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2022.03.30 release



2021 Corporate Social Responsibility Report (ESG Report)



# 2021 CORPORATE SOCIAL RESPONSIBILITY REPORT

Industrial and Commercial Bank of China Limited  
〔ESG REPORT〕

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# Chairman's Message



Chairman

Chen Siqing

The year 2021 was a milestone in the history of the Communist Party of China and our country. Last year, we continued to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and took stolid steps to fulfill our economic, political and social responsibilities as a state-owned financial enterprise. We actively promoted good environmental, social and governance (ESG) practices, thus contributing to high-quality economic and social development and meeting the people's needs for a better life.

We remained true to our founding mission and improved the quality and efficiency of financial services for the real economy. We earnestly followed the orientation of micro policies, increased the supply of investment and financing at a steady pace and with a better structure but lower prices, contributing to the formation of the new development paradigm and getting the 14th Five-Year Plan off to a good start. To achieve stable economic growth and employment stability, we launched more targeted financial services and saw noticeable increase in lending to industrial rejuvenation, technological innovation and energy supply. We accurately profiled micro and small enterprises and enhanced credit to them, with RMB 1.3 trillion credit granted to more than 1.6 million such enterprises in total. We reinforced look-through management of businesses in all fronts and promoted the allocation of funds to the real economy directly.

We put the people first and moved faster to satisfy the people's needs. We continued to pursue people-centered development, diversify and improve personal financial services, to better meet the people's needs. We sped up to adapt our services to specific groups, including special products for the elderly customers and financial services facilitating the immigrants to find their feet in cities. We opened 15,500 "ICBC Sharing Stations" and made all public services in our outlets available to all. We equipped more than 3,000 outlets with e-government services as part of the reform for "cross-provincial processing in one network." A hundred-day campaign was launched to address the pain points of the customer experience to protect customers' rights.

We shared the fruits of corporate development with the rest of society and promoted common prosperity. Supporting rural revitalization is one of our priorities. We set up a dedicated institution for this purpose and consolidated the achievements of poverty alleviation by means of financing, developing local industries, boosting consumption of products from and increasing employment in poverty-stricken areas. We provided services in all areas and guided tiered funds to education, elderly care and charitable endeavors. As of the end of 2021, our "Eyesight Initiative - Health Express" had helped nearly 13,000 cataract patients regain sight, and we had donated RMB 115 million to COVID-19 control, flood control and relief and other public-interest undertakings. We continued to reduce fees and allowed 220,000 enterprises to defer principal and interest repayments on loans, thus enhancing the sense of gain and satisfaction of market entities with concrete actions.

We promoted green development and sustainable financial practices. We firmly believe that lucid waters and lush mountains are invaluable assets. We practiced green, low-carbon and sustainable daily operations, and constructed a sound service system for green bonds, green funds, green leasing and carbon finance. We launched the first product for green technological upgrade in China, to support green factories, green manufacturing and green supply chains. We took the lead to form the low-carbon transition working group in the banking industry. We urged 17 global systematically important financial institutions to sign the Beijing

*Initiative on Climate-Friendly Banks.* The balance of our green loans represents an increase of RMB 634.9 billion from the beginning of the year, with supported projects capable of saving 47.38 million tons of standard coal and reducing 98.85 million tons of carbon dioxide equivalent emissions per year.

We promoted development through talent cultivation and provided an enabling environment for employees to make a difference. We improved the democratic management system and convened employee representatives' meetings. We made public the bank affairs and business performance, and effectively protected the employees' rights to information, participation, expression and supervision. We made it clear that the management must be cultivated on the ground and sent outstanding employees to work on the ground and in areas with harsh conditions. We convened a meeting on bank-wide talent cultivation and worked to build a highland for financial professionals training. We tilted the remuneration, training and health management incentives to those working on the ground, and delivered substantial benefits to the employees.

We worked to bring out our full potential of development and continued to build up our competitiveness, improve the quality of development and expand our size. We further integrated Party leadership and corporate governance, and improved the governance system and capacity. We held firmly to the correct outlook on business performance, pursued development and enhanced security in a well-coordinated manner, deepened innovation and transformation, and lived up to the expectation of society with high-quality corporate development. We became more competitive, better in quality and bigger in size. Our capital strength was enhanced with generally controllable risks, our asset quality remained stable with an improving momentum, and our operating efficiency continued to be enhanced. Since the year of 2007, we have distributed the most annual cash dividends among A-share companies every year, thanks to the ever-improved ability to create value.

On this new journey toward the new mission, we will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and strengthen our political consciousness and the idea of serving the people. We will start with remedying problems identified by the central government inspection group, and remain steadfast in developing finance with Chinese characteristics. We will take solid actions to deliver great contribution to society, maximum returns to shareholders and real success for employees, and set the stage for the 20th National Congress of the Party with more outstanding achievements.

Chairman: Chen Siqing  
March 30, 2022

# President's Message



President

Liao Lin

In 2021, we earnestly acted on our mission and applied the new development philosophy in full, in the right way and in all fields of endeavor. We made particular effort to strengthen our political consciousness and the idea of serving the people. We continued to uphold the principle of joint contribution to value creation for all, pursued corporate development while fulfilling corporate social responsibilities, and delivered outstanding performance in economic, environmental and social endeavors. In the year, our net profits registered RMB350.2 billion, our yearend NPL ratio 1.42%, and the social contribution value RMB 2.79 per share.

We shouldered our responsibilities as a major bank and contributed to the stable economic recovery. We kept in mind national priorities and concentrated efforts to serve the formation of the new development paradigm. We increased the supply of investment and financing, improved the investment portfolio, and went all out to meet the diverse financial needs of the real economy. Our domestic RMB loans increased by RMB 2.12 trillion and the bond investment registered a net growth of RMB 763.2 billion. In response to national development strategies, we redoubled support in such key areas as manufacturing and technological innovation. We moved faster to develop digital inclusive finance and provided targeted support for county-level businesses, micro and small enterprises, other private enterprises and new-type agricultural operators. Our inclusive loans grew up by 52.5% and the number of customers receiving our inclusive small and micro enterprise loans up by 204,000. Our financial services were more extensive in coverage, more accessible, and reported a higher customer satisfaction rate. Meanwhile, we took resolute actions in fee reduction and profit concessions to tide market entities over the crisis. We coordinated efforts to pursue development and strengthen security, and were rigorous and strict in enterprise risk management, providing solid support for the real economy.

We protected the environment and contributed to green, low-carbon development. We implemented the tasks set by the government for carbon peak and carbon neutrality, developed our own work plan and established a sound working mechanism in this regard. We kept expanding the tiered green financial service system, pushed forward the green adjustment of the investment and financing structure in a well-coordinated way, and saw to it that emissions were cut, pollution mitigated, green finance expanded and corporate growth enhanced, thus playing our due part in protecting the natural environment. As at the end of 2021, the balance of our loans to green industries stood at RMB 2.48 trillion, recording the largest aggregate in the Chinese banking industry and the biggest increment in our history. The green bonds we issued totaled USD 13.06 billion accumulatively. We applied intelligent technology to manage environmental risks and included the climate risk into the enterprise risk management system. We constructed an all-encompassing ESG management system and improved the ESG information disclosure mechanism. We furthered international cooperation on green finance and jointly released the *Beijing Initiative on Climate-Friendly Banks* with other international peer banks.

We served the people and contributed to building a sound customer service ecology. Aimed to meet the people's growing aspiration and needs for a better life, we worked relentlessly to improve financial services, move faster to build us into a bank to the people's satisfaction, and contribute more to the people's wellbeing and common prosperity. We developed special financial products and services to meet demands in such areas as employment, social security, healthcare, housing and elderly care. We launched a campaign to address customer grievances and effectively responded to customer concerns to the satisfaction of the customers. We strengthened scenario integration and technology empowerment, actively constructed a digital community that brings financial services interacting with government, business and consumption (GBC), and improved the well-coordinated service ecology for micro, small, medium and large customers.

We pursued development through talent cultivation and contributed to forming a nurturing environment for employees. We continued to improve the talent cultivation mechanism and expand the employee development paths, to form a nurturing environment in which all have the ability to be an achiever and all are able to make best use of their talents, and to enable employees to grow with the Bank. We refined and connected training systems of different business lines and for employees at different stages of career development, and honed their professional skills. Throughout 2021, we hosted nearly 36,000 training sessions, covering nearly 98% of the workforce. We stepped up to build teams of much-needed professionals, expand the talent pool for emerging sectors, and cultivate more top-notch innovators.

In 2022, we will remain steadfast in developing finance with Chinese characteristics, and deliver excellent services for clients, maximum returns to shareholders, real success for employees, and great contribution to society as always. On top of contributing to economic, social and environmental sustainability, we will open up new horizons for high-quality development and become a pacesetter in ESG development.

A handwritten signature in black ink, appearing to read "Liao Lin".

President: Liao Lin  
March 30, 2022

# Company Profile



Chairman of the Board of Supervisors

Huang Liangbo

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured to a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

Through its continuous endeavor and stable development, the Bank has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing a comprehensive range of financial products and services to over 9.691 million corporate customers and 704 million personal customers. The Bank has been consciously integrating the social responsibilities with its development strategy and operation and management activities, and gaining wide recognition in the aspects of supporting pandemic containment, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a century-old bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the key development strategies, actively develops the FinTech and accelerates the digital transformation. The Bank unwaveringly delivers specialized services, and pioneers a specialized business model, thus making it "a craftsman in large banking".



The Bank was ranked  
**the 1st place**  
among the Top 1000 World Banks  
by *The Banker*

**the 1st place** in the Global 2000  
by *Forbes*

and **the 1st place** in the list of com-  
mercial banks of the Global 500 in *Fortune* for  
**the ninth consecutive year**

and took **the 1st place** among the  
Top 500 Banking Brands of *Brand Finance* for  
**the sixth consecutive year**

# ENVIRONMENT

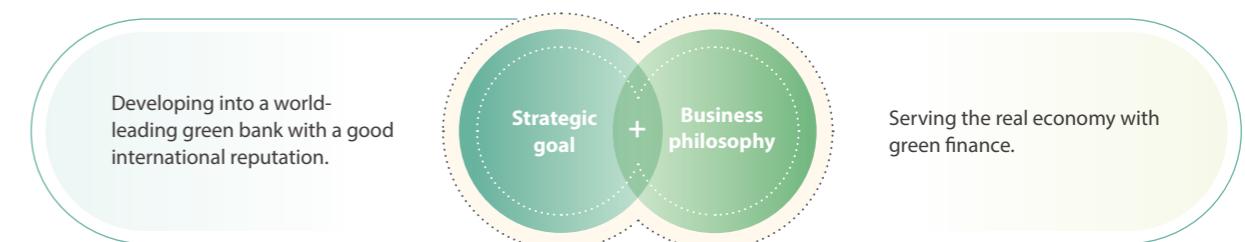


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## Green Finance Strategy

In the process of business development, the Bank has always adhered to integrating economic responsibility with social responsibility, attached greater importance to the development of green finance and support for ecological civilization, fully built it into the strategic development plan, and promoted the building of green finance system.

### Strategies and objectives



▲ On October 21, 2021, Chairman Chen Siquing and Vice Chairman, President Liao Lin attended the Global Systemically Important Financial Institutions Meeting at the Annual Conference of Financial Street Forum 2021 and had an in-depth discussion on the topic "Promoting Climate-friendly, Advancing Green Finance and Sustainable Development".

## System and mechanism building

In 2007

The Bank took the lead among domestic peers in advocating and practicing the concept of "green credit".



In 2015

The Bank issued a green credit development strategy, which incorporated the promotion of green credit into the Bank's long-term development plan.

In 2020

The Green Finance Committee was set up at the Management of the Head Office, so as to further enhance the coordinated leadership and promotion of green finance.

During the reporting period, the Bank issued the *Work Plan for Carbon Peak and Carbon Neutrality of Industrial and Commercial Bank of China (Trial)*, to systematically plan on the Bank's carbon peak and carbon neutrality work.

During the reporting period, the Bank established a leading group for carbon peak and carbon neutrality, which is mainly responsible for comprehensively leading the Bank's carbon peak and carbon neutrality work, and formulating and studying the Bank's development plan and major issues related to carbon peak and carbon neutrality, indicating that the Bank's carbon peak and carbon neutrality work has entered a new stage.

## Deeply implementing the green finance plan

During the reporting period, the Bank held four special meetings of the Green Finance Committee to urge all business lines to earnestly implement the work arrangements of the Party Committee of the Head Office on green finance, actively innovated, took the initiative and strengthened collaboration to specify and implement the *Opinions on Further Strengthening the Building of Green Finance*. It achieved results in many respects, and created new advantages of green finance.

The Bank defined the objectives, basic principles, work priorities and supporting measures of green finance. Specific objectives include leading the industry in the scale of high-quality green loans and comprehensive green investment and financing; it also put forward qualitative objectives and requirements for the organizational structure of green finance, policies and systems, investment and financing environment and climate risk prevention and control capability, and participation in the formulation of green finance standards.

## Strengthening the guidance of differentiated investment and financing policies

Supporting the development of green industries and actively promoting the green adjustment of investment and financing structure through annual industrial investment and financing policies and limit management schemes for key industries. Implementing different capital occupation policies to guide branches to step up support for green industries.

## Strengthening the guarantee for green finance business

Further improving the green finance incentive and constraint guarantee mechanism by arranging special green loan scale, formulating annual green loan granting plans, raising the weight of green finance performance assessment, and implementing preferential policies for green finance FTP.

- Working principles of green finance**
- ✓ Services for the real economy
  - ✓ Innovation-driven
  - ✓ Systematic promotion
  - ✓ One-vote veto system for environmental protection

## Climate and environment related policies

During the reporting period, the Bank strengthened environmental (climate) and social risk management on all fronts.

### Strengthening the green classified management of non-credit assets

In order to adapt to policy changes and effectively control the environmental risks of enterprises, the *Measures for Green Classified Management of Investment and Financing of Domestic Corporate Customers (Version 2021)* was issued, revising the latest standards of four levels and 12 categories<sup>1</sup> of green classification, and underlining the climate risk factors. During the reporting period, while completing the green classification of loans, the Bank actively pushed forward the green classified management of bond, leasing, non-standard wealth management and other services.

As at the end of the reporting period

The balance of environment-friendly loans and environment-qualified loans of domestic branches accounted for **99.3%** of the total

Achieving the goal of no less than 95% set by the Board of Directors of the Bank for many years

### Reinforcing environmental (climate) and social risk assessment

Environmental and social risk assessment shall be incorporated into credit assessment, environmental and social factors of enterprises and projects shall be comprehensively and scientifically identified and measured, and project loan risks shall be controlled.

### Improving the systematic management and control of environmental (climate) and social risks

The Notice on Strengthening the Management of Customer Environmental Risk System was issued, adding the elements of coordinated query and control of environmental protection information to the GCMS system to allow the real-time acquisition of enterprise environmental information in the process and automatic prompt of systematic risks.

### Taking the initiative to study climate risk

The Bank has incorporated climate risk into the comprehensive risk management system, actively carried out climate risk identification, assessment, monitoring and control, and orderly conducted climate risk stress testing under the guidance of regulators.

During the reporting period, the Bank participated in the climate risk stress testing organized by the PBOC, assessing the potential impact of the transition to carbon peak and carbon neutrality on the Bank's credit assets. The testing focused on businesses in the fields of thermal power, steel, and cement. By referring to the definition of the company of large greenhouse gas emissions by the Ministry of Ecology and Environment, the Bank took corporate customers with an annual emission of more than 26,000 tons of carbon dioxide equivalent as the testing objects. The stress transmitting mechanism was based on an assumption that such customers have to pay for their carbon emissions, which may affect their solvency. The stress testing contained mild, moderate and severe stress scenarios, whose degree of stress mainly depended on the movements of carbon prices in the national carbon trading market and considered carbon price scenarios of the Network for Greening the Financial System (NGFS) of central banks and supervisors. The testing began at the end of 2020 and will last 10 years. It was assumed that the relevant companies do not transform to low-carbon development and their stress cannot be distracted to upstream and downstream companies through prices. The testing results showed that while customers in those three industries will experience damage to their repayment capability to some extent in stress scenarios, the overall risk is controllable. Under the mild, moderate and severe stress scenarios, the Bank's capital adequacy ratio will drop by 24, 42 and 58 basis points by 2030.

1. Investment and financing of domestic corporate customers are divided into four levels and 12 categories, based on the "green" degree of investment and financing, i.e. the impact of investment and financing on environment and the magnitude of environmental and social risks that investment and financing face.

## Implementation of plans related to green finance

The Opinions on Further Strengthening the Building of Green Finance was put into effect to comprehensively promote green finance building from the perspectives of policy and system, management process, business innovation and performance.



## Risks and opportunities in the development of green finance

The Bank believes that green finance plays an important part in tackling climate change and advancing green and low-carbon transformation and development of the economy and society. With the promotion of national goals of carbon peak and carbon neutrality, the development of green finance has accelerated significantly. Achieving the goals will be long and progressive. In the process of green and low-carbon adjustment of investment and financing structure, the Bank should pay close attention to the changes in industrial structure, energy structure, technical progress, consumption concept and other elements.



On September 25, 2021, Executive Director, Senior Executive Vice President Wang Jingwu attended and addressed the 2021 Annual Conference of the Green Finance Committee of China Society for Finance and Banking.

# Green Financial Policies and Systems

## Annual industrial investment and financing policy

During the reporting period, the Bank issued the *Notice on Issuing Industrial Investment and Financing Policy for 2021*, to vigorously support the development of green and low-carbon circular economy and promote the proactive green adjustment of investment and financing structure.

## Annual special credit policy

During the reporting period, the Bank's annual special credit policy related to green finance was built into the annual industrial investment and financing policy.

## Series measures for carbon peak and carbon neutrality



## Basic management policies on green finance

During the reporting period, the Bank took a series of measures to improve the basic management policies for green finance.



### Strengthening the supporting policies for implementation

The Bank enhanced differentiated investment and financing policies and economic capital regulation, implemented different capital occupation policies, and improved the incentive and constraint guarantee mechanism for green finance.



### Deepening green finance information disclosure

As the first Chinese-funded financial institution supporting the suggestions of the Task Force on Climate-related Financial Disclosure (TCFD), the Bank had prepared and issued a special report on green finance (TCFD report) for three consecutive years by the end of the reporting period, making a rewarding exploration of environmental information disclosure. During the reporting period, the Bank launched the "ICBC ESG" column on its official website, vigorously carried out ESG information disclosure, strengthened communication with global investors on green finance and climate change information, and released a semiannual special report on ESG worldwide for the first time.



QR code link of the ICBC ESG column



QR code link of the special report on green finance  
From 2022, the Bank's special report on green finance (TCFD report) and social responsibility (ESG) report will be disclosed simultaneously.

## Advancing proactive green adjustment of investment and financing structure

During the reporting period, the Bank strengthened the guidance of differentiated investment and financing policies. It supported the development of green industries and actively promoted the green adjustment of investment and financing structure through annual industrial investment and financing policies and limit management schemes for key industries.

## Green Finance Practice

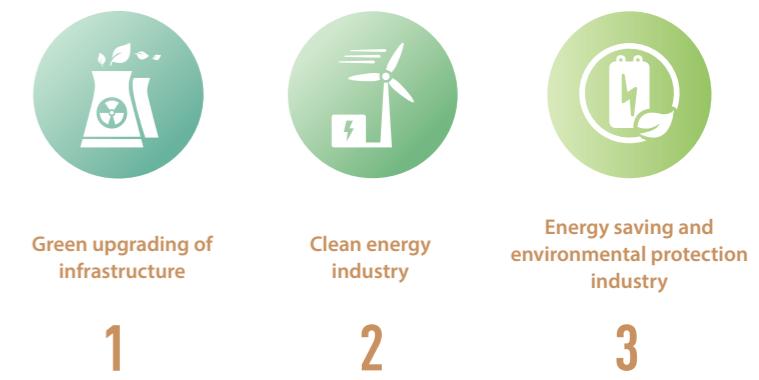
During the reporting period, the Bank did a good job in resource guarantee, assessment guarantee and limit guarantee for green finance development, gave priority to green credit and other key fields, and actively met high-quality customers' reasonable financing needs, such as low-carbon transformation.

### Green credit

As at the end of the reporting period

The Bank recorded **RMB 2,480,621** million in green loans issued to energy saving and environmental protection, cleaner production, clean energy, ecological environment, green upgrading of infrastructure, green services and other green industries under the CBIRC's criteria<sup>1</sup>, representing an increase of **RMB 634,902** million compared to the year beginning

#### Top three industries with the largest green credit balance



### Converted emission reduction of green credit-backed projects

Project	2021	2020	2019
Reduction of standard coal equivalent (10,000 tons)	4,738.13	4,924.74	4,627.23
Emission reduction of carbon dioxide equivalent (10,000 tons)	9,884.69	8,524.63	8,985.96
COD emission reduction (10,000 tons)	28.38	281.71	26.85
Ammonia nitrogen reduction (10,000 tons)	7.26	31.10	4.91
Emission reduction of sulfur dioxide (10,000 tons)	1,817.13	2,189.30	3.94
Emission reduction of nitrogen oxides (10,000 tons)	1,539.46	1,424.62	3.34
Water saved (10,000 tons)	7,521.52	8,931.02	5,903.64

1. The CBIRC's green credit statistics include those in energy conservation and environmental protection, cleaner production, clean energy, ecological environment, green upgrading of infrastructure, green services, overseas projects under international practices or international standards, green trade financing and green consumer financing.

## Measures for "high pollution and high energy consumption" industries

During the reporting period, the Bank issued the *Notice on Strengthening the Investment and Financing Management of "High Pollution and High Energy Consumption" Industries* to raise the project energy consumption and environmental protection standards and proactively prevent and control investment and financing risks.

1

Implementing classified management of "high pollution and high energy consumption" industries and adhering to the differentiated policy.

2

The Bank actively upholds the national energy supply security and low-carbon transformation strategy. Its balance of clean energy loans for wind power and photovoltaic power generation accounted for 36% of the total loans to the power industry, higher than the proportion of wind power and photovoltaic power generation in China's power structure in the same period.

3

The proportion of loans to "high pollution and high energy consumption" industries has decreased steadily.



Biodiversity refers to the ecological complex composed of all organisms and their environment, including the diversity within and between species, and of the ecosystem. The Bank has long been concerned about biodiversity protection. Since 2015, the Bank has built the promotion of domestic biodiversity into the Group's green credit development strategy, actively taken measures to protect biodiversity, strictly observed the red line for ecological protection, prevented damage to important habitats, statutory reserves and ecosystems in ecologically vulnerable areas, and actively supported customers and projects advocating nature protection and ecological restoration. ICBC attached great importance to biodiversity risk management in agriculture, forestry, animal husbandry, fishery, mining, oil and gas exploitation, infrastructure and building materials industries, and actively supported environment-friendly customers.

## Domestic industrial investment and financing policy



The mining industry mainly includes mining and beneficiation of metallic ores such as iron, copper and aluminum, as well as non-metallic ores. The Bank paid close attention to the environmental and social risks of investment and financing of domestic mines, strictly observed the relevant provisions on environmental protection and biodiversity, met the requirements for pollution and waste treatment methods, impact on endangered species and greenhouse gas emission regulations, actively supported the green transformation, environmental protection and governance of mining enterprises, and supported their large-scale and intensive mining, resource conservation and comprehensive recycling and utilization.



The energy industry mainly includes power production, power supply, coal, oil and gas and other industries. The Bank paid close attention to the environmental and social risks of investment and financing in the domestic energy industry, actively supported the development of clean energy, such as wind power and photovoltaic power generation, and the clean transformation of traditional energy, orderly reduced the proportion of financing for coal-fired power generation and coal mining, and pushed forward the technical progress and cost reduction of the domestic clean energy industry chain.



The oil and gas industry mainly includes such industries as oil and gas exploitation, oil refining, oil and gas transmission and other industries. The Bank paid close attention to the environmental and social risks of investment and financing in the domestic oil and gas field, strictly observed the environmental protection regulations on pollution and waste treatment methods and greenhouse gas emissions, mainly supported clean fuel production, large-scale advanced refinery-petrochemical integration projects and the building and operation of natural gas transmission, storage, transportation and peak shaving facilities, and strictly controlled the financing of and investment in the enterprises which purely specialize in refined oil products with high environmental protection risk, and have no space for transformation and upgrading of energy conservation and environmental protection.



The transportation industry, including highway, railway, civil aviation, port, shipping and airport, plays an important role in economic development and the people's livelihood. The Bank actively supported the green development of the domestic transportation industry in the direction of scientific layout, and clean, low-carbon, intensive and efficient development, including supporting the building of railway, highway and airport projects with ecological and environment-friendly siting, railway electrification transformation, port resource integration, large professional berth construction and high-grade waterway transformation, and meeting the financing needs of pilot enterprises in green shipping development.



▲ On October 15, 2021, Vice Chairman, President Liao Lin went to Kunming, Yunnan to attend the Ecological Civilization Forum of the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity.



Material industry mainly includes metal material industry and non-metal material industry. The Bank paid close attention to the investment and financing environment and social risks in the domestic material industry, and took key indicators such as energy consumption and emissions as important conditions for customer selection. It actively supported the steel, nonferrous metal and other metal material industries as well as the cement, glass, ceramic and other non-metal material industries in technological upgrading, resource recycling and green transformation, and continuously strengthened the investment and financing management of high-energy consumption and high-emission projects, to promote the high-quality green transformation and development of the material industry.



Agriculture, including planting, forestry, animal husbandry and fishery, is the basis of human survival and development. The Bank has recognized that the development of ecological agriculture is an inevitable trend for the long-term survival of human society. Therefore, the Bank actively supported the green development of domestic agriculture, including forest cultivation, ecological circular agriculture, ecological aquaculture, comprehensive utilization of straw, production of organic agricultural products and application of green agricultural technology.

#### Forestry

Forestry mainly includes such fields as tree breeding and seedling raising, afforestation and regeneration, forest management, and timber harvesting and transportation. The Bank actively supported the protection, cultivation and rational utilization of domestic forest resources, maintained biodiversity, explored risk mitigation measures through collective forest rights, forest land operation income rights, public welfare forest (natural forest) compensation income rights and other measures, and supported the construction of national reserve forest, carbon sink forest and other forest land projects.

## Green bond

### Green bond issuance

The Bank actively implemented the national green development philosophy and sustainable development strategy, and continued to improve its financial service capacity in support of the goals of "carbon peak and carbon neutrality".

As at the end of the reporting period



The Bank issued **6** overseas green bonds with a total amount of **USD 13.06 billion** and won **11** international awards in total

During the reporting period, the Bank issued global multi-currency overseas green bonds with the theme of "carbon neutrality" through five overseas branches in Hong Kong, Singapore, Macau, Luxembourg and London, and was listed on the stock exchanges of Hong Kong, Singapore, Luxembourg, London and Macau simultaneously.

The total amount of the issuance is equivalent to USD3.23 billion, concerning five bonds in four currencies, i.e. USD, euro, Macau pataca and GBP. The raised funds were mainly used in low-carbon fields and specially used for green projects in fields with significant carbon emission reduction effects, such as clean transportation and renewable energy.



This bond obtained green certification from three authoritative institutions at home and abroad, including the "carbon neutrality" labeling certification evaluation report issued by Beijing Zhongcái Green Financing Consultant Ltd., the green financial bond certificate issued by the Climate Bond Initiative (CBI), and the pre-issuance green and sustainable financial certificate issued by Hong Kong Quality Assurance Agency (HKQAA).

This bond was awarded the "Outstanding Award for Green and Sustainable Bond Issuer (Global Commercial Banking Industry)-Largest Amount of Carbon Neutrality Themed Green Bond" by HKQAA.

### Green bond underwriting and investment

As at the end of the reporting period, the green bonds underwritten and invested by the Bank covered green finance bonds, super & short-term commercial paper, medium-term notes, asset-backed notes, enterprise bonds, etc.

#### • Green bond underwriting

##### During the reporting period

The Bank, as a lead underwriter underwrote <b>67</b> green bonds	That raised RMB <b>140,130</b> million in total	With the lead underwriting amounting to RMB <b>63,637</b> million	A year-on-year increase of <b>12.44</b> times
Among them, there were <b>24</b> carbon neutrality bonds	With a lead underwriting amount of RMB <b>24,909</b> million	Ranking first among all banks	



Among them, there were **24** carbon neutrality bonds

With a lead underwriting amount of RMB **24,909** million

Ranking first among all banks



During the reporting period, the Bank, as a lead underwriter, underwrote the first carbon neutrality bond in the market - RMB 500 million's worth of green medium-term notes (carbon neutrality bond) of an airport in a province, and the raised funds were used for the airport's green building project. According to the assessment of a third-party specialized agency, the project can reduce the emissions of carbon dioxide, sulfur dioxide, nitrogen oxides and smoke and dust by 19,700 tons, 5.32 tons, 5.55 tons and 1.08 tons respectively every year.

During the reporting period, the Bank, as a lead underwriter, underwrote the first batch of sustainable development linked bonds in the market, including RMB 1 billion of sustainable development linked bond of GD Power and RMB 1 billion of sustainable development linked bond of China Yangtze Power Co., Ltd. The Bank issued RMB 132 million of green auto installment asset-backed securities and RMB 10 billion of green financial bonds in the domestic market.

#### • Green bond investment

The Bank actively carried out green bond investment to provide green financial support for key areas of ecological civilization such as ecological protection and clean energy.

The Bank actively invested in the green bond of various types, including green unsecured bonds, green local government bonds, and green asset-backed securities, with new investments in green corporate bonds growing fast throughout the year. The Bank also increased the investment in green bonds to offer financing support for quality customers in the fields of ecological protection, clean energy, energy saving and environmental protection, green transportation, green building, circular economy, low-carbon economy, and other green sectors.

## Green fund

### During the reporting period

The ecological environmental fund of ICBC Credit Suisse, a subsidiary of the Bank, was shortlisted in the top 10 nominees of the United Nations' emerging markets sustainability fund award, making it the only bank-affiliated fund company nominated for such an award.

ICBC Credit Suisse, a subsidiary of the Bank, has issued a number of funds focusing on the ecological environment, new energy and ESG, covering actively managed products and passively managed products in terms of investment methods. These funds mainly include new energy vehicle hybrid fund, ecological environment industry equity fund, new material and new energy industry equity fund, beautiful town-themed equity fund and CSI 180 ESG ETF. It is a fund company that took the lead in the industry to engage in products in the field of sustainable development, and has achieved good results in serving and supporting green and environmental protection enterprises.

## Green wealth management

During the reporting period, ICBC Wealth Management, a wholly-owned subsidiary of the Bank, actively promoted the innovation of green financial products and explored investment opportunities in the carbon trading market.

ICBC Wealth Management stuck to the basic concept of responsible investment and sustainable development, gave full play to the advantages of direct investment and expansion of wealth management funds, continued to increase the investment in green finance, constantly enriched green financial products and service models, vigorously supported the investment and financing needs of green finance-related sectors, industries and enterprises, and channeled more funds to the green development, and developed a "green scheme" with the characteristics of ICBC Wealth Management.



On July 15, 2021, Chief Business Officer Wang Bairong attended and addressed the "Start again with New Green Power" Launch Conference of CSI-ICBC Wealth Management "Carbon Neutrality" Asset Allocation Index and Green Finance Wealth Management Products.

## Green investment

During the reporting period, ICBC Investment, a wholly-owned subsidiary of the Bank, actively made contributions to the goals of carbon peak and carbon neutrality. It fully leveraged its advantage of debt-for-equity license to conduct headquarters-to-headquarters cooperation of central government-owned enterprises and set up fund of fund, increased investments in green finance areas, and focused on providing support for a number of enterprises in such green sectors as photovoltaic power, wind power and hydropower, so as to facilitate green and low-carbon development.

### As at the end of the reporting period

The balance of the investment in the new energy industry chain stood at RMB 30 billion over 2020

As at the end of the reporting period, ICBC Wealth Management invested nearly RMB 630 billion in various green assets through bonds, equity, non-standard assets and other means, covering many green finance-related sub-industries and segments, such as wind power generation, photovoltaic equipment, new energy batteries, green transportation, low-carbon transformation, ecological environmental protection, agriculture, forestry and water conservancy, and well-facilitated farmland construction.



During the reporting period, ICBC Wealth Management released the industry's first "carbon neutrality" themed multi-asset index jointly developed with CSI. According to the sampling results, the index included a total of 301 bond samples and 276 stock samples. Since the official release of the index on July 12, 2021, as at the end of the reporting period, the annualized yield has been 5.01%.

During the reporting period, ICBC Wealth Management issued the industry's first net worth wealth management product with the theme of "green finance" - Hengrui green finance-themed wealth management product. With the carbon neutrality multi-asset index as the performance benchmark, it mainly invested in green bonds and equity assets in keeping with the theme of green finance.

