



2024

AGRICULTURAL BANK OF CHINA

GREEN FINANCE DEVELOPMENT  
(ENVIRONMENTAL INFORMATION  
DISCLOSURE) REPORT



耕耘  
美丽中国  
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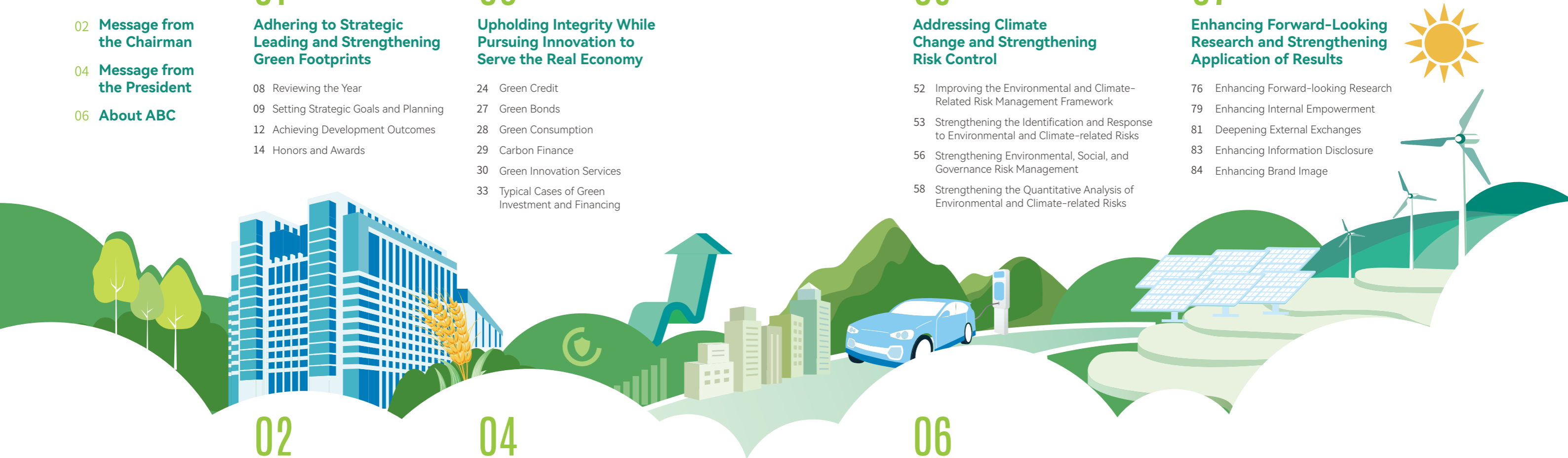
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## Message from the Chairman

The year 2024 marks the 75th anniversary of the founding of New China and is a crucial year for achieving the goals and tasks outlined in the 14th Five-Year Plan. The overall operation of the country's economy remains stable, with steady progress, and high-quality development is being effectively promoted. The successful convening of the Third Plenary Session of the 20th Central Committee of the Communist Party of China has outlined a grand blueprint for further comprehensively deepening reforms to advance Chinese modernization, providing a fundamental guideline for the reform and innovation of financial institutions as well as their service in supporting high-quality economic and social development.



Chairman of Agricultural Bank of China

**Gu Shu**

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Agricultural Bank of China has fully implemented the guiding principles of the 20th National Congress of the Communist Party of China, the second and third plenary sessions of the 20th Central Committee, and the key directives from the Central Economic Work Conference and Central Financial Work Conference. Upholding Xi Jinping Thought on Eco-Civilization, we have comprehensively and faithfully executed the new development philosophy, actively serving as a leader and mainstay as a major state-owned Bank. We are dedicated to fulfilling the diverse financing needs of building a Beautiful China while providing robust financial support to drive the comprehensive green transformation of economic and social development.

**We focused on building a beautiful China, using financial power to support green new quality productive forces.** This year, in close alignment with the national initiative to comprehensively advance the construction of a Beautiful China, we have actively worked to build a green finance product and service system tailored to customer needs. Our efforts focus on key areas, including the establishment of pilot zones for a Beautiful China, the promotion of green and low-carbon development, pollution prevention and control, and the enhancement of ecological protection and restoration. By the end of 2024, the Bank's green credit balance exceeds RMB 4.97 trillion, with a growth rate of 22.9%. We have refined the major green financial project library mechanism, creating a robust engine for green credit issuance. We have established a diversified investment and financing service system, vigorously developed green bond underwriting and investment businesses, and actively engaged in innovative operations such as green funds, green leasing, and green wealth management. We have further strengthened ESG risk management, piloted carbon accounting initiatives, and driven green development through reform and innovation. The Bank's green finance brand has earned widespread recognition, receiving multiple prestigious honors. These include the "ESG Model Demonstration Base" title from China Media Group (CMG), the "Advanced Unit in Green Banking Evaluation" award from the China Banking Association, and the "IFF Global Green Finance Award – Annual Award" at the 5th International Financial Forum (IFF).

**We upheld our primary responsibilities and business, and fully committed to financial services for "Sannong" and rural revitalization.** This year, fully leveraging its experience from the "Green Rural Revival Program in Zhejiang Province" initiative and staying focused on its core mission of serving "Sannong," the Bank continuously improved the quality and effectiveness of financial services in rural areas, further supporting rural revitalization efforts." By the end of 2024, the Bank's outstanding loans for county-level areas reached RMB 9.85 trillion.

We firmly supported national food security by increasing financial backing in key sectors such as agricultural technology, seed industry revitalization, and high-standard farmland construction to ensure the stability of China's food supply. We further strengthened financial support for 832 counties that have emerged from poverty, 160 key counties under the national rural revitalization initiative, the "three areas and three prefectures" in extreme poverty, and other key areas to help safeguard against large-scale relapses into poverty. We implemented a work plan to facilitate the green transformation of agriculture and rural areas, enhancing financial support in areas such as the protection and utilization of agricultural resources, green transformation of rural industries, and the construction of green rural areas, thereby promoting green development in agriculture and rural areas.

**We practiced finance for the people, consistently enhancing the accessibility and convenience of financial services.** Throughout the year, ABC remained committed to a people-centered value orientation, ensuring that financial services effectively benefited a broader range of groups. We further expanded inclusive financial services, with the balance of inclusive finance loans reaching RMB 4.66 trillion by the end of 2024. These services provided credit access to 4.58 million small- and micro-sized enterprises. We formed a dedicated task force to streamline financing support for small and micro enterprises. Through the "Visits to Thousands of Enterprises and Businesses" program, targeted visits to industrial parks, communities, and rural areas, we conducted in-depth assessments of the financial needs of small- and micro-sized enterprises. This initiative bridges the "last mile" gap, ensuring financial benefits effectively reach individuals and enterprises. We collaborated with regulatory bodies, international organizations, universities, research institutions, and financial institutions to conduct in-depth studies, exploring new pathways for the integrated development of green finance and inclusive finance.

**We adhered to openness and cooperation, promoting a new pattern of collaborative green development.** This year, we consistently embraced our responsibility for green development, actively integrating into the global landscape of sustainable development. We proactively supported the Belt and Road Initiative and encouraged enterprises' international expansion, contributing to international energy cooperation and infrastructure connectivity while sharing financial solutions for green development worldwide. We deepened our collaboration with national ministries such as the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, and the Ministry of Agriculture and Rural Affairs, fulfilling our role as the chair of the Green Credit Committee of the China Banking Association, and promoted the formation of a financial development ecosystem characterized by information sharing and coordinated efforts. We participated in significant events, including the China Development Forum 2024 and the third annual meeting of the Asian Financial Cooperation Association, where we provided recommendations for promoting the green transformation of economic and social development and improving green finance standards. We established a multi-level ESG information disclosure system, proactively addressing market concerns and effectively disseminating the concept of green development, thereby amplifying the positive energy of sustainable growth.

As we look ahead to 2025, the concluding year of the 14th Five-Year Plan, ABC will continue to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We are committed to thoroughly implementing the decisions and arrangements of the CPC Central Committee and the State Council. With greater effort and more concrete measures, we will strive to further advance the importance of green finance and make new contributions to promoting green and low-carbon development while building a modern society that fosters harmony between humanity and nature.

## Message from the President

Developing green finance is an important measure for comprehensively advancing the construction of a Beautiful China. Over the past year, the Agricultural Bank of China Limited (ABC or the Bank), guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, has thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Sessions of the 20th Central Committee, as well as the Central Economic Work Conference and the Central Financial Work Conference. The Bank has studied and implemented Xi Jinping Thought on Eco-Civilization, firmly established and practiced the concept that lucid waters and lush mountains are invaluable assets, improved the sustainable development governance system, deeply implemented the green finance strategy, and continuously promoted high-quality development of green finance.



President of Agricultural Bank of China

**Wang Zhiheng**

**Strengthen policy support and increase the supply of green funds.** The Bank focused on the construction of a Beautiful China by incorporating green and low-carbon requirements into its credit policy system and provided coordinated support for rural revitalization, inclusive small and micro businesses, and the green transformation of the real economy. Centered on green development in agriculture and rural areas, with an emphasis on grain and important agricultural product production, agricultural technological innovation, and rural industries, the Bank intensified credit policy support. It enhanced financial support for green and inclusive groups, improving the accessibility of inclusive financial services. The Bank refined credit policies for clean energy sectors such as wind power, solar power, hydropower, and nuclear power to support the green transformation of the energy structure. It optimized credit policies for industries including steel and coal power, encouraged the development of transformation financing, and promoted the green transformation and upgrading of traditional industries. The Bank supported the integrated protection and restoration of mountains, rivers, forests, fields, lakes, grasslands, and deserts, helping to enhance ecosystem diversity and stability. By the end of 2024, the Bank's green credit balance exceed RMB 4.97 trillion, with a growth rate of 22.9%.

**Adhere to innovation-driven approaches and enrich the green finance service system.** ABC fully leveraged its advantages in integrated group operations and continuously built a multi-level and comprehensive green financial service system that includes green credit, green bonds, green consumption, green finance, and innovative businesses. It improved the establishment of innovation bases for products related to "Sannong," promoted the innovation of featured products, and optimized and promoted smart animal husbandry, smart forestry, and other scenarios. The Bank vigorously developed green bond businesses and actively underwrote

"sustainable + scientific innovation" medium-term notes, "carbon neutrality + special rural revitalization" medium-term notes, and sustainable development-linked panda bonds. By scaling up green bond investments, the Bank secured a top position in the National Association of Financial Market Institutional Investors (NAFMII) rankings for green debt financing instruments. It issued green low-carbon credit cards, creating multiple exclusive environmental protection benefits and expanding green payment scenarios. The Bank enhanced the functionality of the "ABC Carbon Services" system, contributing to the efficient and stable operation of the national carbon market. It innovatively introduced ESG-themed wealth management products, offering diverse terms and investment strategies to meet customers' varied financial needs.

**Coordinate development and safety, and enhance risk prevention and control capabilities.** ABC placed high importance on managing environmental, social, and governance (ESG) risks, implementing comprehensive coverage, classified management, and full-process control of ESG risks in credit operations. For customers with significant ESG risks, the Bank strictly enforced the "one-vote veto" policy. It strengthened quantitative analysis of climate-related risks, drew on new explorations in climate risk stress testing from both domestic and international contexts, optimized stress scenario design, and improved stress testing methodologies. The Bank conducts stress tests on transition risks in key industries such as thermal power, steel, coal, and iron ore, expands and optimizes stress-testing tools, and takes measures to prevent transition risks in carbon-intensive industries, ensuring sustainability.

**Build a green Bank, and promote energy-saving and carbon reduction in its operations.** ABC continued to enhance its management of carbon footprints in its operations, conducting comprehensive "carbon inventory" across the group and steadily advancing energy-saving and carbon reduction initiatives. It implemented the concept of green operations, defined the requirements for the construction of green branches, and promoted the establishment of green outlets. The Bank deepened its "carbon neutrality" pilot projects, supporting diverse "carbon neutrality" benchmark cases tailored to local conditions in pilot areas such as Heilongjiang, Yunnan, and Shanxi. It actively promoted green office practices, encouraged online meetings, and built an integrated electronic document management platform. The Bank strengthened technological empowerment and enhanced the construction of carbon emissions and energy consumption monitoring systems. It vigorously advocated for a green culture, guiding all employees to enhance their awareness and actions towards ecological and environmental protection and promoting the incorporation of green development concepts into their minds and hearts.

Looking ahead, ABC will remain steadfast in upholding Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle. We will further elevate our green financial services, actively support green finance initiatives, and provide robust backing for the comprehensive green transformation of economic and social development. Through these efforts, we aim to contribute financial strength toward building a Beautiful China.

## About ABC

The Bank traces its origins to the Agricultural Cooperative Bank established in 1951. Since its re-establishment in February 1979, the Bank has evolved through various stages as a state-owned specialized Bank, a wholly state-owned commercial Bank, and a state-controlled commercial Bank. In January 2009, the Bank was restructured into a joint-stock limited company. In July 2010, it was listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

As one of China's leading comprehensive financial services providers, the Bank is committed to high-quality development, with a strategic focus on being the "leading Bank in serving rural revitalization" and the "primary Bank in supporting the real economy." It implements three core strategies: inclusive financial services for "Sannong"; green finance; and digital transformation. Leveraging its diversified business portfolio, extensive distribution network, and advanced technological platforms, the Bank offers a wide range of corporate and retail Banking products and services. It also operates in financial markets, asset management, investment Banking, fund management, financial leasing, and life insurance.

As of the end of 2024, the Bank had 22,877 domestic branch outlets, including its Head Office, Business Department of the Head Office, 4 specialized business units managed by the Head Office, 4 training institutes, 37 primary branches, 410 secondary branches, 3,314 primary sub-branches, 19,064 foundation-level branch outlets, and 42 other establishments, as well as 13 overseas branches and 4 overseas representative offices. Subsidiaries encompass comprehensive subsidiaries, rural Banks, and overseas subsidiaries.

As of the end of 2024

Key financial metrics include total assets RMB

**43,238.135** billion

total loans and advances RMB

**24,906.187** billion

total deposits RMB

**30,305.357** billion

capital adequacy ratio

**18.19%**

annual net profit RMB

**282.671** billion

The Financial Stability Board (FSB) has designated the Bank as a **Global Systemically Important Bank (G-SIB)** for 11 consecutive years since 2014

the Bank ranked **3<sup>rd</sup>** globally by Tier 1 capital in 2024

As of the 2024 Annual Report release, the Bank maintained the following credit ratings: Standard & Poor's: Long-term/Short-term Issuer Credit Rating: **A/A-1**; Moody's: Long-term/Short-term Deposit Rating: **A1/P-1**; Fitch: Long-term/Short-term Issuer Default Rating: **A/F1+**.

## Adhering to Strategic Leading and Strengthening Green Footprints

- Reviewing the Year
- Setting Strategic Goals and Planning
- Achieving Development Outcomes
- Honors and Awards

## Reviewing the Year



In 2024, under the advocacy of the "community with a shared future for mankind" concept, global cooperation in green and sustainable development advanced actively. The 29th Conference of the Parties (COP29) to the *UN Framework Convention on Climate Change* adopted the "Baku Climate Solidarity Pact," a balanced package of outcomes addressing key issues such as the new collective quantified goal on climate finance and the Article 6 mechanism for international carbon markets under the *Paris Agreement*, further reinforcing the global momentum toward green and low-carbon transition.

Guided by the spirit of the 20th CPC National Congress and Xi Jinping Thought on Eco-Civilization, China's top-level design and strategic layout for ecological civilization construction continued to strengthen. The Third Plenary Session of the 20th CPC Central Committee incorporated accelerating the comprehensive green transformation of economic and social development into the overall goal of further reform, opening a new chapter in ecological civilization construction in the new era. The *Opinions of the CPC Central Committee and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development* were issued, placing the building of a Beautiful China in a prominent position for building a great nation and achieving national rejuvenation.

China has now entered a stage of high-quality development in accelerating green and low-carbon growth, and the green economy is developing with strong momentum. In 2024, the financial industry thoroughly implemented the decisions and arrangements of the CPC Central Committee and the State Council, continuously improving the quality and efficiency of green finance services, providing strong support for the economy and society to develop green and low-carbon. Regulators continuously improved the standards system and guided financial institutions to further advance the key initiatives of green finance. Financial institutions actively explored innovations, enriching the green finance product portfolio, steadily expanding the scale of green finance while focusing on the effectiveness of green finance in improving environmental benefits and promoting industrial transformation and upgrading.

The Bank implemented the spirit of the Central Financial Work Conference, formulated an implementation plan to promote high-quality development of green finance, leveraged its own advantages and operational characteristics, actively undertook responsibilities, and solidly carried out the key green finance initiatives. We united consensus with all sectors of society, focused on actions, and continuously contributed to addressing climate change and jointly building a clean and beautiful world.

## Setting Strategic Goals and Planning



The Bank adheres to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, thoroughly implementing the directives of the 20th CPC National Congress, the second and third plenary sessions of the 20th CPC Central Committee, as well as the Central Economic Work Conference and the Central Financial Work Conference. We have studied and applied Xi Jinping Thought on Eco-Civilization, fully embracing the new development philosophy. With a core focus on supporting the comprehensive green transformation of economic and social development, we advanced our green finance strategy, refined management systems and mechanisms, and accelerated service model innovation. Balancing development and security, we delivered high-quality financial services to advance the construction of a Beautiful China and accelerate the modernization of harmonious coexistence between humanity and nature.



Gu Shu, Chairman and CPC Committee Secretary, was invited to deliver a keynote speech at the 2024 CCTV Finance Forum. (Photo provided by the Corporate Culture Department)

## Strategic planning

In 2024, the Bank continued focusing on serving the national carbon peaking and carbon neutrality goals, thoroughly advancing the implementation of the Green Finance Development Plan of Agricultural Bank of China (2021–2025) and the high-quality green finance development implementation plan. Holding firmly to a systemic view, innovation-driven approach, group synergy, and sustainability, we accelerated the optimization of green finance customer structure, product and service innovation, and governance system transformation. We endeavored to build a distinct and widely recognized green finance brand, offering stronger financial support for China's ecological civilization construction and green, low-carbon, high-quality development.

## Applying fundamental principles



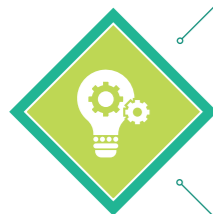
### Adhering to strategic leading

The Bank vigorously implemented the green finance strategy by advancing green finance development from the perspective of corporate governance, strengthening strategic transmission, policy support, mechanism coordination, resource assurance and organizational talent support, and integrating green development concepts and requirements into all fields and processes of management.



### Adhering to innovating driving

The Bank adhered to both international best practices and domestic regulations, closely monitored global and local green finance trends, and actively explored new opportunities in sustainable finance. It worked to innovate green financial products and services, strengthened its green finance systems and mechanisms, and fostered intrinsic motivation for green finance development.



### Adhering to group synergizing

The Bank leveraged the advantage of integrated operations covering urban and rural areas, innovated and improved business coordination and benefit-sharing mechanisms, actively carried out "investment-loan linkage" and "leasing-loan linkage," comprehensively applied multiple means such as equity, bonds, loans, and investment, and enhanced the financial service capability for green clients and group synergy capacity.



### Adhering to sustainable development

The Bank adopted a market-driven approach, balancing economic and social benefits. It established a clear market position, prioritized service excellence, and expanded its base of high-quality customers. By effectively aligning business growth acceleration with financial risk mitigation, the Bank ensured commercial sustainability while continuously strengthening its market competitiveness and risk management capabilities.

## Development goals

**Significant growth in business scale.** The green investment and financing business achieved expanded scale, optimized structure, and leading growth rates. The growth rate of green credit consistently outpaced that of total loans, with its share of the overall loan portfolio steadily increasing. Meanwhile, diversified green businesses—including green bonds, green funds, green leasing, and green wealth management—saw their contributions rise significantly.

**Enhanced innovation and service capabilities.** Green finance innovation capabilities have been markedly strengthened, supported by diversified service models, improved institutional mechanisms, and a robust collaborative network among Banks, governments, and enterprises. Breakthroughs have been made in integrating green finance with initiatives for "Sannong" (agriculture, rural areas, and farmers). Technology-driven capabilities have been significantly enhanced, and service models supporting green and low-carbon transitions have been continuously refined.



**Elevated brand influence.** A multi-tiered business system covering green credit, green direct financing, green consumer finance, and carbon finance was established. A widely recognized portfolio of market-leading green financial products was developed, complemented by an optimized information disclosure framework. Efforts were made to build a green Bank trusted by the public and recognized by clients.

**Strengthened risk management.** ESG management systems and regulatory evaluation outcomes maintained domestic leadership. ESG risk identification, assessment, and management tools were aligned with international best practices. The non-performing loan (NPL) ratio of green credit remained consistently lower than the bank-wide average, with no major risk-related losses incurred in green finance operations.



## Achieving Development Outcomes



In 2024, the Bank firmly established and practiced the philosophy that lucid waters and lush mountains are invaluable assets, earnestly advancing key initiatives in green finance. The quality and effectiveness of our services in green development and the construction of a Beautiful China continued to improve steadily.

### Deepening the implementation of the green finance strategy

The Bank fully leveraged the roles of the Board of Directors' Strategic Planning and Sustainable Development Committee and the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee under the Senior Management to enhance the overall planning and organizational leadership of green finance work. Building on the *Green Finance Development Plan of Agricultural Bank of China (2021–2025)*, and to thoroughly implement the spirit of the Central Financial Work Conference, the Bank issued an implementation plan to promote high-quality development of green finance, ensuring effective grounding of the green finance strategy. The 2024 annual work priorities were introduced, detailing development goals and specific measures to steadily advance the growth of green finance business and the efforts in energy saving and carbon reduction.

### Increasing volume and improving quality in key sectors

Committed to supporting "Sannong" while advancing the integration of their development with green initiatives, the Bank expanded financial services in key areas. These included the modern seed industry, the full green agricultural value chain, and rural living environment improvements. Focusing on green and low-carbon industries, pollution control, ecological protection, and restoration, the Bank increased capital supply.

By the end of 2024

the Bank's green credit balance reached RMB **4.97** trillion

an increase of RMB **926.2** billion from the end of the previous year

representing a **22.9%** growth year-on-year



### Effectively expanding diversified financing channels

The Bank accelerated the construction of a green finance product and service system that meets the multi-level needs of customers. The Bank continuously increased investment and underwriting of green bonds, steadily expanded green syndicated loans and green merger and acquisition loans, and rapidly developed innovative green businesses such as green wealth management, green leasing, and green insurance.

By the end of 2024, the Bank's proprietary green bond investment balance reached RMB **165.6** billion,

up **14.8%** year-on-year



In 2024, the Bank underwrote

**62** issues of green bonds (including carbon-neutral bonds)

totaling RMB **120.6** billion,

with an underwriting share of RMB **32.4** billion



Through investment Banking products and services, the Bank provided financing exceeding RMB

**410** billion to green industries and customers



As of the end of 2024,

there were **61** active ESG-themed wealth management products

with a total time-specific scale of RMB **69.426** billion



The balance of green leasing assets reached RMB

**65** billion

by the end of 2024,

accounting for **64%** of total leasing assets.



### Accelerating energy conservation and carbon reduction within operations

Empowered by technology, the Bank actively expanded online services to reduce resource consumption. It promoted outlet transformation and accelerated the construction of green branches, reaching 2,681 green outlets by the end of 2024. The Bank deepened the construction of "carbon neutrality" outlets, with nine pilot institutions in Heilongjiang, Yunnan, Shanxi, and other regions accelerating the development of carbon-neutral branches or institutions. Green office practices were advanced, system functions improved, and online document processing and meetings were actively promoted. The Bank strengthened the management of its carbon footprint, continuously conducting group-wide carbon inventories. Green procurement was implemented by establishing green evaluation standards for suppliers and selecting energy-saving equipment. The Bank fostered a green culture by issuing low-carbon production and lifestyle initiatives, creating a simple, moderate, green, low-carbon, civilized, and healthy work and living environment.

