



**Corporate Social Responsibility**  
(ESG) Report  
2023

An aerial photograph of a valley at sunrise. The scene is dominated by dark, jagged karst mountains that rise sharply from a lush green valley floor. A winding river flows through the center of the valley, reflecting the golden light of the sun. In the middle ground, a small town with white buildings is nestled in a valley. The foreground shows a mix of green fields and white, rectangular structures, possibly greenhouses or agricultural plots. The sky is filled with soft, golden light, and the overall atmosphere is serene and hopeful. The text "Looking into a green future" is overlaid in the upper center of the image.

Looking into a green future

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# About the Report

## Coverage

- Organizations: The Report covers the Head Office of China Everbright Bank and the institutions in its jurisdiction.
- Reporting Period: January 1, 2023 to December 31, 2023 (Some contents may not fall into the aforesaid reporting period)
- Reporting Cycle: Annual report

## Basis

- *Opinions on Strengthening Social Responsibility of Banking Financial Institutions (2007)* by the former China Banking Regulatory Commission
- *Guidelines for Financial Institutions Environmental Information Disclosure (2021)* by the People's Bank of China
- *Green Finance Guidelines for Banking and Insurance Sectors (2022)* by the former China Banking and Insurance Regulatory Commission
- *Guidelines on Corporate Social Responsibility of Banking Financial Institutions (2009)* by China Banking Association
- *Code of Corporate Governance for Listed Companies (2018)* by China Securities Regulatory Commission
- *Guidelines for Self-disciplinary Supervision of Listed Companies No. 1—Standard Operation (2022)* by Shanghai Stock Exchange
- *Environmental, Social and Governance Reporting Guide (2022)* by the Stock Exchange of Hong Kong Limited
- The United Nations Sustainable Development Goals (SDGs)
- *Sustainable Development Reporting Standards (2021)* by Global Reporting Initiative (GRI)
- *IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information (2023)* and *IFRS S2 — Climate-related Disclosures (2023)* by the International Sustainability Standards Board (ISSB)

## Reporting Principles

- Importance: The Report identifies and addresses important ESG topics concerning the Bank's sustainable development based on online surveys and information analysis of stakeholders.
- Quantifiability: The Report discloses the Bank's quantified ESG key performance indicators and reveals the standards, methods, assumptions, and calculation tools and materials used for quantifying environmental data, along with the sources of conversion factors used, at appropriate sections.
- Balance: The content of the Report reflects objective facts and discloses both positive and negative indicators.
- Consistency: The indicators used herein maintained maximum consistency in different reporting periods, with explanatory notes given to those that have changed to reflect trends in the performance

## Languages

The Report is prepared in simplified Chinese, with English and traditional Chinese versions. The simplified Chinese version shall prevail in case of any discrepancy.

## Descriptions

There are no significant changes in the method of obtaining and calculating data in the Report compared with previous ones. The financial data herein is quoted from the audited Annual Results Announcement (H share), and other data comes from the Bank's internal management system, statistical ledger, etc. All monetary amounts stated in the Report are denominated in RMB, unless otherwise specified.

## Definitions

- China Everbright Group, Everbright Group, CEG: China Everbright Group Ltd.
- China Everbright Bank, CEB, the Bank: China Everbright Bank Company Limited
- Everbright Financial Leasing: Everbright Financial Leasing Co., Ltd.
- Everbright Wealth Management: Everbright Wealth Management Co., Ltd.
- Sunshine Consumer Finance: Beijing Sunshine Consumer Finance Co., Ltd.

## Assurance Report

This report has been independently assured by KPMG Huazhen (LLP), with an independent assurance report provided (see Appendix of this Report).

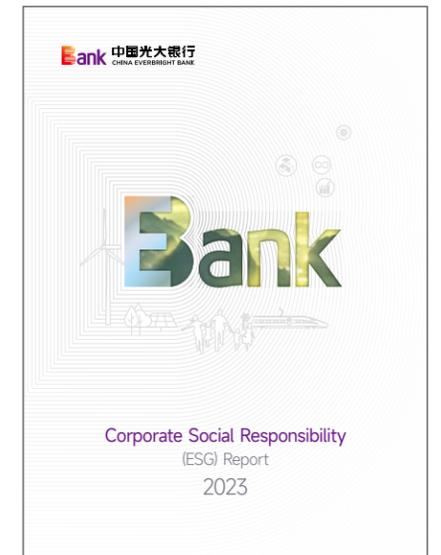
## Publication Format

The printed version of the Report is available at the General Office of Head Office. The electronic version of the Report is available on the Bank's website at [www.cebbank.com](http://www.cebbank.com) under the Everbright ESG section, the websites of Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

## Contact Information

General Office of China Everbright Bank Company Limited  
Head Office

Address: China Everbright Center, No.25 Taipingqiao Street, Xicheng District, Beijing  
Postal code: 100033  
Tel: 86-10-63636363  
Fax: 86-10-63639066



# Messages from the Senior Management

## Statement of the Board of Directors

The Board of Directors of the Bank follows the requirement of *Environmental, Social and Governance Reporting Guide (2022)* by the Stock Exchange of Hong Kong Limited and makes the following announcement.

The Board commits: the Bank and its Board strictly complied with regulatory requirements in the *Code of the Corporate Governance for Listed Companies* by China Securities Regulatory Commission, the *Corporate Governance Code*, and *Environmental, Social and Governance Reporting Guide* by the Stock Exchange of Hong Kong Limited, continuously advancing the Bank's ESG governance system, strengthening the supervision and enhancing the engagement of the Board regarding ESG work, actively integrating ESG concept into corporate development strategies, major decision-making, management and operation.

### ESG Management, Governance and Supervision by the Board

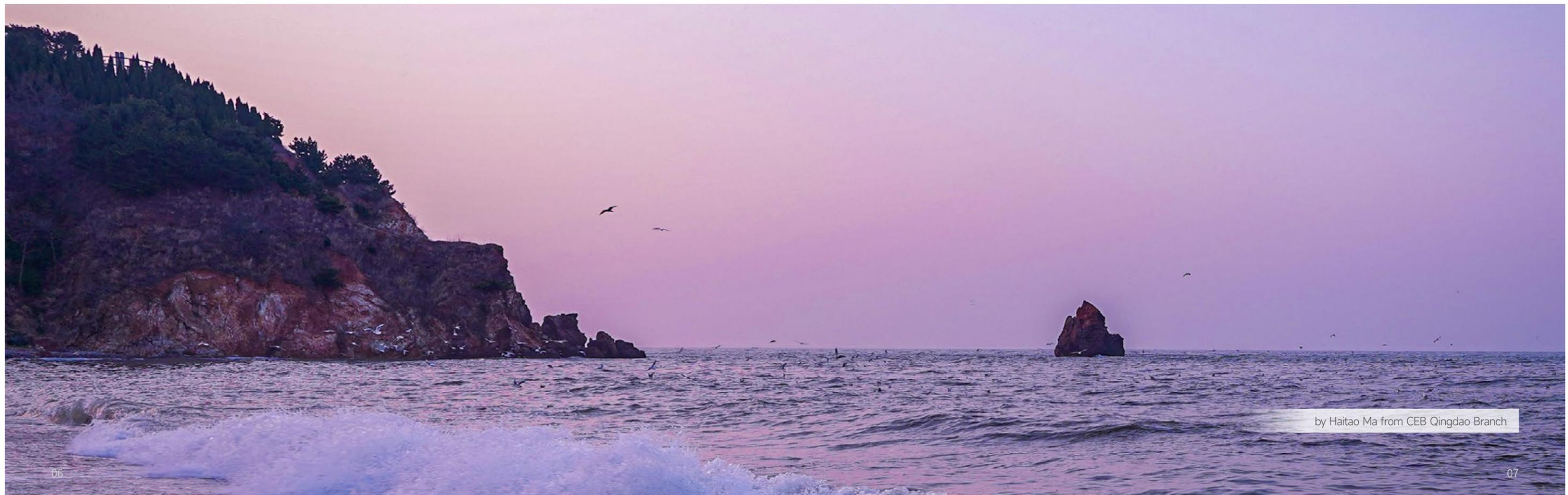
The Board, assuming the highest liability and being the decision-making body of ESG-related matters, takes the ultimate responsibility of ESG work. The Social Responsibility, Inclusive Finance Development and Consumers' Rights and Interests Protection Committee is set under the Board, responsible for identifying ESG strategic objectives and major tasks, supervising the implementation of ESG plans and reviewing the results, fulfilling regulatory requirements of ESG work, and debriefing reports on the progress of ESG on a regular basis. The committee consists of 4 board members, including 1 Independent Director, with the President of the Bank being the Chairman. The committee convenes meetings regularly and communicates with the Board regarding ESG-related topics when necessary.

### ESG Strategy and Approach

The Bank attached great importance to its communication with all stakeholders, conducting annual surveys to improve communication quality and efficiency. The Bank has incorporated social responsibility and ESG concept and planning into its *Measures for Implementing the Central Financial Work Conference's Guiding Principles in Optimization of the "14th Five-Year" Development Strategy* and formulated the major tasks for ESG work of 2024, providing specific guidance for coordinated ESG efforts across the Bank.

### ESG Objectives and Indicators

The Bank has built an ESG objective management mechanism. In the development plans and important work plans, it has formulated performance goals regarding various sectors, including green finance, environmental and climate risk management, consumer rights protection, rural revitalization, internal control and compliance, and internal auditing, with some of the major indicators incorporated into the performance and remuneration assessment of Senior Management. In 2023, the Board effectively performed its supervision and engagement function in ESG work, reviewed and listened to 54 ESG-related proposals. To ensure the reliability of the ESG performance indicators, the Bank engaged KPMG Huazhen (LLP) to independently assure this report, and issue independent limited assurance opinions for 16 performance indicators.



by Haitao Ma from CEB Qingdao Branch

## Message from the Chairman

The year 2023 marks the beginning of implementing the spirit of the 20th National Congress of the Communist Party of China, a crucial year for advancing the "14th Five-Year Plan" and an important year of laying the foundation for building China into a modern socialist country in all respects. Over the past year, China Everbright Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, upheld the general principle of seeking progress while ensuring stability, and focused on the theme of promoting high-quality development in serving the real economy and preventing and defusing risks, thereby making Everbright contributions to the high-quality and sustainable development of the economy and society.

**Ensuring that the financial work is politically oriented and can better represent the people, China Everbright Bank returned to the origin of finance, and provided high-quality services to facilitate high-quality development of the real economy.** It resolutely implemented the decisions and deployments of the CPC Central Committee and the State Council, actively served the implementation of major national strategies and the cultivation of new drivers of growth, comprehensively enhanced service efficiency and capabilities, allocated more financial resources to key areas and weak links in economic and social development. CEB promoted technological innovation and the development of advanced manufacturing enterprises and small, medium, and micro enterprises to vigorously support the implementation of the innovation-driven development strategy and the regional coordinated development strategy. Furthermore, it made concerted efforts in "Five Target Areas" including technology finance, green finance, inclusive finance, pension finance, and digital finance, continuously injecting vitality into the real economy and providing high-quality financial services to customers and society.

**Driving green transformation and deepening sustainable development, China Everbright Bank promoted people's well-being through the power of finance.** Closely following national policies, CEB incorporated the development of green finance and the "dual carbon" goals into its overall development strategy, strengthened the initiative and consciousness in constructing a financial service ecosystem for ecological environment, and supported ecological civilization construction and green transformation based on its own actual conditions. With focus on services in the green industry, it increased support for important market entities such as private enterprises and MSEs, and enhanced the service targeting and effectiveness of the green industry. It developed a "Green Finance +" product service

system, innovated and enriched financial tools, and improved supporting financial service policies. Leveraging the advantages of China Everbright Group's full financial licenses, CEB built a comprehensive green finance service featuring "commercial banking + investment banking + private banking + financial leasing", developed differentiated operating characteristics of green finance to foster the "Green Everbright" brand, devoting Everbright efforts to achieving the "dual carbon" goals.

**Upholding compliant operation and consolidating the foundation for sound growth, China Everbright Bank transformed the political advantage of Party's leadership into financial governance capability.** Adhering to the centralized and unified leadership of the CPC Central Committee in financial work, CEB integrated the strengthening of Party leadership with the improvement of corporate governance. It continuously refined and optimized modern corporate governance structures and operational mechanisms, and emphasized the philosophy of prudent operation and strengthening risk prevention and control. CEB intensified comprehensive risk management and internal control compliance, perfected the risk management system, strengthened forward-looking risk management and improved disposal capabilities for all kinds of risks. It established three lines of defense of risk control system featuring clear responsibilities, streamlined processes, and comprehensive supervision. CEB regards the cultivation of financial culture with Chinese characteristics as a vital aspect in advancing along the path of financial development with Chinese characteristics. In accordance with the requirements of the financial culture, namely "being honest and trustworthy; seeking gains through righteous approaches and avoiding a single-minded focus on profit; maintaining prudence and caution in work without succumbing to the lure of quick success; preventing funds from being diverted out of the real economy; ensuring compliance with laws and regulations, and refraining from reckless actions", we will consistently cultivate excellent culture and enhance our soft power.

Time waits for no one, and travelers never cease. 2024 marks the 75th anniversary of the founding of the People's Republic of China and a crucial year for achieving the goals of the "14th Five-Year Plan". China Everbright Bank will fully, accurately, and comprehensively implement the new development philosophy, and put more efforts in improving governance, protecting the environment, and fulfilling social responsibilities so as to grow into a state-owned joint-stock commercial bank with professionalism, characteristics, influence, and competitive edges.

Chairman **WU Lijun**

27 March 2024

## Message from the President

In 2023, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Everbright Bank, comprehensively carried out the spirit of the 20th National Congress of the Communist Party of China, earnestly implemented the principles of the Central Financial Work Conference and the Central Economic Work Conference, and remained committed to ensuring that the financial work is politically oriented and can better represent the people. It actively fulfilled the social responsibilities of central state-owned financial enterprises, endeavored to build itself into a state-owned joint-stock commercial bank with professionalism, characteristics, influence, and competitive edges, and performed its social responsibilities and created social value from the following four aspects.

**Acting on its fundamental mission, China Everbright Bank actively served the real economy.** In 2023, China Everbright Bank actively served the real economy, and accelerated credit granting around key areas of technological innovation such as manufacturing and strategic emerging industries. It set up sci-tech innovation specialized institutions, launched innovative products like the "SRDI Little Giants Loan", and witnessed a 50.64% increase in loans for sci-tech and innovation enterprises and a 24.74% increase in loans to the manufacturing sector compared to the previous year end. It enhanced inclusive finance capabilities, expanded the coverage of inclusive financial services, actively supported the development of agricultural industries with regional characteristics, and strengthened financial support for micro and small enterprises. The balance of inclusive loans to micro and small enterprises reached RMB379.133 billion, an increase of RMB73.816 billion or 24.18% over the previous year end, with agriculture-related loans reaching a balance of RMB 450.149 billion. It adhered firmly to the principle of "two unswerving commitments", improved the long-term mechanism of boosting branches' confidence, willingness, and capability in granting loans, continuously supported the development and growth of the private economy. The balance of loans to private enterprises reached RMB799.5 billion, with a growth rate of 14.28%, highlighting CEB's role as the main force in serving the real economy and the anchor for maintaining financial stability.

**Practicing the philosophy that "lucid waters and lush mountains are invaluable assets", China Everbright Bank stuck to promoting green development.** In adherence to the philosophy and focusing on the "dual carbon" goals, the Bank advanced innovation and development in green finance, integrated "green" element into its overall development strategy, and innovated in service models around green loans, green bonds, green leasing, and other diversified business. It actively participated in climate governance, tailored differentiated credit policies for carbon-intensive industries such as agriculture, coal-fired electricity, steel, and construction materials, and improved environmental and climate risk management systems and institutions. It conducted climate risk stress tests and scenario analyses for enterprises in eight high-carbon industries so as to improve its ability to identify, measure, monitor, and report climate and environmental risks. As at the end of 2023, the balance of green loans stood at RMB313.762 billion, an increase of 57.44%

over the previous year end; the investment scale of green bonds amounted to RMB40.418 billion, and the balance of green leasing business reached RMB17.398 billion, all of which has solidified a green foundation for high-quality development.

**Remaining committed to the philosophy that "finance is for the people", China Everbright Bank worked hard to facilitate financial services.** Continuously improving the mechanism for protecting the rights and interests of financial consumers and developing a comprehensive consumer protection system, it conducted themed publicity program of "Sunshine Consumer Protection Accompany Your Life" and issued reports on the protection of financial consumer rights and interests in beautiful rural areas and on elderly-friendly services, reaching 367 million person-times of consumers. It insisted on putting customer first, improved customer experience, and satisfied customer needs. In key areas such as Cloud Fee Payment, scenario-based finance, CEB Mobile Banking App, Cloud Fee Payment App, and enterprise-level platform, it enhanced its open-ended, digital, and intelligent service capabilities. Transaction amount on service platforms like "Sunshine Logistics Express (Wu Liu Tong)" and "Sunshine Housing Express (An Ju Tong)" hit new highs, building a new mode of digital financial development with distinctive CEB features. At the same time, it expanded the scope of financial services, reshaped customer experience journeys to meet the differentiated financial needs of diverse groups. Cumulative 1,158 outlets with accessible facilities and 100 "Demonstration Outlets of Respecting the Elderly" were set up, and online satisfaction score of outlets reached 97.33, maintaining an excellent level throughout the year.

**Adhering to fundamental principles while breaking new ground, China Everbright Bank kept enhancing governance efficiency.** It upheld the centralized and unified leadership of the CPC Central Committee in financial work, integrated Party leadership with modern corporate governance, continuously improved corporate governance structure, and optimized operation mechanisms, thus effectively integrating Party leadership into all aspects of corporate governance. It strengthened risk management and control, incorporated ESG risk management into the comprehensive risk management system, and ensured that compliance and internal control concepts and regulatory requirements were integrated into all aspects of business operation and management. It continued to strengthen the cultivation of cadres and talents and aimed to foster a team of financial professionals who have "strong political awareness, competent performance, and good work style", creating a favorable environment for work and development of employees.

Looking ahead into 2024, China Everbright Bank will continue to fulfill its responsibilities and mission, realize, shoulder and perform its responsibilities with practical actions, forge ahead with determination, and steadfastly advance on the path of financial development with Chinese characteristics, striving to make Everbright contributions to the construction of a country with great financial strength.

President **WANG Zhiheng**

27 March 2024

# About Us

## Company Profile

China Everbright Bank, established in August 1992 and headquartered in Beijing, is a national joint-stock commercial bank approved by the State Council of China and PBOC. The Bank was listed on the SSE in August 2010 (stock code: 601818) and the SEHK in December 2013 (stock code: 6818).

Actively committed to ensuring that financial work is politically oriented and can better represent the people, the Bank takes serving the real economy and national strategies while meeting people's growing financial needs in economic and social development as its main responsibility. Leveraging China Everbright Group's advantages in comprehensive finance, industry-finance collaboration and cross-border operation, the Bank has placed customers at the center to accelerate innovation in products, channels and service models through integrated, characteristic, asset-light and digital development, and shifted from managing its own balance sheets to assisting customers in improving their financial statements. The Bank has forged a competitive edge in wealth management, fintech and comprehensive finance, and formed a pattern featuring balanced development of all business sectors, continuous improvement of risk management and gradual enhancement of innovation capabilities. In this way, the Bank has been steadily advancing along the track of high-quality development.

### As at the end of the reporting period

The Bank had established  
**1,312** branches and outlets,

extending its business reach to  
**150** economic center cities



As at the end of the reporting period, the Bank had established 1,312 branches and outlets in the domestic market, covering all provincial administrative regions and extending its business reach to 150 economic center cities. Centering on the Bank's strategies, Everbright Financial Leasing Co., Ltd. strove to build a comprehensive service platform and professional asset operation platform for leasing business, Everbright Wealth Management Co., Ltd. focused on asset management and wealth management business, and Beijing Sunshine Consumer Finance Co., Ltd. engaged in the specialized consumer finance market. In the overseas market, closely following the Belt and Road Initiative, CEB has expanded its international presence accordingly. CEB Hong Kong Branch, CEB International Investment Corporation Limited, CEB Seoul Branch, China Everbright Bank (Europe) S.A., CEB Luxembourg Branch, CEB Sydney Branch and CEB Tokyo Representative Office were set up successively, and CEB Macao Branch was officially opened. At the same time, the Bank's long-term sponsorship for

"Water Cellar for Mothers", a social charity program, demonstrated its commitments to social responsibilities. The Bank's Everbright Cloud Fee Payment, an online convenient platform with a focus on people's livelihood services and financial scenarios, has served hundreds of millions of people. The Bank's three rural banks located in Shaoshan of Hunan Province, Huai'an of Jiangsu Province and Ruijin of Jiangxi Province delivered sound results in providing inclusive financial services for rural residents. The Bank's corporate image improved continuously as it was awarded the "Best Joint-stock Commercial Bank of the Year" by the *Financial News*.

Over the years, along with the evolution of Chinese economy and the growth of Chinese financial sector, the Bank's brand image and market value have improved continuously. While rendering quality financial services to its customers and the public, it has also achieved good results in business performance as a listed bank with a strong brand reputation and market influence.

## Statistics 2023

### Economic Performance



Total assets  
RMB **6,772.796** billion

Operating income RMB <b>145.735</b> billion	Net profit RMB <b>41.076</b> billion	NPL ratio <b>1.25</b> %	Provision coverage ratio <b>181.27</b> %
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### Social Performance



Balance of inclusive loans to MSEs RMB <b>379.133</b> billion	Balance of agriculture-related loans RMB <b>450.149</b> billion	Balance of medium and long term loans to manufacturing RMB <b>267.896</b> billion (statistics scope of PBOC)
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Coverage ratio of consumer rights protection departments at tier-1 branches: **100%**  
Coverage ratio of consumer protection training of employees: **100%**

Customer complaint closing rate: **100%**

Total number of domestic business outlets <b>1,312</b>	Total number of employees <b>47,582</b>	Total external donations RMB <b>17.45</b> million
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Outlets with accessible passages: <b>1,158</b>	Ratio of male to female employees: <b>1:1.3</b>	Employee volunteer hours <b>892.64</b> hours
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Online satisfaction score of outlets: <b>97.33</b>	Number of ethnic minority employees: <b>2,389</b>
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Total service items of Cloud Fee Payment: <b>16,240</b>	Training programs for employees: <b>8,998</b>
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### Governance Performance



**151** ESG-related proposals reviewed and listened to by the Board and Senior Management

Over **520** consultation calls answered from domestic and overseas investors  
Over **210** consultation emails handled from investors

Percentage of the Board and Senior Management receiving anti-corruption training <b>100</b> %	Employees receiving anti-corruption training <b>46,673</b> person-times
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### Environmental Performance



Green loan balance RMB <b>313.762</b> billion	Investment in green bonds RMB <b>40.418</b> billion
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Paperless substitution rate for counter services **90** %

Total energy consumption <b>106,293.48</b> megawatt-hours	Total GHG emissions (Scope 1+2) <b>51.4</b> kilo-tons	Total hazardous waste <b>201.89</b> tons
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Total non-hazardous waste  
**6,642.05** tons

## Honors 2023

Listed among **"2023 China ESG Innovation Enterprise"** released by Forbes China

Rated **"A"** for ESG by MSCI in 2023

Rated **"A" (highest level)** for information disclosure by Shanghai Stock Exchange for 2022-2023

Ranked **28th** among the "Top 1000 World Banks" in 2023

Listed in the Hang Seng (Mainland and HK) Corporate Sustainability Index (**HSMHSUS**) and Hang Seng Corporate Sustainability Benchmark Index (**HSSUSB**)

Awarded the **"Annual Green Finance Enterprise"** of Social Responsibility Award by Caijing.com.cn

Awarded **P4EAST** (Partnership for Early Awareness of Sustainability-disclosure Today) by ISSB

The Special Assets Management Department/Asset Management Department of CEB H.O. and CEB Beijing Branch's Corporate Finance Department were honored as **"Pioneer of National Workers"** by the All-China Federation of Trade Unions

Everbright Cloud Fee Payment was selected as one of the **Excellent Cases** of CCTV "Role Model of the Year of Finance Empowering High-Quality Development"

"Wonderful E-shopping" was awarded the **Innovation Case of "Rural Revitalization in Action"** by www.xinhuanet.com

"Data Asset Valuation Innovation Case" was awarded the **"2023 Excellent Case of Fintech Innovation"** by *The Chinese Banker*

Column

## Implementing high-quality development philosophy and focusing on “Five Target Areas”

Comprehensively implementing the spirit of the 20th CPC National Congress and deployment of the Central Financial Work Conference, the Bank fully, accurately, and comprehensively upholds the new development concepts and people-centered philosophy, keeps national priorities in mind, reinforces mission commitment, supports the development of the real economy, and focused on the “Five Target Areas”.

### Technology finance Promoting deep integration of technological innovation and finance

- *Guidance on Supporting Services for Sci-tech and Innovation Enterprises of China Everbright Bank* was released, introducing 30 specific measures in three major areas
- Over 10 branches were tailored for providing financial services for Fintech innovation, and a whitelist of over 30,000 technology and innovation clients was created.
- An integrated service solution of “commercial banking + investment banking + private banking” was developed, covering the entire lifecycle of technology-oriented enterprises
- The balance of technology-oriented enterprises loan amounted to RMB267.2 billion, with an annual increase of nearly RMB90 billion. Loans to “Specialized, Refined, Differential and Innovative (SRDI)” enterprises witnessed an increase of RMB24.3 billion, or 44.2% over the previous year end, and the “SRDI Little Giants Loan” was updated to version 2.0, with approved amounts exceeding RMB60 billion.

### Green finance Promoting environmental protection and sustainable development

- The *Mid-term Action Plan (2022-2025) for Promoting Carbon Peaking and Carbon Neutrality and Green Finance of China Everbright Bank* was issued, with the focus on establishing and improving environment and climate risk management system, continuously enriching green finance product system, and orderly advancing carbon footprint management and green and low-carbon transformation.
- The analysis on climate-related financial risks was conducted, integrating environmental and climate risks into the comprehensive risk management framework and credit management process.
- The identification and classification of green finance, ESG risk evaluation, whole-process credit management, calculation of environmental performance were empowered by technology. The automated tool for identifying green financing and environmental performance calculation tool were launched to assist in the high-quality growth of green loans.
- Innovative products such as “Carbon Trading Scenario-based Finance” model, carbon emission rights pledge loans, loans mortgaged by forest ownership, sustainable development-linked loans, and digital credit cards were launched, with some of them marked first-of-their-kind, leading the green loan balance to the amount of RMB313.762 billion.

