource conservation

The annual energy-saving and emission-reduction plan of the Head Office was formulated to clarify the annual and monthly consumption control standards of electricity and water, strengthen dynamic monitoring and management, promote various energy-saving efforts, and accelerate the formation of a green and low-carbon production and lifestyle.

Improving carbon management capabilities

The implementation plan of "carbon inventory" was formulated to continuously optimize the working methods and processes of "carbon inventory", urge all institutions to well finish the work in carbon inventory, consolidate the quality of basic carbon data, and steadily improve the carbon management capability.

04

Converging Green Kinetic Energy and Strengthening Innovation Drive

- Green credit
- Green bond
- Green consumption
- Carbon finance
- Innovative business

Green credit



ABC actively made proper use of the existing green credit innovation products to innovate and develop competitive and influential green credit products around key areas such as serving rural revitalization, green and low-carbon transformation, pollution prevention and control, and ecological protection, and actively created an advantageous product line of green credit to continuously improve product applicability and market coverage. A green credit innovation mechanism was built with the cooperation of the central and branch offices to innovate and develop green credit specialty products such as National Reserve Forest Loan and Rural Residential Environment Loan, as well as regional specialty products such as Lucid Water and Lush Mountain Loan and Forest (Bamboo) Carbon Exchange Loan, etc.



ABC strengthened cooperation with the Ministry of Ecology and Environment and the National Energy Administration to conduct regular and in-depth cooperation and exchanges in policy transmission, information sharing, platform co-construction, project co-promotion and production integration. Furthermore, ABC actively contacted relevant national ministries and commissions to issue a list of county-level green enterprises and projects, formulate a comprehensive financial service plan, and provide service support to key customers and projects.



ABC Signed a Memorandum of Cooperation with the Ministry of Ecology and Environment. (Photo provided by ABC Newspaper Limited)



ABC Signed a Strategic Cooperation Agreement with the National Energy Administration. (Photo provided by ABC Newspaper Limited)



By establishing a project information exchange and sharing mechanism with key green credit customers, ABC created an "end-to-end" landing model driven by total-to-total marketing. ABC launched "carbon emission reduction and carbon market" two-carbon marketing and special marketing for large-scale national wind power photovoltaic bases, and actively provided financial support for projects with obvious carbon emission reduction effects, such as clean energy, energy conservation and environmental protection and carbon emission reduction technologies, clean and efficient utilization of coal projects, large-scale wind power photovoltaic base projects, etc.

National Reserve Forest Loan	Enterprises (institutions) and legal persons engaged in the construction of the national reserve forest and other economic organizations are taken as the support objects, to help the construction of the national reserve forest and the development of related industries.
Rural Residential Environment Loan	Focusing on rural toilet revolution, domestic sewage treatment, domestic waste treatment, and improvement of village appearance, the improvement of rural living environment and the construction of supporting facilities are supported to help improve rural living environment and build beautiful and livable villages.
Ecological Restoration Loan	Loans are granted to borrowers engaged in ecological restoration projects to meet their reasonable capital requirements arising from the process of overall protection, system restoration and comprehensive treatment of the mountain, water, forest, land, lake, grass and sand ecosystems in the region, and to assist in the ecological restoration of land space and ecological environment management.
Green Transportation Loan	It is used to meet various inputs and reasonable capital requirements during the construction, renovation and operation of green transportation projects, and to assist in the green upgrading of infrastructure.
Green and Energy-Saving Construction Loan	It focuses on ultra-low energy-consuming buildings, green buildings and fabricated buildings to support energy-saving emission reduction and high-quality development of buildings.
Lucid Water and Lush Mountain Loan	It supports key areas such as green tailings restoration, green mine mining, mine ecological environment restoration, river and lake water environment management, and helps ecological environment restoration.
Ecological Co-Prosperty Loan	It supports the production, processing and circulation of ecological products to help realize the value of ecological products.
Forest (Bamboo) Carbon Exchange Loan	It is to meet the reasonable capital requirements in the process of operating and transforming forest land or planting trees to increase carbon sinks, or conducting carbon sink value assessment, collection and storage, and trading platform construction.
Green Intelligent Technological Transformation Loan	It supports small enterprises to carry out intelligent technological transformation projects to improve the level of green energy conservation and environmental protection, and helps small enterprises to save energy and reduce carbon.
Carbon Emission Quota Mortgage Loan	It supports companies that are included in the carbon trading market to use carbon emission quota as collateral to help companies revitalize their carbon quota assets.
Jinsui Qilu Yellow River Series Loan	It supports companies that are included in the carbon trading market to use carbon emission quota as collateral to help companies revitalize their carbon quota assets.
Industrial Carbon Reduction Assistance Loan	Relying on the carbon account system of Quzhou City, Zhejiang Province, it effectively applies the carbon account information to the field of financial support for energy conservation and emission reduction, deepens the expansion of financial application scenarios of carbon accounts, expands the application coverage of carbon accounts of industrial enterprises, and helps industrial enterprises to save energy and reduce carbon.

Innovating National Reserve Forest Loan Products to Support the Construction of Wanyuan Ecological Barrier

The construction of national reserve forest is an in-depth practice of the "lucid waters and lush mountains are invaluable assets" concept and a vivid embodiment of the revitalization of rural ecology. ABC issued special credit products for the construction of national reserve forest to increase the support of national reserve forest.

Relying on this innovative product, Sichuan Branch has compiled and issued a business guidance manual, sorted out the list of projects under its jurisdiction, and formulated a comprehensive service plan to provide financial support for the national reserve forest and rural revitalization industry development projects in Wanyuan City under its jurisdiction, to help consolidate the ecological barrier in the upper reaches of the Yangtze River and the Yellow River, and to effectively promote the realization of ecological value of forests and grasses.



Sichuan Branch Supports Wanyuan Ecological Barrier Construction. (Photo provided by Sichuan Branch)

Innovating Rural Human Settlements Loan to Boost the Construction of Beautiful Countryside



Relying on this innovative product, Chongqing Branch has created a special financial service scheme to provide financial support for the rural human settlement environment renovation project of Ayihe Community in Pengshui County, a key supporting county for national rural revitalization. By providing financial services to the renovation of local rural residential environment, the rural areas can better assume the functions of ecological conservation, ecological sightseeing and cultural experience, effectively narrow the gap between urban and rural areas, improve the level of public services, and truly turn "lucid waters and lush mountains" into "invaluable assets".

Chongqing Branch Supports Construction of Rural Human Settlements Improvement Project. (Photo provided by Chongqing Branch)

Innovating Forest (Bamboo) Carbon Exchange Loan to Boost the Development of "China's Bamboo Town"

Good ecological environment is the greatest advantage and valuable wealth of rural development. Zhejiang Anji is known as "China's Bamboo Town" and 870,000 mu of bamboo forest is an important ecological barrier and industrial resource in Anji. Zhejiang Branch has innovatively launched the Forest (Bamboo) Carbon Exchange Loan, which provides an effective way to enhance carbon sequestration and realize the value of ecological products.

Relying on this innovative product, Zhejiang Huzhou Branch supported the construction of the Anji Bamboo Industry Transformation and Upgrading Carbon Sequestration Capacity Enhancement Project based on the assessed carbon sequestration value and the pledge of the expected realizable carbon sequestration revenue rights, effectively enhanced the ecological value of forest land and effectively transformed the rural ecological advantages into development advantages.



Zhejiang Branch Supports Bamboo Industry Development. (Photo provided by Zhejiang Branch)

Green bond

Actively carrying out green bond underwriting

ABC effectively met the direct financing needs of green and low-carbon enterprises, and actively supported high-quality enterprises to issue green bonds, continuously improve the quality and effectiveness of green bond underwriting services, and continuously consolidate and enhance its position as the mainstream lead underwriter. In 2022, it will underwrite the transition bonds, carbon emission pledge bonds, Guangdong-Hong Kong-Macao Greater Bay Area Blue Bonds, the "Carbon Neutrality + Special Rural Revitalization + Scientific Creation" three-standard bonds, and the "Framework Issue" sustainable development bonds, etc. ABC innovatively used asset securitization tools to participate in the first new energy and photovoltaic assets REITs project in the inter-bank market. In 2022, a total of 56 issues of green bonds (including carbon-neutral bonds) were underwritten, with a total raised capital of RMB 66.6 billion and an underwriting share of RMB 41.3 billion, representing a year-on-year increase of 76.7%.

Increasing investment in green bonds

ABC continued to increase its investment in green industries such as clean energy, green transportation, energy conservation and environmental protection, and actively invested in innovative varieties such as blue bonds and bonds linked to sustainable development. As of the end of 2022, the investment in proprietary green bonds amounted to RMB 121.6 billion, representing an increase of RMB 33.3 billion or 37.8% as compared with the end of last year.

Improving the trading level of green bonds

ABC gave full play to its advantages as a core market maker in the inter-bank bond market, continuously enriched the variety of green bonds traded and the issuer, and helped to improve the liquidity level in the secondary market of green bonds. In 2022, inter-bank green bond transactions amounted to RMB 33.1 billion, up 10.7 billion or 47.8% from the previous year.

Innovative issuance of green financial bonds

Green financial bonds meeting domestic and foreign green standards were issued and earmarked for green upgrading of infrastructure. The bonds are issued in two varieties with 3-year and 5-year maturities with a total size of RMB 20 billion. The green credit projects to which the raised funds are connected not only meet the China Green Bond Principles, but also match the newly released China-EU Common Classification Catalogue of Sustainable Finance (Updated Edition). The bonds also meet the International Capital Markets Association's Green Bond Principles and are certified by Climate Bond Initiative's Climate Bond Standard 3.0.



ABC Innovative Issue of Green Financial Debt (Photo provided by Corporate Culture Department)

Underwriting Sustainable Carbon Neutrality Debt to Boost Infrastructure Construction

The third issue of carbon neutral bonds of Chengdu Rail Transit Group in 2022, which was exclusively underwritten by ABC, was successfully issued to raise funds for the metro line construction projects under Chengdu Rail Transit Group, effectively helping to adjust the regional traffic structure. After the completion of the project, it is estimated that 638 tons of standard coal will be saved and 1,335 tons of carbon dioxide equivalent will be reduced.

Underwriting Sustainable Carbon Neutrality Debt to Boost Infrastructure Construction

ABC introduced the pledge and credit enhancement model of carbon emission rights, using carbon emission quotas as pledge assets, underwritten and issued carbon emission rights pledge bonds for an electric power enterprise, providing an effective channel for emission reduction enterprises to revitalize carbon emission rights assets and realize a virtuous circle of carbon emission reduction funds.

Underwriting Sustainable Carbon Neutrality Debt to Boost Infrastructure Construction

ABC is the principal underwriter of the first green medium-term note (blue bond) of China International Marine Containers (Group) Co., Ltd. for the year 2022, and raised funds to be earmarked for the construction of offshore wind power project-related equipment to support the construction of offshore wind power projects in the coastal waters of China and Southeast Asia. The investment projects corresponding to the funds raised by the bonds are expected to save 290,000 tons of standard coal and reduce the carbon dioxide equivalent by 660,000 tons per year. The successful issuance of the Blue Bonds is a useful exploration to use innovative products to serve customers' diversified financing needs, and is also an innovative measure to help achieve carbon peaking and neutrality target and promote the sustainable development of the Blue Economy.



▲ Shenzhen Branch Supports Offshore Wind Power Project Construction. (Photo provided by Shenzhen Branch)

Co-lead Underwriting "Framework Issue" of Sustainable Development Panda Debt of AIIB

The "First RMB Bond (Sustainable Development Bond) (Bonds Pass) of Asian Infrastructure Investment Bank in 2022" jointly underwritten by ABC was successfully issued and the funds raised were used for the Sustainable Development Bond Framework project of AIIB. This project is the first sustainable development bond issued by the international development agency of the inter-bank market and the first sustainable development bond issued by the "framework issue".



Green consumption

Accelerating the expansion of green consumption scenarios

ABC closely followed up the relevant policies and market trends of green residential buildings, green building materials, green smart home appliances, green consumer products, etc. Through online and offline channel cooperation, ABC strengthened the expansion of green consumption scenarios, actively supported green consumer products to the countryside, and expanded the business scale in the field of green consumption.

Actively developing new energy vehicle consumption credit

Through cooperation with new energy vehicle companies, new energy vehicle consumption credit products were launched, and online, digital and automated product processes were adopted to support online applications and rapid approval of credit lines by customers, helping to expand the consumption scale of new energy vehicles. In 2022, the trading volume of new energy vehicles was increased by 58.4% year-on-year.

Actively guiding customers to green travel

ABC innovatively issued public transportation travel credit cards such as Changsha Metro Unbounded Credit Card and Shengjingtong Credit Card, and launched green travel activities to match travel rights such as "taking the subway and taking the public bus", so as to meet customers' green travel needs effectively. Green travel activities have covered 40 large and medium-sized cities and most of the provincial capital cities across the country.



▲ Promotes Green Travel Activities. (Photo provided by Credit Card Center)

Accelerating the promotion of green credit cards

ABC used environmentally-friendly materials to make and issue environmentally-friendly starwatch edition credit cards, advocating the concept of green environmental protection, and cooperated with China UnionPay to launch green and low-carbon theme card activities, which were well promoted at important time points such as Earth Day. By the end of 2022, the cumulative number of eco-friendly credit cards issued was 1.4 million, with a year-on-year increase of 27%.



▲ ABC Issued Green Credit Cards (Starwatch Edition). (Photo provided by Credit Card Center)

Carbon finance

Focusing on key areas of carbon finance

ABC increased credit support in key areas of carbon emission reduction. Since the implementation of the carbon emission reduction support tools of the People's Bank of China, it has issued a total of RMB 104.8 billion of carbon emission reduction loans, which has helped reduce carbon emissions by 23.72 million tons, ranking first in the industry. ABC actively underwritten and issued carbon-related bonds such as carbon emission pledge bonds and carbon neutral bonds, explored and developed carbon finance-related indicators, and broadened the application scenarios of ecological carbon sinks.

Strengthening the financial services of agricultural bank carbon service system

ABC strengthened its strategic cooperation with the national carbon emission rights registration authority and the national carbon emission rights trading authority, and continuously improved the service function of the Agricultural Bank of China's carbon service system, to provide comprehensive fund settlement services for carbon emission rights trading of member units in the national carbon market, and unblock the capital turnover in the national carbon market.

Launching innovative application of personal financial carbon book

ABC constructed a "recordable, measurable, profitable and recognized" carbon reduction mechanism to quantify the financial energy saving and carbon reduction behavior of individual customers. Relying on the Palm Bank APP, ABC took the lead in releasing online low-carbon financial consumption scenarios in Beijing, measuring the carbon points of individual customers' palm bank low-carbon trading behavior, and providing feedback incentives to guide customers to join the national emission reduction campaign.



Publishing "ABC-National Carbon Pledge Index"

Hubei Branch and relevant institutions jointly prepared the ABC-National Carbon Emission Pledge Price Index (the "ABC-National Carbon Pledge Index"). The index selects the transaction data of the national carbon emission trading market as a sample, and uses the corresponding methodology for calculation. The index is used for objectively reflecting the trading value level and change trend of carbon quotas in the national carbon emission trading market, providing an effective reference for the value assessment of carbon emission rights, and is a beneficial exploration in the field of carbon asset pledge.