### Continuing deepening domestic and international exchanges and cooperation

The Bank intensified cooperation for mutual benefit, enhanced strategic cooperation with national ministries, and actively fulfilled its role as chair of the Green Credit Committee of the China Banking Association, promoting information sharing and intellectual collaboration frameworks. It joined the Institute of International Finance (IIF) Sustainable Development Working Group and the Global Investors for Sustainable Development (GISD) Alliance and shared experiences with global peers. The Bank has attended the Annual Meeting of the China Development High-level Forum 2024, the 2024 Annual Conference of China Society for Finance and Banking & China Monetary and Financial Forum, the 3rd General Meeting of Asian Financial Cooperation Association, and the 2024 ESG Global Leaders Conference to contribute ideas and suggestions for promoting the green transformation of the economy and society, as well as for the formulation of green finance standards.

# Honors and Awards



**ESG Model Demonstration Base**

China Media Group,  
China Enterprise Reform  
and Development Society



**Advanced Institution of Green Bank Evaluation**

China Banking Association



**IFF Global Green Finance Award – Annual Award**

International Finance Forum (IFF)



**2024 "GF60 Green Finance Best Financial Institution"**

Green Finance Forum of 60 (GF60)



**Green Finance Golden Bull Award**

China Securities Journal



**China's Top 30 ESG Pioneers Among Listed Companies (Financial Sector)**

China Media Group, SASAC of the State Council, All-China Federation of Industry and Commerce, CASS State-owned Economy Research Think Tank, China Enterprise Reform and Development Society



**2024 ESG Excellence Practice**

China Media Group, China Enterprise Reform and Development Society



**Evergreen Awards - Sustainability Performance 2024**

Caijing Magazine



**CWGM Awards**

CailianPress

**Top 20 Banks for ESG Performance**

China Banking and Insurance News

**ESG Enterprise of the Year**

Southern Weekend



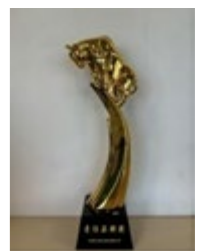
**Dual Carbon Action Pioneer of the Year**

Southern Weekend



**No.1 in Green Finance Banking Ranking**

Southern Weekend



**2024 Responsibility Whale & Bull Awards - Responsible Brand**

China Enterprise Reform and Development Society, Responsibility Cloud Research Institute

 <p><b>2024 Best Practice Cases of Sustainable Development for Listed Companies</b></p> <p>China Association for Public Companies</p>	 <p><b>2024 Top 100 Companies for Small Investor Rights Protection</b></p> <p>China Corporate Governance Experts 50 Forum</p>	<p><b>2024 Fortune China ESG Impact List</b></p> <p>Fortune</p> <p><b>Golden Cicada Awards 2024 - Outstanding Green Industry Service Provider</b></p> <p>China Times</p>
 <p><b>2024 Greater Bay Area Green Finance Pioneer Case Award</b></p> <p>Guangdong-Hong Kong-Macao Greater Bay Area Green Finance Alliance</p>	 <p><b>Outstanding NEIIA Member</b></p> <p>New Energy, Infrastructure, and Industry Association (NEIIA)</p>	
 <p><b>Outstanding Award for Green and Sustainable Loan Structuring Advisor (Healthcare Industry) - Visionary Sustainability-linked Loan Performance Metrics</b></p> <p>Hong Kong Quality Assurance Agency</p>		
<p><b>The case study "Innovative Creation of the 'ABC Carbon Prosperity &amp; Green Shandong' Integrated Service Model" was selected for the 2024 China Brand Forum Financial High-Quality Development Case Report Conference</b></p> <p>People's Daily</p>		

# Optimizing the Governance Mechanism and Strengthening the Foundation for Development



- Board of Directors
- Board of Supervisors
- Senior Management
- Institutions at All Levels

## Board of Directors

The Bank's Board of Directors actively assumes the primary responsibility for green finance, formulates the Bank's green finance development strategy and goals, and evaluates the implementation of the strategy. It establishes risk management strategies and risk appetites that encompass climate risks. It reviews or listens to reports on the progress of green finance/carbon peaking and carbon neutrality initiatives, comprehensive risk management, the progress of stress testing activities, etc.

The Board has established the Strategic Planning and Sustainable Development Committee to assist the Board in formulating and evaluating sustainable development strategies and goals. The Board has established the "Sannong" Finance and Inclusive Finance Development Committee, the Risk Management and Consumer Interests Protection Committee, and the Related Party Transactions Control Committee. These committees are responsible for reviewing the core issues of environment, society, and governance such as "Sannong" finance and inclusive finance, consumer rights protection, and related party transactions in accordance with their respective duties.

### Review of Green Finance, ESG, and Related Topics by the Board of Directors and Its Specialized Committees During the Reporting Period

- The meeting of the Strategic Planning and Sustainable Development Committee and the meeting of the Board of Directors respectively reviewed and approved the "2023 Social Responsibility Report (Environmental, Social and Governance Report) of the Agricultural Bank of China Limited" and the "2023 Green Finance/Carbon Peaking and Carbon Neutrality Work Report of the Agricultural Bank of China Limited" (including the "2023 Green Finance Development (Environmental Information Disclosure) Report of the Agricultural Bank of China Limited").
- The meetings of the Risk Management and Consumer Interests Protection Committee and the Board of Directors respectively reviewed and approved the "2023 Comprehensive Risk Management Report of Agricultural Bank of China Limited," which includes information on financial risk management related to the environment and climate.
- The meetings of the Audit and Compliance Management Committee and the Board of Directors respectively reviewed and approved the "2023 Annual Report and Summary of Agricultural Bank of China Limited", which includes a section on environmental, social, and governance information.
- The meeting of the Risk Management and Consumer Interests Protection Committee and the meeting of the Board of Directors respectively reviewed and approved the "2023 Annual Stress Testing and System Evaluation Report of Agricultural Bank of China Limited," which includes climate risk stress testing.
- The meeting of the Strategic Planning and Sustainable Development Committee and the meeting of the Board of Directors respectively heard the report on the "Implementation of the 14th Five-Year Plan by Agricultural Bank of China Limited in 2023 and Strategic Risk Assessment Report," which includes content related to promoting the green transition of business management.
- The meeting of the Risk Management and Consumer Interests Protection Committee and the Board of Directors respectively reviewed and approved the "Comprehensive Risk Management Report of Agricultural Bank of China Limited for the First Half of 2024", which includes information on financial risk management related to the environment and climate.
- The meeting of the Audit and Compliance Management Committee and the Board of Directors has respectively reviewed and approved the "Agricultural Bank of China Limited 2024 Semi-Annual Report and Summary," which includes sections on environmental, social, and governance information.
- The meeting of the Strategic Planning and Sustainable Development Committee and the meeting of the Board of Directors respectively reviewed and approved the "14th Five-Year Plan (Revised Draft)" of Agricultural Bank of China Limited", which includes content related to serving green, low-carbon circular development.

## Board of Supervisors

The Bank's Board of Supervisors actively oversees and supports the Board of Directors and senior management in their performance regarding green finance and climate risk management. It continuously follows up on the implementation of green finance strategies and the progress of key tasks, providing supervision and guidance in areas such as improving the governance system, promoting business development, and strengthening climate risk management.

### Review of Green Finance, ESG, and Related Topics by the Board of Supervisors and Its Specialized Committees During the Reporting Period

- The meetings of the Supervisory Committee on Finance and Internal Control of the Board of Supervisors and the Board of Supervisors respectively reviewed and approved the "2023 Annual Report and Summary of Agricultural Bank of China Limited," which includes a section on environmental, social, and governance information.
- The meeting of the Board of Supervisors reviewed and approved the "2023 Social Responsibility Report (Environmental, Social and Governance Report) of Agricultural Bank of China Limited" and the "2023 Green Finance/Carbon Peaking and Carbon Neutrality Work Report of Agricultural Bank of China Limited" (including the "2023 Green Finance Development (Environmental Information Disclosure) Report of the Agricultural Bank of China Limited").
- The meeting of the Supervisory Committee on Finance and Internal Control of the Board of Supervisors and the meeting of the Board of Supervisors respectively reviewed and approved the "Agricultural Bank of China Limited 2024 Semi-Annual Report and Summary," which includes a section on environmental, social, and governance information.

#### Theme

The Bank held the 2024 annual duty performance training for board members and supervisors (new quality productive forces)

From December 3 to 6, the Bank held the 2024 annual duty performance training for board members and supervisors (new quality productive forces). The training focuses on implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, aiming to help directors and supervisors grasp the relationship between new quality productive forces and high-quality development, understand new trends and requirements in corporate governance, and meet the needs for enhancing the capabilities of directors and supervisors. The training content mainly includes: President Xi Jinping's important discussions on financial work, understanding and implementation of the "Five Areas of Finance" such as technology finance and green finance, cultivating new quality productive forces and promoting high-quality development, corporate governance and compliance management under the new Company Law, etc., to help directors and supervisors deepen their understanding and comprehension of the concepts of "Five Key Areas" and "New Quality Productive Forces."

## Senior Management



The Senior Management of the Bank is responsible for implementing the various resolutions approved by the Board of Directors and its specialized committees, promoting the implementation of various "dual carbon" tasks, coordinating and managing climate-related risk management and green finance management, formulating and implementing risk management strategies and risk appetites, and continuously improving climate-related risk management and green finance management.



Wang Zhiheng, President and Deputy Secretary of the CPC Committee, was invited to attend and deliver a speech at the 2024 ESG Global Leaders Conference. (Photo provided by the Corporate Culture Department)

The Senior Management of the Bank has established a Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, with the President serving as the chairman.

The Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee is the Bank's decision-making, coordination, and discussion body for green finance/carbon peaking and carbon neutrality efforts. It oversees and plans the Bank's green finance/carbon peaking and carbon neutrality initiatives, coordinates the implementation of the Board of Directors' strategic decisions and overall deployment on green finance/carbon peaking and carbon neutrality, reviews major policy measures and annual work reports related to green finance/carbon peaking and carbon neutrality, and directs key green finance activities.

The Senior Management has established a Risk Management and Internal Control Committee, with the President serving as the chairman.

The Risk Management and Internal Control Committee is the Bank's decision-making and discussion body for risk management. It oversees and coordinates the Bank's risk management efforts, implements the risk management preferences established by the Board of Directors, studies and reviews important matters such as the basic system, framework planning, major policies, key procedures, and work plans for risk management, and supervises their implementation.

The Bank continues to improve the long-term mechanism for the development of green finance. The Bank has established the Office of the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, defining the committee's member departments, and continuously strengthening the coordination between the head office and branches, as well as inter-departmental collaboration, to jointly promote the high-quality development of green finance.

### Review of Green Finance, ESG, and Related Topics by Senior Management and Its Specialized Committees During the Reporting Period

- The Office of the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee of the Bank reviewed and approved the "2023 Green Finance/Carbon Peaking and Carbon Neutrality Work Report of Agricultural Bank of China Limited", the "2023 Green Finance Development (Environmental Information Disclosure) Report of Agricultural Bank of China Limited," and the "Key Priorities for Green Finance/Carbon Peaking and Carbon Neutrality Efforts of Agricultural Bank of China Limited in 2024."
- The Office of the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee of the Bank organized a discussion on further strengthening measures for managing green credit data quality.
- The Office of the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee of the Bank organized a discussion on the promotion of high-quality development of green finance in the first half of the year, further improving the evaluation of green finance, and reviewed the key green finance tasks for the whole Bank in the second half of the year.
- The Office of the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee of the Bank organized a discussion on the annual conclusion of green finance/carbon peaking and carbon neutrality work, the focus of next steps, and related matters for further promoting the high-quality development of green finance.

### Theme Special Lecture: Hosting the "ABC Lectures"—Photovoltaic

To promote high-quality development in the new energy industry, on October 12, the Bank held a lecture as part of the ABC Lectures, entitled "Strategic Lecture—Development and Prospect of China's Photovoltaic Industry." The lecture provided an interpretation of the current state and trends of the photovoltaic industry, aimed at enhancing the analysis and judgment of the green production industry and improving the Bank's green finance management capabilities.

## Institutions at All Levels



The Bank's domestic branches, overseas branches, and comprehensive subsidiaries leverage their own resource endowments and business characteristics to empower high-quality development of green finance in a manner tailored to local conditions, continuously improving the green finance management systems and mechanisms within their jurisdiction or company.

### Beijing Branch

The branch continuously improves the construction of green finance systems and mechanisms, establishes a dedicated green finance department at the primary branch, defines responsibilities, and promotes the implementation of various green finance initiatives. Beijing Branch has established the "Green Finance Innovation Service Center" at its branch in the sub-center of the city, supporting the development of the national green development demonstration zone in the city's sub-center. It has also launched the Bank's first "Green Outlet" and "Carbon Neutrality Branch" at the sub-center branch office and the Canal Business District sub-branch.

### Anhui Branch

The branch has developed the "Three Year Plan for Green Financial Services," focusing on the construction of Anhui's "Three Hubs and One Zone." The plan outlines key areas for green finance support, directions for enhancing supply capacity, and major measures for green finance development, guiding the formation of synergy between policy resources, product innovation, and business operations to support the development of green finance.

### Hebei Branch

Hebei Branch and Hebei GEO University (HGU) have established the "HGU-ABC Green Finance Research Center," fully leveraging the advantages of "education + finance" and "technology + finance" to create a new model of Bank-university cooperation. Hebei Branch continues to strengthen exchanges and research with Hebei GEO University, holding two joint meetings. By considering the branch's regional characteristics and industry distribution, it seeks new growth points for the development of green credit. The branch effectively leverages the role of the university's think tank to support the multi-dimensional development of green credit.

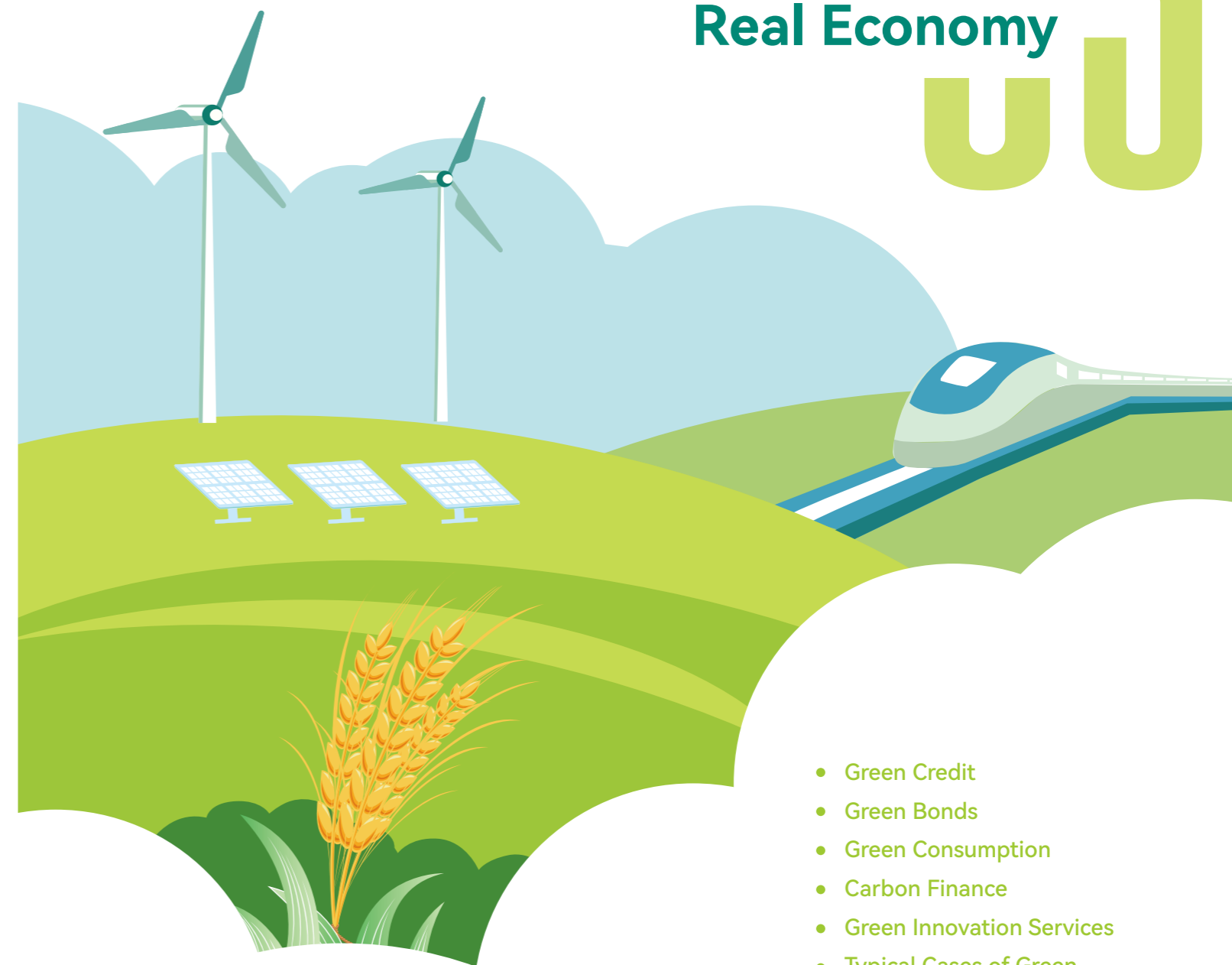
### Shandong Branch

The branch has innovatively launched the "Green Shandong: 360 Financial Service System." Based on a comprehensive summary of three years of accelerating green finance development and supporting the province's green, low-carbon, and high-quality development practices, the branch has explored and formed the "Green Shandong 360: Financial Service System." This system includes five components: service hub, service platform, service institutions, service policies, and service products. The product series includes eight major categories and 42 sub-items, such as green energy loans, green industry loans, and green agriculture loans, providing comprehensive financial support for Shandong's green, low-carbon, and high-quality development.

### Jiangsu Branch

The branch is continuously improving the working mechanism of green finance. Jiangsu Branch has strengthened the overall planning of green finance and issued the "Jiangsu Branch Three-Year Action Plan for Accelerating the High-Quality Development of Green Finance (2024-2026)," which outlines the growth targets and required measures for green credit over the next three years. The organizational structure has been further established and improved, with the Green Finance Office taking the lead in advancing green credit initiatives, while relevant departments are responsible for promoting the development of green credit business, product innovation, and other related tasks. The branch has also enhanced tiered and categorized training on green credit, offering specialized training for various levels of staff to instill a green development mindset from top to bottom. A team of green credit professionals has been established, with expertise in policy and practical operations, to strengthen the sense of responsibility and urgency in developing green credit.

## Upholding Integrity While Pursuing Innovation to Serve the Real Economy



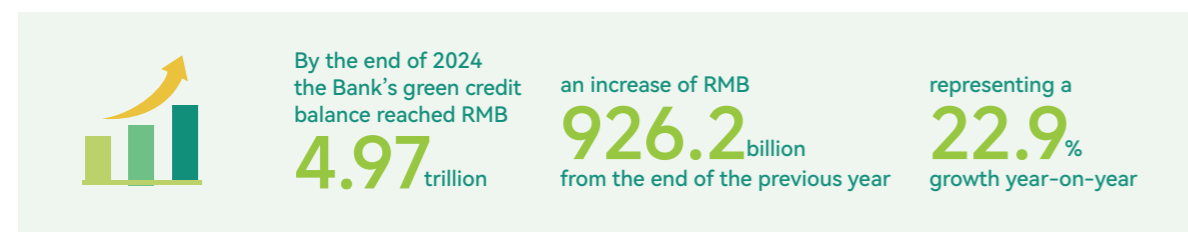
- Green Credit
- Green Bonds
- Green Consumption
- Carbon Finance
- Green Innovation Services
- Typical Cases of Green Investment and Financing

The Bank has fully leveraged the advantages of the integrated group operations, continuously enhancing a multi-level and comprehensive green finance business system that encompasses green credit, green bonds, green consumption, carbon finance, and innovative services, thereby facilitating a comprehensive green transformation of economic and social development.

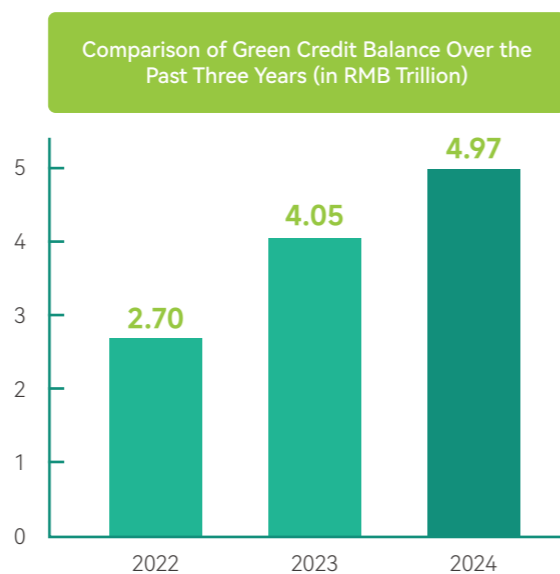
## Green Credit



The Bank has intensified financial support for green credit in key areas such as clean energy, green infrastructure upgrades, ecological environment, energy conservation and environmental protection, clean production, and green services, and enriched green finance products and service models. The Bank has achieved steady growth in green credit business and enhanced carbon emission reduction benefits.



Indicator	Emission reduction (10,000 tons)
Equivalent annual standard coal savings	6,199
Equivalent annual reduction of carbon dioxide equivalent emissions	14,833
Equivalent annual water savings	16,429
Equivalent annual NOx emission reduction	223
Equivalent annual sulfur dioxide emission reduction	340
Equivalent annual reduction of chemical oxygen demand	23
Equivalent annual reduction of ammonia nitrogen emissions	3



**Environmental impact of green credit business**

The Bank calculated the environmental benefits of green credit business primarily based on project details, approval documents, feasibility studies, environmental impact reports, and regulatory guidelines for calculating energy conservation and emission reduction of green credit projects.



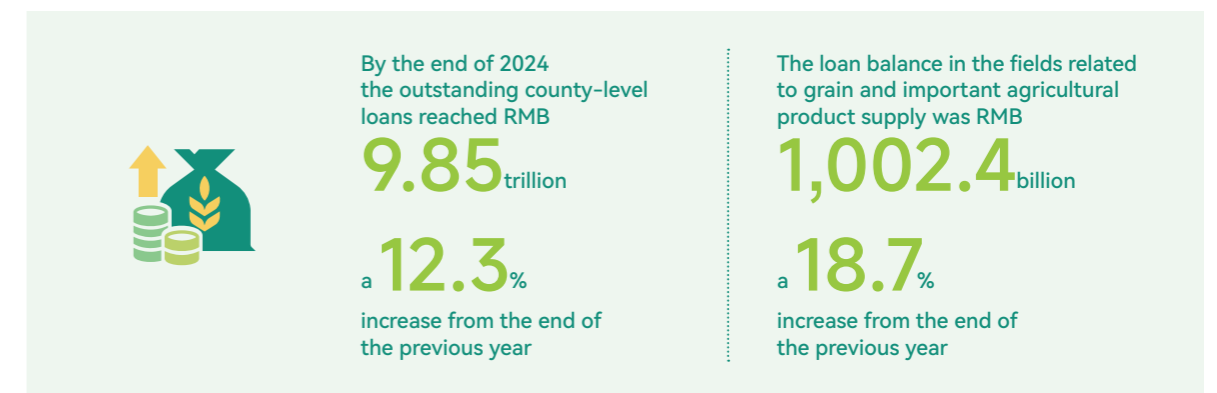
▲ Zhang Xuguang, then Vice President and Party Committee Member of the Bank, visited Huzhou, Zhejiang, to research initiatives supporting the construction of a beautiful China and innovating green financial products and services. (Photo provided by Zhejiang Branch)

## Promoting green integrated development of Sannong



The Bank has always been committed to fully supporting the seed industry development and the germplasm resource conservation of modern agriculture

The Bank has implemented an improvement action for the seed industry vitalization, allocated policy resources, promoted effective service models, and supported the entire seed industry chain, including breeding, propagation, and promotion. The Bank has actively supported the construction of seed breeding bases and carried out special financial service initiatives for the Nanfan seed industry, contributing to the development of the Nanfan Agricultural Silicon Valley. By implementing targeted list-based services for key seed industry enterprises, the Bank has continually increased financial support to assist seed industry companies in strengthening their strengths.