### Pension finance Meeting the growing demand for pension

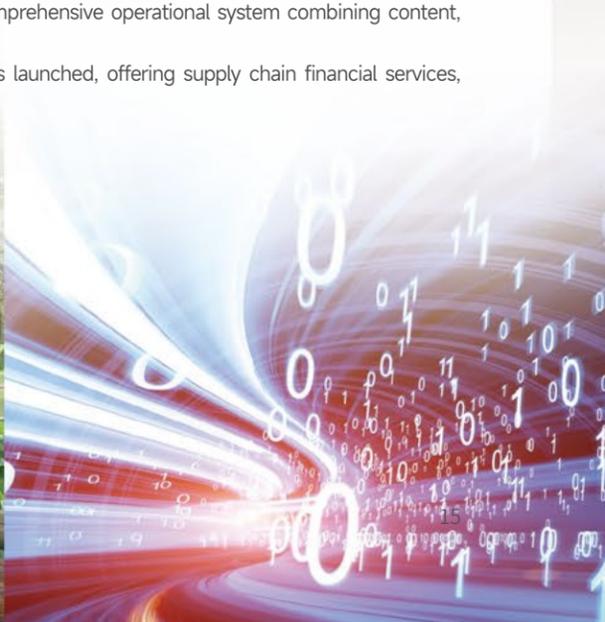
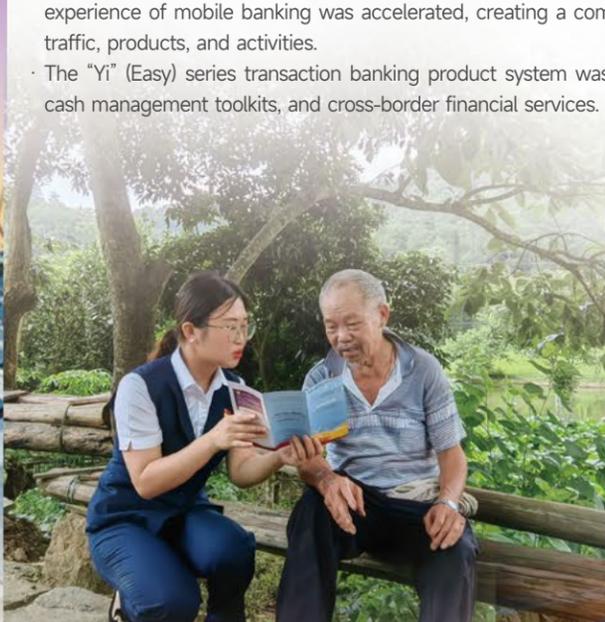
- All-round, wide-coverage and convenient pension finance services were established.
- 4 pension deposits, 12 insurances, and 116 pension funds were developed.
- Occupational annuity plan was extended across 33 central and provincial regions, providing occupational annuity plan services.
- Enterprise annuity plan covered 26 industries, serving over 800,000 individual clients.

### Inclusive finance Making financial services accessible and equitable

- Four major services were developed: “credit financing, investment banking, wealth management, and business empowerment”.
- The initiative of “Ten Billion of loans, A Hundred Chains, A Hundred Clients” was enriched, and the action to “extend, strengthen, and optimize ecological chain of inclusive finance” was advanced.
- The innovation in digital inclusive finance was promoted, building an integrated digital service platform for MSEs, individually-owned businesses and agriculture-related business entities, etc.
- “Everbright Cloud Fee Payment” integrated over 16,000 payment items, with over 2.8 billion payment transactions in 2023. Its social security payment services covered 30 provincial-level regions nationwide, cumulatively serving 220 million users.

### Digital finance Enhancing financial service efficiency and user experience

- The *Digital Transformation Plan of China Everbright Bank (2023-2025)* was released, strengthening the Bank’s ecosystem connectivity and agile collaboration capabilities and practicing the “customer-centered” business philosophy.
- The digital transformation paradigm of “scenario ecosystem construction + personalized financial services + intelligent customer operations + digital technology support + agile organizational assurance” was promoted, providing comprehensive digital support for marketing, risk control, and operation of various banking business.
- The construction of digital scenario-based finance was promoted, providing personalized, comprehensive, and integrated service solutions, such as Cloud Fee Payment, Sunshine Logistics Express (Wu Liu Tong), and Sunshine Housing Express (An Ju Tong). The upgrade of version and functions and the optimization of process and experience of mobile banking was accelerated, creating a comprehensive operational system combining content, traffic, products, and activities.
- The “Yi” (Easy) series transaction banking product system was launched, offering supply chain financial services, cash management toolkits, and cross-border financial services.



# ESG Management

## ESG Governance

The Bank continuously refined its ESG management system and established the organizational structure and operating system of ESG management covering the three levels of “decision-making, management, and implementation”.

Decision-making level	Management level	Implementation level
<p>The Board, as the ESG decision-making level, with the subordinate Social Responsibility, Inclusive Finance Development and Consumers’ Rights and Interests Protection Committee, is responsible for enhancing the construction of ESG mechanism, identifying ESG strategic objectives and major tasks, supervising the implementation of ESG plans and reviewing the results, fulfilling regulatory requirements of ESG work on the Board of Directors, and debriefing reports on the progress of ESG work from Senior Management on a regular basis.</p>	<p>The Social Responsibility/Inclusive Finance Management Committee of CEB Head Office constitutes the management level for ESG work, and is responsible for coordinating bank-wide ESG work, studying, drafting, and perfecting the Bank’s ESG work plans, formulating and implementing ESG regulations and rules. The committee also undertakes the role of the Leading Group for Carbon Peaking and Carbon Neutrality, and is responsible for making coordinated efforts in promoting green finance. Three work teams, namely Green Finance, Environment and Climate Risk Management, and Low-carbon Transition of the Bank, are set up under the leading group, responsible for implementing specific work within the range of their duty.</p>	<p>Relevant units constitute the implementation level for ESG work, which are responsible for promoting the implementation of ESG work. Based on specific tasks, relevant units conduct targeted management and routine practice of ESG topics, and report corresponding implementation measures, performance indicators and excellent cases on a regular basis.</p>

## ESG Governance Progress

In 2023, the Board and management level, performing the ESG governance responsibilities, reviewed and listened to a total of 151 ESG-related proposals, including green finance, environmental and climate risk management, consumer rights protection, rural revitalization, internal control and compliance, and internal auditing, etc.

**In 2023**

- ▶ **The Board** reviewed and listened to **2** environmental proposals, **24** social proposals, and **27** corporate governance proposals, and reviewed the *Proposal on 2022 Annual Corporate Social Responsibility (ESG) Report of China Everbright Bank Company Limited*.
- ▶ **The management level** reviewed and listened to **4** environmental proposals, **51** social proposals, and **42** corporate governance proposals.

The Bank implemented a mechanism linking performance and remuneration of Senior Management with ESG performance. Remuneration of the Bank’s Senior Management is determined by the results of the Bank’s operational performance assessment and personal evaluations, incorporating indicators related to ESG and green finance.

## ESG Strategy

Through macro analysis, third-party ESG ratings, benchmark analysis and research interviews, and considering the expectations and demands of stakeholders closely related to its operational development, the Bank set the “1+6C” responsibility model. Based on the construction of the ESG management system, the Bank has clarified six major areas of ESG responsibility.

### “1+6C” Responsibility Model

**Establishing the ESG mechanism**

The Bank improved the ESG management framework, creating an comprehensive, integrated, and full-participation ESG mechanism that lays a solid foundation for China Everbright Bank’s ESG initiatives

<p style="text-align: center;"><b>Addressing Climate Change</b></p> <p>The Bank proactively managed risks associated with climate change, seized opportunities for green and low-carbon development, integrated “green finance” into the Bank’s overall development strategy, and promoted a comprehensive green transformation of economic and social development.</p>	<p style="text-align: center;"><b>Upholding Civil Finance</b></p> <p>The Bank embraced the principle of serving the people’s well-being with financial services, extending financial benefits to a broader range, and contributing to high-quality economic development and shared prosperity.</p>
<p style="text-align: center;"><b>Enhancing Client Experience</b></p> <p>The Bank ensured the financial work is politically oriented and can better represent the people, improved the convenience and accessibility of financial services, continually refined the client journey, and created an exceptional client experience.</p>	<p style="text-align: center;"><b>Uniting Colleague Coherence</b></p> <p>The Bank strengthened the unity and cohesion of “Everbrighters”, fostered a diversified and inclusive work environment, and built a first-class talent team in alignment with industry development trends.</p>
<p style="text-align: center;"><b>Engaging in Community Development</b></p> <p>The Bank shouldered corporate social responsibility, established distinctive, exemplary, and socially beneficial public welfare mechanisms and brands, and shared the achievements of CEB with the society.</p>	<p style="text-align: center;"><b>Advancing Sound Corporate Governance</b></p> <p>The Bank developed and implemented high-standard business ethics codes, strengthened the integration of the Party’s leadership with corporate governance improvement, adhered to the best practices of the capital market, and continuously enhanced corporate governance.</p>

The Bank incorporated social responsibility and ESG concepts and planning into its *Measures for Implementing the Central Financial Work Conference’s Guiding Principles in Optimization of the “14th Five-Year” Development Strategy*, and planned the major tasks for ESG work of 2024, providing specific guidance for coordinated ESG efforts across the Bank, and comprehensively integrating ESG concepts into management and operation.

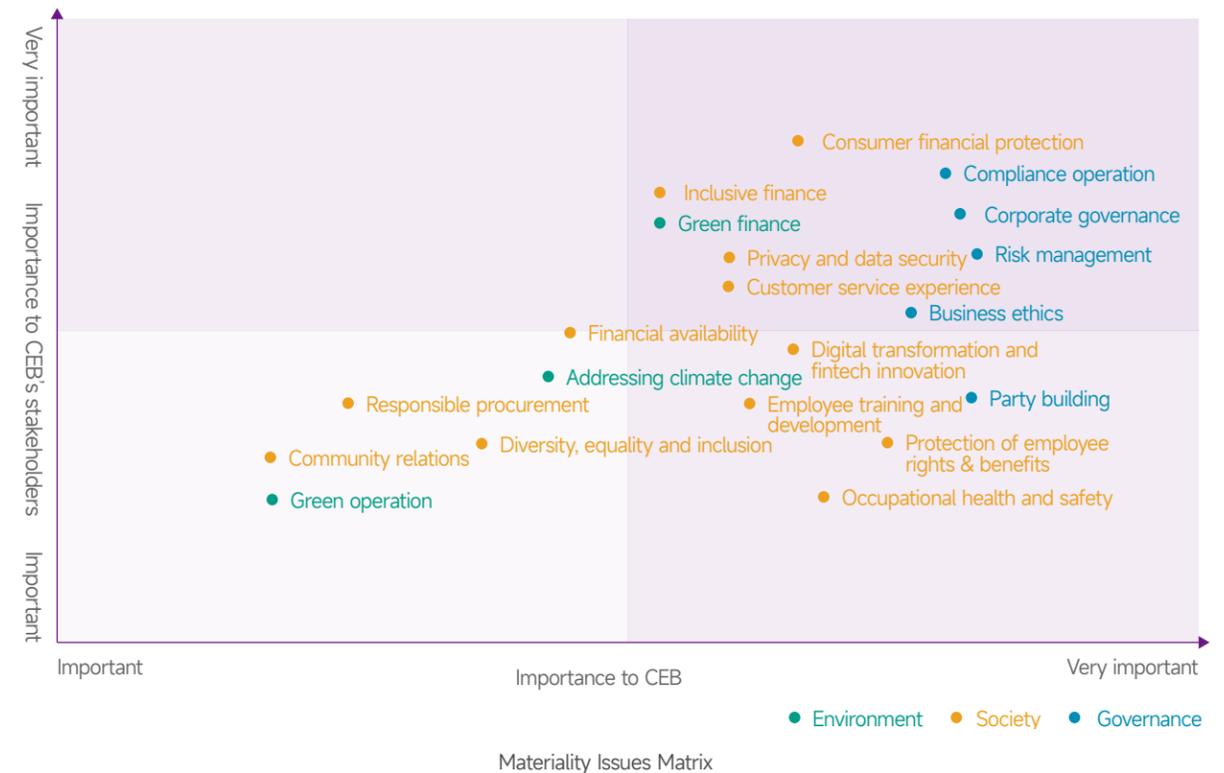
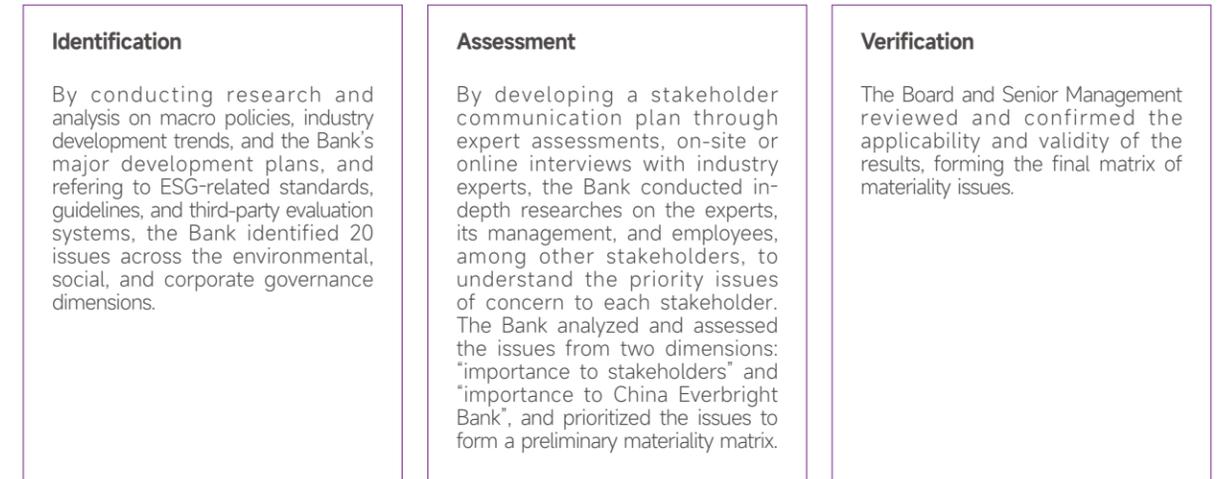
## Communication with Stakeholders

The Bank's key stakeholders include government and regulatory authorities, shareholders and investors, customers and consumers, employees, suppliers and partners, the environment, the public and media. The Bank attached great importance to its communication with stakeholders, continued to optimize communication channels, and improved communication quality and efficiency.

Stakeholders	Expectations and Demands	Communication Methods and Channels
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Complying with laws and regulations</li> <li>Supporting national strategies</li> <li>Serving the real economy</li> <li>Developing green and inclusive finance</li> <li>Preventing financial risks</li> <li>Standardizing corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Operating in compliance with laws and regulations, and implementing regulatory requirements</li> <li>Responding to national strategies and taking root in the real economy</li> <li>Improving green finance, and practicing inclusive finance</li> <li>Preventing financial risks and ensuring the security of financial assets</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Improving operational performance</li> <li>Standardizing corporate governance</li> <li>Strengthening risk management</li> <li>Enhancing information transparency</li> </ul>	<ul style="list-style-type: none"> <li>Operating in compliance with laws and regulations, implementing regulatory requirements</li> <li>Preventing financial risks and ensuring the security of financial assets</li> <li>Publishing regular and irregular reports, conducting investor communications</li> </ul>
<b>Clients and Consumers</b>	<ul style="list-style-type: none"> <li>Protecting clients' rights and interests</li> <li>Ensuring privacy protection</li> <li>Providing quality financial products</li> <li>Enhancing service experience</li> <li>Improving financial availability</li> </ul>	<ul style="list-style-type: none"> <li>Conducting customer product demand and satisfaction surveys</li> <li>Establishing 95595 customer service hotline</li> <li>Enhancing communication functions via remote banking, mobile banking, telephone banking, and official website</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Providing attractive remuneration and benefits</li> <li>Supporting personal career development</li> <li>Offering smooth communication channels</li> <li>Providing a healthy and safe working environment</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Holding Employees' Congress</li> <li>Enriching internal communication channels</li> <li>Providing business supervision, training, and technical support</li> <li>Organizing cultural, sports, and health promotion activities</li> </ul>
<b>Suppliers and Partners</b>	<ul style="list-style-type: none"> <li>Adhering to business ethics</li> <li>Engaging in responsible procurement</li> <li>Realizing win-win cooperation</li> <li>Leading industry innovation</li> </ul>	<ul style="list-style-type: none"> <li>Establishing partnership</li> <li>Conducting supplier communications and training</li> <li>Participating in and organizing industry conferences, partner communications, etc.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Addressing climate change</li> <li>Developing green finance</li> <li>Practicing green operation</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening climate risk management capabilities</li> <li>Providing environmental-friendly products and services</li> <li>Advancing the construction of green outlets and green data centers, promoting green offices</li> </ul>
<b>Public and Media</b>	<ul style="list-style-type: none"> <li>Engaging in community public welfare activities</li> <li>Supporting improvements of people's well-being</li> <li>Popularizing financial knowledge</li> <li>Enhancing information transparency</li> </ul>	<ul style="list-style-type: none"> <li>Supporting rural revitalization</li> <li>Organizing welfare activities</li> <li>Organizing activities to popularize financial knowledge</li> <li>Strengthening media communications</li> </ul>

## Materiality Analysis

In conjunction with internal and external ESG requirements, the Bank continued to identify, assess, and verify ESG issues.



# Bank

## Governance

Firmly observing the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other relevant laws and regulations, the Bank established and implemented high-standard business ethics codes, and pursued unity in strengthening the Party's leadership and perfecting its corporate governance. In accordance with the best practices in the capital market, it continuously promoted the construction of corporate governance, and ensured the independent operation, effective counterbalances, cooperation and coordinated functioning among each unit, safeguarding sustainable and sound operation of the company.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



# Optimizing Corporate Governance

## Adhering to the leadership of Party building



On January 24 and 25, 2024, the Bank convened the 2024 Work Conference and Thematic Seminar. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, upholding the spirit of the Central Financial Work Conference and the Central Economic Work Conference, the conference implemented the requirements of the CEG's working conference, reviewed the work of 2023, deployed the tasks for 2024, reinforced confidence and unity, in a bid to propel high-quality development of the Bank.



On May 23, 2023, the Bank's Party Committee conducted a collective study and discussion session as part of the themed education class on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, focusing on reading original texts and understanding fundamental principles to internalize and materialize theoretical knowledge.

The Bank regarded adhering to the Party's leadership and strengthening Party building as its "root" and "soul", consolidated the leadership of the Party on financial work, and strengthened the guidance of the Party committee. With a people-first development philosophy, it committed to fulfilling the responsibility of financial institutions to serve the political goals and the people, and closely aligned "CEB's capabilities" with "national needs" and "people's aspiration". The Bank organized Party organizations at all levels to conduct themed education class on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, in a bid to firmly build and perform appropriate achievement view. Meanwhile, it intensified efforts in investigation and research, and earnestly implemented the "Direct Engagement with People at the Primary Level" system to help customers and employees overcome difficulties, ease their concerns and solve their most urgent problems.

Making more efforts in exercising full and rigorous governance over the Party and the Bank, CEB focused on implementing "Three Lists of Responsibility" to solidify the political responsibility of governing the Party, improved the system of full and rigorous Party self-governance, and conducted pressure to each layer. The Bank enhanced the governance foundation at primary level to form a strong force, and amplified the political and organizing functions of grass-root Party organizations. Taking the opportunity of rectification after central disciplinary inspections, the Bank purified the political environment, continued to take a strict manner, facilitated new achievements in full and rigorous governance over the Party, thus ensuring a strong political guarantee for building a state-owned joint-stock commercial bank that is professional, distinctive, influential and competitive.



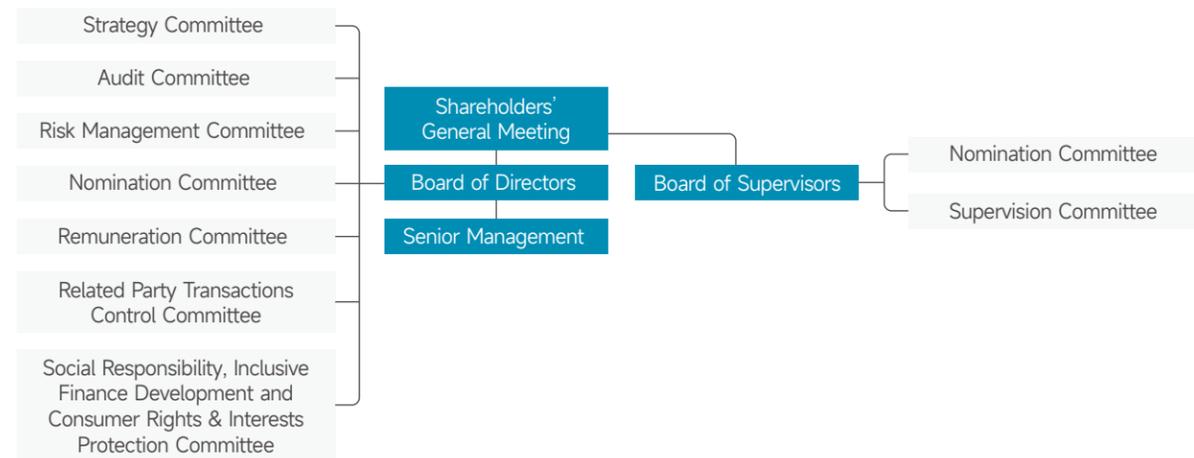
The Bank held thematic Party organization meetings in various forms to consolidate the achievements of Party members education, and used the new theories to arm the staff intellectually, guide the practice and advance the work, enhancing the cohesiveness and combat effectiveness of Party organizations at all levels.

## Improving corporate governance structure

### Corporate governance structure

The Bank has established a corporate governance structure comprised of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the Senior Management. Each performs its due functions and coordinates with and counterbalances one another, continuously enhancing the effectiveness of corporate governance and laying a solid foundation for stable development.

#### Corporate Governance Structure



### Operation of Shareholders' General Meetings

In 2023, the Shareholders' General Meeting

Held **2** meetings    Reviewed **16** proposals    Listened to **6** reports

### Operation of the Board of Directors

The Board of Directors actively fulfilled its ESG responsibilities by adjusting the Inclusive Finance Development and Consumer Rights & Interests Protection Committee to the Social Responsibility, Inclusive Finance Development and Consumer Rights & Interests Protection Committee, and revised its working rules. The Board of Directors placed a high priority on strategic optimization, routinely evaluating the implementation of strategies. It revised and enhanced related systems in line with current trends, continuously solidifying the institutional foundation for corporate governance operations. It strengthened comprehensive risk management and internal control systems, enhancing risk resistance capabilities. Also, the Board of Directors standardized shareholder equity

management mechanisms, further improving management levels; optimized the information disclosure system, and enriched and perfected disclosure content, effectively safeguarding investors' legitimate rights and interests. It also conscientiously made self-improvement and further strengthened its duty performance capability.

In 2023, the Board of Directors held 9 meetings, including 6 on-site meetings and 3 meetings via written resolutions, reviewed 80 proposals, and listened to 49 reports. The procedures for convening Board meetings, number of attendees, consideration of proposals, and voting methods were all in compliance with legal and regulatory standards.

Special Committees	Operation
Strategy Committee	4 meetings in total, including 2 on-site meetings and 2 meetings via written resolutions; reviewed 6 proposals and listened to 4 reports
Audit Committee	6 meetings in total, including 3 on-site meetings and 3 meetings via written resolutions; reviewed 12 proposals and listened to 13 reports
Risk Management Committee	5 meetings in total, including 3 on-site meetings and 2 meetings via written resolutions; reviewed 24 proposals and listened to 11 reports
Nomination Committee	3 meetings in total, all via written resolutions; reviewed 4 proposals and listened to 1 report
Remuneration Committee	2 meetings in total, including 1 on-site meeting and 1 meeting via written resolutions; reviewed 6 proposals and listened to 3 reports
Related Party Transactions Control Committee	6 meetings in total, including 3 on-site meetings and 3 meetings via written resolutions; reviewed 16 proposals and listened to 1 report
Social Responsibility, Inclusive Finance Development and Consumer Rights & Interests Protection Committee	5 meetings in total, including 2 on-site meetings and 3 meetings via written resolutions; reviewed 5 proposals and listened to 23 proposals

### Independence of the Board of Directors

The Bank placed great importance on the independence of the Board of Directors, and formulated rules such as the *Independent Directors Working Rules* and *Rules for Independent Directors' Special Meetings of China Everbright Bank* to ensure full functioning of independent directors. Independent directors did not hold any other positions in the Bank than that of an independent director, and they had no relationships with the Bank, its major shareholders,

actual controllers, or any other entities or individuals with an interest in the Bank that could hinder their ability to make independent and objective judgments. They were not state personnel in government offices and did not serve as independent directors in more than two commercial banks simultaneously. As at the end of 2023, the Bank had a total of 12 directors, including 2 executive directors, 6 independent directors, and 4 non-executive directors.

## Diversity of Members of the Board of Directors

The Bank attached great importance to the diversity of members of the Board of Directors and formulated the *Policies on Membership Diversity of the Board of Directors of China Everbright Bank*. The Board comprises members of varying ages, cultural backgrounds, and professional expertise in finance, economics, accounting, law, big data, and risk management. Such diversity will broaden the perspective in the decision-making process, thus enhancing the scientific basis and relevance of the decisions made.

