



2023

CHINA CITIC BANK CORPORATION LIMITED
ENVIRONMENTAL INFORMATION
DISCLOSURE (TCFD) REPORT

PREPARATION EXPLANATION

Reporting Scope: This report focuses on China CITIC Bank, including its headquarters and domestic and overseas branches, as well as five subsidiaries including CITIC International Financial Holdings Limited, CNCB (Hong Kong) Investment Co., Ltd., CITIC Financial Leasing Co., Ltd., CITIC Wealth Management Corporation Limited, and Zhejiang Lin'an CITIC Rural Bank Co., Ltd., collectively referred to as "the Bank" or "we", unless otherwise specified.

Reporting Period: January 1, 2023 - December 31, 2023. To ensure the consistency of its content, some contents of this report exceed this period.

Preparation Basis: This report is prepared by reference to the relevant recommendations under the *Recommendations of the Task Force on Climate-related Financial Disclosures* issued by the Task Force on Climate-related Financial Disclosures (TCFD) in accordance with the *Guidelines on Environmental Information Disclosure for Financial Institutions* issued by the People's Bank of China.

Principles of Disclosure: This report is disclosed in accordance with the principles of truthfulness, timeliness, consistency and coherence.

Data Description: The data in this report mainly comes from the internal system of the Bank and its branches' statistical data. Unless otherwise specified, this report is denominated in RMB.

Definitions: Unless otherwise stated, the following words have the following meanings.

CITIC Group	China CITIC Group Corporation Limited
CNCBI	CITIC Bank International Limited
CNCB Investment	CNCB (Hong Kong) Investment Co., Ltd.
CITIC Financial Leasing	CITIC Financial Leasing Co., Ltd.
CIAM Carbon Assets	CIAM Carbon Assets Management Ltd.

Publication of the Report: This report is written in Simplified Chinese, and the English version is translated from the Simplified Chinese version. If there are any differences between the texts, the Simplified Chinese version shall prevail. This report is published in electronic form and can be browsed and downloaded on the official website of the Bank (website: <http://www.citicbank.com/>).

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ABOUT US

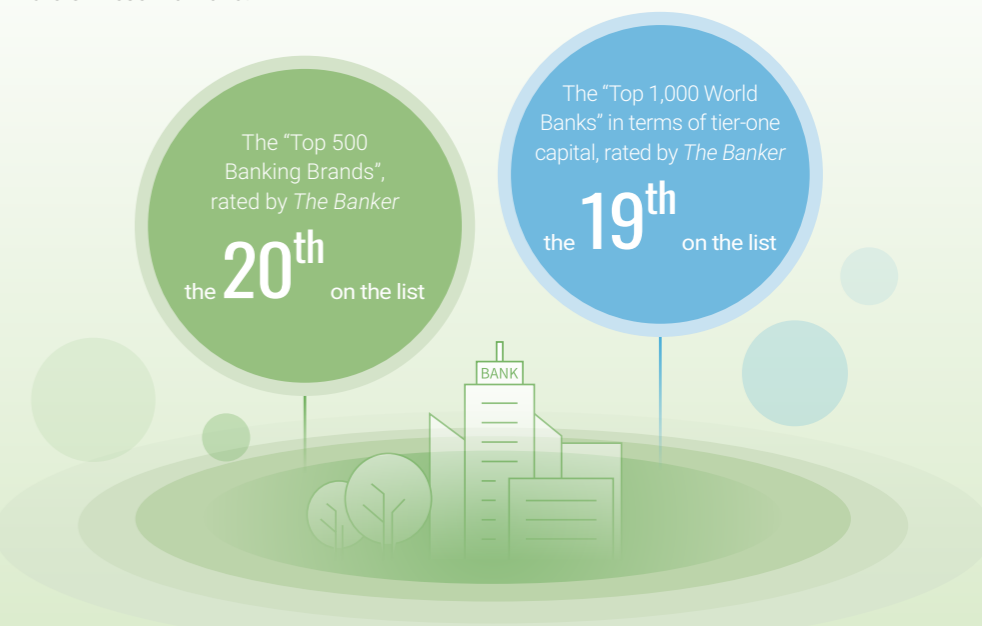
Founded in 1987, the Bank is one of the earliest emerging commercial banks established during China's reform and opening up. It is also the earliest commercial bank in China to participate in financing in domestic and international financial markets, and is renowned both domestically and internationally for repeatedly creating "firsts" in China's modern financial history, making positive contributions to China's economic construction. In April 2007, the Bank achieved synchronous listing of A+H shares on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Ltd. (SEHK).

Relying on the comprehensive resources of CITIC Group in terms of "Finance + Real Economy", the Bank, with the vision to become a bank with "Four Features"¹ and one of the world's first-class banks, upholds honesty and trustworthiness, pursuit of benefits through righteous means, steadiness and prudence, integrity and innovation, and legal compliance. Being customer-centric, the Bank worked to create a distinctive and differentiated model for financial services by implementing the "Five Leading"² strategy. For corporate customers, institutional customers and inter-bank market customers, the Bank offers integrated financial solutions in corporate banking business, international business, financial market business, institutional banking business, investment banking business, transaction banking business and custody business, etc. For individual customers, the Bank provides diversified financial products and services related to wealth management, private banking, personal credit, credit cards, pension finance and going abroad finance, etc. As such, the Bank satisfies the needs of corporate, institutional, inter-bank market and individual customers for comprehensive financial services on all fronts.

The Bank is committed to stable healthy business operation and keeps pace with the times. The Bank has worked unwaveringly to be a loyal practitioner of national strategies, a strong supporter of the real economy, and an active builder of China as a financial powerhouse. After more than 30 years of development, the Bank has become a financial conglomerate with strong comprehensive strength and brand influence competitiveness, registering more than RMB 9 trillion total assets and more than 65,000 employees. In 2023, *The Banker* magazine of the United Kingdom rated the Bank the 20th on its list of the "Top 500 Banking Brands" and the 19th on its list of the "Top 1,000 World Banks" in terms of tier-one capital. As at the end of 2023, the Bank had 1,451 outlets in 153 medium-sized and large cities in the Chinese mainland.

1 A bank with "Four Features": a responsible, unique and valuable provider of the best comprehensive financial services with a human touch.

2 "Five Leading": a leading wealth management bank, a leading comprehensive financing bank, a leading trading settlement bank, a leading forex service bank, and a leading digital bank.



HONORS AND AWARDS

<p>IFRS Foundation Beijing Office</p> <p>ISSB International Sustainable Disclosure Standards - Partnership for early awareness of sustainability-disclosure today (P4EAST)</p> <p>· The Bank ·</p>	<p>China Banking Association</p> <p>Advanced Institution in Green Bank Assessment</p> <p>· The Bank ·</p>	<p>CLS.cn</p> <p>Green Water Golden Mountain Award "ESG Investment Practice Award"</p> <p>· The Bank ·</p>
<p>China Central Depository & Clearing Co., Ltd.</p> <p>"Excellent Underwriter of the CCDC Green Bond Index" in the 2023 Business Development Quality Assessment of CCDC Members</p> <p>· The Bank ·</p>		<p>2023 Banking ESG Development Forum</p> <p>2023 Exemplary Case in Green Finance for Banking ESG</p> <p>· The Bank ·</p>
<p>Hong Kong Quality Assurance Agency</p> <p>Outstanding Award for Green and Sustainable Loan Structuring Advisor (Oil and Gas Industry)</p> <p>· CNCBI ·</p>		<p>Hong Kong Quality Assurance Agency</p> <p>Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Holding Industry) - Visionary Green Bond Framework</p> <p>· CNCBI ·</p>
<p>Financial Times</p> <p>Golden Dragon Award "Best Green Financial Leasing Company of the Year"</p> <p>· CITIC Financial Leasing ·</p>	<p>2023 (10th) Global Leasing Industry Competitiveness Forum</p> <p>Takeoff Awards • Leading Enterprise in Clean Energy Leasing</p> <p>· CITIC Financial Leasing ·</p>	<p>2023 (3rd) National Financial Leasing Innovation Case Contest</p> <p>"Excellent Innovation Case Award" with the ESG green loan financing project</p> <p>· CITIC Financial Leasing ·</p>

PERFORMANCE HIGHLIGHTS OF THE YEAR



³ Calculated in accordance with the standard of the PBOC.

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IMPROVING THE GOVERNANCE STRUCTURE AND OPTIMIZING THE INSTITUTIONAL SYSTEM



Environment-related Governance Structure

Board of Directors

The Board of Directors of the Bank plays the strategic leading role. It oversees and provides guidance on key ESG issues such as green finance, inclusive finance, rural revitalization, consumer protection and data and privacy protection, includes relevant issues into the Bank's strategic planning, and periodically assesses the implementation of the planning. The Strategy and Sustainable Development Committee of the Board of Directors is responsible for coordinating the development of the ESG system of the Bank, formulating the *Measures for the Environmental, Social and Governance (ESG) Management of China CITIC Bank* and the *Work Plan for the ESG Management of China CITIC Bank*, deliberating the strategy and objectives for the development of green finance, overseeing and assessing the implementation of green finance, and actively advancing ESG related work required by regulators.

In 2023, the Bank held a total of 14 Board of Directors meetings, at which the Board of Directors and its special committees considered and discussed a series of important ESG issues and earnestly fulfilled their responsibilities in ESG aspects such as green finance, inclusive finance, consumer protection, internal control & compliance, anti-money laundering, related party transactions and protection of shareholders' rights and interests.

Board of Supervisors

The Board of Supervisors of the Bank attaches great importance to supervision of ESG related work such as environmental management. In 2023, the Board of Supervisors further collated and refined supervision items prescribed by law and formed the *List of Supervision of the Board of Supervisors of China CITIC Bank*. It conducted supervision on strategy, internal control & compliance, risk management, information disclosure, etc. In 2023, the Board of Supervisors reviewed the Bank's *2022 Annual Report*, *2022 Sustainability Report* and *2023 Interim Report*; it attended, as a non-voting delegate, all Board of Directors meetings, paid special attention to the performance of the Board of Directors and senior management in environmental management, green finance, IT governance, etc., and put forward targeted opinions and suggestions.

Senior Management

The senior management of the Bank has deliberative institutions, which are management institutions of ESG related issues and take the lead in the formulation and daily management of development plans for ESG related issues and overseeing ESG risk management activities in business operations. The **Credit Approval Committee** under the senior management reviews risks, including environmental and climate risks, in all credit and non-credit businesses, including taking into full account the energy consumption and pollutant discharge in the production and operation process of customers as well as their impacts on the ecological environment and biodiversity. The **Green Finance Leading Group** has the Green Finance Management Improvement Working Group and the Green Finance Business Promotion Working Group to promote innovation in green finance products and services as well as the holistic development of green finance business.

Working Layer

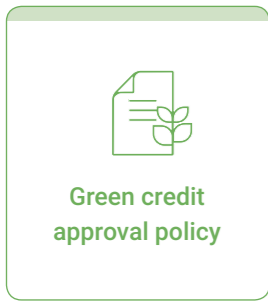
The Board of Directors Office of the Head Office is the leading department for ESG management of the Bank. It promotes the development of ESG related systems and mechanisms, formulates sustainability related reports, and plans and organizes ESG training and knowledge communication. The departments of the Head Office, branches and subsidiaries are responsible for advancing sustainability work and carrying out centralized management of sustainability issues based on their respective responsibilities.

Environment-related Policies and Systems

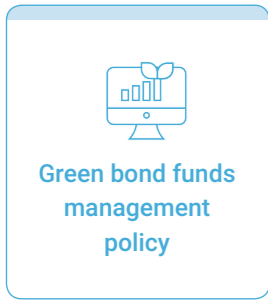
The Bank abides by national policies and regulations, follows international standards and norms, supports environment and climate-related principles and initiatives, and continuously enhances the Bank's global influence as a "green bank". In responding to national policies and regulations, the Bank strictly abides by the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Energy Conservation*, and other environment-related laws and regulations, aligns its policies and procedures with the *Guidelines for Green Finance in the Banking and Insurance Industries* issued by the former China Banking and Insurance Regulatory Commission (CBIRC), the *Green Finance Evaluation Program for Banking and Financial Institutions* issued by the People's Bank of China and other relevant programs and guidelines, adjusts and improves the Bank's green development objectives and priorities of work based on regulatory provisions and business realities, comprehensively enhances green governance capacity, and promotes sustainable, high-quality development. In supporting international standards and initiatives, the Bank actively responds to the United Nations Sustainable Development Goals (SDGs), has signed the *Joint Declaration of the Banking Sector to Support Biodiversity Conservation*, and is a supporter of the TCFD and an "ISSB International Sustainable Disclosure Standards - Partnership for early awareness of sustainability-disclosure today (P4EAST)" title.

Improving Policies on Green Finance

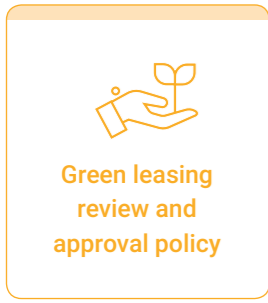
The Bank has formulated and issued the *Plan of China CITIC Bank on Building a Green Bank* and the *Guidelines of China CITIC Bank on Promoting Green and Low-carbon Circular Development*, as the overall requirements and basic principles to guide the development of the Bank as a green bank. The Bank has basically established organizational support for green finance work, defined the development direction and risk management requirements for green finance business, promoted the development of green business, and strengthened innovation in green finance products.



The Bank has formulated the *Credit Policies of China CITIC Bank in 2023*, which outlines the Bank's support for key industries including clean energy, green buildings and green transportation, and specifies the credit orientation toward areas such as agriculture, energy, mining, oil and gas exploitation and biodiversity. The Bank continuously develops the green finance related review and approval standards (guidelines) system and keeps abreast of the dynamics and development trends of frontier industries such as new energy, NEV and new materials, and industries with high pollution and high energy consumption such as steel, electrolytic aluminum and cement. As at the end of 2023, the Bank had 12 green industry review and approval standards (guidelines).