Lin Li, Executive Director, Vice President, and Party Committee Member of the Bank, visited Lanzhou, Gansu, to research financial services in key assisted areas. (Photo provided by the Office)



**The Bank has strongly supported farmland protection and high-standard farmland construction.** The Bank has introduced service solutions such as "High-Quality Farmland Loans" and "High-Standard Farmland Loans" to enhance credit support for high-standard farmland construction, saline-alkali soil improvement, black soil conservation, acidification, and other degraded farmland management, ensuring integrated protection of farmland quantity, quality, and ecology.



**The Bank has promoted flagship green financial services for serving rural revitalization.** The Bank has focused on seed industry vitalization, promoting products like "Plant Variety Pledge Loans." The Bank has leveraged the green resource advantages in various districts and counties and has issued financial service programs such as "Huinong e-loan·Photovoltaic Loan". The Bank has optimized the establishment of innovative bases for Sannong products, guiding branches to innovate and develop regionally tailored specialized products like "Rural Tourism Loan."



**The Bank has optimized green financial services models for rural revitalization.** The Bank has summarized and promoted effective service models like "Seed Industry Intellectual Property Empowerment" and "Investment-Loan Linkage," and enhanced smart scenarios such as smart livestock farming and smart forestry. The Bank has also launched services for agricultural green development, such as smart planting and smart aquaculture.

## Green Bonds



### Issuance of green financial bonds

In February 2025	Of this
the Bank issued RMB <b>60 billion</b> in green financial bonds in the interBank market, setting a record for the highest single-issue scale of green financial bonds in China	RMB <b>50 billion</b> was issued in three-year bonds at an interest rate of <b>1.85%</b>
	while RMB <b>10 billion</b> was issued in five-year bonds at an interest rate of <b>1.88%</b>

### Underwriting green bonds

The Bank has focused on green and low-carbon sectors such as clean energy, green building, and energy conservation and environmental protection, actively underwriting and issuing green bonds, carbon neutrality bonds, sustainable development bonds, and more.

In 2024
the Bank underwrote <b>62</b> green bond issuances (including carbon neutrality bonds) with an issuance scale of RMB <b>120.6 billion</b>
and an underwriting share of RMB <b>32.4 billion</b>
The Bank also underwrote <b>5</b> sustainable development-linked bonds with a share of RMB <b>2.09 billion</b>



During the reporting period, Hainan Branch and Hong Kong Branch served as the global coordinator of overseas bond issuance of the Hainan Provincial Government, helping the Hainan Provincial Government successfully issue 10-year RMB 1 billion blue bonds overseas for the first time to support the construction of key projects such as important water system restoration and sewage treatment in Hainan Province, and promote the high-level construction of Hainan Free Trade Port.

## Investing in green bonds

The Bank has actively invested in green bonds to support clean energy, green infrastructure upgrades, energy conservation and environmental protection, and other green industries, broadening corporate financing channels and fostering the high-quality development of the green bond market. The Bank ranked among the top investors in green debt financing instruments under the NAFMII.

### By the end of 2024

the Bank's proprietary green bond investment balance stood at RMB

**165.6** billion

an increase of RMB

**21.3** billion

or **14.8%**

from the end of the previous year. Cumulative investments in sustainable development-linked bonds reached RMB

**2.9** billion

while cumulative investments in transition bonds totaled RMB

**1.82** billion

## Green Consumption

The Bank has continued to enrich its offerings of green consumption financial products and services to meet the diversified financial needs of residents regarding green consumption, enhancing the quality and efficiency of green consumption services.



### The Bank has intensified its support for the green building mortgage business.

The Bank has supported consumers in purchasing green housing by increasing credit support for energy-efficient and green buildings, driving rapid growth in the green housing credit business.

### The Bank has innovated green bulk consumption scenarios.

By expanding diversified green consumption financial scenarios, the Bank has focused on the purchase, use, and replacement of new energy vehicles (NEVs), leveraging products such as "Online Fast Loan," "Vehicle Connection Loan," and "Car e-Loan" to boost NEV consumption loans. By focusing on the customer's demand for consumer goods' trade-ins of old appliances such as automobiles, home appliances, and household items, the Bank has also conducted extensive and special trade-in marketing campaigns. By tapping into green consumption potential in county-level areas through special activities such as new energy vehicles going to the countryside and trade-ins of old appliances for new, the Bank has pioneered new models of low-carbon consumption in county-level areas. The Bank has implemented differentiated policies for key supported green home appliance scenarios and cooperative markets to accelerate the development of personal green consumption credit business.

### The Bank has issued green and low-carbon credit cards.

The Bank has enhanced its green credit card offerings, expanded green payment scenarios, and focused on key areas like green travel and eco-tourism to make green consumption more accessible. The Bank has provided multiple exclusive environmental protection benefits, such as discounts on public transit, to encourage customers to practice the concept of environmental protection. The Bank has launched a public welfare component for redeeming credit card points, allowing customers to convert their points into donations for charity projects like "Protecting the Mother River" based on their preferences.



## Carbon Finance



Aligned with China's "dual carbon" strategy, the Bank has accelerated innovation in carbon finance products and services, providing robust financial support for the high-quality development of the carbon market and industrial green and low-carbon transition.



▲ Tang Jun, Head of the Discipline Inspection and Supervision Group of the Central Commission for Discipline Inspection and National Commission of Supervision at Agricultural Bank of China and Party Committee Member of Agricultural Bank of China, visited Xiushan County, Chongqing, to research targeted assistance initiatives. (Photo provided by Chongqing Branch)



### Deepening strategic partnerships

The Bank has strengthened collaboration with national carbon emissions registration agencies, national carbon emissions trading exchange agencies, and China Beijing Green Exchange to strive to ensure efficient and stable carbon market operations through high-level engagement, coordination between head office and branches, technology empowerment, and innovative services.



### Attending the China Carbon Market Conference 2024

The Bank was invited to participate in the "China Carbon Market Conference" jointly organized by the Ministry of Ecology and Environment, Hubei Provincial People's Government, and Shanghai Municipal People's Government to showcase experience and achievements in contributing to the development and operation of China's carbon market.



### Promoting the "ABC Carbon" product series

The Bank has innovated a product matrix that includes "ABC Carbon Services," "ABC Carbon Financing," "ABC Carbon Investment," "ABC Carbon Chain," and "ABC Carbon Operations." The Bank has innovated carbon finance in multiple dimensions, such as carbon market infrastructure construction, indirect financing, direct financing, supply chain, and carbon consulting to help build a multi-tiered carbon financial market.

## Green Innovation Services



✦ Xu Han, then Vice President and Party Committee Member of the Bank, attended the opening ceremony of the 7th Digital China Summit and visited ABC's digital project on the "Five Key Areas of Finance". (Photo provided by Fujian Branch)

### Green wealth management

ABC Wealth Management adhered to the value concept of balancing righteousness and interests and investing for good, vigorously innovating ESG-themed wealth management products, continuously enriching product terms and investment strategies, and promoting a steady increase in product scale.

By the end of 2024

there were **61** existing ESG-themed wealth management products

with a total time-specific size of RMB **69.426 billion** at that time.



Building a diversified green wealth management product line that leads the industry

In response to the diverse investment needs of customers, the Bank has launched innovative ESG-themed wealth management products with various strategies, such as "Tiantianli and Preferred Allocation". These products encompass various operating modes, including daily open, periodical open, minimum holding periods, and closed-end options, effectively covering short, medium, and long-term duration from 1 day to 3 years.



✦ Liu Jiawang, then Vice President and Party Committee Member of the Bank, visited Xueba Village, Huangping County, Guizhou, to research village-based assistance and credit support for farmers' production and operations. (Photo provided by Guizhou Branch)

### Green funds

The Bank has continued to deepen its partnership with the National Green Development Fund to serve equity financing needs in the field of green development. By the end of 2024, the Bank's cumulative paid-in capital contribution reached RMB 2.8 billion.

ABC Financial Assets Investment Co., Ltd. established Shanghai Power Investment Suihe Equity Investment Fund, Jiaying Suihe Zhejiang Investment Fund, Beijing Green Scientific Innovation Suihe IDIMC Equity Investment Fund, and Suihe Zhirong Lvke (Shanghai) Private Equity Fund, focusing on investing in green-related enterprises and projects such as wind power, photovoltaics, and clean energy industry chains. By the end of 2024, the cumulative investment reached RMB 6.84 billion.

ABC-CA Fund Management has actively carried out R&D of green fund products, with the size of green-themed investment funds reaching RMB 8.958 billion by the end of 2024.



▲ Liu Hong, Vice President and Party Committee Member of the Bank, attended the 2024 China Brand Forum Financial High-Quality Development Case Report Meeting. (Photo provided by the Corporate Culture Department)

## Green investment

ABC Financial Assets Investment Co., Ltd. has clearly identified green and low-carbon as a key area of the company's debt-to-equity swap business, steadily expanding the scale of green investment and financing businesses. By the end of 2024, the cumulative investment in green debt-to-equity swaps of ABC Financial Assets Investment Co., Ltd. reached RMB 53.5 billion, accounting for 32% of the debt-to-equity swap assets.

ABC International has firmly seized the development opportunities of the capital market interconnection between Hong Kong, China, and the Chinese mainland, incorporating ESG factors into investment analysis reports and decision-making processes, and performing comprehensive analyses of the ESG profiles of investment targets. By the end of 2024, the balance of green investment amounted to HKD 2.9 billion.



## Green insurance

ABC Property Insurance has continuously improved its green direct financing and innovative services supply capabilities in combination with its own operating characteristics, helping large online and physical retail companies to expand the sales of energy-saving and environmentally friendly products and achieve energy conservation and emission reduction in real operations. It has strengthened cooperation with insurance institutions in the Chinese mainland to offer reinsurance services for farmers' property and agricultural production from various provinces and regions in the Chinese mainland, supporting rural revitalization and Sannong development in county-level areas.

## Green leasing

ABC Financial Leasing has established a sustainable development path for its green leasing business, effectively leveraging the advantages of "financing + leasing-assets." It has built and improved a product system for green leasing, continually expanding the scale and optimizing the structure of green leasing business to support the low-carbon transition of the real economy. By the end of 2024, the balance of green leasing assets for ABC Financial Leasing reached RMB 65 billion, accounting for 64% of total leasing assets.

## Typical Cases of Green Investment and Financing



During the reporting period, the Bank held its inaugural Green Finance Product and Service Model Innovation Competition. In alignment with the Bank's green finance development strategy and with a focus on key areas of green finance reform and innovation, the competition featured two tracks: product innovation and service model innovation. Branches, overseas branches, and comprehensive subsidiaries actively participated, generating a series of valuable and replicable excellent innovation cases of green finance. These cases involved green finance serving national major regional strategies, promoting green development in rural revitalization, innovating carbon financial services, ensuring energy security, technology-empowered green finance, and international green investment and financing collaboration. It effectively stimulated innovation vitality in green finance and served as a catalyst for improved green financial services.



▲ The Bank held its inaugural Green Finance Product and Service Model Innovation Competition. (Photo provided by the Credit Management Department)



▲ Participant talent showing (Photo provided by the Credit Management Department)

## Serving rural revitalization

### Innovative Launch of Rural Revitalization-Themed Wealth Management Products

ABC Wealth Management innovatively launched a bond index-based wealth management product – "ABC Wealth Management ABC Anxin · Lingdong 120-Day (Rural Revitalization Theme)". This product selectively invests in key customers in the rural revitalization sector based on the index, with fund uses including rural revitalization projects, the construction of old revolutionary base areas, and sustainable development. This effectively guides market funds to support the rural revitalization strategy while providing wealth management customers with differentiated and diverse investment options.

### Precise Strategies to Assist Agricultural Cooperatives in Increasing Income

ABC Financial Leasing proactively engaged with large-scale agricultural production cooperatives to leverage the "financing + leasing-assets" characteristics of leasing services. It helped a cooperative select agricultural machinery suitable for its business needs, including cotton pickers, silage harvesters, and general harvesters, purchasing new machines before the autumn harvest to support cooperative members in increasing their income and injecting new vitality into the development of the local agricultural industry.

### Supporting the Construction of the Green Logistics System

The Dali-Ruilu Railway is a crucial part of the China-Myanmar International Corridor, significantly aiding rural revitalization in the southwestern region and contributing to the "Belt and Road" Initiative. The Pupiao Logistics Center, relying on transportation channels such as the Dali-Ruilu Railway and the Hangzhou-Ruilu Expressway, serves as an important rail-road intermodal logistics hub in Yunnan facing South Asia and Southeast Asia.

Yunnan Branch responded quickly to the national directive to develop a green logistics system, actively supporting the construction of the dedicated railway line for the Pupiao Logistics Center. By aligning with project standards and conducting targeted marketing, it provided financing support for the dedicated railway line from the Pupiao Station of the Dali-Ruilu Railway to the Pupiao Logistics Center under the jurisdiction of Yunnan. The project integrates green development philosophy into business areas such as park construction, warehousing and transportation, and cross-border services. At present, 100 pure electric heavy-duty trucks have been operated, and nine ultra-fast charging stations have been put into operation, with significant environmental benefits.



Yunnan Branch supports the construction of a green logistics system. (Photo provided of Yunnan Branch)

### Innovating "Lankao Model" to Support High-Standard Farmland Construction

Henan Branch positioned financial support for high-standard farmland construction as a key focus to serve food security, innovating a "five-in-one" service model, facilitating pathways for commercial financial services, and creating a replicable and scalable "Lankao Model," which supports nearly one million mu of high-standard farmland construction, injects financial vitality into rural revitalization and safeguards food security.

### Supporting Saline-Alkali Land Improvement Projects

Beijing Branch innovated the "green +" service model, formulated credit service plans for enterprises mainly engaged in saline-alkali land improvement and land consolidation. By leveraging companies' multiple patents in saline-alkali land improvement technologies, it aligned special financial products to assist these companies in securing the raw materials needed for saline-alkali land transformation, helping complete projects in Menggu Suokou in Baicheng and Shuangyushu in Daqing. During the reporting period, it helped improve saline-alkali land and increase arable land, effectively broadening the scope of green financial services.



Beijing Branch supports the saline-alkali land improvement projects. (Photo provided by Beijing Branch)

## Supporting the energy revolution

### Supporting the Ningxia Zhongwei PV Power Generation Project

The Ningxia Zhongwei 3 Million Kilowatt Photovoltaic Composite Project is a key supporting project for the Ningxia-Hunan DC project, the nation's first ultra-high-voltage transmission corridor primarily aimed at developing large-scale desert photovoltaic bases and transmitting new energy. Upon completion, this project can optimize the energy structure, stabilize the regional power grid, and significantly reduce carbon dioxide emissions, delivering substantial energy conservation and emission reduction benefits. Ningxia Branch provided robust support for this project, exemplifying the Bank's commitment to targeted and comprehensive financial support for clean energy initiatives. In the large-scale cultural variety show "Biographies of Masters · Poets in the Tang Dynasty" sponsored by ABC and launched by China Media Group (CMG), the measures and results of financial support for the project were demonstrated.



▲ Ningxia Branch supports the Zhongwei photovoltaic project. (Photo provided Ningxia Branch)

### Supporting the Construction of National "Desert, Gobi, and Barren Land" New Energy Bases

The Bank supported the construction of the national "desert, gobi and barren land" new energy base key project — Inner Mongolia Huaneng Kubuqi Desert South New Energy Base, and set up a major project marketing team to strengthen communication between senior management, reinforce regional marketing, and implement parallel operations between front and back offices, thereby efficiently completing project approvals. This project plans to generate 4 million kilowatts of wind power and 8 million kilowatts of solar power, with an accompanying coal-fired power capacity of 4 million kilowatts, synchronously configured with energy storage and ecological management projects. Upon completion, it is expected to provide approximately 27.4 billion kilowatt-hours of clean electricity annually, equivalent to an annual savings of about 8.62 million tons of standard coal and an annual reduction of approximately 23.24 million tons of carbon dioxide equivalent emissions.

### Supporting Clean Energy Combined Heat and Power Project

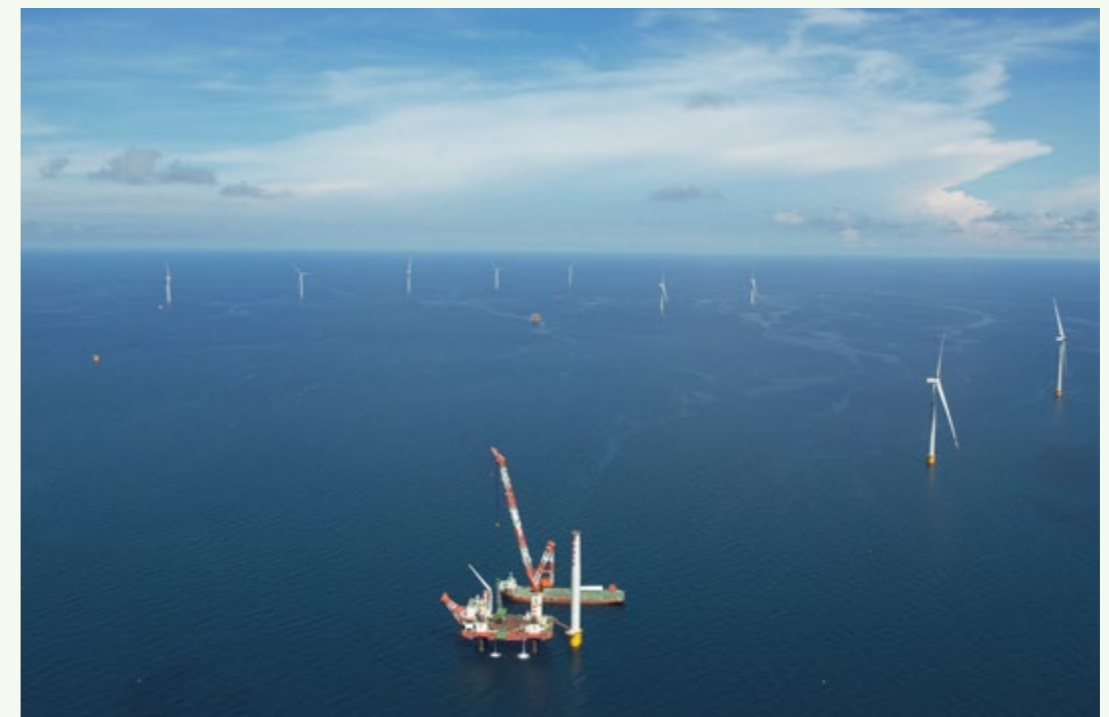
The Inner Mongolia Branch supported the Clean Energy Combined Heat and Power Project in Xing'an League of Inner Mongolia Autonomous Region, injecting "financial vitality" into the growth of private enterprises. This project is significant for Zhalaite Banner in promoting energy conservation and emission reduction, improving the ecological environment, facilitating the processes of carbon peaking and carbon neutrality, and creating a clean energy demonstration county (banner). After the project is completed, the entire area of Yinde'er Town, Zhalaite Banner, will adopt green power generation and clean energy for heating. The project will effectively improve the quality and efficiency of power supply and heating in the banner.

### Underwriting Shandong Nuclear Power's "Green + Science and Technology Innovation" Dual-Standard Bonds

Shandong Branch seized the financing needs of the Shandong nuclear power project, reinforcing Bank top management visits to enterprises. It actively collaborated with the head office's business departments, quickly formed a flexible three-tier team for coordination, and innovatively designed a "Green + Science and Technology Innovation" dual-standard bond financing scheme. This effort succeeded in securing exclusive lead underwriting qualifications, helping the enterprise reduce financing costs. Once completed, the project is expected to save the equivalent of 5.4126 million tons of standard coal annually and reduce carbon dioxide equivalent emissions by 11.133 million tons, resulting in significant environmental benefits.

### Supporting the Offshore Wind Power Project and Promoting Blue Economy Development

Hainan Branch actively supported the Danzhou Yangpu Offshore Wind Power Project, conducting multiple site visits and quickly responding to corporate needs. It efficiently approved preliminary loans for the project and provided comprehensive financial service plans to ensure the smooth construction of the project. Once completed, this project is expected to generate 3.66 billion kilowatt-hours of clean electricity per year, equivalent to saving 1.1 million tons of standard coal per year and reducing carbon dioxide equivalent emissions by about 2.87 million tons per year, yielding significant environmental benefits.



▲ Hainan Branch supports the construction of the offshore wind power project. (Photo provided by Hainan Branch)

## Serving ecological and environmental protection

### ▶ Financial Support for Ecological Restoration of the Lake by Returning the Polders to the Lake

As the third largest lake in Jiangsu Province, Gaoyou Lake is renowned for its rich ecological resources and profound cultural heritage, but it faces significant ecological challenges from historical changes. The Bank actively promoted the Yangtze River Protection Strategy, supported the return of polders to lakes and ecological restoration with credit, and provided "financial vitality" for Gaoyou's environmental governance, economic transformation, and green economic development.

The large-scale documentary "Agricultural Exploration of Civilization", produced by China Media Group and exclusively sponsored by the Bank, tells society about the Bank's financial support for the construction of Gaoyou Lake Wetland Agricultural System, highlighting ecological environment protection practices and effectiveness, and actively spreading the green development philosophy.



▲ Jiangsu Yangzhou Branch provides credit support for the ecological environment restoration of Gaoyou Lake. (Photo provided by Jiangsu Branch)

### ▶ Supporting Ecological and Environmental Protection of Haoyunjiao

Located at the easternmost tip of the Shandong Peninsula, Haoyunjiao Resort includes many ecological tourism resources such as Chengshantou National Scenic Area, Mt. Shendiao Wildlife Reserve, Swan Lake, Jiming Island, etc., connecting five major ecosystems: rivers, lakes, forests, islands, and wetlands. Shandong Branch actively supported the development of Haoyunjiao Resort by providing high-quality financial services and increasing funding support, which has facilitated rapid governance and transformation of the Resort. Currently, the seawater quality in the area is significantly improved, and biodiversity is increasing. It has become a typical case of enhancing coastal ecological landscapes, improving regional ecological environments, and promoting harmony between people and coastal wetlands.

### ▶ Supporting the Ecological Protection and Restoration of Huangguoshu Scenic Area

The Huangguoshu Scenic Area is known for its significant ecological functions and rich biodiversity, featuring high scientific and conservation value. To improve the ecological environment of the Huangguoshu Scenic Area and enhance its tourism appeal, the Guizhou Branch provided loans to support ecological ecological protection and restoration, and the construction of smart tourism facilities. At present, the forest area in the Huangguoshu Scenic Area covers 209,000 mu, with a forest coverage rate of 66.31%, where the core scenic area exceeds 85% forest coverage and maintains 100% air quality excellence, earning the title of "Global Low-Carbon Ecological Scenic Area."

## Serving the green transformation of industries

### ▶ Underwriting China Southern Power Grid's "Two New" Green Debt Financing Instruments

The Bank jointly underwrote the 2024 Phase II Green Medium Term Notes of China Southern Power Grid, with an issuance size of RMB 1.5 billion. The funds raised will be used for the technological transformation of grid infrastructure projects of units under China Southern Power Grid, supporting the issuer's active response to the State Council's deployment for promoting large-scale equipment renewal and trade-ins of old appliances for new for effectively achieving an innovative blend of "two new" purposes and green bonds.