Hubei Branch Releases "ABC-National Carbon Pledge Index". (Photo provided by Hubei Branch)

Actively supporting the construction of application scenarios for agricultural carbon sequestration trading

In conjunction with Xiamen Property Rights Trading Center, Xiamen Branch launched the campaign of "Agricultural Carbon Sequestration Trading Helps Villages and Digital RMB Million People Buy", innovated the three-in-one model of "Agricultural Carbon Sequestration + Digital RMB + Rural Revitalization", and explored a new path for financial innovation to support rural revitalization and the "Double Carbon" strategy. The application scenario relies on ABC's banking platform, and takes the carbon sink of the agricultural tea garden under its jurisdiction as the transaction object to guide citizens to purchase agricultural carbon sink transactions through digital RMB, to practice the concept of green and low-carbon development, and to help villagers increase their income.

Xiamen Branch Supports Construction of Agricultural Carbon Sequestration Trading Application Scenarios. (Photo provided by Xiamen Branch)



Innovative business

Green syndication and merger loan

ABC actively developed green syndicated loans and merger loans, and increased funding for key areas such as clean energy, pollution prevention and control, green transportation and green agriculture, to provide funding for major green development projects and mergers and acquisitions by leading green industry enterprises. The scale of green syndicated loans and merger loans increased significantly as compared with the end of last year.

Green fund

As a shareholder of the National Green Development Fund, ABC actively participates in the operation of the fund and project investment, and organizes and promotes high-quality projects in green industries such as green transportation and clean energy. The "Carbon Peaking" Clean Energy Fund was set up to lock in high-quality new energy projects by means of investment-loan linkage.



ABC Financial Management

ABC established and improved a rating and classification system for ESG investment targets, to define the rating criteria and investment scope, and effectively guide ESG investment. ABC continued to promote research and development of ESG-themed wealth management products. As of the end of 2022, there were 43 existing ESG-themed wealth management products with a total time scale of RMB 49 billion. "ABC Peace of Mind, Open Every Year" (ESG Theme) No.1 RMB wealth management products won the "Puyi Standard 2nd China Gold Award for Asset Management and Wealth Management Industry Excellent Social Responsibility Products" award.

ABC Exchange Management

ABC continued to promote the research and development of ESG-themed investment fund products, enriched the green financial product line and made every effort to improve the energy efficiency of green financial products and services. Establish and improve the green financial investment and research system, promote the establishment of a green investment framework, embed ESG standards in the investment decision-making mechanism, select high-quality investment targets, increase investment in green stocks and bonds, and increase the proportion of green financial instruments in the investment portfolio. As of the end of 2022, there were two ESG-themed investment funds in existence, with a total time scale of RMB 17.1 billion.



ABC Investment

ABC Investment Green investment will be included as a key business in the 2022-2024 development plan, focusing on green industries such as clean energy, energy conservation and environmental protection, clean production, green infrastructure upgrading and new power systems, continuously innovating green investment products, refining the standards and operating requirements of green investment projects, accelerating the collection of social capital to jointly expand the scale of green debt-to-equity swap investment, and creating a green debt-to-equity swap investment brand. In 2022, a total of RMB 40.2 billion was invested in green projects through debt-to-equity swap, with an additional investment of RMB 13.8 billion.



ABC Financial Leasing

ABC accelerated the development of green leasing business, continuously promoted the green transformation of leasing business, and increased the business layout in the field of green leasing, covering new energy power generation, new energy vehicles, energy storage, energy conservation and emission reduction, green transportation and other fields. As of the end of 2022, the balance of green lease assets amounted to RMB 55.1 billion, accounting for 65.4% of the total assets and RMB 18.2 billion of new business, accounting for 70.1% of the total investment.



ABC Life Insurance

ABC enriched its green investment instruments in the past, and directly or indirectly participated in green investment through investment methods such as stocks, equity, bonds and infrastructure creditor's rights investment plans, helping to develop emerging green industries such as clean energy, green transportation, energy conservation, environmental protection and ecological environment, and promoting the green transformation and upgrading of traditional energy enterprises.



ABC Property Insurance

ABC promoted the establishment of a "green insurance" bank-insurance linkage mechanism, provided supporting insurance and reinsurance services for green financial business, and explored and developed products such as green technology and equipment insurance, environmental pollution liability insurance, green agriculture insurance and green industrial property insurance.

▶ ABC Investment Serve the Development of New Energy Vehicle Enterprises



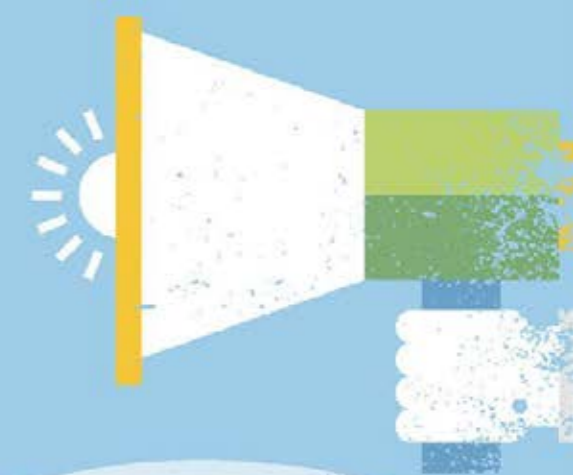
ABC Investment firmly implemented the Group's green financial strategy, actively supported and served the new energy automobile industry to become bigger and stronger, and implemented a RMB 1 billion market-oriented debt-equity swap to invest in GAC-AION, providing financial support for the steady development of the enterprise.



▶ ABC Investment Support the Development of New Energy Automobile Enterprises. (Photo provided by ABC Investment)

05

Focusing on Green Development and Strengthening Fund Supply

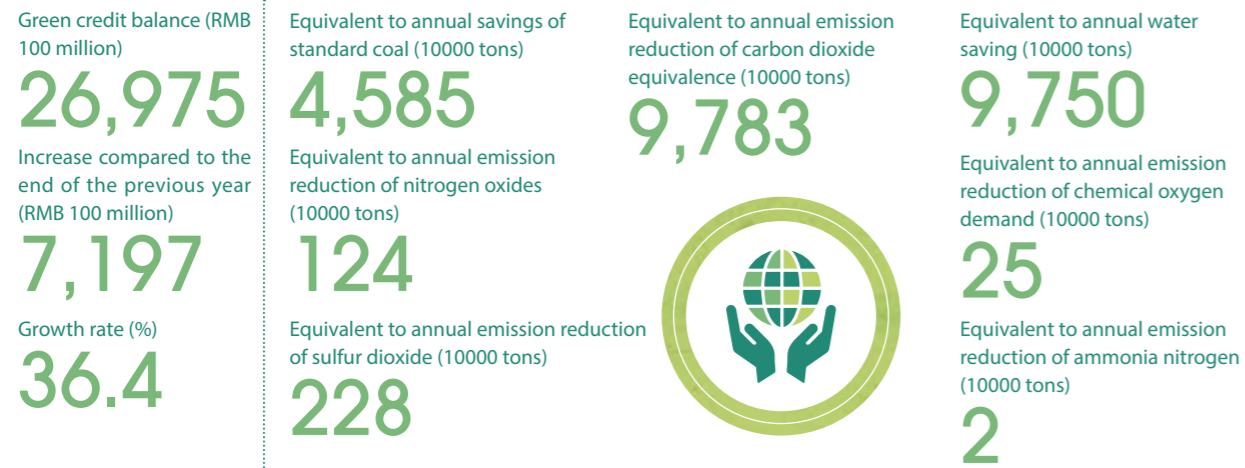


- Serving for Rural Revitalization
- Serving for Clean Energy
- Supporting green upgrading of infrastructure
- Transformation and upgrading of service industry
- Serving for Ecological Protection
- Serving for Regional Strategy
- Serving for "the Belt and Road" Initiative



Concentrating on the national deployment and decision-making on green and low-carbon development, ABC focuses on energy conservation and environmental protection, clean energy, clean production, green upgrading of infrastructure, ecological environment, green services and other key areas, actively serving rural revitalization, energy revolution, pollution prevention, industrial transformation and upgrading, ecological protection, regional development strategy, and "the Belt and Road" construction, and continuously increasing the supply of green industry funds.

As the end of 2022



Serving for Rural Revitalization

ABC adhered to the basic orientation of serving "Sannong", closely followed the development situation of agricultural and rural areas under the "carbon peaking and carbon neutrality" objective, further explored the market space of green finance in the "Sannong" field, so as to expand the intersection of serving green development and rural revitalization in an active manner by green finance serving rural revitalization and the construction of an agricultural power.

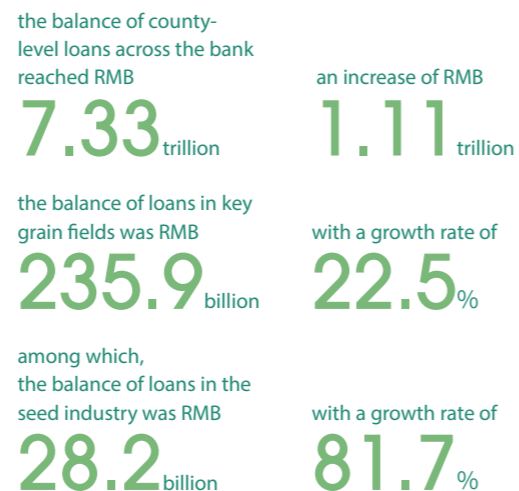
Supporting green development of rural industries

Focusing on food security and species resource protection, ABC will increase support for the whole grain industry chain, modern seed industry, and the protection of animal and plant germplasm resources. The credit policies for seed industry-related industries have been developed and the support for seed industry revitalization has been increased. The precise services based on the list system has been provided, and the policies have been properly collocated for seed industry revitalization enterprises, integrated seed breeding and promotion enterprises, and seed industry science and technology innovation enterprises, so as to provide the comprehensive service and support. The product innovation has been strengthened, and the characteristic products such as pledge loans for new plant variety rights and rural revitalization seed industry loans have been launched innovatively. Concentrating on the development of rural green industries, ABC continuously increased financial support for key areas of low-carbon ecological agriculture such as green planting, livestock and poultry breeding, and fishery, and vigorously supported the extension of the green low-carbon agricultural industry chain and the processing of green agricultural products. The support for the green development of leading enterprises and consortium in agricultural industrialization has been increased, and the comprehensive financial service ability has been improved.

As of the end of 2022



As of the end of 2022



Lin Li, vice president of ABC and a member of the Party Committee, attended the establishment ceremony of the "Yuan Longping Trust Fund" and delivered a speech. (Photo provided by Hunan Branch)

Assisting in the construction of livable, business-friendly, and beautiful rural areas

Focusing on the construction of livable, business-friendly, and beautiful rural areas, the "14th Five-Year Plan" for emission reduction and carbon sequestration in the agriculture, rural areas, and urban-rural development has been actively implemented, and financial services have been continuously provided for the fields of agricultural pollution source prevention and control, agricultural ecosystem restoration, river, lake and wetland protection and restoration, water resource conservation and intensive utilization, so as to assist in rural domestic sewage treatment, garbage sorting treatment, waste recycling, and improvement of living environment.



County-level branch of ABC assisted in the construction of harmonious and beautiful rural areas. (Photo provided by Guangxi Branch)

Serving ecological protection and sustainable development in rural areas

It is needed to focus on key fields such as the construction of hydraulic infrastructure, water supply projects in rural areas and protection and management of water ecology, strengthen the cooperation with relevant national ministries and commissions, continue to enhance capital support, and highlight financial services for high-standard farmland construction, protection of black land, irrigation and water conservancy, efficient and water-saving irrigation, land reclamation in rural areas and other fields, in order to further adjust our land structure, optimize China's geographical space development pattern and upgrade our ability for achieving sustainable development.

▶ Contributing to the development of the seed industry and nurturing green hope



Yongqiao Seed Industry Town is one of the two major county-level "seed breeding bases" in Anhui, and also a national research and development base for high-quality wheat and soybeans. Anhui Branch focused on the modern seed industry chain and innovatively launched the "Seed Industry Safety Loan" to provide financial services for seed acquisition, breeding, production, processing, sales, and cultivation base construction, which actively supported the cultivation of original seeds and contributed to the rapid development of Yongqiao Seed Industry Town.



▶ Anhui Branch contributed to the development of seed industry. (Photo provided by Anhui Branch)

▶ Supporting the green development of five agricultural industries with "ten billion production value"



Guangdong Branch made good use of the advantages of the "Sannong" product innovation base, actively explored the integrated development path of green finance and rural revitalization. The Qingyuan City of Guangdong Province, was supported to build five agricultural industries with "ten billion production value", such as Qingyuan chicken, Yingde black tea, Lianzhou cabbage, Simiao rice, and dendrocalamus latiflorus, by adopting innovative financing mode and taking measures such as dispatching full-time financial assistants to the town, which was helpful to achieve stable agricultural production and increase production, and stable increase in farmers' income, rural stability and tranquility, and the development and growth of green industries, contributing financial strength to support the development of green agricultural industry with local characteristics.

▶ Guangdong Branch supported the green development of five agricultural industries with "ten billion production value". (Photo provided by Guangdong Branch)

▶ Supporting the green development of leading enterprises in agricultural industrialization



In response to the national call to vigorously develop green agriculture, Beijing Branch supported leading enterprises in agricultural industrialization to build modern green ecological breeding bases, promoted the "recycling, harmless, and reduction" governance of livestock and poultry breeding pollution, built the green and circular whole industry chain of breeding, which was helpful to the large-scale, ecological, and circular development of agriculture.



▶ Beijing Branch supported the green development of leading enterprises in agricultural industrialization. (Photo provided by Beijing Branch)

▶ Supporting the complementary of agriculture and photovoltaic industry to promote rural revitalization



Jiangxi Branch developed its service model and supported the construction of agricultural photovoltaic complementary power station projects within its jurisdiction. The mode of developing agricultural planting under photovoltaic panels was adopted by the project, which made an organic combination with clean power generation and agricultural production, promoting efficient and intensive utilization of land resources, effectively facilitating regional economic development, and achieving both ecological and economic benefits.



▶ Jiangxi Branch supported the complementarity of agriculture and photovoltaic industry to promote rural revitalization. (Photo provided by Jiangxi Branch)

▶ Supporting the construction of the "Revitalizing Water for Yunnan" project



Yunnan Branch actively supported the construction of the Baoshan Dam Irrigation Area Project, a major project of the "Revitalizing Water for Yunnan" project in the province, providing financial services to ensure agricultural irrigation, improve the regional ecological environment, and consolidate the achievements of regional poverty alleviation. This project is a strategic water conservancy project to solve the water shortage problem in the core area of economic and social development in Yunnan Province, with a designed irrigation area of 580000 mu. After the completion of the project, it can give full play to the systematic and comprehensive benefits of water conservancy projects, ensure grain production safety and urban and rural water supply safety, and play an important role in consolidating the achievements of regional poverty alleviation in the region.

▶ Yunnan Branch supported the construction of the "Revitalizing Water for Yunnan" project. (Photo provided by Yunnan Branch)

▶ Assisting in the improvement of county-level energy consumption structure

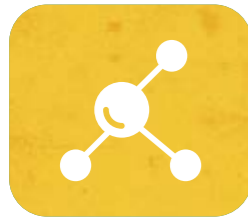


Inner Mongolia Branch focused on the county-level green and high-quality development, supported the construction of comprehensive intelligent energy projects within its jurisdiction, and served the development of the local clean energy industry. After the project is completed, it can provide clean electricity of 41.89 GW annually, helping to improve the energy structure in rural areas. The electricity generated by the project will be used for beef cattle breeding, livestock feed planting, irrigation and other fields, providing electricity guarantee for poverty alleviation and income increase in old revolutionary base areas.