Name	Board Position	Gender	Date of Birth	Term of Office	Professional Background
Wu Lijun	Chairman, Non-executive Director	Male	1964.08	2020.03-2025.09	Financial management
Wang Zhiheng	Executive Director	Male	1973.06	2022.12-2025.09	Operation and management of commercial banking
Qu Liang	Executive Director	Male	1966.06	2018.09-2025.09	Financial management
Yao Wei	Non-executive Director	Male	1975.06	2021.02-2025.09	Finance, and taxation
Zhu Wenhui	Non-executive Director	Male	1978.01	2023.08-2025.09	Financial management, capital operation, loan guarantees, and industrial investment
Li Wei	Non-executive Director	Male	1971.01	2021.08-2025.09	Insurance, and investment
Shao Ruiqing	Independent Non-executive Director	Male	1957.09	2019.08-2025.08	Financial accounting, investment and financing
Hong Yongmiao	Independent Non-executive Director	Male	1964.02	2019.09-2025.09	Economics, finance, and statistics
Li Yinquan	Independent non-executive director	Male	1955.04	2020.06-2025.09	Finance, accounting, law, and corporate governance
Han Fuling <sup>1</sup>	Independent Non-executive Director	Male	1964.10	2021.05-2024.01	Banking and finance
Liu Shiping	Independent Non-executive Director	Male	1962.04	2022.01-2025.09	Big data, business intelligence, risk management, and XBRL
Huang Zhiling	Independent Non-executive Director	Male	1960.05	2023.11-2025.09	Economics and finance, and risk management

Note 1: On January 27, 2024, Mr. Han Fuling passed away due to illness.

## Capacity Building of the Board of Directors

In alignment with business development needs and the professional expertise of its directors, and targeting at key areas, the Bank organized research, exchanges, and seminars for the Board of Directors to deepen directors' understanding of operational management and enhance decision-making quality and efficiency. In 2023, it organized 2 regional research sessions, 2 themed exchanges between directors and departments, and 1 seminar between the Chairman and independent directors, covering topics such as duty performance of independent directors, risk management, digital transformation, and inclusive finance with 22 person-times of director participation.

## Performance Evaluation of the Board of Directors

The Bank conducted evaluations of director performance based on the *Measures for Board of Supervisors' supervision and Evaluation on Directors' Duty Performance (2023 Revision)*. This process included self-evaluation by directors, mutual evaluation among directors, evaluation by the Board of Directors, and a final assessment by the Board of Supervisors. A brief review of the annual overall performance of the directors was conducted, culminating in the *Board of Directors' Report on the Evaluation of General Performance of Duties by Directors*. After discussion by the Board's Remuneration Committee and review and approval by the Board of Directors, the evaluation results were submitted to the Board of Supervisors as the annual assessment outcome.

## Operation of the Board of Supervisors

The Bank's Board of Supervisors strictly adhered to the *Articles of Association*, actively fulfilling its supervisory functions. It oversaw the duty performance of members of the Board of Directors and Senior Management, the legality and compliance of the Shareholders' General Meeting and the Board of Directors' meetings, as well as work covering strategy, finance, risk and internal control, etc. This effectively safeguarded the legitimate rights and interests of the Bank and its shareholders, promoting lawful, compliant, and stable operations. As at the end of 2023, the Bank had 8 supervisors, including 2 shareholder supervisors, 3 external supervisors, and 3 employee supervisors.

### In 2023, the Board of Supervisors

Held **6** meetings      Reviewed **29** proposals

Listened to **63** reports



## Remuneration management of Senior Management

The Bank established a Remuneration Committee under the Board of Directors, responsible for reviewing remuneration management rules and policies, drafting remuneration plans for Senior Management, proposing remuneration scheme suggestions to the Board of Directors, and overseeing the implementation of these plans. In accordance with the *Guidelines for Prudent Remuneration Regulation of Commercial Banks* and other regulations, the Bank formulated and implemented the *Management Measures for Deferred Payment of Performance-based Remuneration of China Everbright Bank Company Limited* and *Measures for Recovery of Performance-based Remuneration of China Everbright Bank Company Limited*.

For Senior Management and employees whose positions exert a direct or material impact on risks, more than 40% of the

performance-based remuneration shall be paid in a deferred manner, with a deferred period of at least three years. For Senior Management and employees in risk-impacting positions who have engaged in illegal, non-compliant, or disciplinary violations, or who have experienced extraordinary risk exposures within their scope of responsibilities, the Bank shall recover the corresponding terms of office's performance remuneration based on the nature of punishment of Party discipline, organizational management, non-compliance actions, or the extent of risk exposure. During the reporting period, according to relevant measures, the Bank had recovered corresponding performance-based remuneration from employees found guilty of violation of laws, regulations and disciplines or exposed to excessive risks within the scope of their responsibilities.

## Protection of investors' rights

### Investor communication and engagement

As a company listed in both A and H stock markets, the Bank diligently implemented the *Securities Law of the People's Republic of China* among other relevant regulatory provisions, and established the *Investor Relations Management Rules* and various supporting mechanisms. Catering to different types of investors, the Bank ensured around-the-clock, multidimensional, and comprehensive investor relations management, fully showcasing the Bank's development strategies and operational management, responding to the capital market's concerns in a more open and transparent manner.

The Bank has ranked in the forefront among the joint-stock banks in the proportion of distributed cash dividends since its listing on the A-share market in 2010, with an average proportion of 26.2% over the years, and a cumulative total of RMB104.3 billion.

#### In 2023

- ▶ The Bank held 3 meetings for results announcement, attracting prestigious investment bank analysts and media from home and abroad.
- ▶ The Senior Management led teams to carry out roadshows in over 30 key investment institutions in Beijing, Shanghai, Guangzhou, and Shenzhen.
- ▶ The Bank organized three themed open day events on topics such as "Economic Recovery and Bank Valuation Adjustment", "Fintech and Digital Transformation", and "Forging Ahead for Quality Improvement and Scale enlargement", etc.
- ▶ The Bank participated in 39 strategy meetings and research activities organized by domestic and overseas brokerages, communicating with over 400 investors.
- ▶ The Bank conducted primary-level researches for analysts together with leading brokerages to enhance investors' and analysts' understanding of China's banking industry and regional economies.
- ▶ The Bank engaged in multiple discussions on social responsibility/ESG topics with domestic and overseas institutions such as Guosen Securities and Lazard Asset Management.



Communication activities with investors

#### In 2023

Over **520** consultation calls from domestic and overseas investors were answered

Over **210** consultation emails from investors were handled

### Protection of minority shareholders' rights and interests

The Bank put in place policies and procedures to effectively protect the rights and interests of shareholders, especially those of minority shareholders. All the ordinary shareholders, including minority shareholders, were entitled to attending the Shareholders' General Meeting to express opinions and appeals, and the Bank answered their concerns. Independent directors expressed objective, impartial and independent opinions on the profit distribution plan, remuneration of the Senior Management, major related party transactions and other matters involving minority shareholders' interests. Pursuant to relevant regulatory requirements, Shareholders' General Meetings were convened via both on-site voting and online voting. When material matters concerning the interests of minority investors were impacted, the votes made by minority investors were counted and disclosed separately.

The *Plan of Returns to Shareholder for 2022-2024 of China Everbright Bank* was formulated, stating that, except in special circumstances, if the Bank is profitable and undistributed profits are positive in a given year, dividends will be distributed in cash. Annually, the cash dividends distributed will not be less than 20% of the distributable profits realized that year, maintaining a relatively high dividend ratio to protect investors' interests.

### Information disclosure management

The Bank fully complied with information disclosure regulations, and continuously improved the quality of information disclosed. It formulated policies such as the *Policies on the Management of Information Disclosure Affairs* and *Policies on the Management of Insider Information and Insiders*, and compiled periodic reports in accordance with laws and regulations, continually enhancing the relevance and effectiveness of information disclosure. It compiled and disclosed its *2022 Annual Report*, *2023 Interim Report*. Quarterly reports and ad hoc announcements were disclosed in a timely and comprehensive manner to balance domestic and overseas regulatory requirements to ensure compliance and synchronization of information disclosure in both markets, with a total of 92 A-share announcements and 134 H-share announcements issued in 2023.

**Grade A of Information Disclosure Evaluation for 2022-2023**  
by Shanghai Stock Exchange

**Best Practice in Annual Report Presentation 2022**  
by China Association for Public Companies

**Best Listed Company for Investor Relations Management 2023**  
of Crystal Ball Award by *Securities Market Weekly*

**"25th Golden Award for Information Disclosure of Listed Companies"**  
of Golden Bull Award by *China Securities Journal*



# Strengthening Risk Management

## Comprehensive risk management

As the decision-making body of the Bank, the Board of Directors determines the basic management system, risk tolerance, and policies for risk management and internal control, supervises duty performance of Senior Management, ensures effective management functions of Senior Management, and bears the ultimate responsibility for comprehensive risk management. The Board of Supervisors assumes the oversight responsibility for comprehensive risk management, inspects the performance and due diligence of the Board of Directors and Senior Management in risk management and urges their rectifications. The Senior Management is responsible for implementing comprehensive risk management and the resolutions of the Board of Directors.

In adherence to a sound and prudent risk management strategy, the Bank improved its risk management system, promoted more forward-looking risk management, and strengthened the ability to deal with various risks. The was developed to establish a comprehensive risk management system on a consolidated basis, adopting both qualitative and quantitative methods to identify, measure, assess, monitor, report, and control or mitigate all types of risks. To realize a "comprehensive, end-to-end, and everyone-involved" management, the internal risk control system of "Three Lines of Defense" was constructed, with clear responsibilities, streamlined and efficient processes, and comprehensive supervision.

### "Three Lines of Defense" of Risk Management

First line of defense

#### Operational outlets and business management departments of Head Office and branches

Primary responsibility for the management and control of customer and business risks

Second line of defense

#### Functional departments of risk and internal control

Responsibility for overall supervision and review

Third line of defense

#### The Audit Department

Responsibility for supervision and evaluation

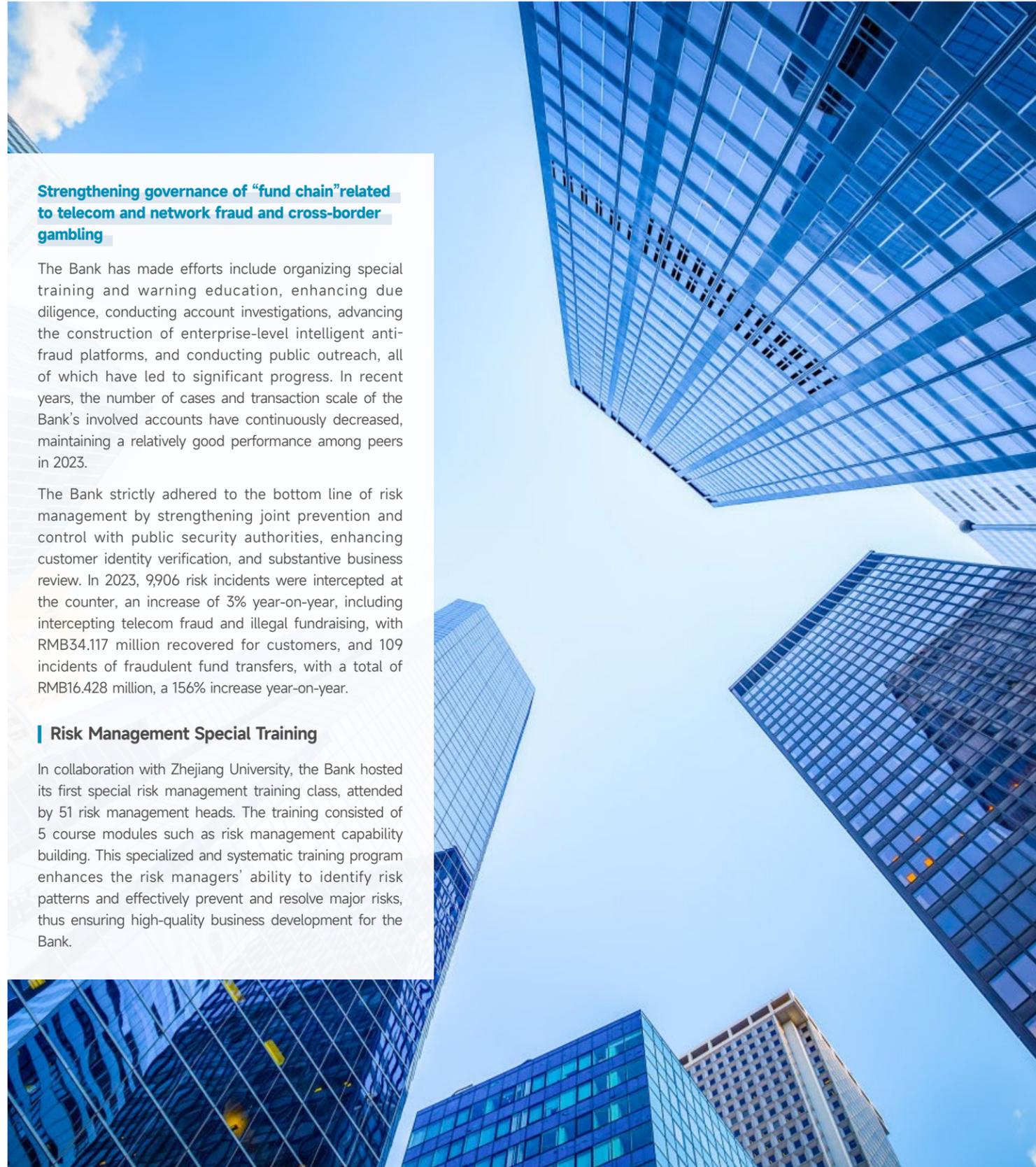
### Strengthening governance of "fund chain" related to telecom and network fraud and cross-border gambling

The Bank has made efforts include organizing special training and warning education, enhancing due diligence, conducting account investigations, advancing the construction of enterprise-level intelligent anti-fraud platforms, and conducting public outreach, all of which have led to significant progress. In recent years, the number of cases and transaction scale of the Bank's involved accounts have continuously decreased, maintaining a relatively good performance among peers in 2023.

The Bank strictly adhered to the bottom line of risk management by strengthening joint prevention and control with public security authorities, enhancing customer identity verification, and substantive business review. In 2023, 9,906 risk incidents were intercepted at the counter, an increase of 3% year-on-year, including intercepting telecom fraud and illegal fundraising, with RMB34.117 million recovered for customers, and 109 incidents of fraudulent fund transfers, with a total of RMB16.428 million, a 156% increase year-on-year.

### Risk Management Special Training

In collaboration with Zhejiang University, the Bank hosted its first special risk management training class, attended by 51 risk management heads. The training consisted of 5 course modules such as risk management capability building. This specialized and systematic training program enhances the risk managers' ability to identify risk patterns and effectively prevent and resolve major risks, thus ensuring high-quality business development for the Bank.



## ESG risk management

The Bank integrated ESG risk management into its comprehensive risk management system, clearly defining ESG risks and risk preferences in the risk appetite and developing the *Environmental, Social and Governance Risk Management Policy of China Everbright Bank*.

### ESG Risk Management Organizational Structure

#### Board of Directors

With a subordinate risk management committee, it oversaw the Senior Management's control of ESG risks, regularly assessed the ESG risk situation and risk management strategies, and suggested improvements for ESG risk management.

#### Senior Management

With a subordinate risk management committee responsible for ESG risk management as the deliberative organ, it implemented the ESG risk management policies, refined the ESG risk management organizational structure, formulated ESG risk management policies and detailed operational rules, and established ESG risk management procedures and standards.

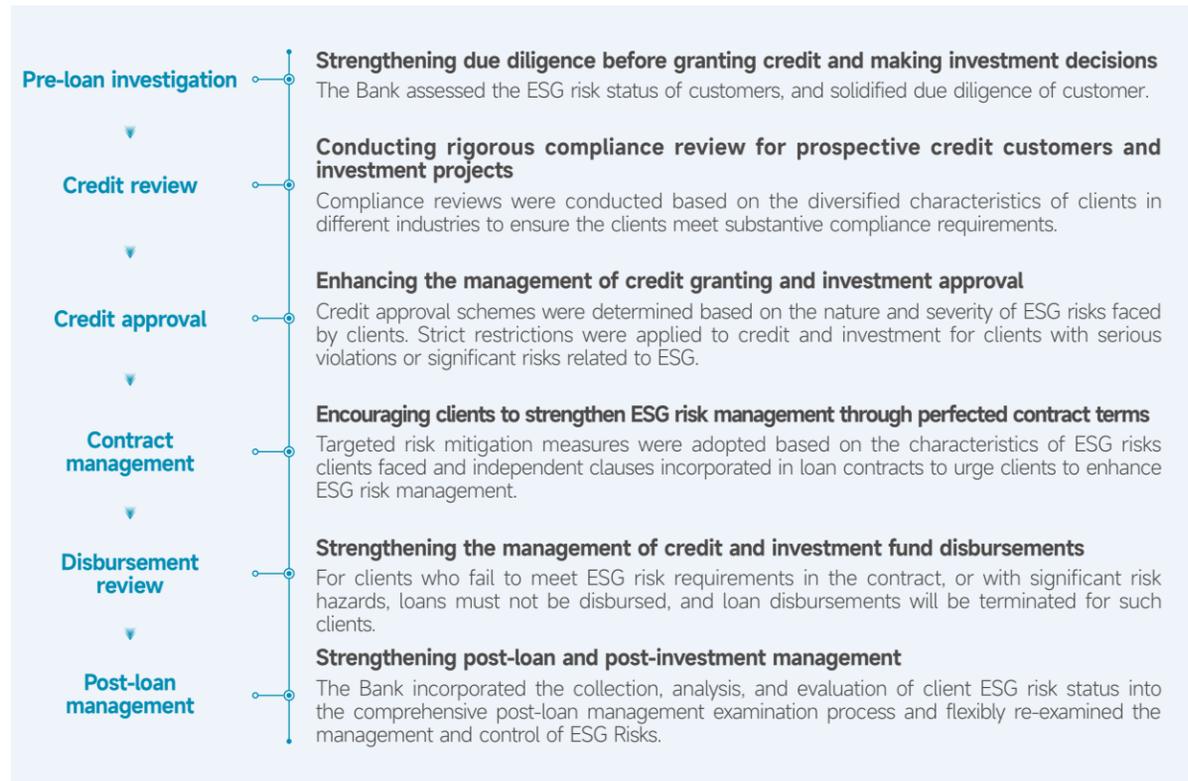
#### Implementation level

It constructed the "three lines of defense" in risk management, which consisted of operational outlets and business management departments of Head Office and branches, functional departments of risk and internal control, and the Audit Department, with respective responsibility clarified.

The Bank issued the *2023 Balanced Scorecard of Risk Management Effectiveness Evaluation Indicators of Branches*, which incorporated ESG risk management into the effectiveness evaluation indicators for risk management, strengthening green financing classification management, customer ESG risk classification management, and whole-process management of ESG risks.

### Whole-process Management over ESG Risks

Following the principle of comprehensive coverage, end-to-end management, and categorized management, the Bank paid close attention to the potential ESG risks faced by customers. By implementing differentiated management measures according to risk categories, it embedded ESG risk management requirements throughout all phases of credit business to ensure compliance with substantive regulatory requirements and strict implementation of full-process control.



Additionally, the Bank strictly implemented an ESG risk "one-vote veto" system, strictly prohibiting any new credit to customers with record of significant ESG risks. In terms of overseas project management, on top of implementing basic requirements, communication with regulatory bodies in the respective countries or regions was strengthened to follow relevant international practices or code of conduct, ensuring alignment with international practices.

### Developing ESG Risk Management Functions to Empower ESG Risk Assessment in Financing Activities

The Bank incorporated ESG risk management requirements in its credit management system, with ESG risk management modules set prior to, throughout and after the process of credit granting. In addition, multiple forms of enterprise credit related with material ESG risks were set to dynamically monitor enterprise credit related with climate risks, and high-carbon labels integrating internal and external standards were formulated to regularly examine high-carbon asset concentration and quality. Utilizing its Sunshine Pre-warning Platform, the Bank monitored and warned ESG risks of customers encountering natural disaster or environmental penalties, and conducted risk control on risky customers.

## Adhering to Compliance Governance

The Bank established a sound internal control and compliance governance structure, integrating the internal control and compliance system into daily operation. The Board of Directors bore the ultimate responsibility for internal control management, with the Board of Supervisors overseeing the performance of the Board and Senior Management, and Senior Management leading and implementing internal control and compliance work. The internal control and compliance management department was responsible for overall planning, management, and support, while each business line and functional department fulfilled its due responsibilities, and the internal audit department was responsible for evaluation and supervision.

### Internal Control and Compliance Management Rules

The Bank adhered to the principle of "rule first", establishing a regulatory system of "one rule per business, one manual per business line", forming business management rules compilation for each line and department, and regularly conducting annual reviews. The *Employee Behavior Management Measures* and *Code of Conduct for Employees* clarified the division of responsibilities among management-level personnel, and established norms of conduct for employees, prohibitions, and accountability and punishment mechanisms.

### Internal Control and Compliance Management

The Head Office and each branch, considering the characteristics of their region and compliance work, conducted comprehensive examinations for abnormal employee behaviors in major business areas and key management links. Issues identified were managed through ledger management and followed up for rectification, continuously improving the long-term compliance evaluation mechanism.

### Special Training and Culture Building of Compliance

The Bank launched a special initiative titled "Strengthening Legal Case Prevention and Promoting Compliance", deepening employees' recognition with compliance culture and enhancing their awareness of compliance. The Head Office organized a collection and selection of typical criminal cases across the Bank, published the *Compilation of Criminal Cases Involving Bank Employees (1st Edition)*, held a "Learning Lessons from Cases" warning education conference, and conducted a Bank-wide "Everyone Complies, Creating Value" compliance and case-prevention knowledge quiz. The branches conducted case-prevention learning activities via morning and evening meetings and monthly case-prevention studies to ensure full coverage of compliance training.

### Implementing the "Strong Audit Team" strategy to build a high-quality professional audit team

In response to General Secretary Xi Jinping's directive to "create a 'special force' for economic supervision", the Bank adopted the "responsible, capable, standard, and empathetic" four-dimensional audit spirit as its theme, and formed its research findings into the *Practices of Exploration of Research-oriented Audit Under Continuous Audit Mode of China Everbright Bank*, which was submitted to and accepted by the China Institute of Internal Audit.

### Strengthening audits through science and technology to empower internal control construction

The "Bian Que" audit platform is a Bank-wide unified remote monitoring system that provides strong support for the internal control management departments to fully exercise their coordinating management functions in internal control and compliance. In 2023, the Bank continued to advance the platform's construction, gradually achieving online management of the entire audit rectification process. The "Bian Que" audit platform and its models were extended to all domestic branches for operation, improving the quality and efficiency of internal control and compliance work across the Bank.

## Anti-corruption

### Anti-corruption mechanism construction

The Bank adhered to the philosophy of exercising full and rigorous Party self-governance, strictly followed all anti-bribery and anti-corruption laws and regulations in China and its operating locations, implemented a “zero tolerance” policy towards corruption and embezzlement, and developed and implemented the *Rules and Key Points of Anti-bribery and Anti-corruption of China Everbright Bank*. It required all cadres and employees to strictly adhere to “nine prohibitions” against bribery and corruption, strengthened supervision and restraint mechanisms, improved internal control and compliance mechanisms, strengthened the behavior management of cadres and employees with proactive, follow-up, and comprehensive supervision, and strengthened accountability with “zero tolerance” for violations of regulations, disciplines, and laws.

The Bank issued and implemented the *List of Supervision Tasks for Heads and Senior Management* and *Manual of Integrity Risk Prevention and Control in Key Fields and Positions*, focusing on risk rectification for management personnel and cadres, bidding and procurement, credit approval, charitable donations, and other key areas and critical positions. The Bank has disclosed its anti-bribery and anti-corruption rules and key points under the “ESG Policy” section on its official website.

### Management of anti-corruption among management personnel and cadres

The Bank established integrity files and conducted integrity conversations and specialized warning education for management personnel and cadres. It strengthened daily supervision, sent integrity reminders through multiple channels, enhanced supervision and inspection of gift-giving and other “four forms of decadence” issues, and urged management personnel and cadres to maintain integrity and self-discipline.

Indicators	Unit	2023	2022	2021
Number of integrity files established for management personnel and cadres	file	<b>8,715</b>	8,868	8,392

## Environmental Performance

Supporting “Dual Carbon” goals and activating green momentum

## Social Performance

Promoting high-quality development with joint efforts

### Anti-corruption management in the financial credit field

The Bank deepened supervision in the credit field, strengthened the centralized decision-making mechanism, enhanced the “three lines of defense” of business departments, risk management departments and audit department, strictly combated the falsification of information, approval overreach and private gains seeking, and standardized employees’ duty performance.

### Anti-corruption management for suppliers

The Bank improved the management system and authorization delegation management system for the bidding and procurement, and set up a management committee to enhance the collective decision-making and approval for bidding and procurement. It is stipulated in the bidding documents that any unlawful acts like bribery should be prohibited, and any suppliers involving such acts should be blacklisted.

The Bank also conducted training for suppliers, advocating anti-corruption and anti-bribery policies through methods like on-site inspections, integrity, self-discipline, and compliance dialogues. More details of anti-corruption management for suppliers can be found in the “Anti-Bribery and Anti-Corruption Rules and Key Points” under the “ESG Policy” section on its official website.



### Anti-corruption special training

The Bank conducted anti-corruption training for medium and senior-level management personnel as well as employees to raise their sense of self-discipline.

Indicators	Unit	2023	2022	2021
Number of Directors and Senior Management who received anti-corruption training	Person	<b>437</b>	387	384
Proportion of Board of Directors and Senior Management who received anti-corruption training	%	<b>100</b>	100	100
Number of employees who received anti-corruption training	Person-time	<b>46,673</b>	46,175	46,316
Proportion of employees who received anti-corruption training	%	<b>100</b>	100	100

## Anti-money laundering (AML)

### AML system development

The Bank placed high importance on money laundering (ML) risk management and continued to solidify its system foundation. In 2023, the Bank comprehensively reviewed its AML management policies at all levels. For example, it revised the *Money Laundering Risk Management Policy of China Everbright Bank*, which further clarified the management responsibilities of the AML related departments, the *Customer Identification Management Rules of China Everbright Bank* and *Management Measures for Customer ML Risk Rating of China Everbright Bank*, etc., which improved rule completeness and operability, as well as regulations of various business departments, which integrated money laundering risk management measures into specific business processes.