### Supporting the Urban Renewal and Renovation Projects

Taking urban renewal as an opportunity, the Beijing Branch customized financing service plans to support the construction of Beijing's green urban renewal and transformation projects. By optimizing spatial layouts and enhancing regional functionality, this project aims to improve the living environment and quality of life for surrounding residents. Based on promoting the regional economy, it emphasizes "low carbonization," increases green space, and reduces the consumption of natural resources and environmental pollution, thereby promoting sustainable green development in the area.

## Serving major regional strategies

### Serving the Construction of Marine Ranches in the Guangdong-Hong Kong-Macao Greater Bay Area

Guangdong Branch focused on two key areas: marine equipment and seed industry development. Acting as the specialized service center for marine ranches, it provided full coverage of financial services for marine ranches across 13 coastal cities in Guangdong Province. It innovated products such as marine ranch equipment mortgage loans and cold chain loans, supporting the development of business entities in the entire industrial chain, such as seedling cultivation, equipment, breeding, fishing, processing, warehousing, and distribution. Additionally, it established a county high-quality development equity investment fund, implementing a "direct + indirect" comprehensive service approach. By the end of 2024, the accumulated loans related to marine ranches exceeded RMB 19 billion, serving nearly 30,000 customers.

### Supporting Comprehensive Desertification Prevention and Key Ecological Projects like the "Three Norths"

The Inner Mongolia Branch innovatively launched a key financial services manual for comprehensive desertification prevention, and issued work plans for the construction of key ecological projects such as the "Three Norths", accurately supporting the comprehensive desertification prevention and the construction of key ecological projects such as the "Three Norths". The Branch established a project library of "desert, gobi and barren land" and "wind and photovoltaic" large bases to vigorously support the prevention and control of desertification and wind and photovoltaic integration projects. The Branch intensified support for key enterprises in the forestry and grassland sectors, financing the cultivation and planting of seedlings for natural forests and sand-fixing plants, thereby contributing to comprehensive land management and ecological improvement in the "ji-shaped riverbed" of the Yellow River.

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

Shandong Branch issued the *Implementation Opinions of Agricultural Bank of China Shandong Branch on Further Improving Financial Services for Ecological Protection and High-quality Development along the Yellow River Basin*, continuously deepening Bank-government cooperation, formulating differentiated policies, and improving the "Yellow River Series Loans". The Branch actively facilitated project alignment for ecological protection and high-quality development along the Yellow River Basin, with a focus on promoting regional high-standard farmland construction, and water conservancy projects, rural industries, livable and business-friendly rural areas, and emerging strategic industries along the Yellow River. This aims to create a "demonstration zone" for serving the national strategy of the Yellow River, injecting green energy into ecological protection and high-quality development in the basin.

## Supporting Green Finance Reform and Innovation Pilot Zones and Climate Investment and Financing Pilot Areas

### Jiangxi Branch

Established Ganjiang New Area Sub-branch in Ganjiang New Area, a green finance reform and innovation pilot zone, and formulated the *Implementation Plan for Green Finance Work of Agricultural Bank of China Limited Jiangxi Branch* to clearly support the construction of Ganjiang New Area Green Finance Reform and Innovation Pilot Zone. The Branch's sub-branch actively engaged with local government departments and specialized institutions, leveraging green resource endowment within the jurisdiction to focus on green industries such as solar power generation, ecological restoration, wastewater treatment, and green buildings to continuously increase the effective issuance of green loans.

### Guizhou Branch

Established green finance/peak carbon emissions and carbon neutrality committees in all secondary branches, enhancing departmental communication and coordination mechanisms. This facilitates the committees' role, creating a collaborative effort for green finance development. Differentiated policies were implemented for the Guian and Guizhou green finance pilot county sub-branches to prioritize the development of green finance reform and innovation pilot zones.

### Zhejiang Lishui Branch

In Zhejiang took the lead in building a national climate investment and financing pilot city, introducing 15 measures to support the establishment of the Lishui climate investment and financing pilot program. The Branch integrated an ESG evaluation model into its credit management processes, using ESG performance as a crucial criterion for entry and exit. The Branch dynamically tracked and evaluated climate performance, providing differentiated policies for projects (or companies) with excellent climate performance and significant carbon reduction benefits. The Branch innovatively applied a "climate investment and financing + Sannong" service model, launching "Climate Support Loans for Companies" and "Climate Support Loans for Farmers" to provide financial support for companies and farmers.

Taking the opportunity of building a national climate investment and financing pilot city, Xinyang Guangshan Sub-branch in Henan relied on the ecological resource endowment of the old revolutionary base of Dabie Mountains to innovatively build a "green benchmark sub-branch". By focusing on clean energy development, circular agriculture and other fields, it established special service plans, supporting green projects such as pumped storage and wind power, serving modern ecological breeding, agricultural and forestry waste resource utilization and other characteristic industries, and channeling "financial vitality" to transform "lucid waters and lush mountains" into "mountains of gold and silver".

## Serving the co-building of the "Belt and Road Initiative"

### ▶ Strengthening Green Finance Cooperation with Financial Institutions in ASEAN Countries

The Bank actively promoted the development of cross-border finance business with ASEAN countries, formulated and disseminated the *Implementation Plan for Agricultural Bank of China's Domestic and Overseas Joint Services for Cross-Border Finance in ASEAN Countries* to enhance industrial connections, develop trade financing, and foster cooperation with financial institutions. The Bank actively participated in the establishment of the "Belt and Road" Initiative, the New International Land-Sea Trade Corridor, and the financial open gateway directed at ASEAN countries. The Bank innovated financing mechanisms and channels to support Chinese enterprises in assisting ASEAN countries with high-quality clean energy projects, low-carbon infrastructure construction, green industry cooperation, and green technologies, thereby enriching the supply of green financial products. To coordinate and promote support for major customers and projects related to ASEAN countries in participating in the "Belt and Road" Initiative, the Bank held a financial services seminar on "Domestic and Overseas Joint Services" and Eastern Industrial Relocation.

### ▶ Supporting the Kinshasa Substation Protection Project in the Democratic Republic of the Congo

The Bank issued a non-financing guarantee for a protection project at the Kinshasa Substation Protection Project in the Democratic Republic of the Congo of a group. Located in Kinshasa, the capital of DRC, the project focuses on protective measures for the substation. Once completed, it will effectively prevent soil erosion near the substation and protect it from flood-related disasters, positively impacting the safe operation of the substation and improving the surrounding environment.

### ▶ Supporting the Wind Power Project in Serbia

The Bank backed a "going global" project for a group by issuing a performance guarantee for the wind power project in Serbia. This project includes the installation of wind turbine generator systems, supporting transmission and distribution systems, access roads, and environmental protection works. Once completed, it will inject strong momentum into the development of Serbia's clean energy sector, contributing to the local energy and environmental protection efforts.

# Strengthening Policy Guarantees and Establishing Long-term Mechanisms

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The Bank has strictly adhered to national environmental policies and regulations, implemented the requirements of national industry policies, complied with relevant national and industry standards, actively responded to international green principles and initiatives, and continually improved the policy systems and mechanisms that adapt to the requirements of the construction of an ecological civilization.

## Adhering to national environment-related laws and regulations

The Bank has strictly adhered to the *Environmental Protection Law of the People's Republic of China*, *Law of People's Republic of China on Environmental Impact Appraisal*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People's Republic of China on Prevention and Control of Soil Contamination*, *Energy Conservation Law of the People's Republic of China*, *The Yangtze River Protection Law of the People's Republic of China*, *The Yellow River Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and other environmental-related laws and regulations.

## Implementing the "dual carbon" strategy and requirements of industry policies

The Bank has always been committed to implementing the policies outlined in the *Opinions of the CPC Central Committee and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development*, *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy by the Communist Party of China Central Committee and the State Council*, *Guidelines to Comprehensively Promote the Development of a "Beautiful China" by the Communist Party of China Central Committee and the State Council*, and *Action Plan for Carbon Dioxide Peaking Before 2030*, among other directives.

The Bank has strictly implemented policies and relevant requirements in key areas such as green development and carbon peaking and carbon neutrality in documents such as the *14th Five-Year Plan on Industrial Green Development*, the *14th Five-Year Plan for Modern Energy Systems*, the *14th Five-Year Plan for Renewable Energy Development*, *Implementation Plan for Synergistic Reduction of Pollution and Enhancement of Carbon Emission Efficiency*, *Green Transportation "14th Five-year Plan" Development Plan*, *Implementation Plan for Agricultural and Rural Emission Reduction and Carbon Sequestration*, and *Opinions on Improving Institutional Mechanisms and Policy Measures for Green and Low-Carbon Energy Transition*.

## Implementing regulatory policies and management requirements

The Bank has strictly implemented the management requirements set forth by regulatory bodies in documents such as *Guidelines for Establishing the Green Financial System*, *Green Finance Guidelines for the Banking and Insurance Industry*, *Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development*, *Guiding Opinions on Effective Implementation in "Five Areas of Finance" by the Banking and Insurance Industries*, and *Opinions on Leveraging Green Finance to Support the Beautiful China Initiative* and green finance statistical systems, continuously improving the quality and efficiency of serving green development, carbon dioxide peaking and carbon neutrality.

## Responding to international principles and initiatives related to the environment and climate

The Bank has signed the *Green Investment Principles for the Belt and Road Initiative* and the *Principles for Responsible Banking*. The Bank has become a supporting organization of the Task Force on Climate-related Financial Disclosures and has actively supported the implementation of the United Nations (UN) Sustainable Development Goals and the Paris Agreement. It joined the Institute of International Finance (IIF) Sustainable Development Working Group and the GISD Alliance. The Bank has participated in the "China Corner" side event at the 15th Conference of the Parties to the Convention on Biological Diversity, and jointly released the *Joint Action Plan of Financial Institutions in the Banking Sector to Support Biodiversity Conservation*. The Bank has attended the Annual Meeting of the China Development High-level Forum 2024, the 2024 Annual Conference of China Society for Finance and Banking & China Monetary and Financial Forum, the 3rd General Meeting of Asian Financial Cooperation Association, and the 2024 ESG Global Leaders Conference to contribute ideas and suggestions for promoting the green transformation of the economy and society, as well as for the formulation of green finance standards.

## Formulating Green Finance Policies



### Comprehensive policies

The Bank has incorporated green and low-carbon requirements into the 2024 credit policy guidelines, credit policy guidelines for Sannong, and credit policy guidelines for inclusive finance, coordinating credit policies to jointly support rural revitalization, inclusive finance, green finance, and high-quality development of the real economy. The Bank has issued the annual work priorities, clarifying the annual key tasks of green finance/carbon peaking and carbon neutrality around effectively strengthening institutional mechanisms, promoting innovation in green finance products and services, solidly managing risk control, and steadily advancing energy saving and carbon reduction measures.

#### The 2024 Credit Policy Guidelines of Agricultural Bank of China:

The Bank focuses on the strategy of carbon peaking and carbon neutrality, intending to forge new advantages in the green industry. Key support is directed towards national large-scale wind power and photovoltaic bases, clean energy bases, offshore wind power bases, hydropower bases in the southwest, coastal nuclear power projects, and clean heating projects as well as residential clean heating projects. Furthermore, emphasis is placed on energy-efficient and environmentally friendly renovations of existing trunk railways, railway electrification transformation, dedicated freight railways, and high-quality urban rail transit projects. Support is also given to high-quality green and low-carbon advanced technology demonstration projects, as well as resource recycling initiatives, park infrastructure green renovations in green factories, green parks, and enterprises within green supply chains. Projects focused on wastewater and solid waste treatment, hazardous waste management, charging infrastructure, and high-quality projects from the climate investment and financing project database are also prioritized.

#### The 2024 Credit Policy Guidelines for Sannong of Agricultural Bank of China:

The Bank focuses on achieving the goal of carbon peaking and carbon neutrality, supporting the green and low-carbon development of agriculture and rural areas. The Bank backs green development of agriculture, focusing on supporting national agricultural green development pilot zones and national ecological farms, and accelerating the trial and promotion of green technology. The Bank ensures the quality and safety of agricultural products, actively supporting national agricultural product quality and safety counties, contributing to the development of a green and low-carbon agricultural industry chain to enhance agricultural quality, efficiency, and competitiveness. The Bank also actively promotes the development and utilization of clean energy in rural areas.

#### The 2024 Credit Policy Guidelines for Inclusive Finance of Agricultural Bank of China:

The Bank leverages inclusive finance to support green and low-carbon development, actively meeting the financial needs for the green transformation of production and operation methods of small and micro-sized enterprises, as well as farmers, including technological upgrades and pollution control efforts. The Bank explores and develops green finance products tailored to the operational characteristics of small and micro-sized enterprises. The Bank vigorously supports the rural green consumption such as construction and renovation of low-carbon rural housing, clean cooking appliances, sanitation facilities, new energy vehicles, and clean heating renovations, and financial needs such as green smart home appliances going to the countryside and trade-ins of old appliances for new.

## Industry-specific and differentiated policies and systems



### Agriculture

The Bank has implemented the national requirements for promoting green development of agriculture and accelerating the reduction and efficiency improvement of agricultural inputs. For industries such as grain, seed industry, pesticide manufacturing, fertilizer manufacturing, and edible vegetable oil processing, the Bank has formulated the *Credit Support Policy for Grain Industry*, *Credit Policy for Crop Seed Industry*, *Credit Policy for Pesticide Manufacturing Industry*, *Fertilizer Manufacturing Industry Credit Policy*, and *Credit Policy for Edible Vegetable Oil Processing Industry* to continuously increase policy support for green agriculture. The Bank has strengthened the green and environmentally friendly approaches, focusing on supporting environmentally friendly, efficient and safe pesticide and fertilizer production enterprises. While ensuring national food security, the Bank has concentrated on areas such as adjusting planting industry structure, improving crop varieties, applying organic fertilizers, and promoting green and efficient cultivation techniques, thereby enhancing credit support and clarifying the commitment to green and environmentally friendly approaches. The Bank has strengthened the identification and management of ecological and environmental risks associated with agricultural industry customers, enhanced pollution discharge and environmental protection requirements, and strictly enforced a "one-vote veto" policy against customers and projects that fail to comply with ecological and environmental protection mandates, such as unlawful discharge of livestock and poultry waste.



### Biodiversity conservation

The Bank has formulated several credit policies, including the *Credit Policy for Crop Seed Industry and Credit Policy for Forestry and Processing Industry*, to enhance support for the entire green agriculture industry chain, including ecological planting, ecological breeding, under-forest economy, and modern seed industry. The Bank has actively supported afforestation and forest resource cultivation projects that offer significant carbon sink or carbon sequestration benefits. The Bank has actively provided financial services for the integrated protection and systematic management of mountains, rivers, forests, fields, lakes, grasslands and deserts, and major biodiversity conservation projects. Industry credit policies have explicitly demanded an increase in ecological protection awareness, emphasized the importance of corporate environmental violations and regulatory oversight, and focused on key indicators related to environmental, social, and governance (ESG) risks. Strict enforcement of a "one-vote veto" policy has applied to customers and projects that pose significant ESG risks or fail to meet ecological and environmental protection requirements.



### Electricity

The Bank has formulated industry credit policies such as *Credit Policy for Thermal Power Industry*, *Credit Policy for Hydropower Industry*, *Credit Policy for Wind Power Industry*, *Credit Policy for Solar Power Generation Industry*, *Credit Policy for Nuclear Power Industry*, and *Credit Policy for Biomass Power Generation Industry*. The Bank has coordinated the relationship between carbon reduction and energy security, highlighted green and low-carbon management requirements such as green, environmental protection, energy consumption, and work safety, and clarified pollution discharge permits, environmental protection and other requirements. The Bank has paid attention to key indicators such as ESG risks, focusing on supporting customers and projects that meet ecological protection requirements, and resolutely withdrew from projects that are explicitly prohibited or eliminated by the state.



### Oil, natural gas, and mining

The Bank has formulated relevant industry credit policies such as *Credit Policy for Coal Industry*, *Credit Policy for Petrochemical Industry*, and *Credit Policy for Metal Mining and Dressing Industry*, clarifying the access standards for relevant customers and projects, and strictly prohibiting intervention in projects that fail to meet the requirements of national industrial policy. The Bank has put forward relevant requirements for the management of ESG risks, and attached great importance to the performance of enterprises in energy efficiency, environmental protection, work safety, etc.



### Revising and improving industry and special policies

The Bank has increased thematic research on the new energy industry, and revised industry credit policies for the wind power equipment industry and the new energy vehicles industry according to the latest national policy requirements. The Bank has refined credit policies in agricultural sectors such as high-standard farmland and grain milling, and further increased support for high-standard farmland construction, to reduce food waste across the supply chain. The Bank has revised the *Business Management Measures for Farmers' Professional Cooperatives and Operational Procedures for Forestry and Fruit Loans* to promote the accelerated development of specialized cooperatives and forestry and fruit loan business.



### Strengthening the construction of a major green finance project database

Focusing on key green areas such as clean energy, green infrastructure upgrades, energy conservation and environmental protection, and ecological environment, the Bank has strengthened credit support and provided differentiated policies for projects in the database in terms of credit strategies and approval authority.



### Implementing differentiated policy support for green finance

The Bank has increased differentiated authorization support for high-quality customers and projects in green industries. The Bank has improved the priority review and approval mechanism, and included credit businesses related to ecological protection and high-quality development along the Yellow River Basin, national large-scale wind power and photovoltaic base projects, and items under the *Guiding Catalogue for Green and Low-Carbon Transition of Industries* into the priority scope.

## The Bank's policies and systems related to carbon peaking and carbon neutrality



The Bank has promoted the implementation of the *Peak Carbon Emissions and Carbon Neutrality Work Plan of Agricultural Bank of China* and the *Implementation Plan of "Carbon Inventory" of the Agricultural Bank of China*, to strengthen carbon footprint management, and solidly promote energy saving and carbon reduction and green development.

The Bank has issued the *Guidelines for the Building of Green Outlets of Agricultural Bank of China*, advocating green environmental protection, low-carbon emissions reduction concepts, and actively promoting the construction of green outlets.

The Bank has promoted the implementation of the *Energy Conservation and Emission Reduction Special Work Plan for Data Center of Agricultural Bank of China*, creating a task list and establishing development goals for energy conservation and emissions reduction for data center facilities before 2030. The Bank has further strengthened the energy management of the Head Office, improving the comprehensive utilization efficiency of energy, and implementing energy-saving technical transformation projects.

## Increasing Preferential Resource Allocation



### Strengthening the development of professional talent teams

The head office and branches have established a tiered professional green finance talent pool, enhanced training and development for the talents in this pool, and continuously improved the professional capabilities of personnel in green finance of the Bank. In the 2025 campus recruitment of the head office, the Bank has created a dedicated "Five Key Areas Specialized Plan - Green Finance Position," implementing targeted recruitment to fill roles related to green finance industry research, product development, and risk management.

### Adjusting compensation resource allocation

The Bank's performance evaluation system incorporates development indicators for green finance-related businesses, linking compensation distribution to performance evaluation results, guiding various institutions to align their services with national development strategies, and promoting sustainable green development.

### Strengthening the credit resource assurance

The Bank has increased credit support in the field of green finance, invested more credit resources in green credit-related fields, and given priority to meeting branches' green credit issuance needs.

### Managing operational plans effectively

The Bank has conducted effective management of operational plans for green credit and green bond underwriting, strengthening the guidance for green credit issuance and green bond underwriting.

### Strengthening economic capital support

The Bank has supported green credit business through strategic allocation of economic capital.

### Increasing support for business expenses

The Bank has allocated expense resources for green finance business to stimulate the enthusiasm and initiative of various institutions in developing the green finance business.

## Improving incentives and constraints



### Solidifying the foundation of compliance management

The Bank has conducted compliance-driven quality excellence activities, issuing a plan for compliance-driven quality excellence activities, and conducting evaluations to recognize benchmark compliance units and compliance stars. The Bank has organized activities for leadership to discuss compliance, placing green finance as a critical component. The Bank has expanded compliance education outreach through newspapers, convergence media, and work briefings, promoting a culture of finance and enhancing overall compliance awareness and management levels across the Bank.

### Strengthening internal supervision and guarantee

The Bank has incorporated the implementation of green finance policies and systems into the internal control evaluation system of branches, set up relevant evaluation indicators related to green finance development strategy, highlighted the evaluation orientation in areas such as green finance, and guided all branches to practice environmental, social and governance responsibilities. The Bank has taken the implementation of green finance policies and compliance management as important contents of internal audits to enhance the compliance awareness of all staff.

### Enhancing compliance review for green finance

The Bank has focused on policy compliance, active compliance, and substantive compliance, taking the green finance policies and regulations issued by the state and regulatory bodies as an important part of system construction and compliance review. The Bank has continuously paid attention to credit support and green finance compliance management in key areas such as green industries.

## Strengthening Data Sorting, Verification and Protection



### Optimizing the data management governance structure

The Bank has implemented the *Guidelines for Data Governance of Banking Financial Institutions*, and established and improved an enterprise-level data governance organizational structure, including the Board of Directors, the Board of Supervisors, and the Senior Management, centralized management departments, business departments, technology departments, and branches/affiliates. The Bank has clarified the data governance responsibilities of all parties, improved the working mechanism, and promoted the formation of data governance synergy among various institutions within the group.

The Board of Directors is responsible for formulating data strategies and approving major matters related to data governance. The Board of Supervisors is responsible for supervising and evaluating the due diligence performance of the Board of Directors and the Senior Management in data governance. The Senior Management is responsible for establishing data governance systems and mechanisms, approving important matters of data governance, etc. The Information Management Department takes the lead in implementing the construction of a data governance system and improving systems, mechanisms, and processes. The business departments assume responsibility for data governance within their respective business lines, ensuring compliance with relevant data standards, security, quality control, and regulatory reporting. The technology department is responsible for data governance at the system level, including the enforcement of system constraints and requirements for data quality, standards and security. Domestic and overseas branches and affiliated institutions organize the implementation of the Head Office's data governance policies, establishing their own data governance organization system, and guiding the institutions under their jurisdiction to carry out data governance work. The internal control and internal audit departments supervise the compliance, integrity, and effectiveness of data governance throughout the Bank within their responsibilities.

### Strengthening data quality management

The Bank has focused on providing high-quality data, continuously managing statistics related to various aspects of green finance, fostering cooperation between business departments and the technology department to create a unified approach to data governance, and ensuring the authenticity and accuracy of green financial data. The Bank has clearly strengthened the relevant requirements for green finance business data quality management, continuously improved system support capabilities, strengthened data monitoring and management, and continuously improved the quality and management of green financial data.



## Building a data management platform



The Bank has progressively established a "full-link" data quality control system, continuously refining the closed-loop control processes for data quality. The Bank has optimized the daily data quality monitoring and verification rules, including the quality of green financial data in the monitoring scope. The Bank has strengthened the "business-technology-digitalization" coordination, using special topics to promote the basic data governance at relevant sources regularly.



The Bank has developed intelligent identification functions for green assets, utilizing retrieval technology and recommendation algorithms to create a "Green Asset Tagging System + Green Credit Classification Search Engine." This system helps intelligently match or recommend appropriate categories of green business, refine data validation rules, and enhance data quality.



The Bank has continuously improved the classification information and identification processes for green bonds within the global investment transaction management platform, enhancing features such as green bond exposure statistics and report statistics capabilities. This helps provide systematic support for refined business management, data statistics, and regulatory reporting.

## Managing data security effectively

The Bank has used the Data Security Management Measures as the framework to establish and issue supporting guidelines on classification, grading, general protection, and security assessments, guiding the entire organization in its data security management efforts.

### Strengthening the integrated data security management

The Bank has formulated a data asset sorting and sensitive data list for overseas branches, and developed an overseas version of the terminal data leakage prevention system. The Bank has implemented various technical prevention and control measures for data leakage, to identify and monitor data security risks, improve the prevention and control capabilities, such as sensitive data discovery, data encryption, authorization management, and behavior control, and ensure data security standards.