▶ Inner Mongolia Branch assisted in the improvement of county-level energy consumption structure. (Photo provided by Inner Mongolia Branch)

Serving for Clean Energy



Serving for clean energy system construction

Focusing on renewable energy substitution actions, ABC increased support for clean energy industries such as wind power, solar power generation, and biomass energy generation, and vigorously supported the construction of national large-scale wind power and photovoltaic base projects. ABC were actively in support of the manufacturing of equipment in key areas such as clean energy and new energy storage, as well as the construction of clean energy supporting infrastructure such as smart grids and ultra-high voltage transmission and transformation, so as to strengthen the chain of clean energy industry.



Promoting the clean and efficient utilization of traditional energy

Great efforts were made for financial services in the fields of safe, efficient, green and intelligent mining of coal, clean and efficient processing of coal, clean and efficient utilization of coal power, industrial clean combustion and clean heating, civil clean heating, comprehensive utilization of coal resources, and development and utilization of coalbed methane, and the role of traditional energy in guaranteeing supply was strengthened.

Supporting the construction of new energy base projects



▲ Qinghai Branch supported the construction of new energy base projects. (Photo provided by Qinghai Branch)

Concentrating on the goal of building Qinghai into a "National Clean Energy Demonstration Province", Qinghai Branch vigorously supported new energy power generation projects such as wind power and photovoltaic, provided financial support for the centralized photovoltaic project of a certain group. It strongly supported the construction of two new energy bases with a capacity of 10 GW in Hainan Tibetan Autonomous Prefecture and Haixi Mongolian and Tibetan Autonomous Prefecture. The installed capacity of the projects is 1GW, which can save 690000 tons of standard coal annually and reduce carbon dioxide equivalence by 1.88 million tons. The economic benefits of saving coal and increasing electricity, as well as the environmental benefits of reducing consumption and emission reduction, are significant.



▶ Guangdong Branch supported the Mingyang Yangjiang Qingzhou Offshore Wind Farm Project. (Photo provided by Guangdong Branch)

Assisting in the clean and efficient utilization of traditional energy



▲ Beijing Branch supported the construction of clean and efficient utilization projects for traditional energy. (Photo provided by Beijing Branch)

The Shenmu--Anping Coalbed Methane Pipeline Project is a national key project for the development and utilization of coalbed methane, as well as a key project for the China Western Development. It belongs to the key field of clean and efficient utilization of coal. The Beijing Branch closely followed up on project funding needs, with three-level linkage between the headquarters and branches, and coordinated efforts from the front and back offices to develop tailored service plans for enterprises. It took the lead in organizing syndicated loans, and strived to provide financial services, contributing to supporting the clean and efficient utilization of traditional energy and ensuring people's livelihood gas consumption.

Supporting the construction of large-scale hydropower projects actively



The Green Clean Energy Base in Sichuan Yalong River Basin is one of the important clean energy bases in China, which has been included in the national "14th Five Year Plan" and the 2035 long-term goal outline. Sichuan Branch actively developed the product and service models, provided financial support for the Yalong River hydropower development projects represented by Yangfanggou and Mengdigou, and underwrote and issued multi-phase debt financing tools to assist in regional energy structure adjustment.

◀ Sichuan Branch actively supported the construction of large-scale hydropower projects. (Photo provided by Sichuan Branch)

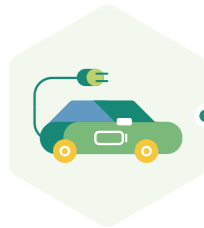
Supporting the construction of wind farms to promote green and low-carbon energy transformation

Guangxi Branch strongly supported the construction of the Guangxi Jinzishan Wind Farm Project and assisted in the development of the local clean energy industry. The abundant local wind energy resources were made full use by this project, to optimize the energy structure, and effectively reduce the emissions of environmental pollutants and non-renewable energy consumption. After the project is completed, it is expected to generate 384 GW of electricity annually, equivalent to saving 128000 tons of standard coal and reducing 313000 tons of carbon dioxide equivalence, which will inject green impetus into high-quality economic development.



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

Supporting green upgrading of infrastructure



Supporting the construction of green and low-carbon transportation projects

Following the development trend of green transportation, ABC strengthened financial support for key areas such as port and dock shore power facilities, airport bridge power supply facilities, urban and rural public transportation systems, railway construction and operation, and railway energy conservation and environmental protection renovation.



Supporting green buildings and energy-saving renovation of buildings

Concentrating on energy conservation and carbon reduction in the construction field, support was given to key projects such as prefabricated building and building with ultra-low energy consumption, green logistics and warehousing, energy conservation and green transformation of existing buildings.



Supporting the construction of environmental infrastructure

Focusing on the green development of urban infrastructure, financial services were expanded in key areas, such as green upgrading of urban and rural infrastructure and public services, and the creation of ecological spaces, and the support was increased for environmental infrastructure projects such as urban sewage and garbage treatment and sponge cities.

Assisting in the development of green transportation

Tianjin Branch strongly supported the green upgrading of transport infrastructure within its jurisdiction, formed the professional teams, increased diversified financial services, and organized green syndicated loans for the construction of rail transit line Z2 project. This project is effective in low-carbon green travel and the construction of low-carbon cities, which has a driving effect on the economic development of the areas along the line, as well as good environmental and economic benefits.



▲ Tianjin Branch assisted in the development of green transportation. (Photo provided by Tianjin Branch)

Fully supporting the green upgrade of Capital Airport

The transport airport is an important part of the national comprehensive transport infrastructure and a key field of green upgrading of infrastructure. ABC seized the important opportunity of building a green airport of Capital Airport, actively met the financing needs of its subordinate members for green upgrading of airports, and supported enterprises in issuing green bonds, taking multiple measures to serve the green upgrading of infrastructure.



▶ ABC supported the green upgrading of Capital Airport. (Photo provided by the Key Customer Department)

Contributing to the Construction of Xiong'an "Green and Smart New City"



Hebei Branch closely followed the development plan of Xiong'an New Area, optimized the credit approval process, and developed the service model. Good green finance services were provided for the development and construction projects in Rongdong District of Xiong'an, Hebei, and support was given to the energy conservation and consumption reduction of building facilities. This project is committed to creating a model for the construction of a "green and smart new city" in Xiong'an New Area, which is effective in the construction of a green and low-carbon ecological city in Xiong'an New Area.

◀ Hebei Branch contributed to the construction of "green and smart new city". (Photo provided by Hebei Branch)

Financial support to the construction of Qingcaosha Water Source Supply System

The Qingcaosha Water Source Supply System Project is a major project in Shanghai, which not only plays an important role in protecting the ecological water quality of the Yangtze River Basin, but also provides strong guarantees for the sufficient supply of high-quality raw water in Shanghai. As the leading bank, Shanghai Branch organized syndicated loans for the Qingcaosha Water Source Supply System Project, which helped the smooth construction and operation of the project, strongly supported the ecological environmental restoration of the Yangtze River water source region and the improvement and guarantee of basic people's livelihood in Shanghai, and produced good economic, social and ecological benefits.



▶ Shanghai Branch assisted in the construction of Qingcaosha Water Supply System. (Photo provided by Shanghai Branch)

Transformation and upgrading of service industry

Assisting in the green transformation of traditional industries

Focusing on the requirements of accelerating the green transformation of development methods, great efforts were made to provide green development services for traditional industries, the green transformation of high carbon industries was supported such as steel, non-ferrous metals, chemicals, and building materials, and enterprises in relevant industries were guided to implement upgrading and transformation with a focus on clean production, energy conservation, and consumption reduction.

Supporting the development of circular economy

ABC increased financial services in key areas such as the recycling of industrial chains and the efficient utilization of resources, actively supported key projects such as the comprehensive utilization of bulk solid waste and waste resource utilization, and promoted high-value resource recycling.

Supporting green technology innovation

The innovation in green technologies was actively supported such as high-efficiency and energy-saving equipment and pollution prevention, and financial services were provided for advanced green technologies with significant energy-saving and emission reduction effects and feasible economic benefits.

Supporting the reduction, recycling, and harmless treatment of household waste

Heilongjiang Branch actively served the reduction, recycling, and harmless treatment of urban and rural household waste, and supported the construction of the waste power generation project in the Comprehensive Solid Waste Treatment Park in Harbin Yuquan. After the project is completed, it will process 821000 tons of urban household waste and generate approximately 290 GW of on-grid electricity annually. This will help improve the urban and rural living environment while effectively promoting the green transformation of the local energy structure.



▶ Heilongjiang Branch supported the reduction, recycling, and harmless treatment of domestic waste. (Photo provided by Heilongjiang Branch)

Supporting Aluminum Corporation of China in issuing transformation bonds

ABC actively provided comprehensive financial services such as "financing + intelligence integration" for Aluminum Corporation of China, focusing on the optimization and upgrading of the whole industry chain of smelting capacity, industrial structure adjustment, technological energy conservation and carbon reduction, clean energy substitution, and renewable resource recovery. The transformation bonds of Aluminum Corporation of China, which were underwritten as the main underwriter during the year, were the first batch of transformation bonds in the interbank bond market, and the funds raised were specifically used for the upgrading and transformation of environmental protection and energy conservation technologies.

In recent years, ABC has continuously provided strong support for the green and low-carbon transformation of Aluminum Corporation of China through product and service innovation, helping traditional industries accelerate the construction of a new green and low-carbon development pattern.



▶ ABC supported Aluminum Corporation of China in issuing transformation bonds. (Photo provided by the Key Customer Department)

Serving for Ecological Protection

Support ecological protection and restoration.

ABC implemented the ecological priority and green development strategy, assisted in the integrated protection and systematic governance of mountains, rivers, forests, farmland, lakes, grass, and sand, and increased financial support for key areas such as ecological safety barrier protection and restoration, comprehensive management of soil erosion, and protection and restoration of ecological environment in mines.

Assist in biodiversity conservation

Focusing on biodiversity conservation, ABC provided financial services in key areas such as the protection of forestry gene resource, the construction and operation of nature reserve, and the comprehensive management of sea areas, coastal zones, and islands, and improved financial services for biodiversity conservation.

Contribute to realizing the value of ecological products.

Great support was provided for afforestation and forest resource management projects with prominent carbon sequestration or carbon sequestration effects, as well as national reserve forest construction projects. Following the trend of integrated development of ecological and cultural industries, ABC increased support for green finance in the protection of world heritage and traditional culture, and assisted in realizing the value of ecological products.

Biodiversity protection through "loans action"

Focusing on ecological protection and high-quality development in the Yellow River Basin, Shandong Branch developed the "Ecological Protection Loan" of the Yellow River series of loans, and provided project loan support for the National Yellow River Water Township Wetland Park. After the completion of this project, the wetland vegetation will be effectively restored, biodiversity will be improved, and critically endangered species such as the Baer's pochard, the oriental white stork, and the white-naped crane will be attracted to inhabit, which will achieve a unity of economic, social, and ecological benefits.



▶ Shandong Branch implemented biodiversity protection through "loans action". (Photo provided by Shandong Branch)

▶ Collaboratively promoting the ecotourism and island biodiversity conservation

Zhejiang Branch provided financial support for the promotion project of the comprehensive tourism demonstration county, and collaboratively promoted ecotourism and island biodiversity protection. This project is an important project in Shengsi County, Zhoushan City, Zhejiang Province to improve environmental quality, maintain ecological advantages, and promote green transformation. It effectively helps to improve the regional ecological environment, increase green space area, complete corridor construction, and beautify island parks. It also provides effective financial support for promoting the protection of island biodiversity and creating an "important window" of island scenery line.



▲ Zhejiang Branch assisted in ecotourism and island biodiversity conservation. (Photo provided by Zhejiang Branch)

▶ Supporting the environmental improvement of Jiuzhaigou Valley Scenic and Historic Interest Area

Jiuzhaigou Valley Scenic and Historic Interest Area is the core and corridor zone of giant panda A population in the Minshan Mountain system. It has a typical natural ecosystem and is one of the key areas for biodiversity conservation in China. In recent years, Sichuan Aba Jiuzhaigou Branch has continued to support the environmental improvement of Jiuzhaigou Valley Scenic and Historic Interest Area, helping to protect a variety of rare animals and plants and natural landscape within the territory.



▲ Sichuan Branch supported the environmental improvement of Jiuzhaigou Valley Scenic and Historic Interest Area. (Photo provided by Sichuan Branch)

Serving for Regional Strategy

In response to the national regional major development strategy and regional coordinated development strategy, ABC increased financing support for joint prevention and control of the ecological environment, the construction of regional ecological barrier, industrial transformation and upgrading, transportation integration, scientific and technological innovation, and other fields, and promoted the formation of a new pattern of regional green development with different characteristics.

Supporting green development in major strategic regions

The coordinated development of Beijing-Tianjin-Hebei Region was promoted, financial services were provided in areas such as transportation integration, industrial transformation and upgrading, ecological environment protection, and major infrastructure construction, so as to provide green impetus for the coordinated development of Beijing-Tianjin-Hebei Region.

ABC served for the integrated development of the Yangtze River Delta region, vigorously supported the construction of ecological environment joint prevention and control, ecological barrier construction, industrial transformation and upgrading, transportation integration and other projects, and gathered financial strength for the green and low-carbon development of the Yangtze River Delta region.

ABC promoted the development of Xiong'an New Area, supported the construction of green projects such as rail transit and ecological governance, and assisted in the green ecological development of Xiong'an New Area.



Great support was given to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, financial support was provided for key areas such as clean energy, green transportation, green buildings, pollution prevention and control, industrial energy conservation and water conservation, and resource recycling, so as to facilitate the green development of the Guangdong-Hong Kong-Macao Greater Bay Area.

ABC promoted the construction of Chengdu-Chongqing Region Twin Cities Economic Circle, actively connected with key green enterprises, green projects and carbon market customers, and contributed to the comprehensive acceleration and overall situation of the construction of Chengdu-Chongqing Region Twin Cities Economic Circle by green finance.



▶ Tang Jun, the leader of the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the State Committee of Supervisory of the People's Republic of China stationed at Agricultural Bank of China, and a member of the Party Committee of Agricultural Bank of China, went to Hebei Branch for investigation. (Photo provided by Hebei Branch)

Supporting ecological protection and high-quality development in important river basins

The financial service guarantees and resource allocation efforts were continuously increased in key river basins to promote green development of the Yangtze River Economic Belt, ecological protection and high-quality development of the Yellow River Basin, ensure the financing needs in areas such as green and low-carbon, pollution prevention and control, ecological protection, and water resource conservation in important river basins, and provide financial support for the protection and restoration of the ecological environment in the Yangtze River Economic Belt and the Yellow River Basin.

Supporting regional coordinated development

The regional coordinated service mechanism was improved, green finance services were provided for the China Western Development, the all-round revitalization of the Northeast, and the rise of the central region, so as to actively meet the financing needs of green development in old revolutionary base areas, ethnic minority areas, and border areas, and increase green finance services for the construction of ecological functional areas.

Supporting national green finance reform and innovation demonstration

ABC accelerated the development of green finance business in the national green finance reform and innovation pilot zones and climate investment and financing pilot zones, which effectively improved the innovative service capability, optimized the comprehensive service system, and created a model of green finance service.

As of the end of 2022

the balance of green credit business in seven provinces and cities (districts) where green finance reform and innovation pilot zones are located, including Zhejiang, Guangdong, Xinjiang, Guizhou, Jiangxi, Gansu, and Chongqing

has reached RMB **784** billion
 an increase of RMB **209.9** billion over the end of the previous year.

Assisting in environmental protection of the Yangtze River Basin

Focusing on the protection of the Yangtze River, Chongqing Branch strengthened support for projects such as sewage treatment, ecological governance, and improvement of living environment along the Yangtze River, and cooperatively promoted basin pollution control, improvement of living environment, and ecological environment protection. After the completion of the project, it will not only promote ecological protection and green development in the Yangtze River Basin, but also drive regional economic development, producing good environmental, economic, and social benefits.



