

China Construction Bank Launches the Customer ESG Rating System Project

With the goal of “peaking carbon emissions and achieving carbon neutrality”, great changes will take place in China’s economic structure, industrial structure, energy structure and ways of production and living. In this context, the enterprise risk assessment system needs to be improved. Integrating ESG elements into the customer risk assessment system can effectively and comprehensively measure the sustainable development ability of enterprises in coping with climate change and achieving the goal of carbon neutrality, and steer financial resources towards the green development. China Construction Bank (“CCB”) proactively adapts to the green and low-carbon development trend and actively builds a customer ESG rating system, aiming at identifying green, low-carbon and sustainable customers and providing support for customer selection, risk appetite formulation and credit structure adjustment. On November 11, CCB held the kick-off meeting of ESG rating system project for corporate customers, which was presided over by Chief Risk Officer Cheng Yuanguo, and attended by heads of relevant departments.

The ESG rating system project will strive to achieve three goals. First, it will build a customer ESG rating model, draw on the advanced ESG rating experience at home and abroad, combine the business development characteristics and needs of CCB, build an ESG rating model in line with the actual situation of CCB for public customers by industry, identify the sustainable development ability of enterprises, and continue to maintain the leading position among peers in the field of customer risk rating. Second, it will build ESG-related indicators according to the ESG performance of listed companies or bond issuers to track the ESG rating performance of customers and provide clearer investment signals for investors who pay attention to environment, social responsibility and corporate governance, so as to meet the needs of investors with different responsibilities, and guide sustainable investment. Third, it will sort out, explore and optimize the application of ESG elements in credit rating to promote the healthy and sustainable development of credit business.

In recent years, CCB has continuously promoted the integration and innovation of ESG concept and strategy, management, operation and disclosure, continuously explored, constructed and cultivated a brand-new model of sustainable development of finance and society, and shaped resilient development with New Finance, which has been recognized by

all sectors of society and the capital market. In the next step, CCB will refer to and draw on the experience of globally leading financial institutions, build an evaluation system for the sustainable development ability of corporate customers with data as the main driving force that cater to the customer groups, business characteristics and policy environment of CCB, and boost the development of green financial business and credit business in a steady and orderly manner.