## Green leasing

During the reporting period, ICBC Leasing, a wholly-owned subsidiary of the Bank, seized the development opportunity of green finance, and gave full play to the product attribute advantages of leasing business to specially strengthen the support for clean energy, green public transportation, green shipping, energy conservation and environmental protection and other green industries, in tune with the development trend of "carbon peak and carbon neutrality". It optimized business structure, gave full play to the bank-company linkage mechanism, and comprehensively utilized the "leasing + loan" model to support the diversified financing needs of enterprises.

### As at the end of the reporting period

The green leasing business scale of ICBC Leasing (under the CBIRC's criteria) reached RMB 41.8 billion

accounting for about 40% of the domestic financial leasing business

## Green inclusive finance

During the reporting period

### Persisting in lending to small and micro enterprises in accordance with the green credit policy

Increased loans to the transforming and upgrading fields such as new energy, resource recycling and advanced manufacturing, prudently carried out the financing for environmentally sensitive small and micro enterprises, and provided special financing support for small and micro enterprises in green, environment-friendly and low-carbon industries, in accordance with the requirements of the Bank's green classified management measures for investment and financing and industrial (green) credit policies.



### Innovation of financing products for small and micro enterprises

Fully leveraged the advantages of its digital operation experience in internet financing to actively develop suitable products and provide financing services catering to the new financing needs of small and micro customers in low-carbon transformation. For example, in response to the needs of agriculture-related small and micro customers in many places to purchase distributed photovoltaic power station equipment, the "photovoltaic power loan" product was launched. At present, many branches are designing detailed schemes in line with regional characteristics.



### Innovation of green industrial chains for small and micro enterprises

Actively employed digital credit certificates and other innovative financial instruments to increase capital supply and support for industrial chains in the fields of clean energy, pollution control and resource recycling.



### Innovation of service models for small and micro customers

Continued to develop the "digital inclusive finance", accelerated the digital transformation of traditional small and micro credit products, improved the availability and convenience of the financing for small and micro customers through online verification, intelligent model approval and intensive operation, and gradually guided and promoted the digital and low-carbon transformation of production and operation of small and micro enterprises.



## Cases of Green Finance



### Participation in the national green development fund

During the reporting period, the Bank pursued and promoted green development, vigorously supported sustainable investment, and efficiently completed the approval and capital contribution of the national green development fund. With a total amount of RMB 88.5 billion, the fund was mainly invested in such fields as pollution control, ecological restoration and land greening, energy and resource conservation and utilization, green transportation and clean energy.



### Innovation practice in the green finance reform and innovation pilot zone

The pilot zone for green finance reform and innovation serves as the pioneer in green finance reform and innovation. The Green Finance Committee of the Bank specially studied and assigned the key tasks of green finance building of the branches in the pilot zone, so as to continuously provide strong financial support for promoting the ecological civilization and building a "bridgehead" of green finance in the pilot zone. The relevant branches in the pilot zone developed a great deal of good experience and practices that are worth promotion in the building of the green financial organization system, product and service innovation. For instance, Zhejiang Branch set up a green financial business department in an innovative manner; Huzhou Branch in Zhejiang Province actively participated in the establishment of a pilot "carbon neutrality" outlet in Huzhou City, and pushed forward the implementation of zero-carbon building projects.



### ICBC Guizhou Branch supported the building of the pilot zone for green finance reform and innovation

During the reporting period, ICBC Guizhou Branch fully supported the building of a pilot zone for green finance reform and innovation in Gui'an New Area. From the perspectives of establishing separate convenient access to green finance review, moderately lowering the access threshold for green projects, cutting the financing costs of green loans, ensuring the scale of green credit, accelerating the innovation of green financial products and financing channels, the Bank strengthened the preference and guarantee of differentiated resources for green loans in Gui'an pilot zone, and established the development goal of green finance in Gui'an pilot zone for green finance reform and innovation. For the green projects in Gui'an Industrial Park, the Bank broadened the financing channels for companies through investment-loan linkage, so as to meet the financing needs of high-quality green enterprises with one-stop solutions.

A company's offshore wind power project supported by RMB 2 billion debt-for-equity of the Bank's subsidiary ICBC Investment is among the projects with the largest single capacity in Asia and can reduce a significant amount of carbon dioxide emissions every year. Through the project, the Bank has effectively supported the national "carbon peak and carbon neutrality" strategy.



### ICBC Fujian Branch supported the national reserve forest base construction project



Fujian Sanming Branch of the Bank was committed to exploring the reform of local provincial green finance reform zone, carrying out green finance innovation and providing full-product and multi-channel comprehensive financial services for green industries. During the reporting period, the branch formulated a customized financing scheme for the "60,000-mu (4,002 hectares) national reserve forest base construction project" of a forestry company in Fujian, with a credit facility of RMB 150 million. After completion of the project, it can increase the water conservation capacity by 15.76 million cubic meters, fix 70,000 tons of soil and 16,000 tons of carbon dioxide, release 600,000 tons of oxygen and retained 140,000 tons of dust. It will promote climate regulation, water conservation, soil conservation, carbon fixation, oxygen release and air purification, and can better protect biodiversity.

### ICBC Yunnan Branch supported the pollution control project of Erhai Lake Basin



Yunnan Dali Branch of the Bank actively used financial products to provide efficient and convenient financial support for the pollution control of Erhai Lake Basin, the second largest freshwater lake in Yunnan Province. Specific projects include Erhai Lake Basin sewage interception project, lakeside buffer zone ecological restoration and wetland construction project. By the end of the reporting period, the branch had granted RMB 2.66 billion of credits for two major companies in Erhai Lake Basin pollution control project, with a cumulative input of RMB 1,096 million. Thanks to the efforts of all parties, the water quality of Erhai Lake has been improved.

### ICBC Hebei Branch supported Xiongan hydrogen energy heavy truck project



In response to the call for building a "green Xiongan", Hebei Branch of the Bank actively communicated with the government and enterprises in Xiongan New Area to provide them with comprehensive green financial services. During the reporting period, Baoding Branch in Hebei granted an RMB 146 million loan for a hydrogen energy heavy truck application demonstration project in Xiongan New Area to purchase 100 hydrogen energy heavy trucks with a load capacity of 29 tons and a service life of no less than 7,000 hours (or 250,000 kilometers). The project played a positive role in purifying the atmospheric environment and preventing air pollution in Xiongan New Area and the Beijing-Tianjin-Hebei region.

### ICBC Ningxia Branch helped an enterprise build a new clean energy project



During the reporting period, Ningxia Branch of the Bank actively explored and improved the financing service mode for clean energy development based on the financing needs and fund use characteristics of clean energy projects. It granted a project loan of RMB 490 million for a new clean energy project of a new energy group in Ningdong. The project is expected to save around 91,129.20 tons of standard coal and reduce around 248,909.53 tons of carbon dioxide, 76.67 tons of sulfur dioxide and 73.73 tons of nitrogen oxides every year. It is of great significance to building a local clean and low-carbon energy system.

### The Bank supported the building of a green transportation project in Taiyuan, Shanxi Province



During the reporting period, the Bank supported the phase 1 PPP project of Taiyuan Metro Line 1 in Shanxi Province with internal syndicated loans. In order to meet the needs of energy saving and emission reduction and low-carbon life, Taiyuan Metro Line 1 carried out energy-saving design and transformation for the line, vehicle traction and braking, train operation mode, etc. Besides, to effectively reduce the impact on the surrounding environment, it optimized the organization design and construction technology, strictly controlled the construction site and strengthened construction surveillance.

### ICBC Yunnan Branch actively participated in the public welfare activity of protecting rare species in Yunnan



During the reporting period, the 15<sup>th</sup> meeting of the parties to the *Convention on Biological Diversity* (CBD COP15) was held in Kunming. Yunnan Branch of the Bank actively participated in the public welfare activity of protecting rare species in Yunnan, popularized the knowledge of protecting rare species among the public, and donated protection fund to Yunnan Green Environment Development Foundation for protecting, aiding and improving the living conditions of Yunnan snub-nosed monkey, as a move to effectively fulfill the responsibility for protecting biodiversity.

### ICBC Shanghai Branch supported the construction of the world's highest green building



During the reporting period, a building in Shanghai obtained a three-star operation logo of green buildings. Shanghai Branch of the Bank actively participated in a syndicated loan for the construction project and granted total loans of more than RMB 400 million for the project. As the first green super high-rise building with double certification in China, the building obtained the "three-star green building design certificate" granted by the Ministry of Housing and Urban-Rural Development and the LEED gold pre-certificate issued by the US Green Building Council. The move provided a good experience for the Bank to participate in the green finance practice of super high-rise and large-scale exhibition buildings.



### ICBC Tibet Changdu Branch lent RMB 3 billion to support clean energy projects



During the reporting period, Tibet Changdu Branch of the Bank approved an RMB 3 billion early-stage loan for a company's Lancang River upstream hydropower project, to support Tibet's clean energy development and the realization of the goals of "carbon peak and carbon neutrality".

### The Bank supported a rural sewage treatment project in Wuqing, Tianjin



During the reporting period, the Bank supported a rural sewage treatment project in Wuqing, Tianjin with internal syndicated loans, comprehensively solved problems of sewage collection, water supply and water saving in 301 villages of 26 townships in Wuqing District, Tianjin, benefiting 117,000 households and nearly 400,000 villagers.

### ICBC Zurich Branch actively participated in sustainable development linked syndicated loans



Sticking to the concept of "sustainable development", Zurich Branch of the Bank earnestly implemented the strategy of "developing into a world-leading green bank with a good international reputation" and relevant work requirements, actively established an integrated marketing and approval mechanism for green finance, and took multiple measures to fulfill its service commitment to the transformation to a green economy and the development of global green finance. During the reporting period, Zurich Branch successfully organized nine syndicated loans linked to sustainable development indicators, with a cumulative loan commitment of more than USD400 million. The indicators directly related to sustainable development include ESG score, traceability ratio of green products, and carbon emission, covering clean energy, grain production, food trade, agrochemical technology and other hot areas of sustainable development reform.



**ICBC Sydney Branch granted loans related to green finance and sustainability**

During the reporting period, Sydney Branch of the Bank successfully granted a green finance syndicated loan of AUD72.5 million to an Australia-based company. The company is an environment-friendly green building and engineering enterprise. Apart from carbon emissions and other KPI indicators of environmental factors, the green finance syndicated loan also had KPI indicators of staff training and physical and mental health.

During the reporting period, Sydney Branch of the Bank granted a sustainable loan of USD17.8 million to a food manufacturing enterprise. The loan was provided with sustainable certification by a third party, with indicators covering climate, carbon emission, water saving and diversification.



**ICBC Macau issued a “carbon neutrality”-themed green bond**

During the reporting period, ICBC Macau successfully issued a MOP2 billion “carbon neutrality”-themed green bond in Macau, setting a record for the largest single issuance of green bonds in Macau. It was simultaneously listed on the exchanges of Macau, Hong Kong, Singapore, London and Luxembourg, making it the first Macau bond listed on the international market.



## Finance-backed low-carbon transformation cases

**Shanghai Branch granted loan to power company's replacement and renovation project**

During the reporting period, Shanghai Branch supported the replacement and renovation project of a Shanghai-based power company. Using fully enclosed coal bunker systems, the project replaces high-energy-consuming and high-emission subcritical units with high-parameter ultra-supercritical secondary reheat units featuring a large capacity and high efficiency. It is estimated that the annual coal consumption will be saved by 640,000 tons.

**Beijing Branch and Hebei Branch supported CHP projects**

During the reporting period, Beijing Branch and Hebei Branch granted loans to a combined heat and power (CHP) project. The project uses the heat pump unit to extract the waste heat of the circulating water from the main engine, which can heat the return water of the heating network, thus it reduces the loss at the cold end of the generator unit. It uses the heat pump unit to absorb the waste heat of circulating water, so as to improve the heating capacity and meet the requirements of participating in power network peak regulation. In 2021, a 40MW heat pump unit was added to further improve the waste heat recovery capacity of circulating water. In the heat supply season from 2021 to 2022, 10 heat pumps of Zhuozhou thermoelectric waste heat system extracted a total of 539,760 GJ of waste heat, saving about 18,400 tons of standard coal.

## Green Finance Research and Cooperation

During the reporting period, the Bank carried out in-depth research and put forward work suggestions on the low-carbon transformation of commercial banks, financial support for carbon trading market development, business promotion of green finance reform and innovation pilot zone, and established a benign mechanism for research serving decisions and business development.

### Research findings and application

**During the reporting period**



The Bank built a big data service platform of environmental risk information under the framework of the Paris Agreement, improved and unified the statistical classification standards for green investment and financing, and established a scientific, comprehensive and systematic assessment mechanism for the development of green finance.



Under the leadership of the PBOC, the Bank continued to promote the Pilot Program of UK-China Climate and Environmental Information Disclosure, and released China's first industrial standard for environmental information disclosure of financial institutions.



In keeping with the sustainable development goal of the United Nations, the Bank explored quantitative assessment methods and tools for enterprises' green development, and established a cutting-edge green finance research system.



As a co-leader of the Working Group I of the Green Investment Principles for the Belt and Road, the Bank updated the Belt and Road Green Finance (Investment) Index Report (Version 2021) and released it at the fourth China International Import Expo.



According to the latest development of green finance in the countries along the Belt and Road, the Bank updated the Belt and Road Green Finance (Investment) Index Report (Version 2021) and released it at the fourth China International Import Expo.

On April 13, 2021, Vice Chairman, President Liao Lin attended the Belt and Road Bankers Roundtable Green Finance Seminar.



## External cooperation



## Low-Carbon Operation

### Work related to carbon accounting

During the reporting period, the Bank established a self-operating carbon management information statistics and analysis system, to collect, analyze and summarize historical carbon emission data, laying the foundation for continuous digital carbon emission management.

The Bank has carried out carbon inventory-taking in the Head Office and Beijing Branch and released the related data. During the reporting period, the Bank arranged Hunan Branch to conduct the carbon inventory-taking for the first time.

Progress of self-operating carbon accounting: According to the total amount and structure of carbon emissions in recent five years and in combination with the Bank's development plan, the Bank carefully studied its self-operating carbon neutrality schedule and energy saving and emission reduction roadmap, so as to push forward carbon neutrality step by step.

### Energy saving and emission reduction

#### Green office



##### During the reporting period

The Bank implemented an independent and controllable localization transformation of the office platform, optimized 56 system functions such as document processing and business trip reimbursement, and integrated and optimized mobile office functions

It handled 270 million transactions in the whole year

and the number of active mobile office users increased by more than 50% year on year



##### During the reporting period

The Head Office of the Bank held 810 paperless meetings saving 5.2 million sheets of paper



##### During the reporting period

29% of the Bank's meetings were held by videoconference Video conference devices have been applied in all domestic tier-one institutions and will be gradually promoted in sub-branches

## Energy saving and consumption reduction

### • Energy consumption declined steadily



During the reporting period, the total fuel consumption of official vehicles in the Head Office reached 65,355 liters, and the mileage of official vehicles was 478,618 kilometers.



The lighting source in some underground areas of the park of the Head Office was changed to LED lamps, which not only improved the lighting effect, but also saved 50% of power consumption.



The Bank strengthened the operation management and maintenance of the central air conditioners to ensure that it maintained the best operation condition and efficiency. It standardized and controlled the temperature of office air conditioning, turned off the air conditioning in idle areas and reduced power consumption.



In light of the goals of carbon peak and carbon neutrality, the Bank built a world-class national green data center, which effectively utilized photovoltaic power generation technology and saved power consumption in the park. With a peak daily trading volume of 868 million, it reduced carbon dioxide emissions by nearly 6,000 tons per year, and was named the "national green data center".



The Software Development Center of the Bank purified or replaced the lithium bromide solution of two direct-fired machines, and recycled and reused the wastewater from the water dispensers in the office building, so as to reduce energy consumption.

### • Energy management has been constantly standardized

1

The Bank regularly assessed the operation of the energy consumption system in the offices of the Head Office in Beijing, and strengthened the supervision and measurement of energy consumption.

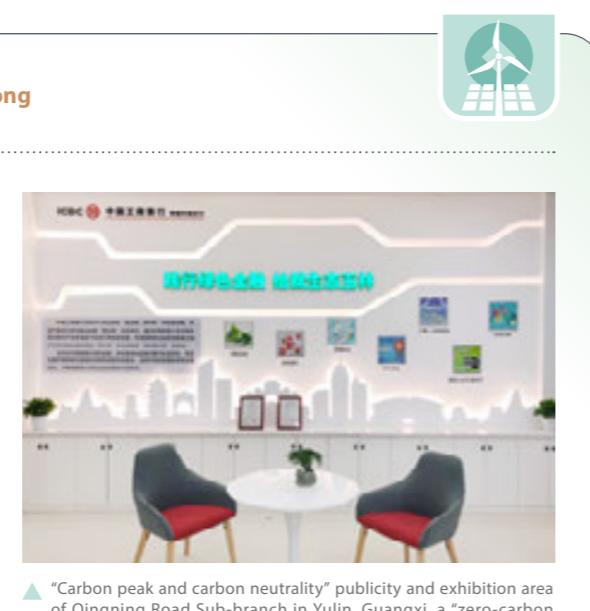
2

In accordance with the *Notice on Doing a Good Job in the Management of Key Carbon Emission Entities and the Pilot Work of Carbon Emission Trading in 2021* issued by the Beijing Municipal Ecology and Environment Bureau, the Bank completed the carbon emission inspection in the offices of the Head Office in Beijing, the clearing of carbon emission trading and performance of relevant contracts, and other related work.

3

The Bank strengthened publicity and guidance, organized and carried out a series of activities, including special lectures on energy saving and building into an energy-saving unit, and guided employees to further establish energy-saving awareness.

### The Bank opened its first "zero-carbon outlet" in Guangdong

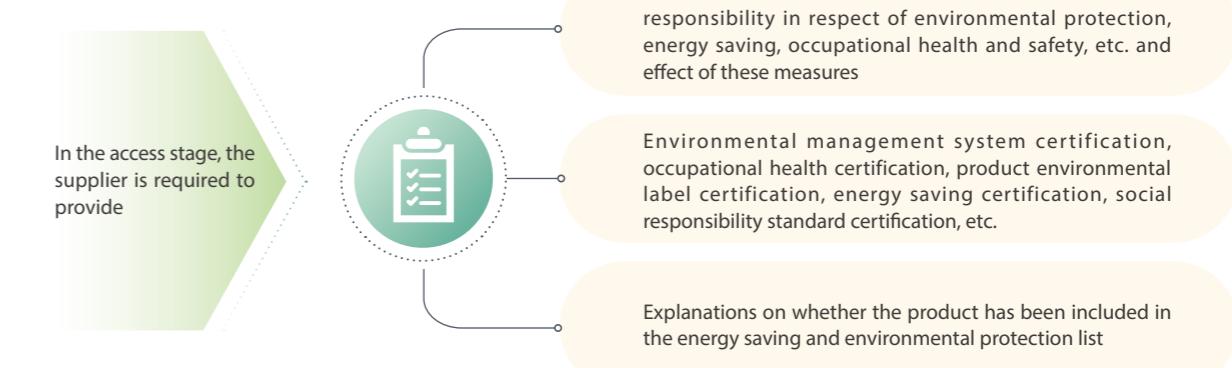


Taking the opportunity of decoration and renovation of Shantou Park Sub-branch, Guangdong Branch of the Bank integrated environmental protection technology and green development concept into outlet building, utilized environmental protection materials, and conducted carbon emission inspection and carbon emission reduction cancellation of building materials and office supplies during decoration through cooperation with Guangzhou Carbon Emissions Exchange. It canceled 260 tons of Chinese Certified Emission Reduction to offset the greenhouse gas emissions generated and estimated to be generated from decoration period of Shantou Park Sub-branch and the operation activities of Shantou Park Sub-branch from September 28, 2020 to December 31, 2022, so as to achieve two goals of "carbon neutrality" in the decoration and building of the outlet and "pre-carbon neutrality" in the operation of the outlet. In September 2021, it obtained the double certificates of "carbon neutrality" issued by Guangzhou Carbon Emissions Exchange.

▲ "Carbon peak and carbon neutrality" publicity and exhibition area of Qingning Road Sub-branch in Yulin, Guangxi, a "zero-carbon outlet" of the Bank.

## Supply chain management and green procurement

### Access of suppliers



### Supplier management



# SOCAIL



## *Serving Customers -- Putting the Customer First and Serving the Real Economy*

During the reporting period, the Bank actively applied the new development philosophy, served the new development pattern, and implemented the requirements of ensuring stability on six key fronts and maintaining security in six key areas. The Bank made holistic arrangements for the total amount, progress and structure of investment and financing centering on cross-cycle policies, provided targeted and concrete services to key fields and weak links of the real economy, improved the adaptability, competitiveness and inclusiveness of financial services, and effectively played our role as a leading major bank.



On March 15, 2021, Chairman Chen Siqing and Senior Executive Vice President Xu Shouben attended the signing ceremony of the strategic cooperation agreement between ICBC and the Ministry of Science and Technology of China.

## *B-end – financial services for corporate customers-*

### As at the end of the reporting period

The Bank's balance of corporate loans issued by domestic branches in local currency reached RMB **10.63** trillion

making ICBC  
**the first**  
commercial  
bank to exceed  
RMB 10 trillion

and representing a net increase of  
**RMB 1.19** trillion  
The Bank provided strong support  
for the high-quality development  
of the real economy

The Bank had **9.691** million  
corporate customers representing  
**12.1%**  
an increase of **12.1%**  
over the beginning of the year

**As at the end of the reporting period**

Balance of corporate loans in national strategic regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing region and the central region recorded RMB **7.54** trillion, representing a net increase of RMB **884** billion

Corporate project loans increased by RMB **710** billion, representing a year-on-year increase of RMB **46.1** billion. The Bank provided substantial support for the development of major national projects in the first year of the 14th Five-year Plan period

"Chunrong Action" offered over RMB 1 trillion financing in local and foreign currencies to **5,220** domestic key foreign-trade and foreign-funded core enterprises and their upstream and downstream enterprises overseas, which effectively facilitated the stability of cross-border industrial chains and supply chains

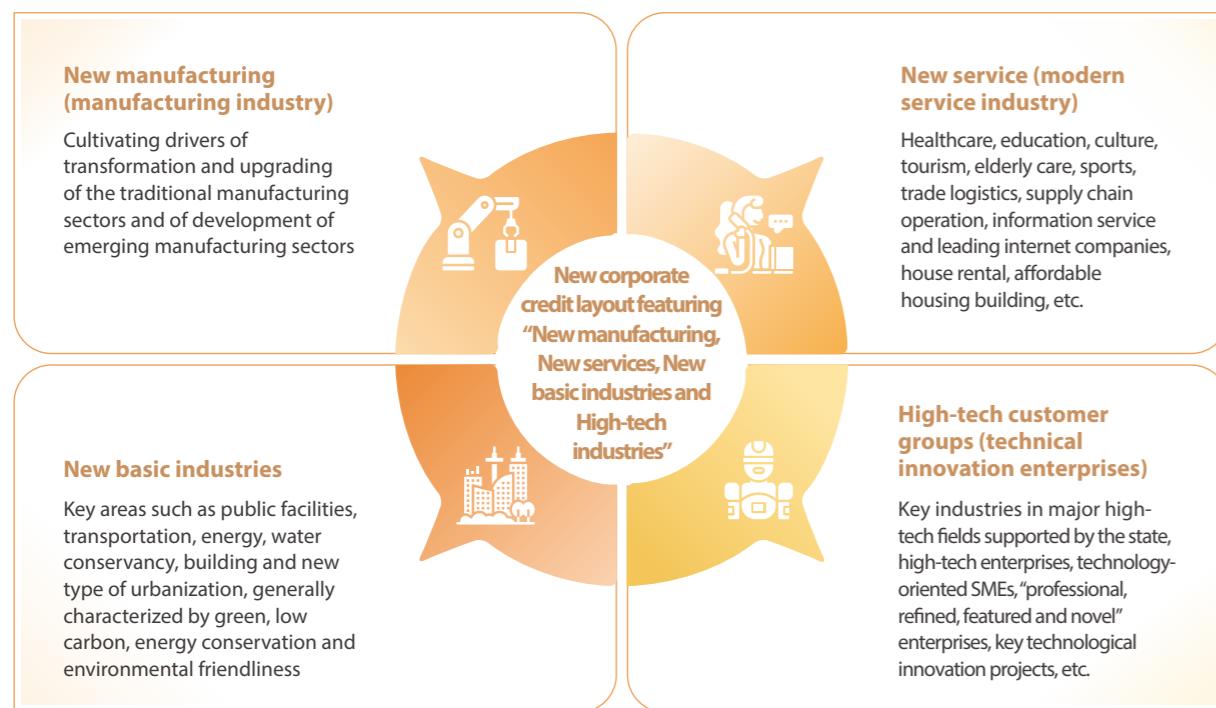
The Bank issued a full spectrum financing of RMB **234** billion to key enterprises in key fields such as foreign trade & foreign investment, service trade, residents' living, domestic trade and retail, which effectively helped boost domestic demand

The Bank intensified support to ensure energy supply. Since September 2021, the Bank provided RMB **296.7** billion fund support of all types to energy supply guarantee fields

In the meantime, the Bank actively communicated with the National Association of Financial Market Institutional Investors and put forward the idea of innovative bond products for energy supply guarantee. The Bank underwrote the first energy supply guarantee bonds and ABS on the market. Throughout the year, the Bank underwrote RMB **45.3** billion energy supply guarantee bonds

The Bank issued RMB **3.12** billion vaccine support loans, ranking **first** among peers. It provided RMB **27.5** billion civil aviation emergency loans to airlines with a preferential interest rate

During the reporting period, the Bank actively served the transformation and upgrading of the real economy and creatively implemented the new corporate credit layout featuring "New manufacturing, New services, New basic industries and High-tech industries".

**Financial services for advanced manufacturing**

During the reporting period, the Bank actively carried out "Year of Deepening Financial Services for Manufacturing".



The Bank optimized the credit market layout, and intensified credit support for key fields with a focus on the high-end, intelligent, green and digital development of the manufacturing industry.



Based on major regional strategies such as the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area and with a focus on the development layout of key industry clusters, demonstration bases and industrial parks, the Bank promoted the differentiated development of regions according to local conditions.



The Bank offered first-rate financial services to quality manufacturing enterprises that have outstanding main business or are driven by innovation, such as leading players in the industrial chains, demonstration bases and industrial parks, the Bank promoted the differentiated development of regions according to local conditions.



The Bank enriched the financial product system, continued to intensify application of key products and development of innovative products, met the needs of manufacturing enterprises in different industry segments, different industrial chain links, and different development stages, and increased financial support for the manufacturing industry in strengthening, stabilizing and supplementing the industrial chain.

**As at the end of the reporting period**

The Bank's balance of loans to the manufacturing industry registered

RMB **2.16** trillion, making the Bank the first commercial bank in China to exceed RMB **2** trillion in balance of loans to the industry

During the reporting period, the Bank and the Ministry of Industry and Information Technology signed the *Strategic Cooperation Agreement on the High-quality Development of Manufacturing Industry under the New Paradigm of Double Circulations*, to strengthen financial support for "new infrastructure", key core technologies, major projects in industry and communications, and the modernization of industrial chains, deepen platform cooperation between the two sides, and promote the sharing of financial infrastructure resources and the co-construction of standards in the manufacturing industry. As a result, the Bank has made greater contributions to the accelerated development of China's modern industrial system and the optimization and upgrading of its economic system.

**Financial services for technical innovation enterprises**

During the reporting period, the Bank and the Ministry of Science and Technology jointly held the campaign of providing technological and financial innovation services involving "10, 100, 1,000 and 10,000" high-tech zones or enterprises, assisting in the high-quality development of national high-tech zones and high-tech enterprises.

Selecting about **10** national high-tech zones to build the technological and financial innovation service center



Driving over **100** national high-tech zones to develop new innovative government-bank cooperation modes with the Bank



Selecting and adding over **1,000** high-tech enterprises every year, providing them with major support, and forming a batch of technological and financial innovation products and service modes that can be reproduced and promoted

## Financial services for micro and small enterprises, inclusive finance, and financial services for agriculture, rural areas and farmers

### As at the end of the reporting period

The Bank's balance of inclusive loans as defined by the CBIRC was RMB

**1,099,012** million

representing an increase of RMB

**378,448** million

or **52.5%** over the beginning of the year



### • Services for domestic micro and small enterprises

As at the end of the reporting period, the Bank had over 300 "centers for micro and small enterprises" across China. Based on local resource endowment, the Bank adopted differentiated measures according to the type and promoted the implementation in an orderly manner, giving full play to their service functions of marketing organization, business processing, risk management, and O2O localization. By doing so, the Bank saw sound and sustained development of financial services for micro and small enterprises.



▲ On October 9, 2021, Dalian Branch held the launch ceremony of a new product "ICBC Credit e Loan".

### • Cross-border services for micro and small enterprises

The Bank launched ICBC Business Matchmaker 2.0 under the business concept of combining "financing, consulting and commercial services".

### As at the end of the reporting period

The Bank successfully held some **100** online and offline business matchmaking events

Through the platform, more than **5,000** domestic and overseas enterprises negotiated business

and reached more than **2,000** cross-border cooperation intentions, involving over RMB 10 billion

### • Serving micro and small enterprises through external cooperation

During the reporting period, the Bank continued to strengthen external cooperation such as bank-guarantee cooperation and bank-insurance cooperation and explored collaborative service modes. As one of the first batch of banking partners, the Bank signed a "Head Office-to-Head Office" cooperation agreement on batch guarantee business with the National Financing Guarantee Fund. It ranked first among peers in terms of the batch guarantee volume.

### • Providing exclusive service for micro and small enterprises

In December 2019, the Bank officially rolled out the "Ten Thousand Small and Micro Enterprises Growth Plan". As at the end of the reporting period, the Bank had nearly 9,000 service teams in more than 500 cities across China that provide custom one-to-one exclusive service solutions for more than 10,000 micro and small enterprises registered in the Plan, with all-round comprehensive financial services offered.

The Bank granted RMB **1.3** trillion credit

to over **1.6** million enterprises

### • Serving rural revitalization and promoting common prosperity and coordinated development of urban and rural areas.

### As at the end of the reporting period

the Bank's balance of agriculture-related loans recorded RMB

**2,661,317** million, representing an increase of RMB

**404,101** million over the beginning of the year

Balance of agriculture-related inclusive loans was RMB

**242.7** billion, representing an increase of RMB

**90.5** billion over the beginning of the year

Balance of loans in support of regions that were lifted out poverty registered RMB

**782** billion, representing an increase of RMB

**101.7** billion over the beginning of the year

Balance of loans to key target counties under the rural revitalization campaign reached RMB

**103.8** billion, representing an increase of

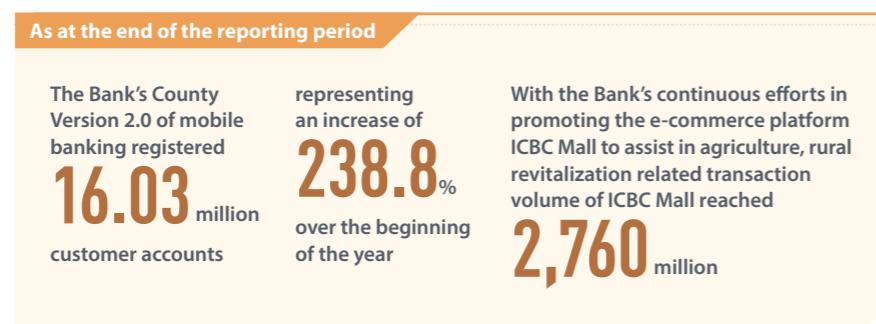
**18.36%** over the beginning of the year

A total of **149** outlets were set up in **160** key target counties under the rural revitalization campaign and coverage of offline channels was close to **60%**



▲ From September 7 to 8, 2021, Huang Liangbo, Chairman of the Board of Supervisors, went to Jinyang County, Sichuan Province to inspect targeted poverty alleviation work.

During the reporting period, the Bank built on its own initiative the rural financial service supply system and service mechanism that cover agriculture, rural areas and farmers, launched the action plan of supporting rural revitalization through finance, creatively launched the ICBC Xingnongtong APP, and rolled out the County Version 2.0 of mobile banking.



▲ On June 22, 2021, the Bank held the Conference for Commendation of Poverty Alleviation Work & Promotion of Services for Rural Revitalization.