The Bank has formulated the *China CITIC Bank's Management Measures for Funds Raised by Green Finance Bonds (Trial)*, to improve the control system for the use and management of funds. After the funds raised from issuance of green finance bonds are paid to the account, the Bank improves the utilization of the raised funds and promotes the healthy development of green projects on the premise of ensuring business continuity and risk control, through a series of measures such as tracking the development progress of the loan business for green industrial projects, strengthening management of relevant loan business and monitoring the execution of relevant loans.



The Bank's subsidiary CITIC Financial Leasing, committed to its strategic positioning as a green leasing entity, has incorporated supporting green industries in its strategic plans and defined the development objectives, segments and target customers of corporate green financing, formulated policies and procedures such as the *Business Review and Approval Standards of CITIC Financial Leasing Co., Ltd. for the Photovoltaic Power Generation Industry* and the *Business Review and Approval Standards of CITIC Financial Leasing Co., Ltd. for the Wind Power Generation Industry*, and tilted business resources toward strategic emerging industries and low-carbon, circular and cleaner areas.

Standardizing the Green Operation System

The Bank continuously refines green operation related systems and standards, optimizes the green operation management system, advocates the concept of green office, improves the green procurement policy, and actively fulfills its mission of becoming a green bank.



The Bank strictly implements national laws and requirements on energy conservation and environmental protection. It has formulated the *Guiding Opinions on Green Office of China CITIC Bank* and the *Management Regulations of the Office Area of CITIC Tower of China CITIC Bank* and set green operation objectives. The Bank manages its environmental footprints in four respects, those are, energy, water resources, wastes and paper consumption, advances green operation practices, and continuously reduces resource consumption and discharge of pollutants.

The Bank constantly strengthens supplier management. In 2023, the Bank revised several policies including the *Management Measures of China CITIC Bank for Centralized Procurement Suppliers*, and the *Management Measures of China CITIC Bank for Centralized Procurement*, in which it refined relevant articles on green procurement and sustainable development and required that, under the premise of controllable risk, due consideration shall be given to factors such as environmental protection, resource conservation and circular and low-carbon development, and that priority shall be given to energy-saving and environmentally-friendly suppliers, so as to further strengthen the institutional foundation of green procurement of the Bank.





DEVELOPING GREEN FINANCE AND PROMOTING INNOVATIVE SERVICES

Green Finance Development Strategy

Green Finance Development Plan

In order to thoroughly implement the guiding principles from the 20th National Congress of the CPC and Xi Jinping Thought on Ecological Civilization, fully carry out the strategic goals of carbon peak and carbon neutrality, and realize its own low-carbon transformation and sustainable development, in 2023, the Bank formulated the *Development Plan for Green Finance of China CITIC Bank (2024-2026)*, to comprehensively advance the strategic implementation of green finance business from a strategic and overall perspective.

Green Finance Development Objectives

Based on a thorough understanding of the Bank's present development status and the internal and external environments, the Bank sets forth medium- to long-term development objectives for green finance. Specifically, by the end of 2026, the Bank aspires to maintain a consistent top-tier position among joint-stock banks in green finance operations. This involves realizing overarching development goals, including "substantial scale improvement, ongoing structural optimization, sustained diversification of products, a more balanced developmental trajectory, the establishment of a more comprehensive system, and the cultivation of a more influential brand".

Organizational System for Development of Green Finance

The Bank has basically formed a three-level organizational system for development of green finance:



At the strategic decision-making level

The Strategy and Sustainable Development Committee of the Board of Directors reviews green finance development strategies and objectives, oversees and assesses the implementation of green finance, and coordinates the strategic resources of CITIC Group to promote implementation of strategies.



At the senior management level

The Green Finance Leading Group has been established, which makes overall planning for the development of green finance business of the Bank, formulates development strategies and objectives for green finance business, and provides guidance on the implementation of green finance work. The Green Finance Leading Group has two working groups. The Green Finance Management Improvement Working Group takes the lead in advancing the building of a "green bank" and strengthens the Bank's capacity for sustainable development. The Green Finance Business Promotion Working Group takes the lead in developing new green finance products and services and establishing a green finance business promotion mechanism and provides all-round business support to branches.



At the execution level

The Head Office, branches and sub-branches help form the initial shape of the organizational structure in a coordinated manner. At the Head Office level, the Major Customer Department has set up the Green Finance Office to take the lead in coordinating resources, advance project implementation, and build special support for green finance business from the dimensions of evaluation, pricing and approval channels. At the branch level, the leadership of the branch takes the lead, systematically promotes the green finance business in the region of the branch, and advances cluster development of key and characteristic green industries in the region. At the sub-branch level, sub-branches work to build themselves into featured sub-branches such as "demonstration sub-branches of green finance" "green operation sub-branches" and "carbon neutral sub-branches" and promote implementation of green finance business.

In addition, the Audit Department of the Head Office continuously supervises and evaluates the Bank's green finance business, including but not limited to the implementation of national policies on green finance, the implementation of the Bank's green finance planning and credit policies, internal controls and the quality of green finance data.

Credit Policies for Key Industries

The Bank has set out the credit policy for green finance in its 2023 credit policy, which mainly covers the following industries: clean energy, green buildings and green transportation. Moreover, based on the latest situations of industries, the Bank has revised and refined the review and approval standards (guidelines) for three industries, those are, photovoltaic manufacturing, photovoltaic power generation and new energy vehicles. For example, in the revised edition for the photovoltaic power generation industry, the Bank states that priority will be given to supporting large wind and photovoltaic power base projects and projects that are eligible to obtain carbon emission reduction loans. For industries highly related to environmental protection such as agriculture, the Bank has defined the credit orientation and formulated relevant policies. Details are as follows:

Credit Policy for the New Energy Industry

Focusing on promoting the development of the new energy industrial chain and the building of a clean, low-carbon, safe and efficient modern energy system, giving priority to supporting large wind and photovoltaic power base projects and the application of new energy in industrial and building areas, supporting green electricity consumption, and facilitating integrated development of exploitation and use of new energy resources and rural revitalization.

Supporting energy-saving and green transformation of existing buildings and energy conservation capacity improvement of new buildings, enhancing credit support for energy-saving buildings, and helping fostering a green, low-carbon and circular development direction for building construction.

Credit Policy for the Green Building Industry

Credit Policy for the Green Transportation Industry

Supporting development of green ports, green waterways, green highways and urban rail transit and helping promote the application of NEVs in urban public transportation, taxi, logistics distribution, etc.

Implementing strict access criteria for projects, prohibiting provision of credit support to projects that increase capacity illegally, stopping extending loans to enterprises that increase capacity illegally, and accelerating withdrawal from capacity with low efficiency. Supporting the transformation and upgrading of existing projects with high pollution and high energy consumption that have been completed and put into operation and have potential for energy conservation and emission reduction on the basis of prudent assessment of their development prospects; and accelerating withdrawal from those with backward capacity in a steady and orderly manner.

Credit Policy for Projects with High Pollution and High Energy Consumption

Credit Policy for Agriculture

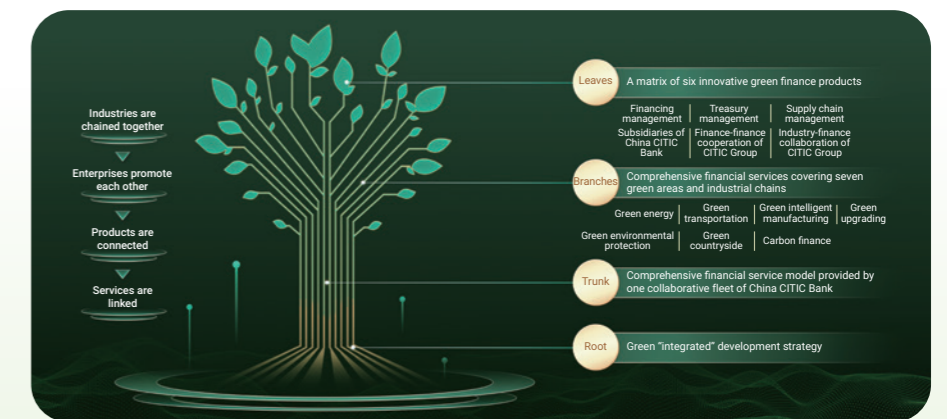
Actively supporting the construction projects of functional zones for grain production with scale advantage, key agricultural protection zones with industrial integration advantage and characteristic agricultural production parks, and giving support to the construction projects of medium-sized and large irrigation canal facilities and large-scale modern facility agriculture. Supporting large farming enterprises that meet environmental protection standards and epidemic disease prevention and control requirements, have a well-functioning quality inspection and control system, and show strong growth potential. Firmly withdrawing from agricultural production projects that cause damage to the environment, are banned by national laws and regulations, or are not approved, focusing on the farm and sideline product processing industry segment, and preventing food safety and environmental protection risks.

For more information about industry-specific credit policies, please refer to the 2023 Sustainability Report of the Bank published under the ESG information disclosure column on the Bank's official website (www.citicbank.com).

Green Finance Products and Services

Green Finance Service System

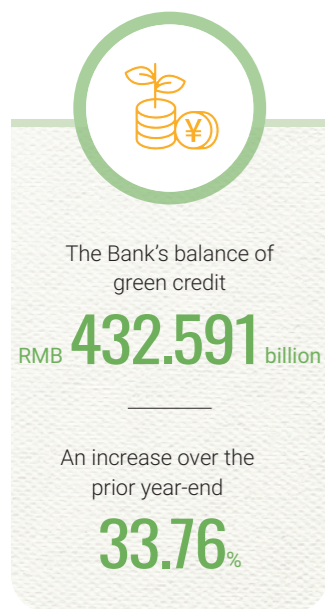
In order to better serve green areas and support the green and low-carbon transition of the economy and society, in 2023 the Bank launched characteristic service solutions for green finance and established an "evergreen tree" comprehensive financial service system that supports the enduring value circulation of green finance. In the "evergreen tree", the "root" is the strategy, which is to uphold the green "integrated" development strategy, form a three-level organizational system for development of green finance, and promote the development of green finance business in all respects. The "trunk" is the model. Specifically, the Bank will, by leveraging the synergistic effect and multiplier effect of the simultaneous development of finance and industry by CITIC Group, connect the indirect financing market and the direct financing market, empower brother companies in industries, and meet the full-range, diversified, multi-channel financing and service demands of green industries. The "branches" are key areas, that is, the characteristic service solutions for green finance will focus on seven green areas and industrial chains, including green energy, green transportation, green intelligent manufacturing, green upgrading, green environmental protection, green countryside, and carbon finance. The "leaves" are the product matrix. There are six green finance product sectors. The Bank's products include financing management, treasury management and supply chain management. Besides, there are three major collaborative areas in the collaboration among subsidiaries of China CITIC Bank, the finance-finance cooperation of CITIC Group and the industry-finance collaboration of CITIC Group, which involve a variety of product types including carbon emission reduction, pollution reduction and green and sustainable financial services.



Green Loan

Green Credit

The Bank actively supports credit granting that conforms to the green development trends, invests funds in areas such as energy conservation & environmental protection, clean production, clean energy, the ecological environment, green upgrading of infrastructure and green services, and constantly raises the proportion of green business. As at the end of 2023, the Bank's balance of green credit was RMB 432.591 billion, representing an increase of 33.76% over the prior year-end, a growth rate exceeding those of other credits of the Bank.



Area to which loans are issued	2023	2022	2021
Balance of green credit (RMB 100 million) ⁴	4,325.91	3,234.12	2,054.25 ⁵
Energy conservation and environmental protection industry	1,265.43	1,013.28	530.97
Clean production industry	168.68	107.56	84.65
Clean energy industry	675.31	427.98	289.14
Ecological environment industry	429.40	290.17	176.04
Green upgrading of infrastructure	1,594.97	1,221.15	819.62
Green services	65.47	44.59	38.13
Green trade financing	22.06	54.76	77.70
Green consumer financing	104.59	74.63	38.01

⁴ The indicator was calculated according to the Notice of the General Office of the China Banking and Insurance Regulatory Commission on the Work Concerning the Statistical System of Green Financing.

⁵ Due to rounding off, the sum of all balances of green credit in 2021 exceeded the total amount of green credit. The data herein shall be adopted.

Carbon Emission Reduction Facility

Also, the Bank actively seizes new opportunities of the development of green industries, makes good use of the fund aggregation effect brought by the carbon emission reduction facility, and provides financial support to enterprises working to reduce carbon emissions.

Information on Carbon Emission Reduction Loans of the Bank in 2023⁶

Carbon emission reduction area	Number of projects supported (No.)	Loan amount (RMB 10,000)	Weighted average interest rate (%)	Annual carbon emissions reduced with the Bank's support (ton of carbon dioxide equivalent)
Clean energy	91	488,448.70	3.67	1,347,282.49
Energy conservation and environmental protection	10	92,594.31	3.78	112,976.65
Carbon emission reduction technology	1	1,800.00	4.00	41,868.58
Total	102	582,843.01	3.69	1,502,127.72

⁶ Calculated and disclosed as per the Notice of the People's Bank of China on Matters Relating to the Establishment of Carbon Emission Reduction Facility.

Case

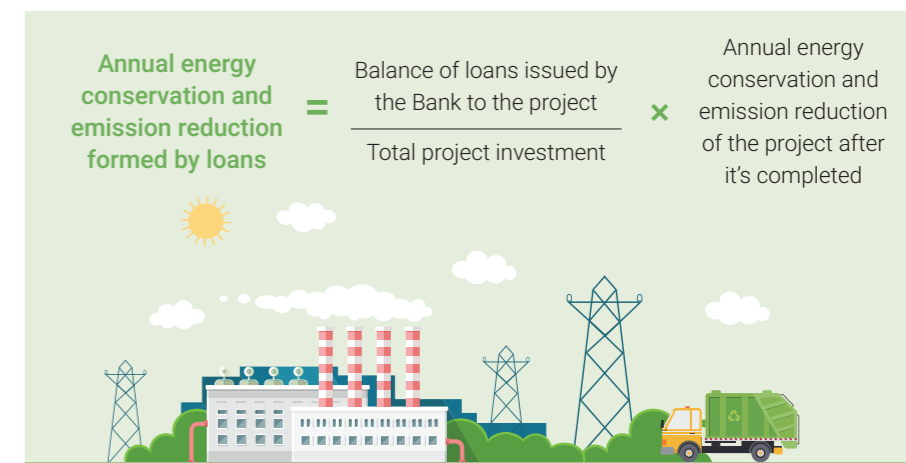
Beijing Branch issues a carbon emission reduction loan for a large new energy project to support the transformation of green industries

In 2023, Beijing Branch issued a RMB 650 million fixed asset syndicated loan to the 1000 megawatt (MW) wind power generation project of an energy company (jointly established by CITIC Group's CITIC Pacific and a private company) in Xilinhot City. It was the first carbon emission reduction loan of Beijing Branch.