Chongqing Branch assisted in environmental protection of the Yangtze River Basin. (Photo provided by Chongqing Branch)

Supporting the upgrading of the energy industry in the Guangdong-Hong Kong-Macao Greater Bay Area



Concentrating on the green transformation of the energy supply and consumption system in the Guangdong-Hong Kong-Macao Greater Bay Area, Guangdong Branch continued to innovate green finance products, deepened all-round financial services, vigorously supported the construction of offshore wind farms, "fishery-solar hybrid project", intelligent transformation of power grid and other projects within its jurisdiction, so as to provide energy guarantee for the economic and social green sustainable development of the Greater Bay Area.

Guangdong Branch supported the upgrading of the energy industry in the Guangdong-Hong Kong-Macao Greater Bay Area. (Photo provided by Guangdong Branch)

Supporting the construction of large-scale wind power and photovoltaic base

Jilin Branch actively increased financial services for the clean energy industry and provided financing for the 500 MW wind power project invested by Shandong Development & Investment (Qian'an) within its jurisdiction. This project is an important component of a large-scale wind power and photovoltaic base in Jilin Province, and also one of the core projects of "Jilin Power Transmitted to Shandong". The project can transport 1.5 TW of clean electricity to Shandong annually, equivalent to saving 470000 tons of standard coal, reducing carbon dioxide equivalence by 1.4 million tons, and reducing sulfur dioxide by 13400 tons, which has good economic and environmental benefits.



Jilin Branch supported the construction of large-scale wind power and photovoltaic bases. (Photo provided by Jilin Branch)

Supporting rural revitalization by "Huzhou Model" of green finance



Zhejiang Branch created the "Huzhou Model" of green finance to support rural revitalization (Photo provided by Zhejiang Branch)

Zhejiang Huzhou Branch continued to deepen the reform and innovation of green finance, optimize the service system, open up the "last kilometer" of county-level green finance services, innovate and develop financial products such as scenic spot usufruct pledge, scenic spot development loan, beautiful rural loan, beautiful urban loan, and five waters co-governance loan, etc. to support the green upgrading of rural infrastructure and ecological governance in rural areas, and protect rural revitalization, capital increase and green growth, effectively expanding the transformation path from "green hills and clear waters" to "mountains of gold and silver". Green finance of Huzhou Branch provided support for the development model of rural revitalization in Huzhou, and injected green momentum into the construction of green, low-carbon and co-rich demonstration sample in Huzhou, which was selected as one of the "Top Ten Cases of Green Development in 2022" by the Beijing News.

Serving for “the Belt and Road” Initiative

In response to “the Belt and Road” initiative, ABC strengthened green finance services for “the Belt and Road”, and actively contributed to the green sustainable development of “the Belt and Road”.

▶ Building overseas sustainable development model by Singapore Branch

Singapore Branch explored and improved green finance service system, constantly enriched green finance products. By establishing a closed-loop application and development model of green finance, which is “led by sustainable financing framework with double standard, financing in the international capital market, serving domestic and overseas green assets, and post-evaluation of internal and external institutions”, it actively explored the “ABC Singapore Model” of financial support for international and domestic green sustainable development. Singapore Branch has established the sustainable financing framework applicable to both international and domestic standards, and has successfully organized SOFR floating-rate green club loans. All funds are used to invest in green and sustainable fields that meet the “framework” standards. In 2022, it actively issued green and sustainable loans in countries along “the Belt and Road”, and cooperated with domestic branches to provide cross-border green finance services for customers.

▶ Issuing green finance bonds by Macao Branch

Macao branch successfully issued green bonds of MOP 1 billion. This bond is the first green bond in Macao to use the Macao Interbank Offered Rate as the benchmark for pricing. It is also the first green bond in Macao since the launch of the Macao Central Securities Depository Computing System, providing innovative ideas for the bond market and pricing mechanism in Macao.



06

Upholding the Responsibility and Strengthening Risk Prevention and Control

- Environmental and climate risk identification and response
- Environment, social and governance risk management
- Quantitative analysis of environmental and climate risks
- Data management and security



Environmental and climate risk identification and response

In accordance with transmission modes and risk types of environmental and climate risk management, environmental and climate-related risks of commercial banks can be divided into physical risks and transformation risks. The environmental and climate risk management were included in the comprehensive risk management system by ABC, and the possible following physical risks and transformation risks were identified and responded, with the establishment and improvement of environmental and climate risk management mechanisms.

Classification and identification of physical risk

- Short-term risk**
Risk description : Extreme weather, environmental pollution and other short-term events
Main effects: It may lead to the interruption of economic and business activities of individuals and enterprises, damage to property and business sites and direct property losses, and even harm personal safety. Household and enterprise balance sheets are likely to deteriorate due to the disaster, thus leading to the increase in the probability of loan defaults and default losses.
- Long-term risk**
Risk description: Increase in mean temperature, land desertification, rise in sea level and other long-term trends.
Main effects: It may exert an influence on the agricultural production and result in the food crisis. The values of assets such as coastal property may be shocked, with the incurrence of depreciation of collaterals. In addition, the labor productivity may be decreased to affect the operation of equipment and cause the increase in the uncertainty of the partial industries management, which bring risks to the operation of commercial banks.

Classification and identification of transformation risk

- Policy and legal risks**
Risk description: Under the background of the response to climate change and the advance in low-carbon transformation of the economy, policies related to energy transformation, pollution prevention and control, resource conservation and carbon emissions have been introduced or become stricter.
Main effects: They may result in the limitation of development of some high-carbon industries, with the rise in production cost. The litigation or legal risk in terms of environment and climate will be faced in case national environmental related laws, regulations and policy requirements are not implemented.
- Technical risk**
Risk description: Technological changes appearing in clean energy, energy conservation and green transportation.
Main effects: The own equipment may be eliminated as result of the unable application of new technologies, thus causing asset losses. Some products and services are faced with the risk eliminated by markets due to their quicker rate of replacement. The business cost is enhanced owing to the increase in enterprise technology research and development expenditure or technology application expenditure. The re-pricing of fossil fuel reserves and other assets results in the increase of uncertainty of production and business.
- Market risk**
Risk description: There is a significant change in preferences of consumer and investor.
Main effects: High carbon or non-environmental products consumption may be decreased by consumers, and the corresponding production and operation enterprise investment may be decreased by investors, with the impact to some industries production and business.
- Reputation risk**
Risk description: There is the risk of negative evaluation by stakeholders due to environmental and climate-related factors in business, management and other behavior or external events.
Main effects: It may have an impact on investor relationship, customer relationship and brand value, possibly resulting in greater business risks.

Response to environmental and climate-related risks

- Establish an environmental and climate risk analysis framework**
 The framework is analyzed and the physical risks and transformation risks faced by the asset portfolio are analyzed, with the implementation of risk assessment, early warning monitoring and emergency drill without delay, in allusion to environmental and climate-related risks for industries such as agriculture, which are greatly affected by long-term trends such as rising average temperature, land desertification and sea level rise, and for traditional energy and high-carbon industries, which are greatly affected by transformation risks.
- Establish an environmental and climate risk management framework.**
 The environmental and climate risks are incorporated into business strategy and preference management, medium and long-term development plan, comprehensive risk management system and the whole process of investment and financing business. The follow-up study on traditional energy industry and high carbon industry are strengthened to pay close attention to laws, policies and regulatory requirements related to the environment and climate, timely adjust and optimize credit policies for traditional energy industries, high-carbon industries and industries in key areas of green development, and strengthen refined policy management.
- Establish emergency plans for environmental and climate risks**
 The "one core plus four special project" emergency plan system is improved, and the emergency management requirements for rainstorms, floods, typhoons and other natural disasters in the plan is determined, with the establishment and improvement of mechanisms for material storage, disaster prevention inspection, and on-duty reporting, which can guarantee the security of customers and staff and ensure the succession and smoothness of financial services. In addition, the successive training and emergency exercise of business are organized. The response to emergency event and disposal capability are enhanced based on the effectiveness of test plan of exercise.
- Accelerate the green transformation of business and operation**
 The green financial products and services are enriched, and the support for key areas including clean energy, energy conservation, environmental protection, and carbon emission reduction technologies is enhanced, with the positive and reliable promotion of the green transformation of asset structure. Moreover, the green operations, green procurement and green office are accelerated to create a bright background color and widely recognized green bank brand.



Environment, social and governance risk management

ABC continued to improve environment, social and governance risk management system and further determined the risk preference. The requirements for the environment, social and government risk were strengthened in the group risk appetite and overall risk management strategy, and the climate risk management was integrated into the overall risk management system, with the increase of credit risk preference for sound green finance business, continuous enhancement of climate risk management capacity and exploration and improvement of climate risk management tools and models, which can promote more efficient environmental, social and governance risk management and mitigation mechanisms.

Credit business

Strengthen environmental, social and governance risk management

With respect to the environment, social and government risk management of the credit business, the comprehensive coverage, classified management and whole-process control were implemented, with the green development requirements implemented in all links of business. With the formulation of environmental and social risk responsibility letter, the key customer's ability to manage environmental and social risks was enhanced through the contract constraint. For customers and projects with significant environmental, social and governance risks, "one-vote veto" was strictly implemented. Moreover, the quantitative climate risk management tools were optimized, and the identification, assessment and management of climate risks in investment and financing operations were strengthened. The management level of overseas institutions was improved, and the establishment of environmental, social and governance risk indicators in the business strategy and quantitative indicator system of overseas sub-banks were promoted.

Strengthen risk management in the transition of high-carbon industries

High carbon industry transformation risk was closely protected and prevented, and the delicacy management of high-carbon industry was strengthened, with the formulation of the opinions on promoting high-quality development of "two-high industry" and industries with overcapacity and the intensification of customer classification management. Additionally, the industry quota management was strengthened, and the management policy was formulated, with the promotion of industry customer and credit structure optimization and adjustment. In accordance with the national industry policy requirements, the review of key elements was strengthened, and the legitimacy review of key links including project environmental assessment and energy conservation were strengthened.

Aspect of bond investment

Pre-investment audit

In the due diligence and analysis before pre-investment, the green attributes, environmental benefits, social benefits, fund supervision and information disclosure of green bond financing projects were concerned, and the issuer's environmental, social and governance risk performance were examined.

Post-investment management

The use of funds raised by green bonds and the construction of related projects were tracked, and industry policy and market changes were closely concerned to enhance the ability to identify and respond to environmental, social and governance risks.

Aspect of bond underwriting

Make a good due diligence

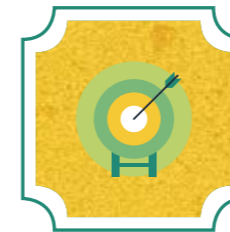
With respect to the issuing body, the due diligence on environmental, social and governance risks were conducted, with the concern of its corporate governance, social responsibility, environmental responsibility and other aspects.

Conduct the duration counseling

The issuing body was encouraged and guided to disclose environmental, social and corporate governance information, and to do a good job of relevant counseling in the duration of the bond.

Quantitative analysis of environmental and climate risks

Conduct the specific stress testing of petrochemical industry



The climate risk transmission path and petrochemical industry transformation risk were deeply analyzed, with the specific stress testing conducted. Based on the identification of major carbon reduction paths of the industry, the changes in relevant financial indicators of petrochemical enterprises and their impact on the quality of relevant credit assets of ABC were evaluated from the perspectives including enterprise cost, income and fixed assets. The international scenarios provided by the Green Finance Network of Central Banks and Regulators were comprehensively referenced by the test to form the mild, moderate and severe multiple stress scenarios covering energy demand, output, carbon trading price and other indicators. In accordance with the impacts of climate transition risks under different scenarios, through the quantification of climate risk factors, ABC assessed factor-driven financial impacts at the firm level, calculated the future financial performance of petrochemical enterprises and quantitative evaluation of credit portfolio risk changes, thus promoting foresight and preventing risks in transformation. The test results showed that the consumers of petrochemical industry were greatly affected by the low-carbon transition factors, but the risks were generally manageable.

Expand the scope of climate risk stress test



With the climate risk stress test range further expanded, the stress tests on climate risk sensitivity were carried out in eight high-carbon industries, including electricity, steel, building materials, non-ferrous metal smelting, petrochemical, aviation, chemical industry and paper making to assess the potential impact of "dual carbon" target transformation on credit assets. The test results showed that the customer credit risk of ABC in eight high-carbon industries including electric power, iron and steel, building materials, nonferrous metal smelting, petrochemical, aviation, chemical industry and paper making was increased under the pressure scenario, but the overall impact on the asset quality and capital adequacy level of ABC was controllable.

Explore the analysis framework of climate physical risk



Focusing on the agriculture-related credit assets, ABC carried out the disaster loss analysis. Based on the international regulatory bodies and industry leading practices in climate physical risk, the pressure testing framework of four steps including climate physical risk scenario setting, disaster loss curve construction, risk exposure identification and risk loss measurement was preliminarily established. In terms of physical risk scenario setting, the prediction parameters of climate physical risk scenarios by the Central Banks and Supervisors Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and other international institutions were systematically reviewed carded to analyze their application to the characteristic of natural disaster. In terms of disaster loss curve construction, for some provinces participating test, the drought, rain-waterlogging, typhoon and other disaster types were selected for disaster loss analysis in accordance with the characteristic of natural calamity of our country.

Climate risk management framework explored and constructed by the Hong Kong Branch



In accordance with the new regulatory policy manual of GS-1 Climate Risk Management and Results of Hong Kong Banking Climate Risk Stress Testing Pilot Scheme issued by the Hong Kong Monetary Authority, in combination with the actual researches and practices conducted by the branch, the Hong Kong of agricultural Bank of China has gradually integrated climate risk management into the comprehensive risk management framework system and laid a good foundation for climate risk scenario analysis and stress testing.

Data management and security

Data management



With the data governance and compliance management strengthened, the green finance, carbon peak and carbon neutral and other related data security management level were continuously enhanced. Strengthen data management of green finance. The green finance data management requirements were clarified, and the data management system and process were continuously improved. Moreover, the data compliance management was intensified, and the carding, identification and monitoring of green finance related data were continuously strengthened to guarantee the timeliness and accuracy of information disclosure to the public.

Strengthen its own carbon emission data management. ABC continued to promote the "carbon inventory", optimized the working methods and processes, consolidated the quality of basic carbon data, and steadily improved the capacity of carbon management. The achievement of "data and visualization" of carbon emissions was advanced, and the functions including energy consumption information entry and carbon emission data conversion were improved, with the improvement of data entry efficiency and data visualization level, which provided effective system support for "carbon inventory" and carbon footprint management.

Data security



ABC formulated data security management measures, clarified data security protection requirements, continuously optimized the data leakage prevention system and strengthen the research and development of data security management and control technology to guarantee data security.

Strengthen sensitive data management. The new version of terminal data leakage prevention tool was popularized and deployed, and the special activities for centralized rectification of sensitive personal data of customers were carried out to continuously improve the level of customer information protection.

Emergency disposal



The targeted disposal methods were formulated in accordance with the different types of data privacy breach scenarios. In view of situations including illegal inquiry by staff, improper provision or disclosure in business, improper use by third-party cooperative institutions, exploitation of application vulnerabilities, database breach, etc., ABC formulated and timely updated the emergency plan for information security incidents, clarified the application scope, coordinating departments, emergency duration and operation process of emergency handling in each scenario, and strengthened the operability of emergency plans, with the effective promotion of the ability to deal with relevant emergencies.