### Money-laundering risk management

Adhering to a "risk-based" AML working goal, and focusing on the business reality, the Bank conducted risk investigation and control for high-risk customers and areas prone to money laundering. It established a three-line defense system consisting of business departments, the AML management department, and the internal audit departments, integrating money laundering risk management into daily business operation. The Bank optimized the money laundering risk rating indicator system of customer, and revised and added multiple indicators to enhance risk warning capabilities. Management of key links such as due diligence and rating of high-risk customers were centralized by the Head Office. Moreover, it developed a real-time money laundering risk monitoring scheme that could perform during the event to achieve forward control of risk management.

### AML training and culture building

The Bank conducted AML awareness publicity and education activities to promote AML culture. Targeting groups such as university students, elderly people, and the floating employment population, the Bank disseminated information on new methods and high-incidence areas of money laundering crimes through video playbacks, group film-watching, and interactive activities. As the "frontline position" for the dissemination of AML knowledge, the outlets normalized publicity to enhance the public's legal awareness.

Multi-level training for employees was conducted through both face-to-face sessions and online self-study, focusing on anti-money laundering topics to improve their awareness and operational capabilities of AML.

The Bank conducted AML training for Directors, Supervisors, and Senior Management, with experts from the People's Bank of China delivering collective lectures to enhance their awareness of duty performance.

The Bank organized business competitions to promote advanced experience, selecting 15 outstanding cases of suspicious transaction analysis for Bank-wide promotion.

The Bank conducted "Certified Anti-money Laundering Specialist" (CAMS) certification exams, with a total of 273 employees across the Bank certified.

The Bank leveraged digital platforms to broaden training channels, offering 13 online courses covering AML regulations, case analysis of typical money laundering crimes, and branch work experience sharing. These courses have accumulated 310,000 person-times of participation, with 43,000 participants attending and passing the exams.

## Intellectual property rights protection

### System building of intellectual property management

The Bank promoted the standardized management of the entire process of IPR discovery, application, layout, and protection, continuously improving the intellectual property management system. It formulated the *Intellectual Property Management Measures of China Everbright Bank*, detailing the division of responsibilities for IPR management and outlining the workflows for application, use, maintenance, and ownership.

### Conduct building of intellectual property management

The Bank continued to conduct monitoring and protection for IPR such as trademarks and patents, resolutely combating actions that infringe on the Bank's intellectual property rights. It enhanced monitoring and prevention efforts, ensuring that external promotional advertisements, use of images and fonts, technological and system development, and software usage do not infringe on the rights of others, thus avoiding litigation and claims. The Bank optimized the end-to-end IPR protection mechanisms, leveraging intellectual property to stimulate business development, thereby enhancing its brand competitiveness and market position.



## Reporting letters, visits, and disposal

The Bank continuously established and perfected mechanisms for reporting letters, ensuring open channels for reporting, strictly maintaining the confidentiality of informants' information, prohibiting retaliation against informants, and seriously handling any actions that obstruct reporting. It encouraged and supported cadres, employees, and people from all walks of life to report violations of regulations, disciplines, and laws. In 2023, the Bank received 817 reporting letters. More details of informant protection can be found in the "Anti-Bribery And Anti-Corruption System And Key Points" under the "ESG Policy" section on its official website.

### System for reporting letters and visits

The Bank continuously optimized the system and procedures for reporting letters, and formulated management systems such as the *Guidelines for Handling Problem Clues (Trial)* and *Management Measures for Problem Clue Files (Trial)*, clarifying the procedures, timelines, and completion requirements for reports and accusations.

The discipline inspection committees at all levels of the Bank prioritized accepting and handling problem clues reported with real names and inform the whistle-blowers of the acceptance and handling results in time. Special personnel were designated for collecting, collating and reporting the whistle-blowing and accusations to strictly control the content of problem clues, and the scope of knowledge and time of the handling process. It is prohibited to retain, conceal, consult, excerpt, copy, or carry problem clues or case-related information without permission, divulge the preliminary verification or case examination, or privately contact the persons who have been initially examined (or verified).

### Clearing reporting channels

The Bank established and refined pathways for complaints and reporting, making available on its official website the dedicated complaint hotline, Head Office mailing address, complaint and reporting email address, and reporting hotline. During internal inspections, the Bank disseminated information on how to lodge complaints and reports to all employees, ensuring both external and internal reporting channels remain unobstructed. It explicitly required that, on the basis of ensuring information security, the interception of reporting emails was prohibited to ensure the timely and smooth flow of external email reporting, and conducted confidentiality education for relevant staff members.



# Environmental Performance

Strictly abiding by the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, the Bank practiced the philosophy that "lucid waters and lush mountains are invaluable assets", enhanced the climate governance capability, promoted green financial services, improved the pathways of energy conservation and emission reduction, in a bid to make the utmost efforts in the construction of ecological civilization and a beautiful China, and facilitate the all-round green transition of economic and social development.



# Addressing Climate Change

The Bank resolutely implemented the national goals of "carbon peaking and carbon neutrality", integrated "green finance" into the Bank's development strategies, improved the climate change governance mechanism and management strategies, strengthened the environmental and climate risk control of financial business, and enhanced the green financial service capabilities so as to promote the comprehensive green transition of economic and social development.

## Governance

Pursuing progress while ensuring stability and solidifying development foundation

## Environmental Performance

Supporting "Dual Carbon" goals and activating green momentum

## Social Performance

Promoting high-quality development with joint efforts

## Climate governance

The Bank continued to strengthen the top-level design of environment and climate risk management, improved the three-level management structure of "decision-making level - management level - implementation level", and continuously enhanced its climate change governance capabilities.

### Decision-making level

The Board of Directors assumed the main responsibilities of climate change risk management and green finance, responsible for formulating relevant strategies and reviewing relevant proposals. The Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee under the Board of Directors supervised and evaluated the implementation of relevant strategies. In 2023, the Committee reviewed the *2022 Report on the Promotion of Carbon Peaking and Carbon Neutrality and Developing Green Finance Work of China Everbright Bank Company Limited*.

### Management level

As the Leading Group responsible for carbon peaking and carbon neutrality across the Bank, the Social Responsibility/ Inclusive Finance Management Committee of the Head Office made coordinated efforts in promoting the Bank's climate response and green finance work, formulated work objectives, and carried out internal supervision, examination, assessment and evaluation. In 2023, the Committee reviewed the *Report on the Promotion of Carbon Peaking and Carbon Neutrality and Developing Green Finance Work in the First Half of 2023*, and *Report on the Progress of Carbon Peaking and Carbon Neutrality and Developing Green Finance Work in the Third Quarter of 2023*.

### Implementation level

Three professional working groups, namely Green Finance, Environmental and Climate Risk Management, and Low-carbon Transition of the Bank were set up under the Leading Group for Carbon Peaking and Carbon Neutrality, responsible for implementing specific work within the range of their duties. All branches and subsidiaries established and improved their special management structures to promote the specific implementation of related work.

## Strategies of addressing climate change

The Bank released the *Mid-term Action Plan for the Promotion of Carbon Peaking and Carbon Neutrality and Developing Green Finance of China Everbright Bank (2022-2025)*. In accordance with the strategic plan of prioritizing the increment, replacing the old with the new, stimulating innovation and being market-driven, the Bank promoted the effective coordination between green finance and finance transformation, formulated the *Improvement Plan for Green Finance, Environment and Climate Risk Management of China Everbright Bank*, promoted green finance, and paid attention to and prevented environmental and climate risks, further improving its environmental and climate risk management policies and mechanisms.

## Credit policy for key industries

The Bank aimed to improve its capabilities to identify low-carbon economic activities, address financial risks relating to climate change, and fully incorporate climate change factors into the design of financial transformation policies and tools. It strove to avoid arbitrary carbon reduction and support the financing needs of enterprises in technological and commercial transformation. Meanwhile, the Bank focused on traditional carbon-intensive industries such as agriculture, coal-fired power, steel, and construction materials, and prioritized support in areas with advanced technology and significant carbon reduction effects.

### Agriculture

The Bank focused on supporting key areas of modern agriculture such as agricultural industrialization, agricultural mechanization, as well as agricultural technology R&D and promotion. Centering on food security, the Bank cooperated with professionalized, standardized, large-scale, and intensive leading enterprises engaged in agricultural cultivation and green planting, and supported their production projects in China's primary grain-producing areas. For areas included in the Green Industry Guidance Catalogue such as resource utilization of agricultural waste, modern agriculture and seed industry, protection of animal and plant germplasm resources, and green organic agriculture, the Bank set special credit lines and credit support policies.

### Electricity

A priority is given to large state-owned coal-fired power generation enterprises which undertake the responsibility of ensuring stable and reliable power supply in regions with abundant coal resources and convenient transportation. The Bank supported clean and efficient coal utilization projects by participating in the "Coordination of Three Transformation" projects which transform energy conservation, power supply flexibility, and heating supply pattern of coal-fired power unit in a coordinated manner. It is required that the generating units meet the indicator of standard coal consumption, clean coal technology be adopted for power generation, and that the construction of facilities such as dust removal, flue gas desulfurization, and denitrification be synchronized. The Bank supported the development of low-carbon, safe and efficient clean energy. For areas included in the Green Industry Guidance Catalogue such as construction and operation of clean energy facilities, ultra-low emission transformation of coal-fired power plants, and efficient operation of energy systems, the Bank set special credit lines and credit support policies.

### Coal mining

The Bank cooperated with super-large coal corporations that boast abundant coal resources, advanced production technology, sound safety conditions, and capable of meeting the standards of energy saving and emission reduction. A priority is given to projects of clean and efficient coal utilization and green intelligent coal mining. It is required to obtain relevant licenses and permits in terms of environmental protection, land use, resource utilization, safe production, and mineral resource planning or coal production and exploitation, and that no major safety accidents took place over the past three years. For areas included in the Green Industry Guidance Catalogue such as clean coal utilization and clean coal production, the Bank set special credit lines and credit support policies.

### Non-ferrous metal mining and dressing

It is required that mining and dressing sites not be located in prohibited areas such as nature reserves, drinking water source protection areas, and basic farmland protection areas; that relevant approval documents such as mining rights certificates, safety permits, and non-coal mining production licenses be obtained from competent authorities in alignment with the approved scale of exploitation; that the environmental impact assessments, safety evaluations, and the "three simultaneities" system - simultaneous design, construction and operation of pollution prevention and control facilities and main projects - be strictly implemented; that technological equipment, energy consumption and emissions, comprehensive utilization of resources and energy, land reclamation, environmental management, and other indicators must meet relevant national and local requirements; and that the pollutant treatment capacity and ecological restoration measures compatible with the production scale and technology be in place.

### Oil and natural gas

It is required that oil and natural gas exploitation industries obtain oil and natural gas exploitation rights, conform to the *Policies on Pollution and Control Technology in Oil and Natural Gas Exploitation*, and apply clean production processes and technologies for related projects. For areas included in the Green Industry Guidance Catalogue such as construction and operation of natural gas transmission, storage, and peak regulation facilities, unconventional oil and gas exploration and exploitation, and offshore oil and gas exploration and exploitation equipment manufacturing, the Bank set special credit lines and credit support policies.

By Shaochen Ma from CEB Xi'an Branch

## Climate risk management

The Bank released the *Improvement Plan for Green Finance, Environment and Climate Risk Management of China Everbright Bank*, incorporating environmental and climate risks into the comprehensive risk management system; actively collected climate-related information such as customers' energy use patterns, carbon emission levels and emission reduction strategies; conducted climate risk sensitivity stress tests, set a "high-carbon label" for the Bank's credit business, as well as monitoring and improving the green label management and system construction. The Bank carried out training and case sharing on green finance related industries to raise the climate risk prevention awareness of all employees throughout the Bank.

Besides, the Bank identified climate change related risks and opportunities, conducted analyses on climate-related financial risks, researched into the transmission pathways of climate risks to the financial system, evaluated the correlation between climate risks and other risks such as credit risk, market risk and liquidity risk, reputational risk, operational risk and legal risk, and also evaluated the overall impact of climate risks on the liquidity of the Bank.

- ▶ Climate risk refers to the potential uncertainties that climate factors like extreme weather, natural disasters, and global warming, as well as the transition of the society towards sustainable development bring to economic and financial activities. According to the channels through which climate change affects the financial system, climate risks can be roughly divided into two categories: physical risks and transition risks.
- ▶ Physical risk refers to the risk of property damages caused by extreme weather, natural disasters, and related events. Transition risk refers to the risk of financial institutions suffering losses due to factors such as climate policy shift, technological innovation, and changes in market sentiment during the transition of the society towards sustainable development.

### Climate Change Related Risks

Risk name	Climate risk type	Risk description	Time range <sup>2</sup>	Response
Credit risk	Physical risk	Due to the occurrence of extreme weather and natural disasters, direct losses are caused to assets or natural resources, affecting the borrower's ability to continue operating and the stability of the balance sheet, thus increasing the probability of bank loan default and default losses.	Short, medium, and long term	Incorporating environmental, social and governance requirements into the whole-process of credit granting, and earnestly implementing the "one-vote veto" system; strengthening the full process management of customer ESG risks and risk control in areas with high-energy consumption and emissions, and resolutely curbing the irrational development of low level projects with high energy consumption and emissions.
	Transition risk	Due to the low-carbon transition policy orientation, the accelerated depreciation rate of high-carbon assets, the increase in carbon prices, and the reduction of free allowance, enterprises have paid a large amount of environmental disposal costs and administrative penalty costs, which affect their operating income and refinancing capability, and increase the credit risk of the Bank.		
Market risk		Extreme weather events and climate change may lead to asset depreciation, cast negative impact on the market price (interest rate, stock price, etc.), and cause losses in bank's on- and off-balance sheet businesses, thus increasing market risks.	Medium and long term	Enhancing proactive management capabilities by strengthening reporting on market risk identification, evaluation and monitoring, as well as management response, to ensure a balance between risks and returns.
Liquidity risk		Natural disasters or extreme weather events may increase the uncertainty of short term financing, leading to the bank's failure to get capital at appropriate costs, and operate normally with insufficient liquidity.	Short and medium term	Taking climate factors into consideration in liquidity emergency plans, paying close attention to the impact of climate-related risk factors on own operation and customer operation, strengthening response measures, and reducing the risk of liquidity shortage.

Risk name	Climate risk type	Risk description	Time range <sup>2</sup>	Response
Reputational risk	Physical risk	Damages to the environment or delay in acting on climate change during daily operation and business management may lead to negative comments from the public, the media and other stakeholders, thus damaging the reputation and image of the Bank.	Long term	Assuming social responsibilities and creating a good social image; taking the initiative to accept public opinion supervision, and timely and accurately disclosing information.
	Transition risk	With the tightening of policies and the increase in social attention, the environmental and social impacts and regulatory penalties caused by insufficient environmental risk assessment of loan projects may have a great negative impact on the reputation of the Bank.		
Operational risk	Physical risk	Sudden extreme weather events caused by climate may result in infrastructure damages and casualties, thus causing operational and business interruptions or losses of customer data, asset losses and operational risks.	Short and medium term	Improving the whole-process business continuity management, clarifying the emergency strategy, contingency plan and drill requirements, and making information reports, so as to effectively deal with the interruption of important business operations caused by physical risks; pre-emptively preventing and planning in advance, ensuring the life and property safety of employees and customers, as well as the transfer, protection and disposal of important equipment, cash and other assets.
Legal (Liability) Risk	Physical risk	Due to environment or pollution-related climate issues of borrowers or investees, the Bank may face the risk of bearing joint liability for pollution.	Short and medium term	Incorporating environmental, social and governance requirements into the whole-process of credit granting, earnestly implementing the "one-vote veto" system, strengthening the full process management of customer ESG risks, and enhancing risk control in areas with high energy consumption and emissions.

Note 2: Short term refers to 1-3 years, medium term refers to 3-5 years, and long term refers to 5-10 years.

### Available Opportunities Related to Climate Change

Climate opportunity types	Climate opportunity description/measures
Expanding product and service opportunities	Developing diversified climate financing products and services, expanding and innovating products and services relating to green finance and transitional finance on the basis of green loans and green bonds, assisting customers in green transformation, promoting business development, and stimulating related income growth
Enhancing the risk management capability	By gradually improving the ability to respond to climate change, the Bank can enhance climate resilience, create business opportunities, strengthen risk management capability, and gain recognition or investment from stakeholders.
Saving operating costs	Promoting resource conservation and low-carbon energy use, adhering to "green office" and "green life", using the information technology to promote paperless office; promoting the application of energy-saving technology products and eliminating high-energy-consumption facilities and equipment; promoting digital transformation and reducing operating costs
Enhancing market reputation	Exploring opportunity to join international initiatives, strengthening information disclosure, and enriching channels and content of information disclosure, fully reflecting attributes such as environmental friendliness, climate adaptation, and social inclusiveness.

### Climate risk stress tests

Under the guidance of regulatory authorities, climate risk stress tests were conducted in eight high-carbon industries. From the evaluation results, the Bank could cope with the impact of climate-related risks on the Bank's liquidity under different stress scenarios. At present, the climate risk stress test results have been applied to the Bank's pre-loan review, post-loan monitoring and evaluation.



**Governance**  
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**Social Performance**  
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By Jian Liang from CEB Shenzhen Branch

## Indicators and objectives

Following the trend of promoting green finance, pursuing progress while ensuring stability, and prioritizing development before addressing challenges, the Bank has set the mid-term work objectives for addressing climate change and developing green finance that by 2027, the scale, services and products of green finance will be steadily improved, a "Green Finance+" comprehensive service system established, financial supporting tools enriched, and a differentiated and distinctive green financial brand with high market recognition formed. During the reporting period, the carbon emissions generated by investment and financing activities were calculated for the first time.

Indicator	Unit	2022
Carbon emissions from enterprises with loans in eight high-carbon industries	tCO <sub>2</sub> e	21,848,154.96
Year-end balance of loans to enterprises in eight high-carbon industries	RMB10,000	6,746,973.70
Intensity of carbon emissions from enterprises with loans in eight high-carbon industries	tCO <sub>2</sub> e/RMB10,000	3.2382

### Data description: Accounting method for carbon emissions generated by investment and financing activities

- Time range: Due to the availability of carbon data, the data disclosed ranges from January 1, 2022 to December 31, 2022.
- Customer range: The eight high-carbon industries include electricity, petrochemical, chemical, construction materials, steel, non-ferrous metals, papermaking and aviation. The relevant industry customers included in the calculation must meet the following conditions:
  - there was a loan balance in the Bank at the end of 2022;
  - being able to collect reliable carbon emission data and production data, or have access to the 2022 financial statements from the legal entity perspective;
  - not subject to situations where information cannot be obtained, such as bad debts or bad loans.
- Reference standards (include but not limited to):
  - IFRS S2 — Climate-related Disclosures (2023) by the International Sustainability Standards Board (ISSB);
  - Global GHG Accounting and Reporting Standard for the Financial Industry (2020) by the Partnership for Carbon Accounting Financials (PCAF);
  - Technical Guidelines for Carbon Accounting of Financial Institutions (Trial) (2021) by the People's Bank of China, etc.
- Calculation description: The carbon emission data of enterprises were obtained primarily from public channels such as annual reports of listed companies or corporate environmental information disclosures.

### Calculation procedure:

Annual carbon emissions formed by the loan  $i$  = Annual carbon emissions of Enterprise  $i$  × Attribution factor  $i$

Attribution factor  $i$  = Loan balance of Enterprise  $i$  / Total assets of Enterprise  $i$  headquarter

Carbon intensity =  $\sum_{i=1}^n$  Annual carbon emissions formed by loans  $i$  /  $\sum_{i=1}^n$  Year - end loan balance of Enterprise  $i$

The Bank completed the inventory of carbon emissions by calculating the annual energy data of its domestic institutions, identified key energy consumption institutions, explored new approach to managing energy, and promoted collaborative efficiency in reduction of pollution and carbon emissions.

Indicator	Unit	2023	2022	2021
Total GHG emissions (Scope I & Scope II)	tCO <sub>2</sub> e	<b>51,403.33</b>	60,992.42	68,416.38
GHG emissions per capita (Scope I & Scope II)	tCO <sub>2</sub> e/person	<b>1.08</b>	1.31	1.48
GHG emissions per square meter of floor area (Scope I & Scope II)	tCO <sub>2</sub> e/m <sup>2</sup>	<b>0.07</b>	0.08	0.10
<b>Direct discharges and emissions (Scope I)</b>	tCO <sub>2</sub> e	<b>4,656.19</b>	4,147.24	5,386.28
Fuel consumption of official vehicles	tCO <sub>2</sub> e	<b>564.72</b>	1,251.82	1,983.63
Diesel consumption of facilities	tCO <sub>2</sub> e	<b>405.42</b>	401.83	491.91
Natural Gas consumption	tCO <sub>2</sub> e	<b>3,686.05</b>	2,493.58	2,910.74
<b>Indirect discharges and emissions (Scope II)</b>	tCO <sub>2</sub> e	<b>46,747.13</b>	56,845.19	63,030.11
Purchased electricity power	tCO <sub>2</sub> e	<b>46,747.13</b>	56,845.19	63,030.11

### Data description:

- Greenhouse gases were mainly from carbon dioxide produced by the purchased electricity power and fossil fuel combustion. Emissions of greenhouse gases are presented in terms of carbon dioxide equivalent, and calculated in accordance with the Notice on the Management of Corporate Greenhouse Gas Emissions Reporting in the Power Generation Sector for 2023-2025 released by the Ministry of Ecology and Environment of the People's Republic of China and 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision) publicized by the Intergovernmental Panel on Climate Change (IPCC).
- Fuel consumption of official vehicles includes gasoline consumption and diesel consumption of official vehicles.
- Diesel consumption of facilities means diesel consumption of standby generators and a few cooking ranges. The data of diesel consumption of facilities of the Bank covers the Shangdi office area of the CEB Head Office and its 12 branches.
- The Bank has corrected the GHG emissions per capita (Scope I & Scope II) of 2021.

## Developing Green Finance

The Bank implemented the philosophy of green development, and released the *Medium Action Plan for Green Finance of China Everbright Bank (2022-2025)*, *Improvement Plan for Green Finance, Environment and Climate Risk Management of China Everbright Bank*, and *Management Measures for Green Finance of China Everbright Bank*. The Bank established a special Green Finance Office, responsible for the research and analysis on key industries of green finance, management of key customers, and enhancement of market competitiveness of the industries. Besides, the Bank deepened green financial services, enriched green financial products, supported the financing needs of enterprises in green and energy-saving fields such as clean energy, clean transportation, pollution prevention and energy structure optimization, and helped high-carbon enterprises to achieve low-carbon and zero-carbon transformation.

### Analysis and Research on Green Key Areas

Focusing on key industries such as energy and electricity, energy conservation and environmental protection, the Bank carried out industry research in sub-sectors, and meanwhile, developed and implemented national measures for the new electricity system, cooperation strategies with leading enterprises in the photovoltaic industry, and service plans in sub-sectors such as energy conservation and environmental protection and new energy.

### Special training on Green Finance

The Bank carried out three sessions of training themed green finance, with a focus on explaining and demonstrating the classification and identification of green credit, key review points of green financial bond projects, and environmental benefits calculation, so as to enhance the capabilities of front-line personnel such as customer managers, product managers, credit reviewers, loan management personnel, and statistical reporting personnel to accurately identify and classify green credit, with a participation of exceeding 2000 person-times.

## Green financial products and services

The Bank focused on developing green loans, green bonds, green leasing and other businesses, strengthened the innovation of green financial products, and increased the proportion of green finance business. Besides, the Bank launched innovative products such as "Carbon Trading Scenario-based Finance" model, carbon emission rights pledge loans, loans mortgaged by forest ownership, sustainable development-linked loans, and digital credit cards, with some of them marked first-of-their-kind.

### Green loans

Focusing on the green credit classification process, the Bank revised the *Green Investment and Financing Classification Manual of China Everbright Bank (2023 Edition)*, launched an automated auxiliary tool for green financing labels identification in the credit management system and customer management system, and empowered front-line employees by using scientific and technological means to help the high-quality growth of green loans.

Indicator	Unit	2023	2022	2021
Balance of green loans	RMB100 million	<b>3,137.62</b>	1,992.90	1,245.92
Energy conservation and environmental protection industries	RMB100 million	<b>753.42</b>	403.17	193.96
Clean production industries	RMB100 million	<b>110.82</b>	77.86	41.00
Clean energy industries	RMB100 million	<b>629.45</b>	311.58	127.21
Ecological environment industries	RMB100 million	<b>455.10</b>	431.95	374.73
Green upgrading of infrastructure	RMB100 million	<b>1,178.19</b>	755.62	495.96
Green service	RMB100 million	<b>10.65</b>	12.73	13.05

### CEB Nanjing Branch granted the first sustainability-linked loan across the Bank

CEB Nanjing Branch granted Jiangsu XuSteel Group Co., Ltd. a sustainability-linked loan of RMB50 million, which was the first loan of this kind launched across the Bank. This loan is related to the sustainable development performance goal of XuSteel Group. If it achieves the performance goal corresponding to sustainable development, the loan interest rate will be lowered on the basis of the initial value. This loan can not only effectively reduce the financing costs of the enterprise, but also provide new impetus for its green development.

### CEB Kunming Branch put forest right mortgage loan in operation

CEB Kunming Branch explored the business model of loans mortgaged by forest ownership, assisted a forestry company in Simao District of Pu'er City in handling the mortgage registration procedures for 2,000 mu of forest land, and granted a credit of RMB10 million. This credit has explored a new green financing path for the company and even enterprises with forest ownership in Yunnan Province.



Forest farm of a forestry company in Simao District, Pu'er City

### CEB Yantai Branch implemented the first carbon emission right pledge financing business in Yantai City

With China Carbon Emissions Trading Exchange (CCETE) as the platform, relying on the "Carbon Trading Scenario-based Finance" model of the Head Office, CEB Yantai Branch handled the first carbon emission right pledge financing business for Laiyang Thermal Power Co., Ltd., a regional key heating enterprise, to support the enterprise in achieving green and low-carbon transformation and development in people's well-being services and capacity improvement

### CEB Changchun Branch helped Changchun City to build a battery swapping network for new energy vehicles

CEB Changchun Branch approved a loan of RMB41.7959 million to Changchun Changfa Electric Power Construction Co., Ltd. specifically for the construction of the "Hongqi E in Changchun" Phase IV battery swapping station project (first batch) in Changchun City, to help promote the application of the battery swapping mode among new energy vehicles across Jilin Province.