#### • Strengthening supply of financial products to key fields

The Bank actively met the financial needs in the fields of high-standard farmland development, protection of black soil resources, spring ploughing and preparations for ploughing and sowing, agricultural machinery equipment, grain circulation, collection, storage, processing, etc.



The Bank provided financing support for the 500,000 mu (33,333.33 hectares) high-standard farmland project jointly invested and built by a state-level leading enterprise in agriculture industrialization and a private enterprise in Yancheng City, Jiangsu Province, and made nearly RMB 500 million profit concessions to farmers through large-scale business transformation of the land.

#### Supporting the construction of rural infrastructure

The Bank actively supported the construction of public infrastructure in rural areas, by meeting the financing needs of commercial sustainable energy fields in rural areas and public utilities programs such as county hospitals, schools and elderly service facilities. It facilitated the improvement of infrastructure and public services and the integrated development of urban and rural areas.

#### Fee reduction and profit concessions

The Bank actively implemented bailout policies and work requirements such as fee reduction, profit concessions, and optimization of account service, assisted in improving the business environment, and put in place the policy requirement of reducing fees and making profit concessions for corporate payments to micro and small enterprises and self-employed individuals. From the implementation of the policy to the end of the reporting period, it reduced the fees of more than 2.20 million micro and small enterprises and self-employed individuals.

## C-end – financial services for personal customers

#### Personal customers

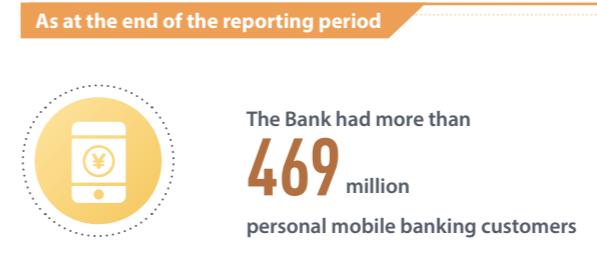
##### • Number of personal customers



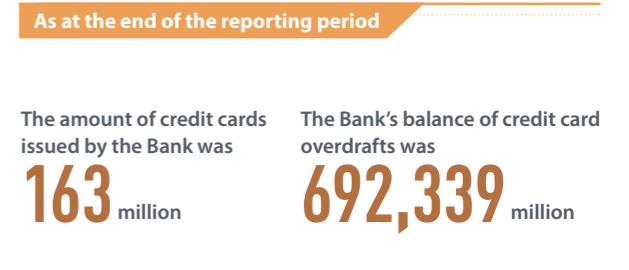
##### • Personal financial assets and savings deposits



##### • Personal mobile banking



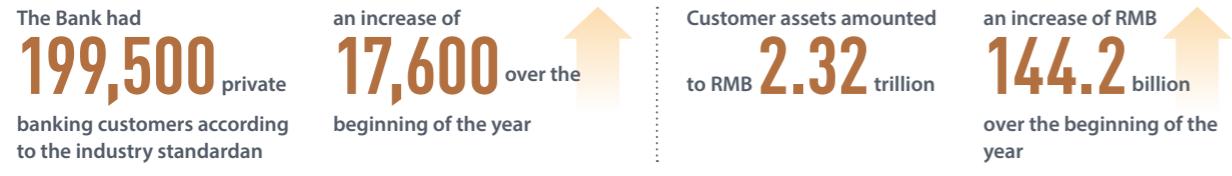
##### Credit card



## Private banking customers

During the reporting period, the Bank actively promoted group-wide product allocation for private banking customers to meet their diversified needs. The Bank developed integrated services for family customers, vigorously encouraged innovation in green finance, and created the comprehensive service ecosystem for private banking customers that combines various scenarios of "individual – family property – enterprise – social responsibility", thus improving market competitiveness.

### As at the end of the reporting period



### As at the end of the reporting period



The Bank's business via electronic channels accounted for **98.8%**

and the mode was promoted and applied in over **30** business scenarios including replacement of debit cards and issuance of credit certificates

which effectively reduced the carbon emissions of financial services

## Optimizing service quality

During the reporting period, the Bank established the "dual-voice" system to convey the voice of customers and the voice of employees, built the monitoring, analysis and reporting mechanisms for customers' and employees' voices, implemented customer experience monitoring in multiple dimensions, refined the customer experience evaluation mechanism, and conducted joint multi-dimensional assessment to improve customer experience.

### During the reporting period



The Bank had **110** outlets rated as **the demonstration units of civilized and standardized service among Chinese banking outlets**, ranking in the forefront among peers

According to the survey of a third-party institution, during the reporting period, the Bank's personal customer satisfaction was **86.8%**, ranking among the first in the industry

## Improving the convenience of financial services

With a focus on the contactless financial service needs of the people as pandemic control became a routine, the Bank established and deeply promoted the operation service mode integrating online and offline services, which featured "online quick processing + centralized business processing + offline convenient delivery". The service mode provided fast, accurate and considerate high-quality financial services for customers.

### During the reporting period



more than **27** million transactions were made by customers using the integrated online and offline operation mode

an increase of about **122%** year on year



▲ On May 8, 2021, Chief Business Officer Song Jianhua attended the "Big Finance, Big Consumption, Big Livelihood" Times Summit at the China International Consumer Products Expo.

## Orderly improving the financial service capability for elderly customers

During the reporting period, the Bank launched ICBC Mobile Happy Life Version 2.0, upgraded the level of exclusive services for elderly customers, and made adjustments to mobile banking and the portal website to make them suitable for the elderly as well as barrier-free changes. In the meantime, the Bank actively promoted decoration of outlets and senior-friendly changes to self-service channels. Those efforts effectively reduced the threshold for elderly customers to access financing services.



In December 2021, the Bank's wholly-owned subsidiary ICBC Wealth Management officially launched the first old-age wealth management product – "Yi Xiang An Tai" – a fixed-income closed-end net-value old-age wealth management product, which achieved over RMB 3 billion in sales in its pilot issuance and was widely recognized and subscribed by investors in Chengdu and Wuhan. The company fully leveraged its advantages in wealth management business to support the third pillar for old-age security, and played a bigger role in meeting residents' wealth management needs and promoting common prosperity.



▲ On July 10, 2021, Senior Executive Vice President Xu Shouben attended the First China Elderly Care Industry Investment and Development Forum.

## Outlet and channel building

### • Continuing to optimize outlet layout

During the reporting period, with a reasonable judgment of urban and rural development dynamics, the Bank made forward planning for the layout of the channel network. With "stabilizing aggregate, optimizing layout, making up for deficiencies, and improving efficiency" as the main tasks, the Bank continued to align the outlets' investment better with financial resources, effectively expanded service coverage in core regions, county markets and quality customer groups, and took solid steps to enhance the capability of serving the real economy.

#### As at the end of the reporting period

The Bank's outlets in counties increased to about **6,000**

covering over **85%** of counties

Self-service banks in counties registered about **12,000**

and ATMs about **26,000**

which effectively supported the Bank's expansion in county markets



▲ Tibet Branch sticks to the snowy plateau and provides quality financial services.

### • Continuing to promote resource sharing and ecological construction at outlets

During the reporting period, based on 15,500 "ICBC Sharing Station" outlets, the Bank established the public service system and held more than 40,000 public service activities with featured themes through cooperation with other industries, which served more than 40 million person-times of customers and the social public. In the meantime, the Bank continued to enrich the ecological scenarios of outlets and improve the capability of outlets in serving people's livelihood. More than 10,000 outlets provided such government services as social insurance and housing allowance, meeting people's aspiration for a better life with financial resources and contributing to the building of an integrated, open service ecosystem with a human touch.

#### During the reporting period



The Remote Banking Center of the Bank had a manual telephone call answering rate of **93.1%**, up **0.3%** year on year

Intelligent service entries expanded to **96** and covered "incoming + outgoing", "voice + text", "online + offline" and "in the Bank + outside of the Bank". Accuracy of speech

and text recognition exceeded **97%**, both at a relatively high level in the industry

The volume of intelligent services amounted to **630** million, an increase of **11%** over last year



▲ On December 21, 2021, Huang Liangbo, Chairman of the Board of Supervisors, attended the nameplate awarding ceremony of "Service Station for Outdoor Workers - ICBC Sharing Station" jointly built by the All-China Federation of Trade Unions and ICBC.

## Maintaining the safety of customers' financial assets

During the reporting period, the Bank maintained financial security with big data information-based means, and innovated in technology-based development and application of security technologies to ensure safe operations and customer services.

By making use of the independently developed intelligent security system, ICBC e Security, the Bank built the all-round, intelligent telecom fraud prevention network that covers all customers and all channels and is in service around the clock. The network screens transfer and remittance transactions made via the Bank's outlets, internet banking, telephone banking, mobile banking and self-service terminals in real time, gives risk warnings to customers in a timely manner, and sends real-time automated early warnings about telecom fraud, thus reducing the occurrence rate of telecom fraud from the source.

### During the reporting period



The Bank intercepted  
**47,800** transactions  
with telecom fraud risk



The Bank assisted the public security department in stopping payment above limits by risk accounts  
A total of **1,073** risk transactions were intercepted

### During the reporting period

The Bank organized and held the "Anti-fraud, Anti-gambling and Safe Payment" centralized publicity month activity  
conducted **129,141** sessions of on-site publicity

and jointly carried out more than  
**1,200** publicity sessions with regulators

The Bank continued to deepen the campaign of building the safest bank. It stepped up efforts in safety supervision and check, and gave prompt warnings about and made comprehensive arrangements for control of external fraud risks. Centering on key time frames, the Bank strengthened security in self-service banks and nighttime workplaces. Institutions at all levels conscientiously conducted emergency drills against robbery, theft, fire, violence, terrorists, etc., and enhanced employees' safety awareness, risk control capability and emergency response capability to fully protect customers' personal and property safety.

## Personal mortgage service and personal consumer credit

During the reporting period, the Bank continued to reduce fees and make profit concessions for corporate and personal customers, developed the new-type, green consumer finance ecosystem, and actively supported the development of the real economy and the quality improvement and expansion of consumption.

Adhering to the positioning that "houses are for living in and not for speculative investment", the Bank helped the people realize their housing dream

### As at the end of the reporting period

the Bank's balance of personal mortgage loans stood at RMB  
**6,362,685** million  
an increase of RMB  
**634,370** million over the beginning of the year

Balance of housing provident fund loans handled by the Bank as an agent recorded RMB  
**1.29** trillion  
an increase of RMB  
**159,854** million over the beginning of the year

## Protecting the rights and interests of banking consumers

### • Improving consumer protection governance capability

During the reporting period, the Board of Directors, Board of Supervisors and Senior Management intensified guidance and coordination of consumer protection work, further strengthened the management foundation on the corporate governance level, and promoted the effective implementation of consumer protection strategies, policies and objectives. The Bank included consumer protection risks into the enterprise risk management system, refined the consumer protection rules and regulations for key professions and products, enhanced governance of major fields and key procedures, and continued to make consumer protection work more standard and refined. The Bank strengthened guarantee for product and service supply and resource input, and worked holistically to improve customers' sense of gain from financial services and customer satisfaction. Moreover, the Bank enhanced management of third-party partners, by including consumer protection as an important evaluation indicator, thus urging them to improve their compliant operation level and effectively protecting consumers' legitimate rights and interests.

### • Fair advertising policy

Adhering to the concept of "being a bank to the people's satisfaction", the Bank was committed to constantly improving its fair advertising policy, and guided by the new model of brand building featuring "strategic guidance, brand incubation and enabling business" in its advertising. By formulating and issuing the *Notice on Regulating the Brand Image Management of ICBC*, the *Notice on Regulating the External Brand Cooperation of ICBC*, the *Administrative Measures for the Electronic Media Management System of Outlets*, etc., to effectively ensure the implementation of fair advertising policy.

The Bank attached great importance to the professional training of relevant personnel engaged in publicity and advertisement launch, and adopted various ways such as offline face-to-face teaching, online training, thematic discussion and authoritative interpretation to hold various types of training courses, lectures and seminars regularly each year, which effectively improved the professional quality and knowledge update of relevant employees across the Bank.

### • Improving the quality and efficiency of publicity and education

During the reporting period, the Bank carried out publicity and education activities efficiently and pragmatically. The Bank strengthened publicity and education on key contents such as illegal fundraising, telecom and internet fraud, and personal information protection, and among major groups including the old, teenagers and rural residents, which further improved the financial literacy and risk prevention capability of the public. Meanwhile, the Bank actively responded to consumers' concerns and hot social topics and enhanced case and experience-based education, which effectively improved the pertinence and effectiveness of publicity and education on consumer protection.



Jiangxi Branch held the Financial Literacy Promotion Journey to educate the public on financial knowledge.



- "March 15 Consumer Protection Education and Publicity Week"
- "Financial Knowledge Popularization Month - Financial Knowledge Goes to Households Be Rational Investors - Be Good Financial Netizens"
- "Spread Financial Knowledge to Protect Consumers' Wallets"
- "Financial Literacy Improvement Tour"
- "Illegal Fundraising Prevention Month"
- "Month of Combating Phone Scams, Internet Frauds and Cross-border Gambling"



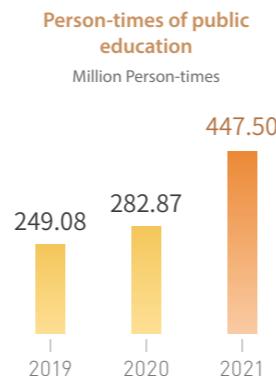
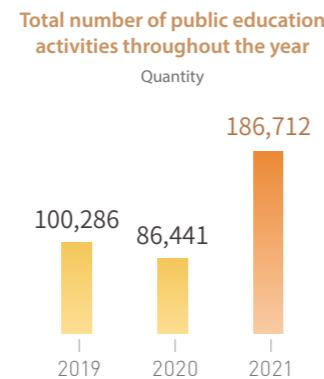
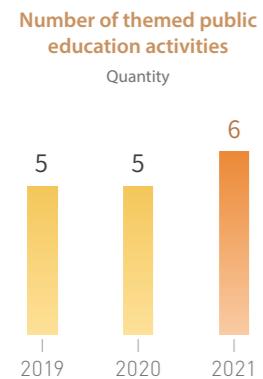
▲ On June 1, 2021, Tiandi Sub-branch in Harbin, Heilongjiang popularized financial knowledge among elementary school students.



▲ On December 4, 2021, Yiwu Branch promoted financial knowledge in rural areas.



The Bank was awarded Excellent Organizer of March 15 Consumer Protection Education and Publicity Week and Joint Financial Education and Publicity Activities



### • Strengthening consumer protection training

The Bank continued to strengthen the building of the consumer protection corporate culture, by organizing "Chunxun Action" ("Spring Training Action") series training across the Bank. With a focus on such key fields as personal banking and credit card business and such major contents as business marketing and protection of personal information, the Bank strengthened cross-department and cross-institution collaboration so that laws, regulatory policies and the Head Office's management requirements on consumer protection could be better implemented and produce desired effect. Based on the management levels, professions and job responsibilities of trainees, the Bank flexibly adjusted training contents and priorities. By combining online and offline training and further improving the accuracy and effectiveness of training, the Bank continued to deepen the good landscape that the whole Bank worked together to ensure consumers' rights and interests are protected.



### • Complaint management

#### Achieving results in customer complaint management

During the reporting period, the Bank actively practiced the people-centric development idea, and earnestly implemented financial regulatory requirements. Adhering to the working philosophy of putting the customer first, the Bank carried out "100-Day Fight Against Pain Points in Customer Experience" and "Ten Actions to Improve Services for the People" in depth. The Bank devoted to promoting traceability management of customer complaints, continued to improve its complaint management capability, and took solid steps to advance the building of a bank to the satisfaction of the people. With those efforts, good results were achieved in customer complaint management. The Bank's ranking among peers in terms of number of complaints transferred by regulators was lowered, and customer satisfaction improved year on year.

#### Giving play to the management synergy

##### First line of defense

The Bank continued to strengthen consumer protection review in the procedures of product innovation, process design, system R&D, information disclosure, etc. and effectively adopted consumer protection measures at earlier stages.

##### Second line of defense

The Bank gave play to the functions of overall planning and supervision and incorporated management requirements into the position management, evaluation, etc. of institutions at all levels.

##### Third line of defense

The Bank conducted consumer protection audits periodically and gave play to the function of independent supervision.

#### During the reporting period



Customer satisfaction  
**86.8%**

an increase of  
**0.4%**  
over the end of the previous year



▲ On September 29, 2021, Executive Director, Senior Executive Vice President Zheng Guoyu and Chief Business Officer Song Jianhua attended the mobilization meeting of the action to "Solve Pain Points in Customer Experience in One Hundred Days".

### Strengthening classified management of complaints from domestic personal customers

During the reporting period, the Bank made it a basic job to further strength classified management of customer complaints, so as to improve the quality of customer services in all respects. In particular, the Bank included all opinion-type service orders generated due to COVID-19 such as negotiated repayment of credit card arrears and exemption or reduction of banking service fees into customer complaints for management and statistics.

#### According to the new statistical standard, during the reporting period

There were a total of **363,700** complaints from personal customers recorded in the "customer service and complaint management system"

Number of complaints from personal customers in every one hundred outlets were **2,307**

and that in every RMB 100 billion assets was **1,034**

According to the rankings of 18 national banks in terms of the number of complaints handled by the PBOC, the Bank ranked 15th in terms of "number of complaints in every one hundred outlets" and ranked 14th in terms of "number of complaints in every RMB 100 billion assets". The Bank was the **only** state-owned commercial bank to have both indicators maintaining **among the five lowest**.

### • Information security and privacy protection

As at the end of the reporting period, the Bank had established the data security technology platform, encryption service platform, electronic file security control system, client-side security management system, safe operation platform, etc., which can provide various security technology support capabilities including intelligent data identification and classification, unified encryption service, electronic file security control, and terminal security control. They strengthened data security protection comprehensively and provided support for data security control across the Bank.

#### During the reporting period

The Bank's information system maintained safe and stable operation

Number of daily average domestic transactions during working days amounted to **663** million, a year-on-year increase of **12.8%**

and daily peak was **868** million, a year-on-year increase of **14.1%**

A total of **626** training sessions on data security and/or privacy related risks were conducted, with **191,263** person-times participation



### Contingency plan for information security

Always upholding the principle of "safety in production first", the Bank actively carried out relevant work such as information security emergency response and stepped up efforts in security monitoring and handling. It established the rating and classification mechanism for information system security incidents, formulated the contingency plan for information security, and organized and conducted security drills across the Bank at regular intervals, to fully support the safe and stable operation of the Bank's information systems.



### Information system infrastructure management

The Bank attached great importance to and put forth effort to preventing FinTech risks, and ensured safe and stable operation of core information systems through a complete high-availability guarantee system and technological architecture.

Through the architecture of "three centers in two places", the Bank realized multi-tiered, high-availability deployment of core information systems with two data centers in one city and independent data centers in different cities, thus ensuring continuous business operation of information systems at different levels and further testing and improving the effectiveness and stability of the IT architecture.

Based on the "cloud computing + distributed" technology system, the Bank established the open platform core banking system, and created the dual-core IT architecture with both centralized and distributed technology systems. While improving the self-controllability of information systems, they ensured safe and stable operation on the infrastructure level.

### • Personal mobile banking and digital finance

During the reporting period, the Bank launched Version 7.0 of personal mobile banking

developed exclusive versions such as Happy Life Version 2.0, Beautiful Home Version 2.0, Inclusive Services for Micro and Small Enterprises Version 1.0 and the English version

improved exclusive services for key customer groups such as elderly customers, counties, micro and small enterprises and cross-border customers, meeting customers' diversified financial needs by building a personalized service system

#### During the reporting period



With a focus on education, healthcare and other fields, the Bank provided convenient online financial services for a number of schools and medical institutions and tens of millions of personal customers

The online business volume was equivalent to the business volume of more than **100,000** outlets and **1** million tellers

Those efforts assisted in the Bank's building of a "carbon neutral" bank

The Bank actively served people's livelihood. Based on the strategic move of expanding domestic demand, the Bank continued to conduct the "ICBC Sharing" series payment activities in the fields of travel, shopping, dining, entertainment and e-commerce, and expanded the application scenarios of e-CNY, helping improve the quality and capacity of consumption.



## G-end – financial services for institutional customers



▲ On November 5, 2021, Chairman Chen Siqing and Chief Business Officer Xiong Yan attended the signing ceremony of the strategic cooperation agreement among ICBC, National Equities Exchange and Quotations and the Beijing Stock Exchange.

### Financial services for institutions

The Bank built a new mode of financial services for rural revitalization. It launched the "Digital Villages" comprehensive service platform, which served 31 provinces and 260 prefecture-level cities and reached information-based cooperation with 770 district and county-level departments of agriculture and rural areas. With the platform, the Bank won 2021 Excellent Project of New Technologies, New Products and New Modes of Digital Agriculture and Rural Areas, and it was the only large bank to win this award.

The Bank independently developed the "e Enterprise Guarantee" blockchain electronic L/G platform, which, through encrypted data interaction between the government, the Bank and enterprises, allows electronic L/G in public resources transaction fields to be handled automatically, received in real time, and managed throughout the whole process online. As at the end of the reporting period, the Bank reached cooperation with public resources transaction centers in 58 cities and counties across 21 provinces and issued RMB 4,138 million L/G. The platform service was included into the "2021 Shining Star Projects of Digital Transformation of Banks" by the China Computer Users Association.



Beijing Branch actively supported the building of the Beijing 2022 venues. As at the end of the reporting period, the branch approved RMB 800 million financing for the National Speed Skating Oval, dubbed the "Ice Ribbon".



On November 3, 2021, Xiamen Branch launched the first government-bank "government affairs + enterprise services" corner in Fujian Province.

## Financial services for education

The Bank was forward-looking in serving the deepening of the national reform of education. It creatively established series education cloud platforms including Education & Training Cloud, Intelligent Universities, Intelligent Vocational Training, and After-class Learning, and served the implementation of the national reform of applying information technology in education and the "double reduction (to ease the burden of excessive homework and off-campus tutoring for students undergoing compulsory education)" policy. Specifically, the "Education & Training Cloud" education and training funds supervision platform served education departments at all levels across China.

### Financial services for healthcare

The Bank actively served the national reform of healthcare, medical insurance and medicine. It launched "ICBC Cloud Health", a unified brand of intelligent healthcare, and built the intelligent healthcare product and service matrix with five categories and 45 subcategories based on the "finance + industry" comprehensive intelligent healthcare scenario building plan. The services covered 832 districts and counties in 31 provinces. Meanwhile, the Bank cooperated with 25 provincial and 77 municipal or county health commissions and 1,140 hospitals in building intelligent healthcare scenarios, serving more than 10 million patient visits throughout the year.



The Bank participated deeply in the digital transformation of medical insurance payment and settlement. It signed the "Headquarters-to-Headquarters" cooperation framework agreement with the National Healthcare Security Administration, adhered to the dual-wheel drive, namely, top-level design and primary-level services, and assisted medical insurance departments at all levels in upgrading their service capabilities.



### Consumer financial services for people's livelihood

The Bank creatively established the prepayment supervision platform "Secure Payment" that covers such industries as sports & fitness, driver training, supermarket consumption, catering & entertainment, hairdressing & beauty, and house rental, to assist industry administrations at different levels in strengthening supervision over repayment and protect consumers' rights and interests. Specifically, the Beijing Repayment Supervision Platform was recognized as a High-value Case of the 2021 Trusted Blockchain Summit by the China Academy of Information and Communications Technology of the Ministry of Industry and Information Technology and listed among 2021 Major Financial Events of Beijing by Xinhua News Agency.



### Financial services for peers

Seizing the historic opportunity of improving the multi-tiered capital market system, the Bank was the first bank to sign a cooperation agreement with the Beijing Stock Exchange, one of the first pilot banks to successfully participate in the physical commodity clearing business of Shanghai Clearing House, and one of the first banks to officially put into service the online over-the-counter standard warehouse receipt pledge financing business of Dalian Commodity Exchange. Meanwhile, the Bank took the lead in promoting the implementation of the comprehensive financial service plan of the National Carbon Emission Rights Registration System, developed and put into service the "ICBC Interbank" comprehensive service platform for peers, doing a good job as the leader in serving the real economy.

The Bank did well in outputting FinTech risk control products, including the intelligent anti-money laundering system ICBC Brains and global market risk management. It signed contracts with nearly 30 peers, contributing ICBC's wisdom to maintaining financial security.



▲ On April 19, 2021, Chief Business Officer Xiong Yan attended the launch ceremony of physical commodity clearing service of Shanghai Clearing House.

## Financial services for the judicial system

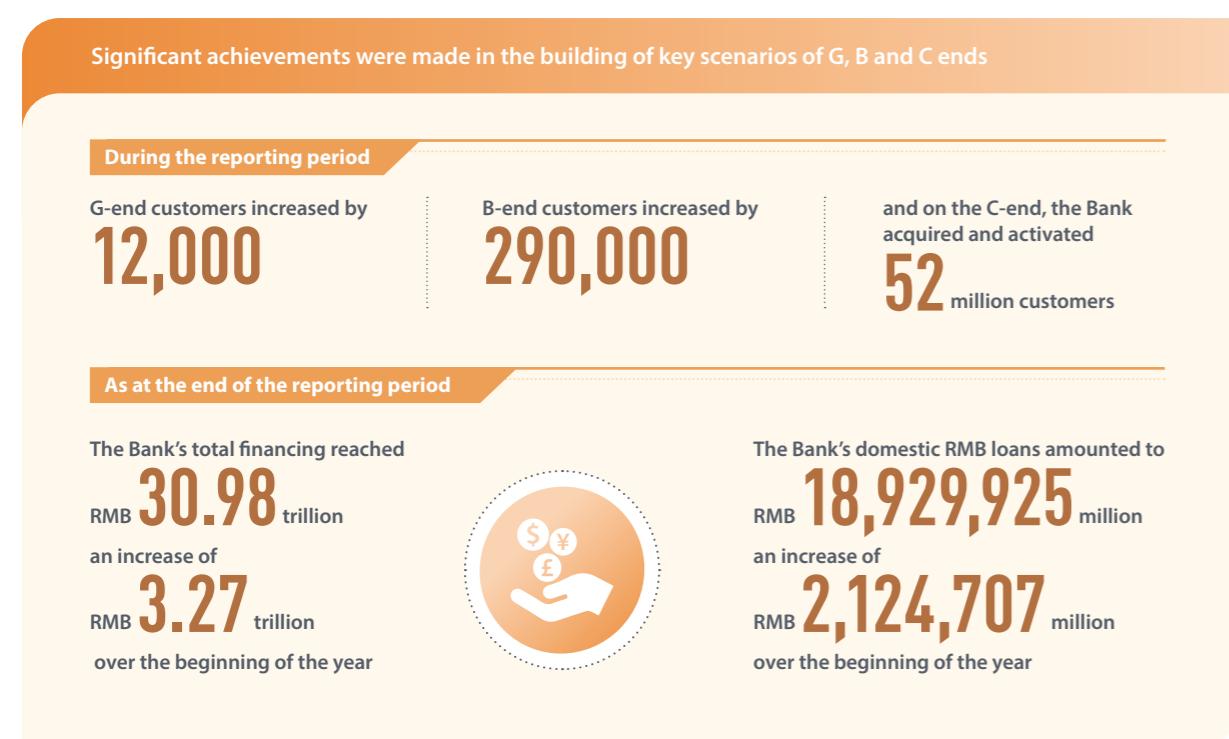
The Bank used financial services to empower the reform of the judicial system, by building the "Intelligent Politics & Law" comprehensive service platform system. The Bank also achieved cooperation in all fields with customers in the judicial system including public security departments, procuratorates, courts, discipline inspection and supervision departments, and financial bureaus, which effectively improved the quality and efficiency of sophisticated management.



In June 2021, Guizhou Anshun Branch opened the first police-bank vehicle administration service station in Guizhou Province.

## G, B and C-end linkage services

During the reporting period, the Bank continued to steadily promote G, B and C-end linkage. With a correct understanding of the platform-based, ecological and intelligent development trends of digital economy, the Bank launched the platform finance brand "ICBC Ju Fu Tong", and connected it to government service, industry and consumption platforms to serve G-end government service platforms, B-end customers and C-end customers.



## Global Financial Services -- International Vision and Global Operation

### Internationalized operation layout

As at the end of the reporting period	As at the end of the reporting period, the Bank had a total of
The Bank had <b>421</b> institutions in <b>49</b> countries and regions	The Bank had <b>125</b> institutions in <b>21</b> countries along the Belt and Road
And indirectly covered <b>20</b> African countries as a shareholder of Standard Bank Group	employees in overseas institutions <b>15,856</b> And total assets of overseas institutions recorded USD <b>455,419</b> million

On October 18, 2021, Chairman Chen Siqing attended the Roundtable of the China-Germany Economic Advisory Committee.





During the reporting period, by leveraging its advantage in overseas network, the Bank actively participated in multilateral cooperation in jointly developing third-party markets.



The Bank formed a syndicate with 16 commercial banks from Spain, France, Germany, Japan, etc. and provided fund support for a UK offshore wind power project, setting a case of cooperating with financial institutions from other countries to jointly develop large new energy projects. The project is expected to supply power to 950,000 households in Scotland every year after its launch, meeting the electricity demand of 40% local households and reducing 1.7 million tons of carbon emissions.



▲ Senior Executive Vice President Zhang Weiwu attended and addressed the Seminar on Cross-border RMB Business.

## Cross-border financial services



### Actively supporting "Southbound Trading" under the Bond Connect program

The Bank facilitated the cooperation between foreign-funded correspondent bank customers and ICBC (Asia) in cross-border RMB clearing under the direct connect mode of infrastructure.

### Actively serving foreign institutional investors in participating the investment deals in the interbank market

As at the end of the reporting period, the Bank established cooperation in the interbank market deals with foreign institutional investors from over 60 countries and regions all over the world.

### Coordinating foreign-funded financial institution underwriter resources and successfully issuing "carbon neutrality" themed green bonds in various currencies

More than 40 foreign-funded banks participated in underwriting, and the Bank set a record as the Chinese-funded issuer with the largest issue volume of green bonds.

## Supporting the economic and social development of host countries



During the reporting period, as the leading bank, the Bank successfully organized the international syndicate of commercial banks and provided USD2.5 billion funds for the construction of a photo-thermal plus photovoltaic power station project in Dubai. The project is one of the key projects under the United Arab Emirates' strategy of vigorously developing clean energy. After it is completed, it can provide clean power for more than 270,000 households in Dubai, and reduce 1.6 million tons of carbon dioxide, 110,000 tons of sulfur dioxide, 29 million tons of inhalable particles, and 50,000 tons of nitric oxides emissions.

## Global partnership



### Making full use of BRBR to promote the building of green consensus

During the reporting period, as the Secretariat of the Belt and Road Bankers Roundtable (BRBR), the Bank held series research and training activities themed on green bonds, green credit and carbon finance, which invited experts from regulators, commercial banks, multilateral development institutions and consulting agencies to give lectures. The activities were livestreamed to all BRBR members, domestic and overseas institutions of ICBC and their customers. Those activities were attended over 1,000 person-times in and outside of the Bank, which strengthened members' green capability building, helped reach the green development consensus among more parties, and assisted in the economic recovery in the post-pandemic era.

# 郑国雨

## 中国工商银行副行长



第13届中国—东盟金融合作与发展领袖论坛  
The 13th CHINA-ASEAN SUMMIT FORUM ON FINANCIAL COOPERATION&DEVELOPMENT  
推动陆海内外联动金融服务一体化  
Promote the integrated financial service system for land and sea linkage

In September 2021, Executive Director, Senior Executive Vice President Zheng Guoyu attended the 13th China-ASEAN Summit Forum on Financial Cooperation & Development.

### Serving China-Europe economic and trade relations and assisting in China-Europe cooperation in reaching the goals of achieving carbon peak and carbon neutrality

On April 29, 2021, the Bank and excellent enterprises from different fields in China and Europe jointly established the China-Europe Business Council. Following the principles of opening up, cooperation, green, inclusiveness, mutual benefit, and win-win results, the Council aims to assist in the quality improvement and upgrading of China-Europe economic and trade relations through cooperation between Chinese and European enterprises, thus making new contributions to the development of bilateral relations.

During the 4th China International Import Expo, the Bank successfully held the China Europe CEO Summit for the third consecutive year, and the China-Europe Business Council was a partner of the Summit. The abstract titled *Building a Green Bridge Between China and Europe – Research Report on Chinese and European Enterprises' Practices to Achieve Carbon Peak and Carbon Neutrality* was released at the Summit. A research achievement made by the Bank with the support of the China-Europe Business Council, the Report summed up Chinese and European enterprises' practical experience in working to achieve carbon peak and carbon neutrality, objectively reflected the problems and challenges in the pursuit of the goals of achieving carbon peak and carbon neutrality, and put forward the China-Europe "green bridge" action plan, providing advice on feasible paths toward sustainable development.