### Developing data security response measures

The Bank has formulated the *Data Security Incident Emergency Plan*, clarifying the incident classification and grading standards, reporting and handling processes, and division of labor, accountability mechanisms, etc. The Bank has issued the 2024 Data Security Emergency Drill Plan of Agricultural Bank of China, conducting data security emergency drills in domestic branches, overseas branches, and group subsidiaries for typical data security case scenarios to improve the emergency response capabilities of the entire group. The Bank has established a network security emergency plan system, clarifying the disposal measures and processes, to continuously improve preparedness and response capabilities to relevant emergency situations.

# Addressing Climate Change and Strengthening Risk Control



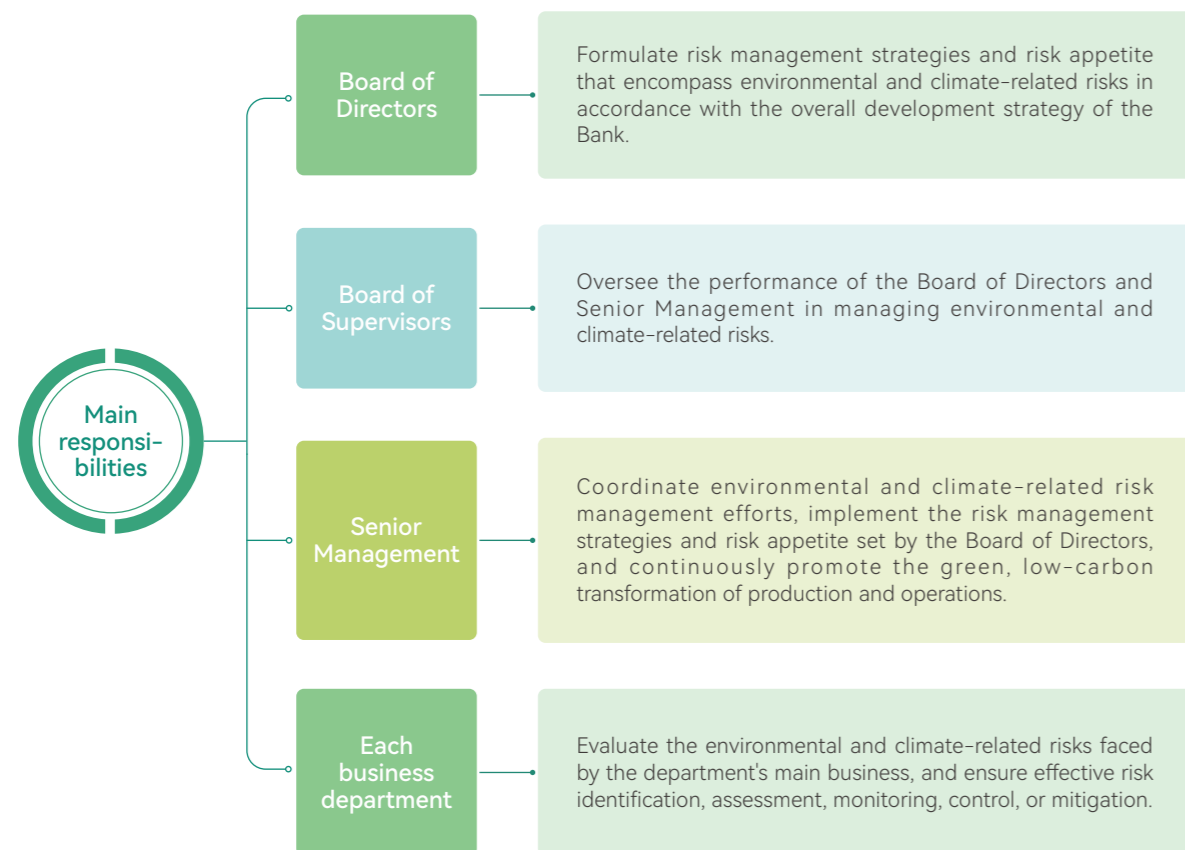
- Improving the Environmental and Climate-Related Risk Management Framework
- Strengthening the Identification and Response to Environmental and Climate-Related Risks
- Strengthening Environmental, Social, and Governance Risk Management
- Strengthening the Quantitative Analysis of Environmental and Climate-Related Risks

The environmental and climate-related risks are receiving increasingly widespread attention from society and financial institutions. To address these risks, the Bank has continuously improved the environmental and climate-related risk management framework, optimized the identification, assessment, and management of these risks, and promoted the steady and healthy development of its business.

## Improving the Environmental and Climate-Related Risk Management Framework



The Bank has fully recognized the importance of managing environmental and climate-related risks and clearly defined the management functions of the Board of Directors, the Board of Supervisors, Senior Management, and relevant departments. It has improved the statement of credit risk appetite for green finance business within the group's risk appetite and enhanced the requirements related to risk management for green finance business. By continuously optimizing the environmental, social, and governance risk management systems and strengthening the identification, assessment, management, and process control of environmental, social, and governance risks, the Bank has continuously enhanced the efficiency of environmental, social, and governance risk management. It has explored ways to improve tools and models for managing climate-related risks, thereby effectively enhancing its ability to support green, low-carbon development and prevent risks associated with the green transformation.



## Strengthening the Identification and Response to Environmental and Climate-Related Risks



The Bank continuously improves response strategies by actively identifying and assessing environmental and climate-related risks.

### Risk Identification and Response

Main risks	Risk factors	Main influence	Time range	Response measures
Credit risk	<p><b>Physical risk:</b> Extreme weather, natural disasters, etc., that can lead to damage or accelerated depreciation of debtors' houses and assets, causing business interruption or damage to collateral.</p> <p><b>Transformation risk:</b> In the context of addressing climate change and promoting economic low-carbon transformation, related policies on energy transition, pollution control, and carbon emissions may be introduced or standards may be raised, leading to increased costs and reduced output in certain industries, as well as increased business uncertainty.</p>	This could lead to restricted development in some high-carbon industries, an increase in debtors' production costs, and a decrease in debt repayment capacity. If the relevant national environmental laws, regulations, and policies are not enforced, it will result in environmental and climate-related litigation or legal risks, thus increasing the risk of default.	Medium and long term	Strengthen the management of credit and investment & financing businesses in high-carbon industries. Improve the environmental, social, and governance risk management measures for credit business, and strengthen compliance investigations and reviews in areas such as environmental protection, work safety, and occupational disease prevention.
Market risk	<p><b>Transformation risk:</b> Carbon emission reduction policies induce price fluctuations of bulk commodities such as energy and industrial goods, as well as the revaluation of corporate bonds and stocks.</p>	Consumers may reduce consumption of high-carbon or non-environmentally friendly products, and investors may invest less in corresponding enterprises, thereby impacting the production and operations of certain industries.	Medium and long term	Keep abreast of policy changes and scientifically assess their market impact. Promptly develop products and services that meet customers' low-carbon and environmentally friendly needs.
Liquidity risk	<p><b>Physical risk:</b> Extreme weather, natural disasters, and other factors that cause damage to borrowers' properties, increasing the risk of debt default; affecting customers' operational funds and the Bank's operating liquidity.</p>	Customers' businesses and the Bank's operations are restricted, sources of funds are reduced, and fund liquidity assurance is affected.	Short term Medium and long term	Closely monitor and assess the impact of climate risk on the Bank's operations and customers' businesses. Incorporate climate risk factors into liquidity management and optimize them promptly.

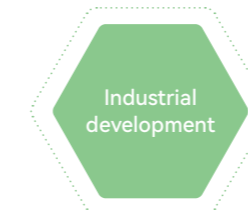
Operational risk	<p><b>Physical risk:</b> Natural disasters or extreme weather may cause damage to Bank outlets, data centers, and other facilities or disrupt operations, leading to asset losses.</p> <p><b>Transformation risk:</b> Policies, laws, and regulations introduced to address climate change may alter the operational norms of Banking.</p>	It may interrupt Banking operations and increase the compliance and legal risks for Banks.	Short term	Ensure that the outlet infrastructure complies with national disaster prevention standards.
Reputational risk	<p><b>Physical risk:</b> Banks provide insufficient support to customers affected by climate disasters.</p> <p><b>Transformation risk:</b> Banks hold too many high-carbon assets; unlawfully grant loans to high-carbon enterprises; lead to stakeholders' negative evaluations of Bank operations and management due to environmental and climate-related factors.</p>	The general public, media, and regulatory authorities give a negative evaluation. It may impact investor relations, customer relations, and brand value, and potentially cause significant operational risks.	Short term, medium and long term	Regularly conduct reputational risk hazard investigations and actively accept public supervision. Increase the disclosure of environmental information.
Legal risk	<p><b>Transformation risk:</b> Introduction and strict enforcement of laws and regulations related to environmental protection, pollution control, and energy conservation.</p>	Failure to keep up with researching relevant national laws and regulations in a timely manner could lead to the risk of legal action or fines.	Medium and long term	Keep abreast of relevant laws and regulations, and strengthen research and analysis. Provide relevant legal knowledge training to enhance employees' legal awareness.

Note: Short term: Within one year (inclusive) upon the end of the current reporting period; medium term: one to five years (inclusive) upon the end of the current reporting period; long term: more than five years upon the end of the current reporting period.



## Opportunity identification and response

The Bank actively explores business development opportunities in response to and adaptation to climate change, vigorously expands green finance business, innovates products and services in the green, low-carbon sectors, and continuously promotes its energy conservation, carbon reduction, and green development.



Focus on the development and expansion of green industries and the low-carbon transformation and upgrading of traditional industries, increase support for key areas such as clean energy, energy conservation, environmental protection, and carbon emission reduction technologies, build a diversified product system that encompasses green credit, green bonds, green insurance, and green funds to effectively meet market demand, and actively and prudently promote the green transformation of asset structures.



Focus on the theme of high-quality development, promote the implementation of the green development philosophy throughout all processes and across all businesses and scenarios, enhance green Bank evaluations and ESG ratings, establish a good image of social responsibility, and build a distinct and widely recognized green Bank brand.



Develop a framework for analyzing environmental and climate-related risks. For industries (e.g., agriculture) significantly affected by long-term trends such as rising average temperatures, land desertification, and sea level rise, as well as traditional energy and high-carbon industries vulnerable to transformation risks, analyze the physical and transformation risks faced by asset portfolios, and promptly conduct risk assessments, early warning monitoring, and emergency drills.

Establish a management framework for environmental and climate-related risks, incorporating these risks into business strategies and preference management, medium and long-term development planning, and the entire process of investment & financing businesses. Strengthen the tracking and research of traditional energy and high-carbon industries, keep abreast of related laws, policies, and regulatory requirements in the environmental and climate fields, and promptly adjust and optimize credit policies for the traditional energy and high-carbon industries and key areas of green development to enhance the fine management of these policies.



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



Develop a work plan for carbon peaking and carbon neutrality, and steadily and orderly promote the group's "carbon inventory" work. Actively promote green office, green procurement, and green travel to effectively reduce energy consumption and operational costs.



Develop emergency plans for environmental and climate-related risks. Improve the emergency plan system for operational businesses, specify emergency management requirements for natural disasters such as heavy rains, floods, and typhoons, and establish a comprehensive mechanism for material reserves, disaster prevention inspections, and duty reporting to ensure the safety of customers and employees and the continuity of financial services. Organize business continuity training and emergency drills to improve emergency response and handling capabilities. Strengthen the construction of multiple data centers to enhance the ability to ensure smooth business operations.

## Strengthening environmental, social, and governance risk management



### Strengthening the construction of an environmental, social, and governance risk management system

#### Risk appetite

The Bank implements the relevant requirements of the *Green Finance Guidelines for the Banking and Insurance Industry*, optimizes and adjusts the expression of credit risk appetite related to green finance business, monitors indicators such as the non-performing rate of green loans, and coordinates the development and security of green credit business in a more effective way.

#### Business management

The Bank has specified the relevant requirements for business management. It implements comprehensive coverage, classified management, and full-process control of ESG risk management for credit business according to the *Environmental, Social, and Governance Risk Management Measures for Credit Business of Agricultural Bank of China*. It has strengthened the identification and management of environmental, social, and governance risks in bond underwriting and investment business.

#### Operation management

The Bank has developed a climate risk emergency plan, improved the emergency plan system for operational businesses, specified emergency management requirements for natural disasters such as heavy rains, floods, and typhoons, and established a comprehensive mechanism for material reserves, disaster prevention inspections, and duty reporting to ensure the safety of customers and employees and continuity of financial services. Organize business continuity training and emergency drills to improve emergency response and handling capabilities. Strengthen the construction of multiple data centers to enhance the ability to ensure smooth business operations.

### Enhancing the capability of full-process and systematic management of environmental, social, and governance risks in credit business

#### Establishing an environmental, social, and governance risk identification system



The Bank defines environmental, social, and governance risks, explicitly incorporating energy consumption, pollution, land, health, safety, and ecological protection related to customers into its management scope so that all types of credit businesses are covered and included in the credit management system as an important basis for credit decisions.

#### Enhancing the classified management ability



Based on the potential environmental, social, and governance risks faced by customers, the Bank categorizes customers into different risk categories and implements differentiated management measures based on the risk assessment result. It persists in categorized policy implementation, offers support while maintaining control, actively guides and supports credit business belonging to green, low-carbon, and circular economies, and implements the "one-vote veto" policy for non-ecologically friendly customers and projects. The Bank strengthens the duration management by calling for the incorporation of the collection, identification, classification, and dynamic analysis of customers' environmental, social, and governance risk information into the duration management process. It has developed and implemented targeted management measures for customers with potentially significant environmental, social, and governance risks.

#### Optimizing the full-process control requirements



The Bank incorporates environmental, social, and governance risk management requirements into the entire credit business process, clarifies key review points in business processes such as due diligence, review, approval, and duration management, implements dynamic assessments, enforces full-process control requirements, and improves the fine management of environmental, social, and governance risks. For customers who are highly concerned about environmental, social, and governance risks, statements and commitment clauses on strengthening environmental, social, and governance risk management are included in loan contracts or commitment letters. For customers confirmed to have significant environmental, social, and governance risks, measures such as terminating fund disbursement and revoking issued credit can be taken as needed, according to contract agreements, to control risks.

#### Enhancing system development



This Bank has established and continuously improved the customer environmental, social, and governance risk management function in its credit business system to assess the environmental, social, and governance risks in financing activities. During the reporting period, intelligent management functions for customer environmental, social, and governance (ESG) risks were launched on the digital credit management platform—the Bank's main business production system. By utilizing big data such as customers' industrial and commercial as well as environmental protection information, the platform provides insights into customer ESG risks throughout the credit business process. This helps credit business staff conveniently access customer ESG risk information, thus effectively improving management efficiency.



### Bond investment

In the pre-investment due diligence and analysis, focus is placed on the green attributes, economic and environmental benefits, fund supervision, and information disclosure of green bond fundraising projects, and the management of the issuer's environmental, social, and governance risks is examined.

In post-investment management, the Bank continuously tracks the use of funds raised from green bonds and the construction progress of related projects, closely monitors industry policies and market changes, and enhances the ability to address environmental, social, and governance risks.



### Bond underwriting

The Bank properly conducts due diligence and carries out environmental, social, and governance risk assessments on the issuer, with a focus on its corporate governance, social and environmental responsibilities.

It provides duration guidance to encourage and guide the issuer to disclose environmental, social, and governance information, and ensure proper guidance during the bond's duration.



### Investment management

ABC Financial Assets Investment strictly implements the *Environmental, Social, and Governance Risk Management Measures of ABC Financial Assets Investment Co., Ltd.*, fully integrating the environmental, social, and governance concepts into the company's operation management and embedding them in all aspects of debt-to-equity swap projects, including due diligence, review, agreement signing, and post-investment management, to promote the improvement of environmental, social, and governance performance in the invested enterprises.

## Expanding and deepening the climate transformation risk stress test

### Testing scope and methods

During the reporting period, the Bank conducted transformation risk stress tests for key industries such as thermal power, steel, and upstream coal and iron ore. The scope has been expanded to cover 10 carbon-intensive industries, focusing on assessing the potential impact of rising corporate carbon emission costs and transformation stress on the Bank's credit assets. The test period is set from 2024 to 2030. A "bottom-up" approach is adopted to collect data on customers' production & operations, export trade, and carbon emissions during the base period. By taking into account key factors such as output and capacity, prices, carbon costs, and energy consumption under different climate scenarios, it aims to establish transmission pathways to calculate the future financial performance of enterprises. Additionally, by using the Bank's internal rating model, it assesses the trend of defaults at the enterprise side on a customer-by-customer and year-by-year basis, subsequently calculating the asset quality, expected loss, and capital adequacy ratio at the Bank side.

The Bank also employs a "top-down" approach to conduct macro scenario stress tests for transformation risks at the industry portfolio level, with a testing period from 2024 to 2060. Based on preliminary practice, the test iteratively optimized the stress scenarios and risk transmission models, incorporating key variables of macroeconomic and high-carbon industries into the analysis framework. Using statistical regression models, it calculates the changes in default probability for various industries under different carbon emission reduction paths and assesses the Bank's ability to withstand transformation risk stress.

### The test results indicate that

customers in carbon-intensive industries are affected by low-carbon transformation factors, leading to a downgrade in credit ratings under stress scenarios and an increase in default probability. However, since loans to these industries account for a relatively low proportion, the impact on the Bank's overall asset quality and capital adequacy ratio is minimal, and the risks are generally controllable.

## Actively promoting the climate physical risk stress test

### Testing scope and methods

In view of relatively frequent typhoon disasters that often cause great losses in China, the Bank combines international climate models projected by the Coupled Model Intercomparison Project with leading practices in catastrophe risk modeling from the industry, actively researching and analyzing the disaster loss curves of typhoons and their impact on the value of real estate collateral. It also simulates the transmission relationship between typhoon disaster losses and personal housing loan default rates. By taking into account the exposure of the Bank's personal housing loans in coastal typhoon-sensitive areas, the Bank quantitatively assesses the impact of typhoon disasters on personal housing loans under different climate scenarios, constantly exploring new areas of climate-related risk stress testing.

### The test results indicate that

under extreme climate scenarios, the probability of default on personal housing loans in coastal areas slightly increases due to typhoon disasters, having a relatively small impact on the Bank as a whole.

## Strengthening the Quantitative Analysis of Environmental and Climate-Related Risks



The Bank continues to improve the quantitative analysis of climate-related risks, continuously expanding the breadth and depth of climate-related risk stress testing. It builds transformation and physical risk stress transmission method models and is committed to enhancing the Bank's climate resilience. This provides strong support for optimizing credit policies, formulating risk control measures, and systematically addressing climate-related risks.

### Climate-related risk stress scenario design

The Bank fully aligns with the latest international climate change agreements such as the Paris Agreement. It draws on internationally accepted scenarios provided by institutions like the Central Banks and Supervisors Network for Greening the Financial System (NGFS) and the UN Intergovernmental Panel on Climate Change (IPCC). Taking into account China's carbon peaking and carbon neutrality policy and national conditions, it has developed four transformation risk scenarios: orderly transformation, disorderly transformation, greenhouse world, and the "3060 Route" with Chinese localization characteristics, as well as two physical risk scenarios: high greenhouse gas emissions (RCP8.5), and moderate greenhouse gas emissions (RCP6.0). The scenario design takes into account the short-term, medium-term, and long-term impacts of climate, as well as factors such as climate policy, carbon emission reduction, carbon tariffs, asset stranding, and disaster losses. It covers a series of quantitative indicators including the macroeconomy, industry capacity, energy usage, carbon emissions, and carbon pricing. It models the pathways that describe potential future climate conditions, thus providing a decision-making reference for the Bank to identify and manage the uncertainties brought about by climate change.

## Enhancing the application of climate-related risk stress testing

Stress testing has become an important tool in the Bank's climate-related risk management. The test results are incorporated into the comprehensive risk management report and submitted to the Board of Directors for review. Additionally, the test results are gradually applied to climate-related risk identification and investment & financing management activities, which helps enhance the Bank's climate resilience. This involves the following: providing decision-making references for business departments and playing an active role in areas such as quantifying climate-related risks, formulating industry credit policies, and adjusting asset structures; identifying and assessing potential systemic risks, and providing reference bases for formulating and improving group risk appetite and green financial business risk management strategies; conducting specialized training on climate-related risk stress testing, organizing branches to collect climate-related risk data, and collaboratively implementing climate-related risk stress tests to enhance the understanding of climate-related risks and opportunities across the Bank and effectively enhance the ability to proactively address climate-related risks.

## Strengthening climate-related risk stress testing for overseas institutions

### Hong Kong Branch

During the reporting period, a transformation risk stress test under the NGFS disorderly transformation scenario was conducted for high-carbon industries. A physical risk stress test under the IPCC RCP8.5 scenario was conducted for the Branch's property collateral and self-owned properties. It has actively participated in and completed the second round of climate-related risk stress tests for the Banking industry organized by the Hong Kong Monetary Authority. The stress scenarios include short-term scenarios specified by the regulators and three long-term scenarios provided by the NGFS: orderly transformation, disorderly transformation, and maintenance of current policy. Transformation risk stress tests have been conducted specifically for loans and bond investments in key carbon-intensive industries, while physical risk stress tests have been conducted for branch property collateral, self-owned properties, and industry customers affected by extreme climate events in the Chinese Mainland.

### Frankfurt Branch

During the reporting period, by drawing on the European Central Bank's climate risk stress testing practices and combining it with industry data and internal models, the Branch has designed multiple pressure scenarios including orderly transformation and greenhouse world, along with stress testing methods. It has simulated the impact of extreme climate scenarios on the default probability of customers in climate-sensitive industries and the ESG ratings to assess the climate-related credit risk faced by the Branch's asset portfolio.

## Deepening research and exchange on climate-related risk stress testing

During the reporting period, the Bank continuously tracked new developments and trends in climate-related risk stress tests conducted by domestic and overseas regulatory authorities. It held multiple discussions and exchanges with regulators, peers, and industry experts on experiences related to climate-related risk stress testing. This has facilitated the continuous enrichment and improvement of the Bank's climate-related risk stress test practices and further enhanced data mining, model building, risk analysis, and result application capabilities.

# Advocating for Green Concepts and Building a Better Homeland Together



- Building Green Outlets
- Implementing Green Office Practices
- Use of Green Energy
- Promoting Green Travel
- Enhancing Carbon Management Capacity
- Carrying Out Carbon Neutrality Pilot Projects
- Implementing Green Procurement
- Cultivating Green Culture
- Strengthening Technology Empowerment

## Building Green Outlets



During the reporting period, the Bank revised and improved the *Guidelines for the Building of Green Outlets*, summarizing the pilot experience of applying new materials and intelligent control technology in green outlets. This has further improved the Bank's green outlet construction standards and promoted energy saving and carbon reduction in its operations.

### Introducing new construction methods and standards

The Bank advocates for customized production and prefabricated construction to shorten the construction period, reduce waste, and minimize pollution such as noise, dust, and exhaust emissions.



### Introducing new intelligent control standards

When conditions permit, intelligent IoT control technology can be applied for fine management of lighting, air conditioning, and ventilation systems.

### Optimizing equipment and material selection requirements

The Bank has improved the standards and requirements related to lighting, ventilation, and water-saving systems. It tries to make the best use of natural ventilation and introduces new water-saving devices such as push-type faucets. It has adjusted the selection range of renovation materials, encouraging the use of green, environmentally friendly, and easy-to-install new materials.



As of the end of 2024 the Bank had constructed **2,681** green outlets

It has provided customers and employees with a healthier and more comfortable business environment and further reduced energy consumption at outlets.

### Jiangxi Jiujiang Liusi Sub-branch

The Sub-branch has actively implemented the *Guidelines for the Building of Green Outlets*, emphasizing the "green and low-carbon" theme. It uses environmentally friendly building materials and comprehensively introduces intelligent control technologies, including intelligent lighting systems, intelligent temperature control systems, intelligent fresh air systems, and other energy-saving technologies to significantly reduce energy consumption of various systems by 30% to 60%. It reasonably sets different electricity usage scenarios to create a comfortable green space for employees and customers.