"Hongqi E in Changchun" Phase IV battery swapping station

### CEB Sydney Branch participated in the syndicated loan of Squadron (CWP) for clean energy asset package financing

CEB Sydney Branch participated in the syndicated loan of Squadron (CWP) for clean energy asset package financing, with the lending amount totaling AUD50 million. The syndicated loan totaled AUD1,870 million with the funds raised invested in the construction and operation of five wind farms, making it the largest clean energy loan in the Australian market recently.

By Anqi Chen from CEB Hangzhou Branch

## Green bonds

The Bank issued the *Notice on Special Marketing Campaign of Green Debt Financing Instruments - a Key Product of Bond Underwriting Business*, focusing on promoting the related work of green bond underwriting and issuance business.

### CEB Shijiazhuang Branch underwrote green medium-term notes of HBIS Group

CEB Shijiazhuang Branch independently underwrote and issued the second tranche of green medium-term notes of HBIS Group Co., Ltd. in 2023, with a scale of RMB1 billion and a term of 3 years. All the funds raised from this bond will be used to purchase scrap steel, with an expected recovery of 344,000 tons of scrap steel, reduction of 48,100 tons of carbon dioxide emissions, and saving of 91,800 tons of standard coal and 481,600 tons of water.

### CEB Beijing Branch underwrote green technological innovation notes

CEB Beijing Branch underwrote and issued the first tranche of green medium-term notes (technological innovation notes) of China Guangdong Nuclear Wind Power Co., Ltd. in 2023, marking the Bank's breakthrough in using green debt financing instruments to support scientific and technological innovation and development. According to calculations, the RMB1 billion raised in this term is expected to help save 49,300 tons of standard coal, and reduce emissions of 3.6 tons of smoke and dust, 16.53 tons of sulfur dioxide and 24.88 tons of nitrogen oxides, with significant environmental benefits of carbon emission reduction.

#### As at the end of 2023

the Bank held green bonds of **RMB 40.418 billion** underwrote green bonds of **RMB 8.1 billion**

## Green leasing



Everbright Financial Leasing Co., Ltd. made special arrangements for green finance and carried out green leasing business. As at the end of 2023, the balance of green leasing business was RMB17,398 million, an increase of RMB4,092 million or 30% compared with the year beginning.

In 2023, Everbright Financial Leasing supported the construction of new energy power stations, with a total investment of RMB4,010 million. The power generation of grid connected projects exceeded 4 billion KWH in the year, equivalent to providing green electricity for 1.6 million households for one year.

## Green and low-carbon themed credit card



CEB launched a green and low-carbon themed credit card with innovative green design in rights and interests of cardholders, guiding them to change their payment habits and practice the concept of low-carbon emission and carbon reduction.

## Protecting biodiversity

As one of the signatories to the *Joint Declaration of the Banking Sector to Support Biodiversity Conservation*, CEB helped to increase funding support in the field of biodiversity conservation, focused on the construction, maintenance, and operation of key ecosystem protection and restoration projects, major biodiversity conservation projects, nature reserves, ecological functional zones, and national-level gardens, and advanced practical cooperation in resource conservation and ecological environment protection to promote the harmonious coexistence between man and nature.

In the credit policies of industries such as wind power, photovoltaic power generation, coal and papermaking, the Bank clarified the requirements to strengthen ecological protection awareness, strictly adhere to red lines for ecological protection, bottom line of environmental quality, upper limit of resource utilization and access list of ecological environment, pay close attention to the impact of project construction on ecological environment and biodiversity, and strictly control the entry of projects that have a significant impact on biodiversity.

### CEB Fuzhou Branch supported biodiversity conservation and blue industry construction

CEB Fuzhou Branch granted RMB260 million working capital loans to seven enterprises in Sanming City for the construction of forest resource cultivation industry, recycling of waste resources, production and substitution of non-toxic and harmless raw materials, clean utilization of coal, green buildings and other fields to facilitate biodiversity conservation. CEB Fuzhou Branch also provided a credit line of RMB140 million to Fujian Shipbuilding Industry Group Co., Ltd. and a credit line of RMB1,700 million to Fujian Mawei Shipbuilding Co., Ltd. to support the green and sustainable development of the shipbuilding industry.

### CEB Hohhot Branch assisted the Wuliangsu Hai ecological restoration project in issuing special bonds

The ecological restoration project of Wuliangsu Hai Lake has been incorporated in the third batch of national projects for mountains, rivers, forests, farmland, lakes, grassland and sand. It is also the largest, earliest implemented, and most comprehensive ecosystem governance project in the country. CEB Hohhot Branch provided professional support for the project to apply for government special bonds, covering the whole process of project selecting, scheme design, material preparation and warehousing issuance, helping the Project successfully issue RMB300 million of special bonds for ecological restoration.



By Xin Jin from CEB Wuxi Branch

## Carrying out Green Operation

The Bank strictly abided by the *Environmental Protection Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China* and other relevant laws and regulations to promote the green and low-carbon transformation of its operation. To be specific, the Bank made efforts in building green and low-carbon networks of banking outlets, fulfilling the concept of green office, establishing green data centers, and advocating green and low-carbon culture.

### Green office

The Bank issued the *Eight Initiatives for Actively Building a "Green Everbright" Through Green Office and Green Life Practice* as well as *Management Measures for Video Conference System (2023 Edition)*, advocating green office, and incorporating energy conservation and emission reduction into daily management by setting standards for the use of resources such as water and electricity. Besides, the Bank established a waste material sorting and recycling system, increased the allocation of electricity for lighting and air conditioning in office areas, and enhanced employees' awareness of conservation and responsibility to encourage them to consciously save water, paper, and electricity in their daily work.

Indicator	Unit	2023	2022	2021
Total energy consumption	MWh	106,293.48	118,521.68	106,075.35
Total Energy consumption per capita	MWh/person	2.23	2.54	2.30
Energy consumption per square meter of floor area	MWh/m <sup>2</sup>	0.14	0.16	0.16
Direct energy consumption	MWh	24,324.11	18,845.75	21,638.34
Fuel consumption of official vehicles	MWh	2,191.67	4,999.31	5,323.69
Diesel consumption of facilities	MWh	1,503.57	1,510.53	1,828.85
Gas consumption	MWh	20,628.87	12,335.91	14,485.80
Indirect energy consumption	MWh	81,969.38	99,675.94	84,437.02
Purchased electricity power	MWh	81,969.38	99,675.94	84,437.02
Purchased electricity power consumption of the Head Office	MWh	32,377.49	27,871.35	26,095.43
Daily water consumption	Ton	513,331.44	537,101.55	521,356.88
Daily water consumption of the Head Office	Ton	173,732.00	102,448.00	109,213.52
Daily water consumption per capita	Ton/person	10.79	11.51	11.29
Daily water consumption per square meter of floor area	Ton/m <sup>2</sup>	0.69	0.73	0.78
Total copy paper consumption	Ton	486.39	466.56	615.84
Sulfur dioxide emissions	Ton	0.01	0.01	0.01
Nitrogen oxide emission	Ton	0.08	0.14	0.33
Total hazardous waste	Ton	201.89	196.27	378.17
Hazardous waste per capita	Ton/person	0.004	0.004	0.008
Hazardous waste per square meter of floor area	Ton/m <sup>2</sup>	0.0003	0.0003	0.0006

Indicator	Unit	2023	2022	2021
Total non-hazardous waste	Ton	6,642.05	3,567.99	2,730.19
Non-hazardous waste per capita	Ton/person	0.14	0.08	0.06
Non-hazardous waste per square meter of floor area	Ton/m <sup>2</sup>	0.009	0.005	0.004

#### Data description:

- The 2023 environmental performance data of the Bank includes the tier-1 domestic branches, Everbright Financial Leasing, Sydney Branch, and Luxembourg Branch.
- Since the data of emissions and energy and resource consumption of machine rooms currently cannot be calculated independently, the intensity of greenhouse gas emissions, hazardous waste discharges, non-hazardous waste discharges, energy consumption and daily water consumption per capita and per square meter of floor area of the Bank all cover office areas and machine rooms.
- Fuel consumption of official vehicles includes gasoline consumption and diesel consumption of official vehicles.
- Diesel consumption of facilities means diesel consumption of standby generators and a few cooking ranges. The data of diesel consumption of facilities of the Bank covers the CEB Shangdi office area of the Head Office and its 12 branches.
- The data of energy consumption was calculated according to relevant conversion factor provided in the national standard of the People's Republic of China, *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020)*. It includes purchased electricity power, natural gas, diesel consumption of facilities and fuel consumption of official vehicles.
- The purchased electricity power consumption of the CEB Head Office is the total power consumption of the institutions of the CEB Head Office in Beijing. Specifically, it includes the purchased electricity power consumption of the China Everbright Center office area, the CEB Shangdi office area, the CEB Taoranting office area, the CEB Shijingshan office area, the China Everbright Building office area, the CEB Zhongguancun No.1 office area, and the Financial Technology Center office area.
- Daily water consumption includes consumption of tap water and reclaimed water.
- The daily water consumption of the CEB Head Office means the total water consumption of the institutions of the CEB Head Office in Beijing. Specifically, it includes the daily water consumption of the China Everbright Center office area, the CEB Shangdi office area, the CEB Taoranting office area, the Shijingshan office area, and the CEB Zhongguancun No.1 office area. Since the daily water consumption in the China Everbright Building office area cannot be independently calculated for equipment reasons, it is not included in the statistics.
- The emissions of nitrogen oxides mainly came from the exhaust gas produced by official vehicles. The data of emissions of nitrogen oxides was calculated according to the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial)* released by the Ministry of Ecology and Environment of the People's Republic of China.
- All the hazardous wastes involved in the operation of the Bank were disposed by professionally qualified companies and they mainly included waste lead-acid batteries, waste modulator tubes, and waste ink cartridges, waste toner cartridges and waste ribbons of official printing equipment.
- All the non-hazardous wastes of the Bank were disposed by recycling companies and mainly included official garbage, copy paper, discarded hard disks and waste computers. The office garbage of CEB Fuzhou Branch, CEB Dalian Branch, CEB Haikou Branch, CEB Jinan Branch, CEB Ningbo Branch, CEB Qingdao Branch and CEB Wuxi Branch was disposed by the property companies of their office areas and was not included in the statistics.
- The Bank has corrected part of the indicators per capita of 2021 and 2022.

#### In 2023

The Bank developed **51** new paperless processes for counter transactions

Saved about RMB **31.79** million in certificate printing, and storage, etc.

Issued more than **200** million electronic certificates via paperless systems

Added **19** new online applications for electronic certificates

## Green outlets



In the decoration design of CEB Renhuai Sub-branch in Zunyi, CEB Guiyang Branch lowered the clear height of 5.9 meters to 3.6 meters through suspended ceiling to reduce the decrease of thermal efficiency caused by excessive space.

A photovoltaic power generation system of approximately 400 square meters was built on the top floor of the main building of CEB Fuzhou Branch, which could cover part of energy consumption of the Branch's business department.

CEB Hongshan Sub-branch of Wuhan Branch carried out green transformation of outlets, including replacing lights with LED energy-saving ones and sanitary appliances with water-saving ones, using recyclable building materials, and installing end electric control valves and frequency regulating devices in the central air conditioning system. It was awarded the "Green Finance Demonstration Bank" in Wuhan in 2023.

CEB Shenzhen Branch explored and built "zero-carbon outlets" by adopting new green and environmentally friendly materials and techniques, installing smart electricity systems, and controlling the outlets' lighting, air conditioners, electronic screens and other equipment with one button by distinguishing the time-sharing electricity consumption of 8H and 24H, thus effectively reducing the electricity consumption of outlets.



"Smart Electricity" project of CEB Shenzhen Branch

## Green data center



## Green procurement

The Bank revised the *Management Measures for Procurement of China Everbright Bank*, requiring relevant work to follow the guiding principles of legitimacy and compliance, centralized management, stratified authorization, quality improvement and efficiency enhancement, energy conservation and environmental protect.

The Bank adhered to the concept of green procurement, established an intelligent centralized procurement platform, promoted online centralized procurement, fully considered environmental protection, resource conservation and other factors in procurement, and prioritized the selection of suppliers obtaining environmental management system certification and products with environmental labels under the same conditions. In the procurement invitation documents, the Bank explicitly required suppliers not to have violations of laws and regulations such as environmental pollution, guiding suppliers to improve environmental performance.

The Bank practiced responsible procurement and required that suppliers should safeguard the safety of their labor force, and the bidding documents involving staff outsourcing services required prospective bidders to quote and participate in the evaluation of ESG indicators or factors such as the proportion of employees' remuneration. In addition, it clarified its preference for prospective suppliers with national credentials in occupational health and safety management.





# Social Performance

Comprehensively implementing the spirit of the 20th CPC National Congress and deployment of the Central Financial Work Conference, and sticking to the fundamental principle of serving the real economy with finance, the Bank strengthened financial support for major strategies, key areas and weak links in order to increase the people's sense of gain, happiness and security of financial services. Meanwhile, CEB optimized customer experience, bolstered employees' development, and maintained dedicated to public welfare, making Everbright contributions to Chinese modernization.



## Deepening Inclusive Finance

Adhering to the "increase volume, reduce cost, enhance convenience" mandate, the Bank continuously expanded the coverage and accessibility of inclusive financial services, supported the development of micro and small enterprises, advanced rural revitalization, expanded various services for people's well-being, and increased financial, human, and technological resource investments in inclusive finance to aid in achieving prosperity for all and promoting social fairness and justice. In 2023, inclusive finance business comprehensively met the regulatory objectives of "Two Increases, Two Controls", with the number of inclusive finance customers steadily growing compared to the previous year.

The Board of Directors' Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee is responsible for overseeing and guiding the management to advance work related to inclusive finance. The management-level Social Responsibility/Inclusive Finance Management Committee is responsible for the overall coordination of the Bank's strategic development in inclusive finance, and issuance and implementation of the *Inclusive Finance 2023-2025 Development Plan of China Everbright Bank*. At the Branch level, the principle of specialized operation is implemented, basically achieving full coverage of inclusive finance department structures at both tier-1 and tier-2 branch levels.

Promoted digital inclusive finance innovation. Leveraging digital technologies and fintech advantages, the Bank established an integrated and comprehensive intelligent service platform for MSEs, individually-owned business and agriculture-related business entities, offering full-process online, automated, and intelligent financing services, enhancing service efficiency and convenience, and expanding service coverage.

### As at the end of 2023

The balance of inclusive loans for micro and small enterprises amounted to RMB **379,133** million, an increase of RMB **73,816** million or **24.18** % over the end of the previous year, which was higher than the average loan growth rate of the Bank.

The weighted average interest rate of newly-granted loans was **3.97** %, a year-on-year decrease of **47** bps, and the NPL ratio was **0.85** %.

## Supporting the development of micro and small enterprises

### Empowering the development of micro and small enterprises

Tailoring to the characteristics of micro and small enterprises, the Bank has established a differentiated inclusive finance credit risk policy. A dedicated inclusive finance "credit factory" has been set up with a specialized and professional team, to standardize operational models. The Bank formulated targeted credit scheme of inclusive finance, implemented special and full credit guarantee, and continuously released policy dividends. By iteratively upgrading the product system, the Bank has created a suite of exclusive financing products for micro and small enterprises, covering four categories of general, online, green, and science and technology innovation, addressing the pain points such as financing difficulties for micro and small enterprises.

### "Xin Yue Tong" enhancing the management efficiency of micro, small, and medium enterprises

The Bank has built an open banking ecosystem and launched the Enterprise Administrative Management Service Platform ("Xin Yue Tong"), establishing a one-stop digital management ecosystem that includes human resources, attendance, remuneration, personal income tax management, and office services. This platform helps micro, small, and medium enterprises digitize traditional internal management processes, effectively enhancing the diversity and precision of enterprise management.

### Supporting the development of growing micro and small enterprises

Centering on serving innovative and growing enterprises, the Bank released the *Exclusive Financial Solutions for Growing MSEs of China Everbright Bank*. Fully leveraging CEG's comprehensive financial licensing advantages, it built exclusive service packages for credit financing, investment banking services, wealth management, and business empowerment. Based on the Bank's connection to various resources, it provided "commercial banking + investment banking + private banking" comprehensive financial services to high-quality growing corporate customers. Following the "three ones" overall approach, the Bank offered full-process and full-cycle "financial + non-financial" comprehensive services to high-quality growing enterprises and business owners in SRDI areas, advanced manufacturing, green finance, and technology innovation, etc.

### Supporting development of private economy

- ▶ The Bank released the *Plan for Serving Development of Private Economy of China Everbright Bank (2023 Edition)*, which proposed 29 measures from 7 aspects including increasing policy support, enhancing resource elements guarantee, etc., in a bid to consolidate and specify measures for supporting private economy, and improve the availability and convenience of private enterprise financing.
- ▶ In collaboration with securities, investment, wealth management, insurance, and industrial institutions, the Bank engaged in close cooperation with thousands of growing micro and small sci-tech enterprises. It formulated the "Hundreds of Ships Setting Sail" growth plan for thousands of micro and small enterprises, offering a range of exclusive services to assist a batch of micro and small enterprises to become leaders in their segments within three to five years, enter the capital market, and grow into medium and large enterprises.
- ▶ As at the end of 2023, the balance of loans to private enterprises stood at RMB799.5 billion, an increase of RMB99.9 billion or 14.28% over the beginning of the year.

### CEB Hangzhou Branch's "Investment-Loan Connection" nurtured the growth of sci-tech enterprises

CEB Hangzhou Branch innovatively launched the "Investment-Loan Connection" product. As at the end of 2023, it had established collaborations with over 20 high-quality sci-tech enterprises with good development prospects and high growth potential. Tailored to the characteristics of sci-tech enterprises such as light assets, heavy R&D, and high growth, the Branch provided more customized credit services. This product covered various high-tech industries including manufacturing and digital economy, with an approved credit amount of RMB245 million.



A customer manager of CEB Hangzhou Branch investigating at a company's advanced integrated circuit testing base

## Building an inclusive supply chain

CEB established and perfected long-term mechanisms for boosting branches' confidence, willingness, capability, and expertise in lending to micro and small businesses, innovating financial products to optimize and upgrade industry and supply chains around core enterprises. Advancing the "Ten Billion of loans, A Hundred Chains, A Hundred Clients" initiative, the Bank deepened collaboration with core enterprises, government authorities, bulk trading platforms, internet platforms, and distinctive industries, etc., enriching scenario finance construction to "extend, strengthen, and optimize ecological chain of inclusive finance".

### "Catering Industry Service Package" supported the catering ecological chain

The Bank introduced the "Catering Industry Service Package", targeting both ends of supply and demand in the catering consumption sector. In collaboration with Meituan, it provided convenient unsecured, unguaranteed credit loans "CEB-Meituan Business Loans" for eligible shop owners within the Meituan ecosystem, serving 116,000 person-times of entrepreneurs and disbursing loans exceeding RMB2.3 billion.

### CEB Shanghai Branch empowered Baowu Steel Enterprise ecological chain

In collaboration with Everbright Securities, CEB Shanghai Branch has been working with Baowu Group to build a steel ecological circle. Leveraging the online inclusive financial innovation product "Sunshine E-Steel Loan" the Branch empowered the ecological chain of steel enterprises. It engaged in credit cooperation with over 60 downstream dealers in the Baowu steel ecological circle, accumulating more than a thousand withdrawals.

## Supporting rural revitalization with financial services

### Top-level design for rural revitalization

The Bank resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, continuously increased investment in the financial field of rural revitalization, and constantly enhanced the capability of financial services to support rural revitalization. The Bank developed the *2023 Action Plan for Financial Support to Comprehensive Advancement of Rural Revitalization and Strengthening the Agricultural Sector of China Everbright Bank* and *Three-Year Action Plan to Support Food Security and Boost the Seed Industry Revitalization of China Everbright Bank*, optimizing its work targets, clarifying action paths, and advancing the implementation of the financial support to rural revitalization strategy.



By Xilu Luo from CEB Nanning Branch

### Innovation in financial products and services for rural revitalization

Enriching the portfolio of financial products for rural revitalization, the Bank:

- ▶ Upgraded the "Sunshine Rural Revitalization" brand and launched the "Sunshine Rural Revitalization - Financial Service Package 2.0", offering 27 agriculture-related products and special services.
- ▶ Released the *Business Brochure of an All-encompassing Approach to Food*, summarizing 15 special products from four dimensions of "grain", "food", "facility agriculture", and "leading enterprises", and promoted the brochure to branches.
- ▶ Supported the development of agricultural industries with regional characteristics, aiming to "build a diversified food supply system" and explore financing businesses for facility agriculture construction.
- ▶ Gradually expanded the range of collateral for agriculture-related loans, innovating financing services like blueberry forest ownership mortgages and live cattle mortgages.

#### As at the end of 2023

Balance of agriculture-related loans reached

RMB **450,149** million

Balance of inclusive agriculture-related loans was

RMB **27,674** million

Balance of loans in poverty alleviation areas stood at

RMB **39,681** million

Balance of loans to key counties receiving national assistance for rural revitalization stood at

RMB **3,922** million

#### As at the end of 2023

The Bank developed over **50** distinctive rural revitalization products,

with a loan balance of

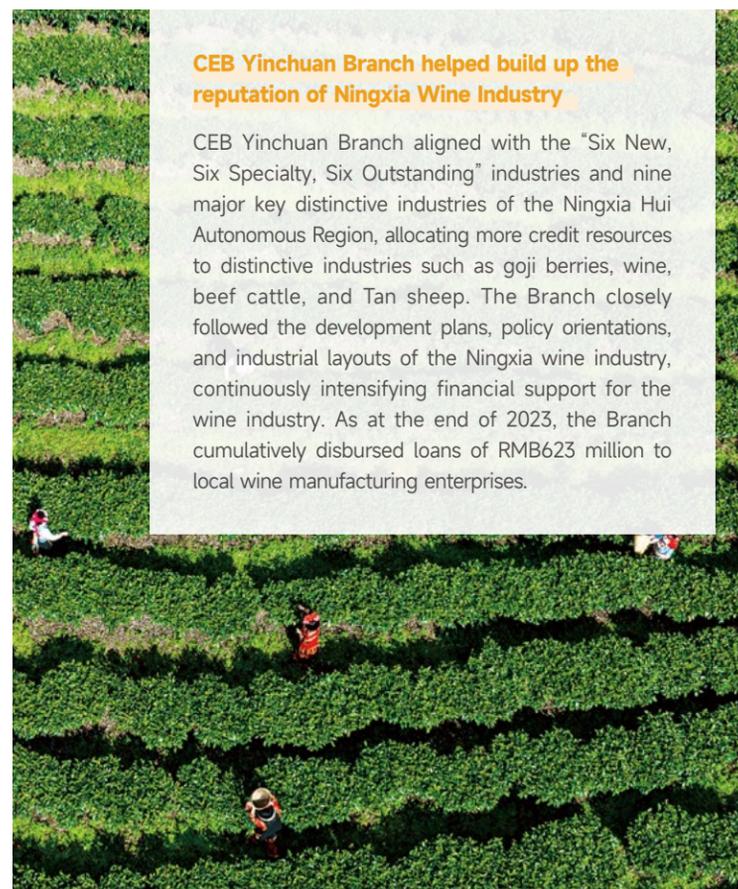
RMB **13.5** billion

serving more than

**2,000** clients

#### CEB Yinchuan Branch helped build up the reputation of Ningxia Wine Industry

CEB Yinchuan Branch aligned with the "Six New, Six Specialty, Six Outstanding" industries and nine major key distinctive industries of the Ningxia Hui Autonomous Region, allocating more credit resources to distinctive industries such as goji berries, wine, beef cattle, and Tan sheep. The Branch closely followed the development plans, policy orientations, and industrial layouts of the Ningxia wine industry, continuously intensifying financial support for the wine industry. As at the end of 2023, the Branch cumulatively disbursed loans of RMB623 million to local wine manufacturing enterprises.



Leveraging the advantages of digital inclusive and convenient services, the Bank offered efficient and accessible inclusive financial services to agriculture-related enterprises and county and rural residents through its self-operated consumer platform "Wonderful Shopping E-commerce Platform" and external "Poverty Alleviation Area Agricultural and By-product Online Sales Platform" (referred to as the "832 Platform").

CEB Wonderful Shopping E-commerce Platform launched the "Fascinating County" series activities to promote characteristic products from various counties. Through the "three-free" policy, it established special zones for assisting farmers, conducted livestreaming to drive sales, and provided comprehensive services throughout production-operation-sales, helping rural areas to expand sales and stabilize income. As at the end of 2023, the platform supported 215 counties across 29 provinces, with 264 rural enterprises launching 1,258 agricultural products online, achieving total sales of 2,618,900 items and a sales volume of RMB172 million.

The Bank facilitated the improvement of functions of the 832 Platform via offering tailored remote corporate account opening services and establishing a full-process online account opening, modification, and closure, in a bid to enhance the accessibility of inclusive financial services for rural revitalization. As at the end of 2023, the platform acquired an annual transaction amount for agricultural and by-products of RMB3.06 billion, aiding over 12,200 merchants in counties lifted out of poverty and assisting 2,866 merchants in remotely opening corporate accounts.

## Development in key areas of rural revitalization

The Bank implemented financial support to the revitalization of the seed industry, releasing the *Three-Year Action Plan to Support Food Security and Boost the Seed Industry Revitalization of China Everbright Bank* and a "Food Security Knowledge Map". Focusing on key seed varieties, key regions, and key enterprises, it increased credit support for the protection and utilization of germplasm resources, technological innovation in the seed industry, construction of seed industry bases, and development of leading seed companies, contributing to national food security.