On April 29, 2021, the Bank successfully held the China-Europe Business Council Inaugural Meeting in Beijing.

### Vigorously participating in international multilateral cooperation to contribute ICBC's "green" resources

As the leader unit of the Financial Services Working Group of the BRICS Business Council, the Bank actively promoted green finance related work within the group. In the meantime, the Bank actively participated in activities organized by multilateral platforms such as GIP and UNEP FI, aired its opinions, and practiced the idea of green development.

### Standard Bank

On September 28, 2021, the Bank and Standard Bank Group held a strategic cooperation meeting, at which the two parties signed the *Outline of the Three-year Action (2021-2023) on Promoting All-round Strategic Cooperation and Strategic Collaborative Partnership and the Supplementary Agreement to the Main Framework of the Staff Exchange Plan*.

During the reporting period, the two banks successfully held series online seminars, which discussed topics such as strategic cooperation in technology, challenges, significance and opportunities of the launch of the African Continental Free Trade Area (AfCFTA), success experience of the Forum on China-Africa Cooperation and implementation of Africa's sustainable development strategy, outlook for Africa's energy and new energy market, current development situation of Africa's agriculture, outlook for the China-Africa cooperation in agriculture, and 2021 China-Africa financial market.



During the reporting period, the Bank successfully held matching activities of various forms, which leveraged the Bank's channel advantage to boost economic and trade contacts between China and Africa. Those activities include China-Africa Online Negotiation Meeting of Agricultural Products, China-Africa Online Supply-Demand Matching Meeting, China-Africa Online Trade Fair of Wine, etc., which were participated by more than 300 enterprise representatives from China and 10 African countries and witnessed the attainment of numerous cooperation intentions.



On September 28, 2021, the Bank held the strategic cooperation meeting with Standard Bank Group.

# Return to Shareholders

## Investor relations management

The Bank adhered to the principle of being "comprehensive, proactive, collaborative, targeted and effective" in investor relations management and carried out investor relations activities in a deep-going and solid manner. With those efforts, the Bank effectively maintained its predominance in the Chinese banking industry in terms of market capitalization.

During the reporting period, the Bank successfully held four performance presentations, which were attended by 9,238 representatives of global investment research institutions and individual shareholders. At the presentations, the Bank presented its achievements in implementing the new development plan and promoting high-quality development to the capital market, briefed on its business performance, progress of key strategies, and main achievements in serving the real economy and preventing financial risks, and had in-depth discussions on 40 specific issues of market concerns including NIM change trends, non-interest income growth, asset quality and allowance to NPLs, drivers of inclusive loans, and green finance measures. The annual performance presentation was held in the "onsite + global teleconferencing + questions soliciting+ video livestreaming" form for the first time and was included in "Best Practices of Performance Presentations" by China Association for Public Companies. Moreover, the Bank was invited to share its experience and practices at the meeting as representative of excellent listed companies.



On September 2, 2021, Board Secretary Guan Xueqing attended the 2020 Annual Results Presentation and Experience Sharing Meeting of Listed Companies, and shared the Bank's experience and practices as the representative of Best Practice Cases of Performance Presentation of Listed Companies.



## Green finance and ESG routine communication and feedback mechanism

During the reporting period, the team led by the Management of the Bank and domestic and foreign institutional investors held 10 green finance and ESG meetings. At the meetings, the Bank briefed on the achievements in its practices in green finance, ESG and response to climate change, and responded to investors' concerns honestly and professionally. Shareholders spoke highly of the green finance and ESG communication meetings, and fully recognized the Bank's efforts and achievements in practicing the green, low carbon concepts, actively fulfilling social responsibilities and strengthening risk governance.

The Bank attached great importance to investors' opinions. It included ESG related questions raised by investors as an important part of the substantiality analysis and conducted investor relations activities and ESG information disclosure based on issues that investors were more concerned about. The Bank effectively responded to investors' concerns and further improved its image on the ESG market.

During the reporting period
Investors raised a total of some <b>700</b> questions at performance presentations, roadshows, special communication meetings and other channels
of which nearly <b>100</b> or about <b>15%</b> were ESG related questions including carbon neutrality, green finance, ESG strategy, climate risk management, and ESG information disclosure





▲ On August 27, 2021, the Bank held the 2021 Interim Results Presentation.



## Contributing to Society

### Global anti-pandemic campaign

#### Domestic institutions

##### Tianjin Providing "seamless" financing service for micro and small enterprises participating in the fight against the pandemic



The Bank assisted a micro/small enterprise in Tianjin that engages in the R & D, production and sales of cast film. As a "professional, refined, featured and novel" enterprise with 16 patents, it provided free production lines for Jinnan District People's Government to manufacture masks and protective suits during the pandemic. On December 8, 2021, after learning that the enterprise's RMB 8 million Anti-epidemic Loan was about to mature in seven days, Tianjin Branch Yuanqu Sub-branch immediately followed up on the matter, developed a special plan, opened the green channel for loan renewal, and reserved a special loan limit. The sub-branch issued a new loan on the second day after the enterprise repaid the loan. The seamless provision of funds greatly eased the enterprise's operating pressure.

##### Zhejiang Supporting national key medical diagnosis companies in improving pandemic control guarantee capability

The Bank assisted a technology group company limited, which is an independent third-party medical diagnosis service provider with diagnosis service outsourcing as its core business. Since the outbreak of the pandemic, the company has established nearly 100 nucleic acid testing-based infectious disease screening and control laboratories. During the reporting period, Zhejiang Hangzhou Branch issued a total of RMB 97 million medium- and long-term liquidity loans to the company, and assigned special personnel to communicate with the company in real time, so the Bank could respond to the company's requirements quickly and provide the financial services that they needed.

##### Ningxia Using technology to assist in pandemic control

To assist in the massive nucleic acid testing in the Ningxia Hui Autonomous Region, ICBC Technology made concentrated efforts to develop technical solutions. It solved the difficulty of integrating the COVID-19 health code and the electronic health code, so testing staff could quickly complete information registration and conveniently search for results with one code.



▲ On January 28, 2021, Yang Guozhong, then Chairman of the Board of Supervisors, and Senior Executive Vice President Zhang Wenwu attended the Special Meeting on Pandemic Control Work at Sub-branches and Outlets.

## Overseas institutions

### ICBC (Asia)



On December 21, 2021, ICBC (Asia) Charitable Foundation launched the "Spread Love · Love the Whole City" program and visited a number of social welfare institutions and donated anti-pandemic supplies.

### ICBC (London)

Facing the serious pandemic situation in London, ICBC (London) firmly implemented the Head Office's requirement of "making pandemic control a routine", adhered to the guiding principle of "3S" (Safety, Security and Stability) in operations, and sought progress while maintaining stability. As a result, it maintained the sound development momentum featuring safe employees, continuing operation, controllable risks and stable business.

### Sydney Branch

Sydney Branch actively supported the Chinese embassy and consulate and Chinese-funded enterprises in Sydney in fighting the pandemic. By continuing to optimize and improve office environment, refining the employee welfare system, fully ensuring sufficient anti-pandemic supplies to staff and their family members, holding series mental stress easing courses online and other measures, the branch showed its care to employees. Meanwhile, it increased input in key industries. It participated in the AUD70 million refinancing business for local renowned healthcare companies in Australia, contributing its bit to local pandemic control.

### ICBC (Argentina)

ICBC (Argentina) implemented the routine pandemic control mechanism and measures, monitored staff health on an ongoing basis, and urged employees to participate in the government's vaccination program. It sped up the upgrading of urgently needed functions such as password resetting in mobile banking and WhatsApp service in telephone banking, actively diverted customers to online and self-service channels, and ensured uninterrupted and safe operations and effective operation management.

### ICBC (Thai)



On September 15, 2021, ICBC (Thai) donated medical protective clothing to Thailand's Emergency Medical Center.

### ICBC (USA)

ICBC (USA) gave a helping hand to the Chinese communities in which its institutions are located. It helped families without internet or with English language barriers make an appointment for vaccination online and disseminated information about pandemic control, assisting communities in fighting the pandemic. In the meantime, according to the work arrangements of "Chunrong Action", it stepped up efforts in communicating with local enterprises and provided financial services to help them maintain daily operation, which indirectly stabilized supply chain supply for domestic core customers.



## Global public welfare activities

### Building "ICBC Sharing Stations" to serve outdoor workers and neighborhoods

In recent years, centering on the actual needs of extensive workers, by opening and sharing outlets' internal service resources, the Bank created the public service platform "ICBC Sharing Station".

As at the end of the reporting period



The Bank had  
**15,500**  
"ICBC Sharing Stations"

Which served outdoor  
workers and neighborhoods  
for over  
**40** million person-times

More than  
**40,000** public service  
activities were held via "ICBC  
Sharing Stations"



On February 1, 2021, Hubei Xiangyang Branch provided quality financial services to customers via "ICBC Sharing Station".



Relying on the "ICBC Sharing Station", Bijie Branch and the Guizhou Financial Workers' Union jointly built the "Integrated Service Station for Outdoor Workers in Guizhou Province".

### ICBC's Love Support Program for Students Season V

During the "99 Giving Day" campaign, the Bank, in cooperation with the China Youth Development Foundation, held ICBC's Love Support Program for Students Season V, which involved publicity and donation for poor students undergoing compulsory education in counties to which the Bank offered targeted poverty alleviation assistance. During the campaign, the Bank mobilized more than 41,000 person-times to participate in the donation and raised a total of about RMB 724,000. The project won the Excellent Project Award of the 13th China Young Volunteers Awards.



The project won  
**the Excellent Project  
Award of the 13<sup>th</sup> China  
Young Volunteers Awards**

## "ICBC in Action for Beautiful China" Season IV

The Bank held the plogging activity for the fourth consecutive year, which involved garbage classification, pollution boycott, spread of the idea of ecological civilization, and advocate of a green lifestyle. The activity was held in more than 300 universities across over 200 cities in 32 provinces, municipalities and autonomous regions, with the participation of more than 37,000 volunteers.



▲ Young volunteers from Qinghai Branch and the Sanjiangyuan Ecological Protection Foundation jointly held the "plogging" environmental protection volunteer activity.

## Science Box

Centering on the national strategy of rural revitalization and in cooperation with the China Youth Development Foundation and other organizations, the Bank launched the ongoing public welfare program "Science Box" in Tongjiang and Nanjiang in Sichuan.



## "Left-behind Children's Home" program

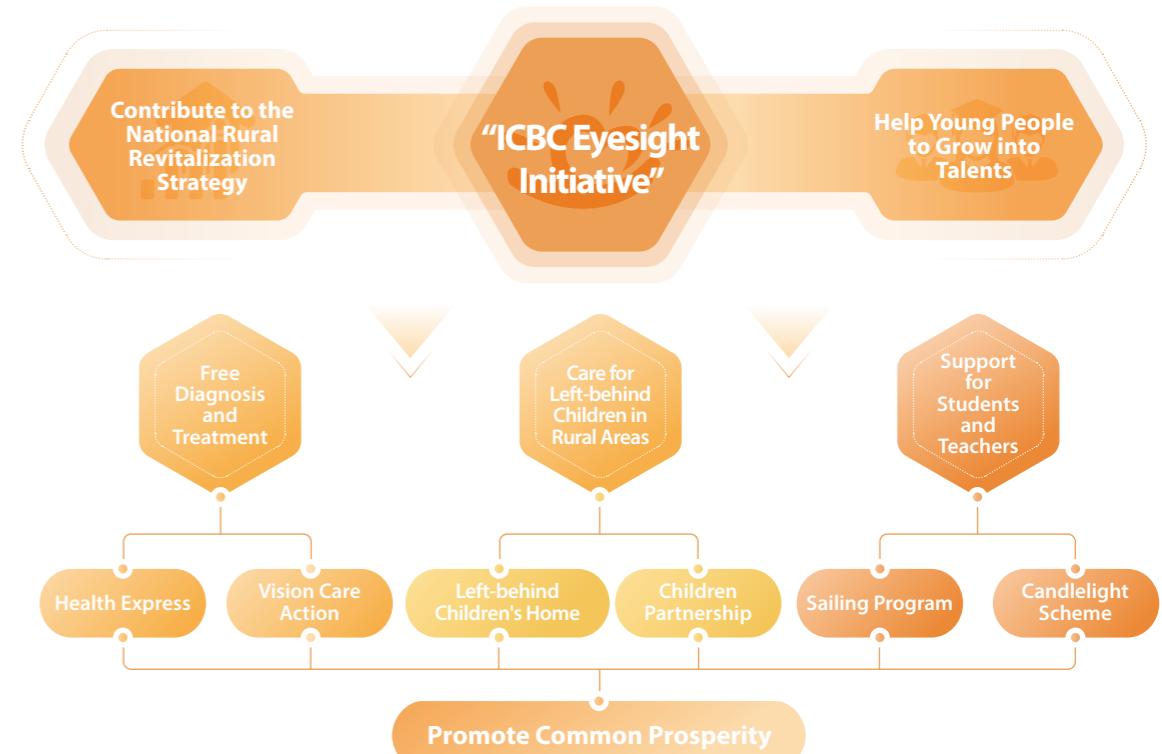
During the reporting period, the Bank continued to support the "Left-behind Children's Home" program in Sichuan Province together with the Central Committee of the Communist Youth League, centering on the "Care for Left-behind Children in Rural Areas Action". The Bank built 50 "Left-behind Children's Home" stations in villages and towns under the jurisdiction of Nanjiang, Tongjiang, Wanyuan and Jinyang in Sichuan. Those stations provided a fixed place to offer welfare and protection services, such as companionship, emotional care and self-protection education, to local left-behind children to help them grow healthily. 330 activities were held and nearly 5,000 left-behind children in rural areas were benefited. The program effectively eased the pain points and difficulties of the four counties and cities in their rural revitalization.



## "ICBC Eyesight Initiative" - Health Express

During the reporting period, the Bank made money donations to support the "ICBC Eyesight Initiative - Health Express" hospital project at Hubei Guangshui Station. The Bank provided free sight rehabilitation surgeries for 1,212 patients with cataract in the locality and successfully launched the Group's public welfare brand "ICBC Eyesight Initiative" in Guangshui.

### Logo of "ICBC Eyesight Initiative"



▲ Su Mingjuan, image ambassador of "ICBC Eyesight Initiative" and employee of Anhui Branch.

## Public welfare overseas



### ICBC (USA)

ICBC (USA) earnestly implemented the *Community Reinvestment Act* on its own initiative as per regulatory requirements. It attached great importance to benign interactions with local communities of its institutions, gave full play to the characteristics and advantages of the Bank as a financial institution, actively participated in community building, and promoted harmonious and stable development of communities. As at the end of the reporting period, ICBC (USA) completed 17 community reinvestment related donation projects which involved a variety of fields including community economic development, people's livelihood, cultural cooperation, community education, women's rights and protection as well as different non-profit organizations.



Since its founding, ICBC (Asia) Charitable Foundation has upheld the principle of "caring social groups and contributing to society", responded to the needs of different social classes, carried out charity programs extensively, and devoted itself to promoting sustainable social development.

During the reporting period, ICBC (Asia) established cooperation with the Sports Federation & Olympic Committee of Hong Kong, China for the first time and officially became the exclusive financial institution partner of the delegation of Hong Kong, China at the Tokyo 2020 Olympic Games. It fully supported Hong Kong athletes in going out to compete on the world sports stage and assisted in the sustained development of the local sports industry.



▲ ICBC (Mexico) donated mattress to YOLIA Girls' Home.



### ICBC (New Zealand)

ICBC (New Zealand) actively supported local public cultural programs such as the "Chinese Bridge" Chinese Proficiency Competition for Foreign Secondary School Students and the performance of the Auckland Philharmonia Orchestra (APO). With the Social Committee as the carrier, it organized Chinese and foreign employees to donate to non-governmental organizations such as the Breast Cancer Foundation NZ and the Helicopter Emergency Rescue Fund, participated in other public welfare activities of local communities, and promoted exchange and integration of the four corporate cultures (family culture, self-actualization culture, innovation culture, and compliance culture) with the culture of New Zealand, in an effort to achieve harmony and unity of corporate development, employee growth and social progress.



▲ Representatives of ICBC (Indonesia) donated grain to communities.



### Singapore Branch

During the reporting period, Singapore Branch and Nanyang Technological University jointly held the "ICBC Cup - The 10th Asia-Pacific Intervarsity Chinese Debate Tournament", which attracted 82 universities from nine regions around the world to participate in and provided an international platform for global young talents to exchange ideas and promote friendship.

## Fight Floods in Zhengzhou

In July 2021, when Henan Province was hit by extraordinary rainstorms, the Bank immediately formulated and issued work measures, mobilized the whole bank to ensure financial services were provided without interruption, and donated RMB 20 million to Henan for flood control, disaster relief and post-disaster recovery.

Henan Branch actively participated in flood control and disaster relief, assisted in emergency rescue, and supported post-disaster resumption of work and production.



On July 21, 2021, an extraordinary rainstorm poured down in Hebi, Henan. The emergency team members from Hebi Branch Junxian Sub-branch guarded the embankments of the Weihe River and acted with local people to control the floods and remove dangers.



During the flood disaster, Henan Branch Zhengzhou Nanyang Road Sub-branch set up water supply points for neighboring residents.



On July 23, 2021, Henan Branch Zhengzhou Shangjie Zhongxin Road Sub-branch aired cash of customers which was wetted by floods during emergency evacuation.

## Volunteer activities

In 2016, the Bank founded the ICBC Young Volunteers Association. Its volunteer activities include helping poor people, serving competitions, caring children, improving financial literacy, and environmental protection. The Association has received many awards including the Gold Medal of the Volunteer Services Competition of the Central Committee of the Communist Youth League, and Excellent Organization Award, Excellent Project Award, and Outstanding Individual Award of China Young Volunteers.

### During the reporting period



The Bank held more than **20,000** volunteer activities including helping poor people, serving competitions, caring children and improving financial literacy

These activities were attended more than **180,000** person-times

The duration exceeded **210,000** hours

Raised a total of RMB **12.15** million funds (supplies)

and received more than **3,000** news coverage from internal and external media



A person from the Bank won the Excellent Individual Award of the 13th National Excellent Young Volunteers Awards

A project won the Excellent Project Award of the 13th National Excellent Young Volunteers Awards

## Blue Letter Project: offering companionship to left-behind children through letters

The Bank organized volunteers to offer one-to-one long-term companionship to left-behind children by keeping up a regular correspondence and guide left-behind children to grow up healthily and happily.

### During the reporting period

A total of **1,005** volunteers passed evaluation and became correspondence ambassadors

**408** young employees took part in the monthly donation program

And **7,219** hand-written letters were exchanged between ICBC young volunteers and children in rural areas in Hunan, Guangxi and other places

## ICBC Spark School series activities

On June 1, 2021, the Bank launched the "ICBC Spark Training Center" June 1 series activities, during which the Bank carried out financial education activities in various forms across China, setting up another platform for improving financial literacy among teenagers.

### As at the end of the reporting period

The Bank organized its young volunteers to hold financial education activities by going to schools to teach knowledge of financial quotient (FQ), inviting elementary and middle school students to visit outlets, giving online public lectures, etc

A total of **734** such activities were held with the participation of more than **7,000** volunteers

Moreover **10** children's FQ education series video courses were developed

And launched in the "Children's Growth" section of the Bank's mobile banking client which provided services for **47,000** students

## "Vision Care Action" Season VII

### During the reporting period

The Bank launched "Vision Care Action" Season VII. Together with local medical institutions and public service organizations, the Bank checked the eyesight of **17,756** children in Beijing, Xining, Lhasa, etc.

Conducted eye disease epidemiological investigations and tracking for **4,688** children provided free spectacles prescriptions for **1,975** children and completed surgeries on **59** children

Since 2015, the "Vision Care Action" has been carried out for **7** consecutive years In total, it has donated RMB **5.72** million

Dispatched more than **600** young volunteers and provided eyesight check service for more than **120,000** children



▲ In June 2021, young volunteers of Suzhou Branch, together with an eye hospital, provided free eye diagnosis for children.

# GOVERNANCE



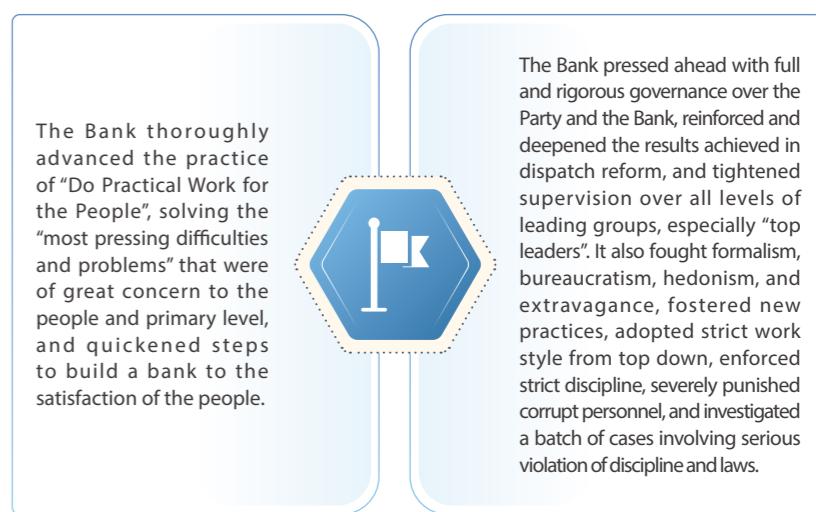
- Corporate Governance**
  - Upholding the Party Leadership for Rigorous Governance
- Strategic Management**
- Risk Governance and Human Resources**
  - Consolidating the Foundation Through Risk Control and Pursuing Success Through Talents
- Technology Driving and Value Creation**
- Internal Management**
  - Pragmatic Transformation and Reform for Development

## Corporate Governance-- Upholding the Party Leadership for Rigorous Governance

*Organic integration of Party building and corporate governance*

### Upholding the Party leadership

Adhere to the guidance of the Party building theory and exercising rigorous corporate governance, the Bank has continuously explored effective mechanisms and paths to integrate Party leadership and modern corporate governance, optimized the governance system and improved its governance capabilities. The Bank also improved its corporate governance pattern, whereby "the Party Committee assumes an overarching leadership role, the Board of Directors makes strategic decisions, the Board of Supervisors plays a supervisory role in accordance with the law, and the Management is responsible for operation", and translated institutional advantages into governance efficacy and development advantages.

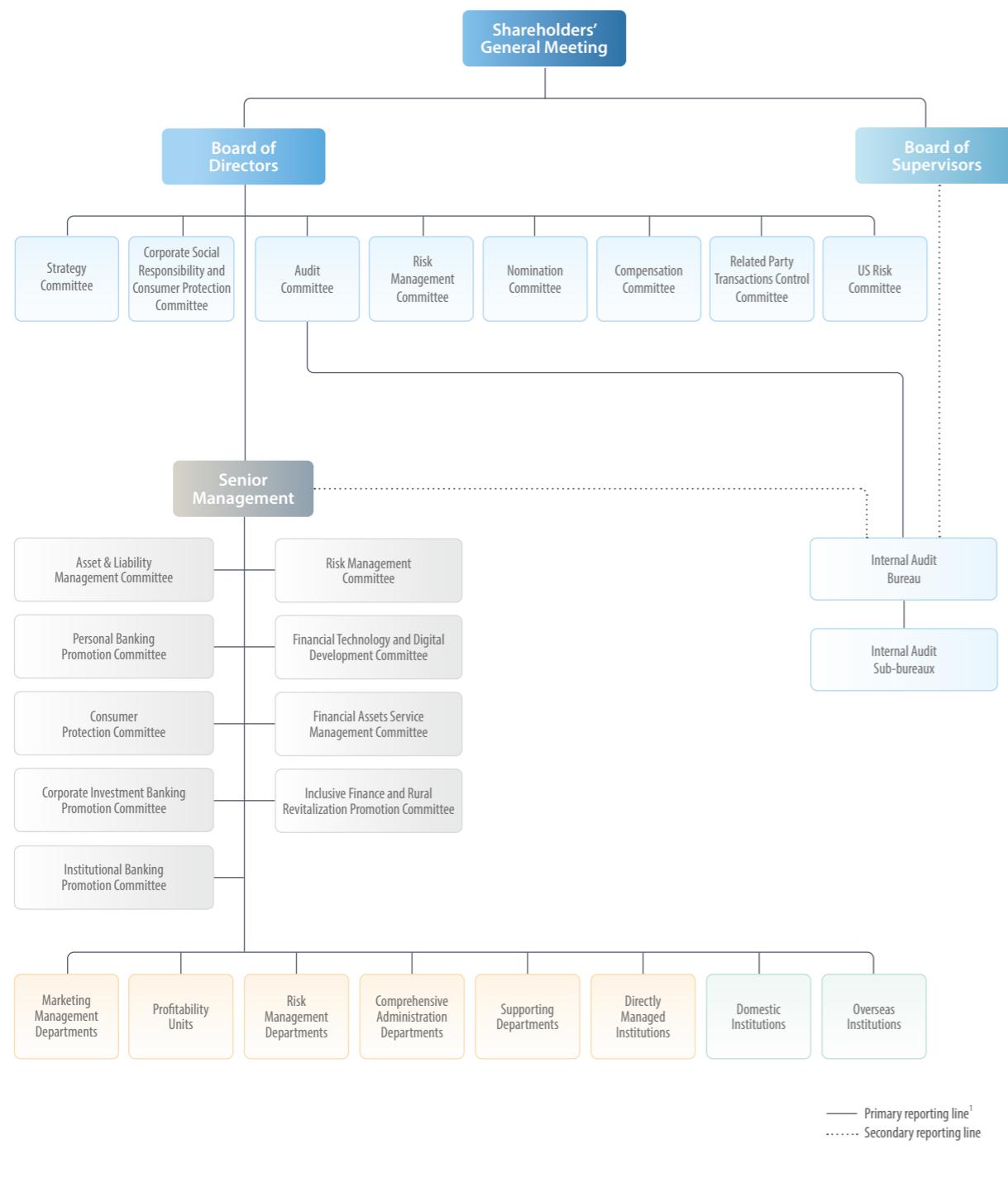


▼ On July 1, 2021, the Bank held the Party Committee (Expanded) Meeting.



## Governance structure composed of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management

The Bank regarded corporate governance as the key to enhancing core competitiveness, took regulatory requirements and best industrial practices as benchmark, made constant efforts to improve the corporate governance mechanism comprising the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management featuring "statutory and transparent powers and responsibilities, coordination and effective checks and balances", and continued to promote the modernization of governance system and capability.



Note: 1. The above chart shows the corporate governance structure of the Bank as of the disclosure date of this report.

### • Shareholders' General Meeting

#### During the reporting period

The Bank held

**1** annual general meeting

**2** extraordinary general meetings at which

**20** proposals (such as the *Proposal on the 2020 Audited Accounts, Proposal on Application for Special Authorized Limit on Poverty Alleviation Donation and Proposal on Donation of Pandemic Prevention and Control Materials in 2020*) were reviewed and approved

**3** reports (such as the *Work Report of Independent Directors of Industrial and Commercial Bank of China Limited in 2020*) were heard



▲ On June 21, 2021, the Bank held the Annual General Meeting for the Year 2020.

### • Board of Directors

#### During the reporting period



The Board of Directors of the Bank held

**13** meetings

At which  
**108** agenda items

(such as the *Proposal on 2021-2023 Strategic Development Plan of ICBC, Proposal on 2020 Corporate Social Responsibility Report of Industrial and Commercial Bank of China Limited (ESG Report), Proposal on 2021 Plan for Inclusive Finance Business and Proposal on Report on Implementation of Green Finance by ICBC*) were studied and discussed

Meanwhile, the Board of Directors was made more **diverse** and **independent**



▲ On August 27, 2021, Chairman Chen Siqing presided over the meeting of the Board of Directors.

#### Diversification of directors

The Bank's Board of Directors had diverse members who were complementary to each other in knowledge structure, professional qualification and experience, ensuring the rationality of decisions made by the Board of Directors.



#### Independence of the Board of Directors

The Bank formulated relevant rules to enable its Board of Directors to obtain independent opinions, and checked the effectiveness thereof on an annual basis. The specific provisions of the rules are as follows:



##### Article 129

"Independent directors shall express objective, impartial and independent opinions on the matters discussed at the Bank's Shareholders' General Meeting or meetings of the Board of Directors."

The Board of Directors of the Bank has eight special committees.

##### As at the end of the reporting period

the six special committees, i.e., the Risk Management Committee, the Nomination Committee, the Compensation Committee, the Related Party Transactions Control Committee, the Audit Committee and the US Risk Committee, are chaired by independent non-executive directors.

The Bank checked the effectiveness of rules every year. During the reporting period, the Bank's Chairman of the Board of Directors presided over a symposium attended solely by independent directors, who fully expressed their opinions regarding the Bank's corporate governance, strategic development, risk management and green finance. Prior to each meeting of the Board of Directors, the Bank organized relevant personnel to communicate with directors about all matters to be discussed at the meeting and sought the opinions of directors in detail.

#### Responsibilities of the Board of Directors

As the decision-making organ of the Bank, the Board of Directors of the Bank is accountable to, and shall report its work to, the Shareholders' General Meeting. The Board of Directors is responsible for, among others, convening the Shareholders' General Meeting; implementing the resolutions of the Shareholders' General Meeting; deciding on the business plans, investment proposals and development strategies of the Bank; formulating annual financial budget and final accounts of the Bank; formulating plans for profit distribution and loss recovery of the Bank; formulating plans for the increase or decrease of the Bank's registered capital, capital replenishment and financial restructuring of the Bank; formulating basic management systems of the Bank such as risk management system and internal control system, and supervising the implementation of such systems; appointing or removing President and the Board Secretary, and appointing or removing Senior Executive Vice Presidents and other senior management members (except the Board Secretary) who shall be appointed or removed by the Board of Directors under relevant laws according to the nomination of the President and deciding on their compensation, bonus and penalty matters; deciding on or authorizing the President to decide on the establishment of relevant offices of the Bank; regularly evaluating and improving corporate governance of the Bank; managing information disclosure of the Bank; and supervising and ensuring the President and other Senior Management members to perform their management duties effectively.

#### Investigation and Training of Directors

During the reporting period, Directors of the Bank proactively conducted surveys on departments of the Bank, branches and subsidiaries concerning such topics as serving the new development paradigm, supporting rural revitalization, FinTech, green finance, wealth management, and pension finance. In the form of survey reports and briefs, such investigations provide the Bank with constructive suggestions and opinions.

During the reporting period, the Bank developed an overall training plan for the Board of Directors, increased training resources, and encouraged and actively organized the Directors to attend trainings in many ways, with the aim of assisting the Directors in continuing to improve their ability to perform their duties. Directors of the Bank attended relevant trainings according to work needs.

## • Board of Supervisors

### By the end of the reporting period

The Bank's Board of Supervisors had <b>6</b> supervisors	Including <b>2</b> shareholder supervisors	<b>2</b> employee supervisors	<b>2</b> external supervisors
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### During the reporting period

The Board of Supervisors held <b>9</b> meetings	At which <b>20</b> proposals (such as the work report of the Board of Supervisors in 2020 and performance evaluation report) were deliberated	<b>9</b> reports (such as the reports on operation, strategic development plan and the Group's AML efforts) were heard	<b>43</b> reports (such as reports on quarterly supervision in 2021 and relevant surveys of the Board of Supervisors) were reviewed
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### Responsibilities of the Board of Supervisors

As the supervisory organ of the Bank, the Board of Supervisors is accountable to, and shall report to, the Shareholders' General Meeting. The Board of Supervisors shall be responsible for supervising the performance and due diligence of directors and Senior Management members; supervising the performance of duties by the Board of Directors and the Senior Management; conducting exit audits on directors and Senior Management members when necessary; inspecting and supervising financial activities of the Bank; examining financial information such as financial report, business report and profit distribution plan to be submitted to the Shareholders' General Meeting by the Board of Directors; inspecting and supervising the business decision-making, risk management and internal control of the Bank and guiding the work of the internal audit department of the Bank; formulating performance evaluation measures of the Board of Directors, Senior Management and their members, and supervisors; formulating performance evaluation measures of the Board of Directors, Senior Management and their members, and supervisors; presenting proposals to the Shareholders' General Meeting; proposing to convene an extraordinary general meeting, and convening and presiding over the extraordinary general meeting in case the Board of Directors fails to perform its duty of convening Shareholders' General Meeting; and proposing to convene an interim meeting of the Board of Directors.

▼ On October 29, 2021, Huang Liangbo, Chairman of the Board of Supervisors, presided over the meeting of the Board of Supervisors.