The regular emergency exercises were organized and carried out, with the continuous improvement of the efficiency of emergency response and the comprehensive improvement of ability to ensure business continuity. With the cyber security capability further promoted, and the targeted exercises were carried out to promote the level of cyber security.

Security certificate

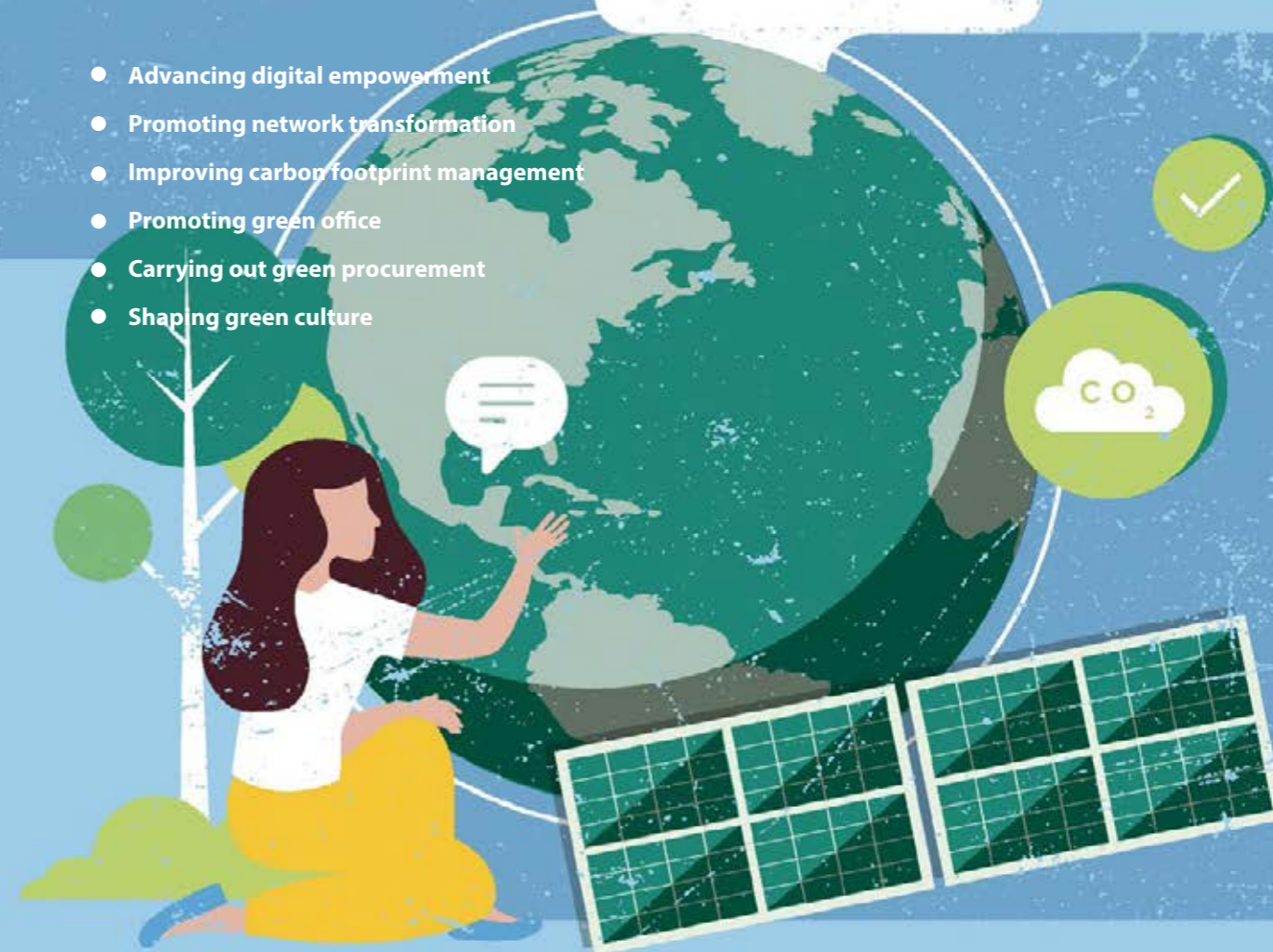


With the international standard ISO27001 introduced in 2010, the comprehensive and covered standardized information security management system was established by ABC, and the certification was passed in the same year. With the continuous optimization and improvement of the information security management system, the certification audit of China Cyber-security Review Technology and Certification Center (CCRC) has been passed in recent year.

07

Adhering to Low-Carbon Operation and Strengthening Energy Conservation and Consumption Reduction

- Advancing digital empowerment
- Promoting network transformation
- Improving carbon footprint management
- Promoting green office
- Carrying out green procurement
- Shaping green culture



Advancing digital empowerment

◆ **Expand the coverage of online services.** With the center of green and low-carbon development and digital transformation strategy, the palm bank function was comprehensively updated, and the online financial services were continuously enriched and improved. There were 460 million registered customers of personal palm bank, 172 million monthly active customers of personal palm bank and 10.67 million customers of corporate online financial platforms as of the end of 2022.

◆ **Provide precise localized services.** The City Zone of palm bank was launched to provide local featured online financial services to local users. Customers can query the health code and medical insurance account in real time, pay daily expenses online, buy fresh vegetables, handle social security and other matters related to government affairs and people's livelihood, and enjoy the convenience of life without leaving the house.



ABC signed a comprehensive strategic cooperation agreement with Tongji University to jointly promote the construction of smart campus and smart education system. Zhang Qingsong, President of ABC and Deputy Party Secretary, attended the video signing ceremony. (Photo provided by ABC Newspaper Limited)

◆ **Strengthen card-free and convenient services.** The counter, ATM and other channels without card convenient services were continuously strengthened to effectively reduce the cost of business card printing and environmental impact. The card trading "no card" reform was promoted in the counter to support to obtain customer bank card information through palm banking code scanning. With the achievement of withdrawal through the ATM scan, customers can complete the operation after identity authentication and bank card selection by palm banking code scanning.



Xu Han, Vice President of ABC and member of the Party Committee, attended the fifth Digital China Construction Summit. (Photo provided by the Fujian Branch)

◆ **Build an enterprise-class service platform.** Building an integrated service platform of multi-channel collaboration, ABC constantly enriched online corporate services, created exclusive versions for "Sannong" and small and micro customers, comprehensively upgraded enterprise online banking inquiry transactions, upgraded salary butler service products, and developed non-financial service functions including staff management to help digital operation and effectively reduce business behavior carbon emissions.



Liu Jiawang, Vice President of ABC and member of the Party Committee, delivered a keynote speech at the "Digital Economy and Fintech" Forum of the Financial Street Forum. (Photo provided by Corporate Culture Department)

Promoting network transformation

Clarify green network construction ideas

The green operation of branches was advanced in accordance with the construction principle of "focusing on the key points, giving policies by classification, refining measures, and comparable industry".

Refine the green construction requirements of branch

With reference to relevant national standards such as green building and building lighting, as well as comprehensive economic, applicability, operability and innovation requirements, the green construction requirements in aspects of branch lintel signs, indoor lighting and air conditioning heating were refined. The design and construction of digital business operation center according to the concept of green building were carried out in accordance with the concept of green building to promote energy, land, water and material saving in buildings.

Orderly promote the network equipment pressure drop

Compared with the end of the previous year, 31,754 sets of network equipment with the pressure drop were eliminated as of the end of 2022, with a pressure drop rate of 17.71%; In accordance with the conversion of power consumption annualized, the power consumption decreased by 110.51 million KWH compared with the beginning of the year, and the voltage drop rate was 19.72%.

Provide technical support for green operations

The Internet of Things was used to create network intelligent central control of Internet of Things to realize the remote management and automatic management of lighting, electricity, air conditioning and other equipment, and to create intelligent and energy-saving scenes such as intelligent heating, intelligent environmental control and hall atmosphere regulation to realize green operation of outlets, energy conservation and emission reduction.

The "carbon neutral" outlet was positively built by the Zhejiang Branch

The certification of United Nations Framework Convention on Climate Change (UNFCCC) Certification of Emission Reduction Cancellation Certificate and the Shanghai Environment and Energy Exchange Carbon Neutral Certificate were successfully obtained by the Zhejiang Huzhou Si'an Green Branch and Hangzhou Binjiang Branch of Agricultural Bank of China through the comprehensive energy-saving transformation, the use of green electricity and the development of forestry carbon sinks to build the first batch of carbon neutral outlets of Agricultural Bank of Zhejiang and achieve its own operations carbon neutral.

▶ The "carbon neutral" outlet was positively built by the Zhejiang Branch of Agricultural Bank of China. (Photo provided by the Zhejiang Branch)



Improving carbon footprint management

Promote the conducting of “carbon inventory”

Constantly optimizing the work methods and processes, ABC promoted the inclusion of carbon emissions in the daily statistical work of institutions at all levels, and continued to carry out “carbon inventory” work involving the whole jurisdiction of the branch, institutions at the same level, subsidiaries, overseas branches, village banks and other branches to speed up to find out the carbon emission base and emissions trends.

The system construction is enabled by technology

The achievement of “data and visualization” of carbon emissions was promoted to realize energy consumption information input, carbon emission data conversion and other functions. In addition, the situation of import of data was displayed through the way of Level three map cockpit to realize unified cluster management, optimize energy consumption information management, cockpit management and other functions, improve data entry efficiency and data visualization level, and continuously provide efficient data support for “carbon inventory” and carbon emission reduction.

Index	2022
Total greenhouse gas emissions¹	
Range 1: Direct greenhouse gas emissions (t CO ₂ e)	222,353.26
Range 2: Indirect greenhouse gas emissions (t CO ₂ e)	1,931,555.78
Total greenhouse gas emissions (t CO ₂ e)	2,153,909.04
Greenhouse gas emissions (t CO ₂ e/ person)	4.70
Energy and resource consumption²	
Electricity (KWH)	2,774,074,697.94
Electricity consumption per capita (KWH/person)	6,057
Natural gas (m ³)	23,243,502.03
Natural gas per capita (m ³ / person)	50.75
liquefied petroleum gas (ton)	1,817.52
Casoline (ton)	31,518.07
Diesel ³ (ton)	1,741.58
Outsourced heat (MkJ)	2,907,439.86
Comprehensive energy consumption ⁴ (ton of standard coal)	523,078.61
Comprehensive energy consumption per capita (ton of standard coal)	1.14
Water use ⁵ (ton)	1,883,777.40
Water consumption per capita (ton/person)	72.81
Sewage discharge (ton)	1,601,210.79

1. Calculation method of greenhouse gas emission

Direct greenhouse gas emissions: Our consumption of natural gas, liquefied petroleum gas, gasoline, diesel and coal is multiplied by the corresponding emission factors, which refer to the Fifth School Report of the Intergovernmental Panel on Climate Change (IPCC) 2014; Indirect greenhouse gas emissions: the bank's electricity and purchased heat consumption multiplied by the corresponding emission factors, emission factors refer to the Ministry of Ecology and Environment : “Enterprise Temperature Gas Emission Report Verification Guide (Trial)”; Total greenhouse gas Emissions: Direct and indirect greenhouse gas emissions sum.

2. Relevant data of greenhouse gas emissions and energy consumption are based on the group, including domestic and foreign branches, integrated operating subsidiaries, and institutions at the same level.

3. The main diesel is used for the spare generator of the office building and its own vehicles.

4. All energy sources shall refer to General Principles of Comprehensive Energy Consumption Calculation (GB/T 2589-2020) according to standard coal data.

5. The statistical scope of water resources related data is as follows: the head office in Beijing (including the Southern and Northern Building of ABC Plaza, the office building at Zhanlan Road, Chemsunny Plaza, Glorious Oriental Plaza, Fentai 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 data centers, archive rooms, training rooms, cash centers and other non-office buildings).

6. The water consumption *0.85 is adopted for conversion, and the sewage discharge coefficient is referred to GB50318-2017 “National Standard of the People's Republic of China, Municipal Drainage Engineering Planning Code” and relevant documents of the Bureau of Statistics.

Promoting green office

Improve the comprehensive office platform

ABC provided the systematic support for the electronic document process, and completed the popularization at all levels of the bank to effectively reduce carbon emissions from office activities.

Strengthen the digital management of archive

Positively promoting the upgrading of archival systems, ABC built an integrated archives management platform covering all businesses and all levels of banks, expanded the utilization scenarios of electronic archives, and improved the utilization rate of electronic archives data. Moreover, the digitalization of stock paper archives was continuously promoted to reduce the paper cost of records management and complete the upgrade and optimization of over 400 functions.

Promote paperless meeting mode

The video conference was advocated to be held. With respect to offline conference, the online reading and forward were advocated to minimize the number of meeting paper materials.

Energy conservation and carbon reduction measures of main branch organ

Enhance carbon management capacity

The data statistics group was established, with the collection and summary of related energy data, which ensures data authenticity, accuracy and efficiency. The professional institute was hired to verify and confirm energy data and carbon dioxide emission data, ensure that CO₂ emissions and supporting documents are complete and reliable and comply with applicable local standards and accounting reporting guidelines.

Promote energy conservation and carbon reduction

The green operation work plan and program were formulated, and the operation of lighting, air conditioning and water systems was timely and dynamically optimized and adjusted. In addition, management energy saving mode was adopted to optimize the management of air conditioning units, elevator equipment, gas, etc. High energy consumption mechanical and electrical equipment in various buildings were carded to promote the phasing out and upgrading of energy-intensive equipment.

Strengthen water resources management

The water saving post responsibility system was established, and the water use records and statistical analysis were strengthened to excavate the water-saving potential. The inspection and maintenance system were established with the inspection and replacement of aging water supply lines regularly to timely discover and stop the waste of water and control running drip, and prevent the occurrence of “long flowing water” phenomenon.

Strengthen waste management

The Empty Plate Campaign was carried out to reduce the production of non-hazardous waste at source. The Law on the Prevention and Control of Environmental Pollution by Solid Waste was seriously carried out, with the continuous improvement of hazardous waste, hazardous waste and other ledger records and the launch of centralized disposal of waste materials.

topic Optimize room operation strategy to enhance energy conservation and emission reduction in data centers

The waste heat recovery technology was adopted by the Daoxiang lake machine room in Beijing to recycle the large amount of waste heat generated during the operation of IT equipment to provide heating for some office areas. For the air conditioning system, the natural cooling technique was adopted to make full use of natural cooling source to reduce refrigeration energy consumption.

The energy efficiency management of lighting systems was optimized by the Shanghai free trade zone machine room, and the transformation of energy-saving lamps and lanterns was conducted.

The renovation and expansion of the old and inefficient transformer substation was implemented by the machine room of Waigao Bridge in Shanghai. On the premise that illumination meets national standards and operation and maintenance requirements, the lighting policy in the equipment room was optimized and adjusted.

The Inner Mongolia machine room park was planned and designed in accordance with the green building three-star standard, with the adoption of indirect evaporative cooling refrigeration, waste heat recovery, intelligent lighting and other high-efficiency energy-saving technologies. The distributed PV and PV integrated curtain wall were set on the roof of the production operation and maintenance support building to strengthen the application of renewable energy and energy storage technologies.



▲ Thermal imaging scanning was carried out in Daoxianghu machine room in Beijing. (Photo provided by the Data Center)



▲ The energy efficiency management of lighting systems was implemented by the Shanghai free trade zone machine room. (Photo provided by the Data Center)

Carrying out green procurement

Improve the procurement system

The green procurement requirements such as giving priority to energy saving and environmental protection products were emphasized in the centralized procurement system and the bank's centralized procurement catalog. The requirements of "bidding products and services must meet the corresponding national green certification standards with the full consideration of human health and safety, resource conservation and recycling, reduce environmental impact and other factors" were incorporated into the bidding document template and popularized and implemented throughout the bank.