The project is the first large new energy project of CITIC Group's energy sector and is listed among the "first batch of national large wind power and photovoltaic base construction projects". According to the feasibility study report of the project, after it is completed and put into operation, the project is expected to save 1.107 million tons of standard coal and reduce 2.436 million tons of carbon dioxide emissions. The successful issuance of the loan is the embodiment of industry-finance collaboration, and it has helped reduce cost and improve efficiency through collaboration within the Group. It is of far-reaching significance to implementing the national strategies of low-carbon energy development and green industry transformation.

Environmental Benefits Generated by Investment and Financing Activities

In 2023, to further promote the development of green credit business and improve the measurement and estimation of corresponding environmental benefits, the Bank, taking Kunming Branch's issuance of fixed asset loans to the environmental protection, relocation, transformation and upgrading project of a steel enterprise as the case, calculated the environmental benefit of the investment and financing activity according to the reporting rules and guidelines on calculation of energy conservation and emission reductions specified in the former CBIRC's Notice on Relevant Work Concerning the Statistical System of Green Financing and the computational formula (below) provided in the guidelines and based on the data of the project such as project launch approval document, feasibility research report and green assessment report.



The project, with capacity replacement at its core, is to modernize production process and equipment to form a new production line according to the requirements of the local government and city development requirements. With the clear advantages of short process, a small heat radiating area and low overall energy consumption, the new production line will help upgrade products and promote sustainable development of the steel enterprise. If the annual output of the project is 2.6 million tons, it's estimated that the green loans issued by the Bank to the project can help reduce 1,427.23 tons of standard coal consumption and 3,596.90 tons of carbon dioxide equivalent emissions annually.

Green Bond

The Bank actively participates in green bond business, pushes for issuance, underwriting and investment of various green and low-carbon themed bonds, promotes the vigorous development of green bond business, and actively supports the green transition of the economy and society in all respects.

In 2023, the Bank issued two tranches of green finance bonds totaling RMB 20 billion in the national interbank bond market. All the funds raised from the issuance will be used in the green industrial projects specified in the *Green Bond Endorsed Projects Catalogue (2021 Edition)*, which mainly include energy conservation and environmental protection industry, clean energy industry and green upgrading of infrastructure. The Bank underwrote 22 green bonds, with a total amount of RMB 10.31 billion, including RMB 1.55 billion of carbon neutrality bonds and RMB 1.05 billion of sustainability-linked bonds. The Bank underwrote the first sustainability-linked panda bonds in the whole market.

In terms of green bond investment, as at the end of 2023, the Bank's outstanding green bonds were RMB 16.867 billion, increasing by 57.99% over the prior year-end, covering green asset-backed securities, green financial bonds, green corporate bonds, green short-term financing bonds and green government bonds.

Besides, as a core market maker in the interbank bond market, the Bank vigorously engaged in the bilateral and requested quotes for bonds such as green bonds and sustainability bonds, providing the market with green bond pricing benchmark and liquidity support. In 2023, the turnover of green bonds amounted to RMB 43.127 billion, up by 8.74% year on year. As a bond market maker, the Bank stayed active in the frontline of the interbank bond market, becoming one of the first quotation institutions for innovative bond portfolio products. In 2023, it launched the "CITIC Bank Green Credit Bond Basket", as well as the "High-Grade Green Bond Basket under Common Ground Taxonomy" jointly with the China Foreign Exchange Trade System (CFETS), meeting investors' diverse demand for investment and improving the efficiency of bond allocation and trading.

Case

Guangzhou Branch underwrites the first sustainability-linked panda notes

In March 2023, Guangzhou Branch, as the lead underwriter, successfully issued the 2023 Phase I medium-term notes (sustainability-linked) for CSSC (Hong Kong) Shipping Leasing Limited. The bonds were the company's debut in the domestic debt capital market and were also the first sustainability-linked panda notes issued in the domestic market of China. The issue amount of the bonds is RMB 1 billion and the issuing period is three years. The nominal interest rate is linked to the sustainability performance target and the "proportion of green shipping assets in total shipping assets of CSSC (Hong Kong) Shipping Leasing Limited" is selected as the KPI. The funds raised from the issuance will be finally used to purchase ships including clean energy ships. To meet performance targets, it is expected that the new green ships delivered by the company in future can replace about 39,200 tons of traditional diesel, which reduce about 31,800 tons of carbon dioxide (CO₂) emissions and about 465.94 tons of sulfur dioxide (SO₂) emissions, further support energy efficiency upgrading, pollution prevention and control, low-carbon and clean fuel, sustainable transportation and other relevant areas, contribute to the green, eco-friendly and sustainable development of China's shipping cause, and build a new industry benchmark.



Case

CNCB Investment assists customers underwriting green bonds, helping boost growth in both economic and environmental benefits

In 2023, the Bank's subsidiary CNCB Investment provided green bond issuance and underwriting services for issuers as a joint global coordinator, joint bookkeeper or co-lead underwriter. It underwrote a total of 42 overseas green bonds throughout 2023, up by about 44% year on year, raising a total of about USD 13.1 billion, up by about 25% year on year. The raised funds are used in projects that meet green, sustainability, blue and carbon neutrality standards. In a green bond issuance project, CNCB Investment served as green structure consultant and assisted an asset operation management company in obtaining green assessment opinions from an authoritative assessment agency with respect to the project. The score obtained was the highest score in the green assessment of local state-owned enterprises under the assessment system of the agency. By assisting customer in issuing green bonds, CNCB Investment has integrated financial services and sustainable development, which has provided a good example for local platform enterprises and realized both economic and environmental benefits.

Green Leasing

The Bank's subsidiary CITIC Financial Leasing has always followed its strategic positioning as a green leasing entity. It has included supporting green industries into its strategic plan and defined the development goals, segments and target customers of green leasing. CITIC Financial Leasing manages customers type by type and implements differentiated credit policies for different types of customers. It has issued marketing guidelines and access criteria for industry segments such as photovoltaic, wind power, garbage power and environmental protection and tilts business resources toward strategic emerging industries and low carbon, circular and clean areas. In 2023, CITIC Financial Leasing registered RMB 15.73 billion in green financial leasing, with support mainly given to photovoltaic power generation, new energy logistics vehicles, new energy battery manufacturing and eco-friendly transformation. As at the end of 2023, the balance of the green financial leasing business amounted to RMB 27.95 billion, accounting for 57.81% of the total financial leasing balance.

Case

CITIC Financial Leasing strengthens green leasing business in the new energy field to empower the development of green industries

The Bank's subsidiary CITIC Financial Leasing continuously moves forward with financial leasing in the new energy field to support high-quality development of new energy enterprises. In March 2023, CITIC Financial Leasing and a new energy group signed a strategic cooperation agreement. Since the initiation of the business cooperation with the group in 2017, a total of five loans have been issued, with a total lease financing amount of nearly RMB 2 billion. In June 2023, CITIC Financial Leasing invested in an energy technology company's RMB 296 million energy storage direct leasing project. The project has been completed and put in operation. With an installed capacity of 100MW/200MWh, the project can transmit no less than 200,000kWh of electricity to the local power grid every day. It has the advantages of a smaller space occupied, larger energy storage capacity and higher charge-discharge conversion efficiency. In future, CITIC Financial Leasing will fully leverage the advantages it has accumulated in green energy areas and work with branches of China CITIC Bank to provide enterprises with multi-scenario and multi-dimensional professional financial services, raise the level of green leasing business, and empower the development of green industries.



Case

CITIC Financial Leasing's ESG green loan project won the "Excellent Innovation Case Award"

The Bank's subsidiary CITIC Financial Leasing, in collaboration with a Chinese bank, successfully launched its first domestic ESG green loan, amounting to RMB 370 million. The loan is primarily used to support carbon emission reduction projects in clean energy, energy conservation and environmental protection. Notable examples include hydropower, distributed solar photovoltaic (PV) system, waste heat power generation, and other green leasing projects. The total installed capacity of these renewable energy projects exceeds 340 megawatt (MW), and their annual clean power generation capacity can reach 1.5 million MWh, helping to reduce carbon emissions by 1.17 million tonnes of CO₂ annually. This initiative reflects CITIC Financial Leasing and its partners' commitment to advancing green and low-carbon transformation and won the "Excellent Innovation Case Award" in the 2023 (3rd) National Financial Leasing Innovation Case Contest.

Green Account

To actively pursue China's strategic goals of carbon peaking and carbon neutrality, the "CITIC Carbon Account" was launched in 2022. Since its inception, the account has continuously evolved and innovated, now supporting nationwide account opening and calculating carbon emission reductions across 13 financial scenarios and low-carbon consumption scenarios. This effectively guides the public toward green consumption. By the end of 2023, the user base had exceeded eight million, with a cumulative emission reduction of over 10,000 tonnes. The initiative received honors such as the "2023 Exemplary Case in Green Finance for Banking ESG".

As the first bank-led personal carbon account in China, the "CITIC Carbon Account" leverages the CITIC Mobile Banking and the "Mobile Card Space" credit card app. It focuses on scientifically measuring personal carbon emission reductions, offering a wide range of functions and services including account opening, accounting, accumulation, inquiry, and redemption to a diverse user base. This digitizes, assetizes, and values individuals' low-carbon behavior in a manner that effectively establishes the CITIC Carbon Account as a green account for users. By the end of 2023, the "CITIC Carbon Account" launched carbon emission reduction accounting for 13 financial services and daily consumption scenarios, including bank card services, personal loan services, life services and green travel. Users can accumulate carbon emission reductions and redeem them for consumer payment coupons, shopping mall coupons, discount coupons for financial products, e-book memberships, and more. This provides tangible benefits to users while promoting low-carbon behaviour among the public.



Green Consumption

The Bank advocates and encourages green consumption, continuously enhances the financial support for green consumption, and promotes the upgrade of green consumption across society. To respond to the central government's call to step up support for NEVs, the Bank continuously advances resource support and service innovation for the NEV industry, contacts mainstream NEV brands in the market, and has established cooperation relationship with 15 pure new energy vehicle brands including GAC Aion and Xpeng. In response to the requirement of lowering the downpayment ratio of auto loans, the Bank has improved access to NEV financial services. Meanwhile, the Bank has constantly upgraded product and service capacity and established a standard multi-mode direct system connection framework that fully adapts to the direct-selling, online and digital operation models of NEV brands. In 2023, the Bank issued RMB 8.687 billion NEV loans.

Besides, on the 2023 National Low Carbon Day, together with 11 new members of the "Lv Xin Hui" low-carbon ecosystem platform including China UnionPay app, Huawei Pay, CITIC Academy and Rising Auto, the Credit Card Center of the Bank, leveraging the power of the ecosystem alliance, launched a wholly new green consumption system based on the "CITIC Carbon Account" platform, which includes "green consumption standards guide" "green consumption activities" and "green consumption brand vendors" and covers various consumer scenarios such as green new energy, green travel, green recycling, green reading, green digital service and green dining, further expanding the green consumption ecosystem. Meanwhile, China CITIC Bank Credit Card launched a series of green consumption campaigns. For example, in the "Lucky Gifts for Green Consumption" campaign, card holders can obtain "Lv Xin" energy through spending with participating brand vendors, green payment and green sports and use the energy to draw a lottery or exchange for a gift. In 2023, users obtained Lv Xin energy more than 11 million times. The campaign continuously motivated users to actively engage in low-carbon acts.

Structured Deposit Product

The Bank gives full play to its capacity for product design and actively promotes the concept of green and low carbon development among customers by developing new financial products. In 2023, the Bank issued 191 structured deposit products linked to green finance bonds and raised RMB 108.385 billion in total, effectively boosting the trading activity in the green bond market.

Green Fund

The Bank pools advantaged asset management capacities, promotes green fund product sales service, and guides social capital into diversified green industries. In 2023, the Bank sold, as an agent, RMB 173 million of ESG theme, green, low-carbon, environmental protection and social responsibility related funds, representing an increase of 57.27% from the previous year.

Green Consulting

With its own resource endowment in green products and services and the carbon trading license and consulting advantages of its subsidiary CIAM Carbon Assets Management Ltd. (CIAM), the Bank has built the “green technology + green consulting + green finance” one-stop value-added service model to provide customers with diversified services such as emission evaluation and report preparation for green loans, carbon emission/carbon footprint accounting, “carbon peak and carbon neutrality” planning, application and promotion of green technology, carbon asset appraisal and development, and domestic and overseas carbon asset trade matchmaking.

In 2023, CIAM, together with Harbin Branch, had in-depth discussions on areas such as carbon trading, carbon asset data platforms and asset securitization of carbon sink projects with Heilongjiang Forestry and Grassland Administration and Harbin Forestry and Grassland Administration respectively, and planned to develop new carbon finance products using forestry carbon sinks under the new methodology system as assets, such as carbon pledge and carbon repurchase, to actively expand diversified green finance products of the Bank, explore new financing models, enhance support for carbon peak and carbon neutrality related key areas, and realize unification of economic, environmental and social benefits.

Green Finance Innovation and Research

Green Finance Innovation Practice

In innovation in green finance products, the Bank aims to develop various first green finance products and services in the industry, continuously improves the diversified green product system, and strengthens the comprehensive service capacity for green finance.

Case

Guangzhou Branch launches the first carbon emission rights pledged FT cross-border financing in China

In 2023, Guangzhou Branch and Guangzhou Emissions Exchange jointly launched the first carbon emission rights pledged free trade (FT) cross-border financing in China, creating a new carbon emission rights financing scenario. To help a transnational group make better use of carbon assets and expand domestic financing channels for its overseas platform company, Guangzhou Branch developed the custom-made “carbon emission rights pledge + foreign related letters of credit (L/Cs) for domestic enterprises + FTN forfaiting for foreign institutions” financing service solution for the group and successfully provided RMB 9.07 million financing for the group’s overseas platform company, which effectively solved the difficulties faced by the “going global” enterprise in accessing financing overseas and expressed, with the concrete action, the branch’s approval and support for enterprises owning carbon assets.