### Operation of the Board of Supervisors

The Board of Supervisors discusses official matters at the meeting of the Board of Supervisors, which includes regular meetings and special meetings. During the reporting period, the Board of Supervisors conscientiously performed its supervisory responsibilities according to relevant laws & regulations, regulatory requirements and Articles of Association, concretely supervised due diligence, financial activities, risk management and internal control through multiple methods such as field survey and offsite monitoring and analysis, gave full play to its important role in corporate governance, and promoted the Bank's operation and development in compliance with laws.

The office under the Board of Supervisors is designated by the Board of Supervisors as a daily operating organ to supervise and inspect corporate governance, financial activities, risk management and internal control and undertake the preparation, documents preparation and minutes-taking of the meetings of the Board of Supervisors.

#### Taking solid steps in supervising duty performance

It stepped up performance supervision of the Board of Directors and Senior Management, and paid high attention to the Bank's implementation of important decisions and plans made by the CPC Central Committee and State Council. It paid attention to the efforts of the Board of Directors and Senior Management in the following aspects: carrying out national economic and financial policies and regulatory requirements, serving major national strategies, responding to the pandemic, supporting the service for the real economy, facilitating the implementation of important tasks to ensure stability on six key fronts and maintain security in six key areas, boosting the development of inclusive finance and green finance, forestalling and defusing financial risks and disclosing information. It also enabled the Bank to fully perform the political, social and economic responsibilities as a major state-owned bank.



#### Constantly strengthening risk management supervision

It supervised the operation of the enterprise risk management system, paid attention to the formulation and transmission of risk management strategies and risk appetite, and the improvement and implementation of risk management policies and procedures, oversaw capital management, consolidated management, stress test management and regulatory indicators, and tracked the changes in major risks such as credit risk, market risk and liquidity risk. It kept a watchful eye on the impact of the global pandemic spread on domestic economy and finance and the Bank's relevant risk prevention and control measures, strengthened supervision of key regions, institutions and businesses, and analyzed and revealed potential, emerging and tendency risks.

#### Further advancing financial supervision

It ramped up supervision of important financial decision-making and execution, paid high attention to the Bank's major accounting matters, expected credit loss, financial review and approval matters and related accounting as well as the impact of domestic and overseas pandemic on the Bank's operation, and deeply analyzed major factors affecting the Group's profit. It carefully reviewed regular reports, annual final accounts and profit distribution plan, understood and stayed updated on external audit, and supervised and evaluated the quality of external audit. It focused on financial resource allocation and financial management mechanism and kept tightening supervision.

#### Supervising the Group's internal control in a down-to-earth manner

It comprehensively supervised the effectiveness of the Group's internal control system, performance of internal control responsibilities and the operation in compliance with the law, and paid close attention to the operation of internal control mechanisms, rule development, implementation of regulatory opinions, remediation of problems found in inspection, management of major risk events and accountability for operation loss. It took solid and detailed steps to supervise key institutions and business areas, paid continuous attention to internal control in aspects of case prevention, AML and IT, gave full play to the efficacy of supervision and effectively enhanced the Group's internal control & compliance management.

## Information disclosure

During the reporting period



The Bank actively carried out national requirements for improving the quality of listed companies, constantly expanded the breadth and depth of information disclosure and made continued efforts to make information disclosure more transparent. In the annual evaluation of information disclosure by companies listed on Shanghai Stock Exchange, the Bank was rated “excellent” for the eighth year in a row

To protect the rights and interests of investors and other stakeholders, especially minority shareholders, the Bank strictly abided by domestic and overseas regulatory rules for information disclosure and fulfilled its information disclosure obligations. During the reporting period, on the basis of high-quality mandatory information disclosure, the Bank increased voluntary disclosure of key matters of concern to domestic and overseas investors and capital markets, such as corporate strategic connotation, inclusive finance, financial services for rural revitalization, green finance and pandemic prevention and control. At the same time, to ensure investors enjoy fair right to know, the Bank simultaneously disclosed information at places where stocks were listed.

## Corporate governance of integrated subsidiaries

The Bank constantly improved the corporate governance framework of subsidiaries, and perfected the corporate governance system of subsidiaries. The Head Office transmitted basic principles of corporate governance and the Group's management requirements to domestic and overseas subsidiaries according to methods and measures such as strategic guidance, capital management, authorization management, consolidated management, remuneration management and official management. Subsidiaries carried out these principles and requirements by reference to local and industrial regulatory requirements.



On September 17, 2021, Wang Lin, then Head of the Discipline Inspection and Supervision Group at ICBC, presided over the seminar on the implementation of the Opinions on Strengthening Supervision of Top Leaders and the Leading Body by domestic integrated subsidiaries.



The Bank adhered to the approach to “plan ahead, see the big from the small, remedy in time and draw inferences”, stuck to the enterprise risk governance route of “active prevention, smart control and comprehensive management”, defused existing risks and prevented increased risks in an effective and orderly manner, and stepped up the constraint of the Group's compliance and risk appetite.



The governance frameworks of subsidiaries were basically well established

Subsidiaries preliminarily established their sound corporate governance structure system. The Board of Directors effectively transmitted the Head Office's strategies. The Senior Management diligently carried out operation management activities within the authorization of the Board of Directors.

The Group's strategies and risk appetite were transmitted effectively. On the premise of complying with local laws & regulations and regulatory requirements, subsidiaries constantly refined their corporate governance structure based on their business scale, development stage and management.



The governance operation mechanism with the Board of Directors at the core was good

The status and functions of the Board of Directors of each subsidiary were continuously reinforced. The Board of Directors focused on major issues such as strategy, capital, risk and internal control, and the sense of responsibility and professionalism of directors and supervisors were continuously enhanced.

During the reporting period, the Bank issued and implemented



*Rules for Management of Domestic Integrated Subsidiaries*

Solidified good practices over years into rules and measures, clarified the management mechanism wherein “leading body takes overall charge, business lines assume principal responsibility” and the basic principles for serving the Group's strategies, and pushed forward the comprehensive development featuring facilitation of development, enhancement of management and optimization of guarantee across the board.

*Guidelines for Corporate Governance of Domestic Controlled Institutions*

The basic principles of corporate governance of subsidiaries were set forth.

## ESG governance

### ESG governance structure

#### During the reporting period

The Bank's Board of Directors proactively performed the strategic decision-making function, deepened ESG governance and constantly refined the ESG governance structure.

The Strategy Committee of the Board of Directors is responsible for considering the annual social responsibility report and putting forward suggestions to the Board of Directors.

The Corporate Social Responsibility and Consumer Protection Committee of the Board of Directors is responsible for studying and considering the Bank's fulfillment of social responsibilities for environment, society, governance, targeted poverty alleviation and enterprise culture, consumer protection strategies, policies and objectives, green finance strategies, the development plan, basic rules, annual plan and evaluation measures of inclusive finance business and other matters, and putting forward suggestions to the Board of Directors.

### Advancement of ESG management

The Bank's Board of Directors gave top priority to the Bank's work in the fields of environment, society and governance, developed the Bank's strategic development plan, and facilitated the Bank to attain the goals of "carbon peak and carbon neutrality". It regularly considered the proposals on reports on ESG, green finance and risk management and ramped up supervision and management of ESG issues.

#### During the reporting period, Board of Directors of the Bank reviewed and approved

- ✓ 2020 Risk Management Report
- ✓ Proposal on Consumer Protection in 2020 and Work Plan for 2021
- ✓ Report on Implementation of Green Finance of ICBC
- ✓ 2021 Plan for Inclusive Finance Business
- ✓ Enterprise Risk Management Regulations (2021)



▲ On August 26, 2021, the Bank convened the meeting of the Risk Management Committee of the Board of Directors.



#### Diligent participation in climate-related risk management by the Risk Management Committee of the Board of Directors

During the reporting period, the Board of Directors listened to the *Proposal on US-based Risk Management Framework and Annual Appetite Review and Report on Various Risks*, added qualitative appetite expression of "ESG and climate risk" to the risk appetite statement to link with relevant strategic plans of US-based institutions, and put forward specific risk appetite requirements.

The Board of Directors and its Risk Management Committee reviewed and approved the *Enterprise Risk Management Regulations (2021)* and included "climate risk management" in the enterprise risk management system. First, the definition, influence factors and main risk manifestation of climate risk were clarified. Second, climate risk management system and management requirements were clarified.



#### Duty performance in handling customer complaints and improving services by the Corporate Social Responsibility and Consumer Protection Committee of the Board of Directors

During the reporting period, the Board of Directors and its Corporate Social Responsibility and Consumer Protection Committee reviewed and approved the *Proposal on Consumer Protection in 2020 and Work Plan for 2021*, and listened to the *Analysis Report on the Bank's Customer Complaints in 2020*.



#### Responsibilities of the Board of Directors or its special committees for reviewing privacy protection and data security rules

During the reporting period, the Board of Directors reviewed and approved the *Proposal on 2021-2023 Group Data Governance and Intelligent Application Plan of ICBC*, asked for more efforts in data security management education, fostered the awareness of protecting the Bank's customer privacy and information security, and strengthened protection of governmental affair data, trade secrets and personal data.



#### Discussions and training on climate risk management and green finance held by the Board of Directors

During the reporting period, the Bank's Board of Directors held special discussion and training about "climate risk management of commercial banks" and "green finance system of ICBC".

### ESG integration into the strategic plan

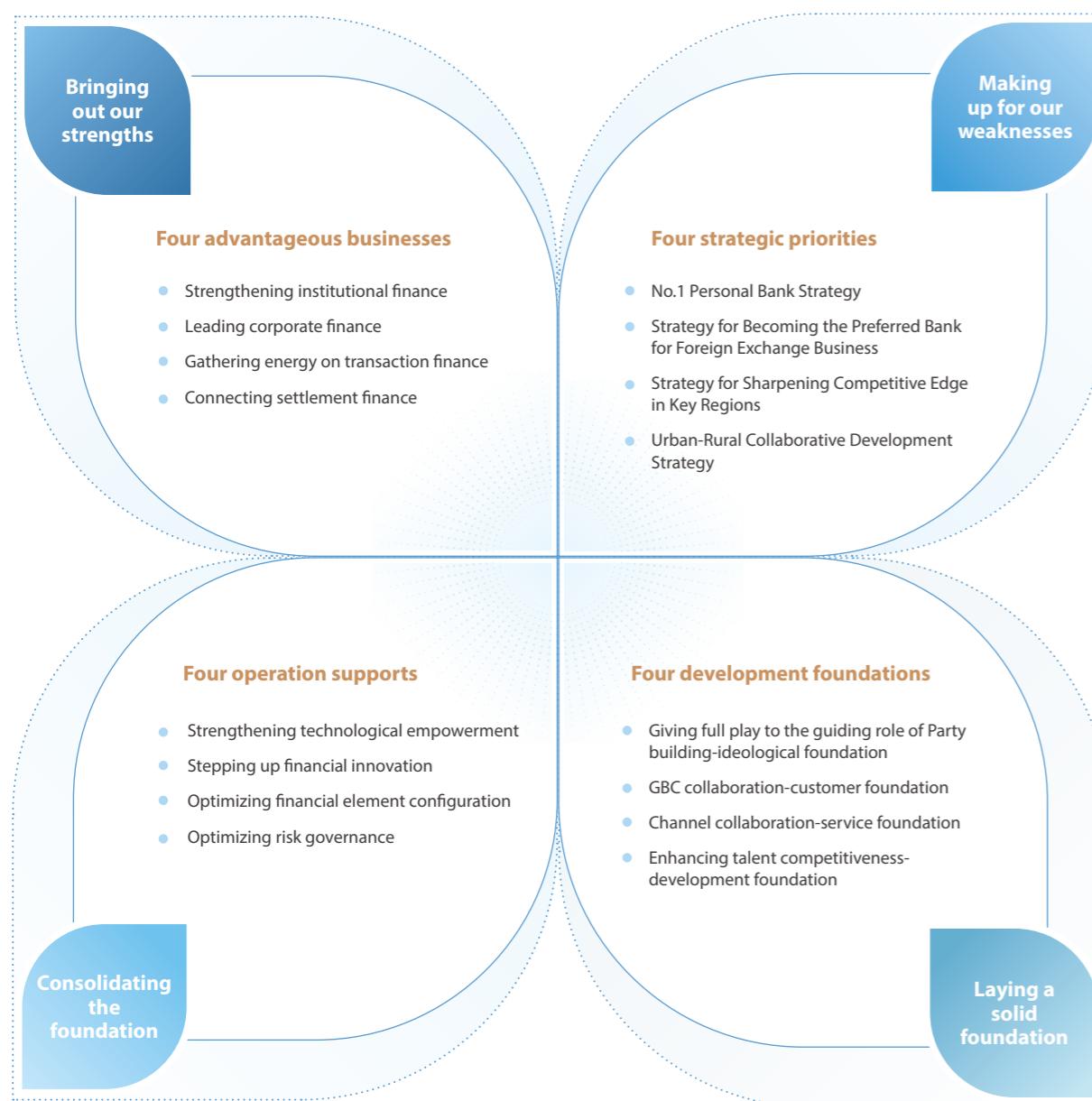
During the reporting period, the Bank's Board of Directors reviewed and approved the 2021-2023 Strategic Development Plan of ICBC. In line with the sustainable development goals in the 2030 Agenda for Sustainable Development for ending poverty, achieving food security, ensuring inclusive and equitable education, ensuring access to modern energy, ensuring full employment, taking action to combat climate change, restoring ecosystems and revitalizing the global partnership, the Bank worked out actions in the fields of green finance, inclusive finance (rural revitalization and people's livelihood) and FinTech empowerment in the parts for institutional finance, corporate finance, financial innovation and financial element in the Plan, and practiced the sustainable development philosophy.

### ESG standards applicable to subsidiaries

The Bank issued the *Basic Rules Governing the Social Responsibility Work of ICBC (Version 2017)* and the *Measures for Managing Social Responsibility Information Disclosure of ICBC (Version 2017)*, which are applicable to the Group and define the work content, principles, division of responsibility and so on of subsidiaries' ESG management and information disclosure.

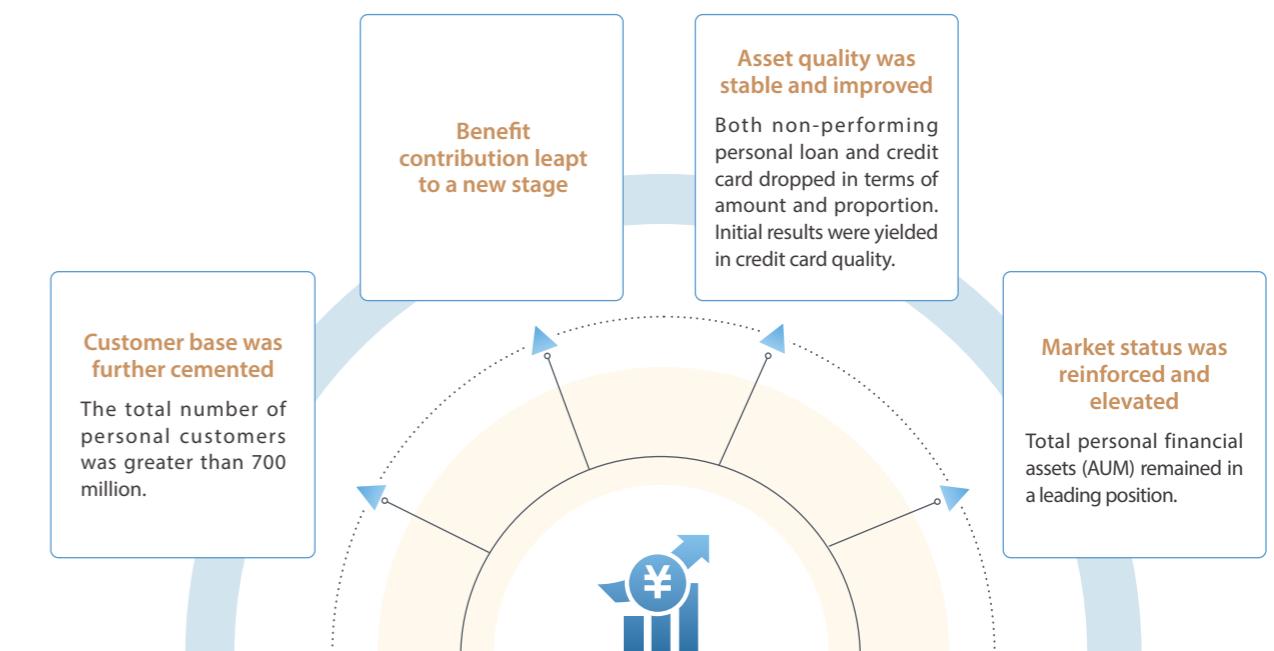
# Strategic Management

**Pattern of “bringing out our strengths to make up for our weaknesses and laying a solid foundation”**

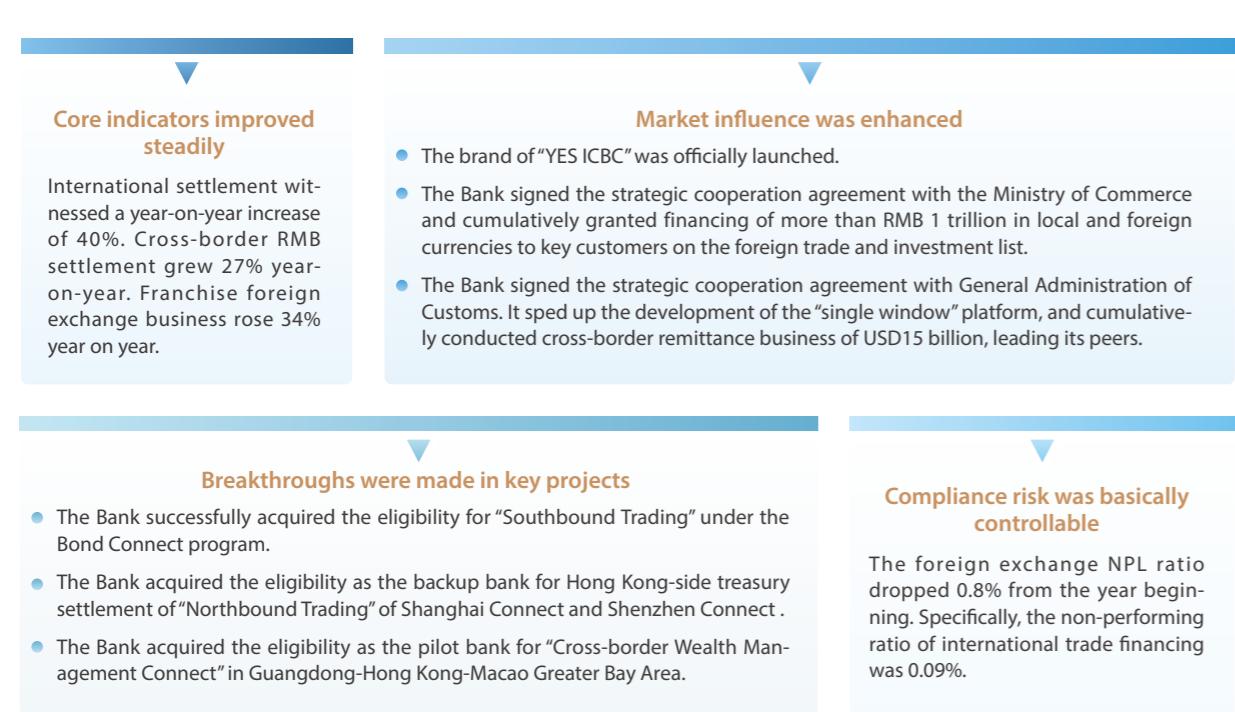


▲ On March 16, 2021, Chairman Chen Siquing attended the press conference on ICBC's assets under custody reaching RMB 20 trillion.

## No.1 Personal Bank Strategy



## Strategy for Becoming the Preferred Bank for Foreign Exchange Business

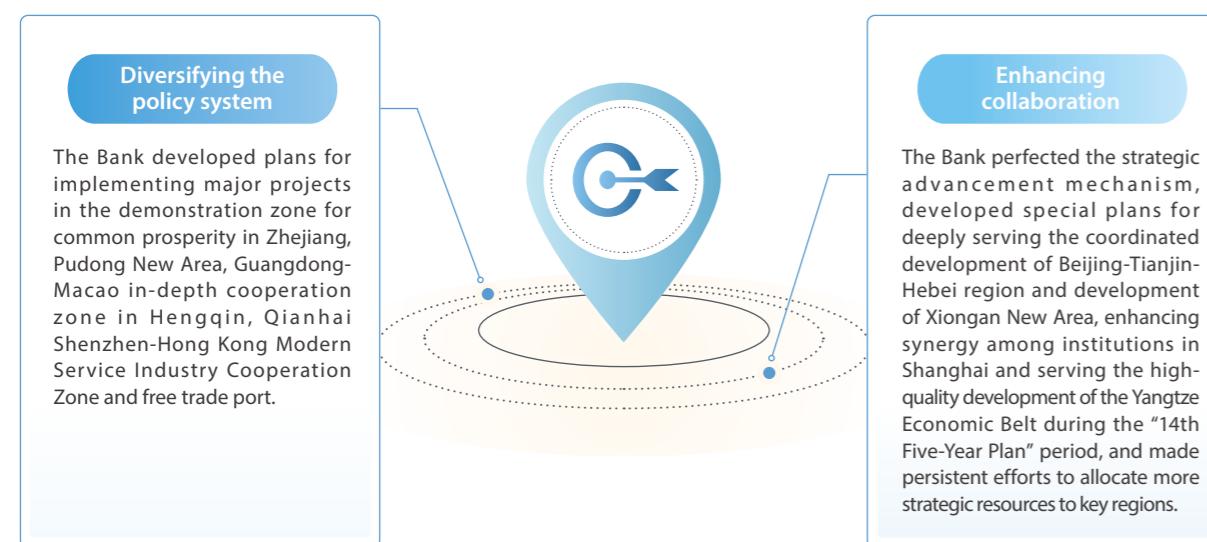


## Urban-Rural Collaborative Development Strategy

### Building of the new "1+6" financial service structure for rural revitalization



## Strategy for Sharpening Competitive Edge in Key Regions



In May 2021, some directors of the Bank went to Sichuan for the survey on "Urban-Rural Collaborative Development Strategy".

# Risk Governance and Human Resources -- Consolidating the Foundation Through Risk Control and Pursu- ing Success Through Talents

## “Four-pronged” enterprise risk management system

During the reporting period, the Bank made unremitting efforts to build an enterprise risk management system with the approach to “people, money, defense line and bottom line”, and improved risk strategy, appetite, limit, policy and process through the risk governance route of “active prevention, smart control and comprehensive management”. Risk management covered various risks, institutions, businesses and personnel, without any blind spot in risk control.

## Improvement of the 9+X enterprise risk management system

Strategic risk	Operational risk	Reputational risk
Effective coordination of new plans with national strategies, clear strategic direction and orderly advancement	Stricter internal control, case prevention and AML. Operational risk loss ratio: 0.0929%	Smoothly went through all important sensitive periods of the year
Credit risk	Liquidity risk	Country risk
Asset quality was stable and improved. Non-performing ratio: 1.42%	Secure and stable liquidity. LCR: 112.75%	Strict control over business in countries with high/relatively high risk
Market risk	Interest rate risk in the banking book	IT risk
Financial market business was operated steadily	Net interest margin stayed stable. NIM: 2.11%	Zero major information security event throughout the year



Inclusion of investment and financing partner, secondary risk in fee-based business, model risk and climate risk into the enterprise risk management system

On April 8, 2021, the Bank held the Credit and Enterprise Risk Management Work Conference.



## Climate risk management



The Bank integrated climate risk into the strategic management of enterprise risk, strengthened the identification and management of climate risk, pressed ahead with stress testing research, and actively participated in TCFD global financial governance. During the reporting period, the Bank initiated and set up a panel of the banking industry in support of carbon peak and carbon neutrality together with China Banking Association. As the leader of the panel, the Bank organized climate risk training, actively attended online and offline climate meetings held by regulators and peers, shared its experience in climate risk management and reinforced its leading role in the field of climate risk in China.

## Enhancement of consolidated management of the Group's risks



The Bank implemented the regulatory requirements for consolidated management, consistently perfected the Group's consolidated management system and supported international and diversified development. The Bank continued to promote enterprise risk management of integrated subsidiaries, guided them to perfect the risk governance system, enhanced the management of their risk appetites and limits and continuously improved risk prevention and control capabilities.

## Model risk management



The Bank strengthened model risk management, built a model risk management policy system and a model risk management system, promoted full-lifecycle management of model development, validation, review & approval, monitoring, application and decommissioning, and ensured the prudent, effective and stable functioning of various models.



## Advancement of the development of the smart risk control system to raise risk control efficiency



The Bank ramped up efforts in the development of the risk management system, introduced advanced technologies and built an intelligent risk control system. It perfected the Group's investment and financing risk monitoring platform, deepened the application of new technologies in anti-fraud efforts and improved market risk management and control means. It built an advanced country limit management and control platform for the whole business process, realized multi-dimensional monitoring and control of country limits, automatic early warning prompting and other functions, and concretely strengthened country limit control, monitoring and early warning in business processes.

## Risk technology tools and research results delivery



### Delivery of methodology

The Bank started the market risk management delivery project of a large state-owned bank, implemented the overall security concept of the state, and helped peers improve risk prevention and control.

### Delivery of management system

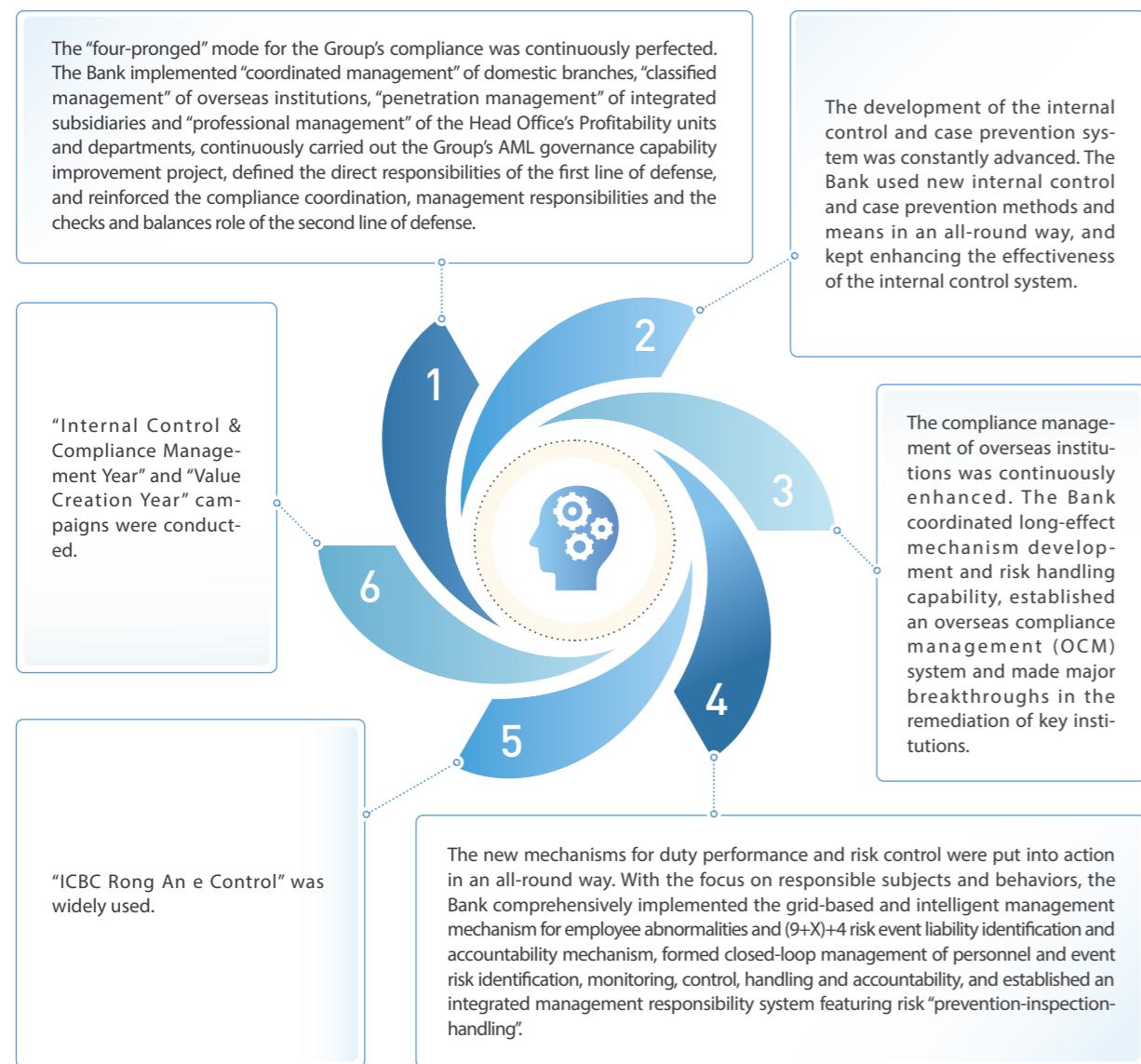
The Bank assisted small and medium-sized banks to establish an enterprise risk and market risk management system, prepared risk management plans and reports, and guided the development of rating models suited for the characteristics of the bank.

### Delivery of research results

The Bank actively participated and cooperated in the revision of new capital supervision regulations, carried out quantitative calculation, and gave feedback on policy suggestions.

## Perfection of internal control system

### Solid steps in internal control and case prevention



## Anti-corruption and clean bank construction



The Bank advocated clean and compliant culture. During the reporting period, the Bank produced features of "deepen financial anti-corruption" and "full and rigorous governance over the Party and ICBC" and warning education videos regarding asset management, carried out warning education activities such as Financial Case, promoted the compliance culture campaign themed on "Value Creation Year", and boosted the advancement in full and rigorous governance over the Party and ICBC.

During the reporting period, the Discipline Inspection and Supervision Group at ICBC further deepened financial anti-corruption together with the Bank's Party Committee according to the ideas of "tougher supervision over reform, playing a role by performing two responsibilities, promoting remediation through anti-corruption and integrated risk prevention".



It severely investigated and punished corruption in the fields of investment and financing review & approval, centralized procurement and asset management, and launched review and investigation into the cases about serious violation of discipline and laws by Vice General Manager Zhang Youfu of Henan Branch, former Vice General Manager Lu Jinwen of Guangdong Branch and former General Manager Zhang Keli of Hunan Branch.



It issued the *Measures for Promoting Remediation through Using Typical Discipline and Law Violation Cases* to promote remediation through cases on a regular basis. The Bank held a bank-wide warning education meeting, shoot and organized employees to watch special warning education videos, compiled and distributed case warning records, and deeply fostered a clean and honest financial culture.



It tightened supervision of "top leaders" and leading groups and extended and reinforced the clean risk prevention and control in overseas institutions and subsidiaries.

Person-times covered by anti-corruption/commercial bribery training

**390,200** person-times

For more information on the number of corruption cases, litigation outcome and so on, please go to the official website of the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission.

## AML

During the reporting period, the Bank set up a professional AML team, monitored money laundering risk management and control, constantly conducted special AML inspection of domestic branches, increased the evaluation points assigned to AML indicators, established the "red and yellow card" accountability mechanism, constantly advanced the activities covering "learning, training, speaking, testing and competition", and redoubled efforts in AML capability building.



Number of AML trainings

**2,158** times

Person-times covered by AML training

**972,000** person-times

## Whistleblower protection rules



During the reporting period, the Bank introduced the *Measures for Handling Reported Violations*, further specifying the whistleblowing handling specifications, detailing confidentiality requirements and concretely protecting the legitimate rights and interests of whistleblowers.

## Talent system and key talent team building

Based on the objectives in the Group's development strategy, the Bank worked out the Group's personnel plan, established a system for cultivating and developing all levels of employees, built an orderly connected talent team, optimized structure and raised efficiency to bring their talents into full play.



The Second "ICBC Excellence Awards" were granted to teams and individuals who have made outstanding contributions in the strategic layout of "bringing out our strengths to make up for our weaknesses and laying a solid foundation".

The Bank gave full play to the roles of officials within different age ranges, vigorously selected excellent young officials and made the average age of the Head Office's management officials below 50.

The Bank clarified the orientation of cultivating and growing officials at the primary level, and sent nearly 500 officials from the Head Office and provincial branches to primary-level institutions and challenging areas.

The Bank took solid steps to promote the strategy of strengthening the Bank through talents, constantly optimized the talent structure and layout, and effectively improved the competency of talents.

The Bank held the employee representatives' meeting. It continued to care for officials and employees, and paid more salaries to those working at the primary level. The cohesion and competency of all officials and employees were further improved.