Optimize evaluation indicators

In the evaluation indicators of specific projects, the inspection of environmental labeling product certificate, environmental management system, occupational health and safety management system and other authoritative qualifications and certifications were strengthened to encourage and guide suppliers to implement national requirements on energy conservation and emission reduction, with the increase of investment in environmental protection, the reinforcement of staff health and safety management, and the fulfillment of social responsibility.

Accelerate the construction of platforms

In strict accordance with the relevant national technical norms, with the goal of realizing the whole process of bidding and procurement electronic operation, the construction of electronic bidding platforms and other related systems was accelerated to effectively reduce the social transaction costs and resource consumption related to bidding and

Shaping green culture

Cultivate green culture

The green finance strategy, concept and requirements were incorporated into the corporate culture handbook to let green development become the common value pursuit and fashion of all employees of the bank, and the requirements of green development were integrated into all areas of business operation to guide and call on all employees to enhance their awareness of green environmental protection and ecological awareness, thus promoting the formation of green, low-carbon, civilized and healthy production and life style.

Spread green concept

With the green concept positively spread, the publicity plan of Deep Cultivation of Green Finance and Enabling Low-carbon Development was launched on the world environment day, and the interactive plan *Together "Greening" Our Only Home* was launched on the world earth day. In addition, a short video of Action! Create a Better Future was released during Earth Hour to advocate common concern for nature and environmental protection.

An article of Agricultural Bank of China's Financial Services Help Green Development was published by People's Daily, and CCTV News broadcast reported the Agricultural Bank of China will Raise More Than RMB 1.5 Trillion in Ecological and Environmental Protection during the 14th Five-Year Plan Period. In addition, the article of Agricultural Bank of China Actively Serves the Goal of "Double Carbon" to Build a Beautiful China was published by Reference New, and a series of reports on "Carbon in Search of Green Finance" was launched by the Xinhua News Agency's China Comment, with a series of reports on "Building a Major Financial System to Promote Sustainable Development -- Agricultural Bank of China's Practice of ESG Concept" published by Caixin. These demonstrated the actions and achievements of ABC in deepening green finance, helping to achieve the goal of carbon peak carbon neutrality, and practicing the concept of ESG.



▲ A series of reports on the practice of ESG concept by ABC were launched by Caixin. (Photo provided by Corporate Culture Department)



▲ A series reports on "Carbon in Search of Green Finance" of ABC were launched by the Xinhua News Agency's China Comment. (Photo provided by Corporate Culture Department)

Advocate green travel

Strengthen management of official vehicles. In accordance with climate, urban and rural differences and stock of vehicles, the whole bank was positively guided to orderly replace new energy vehicles.

Promote the construction of charging facilities. The institutions with site conditions were guided to build or reserve charging facilities to ensure the normal use of new energy vehicles on the premise of ensuring safety.

Advocate a green and low-carbon lifestyle. The multiple activities with the theme of "green travel and low-carbon life" were carried out to enhance the staff's environmental awareness, ecological awareness and action consciousness of green travel.



topic Carry out activities with the theme of "green travel and low-carbon life"

The promotional video was produced to be played in more than 4200 offices in the units at all levels in head office branch and office branches, with the popularization of green travel knowledge and publicity of healthy lifestyle. ABC carried out online knowledge answering, developed small programs, and carried out answering activities based on the public account of "ABC Micro Youth", a new media platform of the group of the Agricultural Bank of China, with the total more than 20,000 staff participated. In addition, with the story solicitation held, the staff was widely collected to publicize and participate in green travel stories to call for green travel start from me.

► Xiamen Branch held special activities on green travel. (Photo provided by Work Department of Trade Union)



Advocate green public welfare

The green public welfare activities were positively carried out with the full exertion of the role of Youth Volunteers Association to encourage staff of the bank to participate in environmental protection and social welfare activities including afforestation and urban cleaning, thus spreading the concept of green life.

► Shaanxi Branch of Agricultural Bank of China conducted activities to protect the mother river. (Photo provided by Work Department of Trade Union)



Green and low-carbon activities actively carried out by Guangdong Branch



As the April 22 is the 53rd world earth day, Guangdong Zhongshan Branch and local enterprises jointly carried out the tree-planting activity of "Youth League to build a new green and pioneer action to protect home", guided the youth members in its territory to actively participate in ecological and environmental protection, contributing their youth strength to the construction of beautiful China.

► Guangdong Branch of Agricultural Bank of China actively carried out the tree-planting activity. (Photo provided by Guangdong Branch)



08

Building Global Consensus and Strengthening Exchange and Cooperation

- Exchange and cooperation
- Information disclosure
- International integration

Exchange and cooperation

ABC pays high attention to the exchanges and cooperation with domestic and foreign financial institutions and professional platforms, and continuously strengthens international and domestic exchanges and cooperation in the field of green finance.

Attend the annual meeting of Green Finance Committee of China Society of Finance and Banking

ABC was invited to attend the 2022 annual meeting of the Green Finance Committee of the China Society of Finance and Banking to share the measures and experience of the bank in promoting the high-quality development of green finance, propose to further improve the governance of green finance, strengthen the innovation of green financial products and services, with the continuous enhancement of exchanges and cooperation in the field of green finance.



Gu Shu, Chairman and Secretary of the Party Committee, attended and delivered a speech at the 2022 Green Finance Committee Year of China Society for Finance and Banking. (Photo provided by Strategic Planning Division)

Participating in the 2nd IIF Sustainable Finance Summit

ABC was invited to participate in the 2nd International Financial Association (IIF) Sustainable Finance Summit and was interviewed by IIF President Timothy Adams. ABC introduced the effectiveness of measures and development plans for green sustainable development in the past year, and exchanged and discussed issues such as achieving coherence of sustainable policies and facing challenges.

Participating in the 4th annual meeting of the United Nations Global Investor for Sustainable Development (GISD) Alliance

ABC was invited to participate in the 4th annual meeting of the United Nations Global Investor in Sustainable Development (GISD) Alliance and put forward a three-point initiative to actively support the GISD Alliance in playing a more important coordinating and leading role in the world, fully implementing the sustainable development goals of the United Nations and building a high-quality global development partnership to help push forward the implementation of the United Nations 2030 sustainable development agenda.

Participating in the "China Pavilion" at the second phase of the 15th Conference of Parties to the Convention on Biological Diversity

ABC was invited to participate in the second phase of the 15th Conference of the Parties to the United Nations Convention on Biological Diversity "Banking Nature and Climate Action" side event to share ABC's measures and achievements in biodiversity protection and climate change response, advocate further consensus building, strengthen strategic leadership and innovation drive in relevant areas, and jointly release the *Common Action Plan for Banking Financial Institutions to Support Biodiversity Protection*.

Attending the 2022 Green Finance International Summit Dianchi Forum

ABC was invited to participate in the 2022 Green Finance International Summit Dianchi Forum to share ABC's measures and achievements in promoting financial support for green development. ABC proposed to work together with all sectors of the community to make greater contribution to the overall green and low-carbon transformation of the economy and society.



Zhang Xuguang, Vice President and Party Committee Member of the Bank, Delivered a Speech at the 2022 Green Finance International Summit Dianchi Forum (Photo provided by Credit Management Department)

ABC carried out extensive exchanges and cooperation

ABC was elected as the third director organization of the Special Green Credit Committee of China Banking Association, and actively promoted the establishment of a green and low-carbon development exchange platform for domestic banking industry, and jointly explored green financial standards and application practices.

ABC participated in seminars and working meetings on financial support for green development organized by relevant national ministries and regulatory authorities, and conducted exchanges and discussions on green financial standards and a list of green key projects.

An experience exchange meeting on sustainable development and green finance was held to exchange and share experience with international and domestic institutions on green bonds and credit product innovation, carbon accounting, climate risk identification, etc.

ABC and the Association of Dealers strengthened communication and actively participated in ESG-related product innovation research and development and the first batch of pilot work. Participate in ESG experience sharing meetings and sustainable finance summits organized by China Debt Financial Valuation Center Limited, BNP Paribas, Citibank, etc. to keep abreast of international and domestic peers' innovative practices in ESG.

Information disclosure

Increasing the intensity of information disclosure

ABC improved the information disclosure coordination mechanism to continuously improve the effectiveness and pertinence of information disclosure. Special chapters were set up in the annual report and social responsibility report to demonstrate ABC's initiatives and achievements in vigorously developing green finance and protecting green water and green mountains. ABC issued a special report on green finance, which showed ABC's green finance work and support for green and low-carbon development, and told the "ABC Story" of supporting green and low-carbon development.

In 2022, MSCI upgraded ABC's Environmental, Social and Governance (ESG) rating to

"A"

Building a platform for information disclosure

ABC set up a "Green Finance Special Topic" section on its official website to timely disclose special information such as the Green Finance Development Report, carbon emission reduction loans, green finance developments, etc., to showcase the green finance development trends, and to communicate and interact with various sectors of society and stakeholders.

International integration

ABC actively participated in the United Nations Global Investor for Sustainable Development (GISD) Alliance, integrating the key work achievements of the GISD Alliance into the credit decision-making mechanism, and supporting the Alliance to play a greater coordinating, coordinating and leading role in promoting the unification of standards, encouraging private capital investment and financing, and mobilizing the strength of the government and development institutions, so as to better promote the realization of the sustainable development goals.

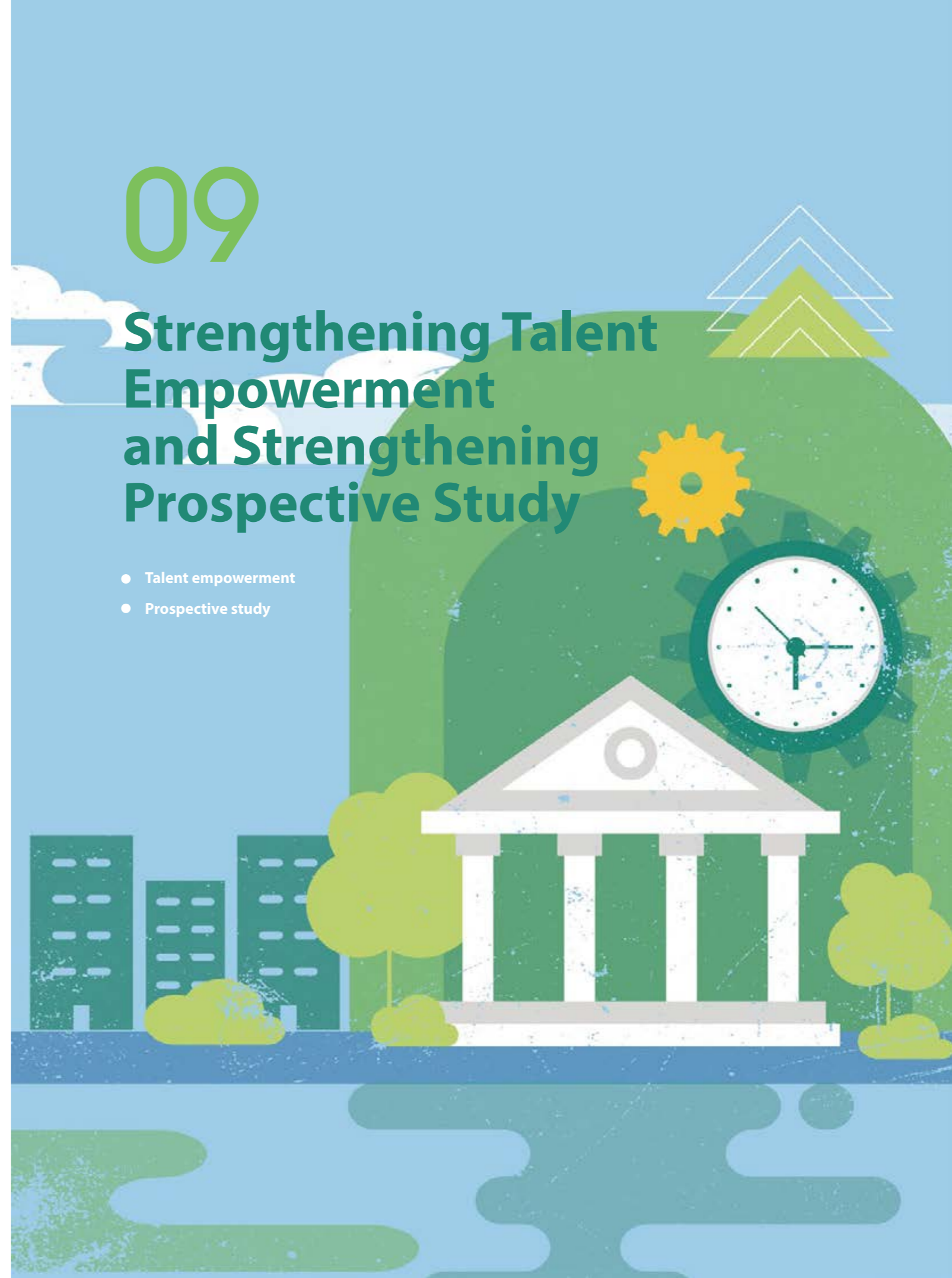
ABC practiced mainstream international standards on environment and climate. The "The Belt and Road Initiative" Green Investment Principles were implemented to actively promote the integration of green concepts into the "the belt and road initiative" financial services, and jointly promotes and realizes the "the belt and road initiative" green sustainable development. ABC was actively engaged in responsible investment and financing in relation to the relevant framework of the United Nations Principles of Responsible Banking to promote sustainable development. Based on the information disclosure framework of the Climate Related Financial Information Disclosure Working Group (TCFD), ABC actively improved its capability of quantitative analysis of environmental information and stepped up its efforts in environmental information disclosure.



09

Strengthening Talent Empowerment and Strengthening Prospective Study

- Talent empowerment
- Prospective study



Talent empowerment

ABC actively finished training green finance talents, and specially implemented the "Green Finance Talent Empowerment Plan" to enhance the ability of green finance business and build a team of green finance professionals.

Strengthening recruitment of talents. ABC stepped up recruitment of talents with professional backgrounds in environment, energy and ecology through campus recruitment, and arranged to engage in research on green financial industry, product research and development, ESG risk management, etc.



Conducting special training. ABC regularly held special lectures on green finance to widely popularize green development, green finance and carbon emissions, invite experts from both inside and outside the Bank, and conduct various special trainings on carbon peaking and neutrality strategy, green finance, climate investment and financing, etc. by using the Agricultural Bank of China's lecture hall and ABC e-learning platform, to promote ABC's concept of green and low-carbon development. The "double carbon" and green finance special rotation training were actively carried out to complete the through-the-hole policy promotion and implementation rotation, and effectively convey the national policy requirements and work deployment within the bank to the "last mile".

Strengthening cadre training. ABC regards carbon peaking and neutrality as an important part of the cadre education and training system to enhance the ability of leaders at all levels to promote green and low-carbon development. A separate "Green Finance" topic will be included in the 2022 Education and Training Plan. ABC, relying on the China Cadre Network Institute, held an online special course on "Implementing Carbon Peaking and Neutrality and Promoting High-quality Development of Enterprises", which trained more than 1,100 head office direct management leaders, senior head office experts and heads of tier 2 branches. At the head office level, special trainings on "double carbon" and green finance were held for sub-branch presidents, green finance and industry credit management, etc., with more than 2,700 person-times trained throughout the year.