Case

Shanghai Branch takes the lead in organizing the first syndicated loan under the “green and sustainability-linked” group in China

Shanghai Branch has actively practiced the green development strategy for a long time and has been continuously innovating in green finance. In 2023, as the lead arranger bank, Shanghai Branch successfully organized the first syndicated loan under the “green and sustainability-linked” group in China. The syndicated loan is composed of two sub-syndicates, “sustainability-linked” and “green” sub-syndicates. The syndicate fee is dynamically adjusted based on the total number of “eco-friendly projects” reached by borrowers. Meanwhile, a third-party professional agency was engaged to issue an assessment report on areas in which the loan is injected, to make sure that the loan is injected into areas that are in line with the national green credit orientation. The loan has provided new vitality for local sustainable development and injected a “stimulant” into green economic development.

Case

Nanchang Branch launches new forestry carbon sink pledged loan and forest rights pledged loan models

Nanchang Branch provided a RMB 20.8 million forestry carbon sink pledged loan and a RMB 49.2 million forest rights pledged loan credit limit to a forestry company in Jiangxi. The forestry carbon sink pledged loan uses the existing and future receivables corresponding to the China Certified Emission Reduction (CCER) of greenhouse gases generated by the carbon sink afforestation projects filed by the company between 2016 and 2021 as the guaranty and the forest rights pledged loan uses the more than 40,000 mu of forest resources (woodland usufruct, ownership of forest trees and right to use forest trees) owned by the company as the guaranty. Nanchang Branch, supported by the local forest resource endowment, has used diversified means to help customers make better use of their carbon assets and provide them with financing, empowering the development of the local forestry and helping protect biodiversity.

Case

Xining Branch promotes ecological finance in support of biodiversity conservation and ecological progress

To actively support plateau ecosystem protection efforts and leverage resource advantages in the ecological field, since 2016, Xining Branch of the Bank has established a full-time service team for ecological finance. This team provides financial donations to the Qinghai Sanjiangyuan Ecological Protection Foundation, specifically for the ecological restoration and biodiversity protection project of the Sanjiangyuan National Park. By signing a strategic cooperation agreement, Xining Branch has provided full-process financial services for the entire project. Notably, it successfully packaged and issued China’s first special bonds for forestry ecology worth RMB 300 million, funded the compilation of the *Manual for Identification of Major Species of Wildlife and Plants in the Sanjiangyuan Region*, and acted as the custodian bank for the environmental protection charity fund. Through these long-term initiatives, Xining Branch has secured a leading position in ecological finance services within the province, promoting the Bank’s business development and cooperation in green and ecological finance, and contributing to biodiversity conservation and ecological progress.



Research and Communication on Green Finance

The Bank continues to focus on industries relating to the strategy of carbon peak and carbon neutrality and relevant policy orientation, conducts researches on green finance, and enhances professional knowledge of the environmental benefits and green finance across the Bank, to empower green and low-carbon development of banking business. For example, the Bank has strengthened discussions of carbon-intensive industries seeking transformation and given play to the role of carbon emission reduction facility in guiding low-carbon transformation. The Bank has successfully issued carbon emission reduction loans to several transformation projects in carbon-intensive industries such as cement, steel and chemical industries.

In 2023, relying on the influence of CITIC Carbon Account, the Bank developed the online corporate carbon accounts, which can provide services such as enterprise and produce carbon accounting, carbon trade matchmaking and carbon asset management. Meanwhile, the Bank, together with collaborative units, provides customers with professional value added services such as enterprise carbon emission reports and product carbon footprint reports. The Bank joined a standard preparation team by invitation to help the People's Bank of China formulate the financial industry standard *Carbon Account Service Guide for Individual Customers of Banks*. The Guide provides relevant guidelines on creation of carbon accounts for individual customers of banks, development of carbon account platforms, carbon accounting in carbon account business, carbon account evaluation and application, etc.

The Bank continuously communicates with others on the environment, climate, etc., puts forward professional opinions, and strengthens its own capacity for sustainable development. In August 2023, as a member of the China Climate Investment and Financing Alliance (initiated and founded by institutions such as China Beijing Green Exchange), the Bank attended the inaugural meeting of the Alliance and gave a keynote speech, in which the Bank briefed on the achievements that it has made in recent years as well as the concrete measures that it has taken through collaboration within CITIC Group to support the sustainable development of green industries. In December 2023, the Bank attended the Climate Action Roundtable meeting held by the World Economic Forum, at which the Bank had in-depth discussions with other attendees on climate governance and other contents and shared its experiences and results in sustainable industrial chain related practices.

Case

Nanning Branch attends the First World Forestry Industry Conference and deepens green cooperation with the forestry industrial chain

In November 2023, Nanning Branch attended on invitation the First World Forestry Industry Conference co-hosted by the National Forestry and Grassland Administration and the People's Government of Guangxi Zhuang Autonomous Region. Themed by "Green Forestry Industry, Bright Cooperation Future", the Conference focused on "forestry", the largest green economy in terms of scale and stressed the defining feature of green high-quality development. Nanning Branch attended the Conference in depth and gave an introduction to the Bank's innovative financial products for engineering and construction of forest farms, modernization of the forestry industrial chain, low-carbon and green development, etc., laying a sound foundation for deepening cooperation with units at all levels on the forestry industrial chain in green business.



Case

Nanjing Branch attends the green building expo and showcases its green finance service advantages

In October 2023, Nanjing Branch attended on invitation the 2023 Jiangsu Green & Low-carbon Building International Expo held by units led by the Department of Housing and Urban-Rural Development of Jiangsu Province. With this opportunity, Nanjing Branch, closely centering around the theme of the Expo of "Promote Green Urban-Rural Development, Move Towards a Lower Carbon Future", actively promoted the *Green Finance Service Solutions of China CITIC Bank*, showcased the Group's "finance + industry" comprehensive service advantage and the CITIC brand advantage, and deepened cooperation with institutions and government departments in green finance. During the Expo, Nanjing Branch communicated with 15 leading players in the green building industry that participated in the Expo, helping to lay a solid foundation for the special financial support for the green building industry.



The Bank's employees learned online courses related to green finance

54,191 person-times

Total learning time

96,252 hours

Green Finance Capacity Building

The Bank attaches great importance to green finance capacity building. It has conducted several training sessions centering around the Bank's strategic plan for green finance, application of characteristic products, research of "carbon peak and carbon neutrality" related industries, study of industry policies, sharing of experiences of other banks, etc. and shared and communicated advanced ideas of green finance.

In November 2023, the Bank held the themed training on strengthening green finance business capacity. Cadres and ordinary employees from green finance departments of 37 branches and sub-branches took the training. The training covered specialized courses such as industry development, project identification, industry research, carbon market business and carbon accounting as well as practical courses such as green labels, green bonds, green wealth management, carbon accounts and FinTech. In addition, the Bank launched green finance-related training topics on "e-Enterprise Learning" for all employees, including electronic courses such as *Training on Corporate Business Products (Training on Recognition of Strategic, Green, and Agricultural Label)*, *Bank ESG Beyond Green Finance*, *Improving Ecological Environment and Promoting Green and Low-carbon Development*, *Promoting Green Development Transformation*, *Promoting Green Development for Greater Harmony Between Man and Nature*, *Interpretation of China CITIC Bank's Management Measures for Funds Raised by Green Finance Bonds (Trial)*, and *Responding to the National Call and Practicing Green Credit, A Case Study of Post-insurance Outward Bills*. As of the end of 2023, a total of 54,191 employees participated in online course learning, accumulating a total learning time of 96,252 hours.





CONDUCTING GREEN OPERATION AND PRACTICING THE ENVIRONMENTAL PROTECTION CONCEPT



The Bank continuously promotes the integration of the concepts of low carbon and environmental protection into its operation practices. While strictly abiding by national energy conservation and environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the Bank actively formulates green operation objectives, implements green and low-carbon operation measures, strengthens green supply chain management, supports and communicates the green development concept and moves toward a greener and eco-friendlier direction through innovation, cooperation and continuous improvement.

Green Operation Objectives

The Bank sets green operation objectives on energy conservation, emission reduction, water conservation, waste reduction, etc., promotes management of environmental footprints in multiple dimensions, and coordinates the efforts of departments to jointly realize green operation.

Energy Conservation Targets

- To strengthen electricity consumption management across the Bank and gradually reduce electricity consumption through measures such as electricity-saving transformation;
- To promote energy conservation and emission reduction of CITIC Tower and make sure all new and replacement lamps are LED lamps;
- To strengthen management of official vehicles and advocate green commuting;
- To improve the operation energy efficiency of data centers and optimize power usage effectiveness (PUE) to achieve its best level.

7 Total energy consumption in this report includes direct energy consumption and indirect energy consumption.

8 The direct energy consumption data in this report is calculated based on fuel consumption and relevant conversion factors and formula provided by the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the national standard of the People's Republic of China, and the *Calculation Methods and Reporting Guide of Greenhouse Gases of Enterprises*, including natural gas, gas, diesel for facilities, liquefied petroleum gas, and fuel consumption of official vehicles.

9 The indirect energy consumption data in this report is calculated based on electricity consumption and relevant conversion factors provided by the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the national standard of the People's Republic of China.

Indicator	2023	2022	2021
Total energy consumption (MWh) ⁷	281,590.07	277,158.43	291,477.56
Per capita energy consumption (MWh/person)	4.21	4.54	4.92
Energy consumption per square meter of floor space (MWh/m ²)	0.13	0.13	0.12
Energy consumption per RMB 100 million of income (MWh/RMB 100 million)	136.76	131.11	142.49
Direct energy consumption (MWh) ⁸	23,590.85	26,202.96	30,040.12
Indirect energy consumption (MWh) ⁹	257,999.22	250,955.47	261,437.44

Emission Reduction Targets

- To gradually establish a sound energy conservation and carbon emission reduction policy management system, strengthen internal carbon management capacity and digitalization capacity, foster the awareness of carbon emission reduction among employees, and comprehensively reduce carbon emissions caused by daily operation and office work.

Indicator	2023	2022	2021
Total greenhouse gas emissions¹⁰ (Scope 1 and Scope 2)	152,909.41	158,529.10	164,345.10
Per capita greenhouse gas emissions (ton/person)	2.29	2.59	2.77
Greenhouse gas emissions per square meter of floor space (ton/m ²)	0.07	0.07	0.07
Greenhouse gas emissions per RMB 100 million of income (ton/RMB 100 million)	74.27	74.99	80.34
Direct greenhouse gas emissions (Scope 1) (ton)¹¹	5,293.39	5,606.67	6,668.93
Indirect greenhouse gas emissions (Scope 2) (ton)¹²	147,616.02	152,922.43	157,676.17

Water Conservation Targets

- The Bank will continuously make water resource management more refined, gradually improve the utilization rate of water-saving appliances across the Bank. By 2025, all new and replacement water-using equipment at CITIC Tower will be water-saving appliances;
- The Bank will carry out water conservation campaigns bank wide and enhance all employees' water conservation awareness.

Indicator	2023	2022	2021
Tap water consumption (ton)¹³	2,076,159.46	2,053,398.88	2,463,067.33
Per capita tap water consumption (ton/person)	31.04	33.61	41.57
Tap water consumption per square meter of floor space (ton/m ²)	0.96	0.93	1.04
Tap water consumption per RMB 100 million of income (ton/RMB 100 million)	1,008.35	971.37	1,204.10

¹⁰ The greenhouse gas inventory in this report includes carbon dioxide, methane and nitrous oxide mainly sourced from purchased electricity and fuel and presented in terms of carbon dioxide equivalent, including direct emissions (Scope 1) and indirect emissions (Scope 2).

¹¹ The direct greenhouse gas emissions in this report are calculated based on the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)* and the *IPCC Sixth Assessment Report* and the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).

¹² The indirect greenhouse gas emissions in this report are calculated based on the *Notice on Ensuring Management of Reporting of Greenhouse Gas Emissions of Power Generation Enterprises in 2023-2025* published by the Ministry of Ecology and Environment of the People's Republic of China, the latest emission coefficient data published by Hong Kong Electric Company Limited, the latest emission coefficient data published by CLP Group, and the greenhouse gas conversion factors for company reporting released by the UK government.

¹³ The tap water consumption in this report includes tap water consumption measured with separate meters and tap water consumption equally shared by all.

Waste Reduction Targets

- To reach cooperation with professional institutions in treatment of all types of wastes;
- To hand all discarded IT electronic devices over to professional electronic equipment scrap manufacturers with relevant environmental protection qualifications for recycling and disposal;
- To strengthen management of reasonableness of demand for daily office supplies and reduce purchased quantity of reusable office supplies by adopting the borrowing system.

Indicator	2023	2022	2021
Total hazardous wastes (ton)¹⁴	311.19	301.15	294.27
Per capital hazardous wastes (ton/person)	0.0047	0.0049	0.0050
Hazardous wastes per square meter of floor space (ton/m ²)	0.00014	0.00014	0.00012
Hazardous wastes per RMB 100 million of income (ton/RMB 100 million)	0.15	0.14	0.14
Total non-hazardous wastes (ton)¹⁵	1,169.81	1,241.70	1,352.91
Per capital non-hazardous wastes (ton/person)	0.017	0.020	0.023
Non-hazardous wastes per square meter of floor space (ton/m ²)	0.0005	0.0006	0.0006
Non-hazardous wastes per RMB 100 million of income (ton/RMB 100 million)	0.57	0.59	0.66

To learn more about the Bank's achievements in green operation, please refer to the *2023 Sustainability Report* of the Bank published under the ESG information disclosure column on the Bank's official website (www.citicbank.com).

¹⁴ Hazardous wastes in this report mainly refer to waste lead storage batteries and discarded ink cartridges, discarded toner cartridges, discarded toner and discarded ribbons of printing equipment.

¹⁵ Non-hazardous wastes in this report mainly refer to scrap office paper and scrap production hard disks.

Strengthening Green Operation

The Bank periodically collects the green operation data of subsidiaries, branches and sub-branches through the internal data platform and takes a combination of measures to implement green and low-carbon operation with a focus on issues such as energy management, water resource management, waste management, paper management and green operation of outlets and data centers.