### CEB Hefei Branch's "CEB Seed Industry Loan for A Beautiful Anhui" supported the revitalization of Anhui's seed industry

CEB Hefei Branch established a "Bank-Government-Enterprise" cooperation model in Anhui Province, held conferences to promote food security and seed industry revitalization, and jointly launched a "Special Improvement Plan of Financial Support for Seed Industry Revitalization" with the Anhui Provincial Government. The Branch signed cooperation agreements with 18 seed industry enterprises and partnered with leading seed company Quanyin Gaoke to innovate the "CEB Seed Industry Loan for A Beautiful Anhui" product for farmers, empowering the entire seed industry chain. As at the end of 2023, this product cumulatively accepted 195 orders, amounting to RMB56 million.

#### As at the end of 2023

The balance of loans in key grain sectors reached

RMB **27,808** million

representing an increase of RMB **4,004** million, or **16.82%** as compared with the beginning of the year

The balance of loans in the seed industry stood at

RMB **2,860** million, an increase of

RMB **842** million over the beginning of the year



The Bank supported the financial needs of leading agricultural enterprises, developing a "Tailored Plan for Each Client" service scheme, and providing special credit support to related enterprises.

### CEB Yinchuan Branch issued the Bank's first green rural revitalization note

CEB Yinchuan Branch, as the sole underwriter, successfully issued tranche 1 of RMB500 million medium-term notes (Green Rural Revitalization) for the Ningxia State Farm Group Co., Ltd. in 2023, marking the first green rural revitalization note issued in the Ningxia Hui Autonomous Region. The funds raised by this bond were allocated to green livestock industry and other rural revitalization fields, offering multiple green environmental benefits such as reducing fertilizer use, increasing organic fertilizer consumption, reducing carbon dioxide emissions, and enhancing resource recycling.



The Bank supported the development of agricultural technology enterprises. The Bank released the *Guidelines for Supporting and Servicing Sci-Tech Enterprises of China Everbright Bank*, innovating financial products, and perfecting specialized institution settings. It established a whitelist mechanism for sci-tech enterprise credit customers to provide differentiated credit and investment policy support, and created exclusive risk rating models to offer comprehensive support to agricultural sci-tech enterprises.

### CEB Wuhan Branch supported enterprises' scientific research and breeding

CEB Wuhan Branch continually monitors the development and needs of Hubei Provincial Seed Group Co., Ltd., approving a credit loan limit of RMB20 million to promote the seed industry base's transformation and upgrading towards specialization, standardization, large-scale production, and intensification.

The Bank supported the improvement of rural living environments. Oriented at green development, the Bank promoted the green development of agriculture and rural areas by accelerating the improvement of living environments in rural areas, making the ecosystem a prop for rural revitalization.

### CEB Xi'an Branch supported the creation of model villages for rural revitalization

Xi'an High-tech Zone Urban and Rural Development Co., Ltd. is dedicated to creating a platform for rural infrastructure construction, rural revitalization industry development, and comprehensive agricultural and rural services. As at the end of 2023, CEB Xi'an Branch cumulatively disbursed loans totaling RMB80 million to the company, supporting ten transformation projects such as planning and design and industry cultivation for the "Qinling Eight Villages". Now, these villages have become the first batch of model villages for rural revitalization constructed and completed in Xi'an High-tech Zone.

## Focusing on the services for people's well-being

The Bank is committed to serving the people's well-being, offering low-cost, wide-coverage, convenient financial products and services in a more market-oriented and sustainable manner, creating sustainable value returns for urban and rural residents, and promoting prosperity for all.



### Supporting the social security system

The Bank signed a *Social Security Card Innovative Application Service Cooperation Agreement* with the Information Center of the Ministry of Human Resources and Social Security to jointly offer social security card services and promote its application across national channels. The Bank expanded the whole-process business of migrant workers' wage payment supervision and cooperated with human resources departments and construction-related enterprises in some regions to provide focused support for financial projects represented by the "Migrant Workers' Wage Payment Monitoring and Early Warning Platform".

#### **CEB Lhasa Branch went the extra mile to process wage cards for migrant workers**

Team of CEB Lhasa Branch traveled thousands of miles to the Changdu mountain area in Tibet, at altitudes above 4,500 meters, to activate wage cards and sign up online functions for over 300 workers from Tibet Changdu Gaozheng Building Materials Co., Ltd., addressing their wage distribution issues.

### Supporting the development of health and medical industry

Focusing on the issue of "long queues for medical payments" faced by the public, the Bank promoted credit-based seamless payment for medical services, providing convenient and efficient medical payment services for the participants in the medical insurance.

#### **CEB Guangzhou Branch promoted credit-based seamless payment for medical services**

CEB Guangzhou Branch, in collaboration with Guangzhou's medical insurance department, implemented one of the "Ten Beneficial Matters for People's well-being" of Guangzhou, introducing an innovative "diagnosis and treatment first, payment later, queue-free" credit-based seamless payment service for participants in the medical insurance of Guangzhou. This service eliminates the need for queuing or mobile phone operations for medical payments, achieving "zero queue" and "zero operation" for medical insurance reimbursement and payments.

### Supporting the development of cultural and tourism industries

Implementing the State Council's *Measures on Restoring and Expanding Consumption*, the Bank explored innovative practices in the "Finance + Culture and Tourism" model, supporting the development of the cultural and tourism industries with diversified financial services.

#### **CEB Xi'an Branch aided the protection of Xi'an's cultural heritage**

CEB Xi'an Branch disbursed a loan of RMB150 million to Shaanxi Cultural Industry Investment Holding (Group) Co., Ltd., promoting the spread of Tang culture; issued a loan of RMB65 million to Xi'an City Wall Development Management Co., Ltd., and another RMB150 million to Xi'an City Wall Cultural Investment and Development Co., Ltd., strengthening the protection of the ancient city wall.



Tang-style cultural street "Longest Day in Chang'an" in Xi'an

### Deepening pension financial services

Centering on customers' needs for elderly care and leveraging CEG's comprehensive financial advantages, the Bank provided customers with one-stop pension financial comprehensive service solutions, building a multi-level, multi-pillar pension service system. As at the end of 2023, the Bank offered four pension deposits, 58 major pension financial insurances (including 12 personal pension insurances), and 116 pension funds.

#### **CEB Mobile Banking App upgraded functions of pension financial service area**

CEB Mobile Banking App created a three-in-one system of pension financial products and comprehensive financial services, integrating "account + function + product". Users can directly view pension assets like social insurance, enterprise annuities and personal pensions, calculate pension funding gaps, and plan for retirement. The App optimized pension product offerings, introducing five service contents including wealth enjoyment, community, rights, health, and companionship, providing exclusive value-added services like elderly care communities, health check-ups, and travel, etc.

# Supporting Regional Development



By Haitao Ma from CEB Qingdao Branch

The Bank implemented major decisions and plans of the CPC Central Committee and the State Council on promoting coordinated development between regions, establishing a working group for servicing the real economy and national regional strategies. The Bank formulated regional credit and investment policies, precisely connecting with key regional clients, supporting major projects, injecting financial strength into the nation's significant coordinated development between regions.

## The coordinated development of the Beijing-Tianjin-Hebei region

### CEB Beijing Branch underwrote government bonds to support major projects

The Beijing Branch underwrote RMB1.67 billion of Beijing municipal government bonds annually, including a special bond scale of RMB820 million, focusing on supporting Beijing's "Four Centers" city strategic development, relieving the non-capital functions, aiding the construction of projects like Beijing's section of the Daxing International Airport Economic Zone start-up area, Huairou Science City, the National Cybersecurity Industrial Park, etc.

## High-standard and high-quality construction of Xiong'an New Area

### CEB Shijiazhuang Xiong'an Branch supported the construction of Xiong'an New Area with multiple measures

Aligning with the construction characteristics of Xiong'an New Area, Hebei Xiong'an Branch is committed to providing corporate financial support, government fiscal services, and resident social security services for the area. A medium to long-term loan of RMB163 million was granted to China Communications Xiong'an Financing Leasing Company, aiding its financing. The Branch won the bid for the qualification of the agent bank for Hebei Xiong'an New Area's new fiscal treasury centralized payment to support the treasury construction. The Branch offered all-in-one social security card agency service in batches and individual pension accounts opening, with 1,984 cards issued and 759 accounts opened in two relocated villages under Xiong'an New Area, serving people's well-being.

## The integrated development of the Yangtze River Delta



Signing ceremony of syndicated loan for Shanghai GTA Semiconductor Co., Ltd.

### CEB Shanghai Branch participated in a syndicated loan for GTA Semiconductor

The Shanghai Branch participated in a syndicated loan of RMB10.4 billion for the 12-inch 40/28 nanometer automotive chip production line of Shanghai GTA Semiconductor Co., Ltd. As a major construction project of Shanghai in 2023, the project effectively mitigated domestic shortcomings in related fields, addressed the technological bottleneck in automotive chip technology, and responded to the national strategy of Made in China 2025.

## The construction of Guangdong-Hong Kong-Macao Greater Bay Area (GBA)



Wu Lijun, Chairman of the Bank, investigating at CEB Shenzhen Branch



### CEB Guangzhou Branch served the Guangdong Northern Bay Area water resource allocation project

CEB Guangzhou Branch was selected as the winning bidder for the fund supervision cooperation bank for the Guangdong Holdings Limited's Northern Bay Area Water Resource Allocation Project. This national key project is also the largest water conservancy project in Guangdong to date. Upon completion, it will resolve the water shortage issue for 18 million people in western Guangdong and significantly improve the local aquatic ecological environment.



Guangdong Northern Bay Area water resource allocation project

## Development of the Hainan Free Trade Port Area

### CEB Haikou Branch led in pricing and issuing Hainan Provincial government offshore bonds

The Haikou Branch, in collaboration with CEB International and CEB Macao Branch, assisted in the successful pricing of RMB5 billion offshore bonds for Hainan Provincial Government. The issuance included RMB3 billion of 2-year sustainable development bonds, RMB1 billion of 3-year biodiversity-themed green bonds, and RMB1 billion of 5-year blue bonds. The funds raised are primarily aimed at key areas such as healthcare, education, environmental monitoring and restoration, species resource conservation, and marine protection, marking the first local government biodiversity-themed green bond issuance within China.

## Development of the Chengdu-Chongqing economic zone

### CEB Chengdu Branch provided comprehensive financial services for leading enterprises in the real economy

Relying on the online supply chain platforms of "Sunshine Supply Chain Cloud Platform" and the "Sunshine E-financing Chain", CEB Chengdu Branch has established chain cooperation with leading enterprises in Sichuan's real economy, such as China Railway No.8 Engineering Group Co., Ltd. and subsidiaries of Sichuan HUASHI Corporation Limited, providing them with comprehensive financial services including settlement, financing, and guarantees.

## Ecological conservation and high-quality development of the Yellow River basin

### CEB Jinan Branch participated in the syndicated loan for the "Zoucheng to Jining Highway Project"

The Jinan Branch provided a 25-year financing loan of RMB2 billion for the project of Jining Jizou Highway Co., Ltd., designated for the syndicated loan of the "Zoucheng to Jining Highway Project". Located in the central part of the Lunan Economic Circle and the northern part of the Huaihai Economic Zone, this project connects important cities along the Yellow River, providing strong transportation support for accelerating the integration of the Lunan Economic Circle and the cities near the Yellow River basin, thus promoting the economic and social development of the regions along the route.

## Targeted aid to Xinjiang



Wang Zhiheng, President of the Bank, and his team visited Yingmaili Village, Nurbagh Township, Shaya County, in Southern Xinjiang's Aksu Region to conduct field research on the work of rural revitalization, and express regards to the assisted people.

### CEB Urumqi Branch kept exploring a bank-guarantee company cooperation model with Xinjiang characteristics

The Urumqi Branch held a symposium on "Bank-Guarantee Company Cooperation in Support of Inclusive Finance Development Under the New Situation in Xinjiang", signing strategic cooperation agreements with 40 financing guarantee companies in Xinjiang. The intended credit cooperation amount reached nearly RMB4 billion, jointly supporting the development of micro and small enterprises with various characteristics across the region.

## The development of the Yangtze River Economic Belt



The Bank's chief leader attended the First "Financial and Technology Summit Forum" held by the University of Science and Technology of China

### CEB Suzhou Branch introduced preferential credit policies for key industries

The Suzhou Branch established eight industry research teams to conduct dynamic research on the four leading industries—electronic information, equipment manufacturing, biomedical, advanced materials—and industries with concentrated credit assets in the Branch. The Branch introduced a pre-approval system, a "1-3-5" approval mechanism of new floating loans for the manufacturing industry, and a "2-3-4" approval model for SRDI enterprises, providing ample credit resources and preferential pricing for relevant enterprises.

## Innovating Cross-Border Finance

The Bank adhered to a "local currency first" approach, and expanded global service channels, launched the "Yi" (Easy) series 2.0 of transaction banking products, and introduced over 70 service products covering international settlements, trade financing, supply chain financing, cross-border finance, cash management, etc.

### Responding to the "Belt and Road" Initiative

The Bank integrated financial support for the "Belt and Road" into the Bank's development practice, closely aligning "CEB's capabilities" with "national needs". It leveraged the advantages of its overseas institutions to provide efficient coordination and integrated action, serving the high-quality development of the "Belt and Road".

#### CEB Zhengzhou Branch facilitated the first international factoring business for Yutong Group

CEB Zhengzhou Branch customized a financial service plan for Yutong Group, the world's largest bus and new energy commercial vehicle enterprise, to address its overseas sales financing needs. This plan initiated the Bank's first "Belt and Road", cross-border RMB, and green international factoring business, providing financial services for private enterprises "going global".

#### CEB Kunming Branch supported the construction of Siem Reap Angkor International Airport in Cambodia

CEB Kunming Branch issued the fourth syndicated loan for Siem Reap Angkor International Airport in Cambodia, amounting to USD10 million, primarily for the main construction of the airport project. This project is China's first "going global" BOT project in airport construction and is a landmark project for Yunnan Province to integrate into and serve the "Belt and Road" Initiative, implementing the central government's support for Yunnan to become a radiation center facing South and Southeast Asia. The airport is now officially operational.

Focusing on enterprises' cross-border capital needs, the Bank provided a suite of products including syndicated loan, cross-border financing, structured financing, etc. These services offered long-term, stable financial support for enterprises "going global" to participate in the "Belt and Road" cooperation and overseas mergers and acquisitions projects.

Leveraging the full financial licensing at home and abroad and the "integrated commercial and investment banking" advantage, the Bank enhanced its capital market financing service capabilities, innovated in cross-border direct lending business, and perfected a full range of products and services including overseas bond issuance, bond investment, overseas IPOs, pre-IPO private financing, post-IPO refinancing, etc.

The Bank hosted the "Interconnected Finance, Shared Future" cross-border financial customer promotion conference, and released a cross-border financial product manual and service plan, continuously enhancing cross-border financial service capabilities.

The Bank focused on key projects in renewable energy, sustainable transportation, and advanced manufacturing in countries/regions involved in the "Belt and Road" Initiative.

### Expanding international business layout

The Bank is unwavering in its commitment to higher-standard opening up by continuously refining its overseas institution layout. To date, it has established five overseas branches in Hong Kong, Seoul, Luxembourg, Sydney, and Macao, along with two overseas subsidiaries, CEB International and CEB (Europe) S.A., and a Tokyo Representative Office, totaling eight international institutions across Asia, Europe, and Australia.

To expand global service channels, CEB has established SWIFT's Relationship Management Application (RMA) relations with 949 overseas banks from 86 countries and regions around the world, including 53 countries along the Belt and Road. In 2023, the Bank approved country/region credit risk limits worth USD87.43 billion for 38 countries and regions, with USD7,022 million for 18 countries along the Belt and Road. It approved credit limits totaling USD43,873 million for 133 overseas correspondent banks (including factors) from 25 countries and regions.

### Supporting RMB internationalization

The Bank actively implemented policies to facilitate cross-border RMB transactions by supporting "going global" enterprises in using RMB for cross-border investment and financing services, significantly increasing the volume of cross-border RMB settlements. As at the end of 2023, the Bank served 14,060 international settlement customers, an increase of 1,571 customers or 11.2% as compared with the beginning of the year.

#### CEB overseas institutions supported corporates' issuance of offshore RMB bonds

Amid continuing interest rate hikes by the Federal Reserve and rising cost of offshore US dollar bond issuance, CEB International and CEB Hong Kong Branch capitalized on their advantage of investment banking license to support enterprises in issuing offshore RMB bonds. This effort efficiently supported the internationalization of RMB and promoted China's higher-standard opening up. In 2023, CEB International and CEB Hong Kong Branch assisted 56 institutions in issuing 67 offshore RMB bonds, totaling RMB63,789 million.

#### In 2023

The total volume of cross-border RMB business in corporate banking reached	a year-on-year increase of
RMB <b>88.98</b> billion	<b>11.3</b> %

cross-border income amounted to	cross-border expenditures were
RMB <b>40.87</b> billion	RMB <b>48.11</b> billion

## Dedicated Customer Service

The Bank strictly implemented the regulatory requirements of the National Financial Regulatory Administration and the People's Bank of China, and adhered to the *Consumers' Rights and Interests Protection Management Measures of Banking and Insurance Institutions* and other relevant laws and regulations. Upholding the principle of serving the people and prioritizing customers, and unwaveringly keeping the fundamental interests of the overwhelming majority of the people at the heart of its operation, the Bank continuously enhanced the quality and efficiency of protecting financial consumers' rights and interests, improved customer service, paid close attention to the financial service needs of various customers, and provided them with considerate financial services.



### Governance

Pursuing progress while ensuring stability and solidifying development foundation

## Safeguarding customers' rights and interests

### Protection of financial consumers' rights and interests

The Bank improved the system and mechanism for protecting the rights and interests of financial consumers to build a comprehensive consumer protection work system. It advanced the brand construction of the "Sunshine Consumer Protection", and promoted high-quality development in consumer protection efforts, bearing the philosophy of "Responsible Consumer Protection, Cultural Consumer Protection, and Intelligent Consumer Protection".

#### Management Structure of Consumer Protection

The Board of Directors, Senior Management, and the Board of Supervisors actively fulfilled their consumer protection responsibilities, deliberating on proposals such as the *Report on the Implementation of Consumer Rights and Interests Protection Work of China Everbright Bank Company Limited in 2022 and the Work Plan for 2023*, and setting annual goals. The Board established a subordinate Social Responsibilities, Inclusive Finance Development and Consumer Rights and Interests Protection Committee to guide the related work to achieve its objectives. Leading Groups of consumer rights and interests protection and promotion of Sunshine services at the Head Office and branch levels were responsible for coordinating and organizing the related work. The Head Office established a department dedicated to consumer rights and interests protection and leading the implementation of related work requirements, and all 39 tier-1 branches clarified departments responsible for consumer rights and interests protection.

#### Management System of Consumer Protection

The Bank established a consumer protection system, anchored by the *Management Measures for Consumer Rights and Interests Protection of China Everbright Bank*, supported by 10 specialized consumer protection systems including the *Management Measures for Reviewing Consumers' Rights and Interests Protection Matters of China Everbright Bank*, *Management Measures for Financial Knowledge Education and Publicity of China Everbright Bank*, and *Management Measures for Consumers' Complaints of China Everbright Bank*, etc., and complemented by various business management guidelines. In 2023, aligned with the *Consumers' Rights and Interests Protection Management Measures of Banking and Insurance Institutions*, the Bank organized "Improving Conduct for the People, Implementing Laws to Enhance Quality and Efficiency" thematic learning and practice activities, and re-examined and revised various management policies in line with regulatory requirements and business realities.

### Environmental Performance

Supporting "Dual Carbon" goals and activating green momentum

### Social Performance

Promoting high-quality development with joint efforts

#### Special Training and Cultural Construction of Consumer Protection

Through special training, business competitions, and themed cultural and sports activities, the Bank enhanced its employees' awareness of consumer protection responsibilities and cultural consciousness.

The Bank conducted consumer protection training and issued the *2023 Annual Training Plan for the Protection of Consumers' Rights and Interests of China Everbright Bank*, covering political competence, policy competence, professional ability, and cultural construction. The training targeted mid-level and senior management personnel, consumer protection personnel, primary-level staff, and new employees. In 2023, the consumer protection training plan was fully implemented, achieving 100% coverage and employee participation.



The second "Sunshine Consumer Protection Culture Season"

#### In 2023

The Bank conducted **21** sessions of bank-wide consumer protection training

covering **161,843** person-times of participation

totaling **166.5** academic hours

The Bank provided comprehensive training of **7** academic hours for all employees including Head Office business departments, consumer protection personnel at branches, division chief level cadres at the Head Office, all primary-level secretaries of the Bank, etc.

The branches independently conducted

**5,930** consumer protection training sessions

covering **109,760** person-times of participation

with a total of **11,984** academic hours

#### Product and Service Review

The Bank issued the *Management Measures for Reviewing Consumer Rights and Interests Protection Matters of China Everbright Bank*, establishing a standardized consumer protection review mechanism. By integrating related complaints, litigations, public opinions, and satisfaction surveys, the Bank updated and refined the key points of consumer protection reviews. The Head Office's Channel Management Department/Consumer Rights and Interests Protection Department was responsible for conducting these reviews on materials of products and services, promptly identifying and eliminating potential risks, thus strengthening consumer protection control from the source. Through advancing the construction of "Intelligent Consumer Protection", a fully online consumer protection review mechanism was achieved. The Bank also strengthened the professional team for consumer protection reviews, enhancing the professionalism and standardization of the review work.

**Debt Collection Management**

The Bank placed significant emphasis on debt collection management. Strictly adhering to relevant laws and regulations and the *Guidelines for Credit Card Debt Collection Work of China Banking Association (Trial)*, it formulated policies like the *Policy Highlights on the Credit Card Debt Collection of China Everbright Bank, etc.*, clarifying collection behavior norms for relevant business departments and external partner institutions. Standardized collection procedures were established, and business training was provided for collection personnel to ensure the transparency and fairness of collection activities. The Bank has disclosed the key points of its debt collection policy on its official website under the "ESG Policy" section.

**Loan Contract Modification**

The Bank offered loan clients a variety of post-loan contract modification options, both online and offline. Clients could initiate applications through mobile banking, online banking, or offline outlets, etc. to apply for such service and submit necessary materials, and modifications would take effect upon approval.

**Fair Advertising Policy and Procedure**

Adhering to the basic principles of the *Implementation Measures for the Rights and Interests Protection of Financial Consumers of the People's Bank of China, Management Measures for Consumers' Rights and Interests Protection of Banking and Insurance Institutions* and the *Advertising Law*, the Bank issued the *Management Measures for Information Disclosure of Financial Products and Services of China Everbright Bank* and the *Management Measures for Financial Marketing and Publicity Behavior Norms of China Everbright Bank*. The Bank provided financial consumers with truthful, accurate, complete, and comprehensive product and service information in accordance with the law.

In addition, it carried out self-checks and spot checks on financial advertisements, and strengthened control and monitoring. During the process of marketing, the Bank fully protected financial consumers' rights to be informed, to make independent choices, and to engage in fair trading, strictly implementing the "three appropriateness" requirements for financial products, sales channels, and target customers. The policy highlights for financial marketing and advertising of individual customers have been disclosed under the "ESG Policy" section on the Bank's official website.

**Customer complaints management**

The Bank established a comprehensive and effective customer complaint handling system, adhering to addressing both symptoms and root causes, actively responding to customer demands, and continuously improving customer service level.

**Customer Complaint Management Structure**

- ▶ The Board of Directors established a subordinate Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee, which reviewed and listened to 8 matters including the annual complaint analysis report and complaints transferred by the regulators, etc.
- ▶ The Senior Management established a Leading Group for Protection of Consumers' Rights and Interests and Sunshine Service Promotion, which held 4 meetings, reviewed and listened to 8 reports on the summary and plan of consumer protection work, consumer complaint analysis, and annual assessment evaluation, etc.
- ▶ A special complaint management team was established under the Head Office's Leading Group for Consumer Protection and Sunshine Service Promotion, to regularly study and analyze complaint situations, develop work contingency plans, and promote root cause rectification, with 6 meetings held.
- ▶ The Head Office's Consumer Rights and Interests Protection Department, the business departments, and the branches established special complaint management positions for complaint management, responding to customer demands timely and efficiently, and properly resolving complaints.

**In 2023**

The Bank handled **414,109** consumer complaints

The top three regions in terms of the volume of complaints were **Beijing, Guangdong Province, and Henan Province**

The top three services in terms of the volume of complaints were bank card services (**76.93%**), debt collection services (**13.11%**), and loan services (**5.52%**)

**Customer Complaint Management Mechanism**

Based on regulatory requirements and business practices, the Bank thoroughly re-examined and revised the *Management Measures for Consumer Complaints of China Everbright Bank* to establish a comprehensive complaint management mechanism that includes internal communication and coordination, information sharing, collaborative processing, assessment and evaluation, and tracing and rectification. The Bank increased the public disclosure of complaint acceptance channels and optimized complaint acceptance disclosure on the official website, guiding consumers in voicing their concerns through relevant channels. Efforts were made to advance the diversified resolution of financial disputes, with an increase of over 353% in the Bank's participation in financial dispute mediation. The Bank established a database of typical financial consumer dispute cases and an optimization checklist, edited and published a compilation of typical complaint cases with in-depth analysis, identifying the root causes and formulating targeted improvement measures, thereby driving advancement in products and business processes.

**Customer Complaint Channels and Handling Process**

The Bank ensured the accessibility of complaint acceptance channels, including business outlets, customer service hotlines, and mobile banking, to promptly accept and address customer complaints.

The Bank established and optimized complaint handling processes to efficiently respond to customer demands and appropriately address customer complaints.

Customer Complaint Channels	
Internal channels	Business outlets (including direct line to branch managers)
	Branch and sub-branch complaint acceptance hotline
	95595 customer service hotline
	National complaint hotline (010-52702600)
	Official website
	Mobile banking
	E-mail
External channels	WeChat official account
	Official Weibo
	Financial management authorities
	Other government authorities
	Banking associations
Consumer associations	
News media, etc.	

**Customer Complaint Handling Process**

Consumers file complaints through the complaint channels disclosed by China Everbright Bank.

Management units of each complaint acceptance channel, upon receiving a complaint, promptly forward it to the relevant complaint handling unit.

The complaint handling unit investigates and verifies the complaint details.

The complaint handling unit must make a decision within 15 days and inform the complainant, extending up to 30 days for complex cases. The maximum processing time should not exceed 60 days.