Carrying out line training. ABC made use of high-quality training resources both inside and outside ABC to conduct multi-level business training online, offline and on specific topics to summarize and promote mature green finance practices and typical cases in a timely manner, so as to improve the management and service specialization of green finance business across ABC.

Implementing online training. ABC upgraded and optimized its online learning platform, ABC e-learning, and increased the supply of online high-quality learning resources to launch innovative online special learning projects, strengthen the organization and management of online training, and promote green and orderly training across ABC. Throughout the year, ABC launched 9,967 courses, and established 524 special topics. 2,826 examinations were organized and 4,063 live broadcasts were carried out. ABC actively introduced external high-quality learning resources, purchasing 1,244 audio books, 474 high-quality courses, and setting up 64 "Boxuetang" with more than 8 million students. Throughout the year, 266 online training programs were organized at head office level, with over 60,000 people trained.



"Double Carbon" and Green Finance Special Rotation Training Courses



Relying on the platform of universities, 24 special "double carbon" and green finance rotation training courses were held to train 2,500 first-level branch presidents. The rotation training course has carried out course training and invited more than 50 well-known experts from national ministries and commissions, professional associations and universities to give lectures, effectively expanding the breadth and depth of ABC's green finance expertise.



"Double Carbon" and Green Finance Special Rotation Training Courses Were Held. (Photo provided by Human Resources Department)

Credit management

ABC held special training course on green finance and industry credit management. The courses covered the basic knowledge of carbon peaking and neutrality, the implementation path and the bank-wide green finance work, environmental and social risk management, new energy industry, etc., and effectively implemented the national "double carbon" strategic decision-making and financial risk prevention and control deployment requirements.

Examination and approval

ABC held training on "green finance" for the credit review and approval line. The courses covered industries such as photovoltaic, wind power equipment, biomass power generation, new energy vehicles, etc., which effectively improved ABC's investigation and review capability and promoted the high-quality development of green credit business.

Corporate Banking Services

ABC held a special training course on green finance for central enterprises, and held special lectures on green credit, green bonds, green industry funds, green asset securitization and other contents, to continuously expand the green finance professional knowledge reserve for corporate line account managers, and improve the special service level of green finance.

Financial market

ABC held a special training on financial market business green, explaining the development and related applications of leading-edge green finance such as green bonds, carbon trading market and ESG rating for the business backbone of financial market lines, and improving the service level of relevant businesses in green financial market.

Investment banking

Regulatory policy guidance and advanced cases of branches through various means, such as ABC e-learning, "Enabling Lecture Hall" of "ABC Lecture Hall" and green bonds symposium and investment bank encounter were conducted to improve the professional level and practical skills of green bonds of line personnel and provide personnel guarantee for the high-quality development of green bond underwriting business.

Participating in Green Finance Knowledge Contest

Taking the opportunity of “Shandong Green Financial Knowledge and Product Case Contest”, Shandong Branch organized more than 20,000 employees across its jurisdiction to participate in the online green financial knowledge quiz, accounting for 40% of the total number of financial institutions participating in the contest. The two product cases shortlisted for the final of the bank won the first prize and the second prize in the case competition of the whole province respectively. Through the knowledge competition, the enthusiasm of the whole staff to learn the green financial business knowledge was effectively stimulated, and a good atmosphere was created to condense the consensus on the development of green finance, stimulate the innovation vitality of green finance and enhance the ability of green financial services.

Shandong Branch Enters Green Finance Knowledge Contest (Photo provided by Shandong Branch)



Establishing Green “Double Carbon” Commando

Tianjin Branch set up a green “double carbon” commando team, with members covering the front and back office backbones of the branch. The commando gathered the staff’s innovative and effective vitality, and gathered the wisdom of green credit development, to worked together to support and safeguard key areas of green development, and innovate key products and services.

Tianjin Branch Established Green “Double Carbon” Commando. (Photo provided by Tianjin Branch)



Prospective study

Enhancing professional research capability

ABC’s Green Finance Research Institute closely followed the development of carbon peaking and neutrality policy, and conducted forward-looking research on regional green finance development, low-carbon industry transformation, transition finance and pilot climate investment and financing. In 2022, it completed 24 issues of ABC Research and 12 issues of Green Finance Newsletter, which provided decision-making reference for the Bank’s green finance development. Shandong Green Financial Development Report and Shandong Transformation Financial Strategy Study were completed to provide intellectual support for the regional green and low-carbon transformation.

Increasing research in the field of foresight

Focusing on key areas such as achieving carbon peaking and neutrality target, industrial transformation and upgrading, green finance and carbon finance, ABC conducted in-depth research and strengthened the application of research results. In 2022, it will mainly carry out research on topics such as green development of commercial banking service industry, forestry carbon sequestration, and transition finance; research on lithium battery and related industry chains, power batteries, environmental protection equipment, new energy auto parts and other industries; analysis and research on the market dynamics, policy trends and hot issues of green bonds and carbon trading; international comparative studies on carbon finance and green finance.

As the deputy team leader of the China Banking Association’s “Banking Support for Achieving Carbon Peaking and Neutrality Goals” Expert Working Group, ABC led or participated in various research projects related to banking associations, and organized many symposiums with peers and consulting services to discuss relevant cutting-edge issues.

Some research results

Research on Climate Risk Management of Commercial Banks

ABC organized the practical experience of climate risk management of foreign large banks, and explored the establishment of a climate risk management system for commercial banks that is suitable for the carbon peaking and neutrality strategic requirements of China, to make suggestions for domestic commercial banks to improve their own strategies to deal with climate risk, guide the development of business involving climate risk, meet regulatory risk prevention and control requirements, and conduct in-depth climate risk stress testing in the next step.

Comparison of Green Financial Standard Systems and Discussion on the Reference of Chinese Commercial Banks’ Participation in International Green Financial Cooperation

ABC organized and compared the financial supervision and standard systems of major green financial products and instruments at home and abroad, and provided directional suggestions for promoting Chinese banks to improve green financial systems and standards, carry out international cooperation and conduct forward-looking green financial research.

Research Report on Green Finance Development in Shandong

ABC sorted out new practices of transitional finance of Huzhou and existing problems during business development and summarized the development experience of transitional finance of Huzhou, providing reference for local governments to establish a catalogue of transitional finance support and improve the construction of digital infrastructure.

Exploring an Effective Way to Realize the Value of Ecological Products

ABC organized the relevant theories on the realization of the value of ecological products, and summarized the two specific paths of marketization and non-marketization, providing reference for commercial banks to actively participate in local pilot projects, innovative environment equity finance and other products, and also providing directional suggestions for exploring effective paths for financial support to realize the value of ecological products.

Promoting Cross-border Green Capital Flows with Standard “Seeking Common Ground” - Analysis of China-EU Common Classification Catalogue of Sustainable Finance

ABC organized the general situation and typical cases of green finance development in Shandong Province focusing on the problems that need to be solved in the green transformation and development of Shandong’s economy and the forward-looking layout of ecological civilization construction, and carried out research on ecological agriculture, high-carbon industry, water finance and other fields, to put forward suggestions and thinking from various aspects such as policy support, standard construction, enterprise guidance, financial support, digital transformation, etc., which provided reference for supporting green, low-carbon and high-quality development in Shandong and creating “Qilu model” for green development in Shandong.

Exploration and Enlightenment of China’s Transitional Finance - A Case Study of Huzhou, Zhejiang Province

ABC sorted out new practices of transitional finance of Huzhou and existing problems during business development and summarized the development experience of transitional finance of Huzhou, providing reference for local governments to establish a catalogue of transitional finance support and improve the construction of digital infrastructure.

Thoughts on Helping to Build Green Retail Advantage Brand

ABC sorted out the significance of the development of personal carbon accounts and local support policies, the development practice of personal carbon accounts under China’s carbon GSP, the comparison of development platforms of personal carbon accounts and major concerns, and studied the specific steps and measures to build a featured personal carbon account system, to make suggestions for expanding the low-carbon scenario and strengthening cooperation with the government.

Future Prospect

The “14th Five-Year Plan” period is a key period for China to achieve carbon peaking and neutrality and build a harmonious symbiosis between man and nature. The economy and society have entered a new stage of comprehensive green transformation. The Report to the 20th CPC National Congress proposed to accelerate the green transformation of the development mode, to further promote the prevention and control of environmental pollution, to enhance the diversity, stability and sustainability of the ecosystem, and to actively and steadily promote carbon neutrality in peak carbon dioxide emissions. It further pointed out the direction for promoting green development and realizing the harmonious coexistence of man and nature. Vigorously developing green finance is an inevitable requirement for commercial banks to implement major national decisions and arrangements and to serve high-quality economic and social development. It is also an important starting point for accelerating business transformation, establishing new competitive advantages and meeting risk challenges.

As a state-owned commercial bank that practiced green finance earlier in China, ABC internalized green development into a bright background and self-conscious action, and continuously injected “green living water” into the construction of beautiful China. 2023 is the first year to fully implement the spirit of the 20th National Congress and the key year to implement the “14th Five-Year Plan”. ABC will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the Party’s 20 Great Spirits to firmly establish and practice the concept of lucid waters and lush mountains are invaluable assets, adhere to the strategic positioning of developing green finance, continuously build the foundation of green financial innovation and service capabilities, continuously create green financial brands with distinct background and outstanding characteristics, actively explore the road of high-quality and sustainable operation, provide the ABC plan for promoting the green and low-carbon transformation of economy and society, and promote the harmonious coexistence of man and nature, and contribute to the strength of the ABC.



Appendices

Legal Entity Identifier (LEI): 549300E7TSGLCOVSY746

Third-party Assurance

Basis for key data preparation

Green credit balance (RMB 100 million): The statistics of green credit balance are subject to the green financing standards formulated by China Banking and Insurance Regulatory Commission in 2020.

Number of green bond issues underwritten (issue), amount raised (RMB 100 million): The number of green bond issues underwritten and the amount raised the number of issues of bond instruments underwritten by the Agricultural Bank of China Limited, in which the funds received are used to finance the eligible green projects or funds are raised again for these projects, and the amount raised accordingly.

Surviving ESG-themed financial products (number), time-specific size (RMB 100 million): The surviving ESG-themed financial products are those first issued by ABC Wealth in 2019, in which enterprises with poor ESG performance are avoided in the investment process but priority is given to green and environmental industries such as clean energy, energy conservation and environmental protection, aiming to practice social responsibilities, assist green industries, promote sustainable development, and ensure sustainable excess returns to investors, with “ESG” in the product description; time-specific size refers to the size of surviving ESG-themed financial products on December 31, 2022.

Surviving ESG-themed investment funds (number), time-specific size (RMB 100 million): The surviving ESG-themed investment funds refer to ESG-themed investment funds managed by ABC-CA Fund Management that mainly invest in green energy-related entities, and the time-specific size refers to the size of surviving ESG-themed investment funds on December 31, 2022.

Range 1: Direct greenhouse gas (GHG) emissions (ton of CO2 equivalent): The direct GHG emission (range 1) equals the natural gas, liquefied petroleum gas (LPG), gasoline, diesel and coals consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited multiplying by the corresponding emission factors. Refer to the *Fifth Assessment Report* of the Intergovernmental Panel on Climate Change (IPCC) in 2014 for the emission factors.

Range 2: Indirect GHG emissions (ton of CO2 equivalent): The indirect GHG emission (range 2) equals the amount of electricity and heat outsourced by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited multiplying by the corresponding emission factors. Refer to the *Guidelines for Verification of Corporate GHG Emission Reporting (trial)* by the Ministry of Ecological Environment for the emission factors.

Total GHG emissions (ton of CO2 equivalent): Total GHG emissions

are the sum of direct GHG emissions (Range 1) and indirect GHG emissions (Range 2).

Per capita GHG emissions (ton of CO2 equivalent per person): Per capita GHG emissions are obtained by dividing total GHG emissions by the number of employees on the payroll within the corresponding collection range.

Electricity (kWh): Electricity refers to the total amount of electricity consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Per capita electricity consumption (kWh/person): Per capita electricity consumption is obtained by dividing the total amount of electricity by the number of employees on the payroll within the corresponding collection range.

Natural gas (cubic meters): Natural gas refers to the total amount of natural gas consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Per capita natural gas consumption (cubic meters/person): Per capita natural gas consumption is obtained by dividing the total amount of natural gas by the number of employees on the payroll within the corresponding collection range.

LPG (ton): LPG refers to the total amount of LPG consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Gasoline (ton): Gasoline refers to the total amount of gasoline consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Diesel (ton): Diesel refers to the total amount of diesel consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Outsourced heat (MkJ): Outsourced heat refers to the total amount of heat outsourced by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year.

Comprehensive energy consumption (ton of standard coal):

Comprehensive energy consumption is obtained by multiplying the amount of natural gas, LPG, gasoline, diesel, coal, electricity and heat consumed by agencies at all levels including the domestic and overseas branches, integrated operating subsidiaries and institutions at the corresponding level of the Agricultural Bank of China Limited throughout the year by the corresponding standard coal coefficients. Refer to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T2589-2020) for the standard coal coefficients.

Per capita comprehensive energy consumption (ton of standard coal/person):

Per capita comprehensive energy consumption is obtained by dividing the comprehensive energy consumption by the number of employees on the payroll within the corresponding collection range.

Water consumption (ton): Water consumption refers to the total amount of water consumed by the head office of the Agricultural Bank of China Limited in Beijing and the head office buildings of 37 primary branches throughout the year.

Per capita water consumption (ton/person): Per capita water consumption is obtained by dividing the total amount of water consumed by the number of employees on the payroll within the corresponding collection range.

Sewage discharge (ton): Sewage discharge refers to the total amount of sewage discharged by the head office of the Agricultural Bank of China Limited in Beijing and the head office buildings of 37 primary branches, which is calculated by multiplying the water consumption by 0.85 and the sewage discharge coefficient refers to the national standard of the People's Republic of China: *Code for Urban Wastewater and Stormwater Engineering Planning* (GB 50318-2017) and relevant documents of the National Bureau of Statistics.

Independent and Limited Assurance Report**BMWHZTZ No. 2300056**

Board of Directors of the Agricultural Bank of China Limited:

As entrusted by the Board of Directors of the Agricultural Bank of China Limited, we carried out limited assurance engagements for key data in 2022 selected from the *2022 Green Finance Development Report of the Agricultural Bank of China* (hereinafter referred to as the *Green Finance Development Report*) prepared by the Agricultural Bank of China Limited (hereinafter referred to as "ABC") (hereinafter referred to as "key data").

I. Key data

The report contains the limited assurance of the following key data in the *Green Finance Development Report* with limited assurance:

- ◆ Green credit balance (RMB 100 million)
- ◆ Number of green bond issues underwritten (issue), amount raised (RMB 100 million)
- ◆ Surviving ESG-themed financial products (number), time-specific size (RMB 100 million)
- ◆ Surviving ESG-themed investment funds (number), time-specific size (RMB 100 million)
- ◆ Range 1: Direct GHG emissions (ton of CO2 equivalent)
- ◆ Range 2: Indirect GHG emissions (ton of CO2 equivalent)
- ◆ Total GHG emissions (ton of CO2 equivalent)
- ◆ Per capita GHG emissions (ton of CO2 equivalent per person)
- ◆ Electricity (kWh)
- ◆ Water consumption (ton)
- ◆ Per capita water consumption
- ◆ Sewage discharge (ton)
- ◆ Per capita electricity consumption (kWh/person)
- ◆ Natural gas (cubic meters)
- ◆ Per capita natural gas consumption (cubic meters/person)
- ◆ LPG (ton)
- ◆ Gasoline (ton)
- ◆ Diesel (ton)
- ◆ Outsourced heat (MkJ)
- ◆ Comprehensive energy consumption (ton of standard coal)
- ◆ Per capita comprehensive energy consumption (ton of standard coal/person)

Our assurance engagement was limited to the key data from the *Green Finance Development Report*, and other information disclosed in the *Report*, and the information for FY 2021 and previous years were beyond the scope of our work. We did not implement the assurance procedure for the year-over-year trends of the additional sustainable performance information disclosed in the *Green Finance Development Report* (i.e., information not disclosed in the *Green Finance Development Reports* of previous years) and historical information. Additionally, we did not perform the assurance procedure to express an opinion on the effectiveness of ABC's related internal control.