Green Office

Energy Management

The daily energy consumption of the Bank is mainly from fuel of official vehicles, natural gas in canteens and kitchens, air conditioning, lighting, etc. The Bank reduces carbon emissions and environmental impact from operating activities in all respects by implementing various energy conservation measures for sources of energy consumption.

The Bank follows the principles of “unified management, budget constraints, strict conservation and full-process control” for management of official vehicles and has formulated the *China CITIC Bank Code of Conduct on Official Vehicle Usage* to standardize the use of official vehicles from the institutional perspective. Main management measures include:

- Making the approval of use of official vehicles digital and intelligent: The Bank developed and launched the “Official Vehicle Reservation” platform and required obtaining approval for use of official vehicles via the platform, realizing digital and intelligent management of approval and registration of use of official vehicles.
- Executing the equipment standard of official vehicles: The Bank controls the fuel consumption of official vehicles from the displacement source. Priority will be given to NEVs when official vehicles are replaced.
- Implementing the management regulations of official vehicles: The Bank strengthened statistical management of fuel consumption of official vehicles and established a unified ledger to control the use of official vehicles.
- Encouraging use of public transport means: Staff are encouraged to take public transportation when going out for official activities and reasonable route plans are developed based on the number of people, destination distance, weather and other conditions to promote green commuting.

Use of official vehicles

- Reducing natural gas consumption: The Bank closed natural gas valves in a timely manner, established a gas consumption ledger, and analyzed and summed up the statistical ledger every month.
- Changing to energy-saving facilities: The Bank updated kitchen facilities and installed new energy-saving kitchen ranges.
- Maintaining facilities: The Bank periodically checked natural gas pipelines to prevent natural gas leak and dealt with problematic pipelines in a timely manner.

Use of natural gas

Use of lighting and electric appliances

- Procurement of energy-saving equipment: All floors of CITIC Tower use LED lamps. When purchasing lamps and electric appliances, priority is given to power-saving or energy-saving products.
- Automatic shutoff of lighting facilities: Lighting facilities in unoccupied office rooms and meeting rooms are kept off. During the noon break, the central control system of CITIC Tower automatically turns off the lighting facilities in the office area and only keeps on necessary fire safety lighting. After work, the system automatically turns off the lighting facilities of the whole floor at 19:30. The office equipment of the Bank such as computers, fax machines and copying machines enters the power save mode at a fixed time point and is turned off after work. During weekends, lighting is kept off. It can be manually turned on if employees work overtime and it is automatically turned off at 11:00, 15:00 and 18:00.

- Automatic control and adjustment by system: The air conditioning in the office area of CITIC Tower is controlled by the central control system and can automatically switch to different modes. The air flow can be automatically adjusted based on time frame. The air conditioning automatically stops operation after 18:00 on working days. The air conditioning is kept off on weekends and during statutory holidays.
- Real-time energy consumption collection and monitoring: The central air-conditioning control system can collect and monitor the energy consumption of air conditioning of CITIC Tower at real time, which can help strengthen the management of the energy consumption of CITIC Tower. Meanwhile, third-party system platforms are used to store and analyze data, thus continuously improving the energy efficiency ratio of air conditioning.

Use of air conditioners

Case

The Bank carries out the special action to address problems concerning the shutdown and power-off of electric equipment during non-working hours

In 2023, the Bank carried out the special action to address problems concerning the shutdown and power-off of electric equipment of the Head Office during non-working hours. It required all employees to turn off computers and the power of personal electric devices and of external plug boards after work. It also required that the equipment that needs to be on for a long period of time (24 hours) due to work needs shall be pasted with the label “24h power-on equipment” and be provided with special personnel to be responsible for its use management. Any problem identified in the action is required to be reported and relevant department shall be notified to conduct remediation. Through the action, most employees have developed the habit of turning off electric equipment and switching off the power after work, which effectively helped the Bank reduce electricity consumption.

Case

A project in progress of the Bank comprehensively integrates energy conservation and environmental protection measures to promote implementation of green practices

The CITIC (Hefei) Financial Backstage Service Center, a project of the Bank that is currently under construction, takes several technical measures for energy conservation and emission reduction, including efficient cold and heat source units. The water cooling unit is water-saving equipment with a coefficient of performance (COP) value that is over 6% higher than the national energy conservation standard, and with it, the building energy efficiency ratio can reach 65%. Renewable energy resources are made full use and a photovoltaic power generation system is designed, which is expected to output a cumulative total of 1.4785 million kWh after it's completed in 2025. The indoor noise level is controlled by strengthening the sound insulation property of building envelopes and structural components and the floorslab impact sound insulation property, to create a safe and comfortable office environment. In addition, through computer simulations of the indoor and outdoor ventilation environments, the project optimized design, promoted effective natural ventilation inside the building, and improved the wind environment of the outdoor walking area to make the activity area for employees more comfortable. By integrating effective energy conservation and environmental protection measures into the project in all respects, the Bank further contributed to the goals of carbon peak and carbon neutrality and promoted implementation of green practices.

Water Resource Management

The Bank actively promotes water resource management and continuously strengthens the capacity for refined management. It sets water conservation goals, promotes the use of water-saving appliances, and maintains water-using equipment on a regular basis. In daily management of water resources, the cleaning workers of washrooms keep an eye on faucet switches to avoid running faucets. Water purifiers are set up in tea rooms and filter cartridges are replaced periodically. Signs are put up asking employees to promptly turn off faucets after using water, to avoid waste of water resources.

Case Shanghai Branch implements water conservation measures and wins several awards and honorary titles

In 2023, Shanghai Branch conducted a water balance test. It passed the acceptance check for the building of a water-efficient unit and won the title of “Water-efficient Enterprise of Shanghai”. Through actual measurement, the branch got a clear picture of the current water use situation, the water source structure, water discharge and consumption and existing problems, and found out the reasons for losses and consumption. Accordingly, it upgraded the water metering system in the building, by adding nine Grade II water meters, two Grade III water meters and two sets of flowmeters, which refined water metering and strengthened monitoring of use of water.



By combining a series of comprehensive transformation projects such as energy conservation transformation of lamps in the underground parking lot of the office building, Shanghai Branch won “Gold Award in Green and Low-carbon Renewal and Transformation of Existing Buildings of Shanghai” in September 2023. Besides, Shanghai Branch was named “Demonstration Outlet of Green Banking” in January 2024 by experts of the Shanghai Green Building Council after an on-site assessment, making it the first joint-stock bank to gain this honor in Shanghai.

Waste Management

The Bank disposes of hazardous wastes and non-hazardous wastes generated in operations separately and properly disposes of them scientifically and reasonably.



Hazardous wastes

- The hazardous wastes of the Bank are mainly discarded batteries and discarded toner and cartridges relating to printing equipment. Regarding lead-acid batteries generated in daily operation and office work, the original battery distributor or integrator is entrusted to recycle them; discarded toner, discarded cartridges, etc. of printing equipment are handed over to qualified professional companies for replacement and recycling, to make sure that hazardous wastes are disposed of according to laws and regulations.



Non-hazardous wastes

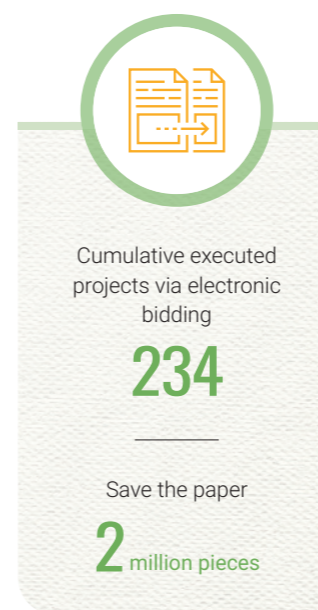
- The non-hazardous wastes of the Bank are mainly domestic waste and kitchen waste and scrap IT equipment. Domestic waste and kitchen waste are sorted into recyclable waste and non-recyclable waste and are distinguished using labels such as “kitchen waste” “other waste” and “waste oils and fats”. They are managed by special personnel and are cleared every day.
- The Bank’s IT equipment is recycled and disposed of 100% by professional companies for retired electronic equipment. The companies shall possess the “environmental qualification certificate for disposal of scrap electric appliances and electronic products” issued by the Municipal Bureau of Ecology and Environment. Before recycling, the data storage media such as hard disks and tapes of the scrapped equipment were disassembled in the Bank’s service room, and the data were cleared and the carrier was destroyed (demagnetization and punching).

Paper Management

The Bank promotes paperless office and advocates replacing printing and copying with emails; the computer setting for printing is “double-sided printing” by default. Recycled paper is used to make business cards, and matching electronic business cards are made to minimize the use of paper as far as possible.

The Bank established an electronic bidding, procurement and contract system, realizing online management of bidding, procurement and contract throughout the full process. It also further optimized the procurement sharing platform and introduced an electronic contract-making process. A cumulative total of 234 projects have been executed via the electronic bidding, procurement and contract system, which has saved about 2 million pieces of paper.

The Bank launched “Invoice Pass”, an efficient invoice management product for corporate customers. As at the end of 2023, the Bank provided full-process electronic voice management services such as aggregate ticket collection, authenticity and repeat check, invoice-order association, invoice storage and signature certification to a total of 21,017 corporate customers and helped them realize paperless invoice management. As one of the first pilot banks to implement the accounting data standards for electronic vouchers of the Ministry of Finance, the Bank provided OFD online electronic vouchers such as electronic receipts and full-page bills to a total of 9,775 direct-connection customers and 1.0809 million online banking customers, which accelerated corporate customers’ digital financial management process. The Bank stepped up promotion of electronic vouchers. In 2023, more than 324 million vouchers were downloaded via the corporate electronic channel, saving at least 162 million¹⁶ of paper vouchers. The Bank also provides customers with full-process online products such as the “CITIC Guarantee - Fast Application” automated credit product to support full-process online processing of letter of credit (L/C) applications, business approval, fee bookkeeping, etc. for enterprises, which has saved paper while significantly reducing business handling time.



Case CNCBI establishes the first ESG flagship branch to promote paperless operation

In February 2024, the Bank’s subsidiary CNCBI established the first ESG flagship branch in Tsim Sha Tsui, Hong Kong. The branch adopts a light, self-service, paperless outlet operation model that allows customers to simply fill out and submit e-Forms with a tablet computer. With this model, it can save more than 1.2 million pieces of paper every year. In addition to improving business handling efficiency, it can significantly reduce paper consumption and help realize the goal of digital and paperless business handling throughout the full process, thus promoting sustainable operation.



¹⁶ One piece of A4 paper can be used to print two vouchers.



The Bank's green outlets
Yangshan Green Sub-branch in Xinyang,
Anji Green Sub-branch in Huzhou

Green Outlet

The Bank has always been applying the low-carbon and green development philosophy. In the process of relocation, renovation and decoration of outlets, the Bank has taken green and environmental protection as important considerations, selected materials and equipment that meet environmental protection standards, increased adoption of factory-made products, improved construction efficiency and reduced pollution discharge on the construction site, to create a cleaner, healthier, more comfortable and safer working and office environments for employees and customers.

As at the end of the reporting period, the Bank built and put into operation two green outlets, those are, Yangshan Green Sub-branch in Xinyang and Anji Green Sub-branch in Huzhou. The first carbon neutral outlet (Deqing Sub-branch in Huzhou) is currently under construction.

Case

The Bank's second green sub-branch, Anji Green Sub-branch in Huzhou, is established

In November 2023, Anji Green Sub-branch in Huzhou, the Bank's second green sub-branch, was established with approval. The sub-branch, supported by the policy advantage of the Huzhou Pilot Zone for Green Finance Reform and Innovation, thoroughly implements the development thought that "lucid waters and lush mountains are invaluable assets" and focuses on supporting areas such as green and low-carbon development, environmental upgrade and restoration, green agriculture and water environment remediation. Currently, the sub-branch's balance of green loans accounts for more than 50%. It has injected strong vitality into the development of local green industries.

The sub-branch, closely combining the rural revitalization strategy, continuously enriches the connotation of green finance, works to build a demonstration project site of green finance, and supports the development of local green industries. Through solid actions such as practicing the green and low-carbon operation concept, calling on employees to adopt green travel and paperless office, etc., the sub-branch strives to become a benchmarking outlet that integrates green elements and the green development concept and set a good example in environmental protection.

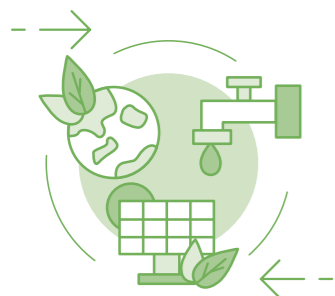
Green Data Center

To a bank, the energy consumption generated by data centers is an energy conservation area that should be paid close attention to. Currently, the data centers run by the Bank with leased machine rooms include Beijing Dual-Active Production Center and Hefei Remote Center. In 2024, Shunyi Mapo Data Center, the Bank's first self-built machine facility, will be put into trial operation soon.

Case

The Bank's self-built data center reflects the design concept of energy conservation, environmental protection and circular economy

The Bank built its own machine facility, Shunyi Mapo Data Center. With its design concept focusing on environmental protection, energy conservation and recycling, the data center's design value of power usage effectiveness (PUE) is 1.33, building energy efficiency ratio is 65%, and recyclable building materials take up more than 18%. More than 40% of domestic hot water is provided by solar energy and the utilization ratio of non-traditional water resources is over 90%. The data center has obtained the three-star green building design identification certificate according to the *Assessment Standard for Green Buildings GB/T 50378-2014*, reflecting its high energy efficiency and green attribute.



Building a Green Procurement Management Mechanism

The Bank is committed to building a sustainable green procurement management mechanism. It strengthens the foundation of the green supply chain management system, continuously optimizes the terms and conditions for green procurement, strictly selects and manages suppliers, and requires suppliers to undertake to abide by relevant laws and regulations and the Bank's policies and procedures and take on social and environmental responsibilities.

Supplier Risk Identification

The Bank takes a rigorous approach to the selection and follow-up management of suppliers and follows the principles of "open admission, strict selection, quantitative evaluation, division of labour, and joint management". The Bank assesses suppliers in terms of environmental protection policy, environmental management system, environmental risk control measures, etc., actively identifies potential risks and takes corresponding response measures to properly manage supply chain risks.