**Three-dimensional exchange and cultivation system characterized by "top and down, right and left, and internal and external"**

**"Top and down"**

The Bank regularly sent the Head Office's employees to primary-level institutions and branches and organized employees of branches to the Head Office for cultivation and training.

**"Left and right"**

The Bank organized employees to participate in exchanges and learning across institutions and departments every year for cultivation and training.

**"Internal and external"**

The Bank selected employees to learn and work in overseas institutions and serve temporary positions in governmental agencies to further broaden their vision, improve capabilities and expand space for development.



During the reporting period, the Bank recruited 18,000 personnel through campus recruitment in autumn, an increase of 5,000 over last year. It also included domestic college graduates unemployed in 2020 into the recruitment and provided equal employment opportunities for college graduates that were not employed due to the pandemic. The Bank accelerated the development of a unified and standard plan for developing new employees.



On December 31, 2021, the Bank's leadership and senior management members, including Chairman Chen Siqing, Vice Chairman, President Liao Lin and Chairman of the Board of Supervisors Huang Liangbo, visited officials and employees who worked hard in the year-end final accounts.



### The Bank attached great importance to the building of professional talent teams

The Bank conducted in-depth survey on credit team building, concentrated efforts on key and core talent development and reinforced team access requirements and performance evaluation.

The Bank worked out the *Opinions on Strengthening Retail Team Building*, spared no effort to build a professional retail line team comprising customer marketing, investment research and advisory service and digital operation talents, consolidated the talent foundation for retail transformation and development, and boosted the high-quality development of retail business.

The Bank made coordinated use of its advantageous resources, promoted FinTech talent cultivation and team building with high quality, and actively built a "pool" of interdisciplinary, innovative and competent FinTech talents.

The Bank established a talent pool covering more than 300 expatriates in main overseas lines to reserve and cultivate foreign language talents for international operation.

## Education and training system

### During the reporting period

The overall average satisfaction of employees participating in various trainings was

**97.11 %**

**35,939** online and offline training sessions were held benefiting

**5,607,359** person-times

The training coverage rate of the Bank's employees was

**97.75 %**

The per capita training days were

**9.61**

In particular, there were

**2,415** online

training sessions with

**3,423,573** person-times participation

training sessions with

**2,183,786** person-times participation



## Optimization of training system and mechanism

### The Bank deepened and perfected its education and training system

It made systematic plans for the training organization system, network layout and personnel training structure, worked out the *Plan for Deepening and Perfecting ICBC Training Center*, and strove to improve the overall training synergy and operational efficiency.

### The Bank improved the professional qualification certification mechanism

It promoted the professional qualification certification in an orderly manner, focused on continuing to reduce burdens on and empower the primary level, continuously optimized certification mode, examination organization mode and continuing education mechanism, and further built an effective engine for employees' career development.



▲ In June 2021, Hebei Branch organized the "Stars Program" new employee training.

By the end of the reporting period						
<b>3,487</b>	employees held	<b>4,081</b>	social qualification certificates in	<b>28</b>	types such as IT service management specialist, certified anti-money laundering specialist and chartered financial analyst (CFA)	
<b>813</b>	financial risk managers	<b>686</b>	certified internal auditors	<b>627</b>	CFA	<b>226</b>
<b>163</b>	international registration project managers	<b>163</b>	certified documentary credit specialists			
Among them			<b>1,364</b> certificates	(accounting for <b>33.4</b> %)		
were obtained by participating in internal training and taking unified social examinations.						

## Improvement of training resource guarantee capacity

	The Bank adapted to the needs of improving the ability of outlet employees, and developed knowledge text books in the form of Q&As, lightweight design and tips.
	The Bank met the learning needs of overseas employees. With focus on internal control and compliance, assets and liabilities, and overseas risks, it developed bilingual training courseware and compiled English text books.
	During the reporting period, the Bank developed and prepared 252 professional qualification certification text books and business product manuals, 1,193 cases and 8,537 pieces of courseware.
	The Bank promoted the development of the online learning platform. It focused on meeting the diversified and fragmented learning needs of employees.



▲ On March 23, 2021, the Bank set up the Research Center for Portuguese-speaking Countries in Macao, the first research institution in the Chinese banking industry that focuses on Portuguese-speaking markets.

## ESG training

During the reporting period, the Bank focused on the new development concept, gave full play to the advantages of its training system, comprehensively strengthened ESG training, continuously improved the regular ESG training mechanism, constantly improved the understanding of ESG concept by personnel at all levels and on all positions of the Group from various angles, and promoted the transmission and implementation of the ESG concept.



### During the reporting period

The Bank held <b>162</b> training sessions about green finance/environmental governance, with <b>57,613</b> person-times participation	The Bank held <b>1,314</b> inclusive finance training sessions, with <b>139,986</b> person-times participation	The Bank held <b>248</b> training sessions on rural revitalization/county governance (including rural credit system development), with <b>81,237</b> person-times participation
The Bank held <b>1,196</b> human resources training sessions, with <b>123,475</b> person-times participation	The Bank held <b>258</b> education training sessions, with <b>47,390</b> person-times participation	The Bank held <b>626</b> data security and/or privacy risk training sessions, with <b>191,263</b> person-times participation

## Democratic management

### • Employee representatives' meeting

The Bank ensured that employees occupied the principal position and effectively exercised democratic management power according to the law. Both the Head Office and branches established a system of employee representatives' meeting and regularly held the meetings, so as to provide employees with effective ways to participate in corporate operation management and major decision-making, and study and consider major matters concerning the vital interests of employees.

The trade union of the Bank performed democratic procedures for rules, regulations or major matters involving the immediate interests of employees in accordance with the law, and participated in the deliberation of issues concerning the accountability for employees' violations, termination of labor contracts etc., to safeguard the legitimate rights and interests of employees.

During the reporting period, the Bank successfully held employee representatives' meeting. Chairman Chen Siping delivered a speech titled "Pooling Efforts to Deepen Democratic Management and Striving to Create a New Pattern of High-quality Development" at the meeting. The meeting reviewed and approved the *Report on the Bank's Operation Management in H1 of 2021* delivered by Vice Chairman, President Liao Lin, *Report on Proposals Collected from Representatives of the Employee Representatives' Meeting of the Bank* delivered by Chairman of the Board of Supervisors Huang Liangbo and the *Report on the Financial Conditions of the Bank in H1 of 2021* delivered by the Finance & Accounting Department. The *Report on Handling the Proposals from Representatives of the last Employee Representatives' Meeting of the Bank, Report on Use of Staff Education Funds of the Bank in 2020 and Report on Performance of Employee Supervisors in 2020* were reviewed and approved in writing.



▲ On September 30, 2021, ICBC convened the first session of the second employee representatives' meeting.



▲ On September 30, 2021, Huang Liangbo, Chairman of the Board of Supervisors, attended Employee Representative Assembly of the Bank.

#### • Employee satisfaction survey

The Bank paid close attention to employee satisfaction, and established a regular and closed-loop employee satisfaction survey and improvement mechanism covering multiple levels and dimensions. During the reporting period, institutions at all levels of the Bank conducted questionnaires on employees' ideological trends and satisfaction through online and offline channels, covering more than 60,000 employees and focusing on such topics as front-line employees' work, primary-level employees' service guarantee and young employees' development.

#### Occupational health and remuneration and welfare system

##### • Caring about the physical and mental health of employees

The Bank organizes physical examinations for all employees every year. The Bank dynamically adjusted examination items and developed a detailed and comprehensive physical examination scheme upon several investigations and surveys; carefully selected examination organizations to provide more choices for employees; arranged senior medical examiners to explain the relevant services to employees on site, so as to facilitate the physical examination.

The Bank continued to provide employees with health consultation services. The Bank entrusted a third-party professional company to provide online or face-to-face mental health consultation services for employees (including their spouses and children). During the reporting period, the Bank cumulatively provided 5,000 person-times consultation services concerning pandemic prevention and control, first-aid training, psychological counseling, traditional Chinese medicine, cardiovascular health, etc.

##### The Bank continued to carry out health publicity

pushed health knowledge for different seasons and themes every month, and launched a column for health knowledge publicity, to promote the popularity of health knowledge among employees.

##### The Bank continued to promote the popularization and improvement of health care programs

provided health consultation services for family members of expatriates, and added health assessment for new employees and health consultation services for overseas employees.

##### The Bank set up an HR service station at the Head Office

strengthened mental health monitoring of and care for expatriates, increased the care for officials sent for exchange with other institutions, and added non-local work exchange incentives.

#### • Assistance system for employees

During the reporting period, the Bank appropriated RMB 96.075 million to all levels of institutions, helping 9,744 employees. The Bank promoted the improvement of the assistance system level by level. 35 tier-one institutions and 389 tier-two branches formulated detailed implementation rules for such work, helping 1,625 employees. Institutions at all levels visited and extended greetings to employees according to local conditions. Heads of institutions and staff members of trade unions took the initiative to care and ask about the physical and living conditions of employees and helped solve practical difficulties in time.



▲ Shandong Branch offers youth apartments for new employees.

#### Protecting the legitimate rights and interests of employees

Employees of the Bank were entitled to paid annual leave according to national regulations.



Institutions at all levels of the Bank effectively protected the legitimate rights and interests of female employees in accordance with relevant laws and regulations.



▲ On September 11, 2021, Shenzhen Branch held the "Shenzhen-ICBC Celebrating Mid-Autumn Festival" Employee Family Activity.

**During the reporting period**

The Bank continued to carry out paired assistance activities for female employees with the theme of "holding hands with each other and loving each other". The Bank promoted the building of caring rooms for female employees and loving mothers' cabins. The Head Office and domestic tier-one branches jointly built

**55** caring rooms  
for female employees.



The Bank recommended candidates for evaluation of model female collectives for civilized positions and model female individuals for pacesetters

won  
**7**  
national female  
civilized award  
collectives  
and recommended  
**8**  
female candidate  
units for  
pacesetters  
and  
**5**  
candidates for  
pacesetters on  
May Day

**Overseas employee management**

The Bank has always regarded its employees as the most precious resource, and has long been committed to building "a bank to the satisfaction of employees" to enable employees to grow together with ICBC. During the reporting period, the Bank brought more overseas institutions and employees into the best performer evaluation activities, showing the spirit of global employees in promoting global operation from multiple perspectives, and deepening the understanding and recognition of the corporate culture of "ONE ICBC, ONE FAMILY" of overseas institutions by employees around the globe.

**During the reporting period**

The Bank issued the *Notice on Strengthening Care for Employees of Overseas Institutions*, and engaged a third-party company to provide professional psychological counseling, mental health assessment, mental health lectures and other services for overseas employees and their family members.

▼ On June 28, 2021, Chairman Chen Siqing presided over the Ceremony for Head Office Employees on Their 30th Anniversary at ICBC.

**Technology Driving and Value Creation****FinTech layout and results****Digital transformation**

The Bank adhered to "technology driving and value creation" and rolled out FinTech development plan and overall digital transformation plan.

The Bank was the first in the domestic financial industry to acquire

**the Level 5 certification**

the highest level of DCMM (Data Management Capability Maturity) of China Information Technology Industry Federation

The ECOS smart banking ecosystem won **the special award** of the Financial Technology Development Award of the PBOC, and the overall number of award-winning projects **ranked first**



For **eight** consecutive years,  
the Bank **ranked No. 1**  
in the national banking  
information technology  
regulatory rating by the CBIRC

The availability of information systems reached  
**99.99%**  
and **no** major production or security event occurred



▲ On October 20, 2021, Senior Executive Vice President Zhang Wenwu attended the Chengfang FinTech Forum at the Annual Conference of Financial Street Forum 2021.

## • Advancing new technology layout in an all-round way

Focusing on cutting-edge technologies such as artificial intelligence, blockchain, cloud computing and big data, the Bank built a series of new technology platforms such as ICBC Turing, ICBC Xi Chain and ICBC Nebula in exploration and practice, strengthening the independent controllability of core new infrastructure.



Specifically, ICBC Xi Chain integrated basic technical service, intelligent operation & maintenance, and financial-level security capabilities of blockchain. The Bank has made more than 150 breakthroughs in security prevention & control, performance and capacity, and was named among *Forbes'* top 50 global blockchains in 2021.

## • Building the digital community

The Bank adhered to open development and cross-sector integration, focused on government, enterprise and individual, strengthened digital supply and ecological linking capabilities, and built a digital community with win-win development.

Deeply participating in the construction of digital government, and boosting the efficiency of the government. The Bank innovated a new service mode of digital government affairs, integrated government affairs with financial services, realized "handling via one network" of various affairs, provided social security, provident fund, enterprise registration and other services for the people and enterprises, and handled government services at outlets. It carried out government affair data cooperation with 29 provinces, autonomous regions and municipalities across the country, and implemented more than 300 government affair cooperation scenarios.

The Bank built an "intelligent risk control" platform to protect the security of customers' funds, and intensified the monitoring of abnormal transactions in high-risk areas such as sensitivity, anti-unauthorized use of bank cards and transfer by elderly people. The Bank pioneered the risk control product of "ICBC Intelligent Defender", leveraged artificial intelligence technology to conduct all-weather monitoring of customer accounts and built a security net.

The Bank made great efforts to create a new service model for ICBC on the cloud, promoted the continuous upgrading of mobile banking through technology, and provided rich online services for users. The Bank continued to increase the supply of contactless and online services, realize diversified scenarios such as cloud-based business processing, screen-to-screen emergency response, all-weather communication and service integration, and improved the convenience, friendliness and accuracy of access to financial services.

Deeply participating in industrial digitalization and promoting industrial competitiveness. The Bank deeply made efforts in smart industries, closely connected modern agriculture, advanced manufacturing and modern service industries, and improved financial service for the whole industrial chain. The Bank kept up with the pace of digital transformation and development of leading enterprises in the industry, empowered the digital transformation of all links of enterprise operation in multiple modes, expanded the chain to serve upstream and downstream customers, and sought common integration and development.

Focusing on the hot areas of people's livelihood such as medical care, education and travel, the Bank built a financial ecosystem driven by two wheels of open platform and financial ecological cloud platform, and launched "finance + industry" cloud services. The types of services and the number of scenarios covered currently ranked first in the industry.

The Bank increased the supply of smart financial services to enable people to enjoy digital economy dividends. The Bank took targeted measures to launch a number of products and services with good reputation that reflected the Bank's characteristics, so as to popularize digital financial services among the public and benefit people's livelihood.



## • Digital empowerment

Deepening digital finance and empowering rural revitalization. The Bank actively gave full play to its financial strengths with reference to national needs, promoted the innovation of rural financial system and mechanism through technology, optimized the supply of rural financial products and services, and stimulated new forces driving rural revitalization.



Regarding credit products benefiting farmers, to vitalize agricultural supply chain financing service, the Bank innovated "e-Chain Quick Loan" with the support of new technologies such as big data and cloud computing, actively kept up with supply chain scenarios of leading large-scale agricultural enterprises specializing in food and aquaculture, made use of the information about capital flow, logistics and trade flow in the industrial chain to make people get things done with greater ease, and lowered the threshold of agricultural financing. By the end of the reporting period, the Bank had cooperated with a number of leading enterprises to accurately channel supply chain finance to the end of the chain, benefiting a vast number of farmers.



Regarding the construction of digital countryside, relying on the leading financial ecological cloud technology, the Bank built a five-in-one digital rural comprehensive service platform including government affairs, finance, village affairs, Party affairs and financial services, basically meeting the information-based management needs of agricultural and rural management departments at all levels and making high-quality financial services readily accessible to the countryside. By the end of the reporting period, the platform had covered 31 provinces, autonomous regions and municipalities, more than 260 prefecture-level cities and more than 102,000 village collectives, and became a "comprehensive service center for rural revitalization", making mobile phones a new tool for farmers and data a new agricultural material in rural areas.



The Bank comprehensively used internal and external data to create a digital inclusive finance product system comprising "credit loan + mortgage and pledge loan + digital supply chain financing", and rolled out financing products under more than 500 scenarios such as tax loan and cross-border loan, striving to provide more considerate and accurate support for micro and small enterprises.

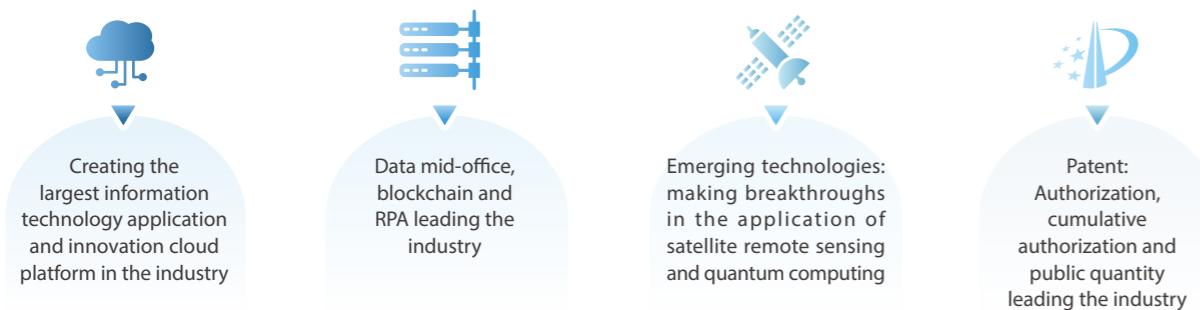
The launch of a series of digital inclusive finance products provided strong support for the business development of micro and small enterprises. Especially, the exclusive credit products including "Employment Loan" and "Anti-epidemic Loan" launched during the pandemic period solved the problems with many micro and small enterprises in resuming work and production.

## • Stepping up data asset governance and data security control

The Bank built a data architecture with "one lake and two databases" at the core, and created a big data intelligent cloud platform with the first, self-controllable and distributed architecture in the industry, entering all of the Group's data into the "lake". The Bank established sound network and data security management mechanisms, built an intelligent production operation & maintenance system, and created a security defense network, making information systems highly stable and pushing network security protection to a new level. During the reporting period, the Bank was the first in the domestic financial industry to receive the Level 5 certification, the highest level of DCMM (Data Management Capability Maturity) by China Information Technology Industry Federation.

The Bank pioneered the "dual-voice" system in the industry to convey the voice of customers and the voice of employees via digital technology. The Bank solved primary-level concerns and provided better financial services to benefit the people.

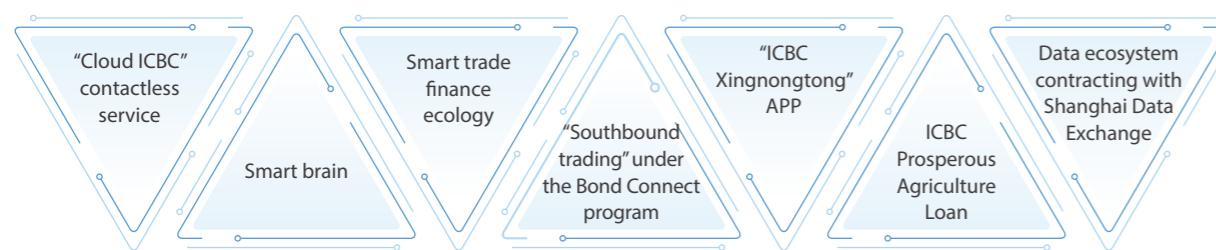
### • Technological innovation



### • System reform



### • Key work



### • Advantageous fields



### Information security defense

#### The Bank implemented various requirements for network security

It improved security protection measures; it formulated the network security review management manual; it promoted the implementation of Network Security Level Protection System 2.0, completed the external evaluation of all levels of protection filing systems, and achieved the highest level of "excellent".

#### The Bank pushed the construction of integrated defense and operation systems of the Group to a new level

It completed the standard construction plan 2.0 for the Group's security protection system and promoted it in domestic institutions and institutions in Hong Kong and Macao; it accomplished the construction of an integrated intelligent information security management sub-center, and realized the automatic and visual management of tier-two branches by tier-one (directly managed) branches within their jurisdiction.

#### The Bank devoted more efforts to the development of core competence of "promoting defense by attack and developing both attack and defense"

It achieved the highest level of excellent results in the annual information security drill.

#### The Bank ramped up efforts in the implementation of key security tasks

It actively pushed forward the construction of Phase 2 of financial network security situation awareness and information sharing platform of the PBOC and was named the "Organization of Special Contribution to the Financial Network Security Situation Awareness Platform in 2021" by the PBOC.



Jin Haimin, General Manager of the Security Technology Department of the Bank's Data Center, was granted an individual medal of the ICBC Excellence Award, the highest honor at the Bank. The picture was taken when he (the fourth person from the right side) was working at the Bank's annual information security and anti-attack drill.

### Safe production and operation

The Bank strengthened technical support capabilities, built a dual protection resource domain based on the distributed system framework and the new-generation cloud platform, and completed the migration of fast payment, aggregate payment, personal settlement and credit card link application containers. The Bank realized the deployment optimization of mobile banking, internet banking, fast payment, financial market and other highly available key architectures for customer business lines.

The Bank improved the business operation monitoring system, raised the monitoring efficiency of 88 key applications from minute level to second level, and realized the dynamic display of operation of core indicators. 240 platform full-link applications and devices were brought under holographic monitoring. The in-depth analysis function of transaction links based on service topology was put into use. The automatic inspection and guarding of 15 core indicators were completed.

The Bank optimized the continuous delivery capacity, improved the automatic line, and established relatively complete systems for grayscale environment monitoring, automatic technical verification, acceptance approval, post-evaluation, etc.



The Bank improved emergency handling capabilities. The Bank was the first to successfully conduct a large-scale overall emergency switching drill with more than 10,000 nodes of cloud platform system among peers, effectively verifying the advantages of its high-availability architecture.

The Bank tightened change risk management and control. The change automation rate reached 63%, an increase of 7% over the same period. The Bank carried out the development of change risk prevention ability, and tightened in-process control through automatic backup, front and back-stage verification, one-key trigger rollback and other means.

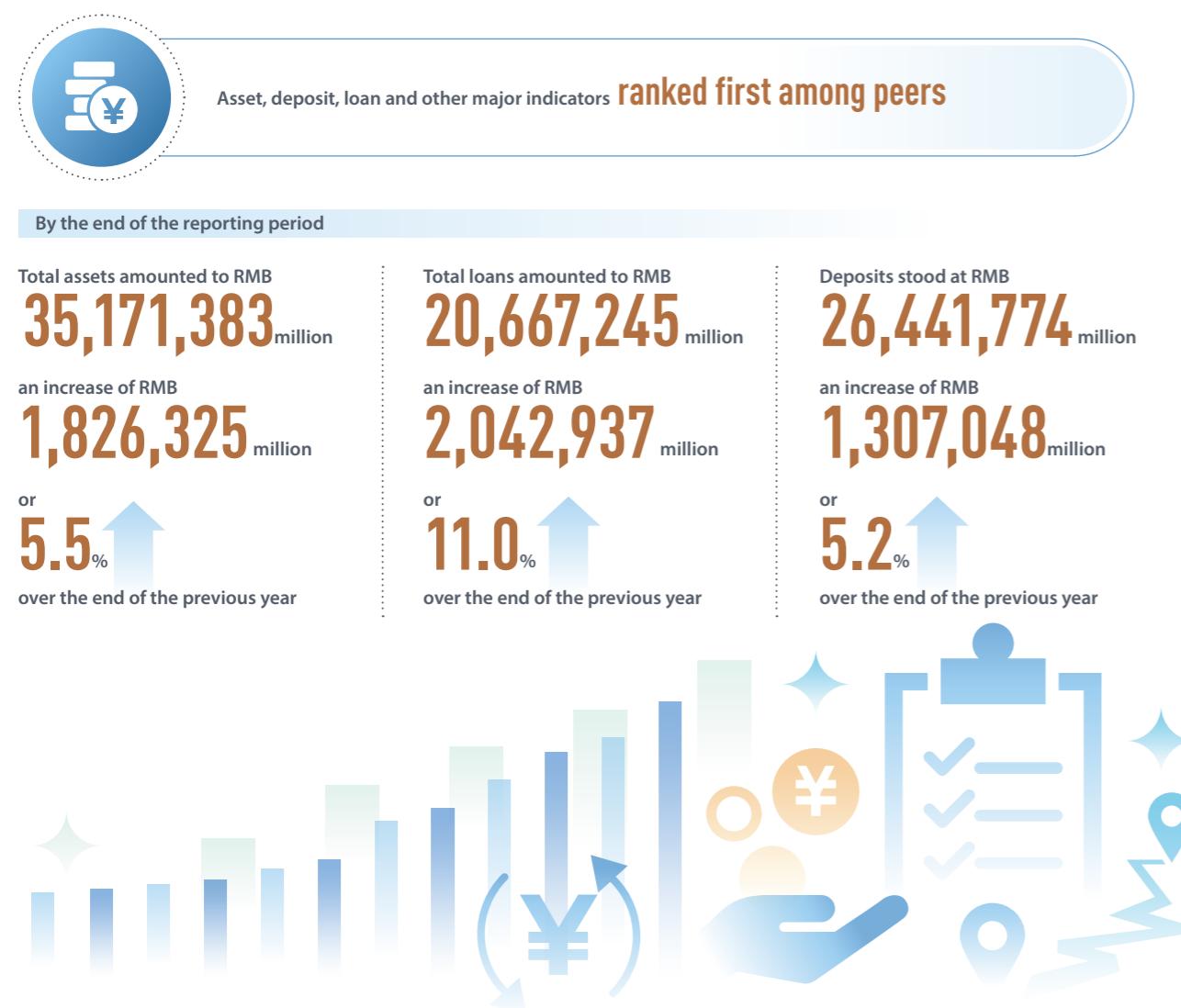
The Bank strengthened the planning and management of performance and capacity, built a resource management and evaluation system, and stepped up the overall planning of resources. The Bank established an enterprise-level independent and controllable online full-link stress testing platform.

# Internal Management -- Pragmatic Transformation and Reform for Development

## Implementation of the three-year plan

During the reporting period, the Bank made steady progress in operation which was better than expected. The new three-year plan got off to a good start, achieving a good balance in four aspects of value creation, market position, risk management and capital constraint.

## Coordinated and stable development of asset and liability



## Steady improvement of profit indicators



&gt;&gt;

### During the reporting period

The Bank registered a net profit of RMB **350,216** million a year-on-year increase of **10.2%**

Operating income was RMB **860,880** million a year-on-year increase of **7.6%**

The annualized return on weighted average equity was **12.15%** higher than the same period of last year due to base effect

## Better asset quality



&gt;&gt;

### By the end of the reporting period

The NPL ratio was **1.42%** down **0.16%** from the end of the previous year

Scissors difference RMB **-38.5** billion

The provision coverage ratio was **205.84%** up **25.16%** from the end of the previous year

## Capital adequacy ratio stayed within a steady and reasonable range



&gt;&gt;

### By the end of the reporting period

Capital adequacy ratio reached **18.02%** an increase of **1.14%** over the end of the previous year

Tier 1 capital adequacy ratio was **14.94%** an increase of **0.66%** over the end of the previous year

## Four major financial tasks



### The Bank expanded its leading advantages in manufacturing finance services

Focusing on the security, stability, independence and controllability of industrial and supply chains, the Bank supported the transformation and upgrading of advanced and traditional manufacturing, and serving the improvement of the modernization of the industrial and supply chains. The Bank promoted online supply chain financing, "financing + intelligence" and other superior products and exclusive services. The Bank strengthened dynamic management, focused on manufacturing sub-industries with a scale of RMB 10 billion and above, and fostered the industrial chain in the manufacturing segment. The Bank highlighted institutional specialty business, built specialized financial institutions for serving manufacturing in areas with mature technological transformation policy system and good development prospects of industrial cluster, and implemented specialized services. The Bank reduced the financing and service costs of manufacturing enterprises, strengthened resource guarantee by expanding review & approval and pricing authorization, offering preferential internal fund transfer prices and enlarging specialty scale, and established a full-process, full-cycle and all-weather partnership with manufacturing enterprises.



### The Bank stepped up technological innovation finance construction

The Bank made strategic design and forward-looking layout for technological innovation finance, reinforced the specialized institution system for technological innovation finance, established a mechanism for collaboration between specialized institutions from the Head Office to branches for technological innovation finance, increased supportive resources, optimized the authorization system, built a professional team engaged in technological innovation finance, created a dedicated technological innovation finance brand, and improved operation capabilities and drivers. The Bank kept up with the layout of innovation and industrial chains, increased financial support for major technological projects, accelerated the innovation of technological innovation finance products and service modes, and created a friendlier and more suitable technological innovation finance risk control system.



### The Bank became a benchmark of comprehensive inclusive finance services

Focusing on the requirements of "rapid development, good structure, good risk control and strong ability", the Bank implemented the inclusive finance service capacity improvement project to stimulate market vitality. The Bank remained committed to the integrated development path of "vibrant online and specialized offline", reinforced the intensive operation mode online, and built a systematic support system suited for the characteristics of "digital inclusive finance". The Bank stimulated the drivers of outlets offline to promote the rendering of products with high standardization and low operation difficulty to the lower-tiered market. The Bank gave full play to the role of professional loan management, and improved small and micro enterprise service center's mode of intensive management, specialized division of labor and assembly line operation. With focus on the three product lines of Quick Lending for Operation, Online Revolving Loan and digital supply chain, the Bank worked hard to develop knockout products. The Bank promoted the combination of intelligent decision-making and specialist judgment, and built a digital risk control system characterized by "digital access", "intelligent risk control", "online and offline cross-validation" and "intensive operation" and covering the whole process of access, review & approval and post-lending management.



### The Bank enhanced the building of the green finance system

Centering on the goals of achieving carbon peak before 2030 and carbon neutrality before 2060, the Bank practiced the development concept that "lucid waters and lush mountains are invaluable assets", maximized the value sum of shareholders, stakeholders and social responsibilities, and promoted the sustainable development of harmonious coexistence between mankind and nature.

## Improvement of outlet competitiveness and operation management capabilities

### Improvement of competitiveness of outlets

The Bank optimized the layout of outlets. It improved and adjusted

**462** outlets

in key regions such as the Beijing-Tianjin-Hebei region and Yangtze River Delta and built  
**151** new outlets  
in counties

The Bank stepped up efforts in the sharing of network resources and ecological development

**15,500** ICBC Sharing Stations continued to expand the supply of services for the elderly, carried out care themed activities

During the reporting period,  
**3,020** new one-stop government service outlets were set up.

The Bank endeavored to build the brand of outlet service  
**110** outlets were rated as the demonstration units of civilized and standardized service among Chinese banking outlets

### Improvement of operation management capabilities

#### • The operation mode integrating online and offline services lead the peers

The Bank took the lead in systematically developing the operation service mode integrating online and offline services, which featured "online quick processing + centralized business processing + offline convenient delivery" among peers, and realized the popularization and application of more than 30 business scenarios such as debit card replacement and credit certificate issuance. During the reporting period, customers handled more than 27 million transactions with the online and offline integrated operation service mode, representing an increase of 122% compared to the same period of last year.

#### • Significant achievements in the ecological development of corporate customers



The Bank pioneered ICBC e Confirmation Service and electronic confirmation in the industry, which was highly praised by government departments and regulators.



The Bank comprehensively advanced the electronic process of VAT invoices, and energetically promoted the electronic receipt service.



The Bank actively promoted the application of centralized and automatic payment business of agency finance, improved the efficiency of financial fund payment, and reduced the manual operation burden on and potential risks in outlets.

### • Wide coverage of “government affairs+” by self-service channels

The Bank proactively promoted self-service channels to carry the government's public service functions, and realized the wide coverage of “government affairs+” services. By the end of the reporting period, the Head Office's version of self-service channels supported banking and government businesses such as tax payment, bill payment, social security, medical insurance and credit report, further enriching the connotation of outlets.



### • Faster construction of bank settlement account system integrating local and foreign currencies

According to the work arrangements of the PBOC and SAFE, the Bank successfully carried out the pilot work of the bank settlement account system integrating local and foreign currencies, and provided customers in the region with integrated local and foreign currency account services through policy dividends such as integration of local and foreign currencies, supported customers to use one account, efficiently managed the settlement of funds transactions in multiple currencies, and provided better, more convenient and efficient local and foreign currency account products and services.

### • Significant improvement of cross-border payment operation capabilities

The Bank accelerated the upgrading of cross-border outward remittance services, continuously optimized the online self-service and fund delivery status feedback mechanism of the whole process of cross-border remittance for customers, expanded the function of “one-stop fully online personal cross-border payment service”, and provided customers with more online processing scenarios. The Bank strengthened cooperation with international clearing organizations, continuously propelled the popularization and application of service innovations such as online inquiry of cross-border remittance processing progress in key overseas institutions, and developed fast, transparent and traceable cross-border remittance services covering customers of the Group's domestic Head office and branches and 54 overseas institutions.