### Yunnan Branch

The Branch incorporates the concept of green and low-carbon emissions reduction into the construction of outlets and takes multiple measures to continuously promote the construction of green outlets.

#### Signboard

It makes full use of natural light for lighting and installs timers and light-sensing control devices to reduce unnecessary light energy consumption. The lightbox uses low-energy, high-efficiency light sources such as LEDs and gives priority to the use of aluminum-plastic backboard three-dimensional illuminated signage to reduce the total power of the lighting equipment.

#### Indoor lighting

Under the premise of ensuring adequate indoor brightness, some light sources are turned off to reduce energy consumption. A limit on the average power per square meter is set in different areas, e.g., no higher than 8 watts in principle for storage rooms, changing rooms, corridors, and restrooms.

#### Air conditioning and heating

Priority is given to the use of air conditioning equipment with better energy consumption standards to minimize energy consumption. Natural ventilation is utilized when the temperature is suitable. Cooling and heating devices are promptly turned off after work. The filters, evaporator, and other components of the air conditioner are regularly cleaned to ensure their working efficiency.



A "Green Bank" outlet built by Shenzhen Branch (Photo provided by Shenzhen Branch)

## Implementing Green Office Practices



### Continuously promoting "paperless office"

The Bank has optimized the functions of the integrated office platform system and enhanced platform reliability and disaster recovery capabilities. It is exploring smart office systems, vigorously promoting the use of electronic sign-off submissions, and building and promoting an integrated file management platform to reduce paper-based sign-offs and paper archives. It has further optimized the green printing model by encouraging the use of double-sided and black-and-white printing methods.



### Optimizing the features of online business travel applications

The Bank has launched a direct train ticket connection project and an electronic accounting archive module on the business travel platform to achieve the replacement of paper tickets with electronic train tickets, electronic management of accounting archives, and other key functions, using electronic documents instead of paper documents.



### Continuously reducing the carbon emissions from meetings and events

The Bank extensively utilizes electronic meeting systems, implementing features such as cloud note-taking and integrating with intelligent dialog robot systems. Meeting notifications and related materials are transmitted online for reading, and the Bank encourages the use of non-paper-based meeting materials. It further streamlines meetings, advocates for holding meetings via teleconferencing and online video formats, conducts teleconference application training, and enhances teleconference technical support to effectively reduce carbon emissions from meetings and events.



## Use of Green Energy



### The Head Office continues to promote the use of green energy

Focusing on improving energy utilization efficiency and accelerating the energy-saving and carbon-reduction renovation and upgrades, the Head Office continues to promote energy conservation and emission reduction.

**Developing an energy conservation and emission reduction plan** Anchoring on the energy conservation targets set by the People's Government of Beijing Municipality for the Bank during the 14th Five-Year Plan period, the Bank has conducted energy conservation and emission reduction work at the Head Office building, arranged for the property management company to sign the *Energy Management Responsibility Letter*, regularly monitored energy conservation and emission reduction data, and effectively achieved the annual emission reduction targets.

**Actively implementing energy-saving technological renovation** The Bank promotes the use of new energy-saving products, technologies, and materials, regularly replaces lighting fixtures in office buildings with LED energy-saving alternatives, and organizes relevant personnel to implement projects such as the replacement of high-energy-consuming pumps, modification of lighting fixtures in certain office areas, and the renovation of cooling units.



**Reducing the use of fossil fuels** The Bank promotes the transition from gas to electricity at the Head Office. In the office area renovation projects, it explores the use of intelligent green, low-carbon and energy-saving technologies such as photovoltaic power generation, building self-control, and energy management.

**Promoting green operations** The Bank has enhanced lighting management in public areas to ensure lights are turned off when people leave and are managed by area. It monitors the changes in outdoor temperature and operates the central air conditioning cooling system according to the energy-saving optimization plan. The Bank has enhanced domestic hot water management by controlling domestic hot water temperature according to temperature changes to save heat.

### Theme Strengthening "green dining" service management

The Bank has continuously strengthened the "green dining" service management to effectively reduce carbon emissions from dining activities. It actively curbs food waste, implements waste sorting policies, reasonably arranges the total amount of food supply, promotes combination dishes and small portion dishes, advocates for appropriate purchasing, and continuously carries out the "Clean Your Plate" campaign. The Bank also encourages employees to dine in the cafeteria or bring their own containers to pack food, reuse packaging bags, minimize the use of disposable tableware and plastic bags, avoid using excessively packaged products, and reduce the amount of food waste. By upgrading outdated exhaust purification equipment and grease separation equipment, it has reduced the kitchen fume gas and sewage emissions.



## The data center continues to promote the use of green energy

### In-use machine room

- the machine room of Shanghai Free Trade Zone is conducting a comprehensive green energy-saving optimization of the HVAC system. Throughout the year, by seasonally optimizing the operation modes of chillers, water pumps, cooling towers, and other equipment, it reduces terminal air conditioning energy consumption, achieving a year-on-year reduction in PUE. By optimizing energy use management, zone A of the Beijing Daoxianghu machine room established and improved a comprehensive system for monitoring, evaluating, and statistically analyzing data center energy efficiency indicators, with the PUE reaching a leading level in the financial industry within the Beijing area, and was recognized as a national green data center.

### In the construction of the new machine room

- Shanghai Tongcheng disaster preparedness machine room, full consideration was given to local climate conditions and the structural characteristics of the facility. New energy-saving technologies such as indirect evaporative cooling, integrated power modules, magnetic suspension chillers, natural cooling, photovoltaic power generation, and AI optimization were introduced. The design aims to achieve a PUE that leads the financial industry in Shanghai. Energy-saving technologies such as natural cooling and AI cooling optimization were used in the construction of the Daoxianghu Phase II machine room, effectively improving energy efficiency.
- The Inner Mongolia data center has introduced green technologies such as indirect evaporative cooling, fluorine pump natural cooling, photovoltaic power generation, and intelligent lighting, with the designed PUE reaching the leading level in the financial industry. After the park is constructed, the machine room area can meet the five-star standard of a green data center, and the operation & maintenance building can meet the three-star standard of green buildings, both reaching the leading levels in the industry.



📍 The data center of the Bank continues to promote the use of green energy (Photo provided by the data center)

## Promoting Green Travel



**Updating the configuration of new energy vehicles** The Bank has formulated an official vehicle replacement plan to clarify the proportion of new energy vehicles and orderly promote the replacement of new energy vehicles. Under the premise of ensuring safety, it supports institutions with suitable site conditions to build or reserve charging facilities to ensure the daily use of new energy vehicles. The Head Office's official vehicle update plan specifically allocates new energy vehicles, with their proportion exceeding 30%.



**Encouraging green travel methods** The Bank encourages employees to use public transportation, ride bicycles, or walk to work. It advocates for carpooling whenever possible to reduce the number of empty seats, prioritizing the use of new energy vehicles, and ensuring HSE-compliant and legal driving practices.

### 📍 Shanghai Branch

Charging piles are installed in an orderly manner, and the replacement of official vehicles mainly with new energy vehicles was promoted during the reporting period.

### 📍 Anhui Branch

Employees are encouraged to use public transportation such as high-speed trains, subways, and buses more often instead of fuel-powered official vehicles to reduce the frequency of official vehicle use.

### 📍 Guizhou Branch

An initiative for "green travel, low-carbon lifestyle" was issued to employees to strengthen the development of a low-carbon culture.

### 📍 Jiangxi Branch

Employees are organized to register and use the Lvbaotanhui app to collect and quantify employees' low-carbon behaviors, such as green office, green travel, and green lifestyle.

## Enhancing Carbon Management Capacity



The Bank refines the time span for energy consumption data collection, strengthens the data foundation for carbon emission trend analysis, continues to conduct carbon inventory work for scopes 1 and 2 across the group, and explores ways to incorporate scope 3 urban water use into the inventory. It has engaged third-party professional organizations to verify and confirm energy data and carbon dioxide emissions, ensuring that carbon dioxide emissions and related supporting documents are complete and reliable and comply with applicable local standards and accounting report guidelines.

Indicator	2024
<b>Total greenhouse gas emissions<sup>1</sup></b>	
Scope 1: Direct greenhouse gas emissions (tons of carbon dioxide equivalent)	165,275.90
Fixed source emissions	80,557.61
Mobile source emissions	84,718.29
Scope 2: Indirect greenhouse gas emissions (tons of carbon dioxide equivalent)	1,973,634.02
Greenhouse gas emissions for scopes 1 and 2 (tons of carbon dioxide equivalent)	2,138,909.92
Per capita greenhouse gas emissions for scopes 1 and 2 (tons of carbon dioxide equivalent per person)	4.61
Scope 3 <sup>2</sup> : Indirect greenhouse gas emissions (tons of carbon dioxide equivalent)	4,049.06
Total greenhouse gas emissions (tons of carbon dioxide equivalent)	2,142,958.98
Per capita greenhouse gas emissions (tons of carbon dioxide equivalent per person)	4.62
<b>Energy and resource consumption<sup>3</sup></b>	
Comprehensive energy consumption (tons of standard coal) <sup>4</sup>	541,519.14
Per capita comprehensive energy consumption (tons of standard coal per person)	1.17
Total direct energy consumption (tons of standard coal)	82,965.78
Per capita direct energy consumption (tons of standard coal per person)	0.18

Indicator	2024
Natural gas (cubic meters)	24,962,601.52
Gasoline (liters)	38,291,601.03
Diesel (liters)	1,422,447.05
Liquefied petroleum gas (tons)	790.82
Coal (tons)	7,648.86
Total indirect energy consumption (tons of standard coal)	458,553.36
Per capita indirect energy consumption (tons of standard coal per person)	0.99
Electricity (megawatt-hour)	3,084,408.409
Purchased heat (million kilojoules)	2,329,412.90
Total water consumption (tons)	31,146,613.64
Per capita water consumption (tons/person)	67.15

- Greenhouse gas emission calculation method: Greenhouse gas accounting (scopes 1 and 2) is subject to the specifications and guidelines of *Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals* (ISO 14064-1), the *Guidelines for Greenhouse Gas Accounting and Reporting for Public Building Operators (Enterprises) (Trial)*, and the *Announcement on the Release of the 2021 Electricity Carbon Dioxide Emission Factors* regarding activity level data and emission factor requirements.
- Greenhouse gas accounting (scope 3: urban water) is subject to the *Greenhouse Gas Accounting System Corporate Accounting and Reporting Standard*, the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, and considerations of urban water emission factors, activity level data, and relevant requirements in the Dual Carbon Public Service Platform for Key Raw Material Industries of the Ministry of Industry and Information Technology of the People's Republic of China - Basic Database of Carbon Footprints of Raw Material Industry Products (CNCD). The total greenhouse gas emissions are the sum of direct emissions (scope 1) and indirect emissions (scopes 2 and 3). Scope 3 includes category 1: Purchased goods and services (urban water).
- The statistics on greenhouse gas emissions and energy consumption are based on the group's criteria, including domestic and overseas branches, comprehensive subsidiaries, and institutions at various levels.
- For comprehensive energy consumption data for each energy item, please refer to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).



### Hainan Branch enhances carbon management capabilities to reduce carbon emissions from office activities

During the reporting period, the Hainan Branch actively promoted its carbon neutrality efforts. It strengthened internal management to reduce energy waste, turned off air conditioners, computers, printers, and other equipment when no one was in the office, and prioritized LED energy-saving lamps for the lighting system. It has actively guided the orderly replacement of new energy vehicles throughout the Bank, promoted the elimination and updating of high-energy-consuming equipment, promptly replaced outdated machinery and equipment, and effectively reduced carbon emissions from office activities.

## Carrying Out Carbon Neutrality Pilot Projects

During the reporting period, the Bank actively carried out "carbon neutrality" pilot projects to promote its energy conservation and emission reduction efforts.

### ▶ Zhejiang Huzhou Green Sub-branch

With the design concept of "green leadership, smart development," Huzhou Green Sub-branch has implemented various low-carbon and energy-saving measures as well as intelligent transformation initiatives. These include stringent adherence to green operation policies in material selection, building energy efficiency, and equipment procurement. In its day-to-day operations, it promotes green and low-carbon office practices and encourages employees to engage in green travel. This has fostered a positive atmosphere for sustainable development, and the sub-branch has received a "carbon neutrality" certificate from the Beijing Green Exchange.

### ▶ Heilongjiang Pingfang Sub-branch Business Office

The Pingfang Sub-branch Business Office is carefully studying the practical path for building the "carbon neutrality" pilot outlet of "reduction, replacement, calculation, and elimination," conducting low-carbon renovation, using building materials with national green environmental protection labels, and installing intelligent energy-saving equipment. Compared to before the renovation, lighting electricity consumption has been reduced by more than 50%, saving about 15,000 kilowatt-hours annually, obtaining a "carbon neutrality" certificate issued by the relevant certification body, and achieving "carbon neutrality" in its operations.

### ▶ Yunnan Kunming Panlong Sub-branch Business Office

The Panlong Sub-branch Business Office in Yunnan has implemented its operational carbon neutrality requirements, promoted green operations and green energy use at its outlets, enhanced technology empowerment, conducted carbon accounting, and prepared carbon inventory reports. The office has integrated the green and low-carbon concept into all aspects of its operation management and business development. It has passed the carbon neutrality certification and received the certificate.

### ▶ Shanxi Taiyuan Yangguang Fenhewan Sub-branch

The Yangguang Fenhewan Sub-branch installed intelligent electric meter boxes during the outlet renovation, equipped with a visualization system for energy consumption and environmental indicators, achieving an intelligent upgrade of electricity use, lighting, and environmental regulation, with an expected overall energy-saving rate of 15% to 30%.

## Implementing Green Procurement

The Bank has promoted the establishment of a green procurement system

The annual centralized procurement catalog of the Head Office clearly requires branches and departments at all levels to reflect the concept of green procurement, e.g., prioritizing energy-saving and environmentally friendly products, in their procurement processes.

The Bank has implemented digital empowerment for green procurement

In 2024, the Bank's new-generation procurement platform—ABC e-Procurement will be launched and promoted across the Bank. The new platform is developed in strict accordance with relevant national standards and technical specifications, achieving the electronification of data throughout the procurement process, which significantly reduces the printing and travel costs for all parties involved in the supply and procurement. The entire bidding procurement process is implemented online, saving more than 80% of the time in bid opening and announcement compared to traditional methods, and achieving standardized operations for the entire procurement process, including project approval, bidding and evaluation, and order fulfillment.

The Bank has strengthened the preference for purchasing energy-saving and environmentally-friendly products

In procurement projects for official vehicles and self-service equipment, green requirement indicators are set, requiring suppliers to meet environmental protection requirements such as energy saving and scrapping and recycling. The Bank has included green procurement requirements in the electronic bidding procurement document templates to emphasize the importance of green procurement.

### ▶ Zhejiang Zhoushan Branch

Zhejiang Zhoushan Branch formulated the *Implementation Opinions on Practicing Thrift and Strengthening the Fine Management of Expenses* and implemented green procurement. It has strengthened inventory management and strictly determines purchasing needs based on actual requirements. The Branch has enhanced physical management by reasonably controlling the quantity used and advocating for conservation. It has restricted the procurement and use of disposable office supplies and increased the proportion of recycled office supplies in purchases.

### ▶ Gansu Branch

Based on the characteristics of its procurement projects, Gansu Branch has strengthened the establishment and application of green procurement evaluation criteria. In the procurement project for employee uniforms, it effectively evaluated the feasibility of green procurement indicators such as environmentally friendly materials, green production processes, and wastewater discharge, further optimizing the green procurement plan.

## Cultivating Green Culture



During the reporting period, the Bank continuously cultivated a green culture and promoted the integration of the green development philosophy into business operation management.

**Continuously strengthening the promotion of green concepts** The Bank has updated and improved the *Corporate Culture Manual* to guide all employees in establishing environmental and ecological awareness and to promote the internalization of green culture and concepts.



**Giving full play to the promotional role of the Bank's history museum** In the design and explanation of the exhibition content at the Bank's history museum, the development achievements and honors of the Bank's green finance business are highlighted to promote a green culture.

**Strongly supporting the development of public welfare** The Bank continues to promote the construction of the "ABC Public Welfare" brand by developing four major public welfare initiatives. The "Guardianship" initiative focuses on themes such as energy conservation, carbon reduction, and environmental protection, organizing green-themed public welfare and volunteer activities like waste sorting, urban clean-up, water and electricity conservation, and green travel to contribute to blue skies, clean water, green land, and harmonious communities.

### Shenzhen Branch

Shenzhen Branch practices the green development philosophy, actively cultivates a green culture, encourages employees to embrace a green and low-carbon lifestyle, and strives to become an expert in green and low-carbon living. During the reporting period, Shenzhen Branch held the 2024 employee sports meet (themed "united in heart and effort, striving for the future"), setting up an energy battle camp—"Swap" to Awaken a Low-Carbon Lifestyle area, calling on employees to participate in the book-for-vegetable exchange activity, where they can donate a book for a share of vegetables. Shenzhen Branch, in collaboration with the Shenye Shangcheng Metaverse Experience Party-Mass Service Center, initiated a children's book donation public welfare activity to provide quality children's book resources for rural school children, breathe new life into idle books, and contribute to low-carbon environmental protection. A total of 800 children's books were collected in this event, which can reduce carbon emissions by approximately 240 kilograms of carbon dioxide equivalent.



Shenzhen Branch held a green public welfare activity. (Photo provided by Shenzhen Branch)

### Yunnan Branch

Yunnan Branch continues to improve its green performance, consciously acts as a practitioner and promoter of ecological civilization construction, and creates a positive atmosphere that values a green and environmentally-friendly lifestyle. During the reporting period, Yunnan Branch held its first "Carbon Neutrality · Green Walk" event, which included interactive activities such as an environmental knowledge quiz to encourage employees to adopt a low-carbon lifestyle and protect the environment. This event achieves the neutralization of its greenhouse gas emissions by purchasing certified forest green carbon sink for ecological environment protection in Ning'er, helping promote the carbon peaking and carbon neutrality and rural revitalization.



The Yunnan Branch held its first "Carbon Neutrality · Green Walk" event. (Photo provided by Yunnan Branch)

## Strengthening Technology Empowerment



### Strengthening the construction of carbon emissions and energy consumption monitoring systems

The Bank continuously optimizes the "datafication and visualization" project for carbon emissions, promotes automatic calculation and visual display of carbon emission data, and upgrades the Head Office's carbon emissions and energy consumption monitoring systems. This achieves functional optimizations in carbon emission parameter management, boundary range management, energy consumption information management, and carbon emission information management, meeting the needs for historical data migration and subsequent batch entry of new annual data. The Bank's capability for online collection and management of carbon emission data is constantly improving.

### Creating a green, low-carbon consumption scenario — "Low-Carbon Space"

The Bank fully utilizes the Internet and big data technology to explore the construction of a carbon-inclusive ecosystem, promote the development of green finance business, and advocate for a low-carbon and emission-reducing lifestyle among the public. By establishing a carbon reduction mechanism that is recordable, measurable, incentivized, and recognized, the Bank quantifies both financial and non-financial energy-saving and carbon-reduction behaviors of individual customers and assigns them a specific value to guide customers to participate in nationwide emission reduction initiatives.

Customers can log in and activate the "Low-Carbon Space" in the mobile Banking app to participate in the "Reduce Carbon, Win Medals" activity. By fulfilling specified green, low-carbon tasks such as queries, transfers, payments, bill payments, and shared bicycle travel, they can earn corresponding carbon energy. Upon reaching a certain level of carbon energy, they can receive virtual medal incentives of the corresponding level.



During the reporting period, the Bank launched a new "Monthly Carbon Reduction Task" feature in the Low-Carbon Space. Customers who achieve a certain threshold of carbon reduction each month can receive carbon incentive prizes in the form of vouchers provided by third-party merchants, which can be used to purchase low-carbon products such as monthly shared bicycle passes.



## Enhancing Forward-Looking Research and Strengthening Application of Results



- Enhancing Forward-Looking Research
- Enhancing Internal Empowerment
- Deepening External Exchanges
- Enhancing Information Disclosure
- Enhancing Brand Image

## Enhancing Forward-Looking Research



### Significant internal research results

Focusing on advancing the development of green finance, the Bank has conducted continuous research on critical policies and market trends in the green finance sector, aligned with national major strategic deployments and the Bank's key priorities, thus enhancing the professionalism and precision in serving the high-quality development of green finance.

**Thematic research on key green development areas.** The Bank has strengthened thematic research on key areas and hot issues in the development of green finance, such as clean energy and other green industries, carbon accounting for investments and financing, and green bond markets, providing effective reference for the development of the Bank's green finance.



**Proactive recommendations for green development.** The Bank has developed various research reports, including recommendations for improving financial mechanisms to support ecological protection compensation in the Yellow River Basin and refining China's sustainable information disclosure standards and implementation frameworks, thereby delivering proactive guidance for advancing green development.

Theme

Publication of the *Integrated Development of Green Finance and Inclusive Finance: Policies, Standards, and Practices*



To advance a comprehensive green transformation of economic and social development, the Bank carried out in-depth field research in regions including Zhejiang, Shandong, and Sichuan. Working within existing regulatory frameworks, it developed an innovative "Three-Step" certification standard and a "Five-Option" certification method, effectively integrating green finance with inclusive finance. Drawing on global best practices, the Bank proposed five actionable pathways for this integration, providing practical methods and recommendations to guide financial institutions in the integrated development of green finance and inclusive finance.

Theme

Release of the *Blue Book on "Commercial Banking + Investment Banking" Support for Sustainable Agricultural Development under the Deepening Development of Green Finance*

The Bank has released a blue book on investment and financing in the agricultural sector to address climate change. Adopting a strategic and global perspective, the book analyzes cutting-edge policies and financial services that support agricultural emission reduction, carbon sequestration, and the development of climate-resilient agriculture, providing a valuable reference for advancing China's policy frameworks and fostering financial innovations in these critical areas.

### Joint research results

**Research on financial support for agricultural enterprises' low-carbon transformation.** In collaboration with the Policy Research Center for Environment and Economy, Ministry of Ecology and Environment, the Bank developed an evaluation mechanism for agricultural enterprises' low-carbon transformation and financial service innovation research, and explored a low-carbon transformation evaluation indicator system tailored to agricultural enterprises, covering methane emission control, wastewater recycling, and other areas, thus supporting the creation of innovative model that integrates Sannong with green practices and the enhancement of the Bank's competitiveness in green finance for Sannong.

**Leading the establishment of the "Working Group on Integrated Development of Green Finance and Inclusive Finance" under the Green Finance Committee of the China Society for Finance & Banking.** Collaborating with 45 member units, including government departments, research institutions, and financial peers, the Bank conducted in-depth research on key topics related to the integrated development of green finance and inclusive finance. Focusing on policy standards, technology empowerment, and critical sectors such as small- and micro-sized enterprises and agriculture, the Bank has delivered significant research results.

**Joint external research projects.** The Bank actively participated in the China Banking Association's "Research on Integrated Development Path of Green Finance and Inclusive Finance", earning the "Outstanding Research Result in Banking Inclusive Finance" award, as well as the China Society for Finance & Banking's "Research on the Integrated Development of Green Finance and Inclusive Finance" and the China Financial Standardization Technical Committee's key research project titled "Research on Green and Inclusive Financial Service Standards."

**Strengthening cooperation with local governments.** Recommendations from our earlier research report, *Toward High-Quality Development: Exploration and Practice of Transition Finance*, have been incorporated into the development of Shandong Province's transition finance standards.