Daily Management of Suppliers

The Bank improved its supplier management capacity through a variety of measures, communicated and cooperated with suppliers closely, established periodical assessment process, and strengthened internal management capacity, to ensure efficient operation of the supply chain. The Bank's daily management measures of suppliers include:



Conducting on-site inspection of suppliers.

In 2023, the Bank conducted comprehensive on-site inspection of 76 suppliers, which helped the Bank gain insight into the actual management situations, environmental management measures and risks of suppliers. Furthermore, it remained vigilant in tracking the latest industry developments and news in suppliers' markets.



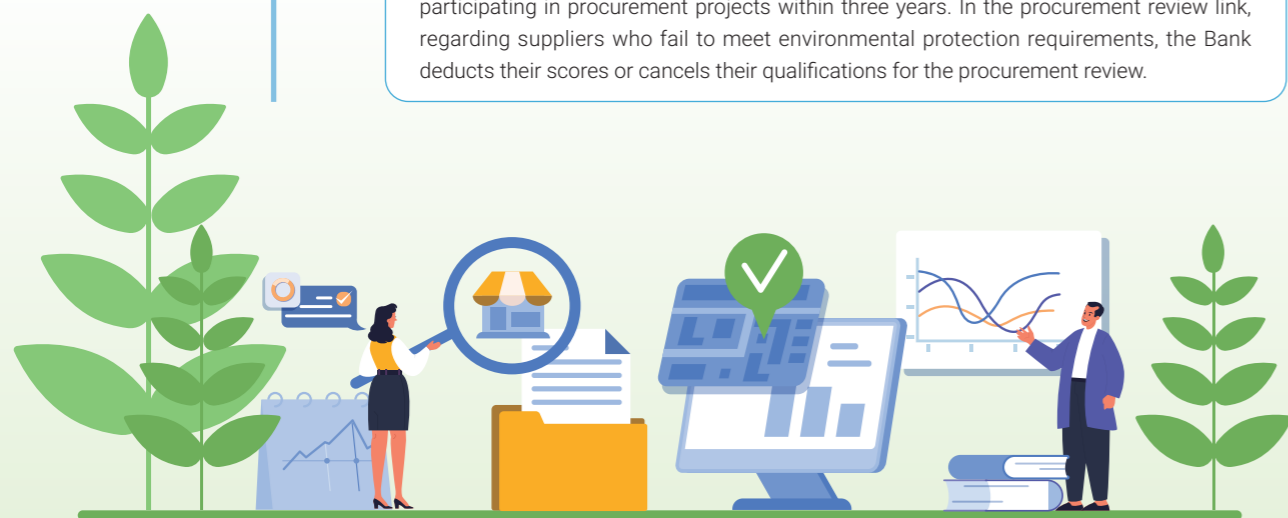
Strengthening training on green procurement management.

In 2023, the Bank organized six sessions of "Centralized Procurement Lectures", a face-to-face training session, and thematic seminars on ESG, which focused on the latest national laws and policies, the internal policies of banks, ESG management requirements and the key points in the procurement process. The training helped employees gain a deep understanding of the importance of suppliers' environmental performance in procurement management and communicated the Bank's achievements in green procurement management.



Optimizing the supplier management system.

The Bank continuously optimized the management requirements for environmental protection of suppliers and put forward the concept of environmental protection first at the institutional level, that is, giving priority to introducing energy-saving and eco-friendly suppliers on the premise that risks are controllable. The Bank gradually included environmental protection requirements into procurement documents and procurement review contents. For example, for engineering projects, the Bank takes into account green construction guarantee measures, green and eco-friendly packaging materials, etc. In the supplier selection stage, the Bank restricts or bans suppliers who have records of major administrative penalties concerning environmental protection or social responsibility from participating in procurement projects within three years. In the procurement review link, regarding suppliers who fail to meet environmental protection requirements, the Bank deducts their scores or cancels their qualifications for the procurement review.



Spreading the Green Concept

The Bank not only takes environmentally friendly measures such as energy conservation and emission reduction in operations but also actively participates in environmental protection public welfare activities, to spread the green concept, advocate a green lifestyle, draw public attention to environmental issues, and practice sustainable development concept.

Case

Shenzhen Branch carries out the public welfare tree planting volunteer activity

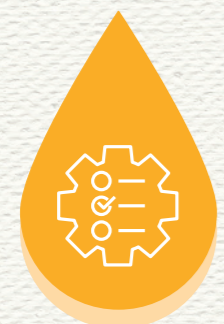
In March 2023, Shenzhen Branch organized and held the "CITIC Young People Learn from Lei Feng" green public welfare tree-planting activity in Songpingshan Park, Nanshan District. A total of 100 trees were planted in the activity. The activity enhanced employees' environmental protection awareness and sense of responsibility of greening our home and made due contributions to the building of a green city. It is the epitome of the Bank's earnest efforts to promote green public welfare. Shenzhen Branch will continue to actively fulfill social responsibility, strive to create a strong atmosphere for tree planting, afforestation, greening and environmental protection. It will take practical steps to advance ecological progress and contribute to the national environmental initiative.

Case

Suzhou Branch carries out the low-carbon living themed volunteer activity for environmental protection

To implement President Xi Jinping's Thought on Ecological Civilization, guide high-quality development using the green and ecological concept, in 2023, Suzhou Branch carried out the Voluntary Tree-planting & Spring Walking Volunteer Activity for Environmental Protection at Suzhou Nanhu Wetland Park themed by "Protecting the Earth Through Low-carbon Living". More than 500 people participated in the activity. A total of 66 osmanthus and crabapple trees were planted across an area of 240 square meters, with a projected carbon sequestration capacity of 27.28 kgC/year. The activity played a positive role in improving the quality of the local ecological environment, and supported local biodiversity conservation.





IMPROVING THE RISK CONTROL SYSTEM AND ASSESSING RISKS AND OPPORTUNITIES

Environmental Risk Management System

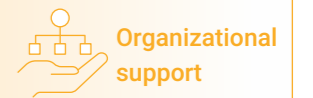
In 2023, centering around the national goals of carbon peak and carbon neutrality, the Bank consistently enhanced environmental and climate risk management capabilities and improved the environmental and climate risk management process in terms of top-level design, organizational support, risk control and capacity building.

Top-level design



The Bank formulated the *Development Plan for Green Finance of China CITIC Bank (2024-2026)* and included green transformation into the Bank's development strategy. It developed the *Plan of China CITIC Bank on Building a Green Bank*, included climate risk prevention and response as important contents of the construction of a green bank. It strengthened the research on carbon peaking and carbon neutrality related industries, seized the opportunities presented by the development of the national carbon market, and raised environmental and climate information disclosure quality, thereby further improving green performance.

The Green Finance Management Improvement Working Group is responsible for improving the green finance management system, elevating the level of environmental and climate information disclosure, and conducting environmental and climate risk stress testing, all of which aim to enhance its green performance. Besides, the Bank established the routine meeting mechanism and the responsible person mechanism to ensure smooth implementation of relevant work and effective fulfillment of relevant responsibilities.



Organizational support



Risk control

The Board of Directors of the Bank takes the ultimate responsibility for comprehensive risk management including environmental and climate risk management. The Risk Management Committee of the Board of Directors performs comprehensive risk management responsibilities according to the authorization granted by the Board of Directors. The Risk Management Committee held a total of seven committee meetings in 2023, at which, it reviewed and approved 39 proposals including the *Risk Appetite Statement of China CITIC Bank for 2023* and the *Comprehensive Risk Management Policy of China CITIC Bank* and had discussions on the modification of risk management and assessment policies such as the *Management Policy of China CITIC Bank for Credit Risk Internal Rating* and the *Stress Testing Policy of China CITIC Bank*. Specifically, the *Comprehensive Risk Management Policy of China CITIC Bank* incorporated ESG and climate-related risks into its comprehensive risk management system, explicitly requiring effective identification, monitoring, and control of environmental, social, and governance risks in business activities. It focused on identifying potential harms to the environment and society and associated risks that may arise from construction, production, and operational activities due to governance deficiencies and inadequate management by clients (financing parties) and their major contractors and suppliers. Furthermore, a robust climate-related risk management regime has been established to carry out climate risk identification, assessment and management activities.

The Bank kept close tabs on regulatory policies on climate risks at both home and abroad and optimized climate risk response measures in a timely manner. It intensified professional research of key industries, paid great attention to the impact of environmental and climate change on industries, and took steps to make business operation and risk control more scientific and forward-looking. It continuously followed advanced approaches to climate risk management and kept strengthening environmental and climate risk control capacity. Meanwhile, it strengthened talent team building, actively introduced climate risk control professionals, and conducted climate-related knowledge popularization and training, to enhance the talent team's understanding of climate risks.



Capacity building

Identification of Environmental Risks and Opportunities

The Bank, by reference to the recommendation framework of the TCFD and starting with transition risks, physical risks and climate opportunities, identified the types of climate risks and opportunities faced by the Bank, established a risk and opportunity assessment framework, developed corresponding risk response measures, and actively strengthened climate risk management capacity.

Identification of Environmental Risks

Risk type	Climate risk factor	Degree of impact (short/medium/long term ¹⁷)	Response measure
Credit risk	<ul style="list-style-type: none"> When extreme weather, climatic disasters, etc. cause damage to the real economy, it may cause the value of the assets held by bank customers to decrease or their collaterals to lose in value and the default rate to rise Against the backdrop of strengthened regulatory requirements and issuance of new environmental protection policies, enterprises need to eliminate backward capacity and upgrade technology and equipment in low-carbon transformation, because of which they may face problems such as rise in operating cost and decrease in earnings, thus affecting their solvency 	Medium and long term	<ul style="list-style-type: none"> Use methods such as environmental stress testing, strengthen risk monitoring, and adjust relevant credit policy and business model in a timely manner based on the assessment results of national green related policy orientation; integrate environmental and climate risk review into the full-process management of credit business and strictly implement the differentiated credit granting mechanism and the "one-vote veto system for environmental protection"
Market risk	<ul style="list-style-type: none"> Climate change affects asset value in investment portfolios such as bonds, stocks and commodities Shift in market preference, because investors or customers prefer green and low-carbon products. If green products are not made available in a timely manner, there is a risk of losing customers and a subsequent decrease in demand 	Medium and long term	<ul style="list-style-type: none"> Pay continuous attention to policy changes and scientifically evaluate the market value of relevant assets and financial instruments Learn about customers' demand and preference for green products through market survey and customer feedback, develop or introduce financial products and services that are in line with the green or ESG concept when appropriate, and enrich green finance products
Liquidity risk	<ul style="list-style-type: none"> Extreme weather events caused by climate change can lead to losses in borrowers' real assets, limit the working capital, and raise borrower's fund withdrawal and loan demand, increasing banks' liquidity pressure Due to the advancement of the goals of carbon peak and carbon neutrality, the compliance cost of enterprises rises, which may raise customer default rates and increase banks' liquidity management pressure 	Medium and long term	<ul style="list-style-type: none"> Optimize the liquidity management strategy, follow up on, monitor, analyze and sum up customers' operation statuses in a timely manner, deploy relevant mitigation and response measures, and strengthen funds monitoring capacity
Operational risk	<ul style="list-style-type: none"> Events such as extreme weather cause damage to infrastructure and disrupt the supply chain, which may lead to operation interruptions and asset losses of banks If banks fail to adapt to changes in public policy or laws and regulations in a timely manner, its operation may be affected 	Short, medium and long term	<ul style="list-style-type: none"> Comprehensively study and implement relevant laws and regulations, establish a business continuity management system and an emergency response mechanism and system, formulate a contingency plan, and periodically conduct drills, to ensure business continuity and operational safety
Reputational risk	<ul style="list-style-type: none"> When a bank provides limited support to customers affected by climate-related disasters (transition risks and physical risks), stakeholders may have negative views on the bank As public awareness of climate change grows, any negative perception of the Bank's actions that negatively impact the environment and climate could damage the Bank's reputation and image 	Medium and long term	<ul style="list-style-type: none"> Strengthen environmental management and sustainable development practices, actively implement low-carbon operation, and vigorously develop green finance Strengthen environment and climate-related public opinion monitoring and early warning, establish a public opinion response mechanism, and minimize damage



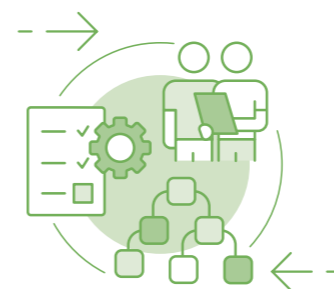
¹⁷ Short-term refers to one to three years, medium-term refers to three to five years, and long-term refers to more than five years.

Identification of Environmental Opportunities

In addition to identifying climate risks, the Bank closely followed the national strategy of carbon peak and carbon neutrality, further explored deep-seated climate opportunities relating to itself, assessed climate opportunity points that match its business capacity, and formulated corresponding implementation strategy. Meanwhile, the Bank actively explored new business models and innovative products to respond to climate opportunities, and continuously adjusted and refined its strategic planning, to create greater sustainability value and promote green and high-quality development.