If the complainant disagrees with the handling results, they can apply for a review to the superior unit of the complaint handling unit in written form within 30 days of receiving the decision. If there is disagreement with the review decision, an application for further review can be made to the higher-level units.

Each review unit should make a review decision within 30 days of receiving the application materials and inform the complainant.

If the complainant is dissatisfied or disagrees with the complaint resolution, the complaint handling unit can advise the complainant to apply for mediation with a financial consumer dispute resolution organization or resolve the dispute through arbitration or litigation.



## Data security and privacy protection

### Governance Structure

The Bank established the Leading Group for Network Security and Informatization, led by the Secretary of the CPC Committee Chairman. The primary responsibilities of the group include overseeing the top-level design of the Bank's information security, guiding the implementation of information security strategy and framework to ensure compliance with information security management strategies, reviewing information security reports, monitoring and evaluating the comprehensiveness and effectiveness of information security management, deliberating on data security work plans, coordinating significant data security matters or incidents, and coordinating the disposal of major information security emergencies.

### Data Security and Privacy Protection Management System

In compliance with legal and regulatory requirements and in conjunction with data security governance practices, the Bank established a three-tier data security protection system consisting of "Policies – Methods – Details and Norms", including the *Data Policy of China Everbright Bank*, *Information Security Management Policy of China Everbright Bank*, and *Management Measures for Data Security of China Everbright Bank*. In 2023, in line with the latest data security regulatory requirements and the Bank's "Year of System Implementation" work plan, relevant systems were revised in an all-round manner.

### Data Security and Privacy Protection Review

The Bank reviewed the construction of the data security management system, standardized data collection, transmission, storage, processing, sharing, and destruction throughout its lifecycle, and promoted the coordinated development of data operations and security. In the fields of information security and privacy protection, the focus was on personal information security, network security, and infrastructure security. The Bank conducted audit procedures on identity authentication and access control, communication security, system security, physical and environmental security, and external personnel security, among other information security management aspects, to facilitate the implementation of data security and privacy protection.

### Data Emergency Response Mechanism

The Bank issued and refined the *Management Measures for Data Security Emergency of China Everbright Bank*, clarifying the incident classification, reporting, response procedures, as well as organizational structure and responsibilities for incident handling, and emergency measures for data breaches, tampering, loss or illegal trading, data misuse, and typical scenarios involving third-party cooperation. An emergency drill for data breach scenarios was conducted on an annual basis.

### Key points on privacy protection in mobile banking app

The Bank formulated and released policies including the *Mobile Banking Personal Information Protection Policy of China Everbright Bank*, *Mobile Banking Minor Personal Information Protection Rules of China Everbright Bank*, and *Third-Party SDK Personal Information Collection Checklist of China Everbright Bank*. These documents rigorously managed the collection, storage, usage, and processing of personal information, ensuring obtaining customers' authorization prior to the acquisition of their personal information. The Bank committed to legally mandated security measures to safeguard customer personal information. In accordance with relevant laws and regulatory requirements, customers are empowered to inquire, correct, supplement, delete, or modify their consent regarding the use of their personal information, with explanations provided for applicable scenarios and operational methods. Within the scope of customer consent or as permitted by laws and regulations, the Bank may entrust third parties to process customer's personal information, requiring these third parties to adhere to principles of legality, legitimacy, necessity, and integrity when collecting customer information. For more details on the privacy policy, please visit:

<https://static.cebbank.com/fileDir/subject/resource/cembpublished/8.0/clients/document/yinsizhengce.html>

### Special Training on Data Security

The Bank organized data security business competitions, comprehensive data security training and examinations to popularize data security knowledge, foster a proactive and compliant data security culture, and enhance employees' awareness of data security compliance. The data security business competition was conducted across 39 domestic branches, with a total participation of 38,741 individuals. The Bank-wide data security training and examinations saw a total participation of 42,657 individuals, with a pass rate of 98.43%.



China Everbright Bank was awarded the  
**DCMM Data Management Capability Maturity Level 4 certification**  
and  
**Data Center Service Capability Maturity Level 4 certification**

## Popularizing financial knowledge

Under the annual theme "Sunshine Consumer Protection Accompany Your Life" the Bank developed the "new citizens, teenagers, the elderly and rural residents+" system. The initiative focused on six significant financial consumer hot issues: illegal fundraising, unauthorized advocacy for rights, consumer information protection, telecommunications fraud, indiscriminate investing and lending. It covered societal focus, key areas, regulatory policies, and targeted demographics. Centering on "fact files", the Bank guided customers in recognizing consumption scams, promoted financial literacy, and enhanced financial consumers' risk prevention awareness and their capability to utilize financial tools.

In March, June, and September, the Bank conducted collective educational and promotional activities. In collaboration with Everbright Securities, Sun Life Everbright Life Insurance, Everbright Trust, and other financial enterprises within CEG and the industry, the Bank organized outreach activities in five areas of "rural areas, communities, campuses, enterprises, and business districts".

### Popularizing Financial Knowledge among New Citizens

The Bank released the *Guidelines on Financial Education and Promotion Work for New Citizens of China Everbright Bank (2023)*. Focusing on the new citizen group, the Bank conducted the themed activity of "Deliver Warmth to New Citizens" Month to popularize financial knowledge on personal credit protection, credit card usage norms and payment security, integrating consumer protection concepts into employment, housing, and urban life scenarios to raise risk prevention awareness.



CEB Fuzhou Branch holding the inauguration ceremony of the new citizens financial knowledge promotion base

### Popularizing Financial Knowledge among Teenagers

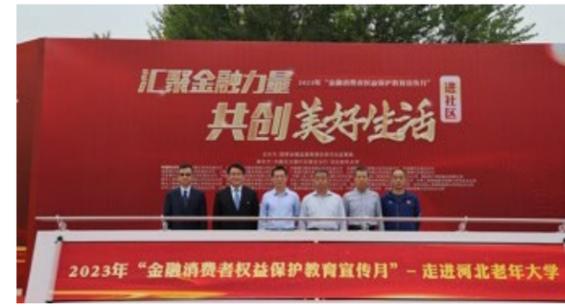
Concerned about rural left-behind children, the Bank, together with Tencent News, launched the "Rural Youth Financial Journey" activity, offering public welfare enlightenment courses that attracted over 28 million viewers.



Team of CEB Chongqing Branch's "Financial Education Model Base" delivered the lecture "Lead-in to Financial Health" at Changdang Village Central Primary School in Fengjie

### Popularizing Financial Knowledge among the Elderly

The Bank conducted the campaign of "Financial Consumers' Rights and Interests Protection Education and Promotion Month" targeting the elderly. Addressing the elderly's weaknesses of lacking financial knowledge and insufficient awareness of financial risk prevention, the Bank employed engaging methods such as collective educational activities, artistic performances, and speech recitals to impart basic financial knowledge. These activities introduced skills and preventive measures to identify and guard against telecommunications fraud, illegal fundraising, and unauthorized advocacy for rights.



CEB Shijiazhuang Branch visited Hebei University for the Aged to conduct financial consumer protection knowledge promotion and education activities

### Popularizing Financial Knowledge in Rural Areas

The Bank held a meeting to advance the construction of rural financial education bases and carried out annual evaluations of the bases. As at the end of 2023, 12 rural financial education bases were established. The Bank released the *Rural Financial Education and Promotion Work Guidelines (2023)*, clarifying the direction of work, and published the *Report on "Beautiful Village" - Financial Consumers' Rights Protection of China Everbright Bank* to share industry experience. It held the first bank-wide national short video invitation game themed "Rural Consumer Protection", covering 26 resident work units and 60 contact villages of the Bank.



CEB Shenyang Branch held "Harmonious and Beautiful Village" campaign to popularize financial knowledge for rural households



CEB Taiyuan Branch's South Inner Ring Street Sub-branch brought warmth to enterprises, elaborating on consumer protection knowledge.



CEB Hangzhou Branch conducted "Caring for Left-Behind Children, Supporting Rural Revitalization" Anti-Fraud Awareness Campaign in schools



CEB Nanning Branch, in collaboration with CEG's financial enterprises in Guangxi, conducted financial knowledge popularization activities for the elderly



CEB Hefei Branch's "Anti-Fraud Contact Card" Distribution Activity in Xiwu Village

## Enhancing financial accessibility

### Service experience upgrade

In 2023

New corporate customers

16,400

Corporate account opening

98,197

Wealth management customers

1,265,320

New retail customers

5,173,213

Private banking customers

63,502

Total assets of private banking reaching

RMB 637.808 billion

361 senior and

1,434 intermediate service experts newly rated

### Digital Transformation

The Bank has steadfastly advanced its digital transformation initiatives. It published the *Digital Transformation Plan of China Everbright Bank (2023-2025)*, clarifying objectives and transformation pathways. By reinforcing a customer-centered business philosophy, strengthening the Bank's ecosystem integration and agile collaboration capabilities, the Bank aimed at optimizing customer journeys, and enhancing customer experiences. A Digital Transformation Committee was established to spearhead the formulation of digital transformation strategies and ensure the implementation of key initiatives. Moreover, a Digital Transformation Office was set up, tasked with leading the development of relevant plans and managing the progress of critical projects and the achievement of key indicators.

The Bank leveraged digital technology to empower business development, enhance customer experiences, and increase service satisfaction. Focusing on scenario expansion and ecosystem interconnectivity, innovative strategies were developed to establish a strategic customer ecosystem value system, solidifying the operational foundation for corporate clients. The Bank initiated a "Credit Customer Whitelist" management mechanism to serve industrial clusters, green manufacturing, and inclusive agriculture-related segments of the real economy. It also supported the development of traditional personal loans by building an integrated model of risk and marketing operation for its proprietary online lending services.



The Bank's chief leader investigating at Hefei Remote Research and Development Center

The Bank placed a high priority on information security protection within its digital transformation efforts. The Head Office conducts a comprehensive IT audit and a specialized data governance audit every three years, with an annual special audit in the information security domain, while the branches a complete IT audit biennially, covering information security policies and systems to ensure compliance with and exceed regulatory requirements. In 2023, comprehensive IT audits, specialized data governance audits, network and information security audits, and sensitive payment information security audits were conducted.

The Bank achieved

**ISO/IEC 20000 IT Service Management System Certification, TMMi Test Maturity Level 4 Certification, and Test Agility Maturity Level 3 Certification**

Credit Card Center of the Bank

**has continuously obtained and maintained the ISO 27001 Information Security Management System Certification**

### Customer Satisfaction Survey

The Bank advanced service evaluation efforts across various channels, with special attention to customer satisfaction. For offline branches, customer satisfaction surveys were conducted in line with application scenarios. Surveys with low scores were tracked daily, and analytical reports were generated quarterly to offer rectification suggestions for identified issues.

In 2023

Online satisfaction score of outlets reached

97.33

maintaining an excellent level throughout the year.

### Payment Services for Overseas Personnel in China

The Bank released the *Service Guide for New Version of Foreign Permanent Resident ID Card of China Everbright Bank*, standardizing service scripts and standards.

The Bank provided quick account opening and foreign currency cash exchange for overseas personnel in China

The Bank completed the compatibility upgrade and transformation for the new version of foreign permanent resident ID card, promoting its convenient application.

### Expansion of financial service coverage

The Bank continuously advanced the construction of physical banking outlets. In the domestic market, as at the end of 2023, the Bank had 1,312 branches and outlets, including 39 tier-1 branches, 115 tier-2 branches and 1,158 outlets (inclusive of sub-branches in different cities, county-level sub-branches, intra-city sub-branches and banking departments of branches), and 438 community banks. The outlets of the Bank extended business reach to 150 economic center cities, covering all provincial administrative regions.

To meet the diverse financial service needs of various groups, the Bank advanced service facility construction and process optimization for special groups such as elderly and disabled customers.

- ▶ **Demonstration Outlets of Respecting the Elderly:** They tend to the needs of the seniors with the utmost enthusiasm, care, patience, and consideration, improving the elderly customers' experience. As at the end of 2023, cumulative 100 "Demonstration Outlets of Respecting the Elderly" were established, achieving full coverage across 39 branches.
- ▶ **Accessibility Facilities:** The Bank enhanced accessible service construction, established exclusive service processes, and set up a "green service channel" for disabled customers. To ensure smooth service delivery, care specialists were set for disabled customers' reservation for whole-process assistance in handling business.
- ▶ **Building a Military-Support Bank:** The Bank perfected the military support service system, conducted the activity of "Month of Preferential Treatment For Military Personnel and Their Families", and launched specialized military support products.
- ▶ **Upgraded Cash Services:** The Bank proactively provided cash services such as change exchange and damaged notes recovery in the form of a "Coin Purse". From November to December 2023, it distributed more than 1,500 "Coin Purses" and about 15,000 convenience service cards.



## Mobile and distribution channel innovation

The Bank's remote banking services adhere to the "customer-centered" service philosophy, building a customer service brand characterized by simplicity, professionalism, friendliness, and integrity. It provides comprehensive financial transaction services 24/7. By enhancing intelligent service capabilities, the proportion of intelligent services increased to 90.23%, and the intelligent interaction resolution rate rose to 71.71%. To cater to diverse customer groups, the Bank established multiple specialized service channels. As at the end of 2023, it cumulatively served around 1.19 million person-times of elderly customers, approximately 1,300 disabled customers, and about 138,000 customers enjoying preferential services for military personnel and their families.

The Bank launched the 11.0 version CEB Mobile Banking App, streamlining the layout and optimizing features, especially those catering to the elderly, to further improve service convenience. In 2023, the number of mobile banking customers reached 61.9157 million, with 27.1285 million active users and an active user growth rate of 17.81%.

The Bank's corporate mobile banking introduced inclusive and interbank versions, aggregating frequently used basic financial functions and providing a unified mobile portal for cross-border finance, payroll services, cash management, supply chain finance, and cloud financial management services.

The "Everbright Cloud Fee Payment" platform deeply engages in inclusive finance and convenient services, focusing on personal, corporate, and government payment scenarios. It continuously improves services such as living expense payments, non-tax collection, and national personal social security collection services for urban and rural residents and the flexibly employed. The platform launched a Tibetan version of the social security cloud payment mini-program, aiding the enhancement of digital government services nationwide. In 2023, the platform integrated over 16,000 payment and collection items, outputting to more than 800 platforms; conducted over 2.8 billion payments, with the amount surpassing RMB800 billion. Among the payments, social security payment collection services covered 30 provincial regions, with 270 million transactions serving 155 million customers.

The "Sunshine Life" released its 8.0 version, further enhancing response speed, digital operation capabilities, and

intelligent risk control levels. It also collaborated with third-party institutions like China UnionPay and Meituan to build a systematic scenario service ecosystem. In 2023, it had 19,048 million active users, with an active user growth rate of 7.18%.

To improve online scenario-based financial services, it integrated financial services closely with production and life scenarios, using products like Sunshine Logistics Express (Wu Liu Tong), Sunshine Housing Express (An Ju Tong), and Sunshine Flexible Employment Express (Ling Gong Tong), complemented by account management, payment settlement, fund supervision and other services.



- ▶ Sunshine Logistics Express (Wu Liu Tong): Providing the logistics industry with an online comprehensive financial service solution covering account management, payment settlement, and online financing, it has essentially achieved full coverage in cooperation with the top 20 companies in the network freight industry. As at the end of 2023, it served over 9.8 million cargo owners and drivers, with an annual transaction volume of more than RMB210 billion.
- ▶ Sunshine Housing Express (An Ju Tong): Focused on real estate transaction scenarios, it offers custody services based on "account administration + payment and settlement" to protect citizens' funds. In 2023, the annual transaction value exceeded RMB390 billion.
- ▶ Sunshine Flexible Employment Express (Ling Gong Tong): Targeting the financial needs of new citizens, it offers mature account systems and payment settlement solutions tailored to the characteristics of freelancers, gig platforms, and employing companies.

## Uniting Employee Strength

The Bank observed the *United Nations Guiding Principles on Business and Human Rights*, the *Equal Remuneration Convention* and other international conventions on human rights protection, and abided by the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, in a bid to establish a sound, equal and democratic employee management system. It cultivated a diverse talent pool to meet the Bank's strategic development needs, fostered an inclusive work environment, and enhanced the cohesion and sense of belonging among "Everbrighters".

## Protection of employees' rights and interests

### Fundamental rights protection

The Bank recruited its staff under the principles of equality, impartiality and openness and revised the *Management Measures for Staff Recruitment of China Everbright Bank (2023 Version)*, which optimized the recruitment process and the recruitment rules, enriched the recruitment channels and improved the quality and efficiency of the recruitment.

In terms of employment, the Bank was committed to eliminating discrimination in gender, age, ethnicity, family status, religion, sexual orientation, social origin and other aspects, and building diversified, inclusive, equal and impartial working environment. Forced labor and child labor were strictly prohibited. In the recruitment of staff for overseas branches, except for the Senior Management and a few key positions appointed by the Head Office, the other positions were filled locally to ensure the required proportion of local employees.



Indicator	Unit	2023	2022	2021
<b>Number of employees</b>	Person	<b>47,582</b>	46,673	46,175
Number of employees in the Head Office	Person	<b>8,346</b>	8,225	7,526
Number of female employees	Person	<b>26,884</b>	26,299	25,908
Number of male employees	Person	<b>20,698</b>	20,374	20,267
Number of ethnic minority employees	Person	<b>2,389</b>	1,547	1,540
Number of foreign employees	Person	<b>29</b>	5	8
Number of disabled employees	Person	<b>8</b>	14	11
<b>Number of employees by management level</b>				
Senior Management	Person	<b>418</b>	437	387
Number of middle-level cadres	Person	<b>4,967</b>	5,000	4,785
Number of primary-level employees	Person	<b>42,197</b>	41,236	41,003
<b>Number of employees by educational background</b>				
Number of employees with master's degree or above	Person	<b>9,565</b>	8,552	8,215
Number of employees with bachelor's degree	Person	<b>33,762</b>	33,302	32,641
Number of employees graduating from junior college and below	Person	<b>4,255</b>	4,819	5,319
<b>Number of employees by age group</b>				
Number of employees aged 40 and above	Person	<b>12,259</b>	10,577	9,396
Number of employees aged 30 to 39	Person	<b>25,996</b>	25,339	24,497
Number of employees aged 29 and below	Person	<b>9,327</b>	10,757	12,282
<b>Number of employees by region</b>				
Number of domestic employees	Person	<b>47,078</b>	46,281	45,811
Number of employees in the North China region	Person	<b>15,388</b>	/	/
Number of employees in the Northeast China region	Person	<b>3,673</b>	/	/
Number of employees in the East China region	Person	<b>13,819</b>	/	/
Number of employees in the Central China region	Person	<b>4,154</b>	/	/
Number of employees in the Northwest China region	Person	<b>1,865</b>	/	/
Number of employees in the Southwest China region	Person	<b>2,958</b>	/	/
Number of employees in the South China region	Person	<b>5,221</b>	/	/
Number of overseas employees	Person	<b>504</b>	392	364

### Remuneration Policies for Employees

The Bank issued various guidelines including the *Employee Salary Point Management Method of China Everbright Bank*, *Management Measures for Remuneration of Heads of Domestic Branches of China Everbright Bank*, *Management Measures for Deferred Payment of Performance-based Remuneration of China Everbright Bank Company Limited* and *Measures for Recovery of Performance-based Remuneration of China Everbright Bank Company Limited*. The Bank established a remuneration system that is "performance-oriented, internally fair and market-comparable". Primary-level institutions and employees were given bigger weights in remuneration distribution.

Employee remuneration consists of basic remuneration, performance-based remuneration and welfare income. Among them, basic remuneration is determined according to the role value, years of service and duty performance ability of the employees, and performance-based remuneration is linked to the performance assessment results of the employees and their institutions. The remuneration of employees in the audit, compliance and risk management departments of the Bank is determined based on their value contribution, duty performance ability and work performance, so that they have no direct relation with the businesses they supervise and remain independent from other business sectors.

### Employee Leave Policy

The Bank adopted attendance and leave management while taking both humanity issues and fairness into consideration. Employees were encouraged to reasonably arrange their work to avoid encroaching too much on their rest time, and entitled to take national statutory holidays and paid leave. In addition, the Bank implemented the national maternity policy, and ensured that employees are entitled to leave and enjoy welfare during the leave as provided by the policy.

### Regular Performance Evaluation and Feedback Process

Adhering to the principles of "performance orientation, rule transparency, enhanced motivation, and strict regulation", the Bank established a performance management system covering all employees. It set reasonable performance management goals and clarified management requirements in terms of assessment methods, processes, and feedback on results, reinforcing the incentives and constraints.

The Bank reflected its overall strategy in its employee performance management by maintaining a performance-oriented approach. Throughout the entire performance appraisal process, rule transparency was emphasized, guiding employees devotion towards the strategic direction of the Bank with a clear assessment and evaluation system.

An annual performance appraisal was conducted, and departments and branches organized semi-annual and quarterly assessments as required by their business needs. Direct cadres conducted at least one performance discussions with employees every quarter to check on the completion of performance targets, correct deviations, and provide guidance.



## Democratic communication

Implementing the requirements of the *Trade Union Law of the People's Republic of China*, the Bank has established and perfected trade union organizations, achieving 100% rate of trade union establishment and employee participation. This ensures employees' democratic rights to participate in business management, major decision-making, and the deliberation of significant issues affecting their personal interests.

In 2023, the Bank organized 2 meetings for Bank-wide employee's congress and 3 for Head Office staff, hearing and deliberating on 8 proposals and 3 reports related to employee interests. Within the Bank, 45 trade union organizations held over a hundred meetings of employees' congress, deliberating on various proposals related to employee interests, such as professional sequences, position grades, and honors evaluation.

The Bank took the intranet "Voice of Employees" platform as a bridge to closely contact employees, actively listened to employees' opinions and suggestions, responded to their concerns, solved problems for employees in a down-to-earth manner, promoted the steady development of business, and motivated employees across the whole bank. In 2023, "Voice of Employees" received a total of 3,510 messages, with an overall response rate of 96.4%.



The Bank held the 12th meeting of the third session of the Employees' Congress

### Employee Satisfaction Survey

- ▶ To assess the implementation and effectiveness of the "Two-way Exchange Program between Technology and Business Positions", a survey was conducted among 88 participants in two phases of the exchange, with 73 questionnaires collected, marking an 83% participation rate. The first phase showed a 97% satisfaction rate, while the second phase reached 100%.
- ▶ To hear from frontline staff, an employee education and training satisfaction survey was conducted among primary-level managers and front-line employees, with 1,384 participants and a 97.19% satisfaction rate.
- ▶ To optimize the Head Office's talent development mechanism for new employees recruited from campuses, a satisfaction survey was conducted on the rotational training program for new campus recruits over the years, showing a 98% satisfaction rate.

### CEB Lhasa Branch

was selected as "Model of National Trade Union Library for Workers" 2023 by All-China Federation of Trade Unions

### CEB Shenyang Branch

was selected as a 2023 "Co-building Workers' Home" unit by the National Committee of Chinese Financial Workers' Union

### CEB Shanghai Branch and Guangzhou Branch

were recognized as 2023 "New Era Financial Workers' Lecture Hall" units by the National Committee of Chinese Financial Workers' Union

## Empowering employee development

### Talent development planning

The Bank released the *Talent Development Plan of China Everbright Bank (2023-2025)*, implementing ten major talent cultivation projects under the "Sunshine Professional Talent" initiative, covering the Bank's main business areas, management, professional and skills sequences, and four specialized talent cultivation plans under the "Sunshine Excellent Talent" initiative, cultivating cross-business line talents, in a bid to build a modern, scientific, open and efficient talent governance system. Furthermore, the Bank formulated 25 measures to deepen the reform of the talent development system and mechanisms, focusing on leadership structure, political quality enhancement, training and development, evaluation and utilization, mobility and deployment, and incentives and constraints. These measures are designed to strategically develop a diverse talent pool to meet the Bank's strategic needs, leading the overall development of the Bank's talent initiatives.

Indicator	Unit	2023	2022	2021
Number of new employees	Person	<b>3,253</b>	4,274	2,662
Employee turnover rate	%	<b>3.87</b>	4.21	4.58
Turnover rate for employees aged 40 and above	%	<b>1.10</b>	1.13	1.66
Turnover rate for employees aged 30 to 39	%	<b>3.46</b>	3.72	4.43
Turnover rate for employees aged 29 and below	%	<b>8.33</b>	8.18	6.78

### Training and development

#### Career Promotion Channels

The Bank refined its career development system for employees, facilitated talent exchanges, and broadened channels for talent development. The position system and related policies were revised to standardize the designation of positions for cadre employees, optimize the promotion rules for professional sequences, and improve scoring rules for professional qualifications and various talent pools, thereby accelerating the growth of outstanding talents and fostering a positive culture of entrepreneurship. The Bank intensified talent mobility and increased the exchange of cadre talents, establishing mechanisms such as the "Talent Gathering Plan" for position exchanges between Head Office and branches, and two-way exchanges between technology and business positions, cultivating talents through multi-position experiences. The selection and appointment mechanisms for various talents were standardized, clarifying standards, processes, and supervision mechanisms for open recruitment, and establishing a fair, just, and transparent culture of talent selection and utilization.

In 2023, the Bank conducted its first recommendation process for senior professional titles in economics, accounting and engineering series, organizing cadres and employees to participate in senior professional title reviews conducted by the National Government Offices Administration, National Audit Office, China International Communications Group (CICG), and Beijing Municipal Human Resources and Social Security Bureau, facilitating the development channels for professional talents.

### | Career Development Training Plans

Committed to talent-driven development, the Bank practices a training philosophy of "connecting strategy with performance, supporting business development and employee growth". Using comprehensive teaching methods, including lecturing, discussion, case study, simulation, experiential, interview-based, action learning, and on-job training, the Bank conducted training activities both online and offline, enhancing training quality and effectiveness through refined management.

Management Position Training. The Bank formulated and implemented a cadre and employee education and training plan, conducting tiered and categorized training through multiple channels and methods for all cadres and employees, particularly for various cadres, outstanding young cadres, and various professional talents.