Partial research results	Research content and application value
Strategic Recommendations for Expanding Carbon Finance Services	Conducted an in-depth interpretation of the <i>Interim Regulations for the Management of Carbon Emission Trading</i> , analyzed opportunities for financial institutions in carbon finance, and provided relevant recommendations.
Impacts of Green Finance Standard Updates and Responses	Analyzed key changes in the <i>Guiding Catalogue for Green and Low-Carbon Transformation of Industries (2024 Edition)</i> and provided strategic recommendations for financial institutions to advance the development of green finance.
Development of Green Finance under New Policy Guidelines	Interpreted the <i>Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development</i> jointly issued by the People's Bank of China and six other ministries, focusing on carbon accounting, information disclosure, green financial products, and market development of financial institutions, and provided countermeasures and recommendations.
Actively Exploring New Eco-Environment-Oriented Development (EOD) Models	Analyzed the implications and opportunities of the <i>Guidelines for the Implementation of Eco-Environment-Oriented Development (EOD) Projects</i> for commercial Banks, and provided policy recommendations on institutional frameworks, specialized products, supportive policies, and risk control.
New Regulations and Responses for Sustainable Information Disclosure of A+H Shares	Conducted an in-depth interpretation of the new regulations on sustainable information disclosure of A+H shares, analyzed the challenges these regulations pose to information disclosure by listed commercial Banks, and provided countermeasures and recommendations.
Countermeasures and Recommendations for Advancing Carbon Accounting for Investments and Financing	Comprehensively sorted out carbon accounting standards and practices for investments and financing in commercial Banks, systematically analyzed the challenges encountered in implementing carbon accounting for investments and financing, and provided relevant recommendations.
Advancing Green Finance to Foster the Construction of a Beautiful China	Conducted an in-depth interpretation of the ecological civilization reforms outlined in the <i>Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization</i> adopted at the Third Plenary Session of the 20th CPC Central Committee, and analyzed green finance's role in further deepening reform comprehensively.
Strategic Recommendations for Improving Carbon Finance Services amid Carbon Market Expansion	Interpreted the relevant requirements for improving the carbon market trading system and the voluntary greenhouse gas emissions reduction trading system, and provided relevant recommendations on establishing and optimizing the full-process carbon financial plan from the perspectives of enriching carbon financial products and strengthening risk management.
Thoughts and Recommendations on Biodiversity Risk Management	Summarized the biodiversity risk management practices and experiences of relevant departments and institutions, both domestically and internationally, and combined the Bank's existing foundation and challenges in this field to propose strategic recommendations for improving the Bank's biodiversity risk management.
New Sustainable Information Disclosure Requirements for Overseas Institutions and Responses	Deeply interpreted new sustainable information disclosure requirements in some countries and regions, analyzed challenges for overseas institutions, and provided countermeasures and recommendations.

## Enhancing Internal Empowerment



### Accelerating the development of a green finance talent pool

The Bank has accelerated the development of a high-quality green finance talent team by selecting professionals with strong expertise, business insight, and growth potential for systematic training. This initiative aims to build a talent pool characterized by political integrity, exceptional professional skills, and innovative capabilities, providing robust human capital support for the Bank's high-quality green finance development.

### Enhancing green finance training

The Bank has continued to upgrade its internal online learning platform, ABC e-Learning, by refreshing high-quality learning resources and rolling out tailored online training programs and thematic courses, ensuring efficient and organized green finance training across the Bank. It has also consistently enhanced training efforts in green finance by establishing a dedicated "Green Finance" module and ensuring the availability of training resources.

Over the past year

**258** specialized training sessions on "green finance" were held

covering over

**10,000** participants

A total of

**53** green finance-related courses were selected and launched on "ABC e-Learning"

reaching an audience of

**190,000** people



#### Hosting green finance leadership training program

The program covers the interpretation of international and domestic green finance policies, innovative practices in green finance, the current state and development trends of carbon markets, advancements in the new energy industry, and corporate financial analysis and decision-making. Participants also engaged in field studies exploring China's "Beautiful Countryside" initiatives, gaining deeper insights into the scientific principles and profound significance of the philosophy that "lucid waters and lush mountains are invaluable assets."

#### Organizing overseas training programs

The Bank organized various overseas training programs on green finance. The "Green Finance and Transition Development" training program in Switzerland offered customized in-person courses focusing on European practices and experiences in financial support for green transformation development, providing reference insights for the Bank's strategic transformation in green finance. The "Agricultural and Rural Green Finance Transition" training program in Hong Kong, designed for business backbones from the head office and branches engaged in agricultural and rural green finance work, has enhanced their professional competence.



ABC's Agricultural and Rural Green Finance Transition Training Program in Hong Kong. (Photo provided by Human Resources Department)

### Strengthening training across business lines

Credit management line	The Bank hosted the 2024 Green Finance Specialized Training Program, focusing on green finance policies, industry trends, and risk management. The program trained business backbones from the head office and branches and facilitated extensive discussions on advancing innovative green finance development.
Sannong business line	The Bank organized a Theme-based Training Program on Agricultural and Rural Green Finance Transition for business backbones in the Sannong business line. The program covered a wide range of topics, including the latest trends and opportunities in green finance, development trends and challenges in the new energy sector, climate risks and Banking sustainable development, carbon asset management, and carbon finance services, enhancing professional capabilities in county-level green financial services.
Corporate business line	The Bank launched the New Corporate Green Finance Specialized Training Program to elevate the expertise of corporate marketers in green finance. Case-based video courses were developed on topics such as green credit issuance, clean energy financial services, and ABC carbon service products, effectively improving staff competency in green finance operations.
Review and approval line	The Bank organized a Specialized Training Program on Green Finance and Advanced Manufacturing Credit Review and Approval, covering key review considerations for industries such as pumped-storage hydropower, new energy vehicles, and internet-based sectors, as well as cutting-edge industry challenges. On-site learning sessions at relevant enterprises were also arranged.

### Diversifying training forms

The Bank hosted the ABC Lectures on "International and Domestic Practices and Progress in Transition Planning". The session highlighted the latest industry dynamics, development trends, and practices and progress in transition finance both domestically and globally, from the aspects of transition finance frameworks and related products, challenges and pressing issues in transition finance, progress in transition planning on international and domestic fronts, as well as recommendations for financial institutions and enterprises to implement transition planning.

## Deepening External Exchanges



### Participation in the 2024 Annual Conference of China Society for Finance & Banking and China Monetary & Financial Forum

The Bank was invited to participate in the 2024 Annual Conference of China Society for Finance & Banking and China Monetary & Financial Forum, where it delivered a keynote speech on advancing high-quality development of financial institutions. The speech emphasized that achieving such development requires adhering to high-quality Party building as the guiding force, actively integrating into the broader national development agenda under the centralized and unified leadership of the CPC Central Committee, and realizing the Bank's high-quality development through serving Chinese modernization; building a robust foundation of high-quality assets, and prioritizing risk prevention and mitigation; delivering high-quality financial services to the real economy while ensuring sustainable and stable operations; improving high-quality management mechanisms, accelerating the establishment of organizational structures and workflows tailored to the digital era; and strengthening high-quality leadership and talent teams, particularly by cultivating a large number of professionals in technology finance, green finance, inclusive finance, pension finance, and digital finance to meet evolving financial sector demands.

### Publication of the bilingual article, "How the Commercial Banking Sector Can Fuel a Nature-Positive Future", on the World Economic Forum website

At the invitation of the World Economic Forum (WEF), the Bank published a bilingual (Chinese and English) article titled "How the Commercial Banking Sector Can Fuel a Nature-Positive Future" on the WEF's website. The article pointed out that "The Banking sector plays a crucial role in creating a nature-positive future. China is among the largest markets of green financial assets. Under the guidance of the 'green development philosophy,' the Chinese Banking sector is advancing green and sustainable development by prioritizing green finance, allocating more resources, improving transparency and strengthening international collaboration." The article stated that "The 17 SDGs are an urgent call to action. All stakeholders, including government, public sector, Banks and other private sector players, must step up dialogues, take more coordinated measures and jointly work for global green growth."

### Participation in the 2024 ESG Global Leaders Conference

The Bank was invited to participate in the 2024 ESG Global Leaders Conference, where it delivered a speech titled "Leveraging Distinctive ESG Strengths to Advance Sustainable Development." The speech shared the Bank's experience and unique practices in implementing ESG principles, emphasizing its commitment to deeply integrating ESG into business operations, serving diverse stakeholders, and building a sustainable, high-performing Bank with advanced governance, strategic planning, management, and disclosure standards. This effort aims to enhance the global influence of ESG with Chinese characteristics and contribute to Chinese modernization through high-quality financial development.

### Participation in the 3rd China International Conference on Climate Investment and Finance in 2024

The Bank was invited to participate in the 3rd China International Conference on Climate Investment and Finance in 2024 and delivered a keynote speech. It introduced its initiatives to advance high-quality green finance development, reaffirming its dedication to openness, inclusiveness, and win-win cooperation. The Bank also pledged to deepen multilateral collaboration, mobilize financial resources to support green development, and work with global partners to address climate change.

### Hosting the 2024 Cross-Border Agriculture-related Finance Roundtable Forum

The Bank hosted the Cross-Border Agriculture-related Finance Roundtable Forum under the theme "Financial Empowerment for Global Agricultural Cooperation". Discussions centered on technology-driven green agricultural development, with participants sharing financial best practices, sustainable development strategies, and collaborative proposals tailored to current macroeconomic trends and challenges.

### Participation in the United Nations Global Investors for Sustainable Development (GISD) Alliance Annual Meeting

The 6th Annual Meeting of the UN Global Investors for Sustainable Development (GISD) Alliance was held at the UN Headquarters under the theme "Contributing to the Fourth International Conference on Financing for Development." As a member of the Alliance's Strategy Group, the Bank participated virtually and delivered remarks emphasizing its ongoing efforts to increase financial support for sustainable development initiatives, leverage technological tools to enhance the accessibility and convenience of financial services, and pioneer innovative South-South cooperation initiatives to assist "Global South" countries in strengthening their financial systems. The Bank reaffirmed its commitment to fostering consensus on development cooperation, promoting trade and investment facilitation, improving the quality and efficiency of information disclosure, and laying the groundwork for global sustainable development.

### Hosting the "Seminar on ESG Driving High-Quality Development of Zhejiang Enterprises"

The Bank hosted the "Seminar on ESG Driving High-Quality Development of Zhejiang Enterprises," during which it released the *Ocean ESG Action Plan* and the *Integrated Personal Financial Services Plan to Support Technology Talent Entrepreneurship and Innovation*, fully supporting the construction of a beautiful China, the protection of the blue ocean, and the entrepreneurship and innovation among high-level technology talent.



## Enhancing Information Disclosure



### Expanding information disclosure channels

The Agricultural Bank of China published its bilingual (Chinese and English) *2023 Green Finance Development (Environmental Information Disclosure) Report* on its official website, demonstrating its robust initiatives to advance green finance by fundamentally serving the comprehensive green transformation of economic and social development and focusing on driving the integration and innovation of Sannong and green finance.

The Bank released its *2023 Social Responsibility Report (Environmental, Social and Governance Report)*, showcasing its concrete actions to implement China's carbon peaking and carbon neutrality goals, including strengthening green credit issuance, innovating green financial products, and other green finance practices.



It launched a dedicated "Green Finance" Section on its official website, featuring sub-sections such as Green Finance Thematic Reports, Green Finance Information Disclosure, and Green Finance Dynamics. This section aims to timely disclose reports, information, and dynamics, strengthening communication and interaction with all sectors of society and stakeholders.

The Bank leveraged key media platforms and official social media channels to highlight its focus on integrating Sannong with green practices, supporting green transformations in the real economy, and fostering innovation-driven green finance development. Through integrated formats such as comprehensive reports, case studies, poster news, and short videos, the Bank conducted robust thematic promotions, showcasing its commitment to the philosophy that "lucid waters and lush mountains are invaluable assets," steadfast advancement of green finance strategy, and concrete measures to infuse green development philosophy into rural revitalization services and real economy support, thus driving high-quality development throughout the entire process.

### Strengthening coordinated information disclosure

The Bank continued to enhance coordinated information disclosure through various channels, including sustainable development reports, regular reports, green finance development reports, social responsibility reports (philanthropy reports), and all-media platforms. The Bank highlighted its ESG principles, green finance practices, and environmental information management in the "Environmental, Social and Governance (ESG) Information" sections of its annual and semi-annual reports, with detailed updates on green finance initiatives, and elaborated in green finance thematic reports on its efforts to support the dual carbon goals and advance the Beautiful China Initiative, articulating ABC's green finance narrative.

## Enhancing Brand Image



**Sustained enhancement of green finance market influence.** The Bank deepened its collaboration with central mainstream media and comprehensive financial media to showcase its practical initiatives, unique strengths, and tangible achievements in green finance. Notable articles include *Agricultural Bank of China Contributes Financial Strength to Promote Green Development and Build a Beautiful China* published on the *Economic Daily*, *Leading Green Transformation: This State-Owned Bank Continues to Advance Green Finance* published on the *Reference News*, and *Agricultural Bank of China Drives Green Finance to Serve the Construction of a Beautiful China* published on the *Economic Information Daily*.



**Creating excellent green finance cases.** The front-page headline of the *People's Daily* highlighted our Chongqing Branch's successful case of supporting the growth of energy storage battery R&D enterprises. The innovative "ABC Tanying · Green Shandong" integrated service model was selected for the Financial High-Quality Development Case Report of the 2024 China Brand Forum. The financial empowerment case assisting Qinghai Tala Shoal Photovoltaic Power Station was honored as the "Annual Role Model of Financial Empowerment for High-Quality Development" by China Media Group (CMG), receiving extensive coverage from mainstream outlets including *Economic Daily*, *Economic Information Daily*, *Southern Weekly*, and *Xinhuanet*. *Economic Information Daily* dedicated a full-page report to the Bank's exemplary efforts in supporting ecological protection along the Yellow River Basin, innovatively launching the digital management platform "Green Finance Brain" in Zhejiang, and innovatively using charging rights pledges to bolster smart energy initiatives. *Xinhuanet* highlighted the Bank's groundbreaking initiatives through a series of poster features and short videos, including building a smart zero-carbon terminal, issuing blue bonds, and advancing the development of the new energy industry.



**Effectively promoting the green development philosophy.** By securing title sponsorship for CMG's large-scale cultural program "Biographies of Masters · Poets in the Tang Dynasty," the Bank showcased financial support achievements in the Ningxia Zhongwei Photovoltaic Project, reinforcing its green finance brand image. The Bank's sponsorship of the CCTV-1 documentary series "Agricultural Exploration of Civilization" highlighted its financial support for the construction of Gaoyou Lake Wetland Agricultural System, narrating practices and effectiveness of its active efforts in promoting environmental and ecological protection to a cumulative audience of 839 million viewers. As the title sponsor of CCTV-2's "China ESG Release," it promoted ESG practice optimization among Chinese enterprises while advancing corporate social responsibility, co-creating sustainable development futures with 121 million audience engagements. Through brand story features on CCTV and dedicated coverage on CCTV-2 Finance Channel, the Bank comprehensively demonstrated its institutional commitment to fostering green initiatives and serving sustainable development through its services in rural revitalization.

## Staying Committed to the "Dual Carbon" Goals and Jointly Pursuing a Green Future

Building an ecological civilization and a green homeland is a shared and beautiful vision for people around the world. Under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, China has achieved historic milestones in green development. The nation has actively engaged in global environmental and climate governance, offering Chinese wisdom and solutions with an open and cooperative approach. As a result, China has become a key participant, contributor, and leader in advancing the construction of a global ecological civilization.

As a large state-owned commercial Bank, the Bank adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements Xi Jinping Thought on Eco-Civilization, and actively contributes to advancing the development of green finance. Adopting a people-centered approach, the Bank integrates the principles of green development into conscious action, making meaningful contributions toward the vision of a green and low-carbon lifestyle for all.

In the future, the Bank will continue to fully and faithfully apply the new development philosophy on all fronts, integrate the green development philosophy into every aspect and stage of business operations, persistently advance the implementation of the green finance strategy, and improve the quality and efficiency of green financial services, delivering high-quality financial support for comprehensively advancing the construction of a beautiful China and realizing the modernization featuring harmony between humanity and nature.



# Appendixes

## Global Legal Entity Identifier (LEI): 549300E7TSGLCOVSY746

### Third-Party Assurance Report

#### Independent Assurance Report of Certified Public Accountants with Limited Assurance

KPMGHZTZ No. 2500114

##### To the Board of Directors of Agricultural Bank of China Limited,

Report on Selected Information in the 2024 Green Finance Development (Environmental Information Disclosure) Report of Agricultural Bank of China Limited (hereinafter referred to as the "2024 Green Finance Development Report").

##### I. Conclusion

We have performed a limited assurance engagement on the following 2024 sustainability-related information (hereinafter referred to as the "Assured Sustainability Information") included in the 2024 Green Finance Development (Environmental Information Disclosure) Report (hereinafter referred to as the "2024 Green Finance Development Report") issued by Agricultural Bank of China Limited (hereinafter referred to as "ABC"):

- Total assets (RMB 100 million)
- Total loans and advances (RMB 100 million)
- Capital adequacy ratio (%)
- Net profit (RMB 100 million)
- Green credit balance (RMB trillion)
- Proprietary green bond investment balance (RMB 100 million)
- Share of green bonds (including carbon neutrality bonds) underwritten (RMB 100 million)

Based on the procedures performed and the evidence obtained, we have not become aware of any matters that cause us to believe that the Assured Sustainability Information in ABC's 2024 Green Finance Development Report has not been prepared, in all material respects, in accordance with the criteria set out in the Appendix: Basis of Preparation for Sustainability Information (the "Preparation Basis").

Our conclusion on the Assured Sustainability Information does not extend to other information that accompanies or is included within the Assured Sustainability Information and this Report (hereinafter referred to as "Other Information"). The Other Information does not form part of this assurance engagement, and we have not performed any procedures on the Other Information.

##### II. Basis for Conclusion

Our assurance engagement was conducted in accordance with *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB). The section titled "Responsibilities of the Certified Public Accountants" in this Report further elaborates on our responsibilities under these standards.

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "Code") issued by the International Ethics Standards Board for Accountants (IESBA). The Code establishes fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies *International Standard on Quality Management 1 (ISQM 1) – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by IAASB. This standard requires the firm to design, implement, and operate a system of quality management, including policies and procedures addressing compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

##### III. Restrictions on Use

This Report is solely for the use of the Board of Directors. It shall not be utilized for any other purpose. We assume no liability or obligation for consequences arising from the use of this Report by any third party. This restriction does not affect the conclusion expressed herein.

##### IV. Responsibilities for the Assured Sustainability Information

The directors of ABC are responsible for:

- Designing, implementing, and maintaining internal controls relevant to the preparation of the Assured Sustainability Information to ensure it is free from material misstatement due to fraud or error;
- Selecting or establishing appropriate criteria for preparing the Assured Sustainability Information, with proper reference to or description of the standards applied;
- Preparing the Assured Sustainability Information in accordance with the Preparation Basis.

##### V. Inherent Limitations in Preparing the Assured Sustainability Information

We draw attention to the fact that non-financial data lacks a generally accepted framework for evaluation and measurement, leading to heterogeneous measurement methodologies that may affect the comparability of data across entities.

##### VI. Responsibilities of the Certified Public Accountants

We are responsible for:

- Planning and performing the assurance engagement to obtain limited assurance about whether the Assured Sustainability Information is free from material misstatement due to fraud or error;
- Forming an independent conclusion based on the procedures performed and evidence obtained;
- Communicating our conclusion to the Board of Directors of ABC.

Summary of Work Performed as the Basis for Our Conclusion

In conducting the assurance engagement, we exercised professional judgment and maintained professional skepticism. We designed and performed procedures to obtain sufficient and appropriate evidence regarding the Assured Sustainability Information as a basis for our conclusion. The procedures selected depended on our understanding of the Assured Sustainability

Information and engagement circumstances, including our consideration of areas where material misstatements were likely to arise. In conducting the assurance engagement, the principal procedures performed included:

- 1) Interviewing relevant ABC departments involved in preparing the Assured Sustainability Information for the 2024 Green Finance Development Report, and understanding the information collection, aggregation, review, and reporting processes;
- 2) Performing analytical procedures on the Assured Sustainability Information in the 2024 Green Finance Development Report, including inquiries with management to obtain explanations for significant variances identified;
- 3) Obtaining underlying data supporting the Assured Sustainability Information in the 2024 Green Finance Development Report and conducting sampling verification of data accuracy;
- 4) Recalculations;
- 5) Other procedures deemed necessary in the circumstances.

The nature and timing of procedures for a limited assurance engagement differ materially from those for a reasonable assurance engagement, being less comprehensive in scope. Therefore, the level of assurance provided by a limited assurance engagement is lower than that of a reasonable assurance engagement.



KPMG Huazhen LLP  
Beijing, China  
March 31, 2025

**Basis of Preparation for Sustainability Information**

**Total assets (RMB 100 million):**

Total assets represent the book value of total assets in the Group's consolidated financial statements as of the end of the reporting period.

**Total loans and advances (RMB 100 million):**

Total loans and advances represent the original value of loans and advances issued in the Group's consolidated financial statements as of the end of the reporting period.

**Capital adequacy ratio (%):**

The capital adequacy ratio is calculated in accordance with the *Administrative Measures for the Capital of Commercial Banks* and other relevant regulations.

**Net profit (RMB 100 million):**

Net profit represents the net profit amount in the Group's consolidated income statement for the year.

**Green credit balance (RMB trillion):**

The green credit balance is calculated in accordance with the green financing standard formulated by the National Financial Regulatory Administration in 2020.


**Proprietary green bond investment balance (RMB 100 million):**

Proprietary green bond investment balance represents the green bond investment balance of proprietary non-financial institutions and proprietary financial institutions under the standard specified by the National Financial Regulatory Administration.

**Share of green bonds (including carbon neutrality bonds) underwritten (RMB 100 million):**

The share of green bonds (including carbon neutrality bonds) underwritten represents the portion underwritten by the Bank for bonds whose proceeds are exclusively allocated to projects aligned with the *Green Bond Endorsed Projects Catalogue (2021 Edition)* or used for refinancing such projects.

**Third-Party Statement on Greenhouse Gas Emissions and Energy & Resource Consumption Data**



**Third-Party Statement for GHG Emissions and Energy & Resource Consumption Data**

This report is on  
**Agricultural Bank of China Limited**  
 covering GHG emissions and main energy consumption data of all operating institutions of Agricultural Bank of China Group from January 1, 2024 to December 31, 2024.

Index	2024
<b>Total greenhouse gas (GHG) Emissions<sup>1</sup></b>	
Scope 1: Direct GHG emissions (tCO <sub>2</sub> )	165,275.90
Emissions from stationary sources	80,557.61
Emissions from mobile sources	84,718.29
Scope 2: Indirect GHG emissions (tCO <sub>2</sub> )	1,973,634.02
<b>Total GHG emissions : Scope 1+ Scope 2 (tCO<sub>2</sub>)</b>	<b>2,138,909.92</b>
GHG emissions per capita (tCO <sub>2</sub> /p)	4.61
Scope 3 <sup>2</sup> : Other indirect GHG emissions (tCO <sub>2</sub> )	4,049.06
<b>Total GHG emissions : Scope 1+ Scope 2+ Scope 3 (tCO<sub>2</sub>)</b>	<b>2,142,958.98</b>
GHG emissions per capita (tCO <sub>2</sub> /p)	4.62
<b>Energy &amp; Resource Consumption<sup>3</sup></b>	
Comprehensive energy consumption (tce) <sup>4</sup>	541,519.14
Comprehensive energy consumption per capita (tce/p)	1.17
Total direct energy consumption (tce)	82,965.78
Direct energy consumption per capita (tce/p)	0.18
Natural gas (m <sup>3</sup> )	24,962,601.52
Gasoline (L)	38,291,601.03
Diesel (L)	1,422,447.05
Liquefied petroleum gas (t)	790.82
Coal (t)	7,648.86
Total indirect energy consumption (tce)	458,553.36
Indirect energy consumption per capita (tce/p)	0.99
Electricity (MWh)	3,084,408.409
Purchased heat (GJ)	2,329,412.90
Total water consumption (t)	31,146,613.64
Water consumption per capita (t/p)	67.15


1. Calculation methods of GHG emissions:  
 GHG accounting (Scope1, Scope2) is conducted in accordance with the requirements for activity level data and emission factors specified in *ISO14064-1 Greenhouse Gas Part 1: Norms and Guidelines for Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level; Methodology and Pilot Guidelines for Greenhouse Gas Emissions Accounting and Reporting by Public Building Operation Units (Enterprises); Announcement on the Release of 2021 Electricity Carbon Dioxide Emission Factor*;  
 GHG accounting (Scope 3: Municipal Water) is calculated in accordance with the municipal water emission factors, activity level data, and relevant requirements specified in *GHG Protocol (Greenhouse Gas Protocol) : Corporate Value Chain (Scope 3) Accounting and Reporting Standard; Carbon Peaking and Carbon Neutrality Public Service Platform- China Carbon Footprint Database (CNCD)*;  
 Total GHG emissions: The total sum of direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2 and Scope 3).