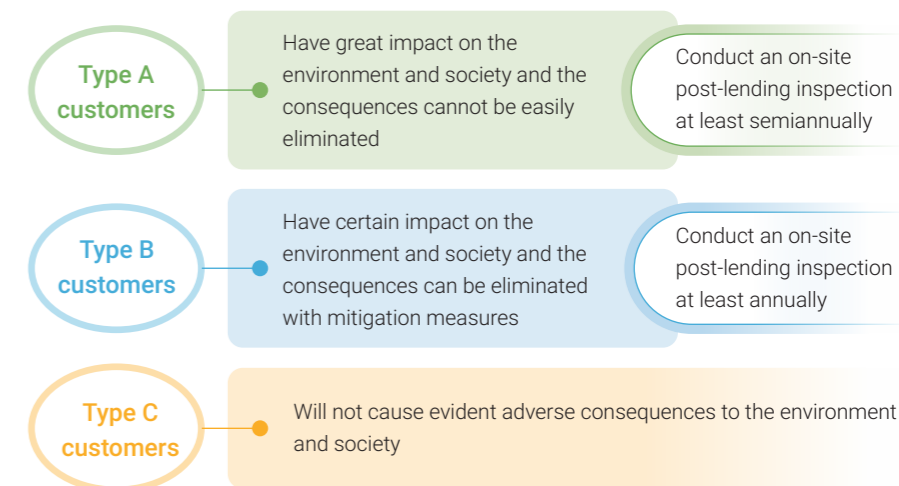
Opportunity type	Description of opportunity	Degree of impact (short/medium/long term)	Implementation strategy
Resource efficiency	<ul style="list-style-type: none"> As global attention shifts towards sustainable development and the prudent use of resources, businesses are increasingly seeking to improve energy efficiency and reduce operating costs. This can be achieved through the implementation of energy conservation and emission reduction measures, as well as the adoption of clean energy technology 	Medium and long term	<ul style="list-style-type: none"> Strengthen green operation management, implement online internal approval process, promote paperless office, conduct water conservation campaigns, and strengthen training and awareness of resource utilization among employees
Corporate image	<ul style="list-style-type: none"> Adopt the sustainable development concept and promote green finance business to boost the image as a socially responsible company 	Medium and long term	<ul style="list-style-type: none"> Promote green finance business and contribute to the goals of carbon peak and carbon neutrality Enhance employees' environmental protection awareness, further reduce energy consumption and operating cost, and realize green and sustainable development
Products and services	<ul style="list-style-type: none"> In the context of the carbon peak and carbon neutrality policy, the nation and the market are increasingly focused on environmental protection and enterprises' fulfillment of social responsibility. This has led to a shift in investor preferences, creating opportunities for green finance products and services 	Medium and long term	<ul style="list-style-type: none"> Based on industry advantages, step up efforts to develop new green finance products and investment and financing instruments, strengthen two-way integration of production and technology innovation and application scenarios, accelerate deployment of green finance scenarios, support comprehensive green transformation of the Bank's assets, and meet the demands of different customer groups
Resilience	<ul style="list-style-type: none"> Plan climate investment and financing activities in advance and strengthen the Bank's resilience against climate risks 	Long term	<ul style="list-style-type: none"> Pay close attention to the financing needs of enterprises in carbon-intensive industries in carbon emission reduction and green transformation, actively support the green transformation and upgrading of carbon-intensive industries, and build an all-round, broad-range green finance development system Seize the opportunities presented by the development of green industries such as photovoltaic, lithium battery and NEV industries, and support renewable energy projects and environmental protection industries Assess the climate risks of investment portfolios and products by means of climate risk stress testing at a fixed time point, to avoid future losses and strengthen climate resilience

Environmental Risk Management and Response



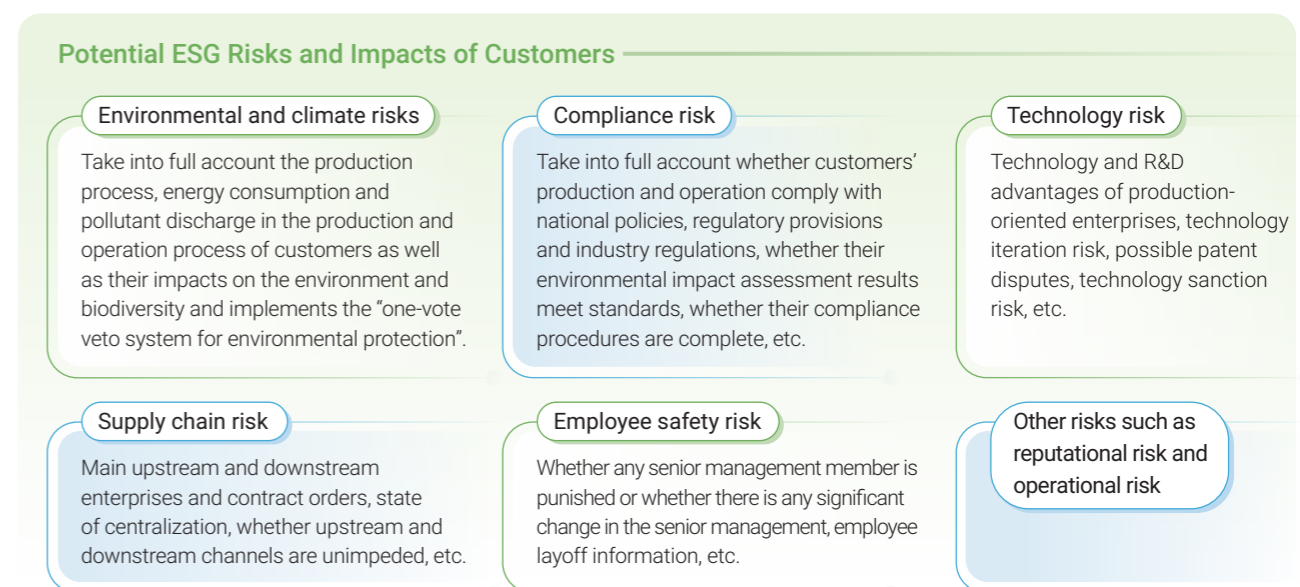
Establishing a Risk-based Classification System

To enhance environmental and social risk management capabilities, specify the standard for classification of customers by environmental and social risks, and define credit business process, the Bank formulated and implemented the *Measures for Categorized Management of Environmental and Social Risks of China CITIC Bank*, according to which, credit customers are classified into three types, A, B and C based on the severity of the impact that their operating activities have on the environment and society, of which, Types A and B customers are subject to stricter management standards.



Conducting Risk Review

The Bank continued to strengthen management, assessment and review of environmental risks and set up the Credit Approval Committee under the senior management. The Credit Approval Committee, chaired by Vice President, conducts the risk review of all credit and non-credit businesses and makes sure that the project review takes into full account the ESG risks and impacts that customers may cause or face.



Improving the Risk Management Process

The Bank attaches great importance to environmental and climate risk management, continuously improves the risk management process, and has embedded risk factors such as environmental and social risks and climate change considerations into its credit granting process, including due diligence, review & approval, post-lending management and credit use review.

ESG Due Diligence



Identifying ESG risks

Based on the characteristics of the industry or region where the customer and its project are in, the Bank includes due diligence on relevant environmental and social risks into the **pre-credit granting investigation** link, including but not limited to pollution prevention and control, labour and working conditions, and the customer's environmental and social risk assessment and management systems.

Assessing ESG risks



The Bank sees customers' environmental and social risks as important contents of the **review and approval** link, including but not limited to whether the project complies with industry policy, the project review, approval and filing information, environmental impact assessment results, etc. The Bank requires review personnel to give clear review opinions on the customer's environmental and social risks and stipulates that projects that do not meet access criteria and relevant regulations on management of environmental and social risks are forbidden to enter the approval link.



Reviewing ESG risks

The customers' management state of environmental and social risks is regarded as an important basis for the **credit use review**. If a customer is found in the credit use review to have major potential risks, the Bank can suspend its credit use or even terminate its credit use.

Tracking ESG risks



In the **post-credit granting management** stage, targeted measures are developed and implemented for post-lending management of customers with major environmental and social risks. It mainly checks such customers' environmental and social risk management systems and implementation of risk response plans. The environmental and social risks of credit customers have been included into the risk early-warning mechanism, so that relevant risk resolution measures are taken in a timely manner when a customer has a major environmental and social risk event.

Escalating ESG Risk Management

A range of events, including changes in rating, pollutant discharge, safety and quality issues, violations by shareholders or senior management, administrative penalties and unusual share pledges, are incorporated into the management of escalating ESG risk. In the event that one of the aforementioned risk escalation factors is triggered, the Bank will conduct a supplementary investigation to gain further insight into the abnormal situation and enhance risk control measures. Relevant control measures include: implementing the "one-vote veto system for environmental protection" and specifying in the preconditions for use of credit that customers with high risk of impacting the environment and climate must meet environmental protection requirements; regarding loans that have been issued, taking measures such as increasing the frequency of post-lending inspection, immediately stopping use of credit, etc.

Specific trigger factors include

- Being identified as a key pollutant-discharging unit according to the *List of Key Entities for Environmental Supervision* or the official website of the local department of environmental protection;
- Being punished for pollutant discharge reasons over the past three years;
- Occurrence of production accidents over the past three years;
- Verified complaints about product or service quality or health or safety impact over the past three years;
- An adjustment in the ESG classification results as required by regulators or auditors, or a clear change in the customer's ESG risk rating results;
- Other negative events such as shareholding reduction, unusual share pledges, administrative penalties, violations by shareholders or senior management, affiliated enterprises, etc.





Case The Bank designs and releases an ESG credit indicator system

In 2023, in order to further promote integration of ESG management and the risk control system, the Bank designed and issued the *Main Indicators for the Environmental, Social and Governance (ESG) of China CITIC Bank (Version 1.0, 2023)*, which includes 17 ESG key indicators under the three major categories of environmental, social and governance and pays major attention to enterprises' energy management, pollution discharge, green industries, safety and quality, stock ownership governance, etc. in the credit review and approval link. The indicator evaluation results, as one of the factors for credit review of customers in the mining, manufacturing, and electricity, heating power, gas and water production and supply industries, have helped strengthen the Bank's ESG risk screening capacity regarding credit customers as well as ESG risk management capacity.

Quantitative Analysis of Environmental Risks

In recent years, the Bank has vigorously explored climate risk stress testing methods to improve the capacity to scientifically quantify climate risks. In the climate risk stress testing process, the Bank has practiced the concept of sustainable development to enhance branches and subsidiaries' understanding of climate risks, thus laying a solid foundation for carrying out the quantification work of climate risks. The Bank's subsidiary CNCBI disclosed its transition risk and physical risk stress tests in 2023 for the first time, which were used by CNCBI as the basis for optimizing its climate risk response strategy.

In 2023, the Bank conducted a climate risk stress test, aiming to assess the potential impact of dynamic and chain reactions under climate risks on the overall quality of the Bank's credit assets. In the test, the Bank comprehensively took into account factors such as macropolicy, regulatory requirements and features of climate risks, selected the disorderly scenarios and hot house world scenarios given by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) as stress scenarios, the end of the third quarter of 2023 as the base period and the year 2030 as the stress year, and NPL ratio as the core stress-bearing indicator, and assessed the potential impact of the Bank's corporate business on the asset quality of the corporate business.

The Bank used the NGFS's projected economic and energy data calculated with simulation of environmental and climate changes, and adopted the macro conduction method. The Bank selected climate and environmental risk stress scenarios, built the conduction model between the bank stress-bearing indicators and macroeconomic variables, defined the projected value of each indicator under the stress scenarios, conducted model calculation, and obtained the results of stress-bearing indicators under different scenarios.

The test results show that by 2030, the Bank's NPL ratio is the lowest in the delayed transition scenario and it is the highest in the divergent net-zero scenario. Specifically, in hot house world scenarios, the Nationally Determined Contributions (NDCs) scenario has greater impact on bank asset quality compared to the Current Policies scenario, but the difference between the two is small. In disorderly scenarios, the overall risk brought by the Divergent Net Zero scenario is higher than that by the Delayed Transition scenario. That is because in the stress testing years, transition risk is always the major risk, while the basic assumption of the Divergent Net Zero scenario is that transition policy is implemented early and is unsuccessful. Therefore, the overall NPL in this scenario is higher. Overall, before 2030, the impact of risks caused by climate change on the overall quality of the Bank's credit assets is limited and risks are generally controllable.



Case CNCBI conducts thorough climate risk stress testing

After trying to use risk quantification to complete the climate risk stress test based on the scenarios given by the Hong Kong Monetary Authority (HKMA) for the first time in 2021, the Bank's subsidiary CNCBI kept pace closely with regulatory requirements and the industry trend of continuously optimizing the climate risk stress testing methodology. In the middle of 2023, the HKMA invited CNCBI again to participate in a new round of the climate risk stress test. In this climate risk stress test, CNCBI needed to analyze the financial impacts, including the impacts on profitability and capital adequacy ratio, when facing both climate risks and corresponding macroeconomic stress scenario (if applicable) under four scenarios including short-term and long-term scenarios. To meet the regulatory requirements on the climate risk stress test, CNCBI optimized corresponding methodologies for physical risks and transition risk and measured the impacts on banks after climate risks translate into traditional risks such as credit risk, market risk and operational risk. The physical risk methodology can be used to conduct quantitative analysis of the impacts of typhoons, extreme rainfall and extremely hot weather on banks, while the transition risk methodology can be employed to assess the potential impact on banks as customers with high carbon emissions transition to a low-carbon society. The climate risk stress test will lay a solid foundation for CNCBI's climate risk measurement, reporting and mitigation management work.

Innovating in and Strengthening Risk Management Capacity

On the basis of the full-process risk management, the Bank continuously innovates in and strengthens ESG risk management capacity. In 2023, with cutting-edge technology such as AI and blockchain, the Bank independently designed a dynamic, customizable corporate customer ESG rating system, developed and launched an ESG rating system, and won "Technical Innovation Achievement Award" of the 10th Golden Pine Awards 2023, and the 36Kr "AI Partner • 2024 AI Application Benchmark Cases". The rating system, carrying both international standards and Chinese characteristics, covers ESG key indicators such as natural resource management, green product opportunities, green supply chains, human resources management and risk compliance, and can automatically generate ESG rating results and dynamically adjust them based on the latest positive and negative information. It provides the Bank with information support for risk management and business approval from a wholly new perspective.





STRENGTHENING DATA MANAGEMENT AND ENSURING DATA SECURITY

Optimizing the Data Security Governance Structure

The Bank thoroughly practices the concept of data security protection. With the data governance structure as the support, it continuously improves the data security system and the privacy protection policy and puts in place data grading and classification standards and other management requirements. Meanwhile, it strengthens technical protection capacity such as data security monitoring, raises security guarantee capacity such as emergency response, and periodically conducts external evaluation, certification and audits, to effectively protect data security and further unlock data value.