## Big asset management and wealth management

### During the reporting period

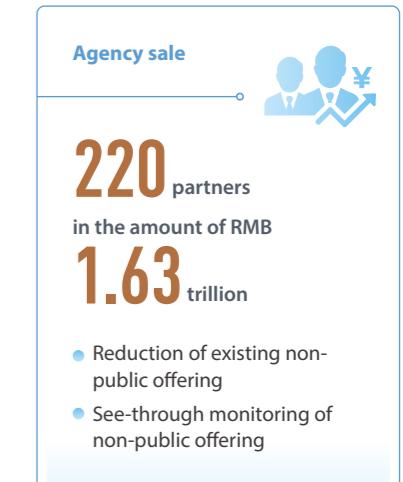


The bank had  
**199,500**  
private banking  
customers and their  
assets reached RMB  
**2.32** trillion

The wealth management volume  
of private banking under new  
regulations surpassed RMB  
**450** billion  
a rise of  
**89%**  
from the beginning of the year

Banking wealth  
management  
exceeded RMB  
**2.58** trillion

## Management of investment and financing partners



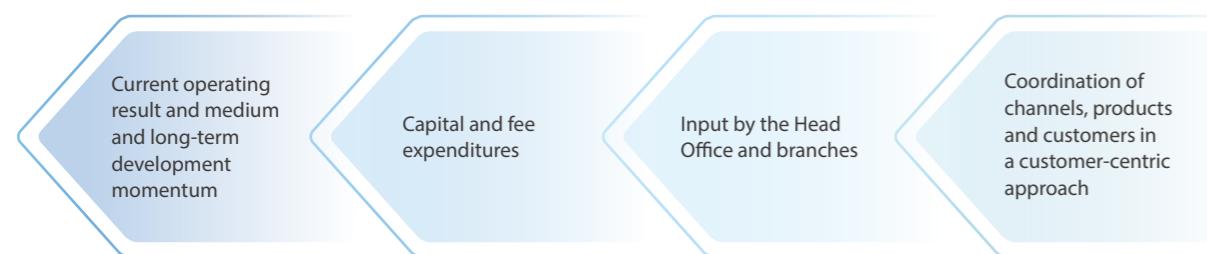
## Strengthening the risk management of wealth management business and implementing the risk control requirements of the new regulation on asset

The Bank continuously improved the risk governance system of wealth management business to facilitate the transformation and development of wealth management business. The Bank promoted the implementation of a series of regulatory systems in the new regulation on asset management, and completed the remediation of existing business during the transition period on time. The Bank continuously improved the system and monitoring and early warning tools to enhance the efficiency of risk management and control. The Bank tightened risk control over key links of transactions, and improved the monitoring mechanism for fair and abnormal transactions.

## Incentive & restraint mechanism

### Giving full play to the role in strategic allocation of financial resources

- Giving full play to the role in strategic allocation of financial resources and strengthening multi-dimensional coordination of financial resource management**



- Enhancing the following four areas**

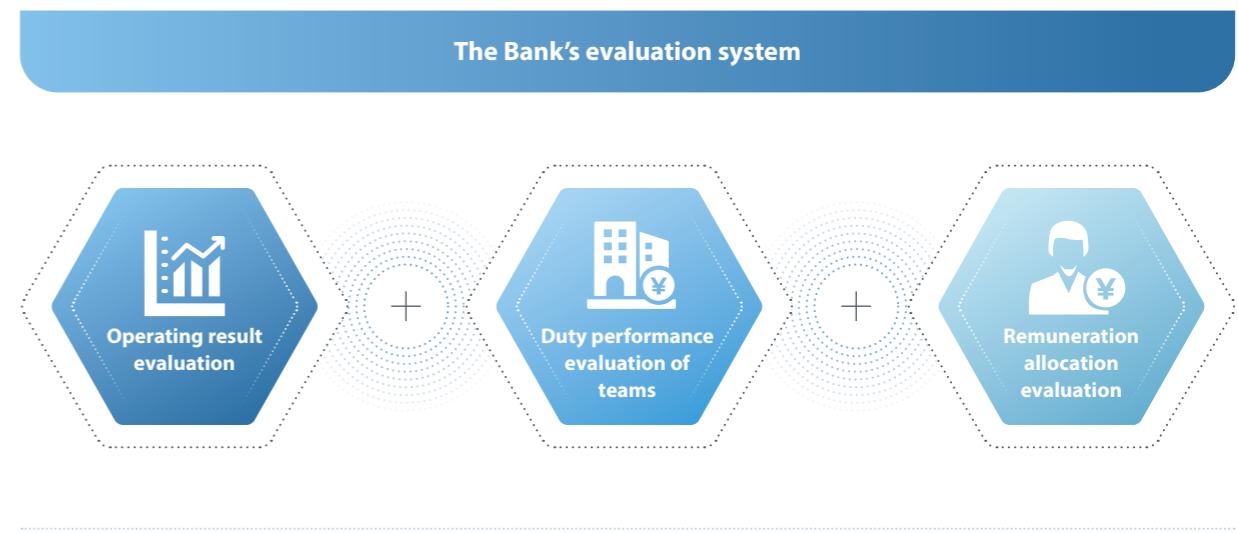
**In terms of total amount, enhancing value creation**  
The Bank adhered to the value orientation, made both ends meet, continuously enhanced the linkage between financial resource allocation and operating result, and promoted a high-level virtuous circle of financial resource input and operating result improvement.

**In terms of structure, enhancing differentiated management**  
The Bank strengthened the differentiated management of financial resources, and further optimized the structure of financial resources in a targeted direction. The Bank strictly controlled administrative office expenses, resolutely withdrew inefficient and ineffective input, effectively improved the benefits and efficiency of business support input such as publicity and marketing, made reasonable structural arrangements, and effectively played the role of financial resource input in boosting performance.

**In terms of input destination, enhancing strategic support**  
Regarding fee expenditure, the Bank made proactive efforts to support the implementation of such strategies as No.1 Personal Bank Strategy, Preferred Bank Strategy for Foreign Exchange Business, Strategy for Sharpening Competitive Edge in Key Regions and Urban-Rural Collaborative Development Strategy according to the decisions and plans made by the CPC Central Committee and State Council and ICBC's strategic arrangements. The Bank allocated more resources to key regions with great business development potential and key areas such as FinTech, publicity and marketing. Regarding capital input, the Bank actively supported digital transformation, increased input to financial ecosystem building (GBC linkage) and increased capital input to five key regions of Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing. The Bank actively promoted channel development and outlet layout optimization, and expedited the process of online and offline integration.

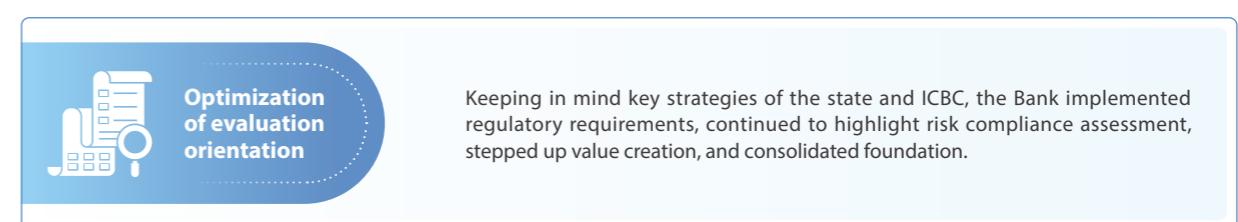
**In terms of management, enhancing cost-benefit match**  
The Bank further enhanced the cost-income match. Costs that shall be assumed by branches substantially but were uniformly invested and entered into book by the Head Office, such as central marketing input, ICBC Messenger input and input of back-office centers such as the Data Center and Operation Center, were reasonably apportioned to the branches.

### Optimization of the incentive mechanism of human resources assessment



The Bank restructured the evaluation measures for operating results, total salary of institutions and remuneration of heads with reference to high-quality development requirements.

The Bank stayed strategically focused, firmly held the bottom line for compliance, kept under the ceilings such as capital constraint, continued to become stronger and better, and promoted balanced, coordinated and sustainable operation.



# Social Responsibility (ESG) Management and Performance

## Social Responsibility Management

### Connotation of social responsibility

"Excellence for You – Excellent services to clients, maximum returns to shareholders, real success for our people, great contribution to society" is not only a social responsibility objective of ICBC, but also the solemn commitment made to various stakeholders. The Bank is committed to serving common interests of various stakeholders in economic and social development, promoting sustainable economic development and social progress, developing core values such as "Integrity, Humanity, Prudence, Innovation and Excellence", and maximizing comprehensive value to economy, environment and society.



### Social responsibility communication

The Bank paid great attention to communication with stakeholders. By establishing the mechanism for combination of instant and regular communication and coordination of communication on specific topics and international exchanges, the Bank ensured constant and good exchanges with key stakeholders and encouraged involvement of related parties by actively tapping into the role of new media platforms.

### The Board of Directors' leadership in ESG management

The Bank took the world's best social responsibility practice as benchmark, continued to explore the path of sustainable development, enhanced the Board of Directors' leadership in ESG management, and further improved the ESG governance structure.



The Board of Directors attached great importance to the ESG related work of the Bank, deepened ESG governance, regularly reviewed ESG related proposals, and strengthened supervision and management of ESG matters.

### Substantiality analysis

To make the report more targeted and responsive, the Bank devised the substantiality analysis questionnaire in view of the stakeholders' needs and the corporate development strategy, and interviewed customers, investors/shareholders, regulators, employees, partners/suppliers, peers, the public, the press and CSR experts during the reporting period. Then we identified the key topics of sustainable development based on the results.



## Economic performance

Economic index	Unit	2021	2020	2019
Total assets	RMB 100 million	351,713.83	333,450.58	301,094.36
Total loans and advances to customers	RMB 100 million	206,672.45	186,243.08	167,613.19
Customer deposits	RMB 100 million	264,417.74	251,347.26	229,776.55
Operating income	RMB 100 million	8,608.80	8,000.75	7,760.02
Net profit	RMB 100 million	3,502.16	3,176.85	3,133.61
Basic earnings per share	RMB	0.95	0.86	0.86
Cash dividends	RMB 100 million	1,045.34	948.04	936.64
Total tax payment	RMB 100 million	1,497.45	1,461.73	1,309.27
Return on average total assets	%	1.02	1.00	1.08
Return on weighted average equity	%	12.15	11.95	13.05
NPL ratio	%	1.42	1.58	1.43
NPL balance	RMB 100 million	2,934	2,940	2,402
Allowances to NPL	%	205.84	180.68	199.32
Capital adequacy ratio	%	18.02	16.88	16.77
Core tier 1 capital adequacy ratio	%	13.31	13.18	13.20

Note: Since 2013, the capital adequacy ratio and core tier 1 capital adequacy ratio of the Bank have been calculated according to the *Regulation Governing Capital of Commercial Banks (Provisional)* released in June 2012 by CBIRC.

## Environmental performance

### Key indexes of green finance

As at the end of the reporting period, the Bank recorded RMB **2,480,621** million in green loans issued to energy saving, environmental protection, cleaner production, clean energy, ecological conservation, green upgrading of infrastructure, green services and other green industries under the latest CBIRC criteria.

Note: The CBIRC's green credit statistics include those in energy conservation and environmental protection, cleaner production, clean energy, ecological environment, green upgrading of infrastructure, green services, overseas projects under international practices or international standards, green trade financing and green consumer financing.

#### During the reporting period

The Bank as a lead underwriter underwrote

**67** green bonds

that raised RMB **140,130** million in total

with the lead underwriting amounting to RMB **63,637** million

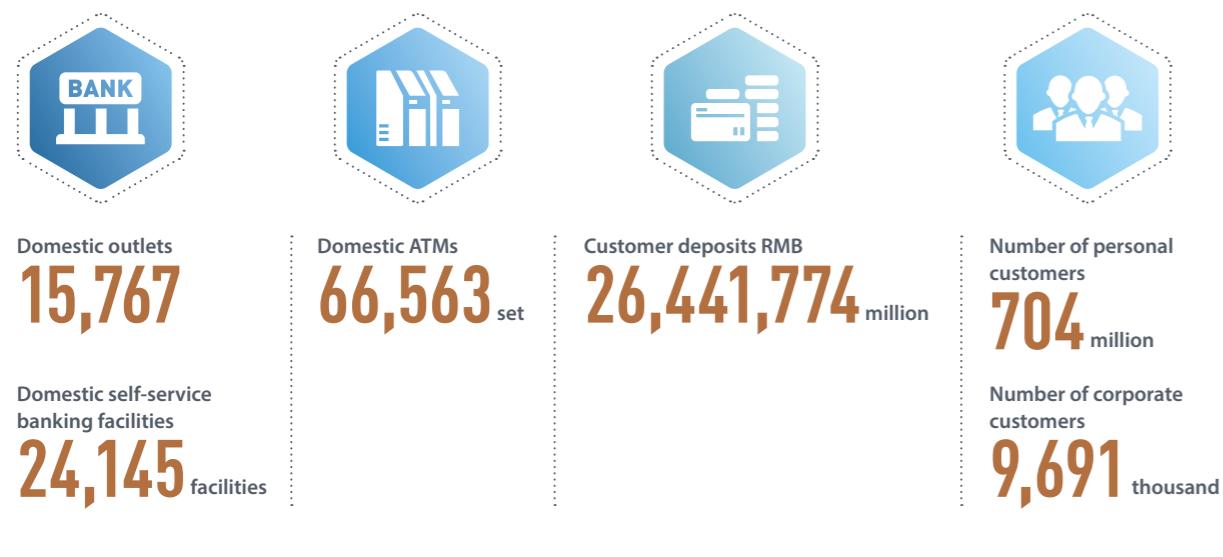


Of those green bonds, the Bank underwrote

**24** carbon neutrality bonds

with the lead underwritings amounting to RMB **24,909** million

**Ranking No. 1**  
in the banking industry



### Emission reduction of projects supported by green credit

Project	Unit	2021	2020	2019
Standard coal equivalence of reductions	10,000t	4,738.13	4,924.74	4,627.23
CO <sub>2</sub> equivalence of reductions	10,000t	9,884.69	8,524.63	8,985.96
COD emission reduction	10,000t	28.38	281.71	26.85
Ammonia nitrogen emission reduction	10,000t	7.26	31.10	4.91
SO <sub>2</sub> equivalence of reductions	10,000t	1,817.13	2,189.30	3.94
Nitrogen oxides emission reduction	10,000t	1,539.46	1,424.62	3.34
Water saved	10,000t	7,521.52	8,931.02	5,903.64

## Carbon emissions from the Bank's operation (scope 1/scope 2)

### • Greenhouse gas emissions at Beijing-based institutions of the Head Office

#### • Direct greenhouse gas emissions



consumption of natural gas (thousands of cubic meters)  
**1422.307**

electricity consumption (MWh)  
**81,161.682**

#### • Indirect greenhouse gas emissions



### • Greenhouse gas emissions at Beijing Branch (headquarters)

#### • Direct greenhouse gas emissions



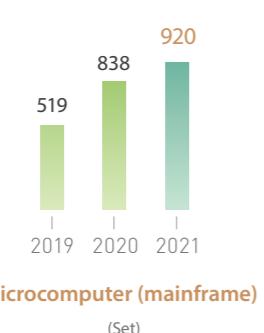
consumption of natural gas (thousands of cubic meters)  
**7317.46**

electricity consumption (MWh)  
**83,271.26**

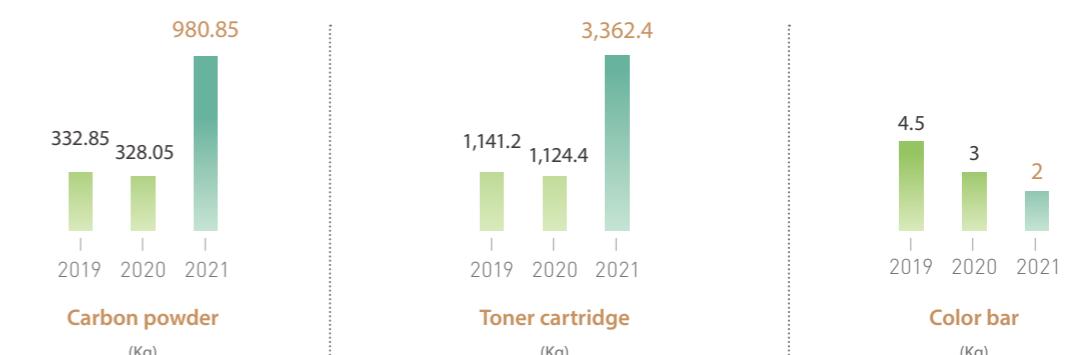
#### • Indirect greenhouse gas emissions



## Waste statistics: electronic information products



Note: According to the carbon emission management requirements of Beijing, information of Beijing-based institutions of the Head Office includes that of the Head Office, kindergarten, and Beijing R&D Department of Business R&D Center and Software Development Center. Relevant energy consumption was calculated according to the *Guidelines for Carbon Dioxide Emissions Accounting and Reporting of Beijing Enterprises (Units)*.



During the reporting period, the Bank standardized the electronic products scrapping process, so as to ensure harmless disposal of the electronic waste and minimize impact on the environment.

## Energy consumption

Dimension	Unit	2021	2020	2019
Total office water consumption	Ton	282,154	125,103	177,550
Total office power consumption	kWh	81,161,682	17,290,357	19,667,324
Total official vehicle oil consumption	Liter	65,355	57,339	67,796
Official vehicle mileage	Km	478,618	335,907	397,510
Total office paper consumption	Million pieces	9.72	8.86	10.26

Note: 1. Total office water consumption and total office power consumption in 2021 cover the Head Office, kindergarten, and Beijing R&D Department of Business R&D Center and Software Development Center; total office water consumption and total office power consumption in 2019-2020 only cover the Head Office and kinder garten.  
2. The statistics of total official vehicle oil consumption in 2021 cover official vehicles, dining cars and other special vehicles in the Head Office; the statistics of total official vehicle oil consumption in 2019-2020 only cover official vehicles.  
3. The statistics of total office paper consumption cover the Head Office.

## Social performance

Key social index	Unit	2021	2020	2019
Balance of domestic inclusive finance loans	RMB 100 million	10,990.12	7,452	4,715
Social contribution per share	RMB	2.79	2.77	2.73
Total headcount	Person	434,089	439,787	445,106
Proportion of female employees	%	49.29	49.65	50.05
Average training days per person	Day/person	9.61	10.80	8.25
Donations by the Group	RMB 10 thousand	11,481	25,298	3,472

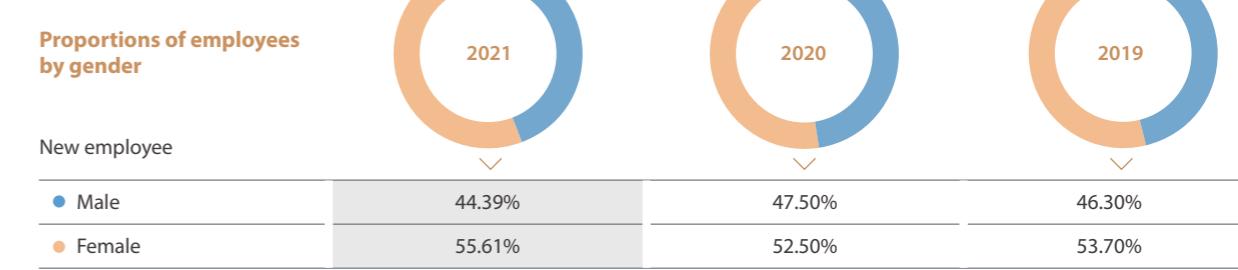
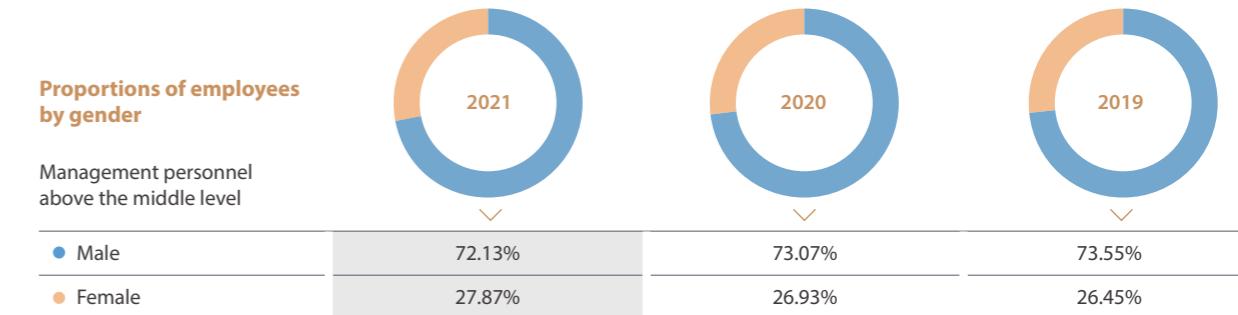
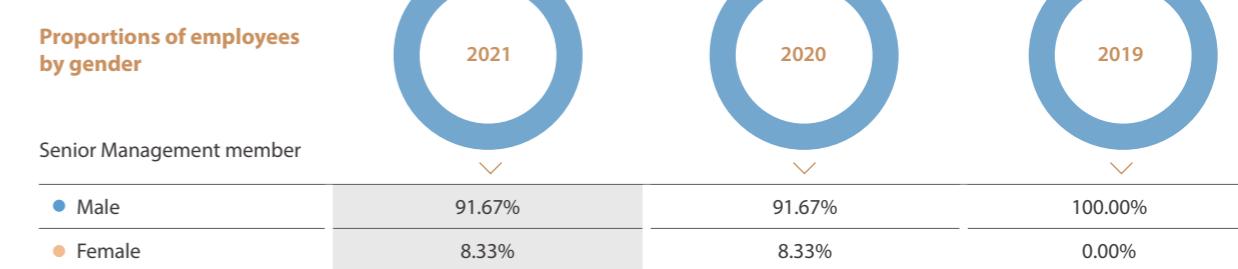
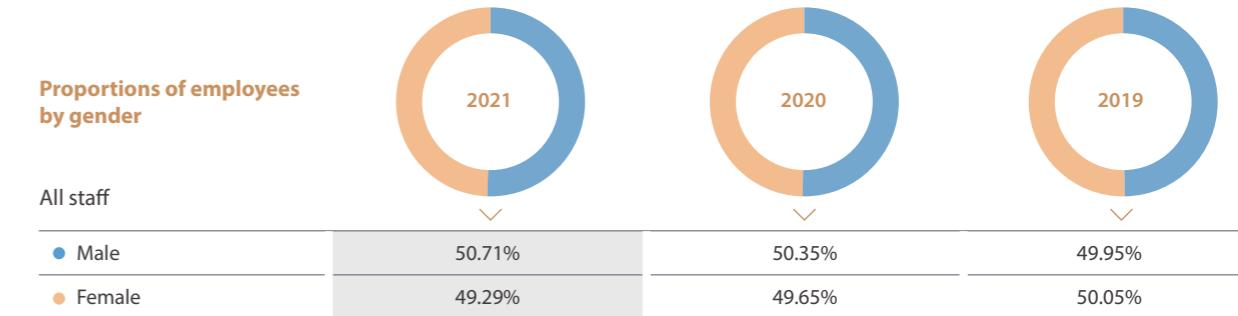
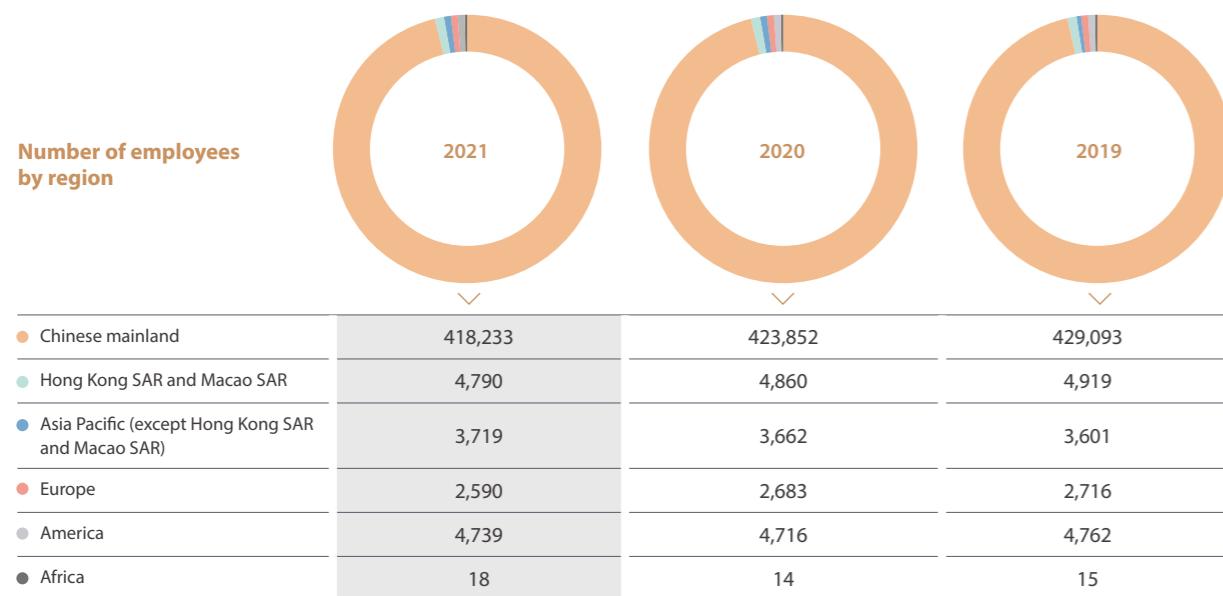
Notes: 1. Social contribution per share = basic earnings per share + (tax payment + staff costs + interest expenses + donations by the Group)/total equity at the end of the reporting period.  
2. The total headcount and female employees are based on Group-wide data.  
3. Donations by the Group exclude poverty alleviation funds (2020 and before).

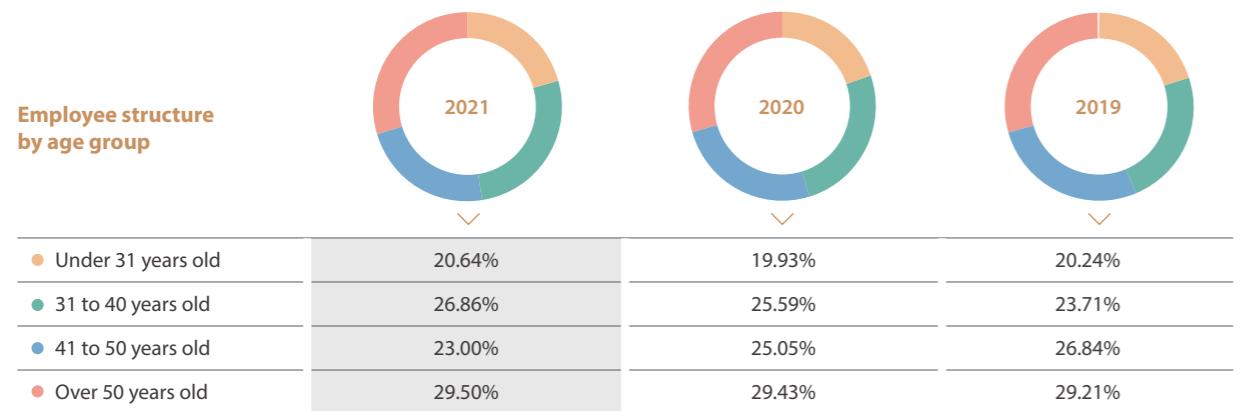
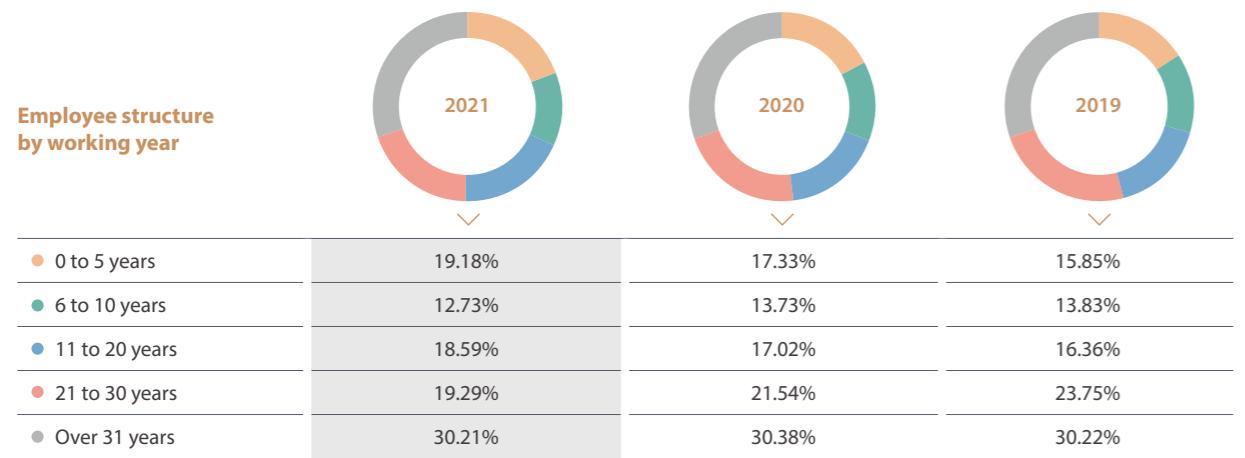
## Equality and diversity

The Bank protects employees' legitimate rights and interests in terms of labor use, democratic management, etc. The Bank fully implements the *Employment Contract Law* and other relevant laws and regulations, keeps improving its employment policies and procedures and ensures compliance in negotiating and signing employment contracts.

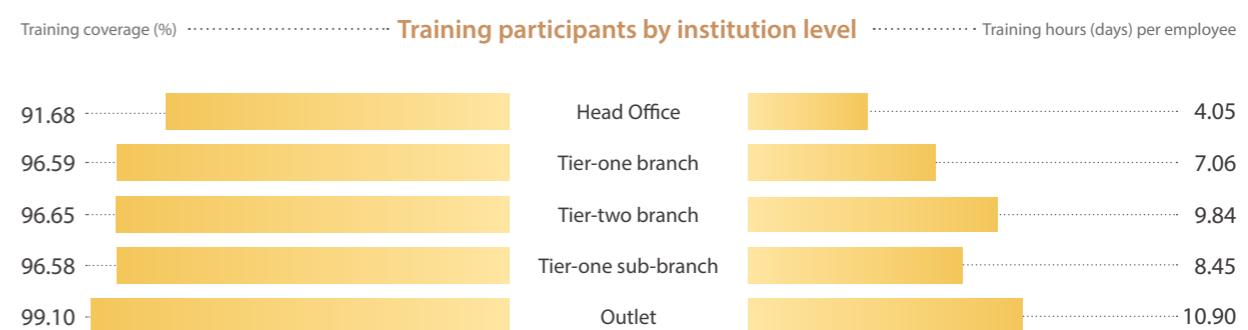
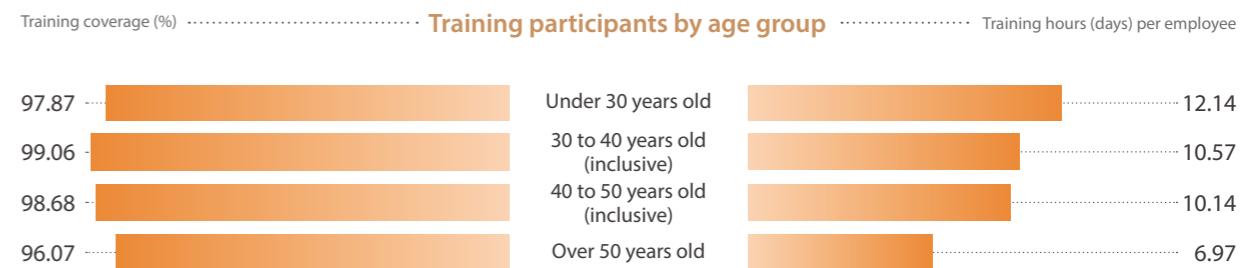
The Bank respects employees' freedom of religion or belief and strictly abides by the relevant laws and regulations of the state in staff recruitment, job adjustment, remuneration and benefits, career development and departure management. The Bank treats all employees equally irrespective of their ethnicity or nationality, gender, religion or belief and cultural background.