II. Standards

Standards adopted by ABC when preparing the key data in the *Green Finance Development Report* are listed in the "basis for key data preparation" attached hereto (hereinafter referred to as the "basis for preparation").

III. Board's responsibilities

Preparing the key data in the *Green Finance Development Report* pursuant to the basis for preparation is a responsibility of ABC's board, and the responsibility includes the design, execution and maintenance of internal control related to the preparation of the key data in the *Green Finance Development Report*, so as to avoid material misstatement of such data due to fraud or errors.

IV. Our independence and quality control

We observed the independence and other ethical requirements in the *Code of Ethics for Professional Accountants (Including International Independence Standards)*. The Code of Ethics takes honesty, objectiveness, competence, due diligence, confidentiality and good professional conduct as the basic principles.

We abided by the *International service quality management System No.1* and thereby maintained a comprehensive and systematic quality control system, including written policies and procedures related to compliance with professional ethic requirements, professional standards and applicable laws and regulations.

V. Responsibility of certified public accountant (CPA)

We are responsible for giving conclusions on the key data of the *Green Finance Development Report* based on our assurance engagement.

We carried out the assurance engagement pursuant to the provisions of the *ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and this international standard required us to make plans and implementation to form assurance conclusions.

IV. Summary of work implemented

The limited assurance engagement differs from the reasonable assurance engagement in the nature and time of procedures implemented and the former features a smaller range. Therefore, the degree of assurance for limited assurance engagements is far lower than that of reasonable assurance engagements. We will not express a reasonable assurance opinion on whether the key data of the *Green Finance Development Report* was prepared according to the basis for preparation in all major respects. Our assurance engagement includes assessing the existence of material misstatement risks of the key data in the *Green Finance Development Report* due to fraud or errors and the assurance procedure we select depends on the judgment of the CPA and our assessment of project risks.

The procedure we implemented includes the following:

- 1) Interview with related ABC departments providing key data of the *Green Finance Development Report*;
- 2) Analysis of the key data of the *Green Finance Development Report*;
- 3) Sampling and inspection of the key data of the *Green Finance Development Report*;
- 4) Re-calculation.

VII. Inherent limitation

Please note that due to the lack of a recognized evaluation and measurement standard system, non-financial data cannot be measured uniformly, which will influence the comparison between inter-company data.

VIII. Conclusion

Based on the implemented procedure and obtained evidence, we have not found any facts to make us believe that the key data selected from the *Green Finance Development Report* were not prepared according to the basis for preparation in all major respects.

IX. Use limitation

We will not assume any responsibility to any third party other than ABC's board.


 毕马威华振会计师事务所 (特殊普通合伙)
 Beijing
 March 30, 2023

Index Tables of the Report

Index Table for Guidelines for Financial Institutions Environmental Information Disclosure	
Indicator Information	Chapter Index
Annual summary	About ABC 1. Annual Development Summary
Environment-related governance structure of financial institutions	2. Optimizing Governance Structure and Strengthening Organizational Support
Environment-related policies and systems for financial institutions	3. Improving Policies and Systems and Strengthening Fine Management 6. Upholding the Responsibility and Strengthening Risk Prevention and Control
Situation of financial institutions implementing institution-related national and local environmental policies, regulations and standards	3. Improving Policies and Systems and Strengthening Fine Management 5. Focusing on Green Development and Strengthening Fund Supply
Situation of financial institutions observing the institution-related internal climate and environmental conventions, frameworks and initiatives	8. Building Global Consensus and Strengthening Exchanges and Cooperation
Environment-related product and service innovation for financial institutions	4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
Environmental benefits and social benefits resulting from green product innovation of financial institutions	1.2 Development effect 4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
Environmental risk identification and assessment process	6.1 Environmental and climate risk identification and response
Environmental risk management and control process	6.2 Environment, social and governance risk management 6.4 Data management and security
Environmental risks and opportunities for financial institutions	6.1 Environmental and climate risk identification and response
Quantitative analysis of environmental risks of financial institutions	6.3 Quantitative analysis of environmental and climate risks
Environmental impact of investment and financing activities of commercial banks	1.2 Development effect 3. Improving Policies and Systems and Strengthening Fine Management 4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
Prediction, calculation and presentation of the impact of environmental risks on investment and financing activities of financial institutions	1.2 Development effect 7.6 Shape green culture 8.2 Information disclosure
Environmental impact of business activities of financial institutions	7. Adhering to Low-carbon Operations and Strengthening Energy Conservation and Consumption Reduction
Data sorting, verification and protection	6.4 Data management and security
Green finance innovation practice cases	4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
Domestic and overseas research on green finance, analysis of environmental risks and other aspects, the research results and future prospect	6.3 Quantitative analysis of environmental and climate risks 9.2 Prospective study Future Prospect
Other environment-related information	Appendices

Index Table for Principles of Responsible Banking (PRB)	
Indicator Information	Chapter Index
Principle 1: Consistency	
1.1 Banking model. Describe the banking models, including the major customers served, types of main products and services provided, and types of main industries/activities within the main geographic regions where ABC operates or provides products and services. Additionally, quantify relevant information by disclosing the geographical and sector (i.e., pursuant to the balance sheet or off-balance sheet) distribution (%) of ABC's portfolios or by disclosing the number of clients and customers served.	About ABC 1. Annual Development Summary 4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
1.2 Strategic consistency. Describe how ABC adjusts and/or plans to adjust its strategies to keep in line with the Sustainable Development Goals (SDG), the Paris Climate Agreement and relevant national and local frameworks. Whether ABC has referred to the UN Guiding Principles on Business and Human Rights, Conventions of the International Labor Organization, United Nations Global Compact, United Nations Declaration on The Rights of Indigenous Peoples, regulatory reporting requirements applicable to climate risk and other environmental risk assessment, and regulatory reporting requirements applicable to modern slavery and other social risk assessment in ABC's strategic priorities or policies to facilitate the Principles?	1.1 Development strategy 3. Improving Policies and Systems and Strengthening Fine Management 5. Focusing on Green Development and Strengthening Fund Supply
Principle 2 Influence and goal setting	
2.1 Influence analysis	Describe that ABC has carried out the influence analysis of its portfolios, identified the fields being influenced the most and determined the priority fields for goal setting.
2.2 Goal setting	Describe that ABC has set and published at least two goals and these goals are designed for at least two fields being influenced the most according to the influence analysis results. The goals must be specific, measurable (qualitative or quantitative), achievable, relevant and time-bound (SMART). The goal setting (a-d) elements for each goal are disclosed respectively as follows: a) Consistency: Describe that the indicators and goals selected are associated with the applicable Sustainable Development Goals, goals of the Paris Climate Agreement and other relevant international, national and local frameworks, and greater contributions can be made to promote the indicators and goals in line with the regulations. b) Baseline: Whether the baseline for the indicator selected has been determined and the current level of consistency has been assessed? Disclose the indicators used and the baseline year. c) SMART goals (including key performance indicators (KPIs)): If goals have been set, disclose goals for the fields being influenced the most and the second most (and other fields being influenced with preset goals) and KPIs used to monitor the goal implementation progress. d) Action plan: Describe key events determined and other actions to achieve the preset goals. Describe that ABC has analyzed and acknowledged the significant (potential) indirect influence of the preset goals on the fields of influence or on other fields of influence and that action plans have been prepared to avoid, alleviate or compensate for potential negative influence.
2.3 Goal implementation and monitoring plan	With respect to each goal: Describe that ABC has implemented the goal implementation action plans prepared. Use indicators and KPI to monitor the progress defined in 2.2 and report the progress ABC has made concerning each preset goal and the influence since the last report. If the implementation plan changes (applicable to the 2nd and the subsequent reports): Describe potential changes (changes in priority fields of influence, indicator changes, advanced completion/adjustment required for goals, new important milestones or revisions to action plans) and explain the necessity of such changes.
Principle 3: Client and customer	
3.1 Client participation	Describe how ABC cooperates and/or plans to cooperate with its clients and customers to encourage sustainable practices and promote the sustainable development of economic activities. The information disclosed should include relevant policy information, action plans planned/implemented to support client transformation, indicators selected related to client participation, and the influence obtained (if any). Client participation should be based on and comply with the influence analysis, goal setting and action plans prepared by ABC

Index Table for Principles of Responsible Banking (PRB)

Indicator Information	Chapter Index
3.2 Business opportunities Describe the strategic business opportunities determined by ABC and related to increasing positive influence and reducing the negative influence and/or how to address the problems in the reporting period. Provide information related to existing products and services, relevant information concerning monetary value (measured by USD or CNY) and/or information related to sustainable products developed under the portfolios, the Sustainable Development Goals (SDGs) that ABC strives to use for positive influence or the fields of influence (e.g., green mortgage loan – climate, social bonds – inclusive finance, etc.).	4. Converging Green Kinetic Energy and Strengthening Innovation Drive 5. Focusing on Green Development and Strengthening Fund Supply
Principle 4: Stakeholders	
4.1 Identification of and consultation with stakeholders Describe the stakeholders that ABC determined and has carried out consultation, communication, collaboration and cooperation with (or stakeholders' groups/types) to implement the Principles and improve the influence of ABC and summarize how ABC identified relevant stakeholders, addressed what problems, obtained what achievements and how ABC integrated the opinions of the stakeholders in the action plan process.	7. Adhering to Low-carbon Operation and Strengthening Energy Conservation and Consumption Reduction 8. Building Global Consensus and Strengthening Exchanges and Cooperation
Principle 5 Corporate governance and bank culture	
5.1 Governance structure for the implementation of the Principles for Responsible Banking Describe relevant governance structures, policies and processes that ABC has implemented or plans to implement to manage major (potential) positive and negative influences and effectively implement the Principles. The following relevant information should be included: Whether a committee responsible for the sustainable development strategy and goal approval and monitoring (including the highest-level governance information related to the Principles) has been established, Detailed information of the chairman of the committee and the implementation monitoring process for the Principles by the Board of Directors and the monitoring frequency (including remedies adopted when ABC fails to achieve its goals or significant events or unexpected negative influence is detected) Compensation structure associated with the Sustainable Development Goals.	2. Optimizing Governance Structure and Strengthening Organizational Support 3. Improving Policies and Systems and Strengthening Fine Management 6. Upholding the Responsibility and Strengthening Risk Prevention and Control
5.2 Formation of responsible banking culture Describe actions and measures that ABC has taken to form a responsible banking culture among employees (e.g., capacity building, online learning, sustainable development training for employees holding client-related positions, inclusion in the compensation structure, performance management and leadership communication, etc.).	3. Improving Policies and Systems and Strengthening Fine Management 7.6 Shape green culture 9 Strengthening Talent Empowerment and Strengthening Prospective Study
5.3 Policy and due diligence process Describe whether ABC has formulated policies to cope with environmental and social risks in portfolios. Describe the due diligence processes that ABC adopted to identify and manage portfolio-related environmental and social risks, possibly including identification of major/significant risks, environmental and social risk mitigation and definition of action plans, monitoring and risk reporting, the existing complaint mechanism, the governance structure established for risk supervision, and etc.	2. Optimizing Governance Structure and Strengthening Organizational Support 3. Improving Policies and Systems and Strengthening Fine Management 6. Upholding the Responsibility and Strengthening Risk Prevention and Control
Principle 6 Transparency and responsibility	
6.1 Assurance List the assurance declaration links or descriptions given by independent assurance institutions concerning the publicly disclosed information as committed in the Principles.	Third-party Assurance
6.2 Reporting of other frameworks Whether ABC disclosed the sustainable development information pursuant to the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), the sustainable disclosure standards under International Financial Reporting Standards (IFRS), Task Force on Climate-Related Financial Disclosure (TCFD) or other standards and frameworks.	Index Tables of the Report (Index Table for Disclosure Recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD))
6.3 Prospect Simply describe what subsequent steps ABC will take (especially in influence analysis, goal setting, and the governance structure for the implementation of the Principles for Responsible Banking) in the follow-up reporting period of 12 months.	Future Prospect

Index Table for Disclosure Recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD)

Indicator information	Chapter Index
Governance a) Describe the monitoring of climate-related risks and opportunities by the Board of Directors b) Describe the management's responsibilities for assessing and managing climate-related risks and opportunities	2.1 Board of Directors 2.3 Senior management
	6.1 Environmental and climate risk identification and response 1.1 Development strategy 1.2 Development effect 5. Focusing on Green Development and Strengthening Fund Supply 6. Upholding the Responsibility and Strengthening Risk Prevention and Control
Strategy a) Describe the short, middle and long-term climate-related risks and opportunities of organization identification b) Describe the impact of climate-related risks and opportunities on the business, strategies and financial planning of the organization c) Describe the potential impact of different scenarios (including the scenario at 2°C) on the business, strategies and financial planning of the organization	2. Optimizing Governance Structure and Strengthening Organizational Support 6. Upholding the Responsibility and Strengthening Risk Prevention and Control
	6.1 Environmental and climate risk identification and response 6.2 Environment, social and governance risk management 6.3 Quantitative analysis of environmental and climate risks
Risk management a) Describe the process of organization identification and climate-related risk assessment b) Describe the process of organizational management of climate-related risks c) Describe the way to integrate the climate-related risk identification, assessment and management process with the overall risk management of the organization	1.1 Development strategy 1.2 Development effect 6.1 Environmental and climate risk identification and response 6.2 Environment, social and governance risk management 6.3 Quantitative analysis of environmental and climate risks
	7. Adhering to Low-carbon Operations and Strengthening Energy Conservation and Consumption Reduction
Indicator and goal a) Disclose indicators used by the organization for the assessment of climate-related risks and opportunities according to its strategy and risk management process b) Scope of disclosure 1, scope 2 and scope 3 (if applicable) GHG emissions and related risks c) Describe the goals used by the organization for climate-related risk and opportunity management and the achievement of goals	1.1 Development strategy 1.2 Development effect 6.1 Environmental and climate risk identification and response 6.2 Environment, social and governance risk management 6.3 Quantitative analysis of environmental and climate risks
	1.1 Development strategy 1.2 Development effect 6.1 Environmental and climate risk identification and response

Report Preparation Instructions

Reporting Range

Organizational range

The report covers the head office of the Agricultural Bank of China Limited, domestic primary branches (directly under the head office), institutions directly under the head office, training institutes, overseas institutions and major holding subsidiaries.

Time range

January 1 – December 31, 2022

Basis for preparation

The report was prepared in accordance with the *Guidelines for Financial Institutions Environmental Information Disclosure* released by the People's Bank of China and with reference to the information disclosure requirements of the UN *Principles for Responsible Banking* (PRB) and related recommendations concerning information disclosure by the Task Force on Climate-Related Financial Disclosure (TCFD) under the Financial Stability Board.

Data description

Data in the report mainly come from ABC's internal systems and the statistical data of the branches and sub-branches with the monetary amount measured in CNY.

Release channel

The report is published in both physical and electronic forms. You may refer to the electronic version at our website (www.abchina.com). The report is published in both Chinese and English. In the event of any discrepancy between the versions in Chinese and English, the Chinese version shall prevail.