Leadership Development Training. Training classes for newly employed Senior Management personnel were held, with 58 participants. In collaboration with Xiamen University, training classes for Party secretaries and branch general managers of tier-two branches were conducted, with 139 relevant cadres participating. Training sessions for branch and outlet general managers were also held, with 90 county-level branch general managers participating in the first phase and 100 intra-city sub-branches general managers in the second phase.

Professional and Technical Position Training. Targeting eight major sectors - corporate finance, financial market, retail banking, risk management, internal control and supervision, financial operations, fintech, and integrated management, the training was managed by intermediate and junior levels. In 2023, four professional sequence certification exams were organized across these eight sectors, with 7,890 participants and 5,551 obtaining professional sequence certification.



The Bank held various business training

#### In 2023

The Bank conducted **8,998** training programs for employees and **2,533** online examinations

Total employee learning duration reached **1,361,200** hours

with a **100** % training coverage rate for employees

Established five major professional talent pools across the Bank, totaling

**2,522** members

Formed an in-house trainer team with

**1,536** trainers

### | Supporting Employees in Gaining Professional Qualifications and Degrees

The Bank provided a comprehensive professional qualification support plan. The *Notice on Encouraging Employees to Acquire Job Titles, Professional Qualifications and Other Related Certificates* was released to encourage employees to acquire qualifications certificates related to the Bank's business according to their job and personal career development needs. Those who obtained professional titles or qualifications related to the Bank's business would be given priority in job appointments under equal conditions for management sequence personnel and exempt from corresponding professional qualification exams for professional sequence personnel. The Bank reimbursed related expenses for employees passing exams of banking qualification, international anti-money laundering certification, Certified Documentary Credit Specialist (CDCS), and Specialists in Demand Guarantees (CSDG) exams. Moreover, it introduced courses of Certified Public Accountant, intermediate accounting professional title, intermediate economist, and Chartered Financial Analyst (CFA) to facilitate employees in obtaining professional qualifications.

### | Graduate training and apprenticeship program

On the basis of the Head Office's previous training experience of new employees from campus recruitment, the Bank continuously optimized the training program for new employees recruited from campus by integrating resources, accumulating experience and verifying processes. A two-year training program was carried out in four stages: "new employee on-boarding training, comprehensive business practice at branches or sub-branches, internship in customer operation center/remote banking center, and rotation internship in departments of the Head Office".

### | Joint training programs with educational institutions

The Bank collaborated with prestigious educational institutions, including Party School of the Central Committee of C.P.C, China Executive Leadership Academy Pudong, Beijing Normal University, and Xiamen University, to provide various training programs for Senior Management personnel, middle-level cadres, and primary-level staff. For example, it organized specialized training for newly appointed Senior Management personnel in partnership with Beijing Normal University, thematic training for branch Party secretaries and presidents with Xiamen University, and training programs on the spirit of the 20th National Congress of the CPC Central Committee in collaboration with Party School of the Central Committee of C.P.C, China Executive Leadership Academy Pudong, and other renowned colleges.

Indicator	Unit	2023	2022	2021
Training programs for employees	/	<b>8,998</b>	6,544	7,185
Staff trained	person-time	<b>603,189</b>	661,852	807,225
Senior Management	person-time	<b>3,654</b>	2,372	3,288
Middle-level cadres	person-time	<b>98,521</b>	68,568	84,597
Primary-level employees	person-time	<b>501,014</b>	590,912	719,370

## Creating a harmonious workplace

### Occupational health and safety

The Bank was dedicated to building an employee health service system, fostering a warm, harmonious, joyful, and welcoming cultural atmosphere so as to enhance employees' sense of happiness and fulfillment. Initiatives like the "Green Channel for Medical Treatment Appointment" and "Comfort Plan for Psychological Health Counseling" health service projects were advanced. The "Green Channel for Medical Treatment Appointment" served 4,346 employees and their family members throughout the year, marking a year-on-year increase of 53%, and the "Comfort Plan for Psychological Health Counseling" served 1,184 employees and their family members, up 16% from the previous year.

Indicator	Unit	2023	2022	2021
Number of work-related injuries	Person	<b>0</b>	0	0
Work-related injuries rate	%	<b>0</b>	0	0

## Employee care and activities

The Bank continued to enhance and perfect the regular employee assistance mechanisms such as the "Warm Care of Two Festivals" initiative and the "Sunshine Care Fund", as well as daily consolation and care activities for employees, creating a layered, focused, and seamlessly interconnected support system. During New Year's Day and the Spring Festival, the Bank provided aid and condolences to 474 employees including those in difficulties, dispatched village officials and exemplary labor models, with total consolation payments exceeding RMB3 million.

Indicator	Unit	2023	2022	2021
Total revenue of Sunshine Care Fund	RMB10,000	<b>432.04</b>	405.76	337.86
Expenditure of Sunshine Care Fund	RMB10,000	<b>286.55</b>	311.8	299.23
People supported by Sunshine Care Fund	person-time	<b>152</b>	224	227

The Bank promoted consolation for employees during festivals, birthdays, weddings, and funerals, regularly providing services such as Sanfu plaster and health consultations. Special attention was given to female employees, with "International Women's Day" events and initiatives. The Head Office, Credit Card Center, and CEB Beijing Branch's Gongti Road Sub-branch were recognized as 2023 "Women Employee Care Room" co-construction units by the National Committee of Chinese Financial Workers' Union.

Diverse and engaging cultural and sports activities were organized, fostering a positive environment of "happy work, healthy life" for employees.



CEB International's New Year Tea Party



CEB Taiyuan Branch's "8·18" Young Employee Open Mic Event



CEB Hangzhou Branch's "Loving Nursery Room"



CEB Luxembourg Branch's New Year Celebration With employees from over ten different countries, the branch strived to enhance cultural exchanges among staff of diverse nationalities and ethnicities, fostering a harmonious and inclusive work environment.



CEB Ningbo Branch's Colorful Sunshine Walking Activity



CEB Hohhot Branch's Floor Curling Competition



CEB Wuxi Branch's Retirement Farewell Event for Employees



CEB Changsha Branch's Outdoor Team Building Event



CEB Shanghai Branch's Mental Health Day Activity



CEB Haikou Branch's "Singing and Stress Relief" Series Lectures

## Devoted to Public Welfare

The Bank responded to societal concerns, innovated in public welfare activity forms, and organized employee participation in volunteer activities to foster the sense of responsibility and volunteer. As at the end of 2023, the Bank made a cumulative total of RMB17.45 million in external donations, with total volunteer hours reaching 892.64 hours.

### Building a harmonious society



In 2023, the Bank upgraded its "Water Cellar for Mothers" public welfare project and supported the construction of "Water Cellar for Mothers - Green Village" project.



CEB Zhengzhou Branch's Solar Street Light Donation Project in Nanzhifang Village



CEB Seoul Branch's Trash Cleanup on the World Earth Day Activity



CEB Nanjing Branch's "Loving Kangkang Card" Children's Welfare Themed Bank Card Project



CEB Haikou Branch's "Accompanying Students to Exams with Love and Warmth" Volunteer Service Activity



CEB Beijing Branch's staff visiting Everbright Huichen Resthome



CEB Kunming Branch's Caring for Sanitation Workers Activity



CEB Nanjing Branch's Tree Planting Festival Activity



Xiamen Branch's "A Breezy Summer" consolation activity with Xiamen Siming City Construction Group

## Supporting emergency rescue and disaster relief

The Bank firmly committed to ensuring the financial work is politically oriented and can better represent the people, enhanced the warmth of financial services, responded to the needs of emergency rescue and disaster relief, closely monitored the changes in disaster situations and the financial and living needs of affected communities, and ensured uninterrupted financial services.

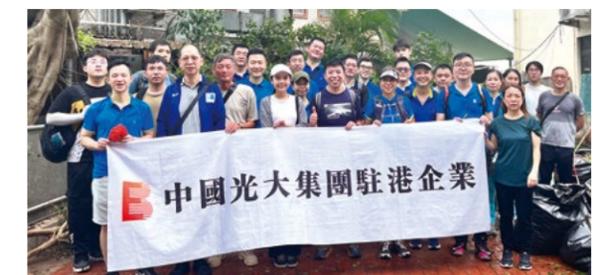
### The Bank's multi-pronged support for flood control and disaster relief in Beijing-Tianjin-Hebei

Following torrential rains in the Beijing-Tianjin-Hebei region, the Bank was fully committed to aiding the affected communities in alleviating hardships and restoring production and living conditions. For customers impacted by the disaster, the Bank offered financial services including deferred repayment, preferential credit interest rates, delayed submission of negative information, and credit records. Specific disaster prevention plans were deployed in Beijing, Shijiazhuang, and other regions, intensifying credit support to help residents, MSEs, and individual businesses overcome difficulties. Through visits and phone calls in batches, the Bank deeply engaged with severely affected MSEs to understand their disaster situations and operational challenges, opening green channels for them and enhancing service efficiency.

CEB Beijing Branch, relying on the "Guarding Beijing-Tianjin-Hebei, United in Disaster Relief" project of the Beijing Warm Fund Foundation, opened a dedicated donation channel. More than RMB90,000 of donation was raised, used for purchase 1,400 quilts for the affected areas by the Beijing Warm Fund Foundation on behalf of the branch to promptly deliver care to the front lines of the disaster zone.

### The Bank's App launched a special donation channel for the Gansu "12·18" Earthquake

Following the "12·18" earthquake in Jishishan County, Linxia Hui Autonomous Prefecture, Gansu, CEB quickly responded by launching a special donation channel on its mobile banking App, allowing funds to be directly transferred to the Gansu sub-treasury of the national treasury, conveying warmth and care to the people in the affected area.



CEB International conducted volunteer activities for typhoon relief on Hong Kong's Lamma Island

# Appendices

## Independent Assurance Report



### Independent Practitioner's Limited Assurance Report

To the board of directors of China Everbright Bank Company Limited:

*Report on selected information in China Everbright Bank Company Limited's 2023 Corporate Social Responsibility (ESG) Report (hereafter referred to as the "CSR Report") as of and for the year ended 31 December 2023. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.*

#### Conclusion

We have performed a limited assurance engagement on the following key performance information in China Everbright Bank Company Limited's CSR Report as of and for the year ended 31 December 2023 (hereafter referred to as "the assured performance information"):

Assured Performance Information	Point in time or period subject to assurance
Balance of inclusive loans to small and micro enterprises (RMB 100 million)	As of 31 December 2023
Balance of medium and long term loans to manufacturing enterprises (RMB 100 million)	As of 31 December 2023
Balance of agriculture-related loans (RMB 100 million)	As of 31 December 2023
Balance of green loans (RMB 100 million)	As of 31 December 2023
Total number of employees	As of 31 December 2023
Number of female employees	As of 31 December 2023
Ratio of male to female employees	As of 31 December 2023
Number of staff training programs	For the year ended 31 December 2023
Customer complaint closing rate	For the year ended 31 December 2023
Total service items of Cloud Fee Payment	For the year ended 31 December 2023
External donations (RMB 10,000)	For the year ended 31 December 2023



Purchased electricity power consumption of the Head Office (MWh)	For the year ended 31 December 2023
Daily water consumption of the Head Office (tons)	For the year ended 31 December 2023
Number of domestic branches and outlets	As of 31 December 2023
Employee volunteer hours	For the year ended 31 December 2023

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that China Everbright Bank Company Limited's assured performance information as of and for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the basis of preparation for the key performance information (the "Basis of Preparation") set out in the appendix to this report.

Our conclusion on the assured performance information does not extend to any other information that accompanies or contains the assured performance information and our assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

#### Basis for conclusion

We conducted our engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

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

**Restriction on use**

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

**Responsibilities for the assured performance information**

The directors of China Everbright Bank Company Limited are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured performance information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured performance information, and appropriately referring to or describing the criteria used; and
- preparing the assured performance information in accordance with the Basis of Preparation.

**Inherent Limitation**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

**Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured performance information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the board of directors of China Everbright Bank Company Limited.

**Summary of the work we performed as the basis for our conclusion**

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured performance information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured performance information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In addition, we do not conduct our work to express an opinion on the effectiveness of China Everbright Bank Company Limited's internal controls. Within our work scope, the assurance procedures were implemented at the head office and Beijing branch of China Everbright Bank Company Limited. In carrying out our engagement, we:



- 1) Interviewing the departments of China Everbright Bank Company Limited engaged to provide the selected key performance information for the CSR Report;
- 2) Implementing analytical procedures on the selected key performance information for the CSR Report;
- 3) Carrying out sampling inspection on the selected key performance information in the CSR Report; and
- 4) Performing recalculation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



KPMG Huazhen LLP

Beijing, China

27 March 2024

**Appendix: Basis of Preparation for the Key Performance Information**

**Balance of inclusive loans to small and micro enterprises (RMB 100 million):** The balance of inclusive loans to small and micro enterprises disclosed in the CSR Report refers to the sum of China Everbright Bank Company Limited's outstanding loans to small and micro enterprises, each of which has a credit line of equal to or less than RMB 10 million, including loans to small enterprises, loans to micro enterprises, and loans to owners of individually-owned businesses and small and micro businesses. Classification of these enterprises was performed according to the Classification Criterion for Medium and Small Enterprises published by the Ministry of Industry and Information Technology.

**Balance of medium and long term loans to manufacturing enterprises (RMB 100 million):** The balance of medium and long-term loans to the manufacturing sector disclosed in the CSR Report refers to the sum of China Everbright Bank Company Limited's outstanding medium and long-term loans to manufacturing enterprises as defined by the People's Bank of China. Classification of these enterprises was performed according to the Industrial Classification for National Economic Activities.

**Balance of agriculture-related loans (RMB 100 million):** The balance of agriculture-related loans disclosed in the CSR Report refers to the sum of China Everbright Bank Company Limited's outstanding agriculture-related loans as defined by regulators, including loans to rural enterprises and organizations, loans to urban enterprises and organizations for agriculture-related purposes, loans to farmers, and loans to individuals other than farmers for agriculture, forestry, stockbreeding, and fishery-related purposes.

**Balance of green loans (RMB 100 million):** The balance of green loans disclosed in the CSR Report refers to the sum of China Everbright Bank Company Limited's on-balance-sheet green loans as defined in the Notice of the People's Bank of China on the Revision of the Special Statistical Policy for Green Loans (Yin Fa [2019] No. 326).

**Total number of employees:** The total number of employees disclosed in the CSR Report refers to the sum of employees with whom China Everbright Bank Company Limited (including the subsidiaries it controls and domestic and foreign branches) has signed an employment contract and laborers dispatched to them.

**Number of female employees:** The number of female employees disclosed in the CSR Report refers to the sum of female employees with whom China Everbright Bank Company Limited (including the subsidiaries it controls and domestic and foreign branches) has signed an employment contract and female laborers dispatched to them.

**Ratio of male to female employees:** Ratio of male to female employees is Number of male employees to the Number of female employees, where the number of male employees refers to the sum of male employees with whom China Everbright Bank Company Limited (including the subsidiaries it controls and domestic and foreign branches) has signed an employment contract and male laborers dispatched to them.

**Number of staff training programs:** The number of employee training programs disclosed in the CSR Report refers to the sum of training programs arranged by China Everbright Bank Company Limited (including the domestic subsidiaries it controls and domestic branches) for its contracted employees in the Sunshine College.

**Customer complaint closing rate:** The proportion of closed customer complaints disclosed in the CSR Report refers to the proportion of the customer complaints closed by China Everbright Bank Company Limited in accordance with the Administrative Measures for the Handling of Consumer Complaints in the Banking and Insurance Sectors (CBIRC Decree [2020] No. 3 and the Implementing Measures of the People's Bank of China for Protection of Financial Consumers' Rights and Interests to the total customer complaints. These customer complaints include those received by China Everbright Bank Company Limited's (excluding the foreign branches) remote banking center or branches, as well as those forwarded by external institutions.

**Total service items of Cloud Fee Payment:** The total service items of cloud fee payment disclosed in the CSR Report refers to the sum of services available in China Everbright Bank Company Limited's cloud fee payment service platform, including services classified into 25 major categories for paying power bills, water bills, gas bills, heating bills, telecommunication bills, cable TV bills, government bills, traffic fines, shopping bills, community service charges, social security contributions and medical insurance premiums, League, Party, and Trade Union membership dues, education fees, etc.

**External donations (RMB 10,000):** The amount of donations to external parties disclosed in the CSR Report refers to the sum of donations from China Everbright Bank Company Limited (including the subsidiaries it controls and domestic and foreign branches) through administrative appropriation.

**Purchased electricity power consumption of the Head Office (MWh):** The consumption of purchased power by the head office disclosed in the CSR Report refers to the total volume of power purchased and consumed by China Everbright Bank Company Limited's head office in Beijing, including its premises in China Everbright Center, Shangdi, Taoranting, Shijingshan, Fintech Hub, Everbright Plaza, and Zhongguancun No. 1.

**Daily water consumption of the Head Office (tons):** The daily water consumption by the head office disclosed in the CSR Report refers to the total volume of water consumed by China Everbright Bank Company Limited's head office in Beijing, including its premises in China Everbright Center, Shangdi, Taoranting, Shijingshan, Fintech Hub and Zhongguancun No. 1. The daily water consumption in the Everbright Plaza cannot be measured separately due to water meter limitation, and is therefore not included in the statistics.

**Number of domestic branches and outlets:** The number of domestic branches disclosed in the CSR Report refers to the total number of China Everbright Bank Company Limited domestic business outlets, which are branches with business licenses, regardless of whether they are operational.

**Employee volunteer hours:** The number of employee volunteer hours disclosed in the CSR Report refers to the total duration of volunteer services delivered by China Everbright Bank Company Limited's employees (including the domestic subsidiaries it controls and domestic branches), which has been registered via provincial or municipal volunteer service websites.



**Third Party Verification Statement on Greenhouse Gas Accounting Data**

To the management and stakeholders of China Everbright Bank Company Limited:  
China Lianhe Equator Environmental Assessment Co., Ltd. ("Lianhe Equator") was engaged by China Everbright Bank Limited ("CEB") to perform independent verification on the greenhouse gas accounting data for the 2023 Corporate Social Responsibility (ESG) Report of China Everbright Bank Company Limited (the "CSR Report") prepared by CEB.

**I. Scope**

The scope of this verification covers the greenhouse gas emission information under investment activities within the disclosure scope of CEB covered by the 2023 CSR report, excluding information of suppliers and other third parties.

**II. Standards**

- IFRS S2 Climate related Disclosures;
- The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition (PCAF 2022);
- Carbon Accounting Technical Guidelines for Financial Institutions (Trial).

**III. Procedures**

- Interview with CEB's management and employees responsible for greenhouse gas data collection, compilation and accounting to understand the procedures for collecting and processing greenhouse gas accounting information;
- Review the greenhouse gas accounting information provided by CEB and implement data and logical analysis procedures;
- Review the Register calculated and provided by CEB and form verification conclusion.

**IV. Responsibilities**

- CEB's responsibility is to provide corresponding basic greenhouse gas accounting information for this verification work, and to ensure that the information it provides is true and valid.
- Lianhe Equator's responsibility is to verify the results of the greenhouse



gas accounting and issue a verification statement within the scope of verification agreed with CEB.

**V. Inherent limitation**

The verification work only conduct sampling inspection and calculation on some details of the selected accounting information, it may be difficult to discover all potential flaws or unreasonable situations. In addition, the absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

**VI. Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the greenhouse gas accounting data for the 2023 CSR Report of CEB has not been prepared, in all material respects, in accordance with the accounting standards.

**VII. Independence**

Except for the entrustment relationship between Lianhe Equator and CEB due to this certification work, there is no relationship between the members of the Lianhe Equator verification team and CEB that would affect the independence, objectivity and impartiality of this verification work.

Liu, Jingyun  
General Manager, Green Finance Department  
China Lianhe Equator Environmental Assessment Co., Ltd.  
Tianjin, China  
27 March 2024

Tel: 022-58356831 / 022-58356999  
Website: www.lheia.com  
Address: 6th Floor, United Credit Building, No. 80 Qufu Road, Heping District, Tianjin

This English version is a translation, should there be inconsistency between the English version and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.

## KPIs Indexes

### SEHK ESG KPIs Index

Environmental, Social, and Governance Scopes and General Disclosures & Key Performance Indicators (KPIs)			From Section
<b>Environmental</b>			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	40, 50
A1: Discharges and Emissions	A1.1	The types of emissions and respective emissions data.	44-45, 50-51
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	45
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	50-51
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	50-51
	A1.5	Description of emission target(s) set and steps taken to achieve them.	44-45
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	50-53
A2: Resource Consumption	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P53
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	50-51
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	50-51
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	50-53
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	50-53
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	50-53
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	40-53
	A3.1	Description of the significant impacts of activities on the environment and natural resources, and the actions taken to manage them.	40-53

Environmental, Social, and Governance Scopes and General Disclosures & Key Performance Indicators (KPIs)			From Section
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	40-42
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	42-43
<b>Social</b>			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, paid leaves, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	81, 83-85
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	82
	B1.2	Employee turnover rate by gender, age group and geographical region.	85
B2: 健康与安全	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	87
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	87
	B2.2	Lost days due to work injury.	87
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	87-89
	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	85-87
	B3: Development and Training	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
B3.2		The average training hours completed per employee by gender and employee category.	87
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	81
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	81
	B4.2	Description of steps taken to eliminate such practices when discovered.	81

Environmental, Social, and Governance Scopes and General Disclosures & Key Performance Indicators (KPIs)			From Section
	General Disclosure	Policies on managing environmental and social risks of the supply chain.	53
B5: Supply Chain Management	B5.1	Number of suppliers by geographical region.	Planned to be included
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	53
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	53
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	53
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	72
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	72-73
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	37
	B6.4	Description of quality assurance process and recall procedures.	70-72
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	74-75
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	33-37
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	34-35
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	33-37
	B7.3	Description of anti-corruption training provided to directors and staff.	35
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	90-91
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture and sport).	90-91
	B8.2	Resources contributed (e.g. money or time) to the focus area.	90-91

## ISSB Standards KPIs Index

Core Contents	Reference Disclosure Content	Page
<b>IFRS S1</b>		
Governance	/	Disclosure of governance body(s) or individual(s) responsible for oversight of sustainability-related risks and opportunities.
	/	Disclosure of management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities
Strategy	Sustainability-related risks and opportunities	Disclosure of sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects
	Business model and value chain	Disclosure of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain
	Strategy and decision-making	Disclosure of the effects of sustainability-related risks and opportunities on the entity's strategy and decision-making
	Financial position, financial performance and cash flows	Disclosure of the current effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows and the anticipated effects over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning
Risk Management	Sustainability resilience	Disclosure of the resilience of the entity's strategies and business model related to its sustainability-related risks
	/	Disclosure of the processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks
	/	Disclosure of the processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities
	/	Disclosure of the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and affect the entity's overall risk management process

Core Contents	Reference Disclosure Content	Page
Metrics and Targets	Sustainability-related metrics	Disclosure of metrics required by an applicable IFRS Sustainability Disclosure Standard 44
	Sustainability-related targets	Disclosure of metrics the entity uses to measure and monitor sustainability-related risks and opportunities Disclosure of the entity's performance related to sustainability-related risks and opportunities, including the progress towards any targets set by the entity and any targets required to be met by laws or regulations 7
<b>IFRS S2</b>		
Governance	/	Disclosure of the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities 40
Strategy	Climate-related risks and opportunities	Disclosure of metrics required by an applicable IFRS Sustainability Disclosure Standard 42-43
	Business model and value chain	Disclosure of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain 42-43
	Strategy and decision-making	Disclosure of the effects of climate-related risks and opportunities on the entity's strategy and decision-making 42-43
	Financial position, financial performance and cash flows	Disclosure of the current and anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows Planned to be included
	Climate resilience	Disclosure of the resilience of the entity's strategy and its business model to climate-related changes, developments, and uncertainties 43
Risk Management	/	Disclosure of how organizations identify, assess, and manage climate-related risks 42-43
Metrics and Targets	Climate-related metrics	Disclosure of climate-related general metrics and industry metrics 44-45
	Climate-related targets	Disclosure of quantitative and qualitative climate-related targets set for monitoring progress towards strategic targets, as well as any targets required to be met by law or regulation, including any targets for greenhouse gas emissions 44

## GRI Standards KPIs Index

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2-9	Governance structure and composition	24-27
2-10	Nomination and selection of the highest governance body	Please refer to the Annual Report
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2-12	Role of the highest governance body in overseeing the management of impacts	24-26
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201-2	Financial implications and other risks and opportunities due to climate change	42-43
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<b>GRI 202: Market Presence 2016</b>		
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<b>GRI 203: Indirect Economic Impacts 2016</b>		
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<b>GRI 204: Procurement Practices 2016</b>		
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<b>GRI 205: Anti-Corruption 2016</b>		
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<b>Environmental</b>		
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<b>GRI 402: Labor/Management Relations 2016</b>		
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<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	87
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403-3	Occupational health services	87-89
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<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
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408-1	Operations and suppliers at significant risk for incidents of child labor	Not applicable
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable
<b>GRI 410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
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413-1	Operations with local community engagement, impact assessment, and development plans	90-91



# Bank

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415-1	Political contributions	Not applicable
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## Feedback Form

Dear reader,

We highly appreciate your reading of the *2023 Corporate Social Responsibility (ESG) Report of China Everbright Bank*. To better meet your needs and provide you with information of greater value, and also help us continuously improve our ESG performances, we sincerely look forward to your comments and opinions on this Report through scanning the QR code or contacting us via the following methods:

Address: China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing  
 Postal code: 100033  
 Tel: 86-10-63636363

Thank you!

China Everbright Bank  
 March 2024

1. What is your overall opinion on this Report?  
 Very good     Good     Average
2. What is your opinion on CEB in the field of creating economic value?  
 Very good     Good     Average
3. What is your opinion on CEB in the field of creating environmental value?  
 Very good     Good     Average
4. What is your opinion on CEB in the field of creating social value?  
 Very good     Good     Average
5. What is your opinion on CEB in the field of creating governance value?  
 Very good     Good     Average
6. What are your further suggestions for CEB to fulfill its CSR?

Thank you for your support and help to CEB.





Address: China Everbright Center, No. 25 Taipingqiao Street,  
Xicheng District, Beijing

Postal code: 100033

Tel: 86-10-63636363



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