## Overview of employees

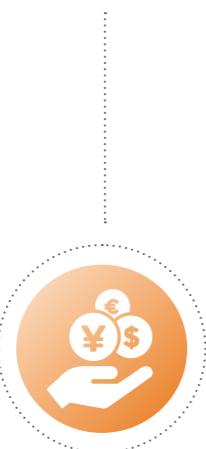




## Education and training



## Community service and inclusive finance

As at the end of the reporting period		
ICBC's balance of inclusive loans stood at RMB <b>1,099,012</b> million up <b>52.5%</b> and asset quality maintained at a good level	Number of customer accounts of the "Elderly" version of mobile banking: <b>10.862</b> million	Number of customer accounts of the "County" version of mobile banking: <b>16.03</b> million
		
Number of self-service devices: The Bank had a total of <b>146,400</b> self-service devices (ATMs and intelligent equipment) of which <b>57,800</b> were in counties	Number of ICBC outlets in counties: <b>6,174</b>	Proportion of outlets equipped with barrier-free facilities: <b>75%</b>
		Substitution rate of the same outlet counter services with service scenarios of replacement of an old debit card with new one without changing the card number and personal credit certification: <b>91%</b>

		
Hours of volunteer activities <b>210,000</b> hours	Number of volunteer activities <b>20,000</b>	Person-times of volunteer activities <b>180,000</b> Person-times

During the reporting period
The Bank continued to promote the building of "ICBC Sharing Station" outlets. As at the end of the reporting period, coverage of "ICBC Sharing Station" in domestic outlets reached <b>98%</b>

## Awards

Media	Award
<i>The Banker</i>	Ranking the 1 <sup>st</sup> place among the "Top 1000 World Banks" for the ninth consecutive year
<i>Forbes</i>	Ranking the 1 <sup>st</sup> place in the "Global 2000" for the ninth consecutive year
<i>Fortune</i>	Ranking the 1 <sup>st</sup> place among commercial banks in the "Global 500" for nine consecutive years
<i>Brand Finance</i>	Ranking the 1 <sup>st</sup> place among the "Top 500 Banking Brands" for the sixth consecutive year
<i>China Council for Brand Development</i>	Ranking the 1 <sup>st</sup> place in the "Corporate Brand Value List" for the sixth time
<i>China Banking Association</i>	Ranking the 1 <sup>st</sup> place among national commercial banks in the Gyroscope evaluation system in 2021
<i>The People's Bank of China</i>	The special award of the Financial Technology Awards --- Smart Banking Ecosystem Development Project (ECOS)
<i>China Federation of Electronics and Information Industry</i>	Data Management Capability Maturity (DCMM) --- The highest Level 5 certification
<i>Global Finance</i>	Best Emerging Markets Bank Best Bank in Asia-Pacific Best Bank in China Best Corporate Bank in China Best Bank, China
<i>The Asset</i>	Best Bond Advisor in China Best Insurance Custodian Bank in China
<i>FinanceAsia</i>	Best Bank in China Best Cash Management Bank in Asia Pacific
<i>The Asian Banker</i>	Best RMB Clearing Bank in Asia Pacific Best Mega Custodian Bank in China
<i>Securities Times</i>	2021 Tianji Award for Pension Financial Services Bank
<i>Southern Weekly</i>	Outstanding Responsible Enterprise of the Year 2020 Excellent Social Responsibility Report of the Year 2020
<i>The Economic Observer</i>	Most Trustworthy Pension Financial Institution in 2020-2021
<i>Central Committee of the Communist Youth League</i>	The 13 <sup>th</sup> China Youth Volunteers Excellent Project Award The 13 <sup>th</sup> China Youth Volunteers Excellent Individual Award
<i>China Newsweek</i>	Most Responsible Enterprise of 2021
<i>Finance.china.com.cn</i>	Most Influential ESG Brand of the Year
<i>Finance.sina.com</i>	Sustainable Development Award of the Year
<i>All-China Women's Federation</i>	Four collectives receiving the National Women's Civilization Award
<i>International Finance Forum (IFF)</i>	Institution of the Year, "2021 Global Green Finance Award"
<i>Xinhua News Agency</i>	"Model Case of Green Finance Practices" in the financial industry in the first year of the 14th Five-year Plan period
<i>UN Global Compact Network China</i>	"Best Corporate Practice for Achieving the Sustainable Development Goals 2021" --- Eco-environment Protection and Concern about Climate Change

# Appendix

## Editorial Team of the Report

Team Leader	Guan Xueqing								
Deputy Team Leader	Zhou Yueqiu								
Team Members	<table><tr><td>Corporate Strategy and Investor Relations Department</td><td>Credit and Investment Management Department</td><td>Modern Finance Research Institute (Office for Deepening Reform)</td><td>ICBC Credit Suisse Asset Management</td></tr><tr><td>Qian Zhonghua, Song Lijian, Yan Zhongrong, Bai Jing, Xiao Jing, Zhao Yanjiao, Zhou Yuqian</td><td>Li Zhigang, Wang Chun, Hu Guibin, Liu Yang, Zhu Yunwei</td><td>Yin Hong, Wu Wei, Jia Qirong, Zhang Jingwen, Wang Yang</td><td>Sun Li</td></tr></table>	Corporate Strategy and Investor Relations Department	Credit and Investment Management Department	Modern Finance Research Institute (Office for Deepening Reform)	ICBC Credit Suisse Asset Management	Qian Zhonghua, Song Lijian, Yan Zhongrong, Bai Jing, Xiao Jing, Zhao Yanjiao, Zhou Yuqian	Li Zhigang, Wang Chun, Hu Guibin, Liu Yang, Zhu Yunwei	Yin Hong, Wu Wei, Jia Qirong, Zhang Jingwen, Wang Yang	Sun Li
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Qian Zhonghua, Song Lijian, Yan Zhongrong, Bai Jing, Xiao Jing, Zhao Yanjiao, Zhou Yuqian	Li Zhigang, Wang Chun, Hu Guibin, Liu Yang, Zhu Yunwei	Yin Hong, Wu Wei, Jia Qirong, Zhang Jingwen, Wang Yang	Sun Li						

## Instructions

### Scope of the Report

**Organizational scope of the Report:** This Report is primarily about Industrial and Commercial Bank of China Limited, covering the whole group.

**Reporting period:** 1 January 2021 – 31 December 2021. Some content exceeded this scope.

**Reporting cycle:** Annual.

### Preparation Principle of the Report

This Report is prepared with reference to the Global Reporting Initiative ("GRI")'s Sustainability Reporting Standards (GRI Standards), the Ten United Nations Global Compact (UNG) Principle and the ISO26000 "Social Responsibility Guideline (2010)" and meets the requirements set out in the "Opinions concerning Enhancing the Social Responsibility of Banking and Financial Institutions" issued by China Banking and Insurance Regulatory Commission, the "Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions" released by China Banking Association, the "Guidelines on Self-discipline Supervision of Listed Companies" promulgated by the Shanghai Stock Exchange, the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and relevant opinions.

### Explanations for Report Data

Financial data of the report are from the 2021 financial statements prepared pursuant to International Financial Reporting Standards, which have been independently audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. Other data are mainly of the year 2021 and sourced from internal systems and statistics of branches of the Bank. The units in this report, unless otherwise specified, are denominated in RMB.

## Independent Assurance Report

### To the Board of Directors of Industrial and Commercial Bank of China Limited (the "Board of Directors"):

We have been engaged by the Board of Directors of Industrial and Commercial Bank of China Limited ("ICBC") to perform a limited assurance engagement on its 2021 Corporate Social Responsibility Report(ESG Report) for the period from 1 January 2021 to 31 December 2021.

### Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the CSR Report(ESG Report) and can be held liable for the contents (i.e., reporting guidelines, limitations, reporting data and relevant identification procedures) with the reference to the Global Reporting Initiative ("GRI")'s Sustainability Reporting Standards (GRI Standards), the Ten United Nations Global Compact (UNG) Principles and the ISO26000 "Social Responsibility Guideline (2010)", and on the basis of the guidance and requirements in the "Opinions concerning Enhancing the Social Responsibility of Banking and Financial Institutions" (China Banking and Insurance Regulatory Commission), the "Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions" (China Banking Association), the "Guidelines of Shanghai Stock Exchange for the Application of Self-Regulation Rules for the Listed Companies on the SSE STAR Market No. 1 – Regulated Operation of Listed Companies" (promulgated by the Shanghai Stock Exchange), the Guideline for Preparation of the "Environmental, Social and Governance Reporting Guide" (The Stock Exchange of Hong Kong Limited).

The Board of Directors is also responsible for determining ICBC's objectives in respect of ESG performance and reporting, including identifying stakeholders and relevant major issues, establishing and maintaining appropriate ESG performance management system and internal control system for obtaining performance information in the report, and maintaining sufficient records.

### Our Responsibilities

In accordance with the agreed terms with ICBC, we are responsible for performing a limited level of assurance engagement in selected data and performance claims ("the Subject Matter Information") of the 2021 CSR Report(ESG Report). Besides this responsibility, we have no more others. We do not assume responsibility or accept liability to any other person or third party for our work or the contents of this report.

The Subject Matter Information include:

#### The Head Office:

- Total office power consumption
- Total office water consumption
- Total office paper consumption
- Total official vehicle oil consumption
- Total Greenhouse gas emissions
- Proportion of business conducted via digital channels
- Balance of green loan balance
- Emission reduction of projects supported by green credit Standard coal equivalence of reductions CO2 equivalence of reductions COD emission reduction Ammonia nitrogen emission reduction SO2 equivalence of reductions Nitrogen oxides emission reduction Water saved

- The lead underwriting amount of green bonds
- Total amount of issued green bonds
- Finance-backed low-carbon transformation cases
- Balance of agriculture-related loans
- Balance of domestic inclusive finance loans
- Donations by the Group
- Total training person-times of participating employees
  - Person-times of participating employees online
  - Person-times of participating employees offline
- Total number of times for online and offline training sessions
  - Total number of times for online training sessions
  - Total number of times for offline training sessions
- The per capita training days
- The coverage rate of employee trainings
- The rate of overall average satisfaction of employee participations in various trainings
- Total headcount
- Proportions of employees by gender (All staff, Senior Management member, Management personnel above the middle level and New employee)
- Employee structure by age group (Under 30 years old, 31 to 40 years old, 41 to 50 years old and Over 51 years old)

#### ICBC Wealth Management

- Balance of various investments in green assets
- Total number of multi - asset bond index samples under "carbon neutrality" theme
- Total number of multi - asset stock index samples under "carbon neutrality" theme
- Annualized yield of multi - asset stock index under "carbon neutrality" theme

#### ICBC Leasing

- The green leasing business scale
- Green leasing business proportion of the domestic financial leasing business

#### Fujian Branch

- Credit facility amount of "60,000-mu national reserve forest base construction project"

#### Guangdong Branch

- Amount of canceled tons of Chinese Certified Emission Reduction(CCER)

#### Zurich Branch

- The number of syndicated loans that were successfully organized and linked to sustainable development indicators
- The cumulative loan commitment amount of syndicated loans related to sustainable development indicators

#### Sydney Branch

- total amount of a green finance syndicated loan granted to an Australia-based company
- total amount of a sustainable loan granted to a food manufacturing enterprise
- total amount of participating in refinancing business for local renowned healthcare companies in Australia

## GRI Standards Index and Contrast with ESG Reporting Guide

### Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants. We maintain a comprehensive system of quality control applying "International Standard on Quality Control 1".

### Basis of Our Assurance Work

We conducted our work in accordance with "International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and evidences which we considered necessary to form conclusions.

### Our Responsibilities

Procedures, Scopes and Limitations of Our Work

- Interviewing the bank management and staff responsible for information collection, consolidation and disclosure to understand the process of determining the key stakeholders and their major concerns, and relevant controls of the CSR Report(ESG Report) preparation.
- According to interviews and review of related supporting documents, we learnt the inter-communication mechanism between ICBC and its key stakeholders, the expectations and requirements of key stakeholders, and ICBC's responses to these expectations and requirements.
- Establishing Subject Matter Information and relevant evaluation criteria of the 2021 CSR Report(ESG Report) together with ICBC, which were included by the independent and limited assurance engagement.
- Sampling testing the consistency between ICBC's Subject Matter Information in 2021 and our work results, and assessing relevant control of the CSR Report(ESG Report) preparation procedures.

### Limitations of Assurance

The Limited assurance work aimed to ensure information reliability. The procedure scope was less than that of a reasonable assurance engagement. Our work performed and independent

limited assurance report did not provide opinions on the effectiveness of ICBC's systems and procedures.

We performed our limited assurance engagement in ICBC's headquarter, Fujian Branch, Guangdong Branch, Zurich Branch, Sydney Branch, ICBC Wealth Management and ICBC Leasing. For this engagement, we did not carry out such engagement at any other branches and subsidiaries of ICBC, nor interview external stakeholders. Historical comparison data were exclusive by this engagement.

Meanwhile the scope of the said limited assurance engagement excluded other information beyond Subject Matter Information disclosed in the CSR Report(ESG Report) of ICBC.

### Conclusionss

- Based on the above work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Subject Matter Information in ICBC's CSR Report(ESG Report) prepared in accordance with reference to the standards.

### Use of Independent Limited Assurance Report

This independent limited assurance report is only for the purpose of preparing the CSR Report(ESG Report) of ICBC, and is not suitable and cannot be used for other purposes.

This is the English translation of the Independent Assurance Report in Chinese version. If there is any conflict between the translated and Chinese version, the Chinese version will prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP  
March 30 2022

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## ESG Guidelines of The Stock Exchange of Hong Kong Limited

### Environmental

**A1 Emissions** P15, 29, 116, 117

**General Disclosure:** Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste

A1.1 The types of emissions and respective emissions data

A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

A1.5 Description of emission target(s) set and steps taken to achieve them

A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them

**A2 Policies on the efficient use of resources, including energy, water and other raw materials** P29, 30, 116, 117

A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)

A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)

A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them

A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them

A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced

### A3 The Environment and Natural Resources

P9, 10, 13, 14, 29-31, 73, 81, 115-117

**General Disclosure:** Policies on minimizing the issuer's significant impact on the environment and natural resources

A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

### A4 Climate Change

P10-12, 81, 87

**General Disclosure:** Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer

A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them

### Social

#### B1 Employment

P74, 76, 96, 97, 118, 119, 120

**General Disclosure:** Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare

B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region

B1.2 Employee turnover rate by gender, age group and geographical region

#### B2 Health and Safety

P96-98

**General Disclosure:** Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards

B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year

B2.2 Lost days due to work injury

B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored

## Table of Social Responsibility Performance Contrast with the Ten UNGC Principles

B3 Employee Development and Training	P90-94, 118, 120	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	<b>UNGC Principle</b>	<b>CSR Performance in 2021</b>
General Disclosure: Policies on improving employees' knowledge and skills for performing duties at work Description of training activities Training refers to vocational training. It may include internal and external courses paid by the employer.		B6.2 Number of product and service related complaints received and how they are dealt with	<b>1 Businesses should support and respect the protection of internationally proclaimed human rights</b>	The Bank valued people, strictly observed laws, regulations and ordinances of China and other countries where it operated, entered into employment contracts with all of its employees, fully paid employer's social security and housing provident fund contributions for its employees, improved the system of employee involvement in corporate management and effectively protected the rights and interests of employees.
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)		B6.3 Description of practices relating to observing and protecting intellectual property rights	<b>2 Make sure that they are not complicit in human rights abuses</b>	The Bank abided by international conventions or practices signed or recognized by China, including the <i>Universal Declaration of Human Rights</i> .
B3.2 The average training hours completed per employee by gender and employee category		B6.4 Description of quality assurance process and recall procedures	<b>3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</b>	The Bank improved the system of employee representatives' meeting to listen to all employees' voices and protect their right to know, participate and supervise. All branches and subsidiaries of the Bank have their own trade unions and all employees were members of trade unions.
<b>B4 Labor Standards</b>	P118	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	<b>4 The elimination of all forms of forced and compulsory labour</b>	The Bank signed employment contracts with its employees in compliance with the <i>Law of the People's Republic of China on Employment Contracts</i> and other relevant laws and regulations. It also fully protected employees' rights to rest and take leaves and eliminated all forms of forced and compulsory labor through an efficient and orderly working mechanism and optimized labor composition.
General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor		<b>B7 Anti-corruption</b>	<b>5 The effective abolition of child labour</b>	The Bank strictly prohibited child labor.
B4.1 Description of measures to review employment practices to avoid child and forced labor		General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	<b>6 The elimination of discrimination in respect of employment and occupation</b>	The Bank respected employees' religious freedom and individuality and eliminated any discrimination on the basis of race, gender, national origin, culture, age and others. The Bank also treated all employees fairly and impartially throughout recruitment, job transfer, compensation, career development and separation management.
B4.2 Description of steps taken to eliminate such practices when discovered		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	<b>7 Businesses should support a precautionary approach to environmental challenge</b>	The Bank actively responded to climate changes by willingly assuming responsibility for international environment, establishing a sound mechanism for comprehensive management of environmental protection and using the financial lever to help get rid of dependence on traditional development mode and promoting economic restructuring.
<b>B5 Supply Chain Management</b>	P31	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	<b>8 Taking on more responsibilities for environmental protection</b>	The Bank attached greater importance to the development of green finance and support for ecological civilization, fully built it into the strategic development plan, and promoted the building of a green finance system. The Bank supported the development of green industries and actively promoted the green adjustment of investment and financing structure through annual industrial investment and financing policies and limit management schemes for key industries, and implemented the strict one-vote veto system for environmental protection in lending.
General Disclosure: Policies on managing environmental and social risks of the supply chain		B7.3 Description of anti-corruption training provided directors and staff	<b>9 Encouraging the development and promotion of environment-friendly technologies</b>	The Bank gave priority to green credit and other key fields, and actively met high-quality customers' reasonable financing needs, such as low-carbon transformation. As at the end of the reporting period, the balance of loans granted to green economic sectors reached RMB 2,480.6 billion. The Bank vigorously promoted paperless, low-consumed and efficient online business leveraging on its leading technological strengths, with business conducted via digital channels accounting for 98.8%.
B5.1 Number of suppliers by geographical region		<b>B8 Community Investment</b>	<b>10 Businesses should work against corruption in all forms, including extortion and bribery</b>	In accordance with the guideline of "combating corruption in an integrated way, addressing both its symptoms and root causes, and combining punishment with prevention while focusing on the latter", the Bank pressed forward with anti-corruption work focused on improving the corruption control and prevention system.
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored		General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests		
B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)		
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored		B8.2 Resources (e.g. money or time) contributed to the focus areas (e.g. education, environment concerns, labor needs, health, culture, sport)		
<b>B6 Product Responsibility</b>	P45, 46, 80, 81, 94	General Disclosure: Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress		

# Report on the Progress of the Principles for Responsible Banking (PRB)

The *Principles for Responsible Banking* (PRB) are a global framework for ensuring that signatory banks' strategy and practice are in line with future social needs. This framework enables the sector to align with the sustainable development goals and the global goals and indicators set out in the *Paris Climate Agreement*.

As one of the founding signatories of the PRB, the Bank has been committed to maximizing the comprehensive value of economy, environment and society, based on the general demands of all stakeholders in economic and social development.

**Principle 1: Alignment**  
*We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.*

The Board of Directors of the Bank deliberated on and approved the *2021-2023 Strategic Development Plan* (the "Plan"), and continued to formulate action measures in the fields of green finance, inclusive finance (rural revitalization and livelihood guarantee) and FinTech support and practice the concept of sustainable development, in accordance with the sustainable development goals such as no poverty, food safety, inclusive and equitable education, modern energy, full employment, response to climate change, ecological restoration and global partnership set out in the *2030 Agenda for Sustainable Development* of the United Nations.

**Mission:** To provide convenient, secure, efficient and quality financial services at reasonable prices in the next three years. The Bank is committed to working with the stakeholders to proactively address urgent issues such as climate change, inclusive development of society, environmental and biodiversity protection, privacy protection and data security, in a bid to jointly promote sustainable development.

**Strategic system:** The Plan focuses on the objectives, paths and tools for the building of a green finance system and the improvement of green and low-carbon financial service systems on region, variety, customer and industry in the next three years, and makes clear that the Bank will lead the way in practicing green development.

**Strategic priority:** In the next three years, the Bank will attach importance to new markets, new business formats and new models, further enhance the capacity of inclusive financial services and support healthcare, education, elderly services, culture, sports, tourism and other happiness industries. The Bank will innovate a low-carbon, green and sustainable financial service system through FinTech means and financial element management. It will establish a big data platform of environmental risk information to continuously enhance ESG risk management.

**Principle 2: Impact & Target Setting**  
*We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and*

*environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.*

The Bank believes that green finance plays an important part in tackling climate change and advancing the green and low-carbon transformation and development of economy and society. With the implementation of China's goals of "carbon peak and carbon neutrality", the development of green finance will quicken significantly. Meanwhile, achieving the goal will be a long-term and progressive process. In the course of green and low-carbon adjustment of the investment and financing structure, the Bank should pay close attention to the changes in industrial structure, energy structure, technical progress, consumption concept, etc., and guard against green transformation risks.

The Bank issued the *Opinions on Further Strengthening the Building of Green Finance* as a green finance plan to further clarify the objectives, basic principles, work priorities and supporting measures of green finance. Specific objectives include leading the industry in the scale of high-quality green loans and striving to lead the industry in comprehensive green investment and financing. It also put forward qualitative objectives and requirements for the organizational structure of green finance, policies and rules, investment and financing environment, climate risk prevention and control capability, and participation in the formulation of green finance standards.

The Bank planned on the total amount, progress, structure and pricing of corporate credit, to ensure stability on six key fronts and maintain security in six key areas. It made every effort to improve the adaptability, competitiveness and inclusiveness of serving the development of the real economy. The Bank optimized the layout of the credit market, and enhanced credit support for key areas by accelerating the in-depth integration of the new generation of information technology and the manufacturing industry, with a focus on the high-end, intelligent, green and digital development of the manufacturing industry.

The Bank has established more than 300 "centers for micro and small enterprises" across China, and implemented differentiated strategies progressively in line with regional resources. It gave full play to their service functions of marketing organization, business processing, risk management, and O2O localization. By doing so, the Bank saw sound and sustained development of financial services for micro and small enterprises.

The Bank proactively built a rural financial service supply system and service mechanism covering agriculture, rural areas and farmers, issued an action plan of supporting rural revitalization through finance, and launched ICBC Xingnongtong, a unified brand of rural financial services of the Bank. Adhering to online, digital and ecological development, the Bank shaped a new rural financial access system featuring online and offline integration and complementarity, and launched an innovative ICBC Xingnongtong APP. It also rolled out the County Version 2.0 of mobile banking.

## Principle 3: Clients & Customers

*We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.*

The Bank did a good job in resource guarantee, assessment guarantee and limit guarantee for green financial development, gave priority to green credit and other key fields, and actively met high-quality customers' reasonable financing needs, such as low-carbon transformation.

The Bank continued to implement the "digital inclusive finance" development path, accelerated the digital transformation of traditional small and micro credit products, improved the financing availability and convenience for small and micro customers through online verification, intelligent model approval and intensive operation, and gradually guided and promoted the digital and low-carbon transformation of production and operation of small and micro enterprises. The Bank proactively developed matching products and provided financing services to meet the new financing needs of small and micro customers arising from low-carbon transformation.

The Bank launched the rural revitalization bond, carbon neutrality bond, old revolutionary base revitalization bond, high growth bond, sustainable development linked bond and other bonds for the first time, leading the industry in terms of underwriting amount and number of underwriting projects. Meanwhile, it successfully innovated a number of product portfolios, flexibly used the innovative bond product portfolios to meet the personalized financing needs of enterprises, and channeled funds to key projects involving both rural revitalization and low-carbon transformation.

With a focus on the contactless financial service needs of the people as pandemic control became a routine, the Bank established and deeply promoted the operation service mode integrating online and offline services, which featured "online quick processing + centralized business processing + offline convenient delivery". The service mode provided fast, accurate and considerate high-quality financial services for customers. As at the end of the reporting period, 98.8% of the Bank's transactions were handled through electronic channels, effectively reducing carbon emissions from financial services.

## Principle 4: Stakeholders

*We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.*

**Mission of the Bank:** Excellence for You. Excellent services for clients, maximum returns to shareholders, real success for employees, great contribution to society.

According to the goals of achieving carbon peak before 2030 and carbon neutrality before 2060, the Bank practiced the development philosophy that "lucid waters and lush mountains are invaluable assets", exerted to maximize the value sum of shareholders, stakeholders and social responsibilities, and promoted the sustainable development of harmonious coexistence between mankind and nature.

The Bank strengthened publicity and education on environmental protection, and guided employees, clients and other stakeholders to further establish awareness of energy conservation and environmental protection through internal training, display at outlets, news propagation and other forms.

Following the principle of responsible procurement, in respect of access, the Bank required suppliers to provide self-assessment of the measures and effects of fulfillment of social responsibilities in environmental protection, energy conservation and occupational health and safety, as well as environmental management system certification, occupational health certification, product environmental label certification, energy conservation certification, social responsibility standard certification, etc., and description on whether the products are included in the list of energy conservation and environmental protection information.

The Bank signed strategic cooperation agreements with the National Development and Reform Commission, Ministry of Industry and Information Technology, National Energy Administration and Ministry of Science and Technology, to deepen comprehensive cooperation in supporting the development of green industries.

The Bank strengthened business collaboration and information exchange with important implementors undertaking the national energy conservation transformation, and supported the construction of a number of photovoltaic, hydropower and other clean energy and green transportation projects.

As the first expert member in China to sign and uphold TCFD recommendations, the Bank actively participated in TCFD global financial governance. During the reporting period, the Bank attended four TCFD plenary meetings, at which it put forward improvement suggestions for important documents such as TCFD's *Indicators, Objectives and Transformation Plan and Portfolio Adjustment Technology*, and proactively voiced on issues such as carbon peak and carbon neutrality and response to climate change, through UNEP FI, GISD, GIP, BRBR and other international platforms.

Relying on 15,500 "ICBC Sharing Station" outlets, the Bank built a public service system and held more than 40,000 series activities with featured themes through cooperation with other industries. Meanwhile, it continued to enrich the ecological scenarios of outlets and enhance their capability of serving the society and people's livelihood. More than 10,000 outlets of the Bank provided government services covering social insurance, housing allowance, industry and commerce, taxation, public security, justice and so on. The Bank leveraged financial strength to meet the needs of the people for a better life, and contributed to the building of an integrated, open service ecosystem with a human touch.

The Bank proactively organized, encouraged and guided employees, clients and other stakeholders to participate in volunteer services and public welfare activities related to environmental protection, education, health, etc.

## Principle 5: Governance & Culture

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

The Bank took corporate governance as the foundation for enhancing its core competitiveness, and continuously improved the corporate governance mechanism of "statutory and transparent responsibilities and accountability, coordinated operation and effective checks and balances" composed of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management, in accordance with regulatory requirements and best practices of the industry. The Bank continued to promote the modernization of governance

system and governance capacity, and built a governance benchmark for large global financial groups.

During the reporting period, the Bank held one annual general meeting and two extraordinary general meetings, at which 20 proposals (such as the *Proposal on the 2020 Audited Accounts*, *Proposal on Application for Special Authorized Limit on Poverty Alleviation Donation* and *Proposal on Donation of Pandemic Prevention and Control Materials* in 2020) were reviewed and approved, and three reports (such as the *Work Report of Independent Directors of Industrial and Commercial Bank of China Limited in 2020*) were heard.

During the reporting period, the Board of Directors of the Bank held 13 meetings, at which 108 agenda items (such as the *Proposal on 2021-2023 Strategic Development Plan of ICBC*, *Proposal on 2020 Corporate Social Responsibility Report of Industrial and Commercial Bank of China Limited (ESG Report)*, *Proposal on 2021 Plan for Inclusive Finance Business* and *Proposal on Report on Implementation of Green Finance by ICBC*) were studied and discussed. Meanwhile, the Board of Directors was made more diverse and independent.

The Bank checked the effectiveness of rules every year. During the reporting period, in accordance with relevant requirements of The Stock Exchange of Hong Kong Limited, the Bank's Chairman of the Board of Directors presided over a symposium attended solely by independent directors, who fully expressed their opinions regarding the Bank's corporate governance, strategic development, risk management and green finance. Prior to each meeting of the Board of Directors, the Bank organized relevant personnel to communicate with directors about all matters to be discussed at the meeting and sought the opinions of directors in detail. During the board meeting, the directors spoke freely and actively put forward suggestions on the operation and development of the Bank.

#### Corporate culture of the Bank

**Mission:** Excellence for You. Excellent services for clients, maximum returns to shareholders, real success for employees, great contribution to society

**Vision:** To build a world-class, globally competitive modern financial institution in all aspects, and become a long-lasting and ever-prosperous bank

**Value:** Integrity Leads to Prosperity - Integrity, Humanity, Prudence, Innovation, Excellence

#### Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The Bank's Board of Directors attached great importance to the Bank's work in the fields of environment, society and governance, formulated a strategic development plan, promoted the implementation of the goals of achieving carbon peak before 2030 and carbon neutrality before 2060, regularly reviewed proposals such as social responsibility (ESG) report, green finance implementation report and risk management report, and strengthened the supervision and management of ESG matters.

During the reporting period, the Board of Directors of the Bank listened to the *Proposal on the Annual Review of US Region Risk Management Framework and Appetite and Report on Various Risks*, added the qualitative appetite description of "Environmental, Social and Governance (ESG) and Climate Risks" to the risk appetite statement, aligned it with relevant strategic plan of US-based institutions, and put forward specific risk appetite requirements.

During the reporting period, the Board of Directors and its Risk Management Committee reviewed and approved the *Enterprise Risk Management Regulations (2021)* and included "climate risk management" in the enterprise risk management system. First, the definition, influence factors and main risk manifestation of climate risk were clarified. Second, climate risk management system and management requirements were clarified.

During the reporting period, the Board of Directors of the Bank held seminars and trainings on climate risk management and green finance. The directors had heated discussions on "climate risk management of commercial banks" and "green financial system of ICBC", and put forward a series of constructive opinions and suggestions.

During the reporting period, the Bank's Board of Directors and its Corporate Social Responsibility and Consumer Protection Committee reviewed and approved the *Proposal on Consumer Protection in 2020 and Work Plan for 2021, and listened to the Analysis Report on the Bank's Customer Complaints in 2020*.

During the reporting period, the Board of Directors of the Bank reviewed and approved the *Proposal on 2021-2023 Group Data Governance and Intelligent Application Plan of ICBC*, asked for more efforts in data security management education, fostered the awareness of protecting the Bank's customer privacy and information security, and strengthened protection of governmental affair data, trade secrets and personal data. In the future, the Board of Directors will listen to the report on the progress of digital banking infrastructure construction and data governance on an annual basis.

The Bank proactively implemented national requirements on improving the quality of listed companies, strengthened information exchange with investors, and continuously expanded the breadth and depth of information disclosure and improved the transparency of information disclosure. In the annual evaluation of information disclosure by companies listed on Shanghai Stock Exchange, the Bank was rated "excellent" for the eighth year in a row.

The Bank mainly disclosed information in the form of regular report and interim announcements through designated media, including the websites of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Meanwhile, the Bank continuously strengthened communication and exchange with global investors through its official website, domestic and foreign newspapers, shareholders' general meetings, results announcement conference, roadshows and reverse roadshows, investor and analyst meetings, media meetings, SSE e Interaction platform, investor hotline and email. During the reporting period, the Bank disclosed four regular reports and more than 300 interim announcements and related documents in Chinese and English.

## Feedback Form

Thank you for reading the 2021 *Corporate Social Responsibility Report (ESG Report) of Industrial and Commercial Bank of China Limited*. ICBC has published Corporate Social Responsibility Reports for consecutive fifteen years. In order to better satisfy your need, provide more valuable information for you and all relevant stakeholders, improve our performance of corporate social responsibility and enhance our ability to fulfill our social responsibility, we sincerely hope that you would provide your valuable opinions and feedback regarding this report to us via the following means:

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1. What is your overall evaluation for the report?  
 Very good  Good  General  Poor
2. What is your evaluation for ICBC's performance of its social responsibility on the economic level?  
 Very good  Good  General  Poor
3. What is your evaluation for ICBC's performance of its social responsibility on the environmental level?  
 Very good  Good  General  Poor
4. What is your evaluation for ICBC's performance of its social responsibility on the social level?  
 Very good  Good  General  Poor
5. Do you think the report can truly represent the influence on economy, environment and society of the social responsibility practice of ICBC?  
 Yes  So so  No
6. What do you think of the clarity, correctness and completeness of the information, data and statistics in the report?  
 Very good  Good  General  Poor
7. Is this report reader-friendly from your perspective in terms of its contents, structure and formatting?  
 Very good  Good  General  Poor
8. Which of the following stakeholder do you belong to?  
 Government  Regulator  Shareholder and Investor  Client  
 Supplier and Partner  Employee  Community public  Others
9. What are your opinions and suggestions on corporate social responsibility of ICBC and this report?

Note: Please add "√" in the corresponding "□".