2. Scope 3 includes Category 1: Purchased Goods and Services (Municipal Water).


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

4. All comprehensive energy consumption data of various energy sources refer to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.

China Testing & Certification International Group Co., Ltd

Signature: 

Date of Statement: March 2025



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<b>Principle 1: Alignment</b>	
<p>1.1 Business model Describe the Bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which the Bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of the Bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>As one of China's leading comprehensive financial services providers, the Bank is committed to high-quality development, with a strategic focus on being the "leading Bank in serving rural revitalization" and the "primary Bank in supporting the real economy." It implements three core strategies: inclusive financial services for "Sannong"; green finance; and digital business. Leveraging its diversified business portfolio, extensive distribution network, and advanced technological platforms, the Bank offers a wide range of corporate and retail Banking products and services. It also operates in financial markets, asset management, investment Banking, fund management, financial leasing, and life insurance. By the end of 2024, the Bank had established 22,600 business outlets in China, including 12,700 in county areas.</p>
<p>1.2 Strategy alignment Please describe how the Bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the <i>Paris Climate Agreement</i>, and relevant national and regional frameworks. Does the Bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these? UN Guiding Principles on Business and Human Rights International Labour Organization fundamental conventions UN Global Compact UN Declaration on the Rights of Indigenous Peoples Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: ----- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ----- None of the above</p>	<p>The Bank has fully integrated sustainable development principles into a series of policy documents, including the <i>Green Finance Development Plan of Agricultural Bank of China (2021-2025)</i> and the high-quality green finance development implementation plan, aiming to make greater contributions to serving the high-quality development of China's economy, society, and environment. Each year, it formulates key priorities for green finance/carbon peaking and carbon neutrality efforts to clarify annual objectives and major tasks. By implementing the <i>Peak Carbon Emissions and Carbon Neutrality Work Plan of Agricultural Bank of China</i>, the Bank has supported the growth of green industries and the transition of high-carbon industries while steadily advancing its own operational carbon peaking and carbon neutrality goals. It has joined the United Nations Global Investors for Sustainable Development (GISD) Alliance and signed both the <i>Green Investment Principles for the Belt and Road</i> and the <i>Principles for Responsible Banking</i>, actively aligning with the UN SDGs and the implementation of the <i>Paris Agreement</i>.</p>

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<b>Principle 2: Impact and Target Setting</b>	
<p>2.1 Impact analysis Show that the Bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting.</p>	<p>The Bank has set relevant targets for rural revitalization and green finance (addressing climate change).</p>
<p>2.2 Target setting Show that the Bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. Show that the Bank has set and published a minimum of two targets which address at least two different areas of most significant impact that it identified in its impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: Alignment: which international, regional or national policy frameworks to align the Bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the <i>Paris Agreement</i>, and other relevant international, national or regional frameworks. Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that the Bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p><b>Rural revitalization</b> During the 14th Five-Year Plan period, the Bank has established its strategic positioning as the "leading Bank in serving rural revitalization" and prioritized inclusive financial services for "Sannong" as one of its three core strategies. Thoroughly implementing the CPC Central Committee's strategic plans for advancing rural revitalization across the board, the Bank has consistently prioritized its core responsibilities and business focus, working diligently to strengthen China's agricultural sector and promote integrated urban-rural development. It has consistently enhanced the sustainability of its "Sannong" operations, aiming to lead in market share, fintech innovation, service efficiency, risk control, and brand image. Aligned with the goals of service excellence, controllable risks, and commercial sustainability, the Bank dedicates concerted efforts to refine the uniqueness, advantages, and effectiveness of its "Sannong" and county-level operations, solidifying its role as a national leader and primary force in serving "Sannong."</p> <p><b>Green finance (addressing climate change)</b> The Bank has elevated green finance to one of its three core strategies in its 14th Five-Year Plan, driving comprehensive green transformation across operations and management. Key objectives include maintaining growth in green finance business scale, strengthening brand leadership, improving institutional mechanisms, and enhancing risk control capabilities. The climate-related investment and financing target is set as "green credit growth rate consistently exceeding the Bank's average loan growth rate," serving as a measurable indicator of progress toward climate goals during the 14th Five-Year Plan period.</p>

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<p>2.3 Target implementation and monitoring For each target separately: Show that the Bank has implemented the actions it had previously defined to meet the set target.</p>	<p><b>Rural revitalization</b> Focusing on the "Seven Major Agricultural Strengthening Financial Initiatives," spanning food security and supply, poverty alleviation support, agricultural technology, thriving agriculture through industries, farmers' common prosperity, rural construction, and low-carbon villages, the Bank has enhanced its customer, capital, scenario, model, and product policies, as well as the specialized "Rural Revitalization Finance+" service system.</p> <p><b>Green finance (addressing climate change)</b> The Bank has conducted regular monitoring and evaluation of the implementation measures outlined in the <i>Green Finance Development Plan of Agricultural Bank of China (2021-2025)</i>, ensuring accountability for plan execution and accelerating the advancement of its green finance strategy. Key initiatives include strengthening organizational leadership, expanding high-quality policy supply, increasing financial support for priority sectors, and promoting diversified product and service innovation.</p>
<b>Principle 3: Clients and Customers</b>	
<p>3.1 Client engagement Describe how the Bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p>	<p><b>Rural revitalization</b></p> <p><b>- Policy formulation</b> Strengthened strategic planning for serving rural revitalization. The Bank issued the <i>Guidelines on Enhancing Financial Services for Rural Revitalization in 2024</i>, aligning with the 2024 priorities set by the CPC Central Committee, which focus on the "two ensures, three improvements, and two strengthens" for "Sannong" work. With a focus on providing financial services for key rural revitalization sectors, the guidelines highlight efforts to expand the supply of credit funds, foster innovation in financial products and service models, and deliver high-quality financial services to advance comprehensive rural revitalization. Additionally, the Bank released its <i>2024 Key Priorities for Serving Rural Revitalization and "Sannong" County-Level Operations</i>, clarifying its annual objectives and tasks for serving rural revitalization. Continuous improvement of credit management mechanisms for "Sannong." The Bank unveiled its <i>2024 Credit Policy Guidelines for "Sannong"</i>, outlining differentiated credit policies to bolster credit support in key rural revitalization sectors. Specific measures included: strengthening the construction of green approval channels and prioritizing credit applications from 160 key counties under the national rural revitalization initiative, 832 counties that have emerged from poverty, and loans for grain security, modern seed industry development, high-standard farmland construction, and major agricultural and rural infrastructure projects; strengthening the classified guidance and management of county-level branches, while aligning differentiated credit authorization and resource allocation with regional needs; continuing to prioritize the allocation of credit resources towards rural revitalization, ensuring the alignment with county-level credit needs of "Sannong," and establishing dedicated credit plans such as county-level loans, agriculture-related loans, and loans for counties that have emerged from poverty; adjusting resource allocations, including fixed assets, financial expenses, and incentive compensation, to prioritize frontline rural revitalization services, while implementing preferential internal fund transfer pricing and discounted economic capital measurement policies for loans aimed at key rural revitalization sectors.</p> <p><b>- Multi-party cooperation</b> Seventy percent of new or relocated outlets were positioned in counties, rural-urban fringe zones, and townships. The Bank established rural revitalization service pioneer teams, initiated the "Hundred Teams Competition" initiative to enhance village- and household-level outreach, and provided regular mobile financial services. It also collaborated with supply and marketing cooperatives, village party branch committees and villagers' committees, and "Science and Technology Backyards" to co-build Huinongtong Comprehensive Service Points and promote the Huinongtong WeChat Mini Program.</p> <p><b>- Actions planned/implemented</b> The Bank continues to deepen integrated online-offline operations, driving financial services deeper into rural areas. It has refined the "six-in-one" rural service channel system, combining physical outlets, self-service terminals, internet finance, Huinongtong service points, remote Banking, and mobile financial services, effectively extending rural basic financial service network and solidifying its unique strengths in county-level operations of "Sannong." Positioning serving rural revitalization as a strategic priority for growth and focusing on the "Seven Major Agricultural Strengthening Financial Initiatives," spanning food security and supply, poverty alleviation support, agricultural technology, thriving agriculture through industries, farmers' common prosperity, rural construction, and low-carbon villages, the Bank has enhanced its customer, capital, scenario, model, and product policies, as well as the specialized "Rural Revitalization Finance+" service system.</p>

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	<p><b>Green finance (addressing climate change)</b></p> <p><b>- Policy formulation</b> The Bank has formulated and implemented the <i>Green Finance Development Plan of Agricultural Bank of China (2021–2025)</i> and the high-quality green finance development implementation plan. It issued key priorities for green finance/carbon peaking and carbon neutrality efforts to detail annual development objectives and measures. The Bank refined its multi-tiered policy framework by integrating green and low-carbon requirements into credit policy guidelines, optimizing industry credit policies, and directing green capital flows.</p> <p><b>- Multi-party cooperation</b> The Bank continued to foster win-win cooperation in green finance. It has joined the United Nations Global Investors for Sustainable Development (GISD) Alliance and signed both the <i>Green Investment Principles for the Belt and Road and the Principles for Responsible Banking, actively aligning with the UN SDGs and the implementation of the Paris Agreement</i>. It has participated in the IIF Sustainable Finance Summit and the GISD Alliance Annual Meeting for several consecutive years and shared experiences with global peers. The Bank has participated in the "China Corner" side event at the 15th Conference of the Parties to the <i>Convention on Biological Diversity</i>, and jointly released the <i>Joint Action Plan of Financial Institutions in the Banking Sector to Support Biodiversity Conservation</i>. As the sole Chinese financial institution invited to the Opening Ceremony of the "China Pavilion" at the 28th Conference of the Parties to the <i>UN Framework Convention on Climate Change (COP28)</i> and the Side Event on "Ecological Civilization and Beautiful China Practice", the Bank showcased its achievements in green finance and climate action.</p> <p><b>- Actions planned/implemented</b> The Bank refined its mechanism for major green finance projects, prioritizing funding for clean energy, green infrastructure upgrades, energy conservation, and environmental protection. It promoted integrated green development in "Sannong" work, strengthening green financial services for "Sannong." The Bank expanded its green investment and financing services by underwriting and issuing green bonds, investing in green bonds, and innovating ESG-themed wealth management products. Progress was made in reducing operational carbon emissions, advancing green finance initiatives, and reinforcing its reputation as a green Banking leader.</p>
<p>3.2 Business opportunities Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts the Bank has identified and/or how it has worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or RMB) and/or as a % of its portfolio, and which SDGs or impact areas the Bank is striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p>	<p><b>Rural revitalization</b> Positioning serving rural revitalization as a strategic priority for growth and focusing on the "Seven Major Agricultural Strengthening Financial Initiatives", spanning food security and supply, poverty alleviation support, agricultural technology, thriving agriculture through industries, farmers' common prosperity, rural construction, and low-carbon villages, the Bank has enhanced its customer, capital, scenario, model, and product policies, as well as the specialized "Rural Revitalization Finance+" service system. By the end of 2024, the Bank's loans for county-level areas reached RMB 9.85 trillion. For more information about the Bank's business opportunities in "rural revitalization," please refer to the <i>2024 Green Finance Development (Environmental Information Disclosure) Report</i> and the <i>2024 Sustainable Development Report</i>.</p> <p><b>Green finance (addressing climate change)</b></p> <p><b>- Green credit</b> The Bank has incorporated green and low-carbon requirements into the 2024 credit policy guidelines, credit policy guidelines for "Sannong", and credit policy guidelines for inclusive finance, coordinating credit policies to jointly support rural revitalization, inclusive finance, green finance, and high-quality development of the real economy. In accordance with national industrial policies, the Bank has integrated technology, energy consumption, and environmental impact standards into industry credit policies to direct more capital toward green and low-carbon development priorities. Focusing on green industries such as energy conservation and environmental protection, clean production, clean energy, ecological environment protection, green infrastructure upgrades, and green services, the Bank increased green credit allocations, innovated specialized products and service models, and sustained rapid growth in green credit business. To accelerate the green transition, it increased the focus on green development services for traditional industries and supported the green transformation, energy conservation, and consumption reduction efforts in high-carbon industries. The Bank refined its mechanism for major green finance projects, boosting funding for green industries, with nearly 3,000 projects cumulatively included. By the end of 2024, the Bank's green credit balance was RMB 4.97 trillion.</p>

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	<p><b>- Green bonds</b> Issuing green bonds: In February 2025, the Bank issued RMB 60 billion in green financial bonds in the interBank market, setting a record for the largest single issuance of green financial bonds in China. Investing in green bonds: Prioritizing green industries such as clean energy, green infrastructure upgrades, energy conservation, and environmental protection, the Bank actively invested in green bonds. By the end of 2024, the Bank's proprietary green bond investment balance reached RMB 165.6 billion, with a growth rate of 14.8%. Underwriting green bonds: The Bank has focused on green and low-carbon sectors such as clean energy, green building, and energy conservation and environmental protection, underwriting and issuing green bonds, carbon neutrality bonds, sustainable development-linked bonds, and more. In 2024, the Bank underwrote 62 green bond issuances (including carbon neutrality bonds) with an issuance scale of RMB 120.6 billion and an underwriting share of RMB 32.4 billion. At the same time, the Bank expanded its range of green financial products, including green investment, green funds, green leasing, green wealth management, green consumption, and carbon finance services. For further details, please refer to the Bank's <i>2024 Green Finance Development (Environmental Information Disclosure) Report</i> and <i>2024 Sustainable Development Report</i>.</p>
<b>Principle 4: Stakeholders</b>	
<p>4.1 Stakeholder identification and consultation Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving the Bank's impacts. This should include a high-level overview of how the Bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	<p>The Bank placed high importance on communication with stakeholders, including governments and regulators, shareholders and investors, clients, employees, suppliers, and partners. It maintained open communication channels and established a coordinated multi-channel disclosure mechanism encompassing regular reports, sustainable development reports, green finance development reports, its official website, and all-media platforms. For stakeholders, the Bank conducted due diligence through a structured process: identifying key stakeholders, designing and distributing questionnaires, assigning stakeholder weightings, and synthesizing survey results. For more information on stakeholders, please refer to the Bank's <i>2024 Sustainable Development Report</i>.</p>
<b>Principle 5: Governance &amp; Culture</b>	
<p>Please describe the relevant governance structures, policies and procedures the Bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.</p>	<p>The Bank continuously enhances its sustainability governance framework. The Board of Directors oversees strategic deployment and decision-making, supported by its Strategic Planning and Sustainable Development Committee. Under the Strategic Planning and Sustainable Development Committee, a Sustainable Development Working Group, chaired by the Board Secretary, has been established to strengthen support for the Board's sustainability governance decisions. The Board of Supervisors monitors the Board of Directors and Senior Management's performance in sustainability execution. The Senior Management implements key sustainability initiatives, ensuring efficient achievement of sustainability objectives.</p> <p><b>Rural revitalization</b> The Board of Directors established the Sannong Finance and Inclusive Finance Development Committee to formulate business development plans and annual plans focused on "Sannong," as well as to review and approve Sannong-related major policy decisions. The Board of Supervisors supervised the implementation of "Sannong" business development plans, policies, and basic management systems. The Senior Management established the Management Committee of the Sannong and Inclusive Finance Division, responsible for formulating and organizing the implementation of annual operational plans for the "Sannong" business, reviewing key issues related to the business development, coordinating and solving major challenges in business development, and ensuring the implementation of the Bank's inclusive strategy initiatives for "Sannong."</p>

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	<p><b>Green finance (sustainable development)</b>                      The Bank's Board of Directors actively assumed the primary responsibility for green finance, formulated the Bank's green finance development strategy and goals, and organized evaluations of the implementation of the strategy. It established risk management strategies and risk appetites that encompass climate-related risks. It reviewed or listened to reports on the progress of green finance/carbon peaking and carbon neutrality initiatives, comprehensive risk management (including environmental and climate-related financial risks), the progress of relevant stress testing activities (including climate-related risk stress testing), etc. The Senior Management established the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, chaired by the President, defining the committee's member departments, and continuously strengthening the coordination between the head office and branches, as well as inter-departmental collaboration, to jointly promote the high-quality development of green finance.                      For more information on the governance structure regarding the implementation of the <i>Principles for Responsible Banking</i>, please refer to the Bank's <i>2024 Green Finance Development (Environmental Information Disclosure) Report</i> and <i>2024 Sustainable Development Report</i>.</p>
5.2 Promoting a culture of responsible Banking Describe the initiatives and measures of the Bank to foster a culture of responsible Banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).	<p><b>Inclusion in remuneration structures and performance management</b>                      The Bank has consistently incorporated sustainability-related metrics, such as green credit, rural revitalization loans, and inclusive loans, into the performance evaluation system for senior executives, and aligned remuneration with evaluation results, reinforcing governance and incentive mechanisms to effectively leverage remuneration in driving sustainable development.</p> <p><b>Capacity building and sustainability training</b>                      The Bank developed an education and training plan with specialized modules on "Rural Revitalization," "Green Finance," and "Digital Business," ensuring comprehensive policy dissemination across the three core strategies.                      Strengthening the training and cultivation of professionals: The Bank established a green finance talent pool spanning the head office, branches, and comprehensive subsidiaries, covering business lines such as credit management, corporate Banking, Sannong business, financial markets, and international Banking. The "Agricultural and Rural Green Finance Transition" training program was held in Hong Kong, designed for business backbones from the head office and branches engaged in agricultural and rural green finance work. The Bank held 258 special training sessions on "green finance," covering over 10,000 participants. A total of 53 green finance-related courses were selected and launched on "ABC e-Learning", reaching an audience of 190,000 people. Using the "ABC Lectures" platform, experts from both within and outside the Bank were invited to deliver lectures on topics such as addressing climate change and green finance, aiming to expand employees' perspectives and foster innovative thinking.                      Continuing to conduct forward-looking research: Based on the national strategic deployment and focusing on the Bank's business interests, the Bank has published the <i>Integrated Development of Green Finance and Inclusive Finance: Policies, Standards, and Practices</i> and released the <i>Blue Book on "Commercial Banking + Investment Banking" Support for Sustainable Agricultural Development under the Deepening Development of Green Finance</i>, focusing on key topics such as carbon market, sustainable information disclosure, and green finance standards, and forming several research reports.                      For more information on promoting a culture of responsible Banking, please refer to the Bank's <i>2024 Green Finance Development (Environmental Information Disclosure) Report</i> and <i>2024 Sustainable Development Report</i>.</p>

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5.3 Policies and due diligence processes Does the Bank have policies in place that address environmental and social risks within its portfolio? Please describe. Please describe what due diligence processes the Bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.	<p>The Bank has incorporated climate-related risk factors into its ESG risk management framework, enhancing the identification, assessment, management, and process control of ESG risks and continuously improving the effectiveness of ESG risk management. This framework now covers credit (including corporate and project financing) and investment Banking operations. It formulated the <i>Environmental, Social, and Governance Risk Management Measures for Credit Business of Agricultural Bank of China</i> to implement comprehensive coverage, classified management, and full-process control of ESG risk management for credit business. The Bank has incorporated ESG risk management requirements throughout the entire credit lifecycle, with specific review criteria defined at each stage of credit management, to improve the refinement of ESG risk management and enforce a "one-vote veto" mechanism for high-risk ESG cases. Rigorous risk assessment and proactive monitoring have been conducted for industries significantly exposed to long-term climate risks (e.g., rising average temperatures, desertification, rising sea levels) and transition risks (e.g., traditional energy and high-carbon industries).                      The Bank has established and continuously improved client ESG risk management functionalities within its credit business system. It has incorporated ESG risks into due diligence processes, with evaluations on environmental, social, and governance risks conducted based on industry- and enterprise-specific ESG risk factors. For high-carbon and other ESG risk-intensive industries, compliance reviews have been intensified in areas such as environmental protection, work safety, and occupational hazard prevention.                      For more information on policies and due diligence processes, please refer to the Bank's <i>2024 Green Finance Development (Environmental Information Disclosure) Report</i> and <i>2024 Sustainable Development Report</i>.</p>
<b>Principle 6: Transparency &amp; Accountability</b>	
6.1 Assurance Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? Yes Partially No If applicable, please include the link or description of the assurance statement.	<p>The Bank engages external third-party assurance providers annually to conduct independent assurance of key data disclosed in its reports, enhancing the credibility and reliability of the reported information.</p>
6.2 Reporting on other frameworks Does the Bank disclose sustainability information in any of the listed below standards and frameworks? <input checked="" type="checkbox"/> GRI <input checked="" type="checkbox"/> SASB <input checked="" type="checkbox"/> CDP <input checked="" type="checkbox"/> IFRS Sustainability Disclosure Standards <input checked="" type="checkbox"/> TCFD <input checked="" type="checkbox"/> Other: ....	<p>This Report is prepared in accordance with the <i>Guidelines for Financial Institutions Environmental Information Disclosure</i> issued by the People's Bank of China and refers to recommendations from information disclosure frameworks such as the UN Principles for Responsible Banking (PRB).                      The Bank's <i>2024 Sustainable Development Report</i> is prepared in accordance with the <i>Corporate Sustainability Disclosure Standards – Basic Standards (Trial)</i> (CK [2024] No. 17) jointly issued by the Ministry of Finance and eight other ministries, the <i>Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i> and the <i>Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Preparation of Sustainability Reports</i> issued by the Shanghai Stock Exchange, and Appendix C2 to the <i>Main Board Listing Rules: Environmental, Social and Governance Reporting Code</i> issued by Hong Kong Stock Exchange. Additionally, this Report references the <i>Sustainability Reporting Standards</i> (GRI Standards) by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (SDGs).</p>
6.3 Outlook What are the next steps the Bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.	<p>In the coming year, the Agricultural Bank of China will continue to advance sustainable finance by innovating financial products and services with greater transparency and accountability. The Bank will further strengthen the ESG management system, refine corporate governance, and intensify efforts in inclusive finance and green finance, steadfastly upholding its commitment to sustainable development.</p>

## Report Preparation Notes

### Scope of the Report

#### Organizational scope

This Report covers the Agricultural Bank of China Limited head office, all domestic first-tier (directly affiliated) branches, directly affiliated institutions, training institutes, overseas institutions, and major subsidiaries.

#### Timeframe

January 1, 2024 to December 31, 2024.

### Preparation Basis

This Report is prepared in accordance with the *Guidelines for Financial Institutions Environmental Information Disclosure* issued by the People's Bank of China and refers to recommendations from information disclosure frameworks such as the UN Principles for Responsible Banking (PRB).

### Data Sources

Data in this Report is primarily sourced from the Bank's internal systems and statistical reports from branches. All monetary figures are denominated in Renminbi (RMB).

### Release Channels

This Report is published in print and digital formats. The digital version is accessible on the Bank's official website ([www.abchina.com](http://www.abchina.com)). This Report is available in both Chinese and English; in case of discrepancies, the Chinese version shall prevail.