The Bank actively promotes the development of the bank-wide data security system. It has established a top-down governance structure for data security and privacy protection. The Board of Directors is responsible for incorporating data security related contents into the Bank's corporate governance, corporate culture building and business development strategy, and overseeing and evaluating the comprehensiveness, timeliness and effectiveness of data security management work and the management's performance of relevant duties. In 2023, the Board of Directors reviewed a series of important IT risk related matters, including the *2022 Report of China CITIC Bank on Information Technology Risk Management*, the *Revision of the Management Measures of China CITIC Bank for Information Technology Risk*, the *Review and Revision of the 14th Five-Year Plan on Information Technology*, etc., and strictly performed its data security duties.

The senior management of the Bank is responsible for reviewing and approving data security management objectives and strategies, and providing holistic guidance on the data security management work of the Bank. The Information Technology Committee under the senior management is responsible for reviewing the Bank's IT construction plans and annual IT work plans; reviewing the Bank's IT risk policies and coordinating efforts to address major IT risk events; reviewing and approving the Bank's major IT working systems; reviewing and approving major application demands, promoting process integration and information sharing across the Bank, and coordinating and solving major problems in the process, etc. In 2023, the Information Technology Committee held a total of 10 meetings and reviewed 28 proposals, mainly including the *Report on the Information Security Management Work in 2022*, and continued to promote the implementation of information security management work across the Bank.

Improving Data Security Policies

The Bank actively implements the *Cybersecurity Law*, the *Data Security Law*, the *Personal Information Protection Law* and other relevant laws, regulations, standards, specifications and requirements, and continuously improves its internal policies and regulations such as the *Management Measures of China CITIC Bank for Information Security*, the *Management Measures of China CITIC Bank for Data Security*, the *Management Measures of China CITIC Bank for Customer Information Protection*, and the *Management Measures of China CITIC Bank for the Protection of Financial Consumer Information*. It strengthens data security and customer information security management across the Bank, specifies security

management requirements for each link across the lifecycle of data, and standardizes control measures such as data encryption, minimum authorization and anonymization used in the customer information collection and use process. The Bank has revised and issued the *Privacy Policy of the Electronic Banking of China CITIC Bank* and it strictly follows the policy. It collects, uses or retains customer information according to the "minimal necessary rule", stipulates that data can only be shared or transferred with customers' authorization and consent, and takes effective measures to protect customer information security.

Improving Data Management Quality

The Bank explicitly requires the Head Office, branches and subsidiaries to periodically compile statistics on the consumption of energy resource such as water, electricity and natural gas, collect energy consumption data, form a ledger and assign full-time personnel to manage it, and synchronously upload data and information to the sustainable development management system of the Head Office. To strengthen data quality supervision at the operation level, every year the Bank refers to data spot-checking results from third parties, and reports and immediately rectifies identified management loopholes such as misreporting, underreporting and neglect of duty of management personnel.

The Bank thoroughly implemented the *Guidelines on Data Governance of Banking and Financial Institutions* issued by the former CBIRC, continuously improved the green finance data quality management mechanism, and comprehensively intensified green finance data quality control according to relevant regulatory system on the management of statistics of green financing. Based on the latest regulatory requirements and the Bank's realities, the Bank revised the statistical system for green financing, refined the green financing identification process, improved the data quality self-assessment mechanism, and refined data quality management requirements. The Bank continued to enhance green finance data quality management by optimizing system functions, organizing and conducting training in various forms, strengthening evaluation and guidance, etc.

Improving the Security Emergency Response Mechanism

To cope with possible risk events and ensure safe and stable operation of key information systems, the Bank has formulated security emergency response management policies such as the *Management Measures of China CITIC Bank for IT Continuity of Information Systems* according to the *Guidelines for Regulation of Business Continuity of Commercial Banks*, the *Guidelines for Regulation of Data Centers of Commercial Banks* and other relevant laws and regulations and external policy requirements and has got the ISO 22301 (Business Continuity Management Systems) certification.

The Bank has established a contingency plan and incident reporting mechanism for various scenarios such as information systems and networks, machine rooms, security and data, and has defined responsibilities, the handling process and the collaboration mechanism, to ensure the timely and effective handling of data security incidents. It has also organized and conducted data security stress testing, screening and analysis, and improved the organizational response, tracing and evidence-collecting mechanism of the Bank when facing a customer financial information leak incident.

In addition, the Bank has formulated a drill plan for typical cybersecurity threat scenarios such as external attacks, malicious emails and data leak, and it periodically organizes internal and external attack-defense drills. In 2023, the Bank carried out several tabletop exercises for important scenarios such as infrastructure and cybersecurity and realized comprehensive improvements in scenario-based emergency response capacity and security defense capacity.



Strengthening Data Security Guarantee

To strengthen the data security shield comprehensively, on the basis of aligning itself with regulatory standards, the Bank has, based on endogenous security needs, intensified data security protection capacity building, organized security communication and training, and actively introduced external security evaluation and certification. Meanwhile, it regularly conducts security audits and takes a combination of measures to strengthen data security governance and implement the data security guarantee mechanism.

01



Data Security Guarantee Measures

- The Bank promotes the strategy of graded and categorized management for data security. It has set security levels based on the sensitivity of customer information and data, strengthened protection of highly sensitive data, continuously refined data classification and grading standards and differentiated management requirements, and enhanced the capacity for refined control of data security.
- The Bank strictly controls data access and limits the data scope available for users or the data storage media that users can reach according to the "minimal necessary rule". It has standardized the user access approval process, and grants data access according to the principle of "necessary for work". It has established an account management and recovery mechanism to prevent the risk of overtime use of data. Meanwhile, the Bank has continuously refined the data flow management requirements. Before sharing or transferring a customer's information to a third party, the Bank must obtain the customer's consent, unless otherwise specified by laws and regulations.
- The Bank actively deploys security monitoring and defense measures. It has established a cybersecurity defense-in-depth system, continuously strengthened platform-based, intelligent safe operation capacity, prevented cybersecurity risks, and ensured the security of the Bank's internet applications and customer data. Through the security control that covers terminals, host machines, network, data, etc., the Bank can discover and deal with all types of abnormal behaviors and external attacks at real time, and facilitate real-time monitoring of risks associated with counterfeit apps, phishing sites, and leakage of sensitive information.

02



Information Security Audit

- The Bank conducts an information security audit to help improve the management of information systems every year across the Bank. In 2023, the Bank carried out several audit projects including the special audit of information technology and the special audit of technology operation centers. In those audit projects, the Bank paid major attention to the security protection status for every link of the full lifecycle of customer information such as collection, transfer, storage, use, deletion and destruction and performed targeted auditing procedures on such information security management links as identity and access management, communications security, physical and environmental security and external personnel security. According to the results of the 2023 audit, no major defects that may cause or have caused leak of batch customer information were found.



03



Information Security Training and Communication

- The Bank attaches great importance to information security training and communication and continuously conducts information security education and training to all employees and the public.
- In 2023, the Bank conducted five compliance warning education training sessions and three information security training sessions to professionals of the IT line. The training contents involved professional security technologies and relevant knowledge of cybersecurity and protection of customer information and so on, in a bid to improve the safety work skills of professionals. To all employees, the Bank carried out nine security awareness education events in the form of case communication, online course, etc., to communicate the data security and privacy protection management requirements, specific processes, etc. to employees and strengthen employees' security protection capacity.
- The Bank actively spread cybersecurity knowledge among the social public. It organized and carried out the 2023 "Cybersecurity Awareness Week" campaign, held a total of 474 online and offline events, organized the cybersecurity knowledge training and skills contest 149 times, and distributed 63,000 campaign materials. The campaign, which covered 119,000 people, effectively helped the social public enhance the security awareness of preventing online fraud and protecting personal financial information.

04



External Certification of Information Security

- The Bank's apps such as Mobile Banking and Mobile Card Space have been subject to strict testing and certification review, and have obtained the "FinTech Product Certification" and been filed with the National Internet Finance Association of China as "mobile financial client applications". They are also subject to annual supervisory review and certification renewal according to certification standards every year. With those efforts, the Bank has made sure that client software security, barcode payment security, protection of customers' personal information, etc. meet quality standards and relevant risks are controllable. In 2023, the Bank's Mobile Banking app successfully obtained the "Mobile Internet App Security Certification" of the China Cybersecurity Review, Certification and Market Regulation Big Data Center (CCRC). Besides, the Bank's credit card business was ISO 27001 (Information Security Management Systems) certified, with the certified business scope covering credit investigation, credit card issuance, authorization, financial account and bill, collection and adjustment, system development, system operation and IT planning.
- In 2023, the Bank was named "Best Demonstration Unit of Security Management of Mobile Financial Client Applications" at the Beijing International Financial Security Forum and FinTech Standard & Certification Ecosystem Conference, indicating that the Bank has achieved a relatively high level in terms of personal information protection in financial apps.



OUTLOOK

The Bank will further improve the sustainable development governance system, optimize environment-related policies and procedures, and make tangible progress in various aspects of environmental work, demonstrating its commitment to the path of sustainable development. In terms of green finance, the Bank will continue to promote innovation in green finance products and services, enrich the diversified product system, carry out domestic and international communication, cooperation and research in the field of green finance, and strengthen comprehensive green finance service capacity. In terms of green operation, the Bank will continue to put in place low-carbon and environmental protection measures, work to realize the comprehensive upgrading of energy-saving operation and digital management, further enhance employees' awareness of energy conservation and environmental protection, and raise the level of green operation management. In terms of risk management, the Bank will actively address environmental and climate risks, enhance the level of environmental and climate risk management, and constantly refine the risk management process.

Looking ahead, the Bank will continue to embed the "green gene" into every facet of its management and operations, and collaborate with stakeholders to contribute to global sustainable development!



APPENDIX

Appendix 1: Environment-related Policies Added (Revised) by China CITIC Bank in 2023

Policy Type	Policy Name	Main Addition (Revision)
Green credit	<i>Credit Policies of China CITIC Bank in 2023</i>	Formulating credit policies for key industries such as clean energy, green building, and green transportation to define the industry orientation of credit.
	<i>Review and Approval Standards (Guidelines) for the Photovoltaic Manufacturing Industry (Version 4.0, 2023)</i>	Specifying that the Bank will support enterprises whose production equipment meets the standards of the Ministry of Industry and Information Technology (MIIT) and whose environmental protection practices comply with the pertinent standards.
	<i>Review and Approval Standards (Guidelines) for the Photovoltaic Power Generation Industry (Version 2.0, 2023)</i>	Specifying that major support should be given to large wind and photovoltaic power base projects and projects that are eligible to receive carbon emission reduction loans.
	<i>Review and Approval Standards (Guidelines) for the New Energy Vehicle Industry (Version 3.0, 2023)</i>	Specifying that projects must comply with the latest national policy requirements, including but not limited to capital ratios, land use, environmental impact assessments and other types of compliance requirements.
Green office	<i>Management Regulations of the Office Area of CITIC Tower of China CITIC Bank (Version 2.0, 2023)</i>	Specifying that the management of environmental footprints should be strengthened through management of wastes etc.
Green procurement	<i>Management Measures of China CITIC Bank for Centralized Procurement Suppliers</i>	Practicing the concept of sustainable development, actively promoting green procurement, and prioritizing the suppliers eligible for centralized green procurement and the energy-saving and eco-friendly products on the premise of controllable risks and availability of such products.
	<i>Management Measures of China CITIC Bank for Centralized Procurement</i>	
	<i>Operating Procedures of Centralized Procurement of China CITIC Bank</i>	
	<i>Implementation Rules of the Review Rules for Centralized Procurement of China CITIC Bank</i>	

Appendix 2: Index of Indicators for the *Guidelines on Environmental Information Disclosure for Financial Institutions*

	Content of Indicator	Page
	Overview of the year	2-3
Environment-related governance structures of the financial institution	Information about green finance committees set up at the board level, their environment-related strategic goals for the institution, analysis and judgment of environment-related risks and opportunities, and management, supervision and discussion of environment-related issues.	6-7
	Information about the management positions or internal organizations related to green finance set up at the executive level, and the main responsibilities and reporting routes of the management positions or internal organizations.	6-7
	Information and performance of the implementation of green finance related work within the scope of departmental responsibilities at the professional department level.	6-7
Environment-related policies and systems of the financial institution	Environment-related internal management systems developed by the financial institution, especially new policies and measures implemented during the reporting year.	7-9
	Implementation of environmental policies, regulations and standards of relevant countries and regions by the financial institution.	7-9
	The compliance with and adoption of relevant international climate and environment conventions, frameworks and initiatives of the financial institution.	7-9
Environment-related products and services innovation of the financial institution	Information on innovative green finance products and services developed by the financial institution.	13-21
	Environmental and social benefits of the financial institution's green product innovation.	14-21
Environmental risk management process of the financial institution	Processes for identifying and evaluating environment-related risks.	38-40
	Processes for managing and controlling environment-related risks.	41-43
Impacts of environmental factors on the financial institution	Environmental risks and opportunities of the financial institution.	38-40
	Quantitative analysis of environmental risks of the financial institution.	44-45
Environmental impacts of the investment and financing activities of the financial institution	Environmental impacts of the investment and financing of commercial banks.	14-18
	Calculation and expression of impacts of environmental risks on investment and financing of the financial institution.	14-18
Environmental impacts of operation activities of the financial institution	Direct greenhouse gas emissions and natural resource consumption from the operation activities of the financial institution.	25-26
	Indirect greenhouse gas emissions and indirect natural resource consumption from products or services procured by the financial institution.	25-26
	Environmental benefits of environmental protection measures taken by the financial institution.	28-32
	Quantitative calculation of environmental impacts of operation activities.	25-27
Data sorting, verification and protection	Regularly sort and verify the quality of environment-related statistical data of the institution, establish a data management system and process, and further improve the quality of relevant basic data to ensure the timeliness and accuracy of data and external information disclosure.	47-51
	Adopt corresponding technical means to ensure data security and the rights and interests of data subjects.	47-51
	Establish emergency plans and take timely measures for potential data security incidents or data security accidents.	49
Innovation and research achievements of green finance	The cases of innovative practice of green finance.	20-21
	Various domestic and foreign researches on green finance and environmental risk analysis and their achievements and future outlook.	22-23
Other environment-related information		/

Appendix 3: Index of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Content of Indicator		Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	6-7
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	6-7
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	38-40
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	38-40
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	44-45
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	38-40
	b) Describe the organization's processes for managing climate-related risks.	41-43
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	41-43
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	38-40
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	25-27
	c) Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets.	25-27



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