



**中国建设银行(亚洲)**  
China Construction Bank (Asia)

2025

# Climate-related Disclosures Report



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## I. ABOUT THIS REPORT

This “Climate Risk-related Disclosures Report” (the “Report”) has been prepared and published by China Construction Bank (Asia) Corporation Limited (hereafter the “Bank”, “CCB (Asia)”, “we” or “our”). The Report provides an overview of the Bank’s climate governance and strategy, outlining its efforts for identifying climate risks and mitigating climate change. We aim to enhance our stakeholders’ understanding of the Bank’s initiatives related to climate change, low-carbon transition strategies, climate resilience, and our green impact.

### **Reporting Period**

The Report covers climate-related actions undertaken by the Bank in 2025 (January 1 to December 31, 2025).

### **Reporting Principles**

The Report adheres to the Hong Kong Monetary Authority (“HKMA”) Supervisory Policy Manual (“SPM”) module GS-1 “Climate Risk Management”, with reference to the framework of the Hong Kong Financial Reporting Standard (“HKFRS”) S2 Climate-related Disclosures issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which consists of four key pillars: governance, strategy, risk management, and metrics and targets.

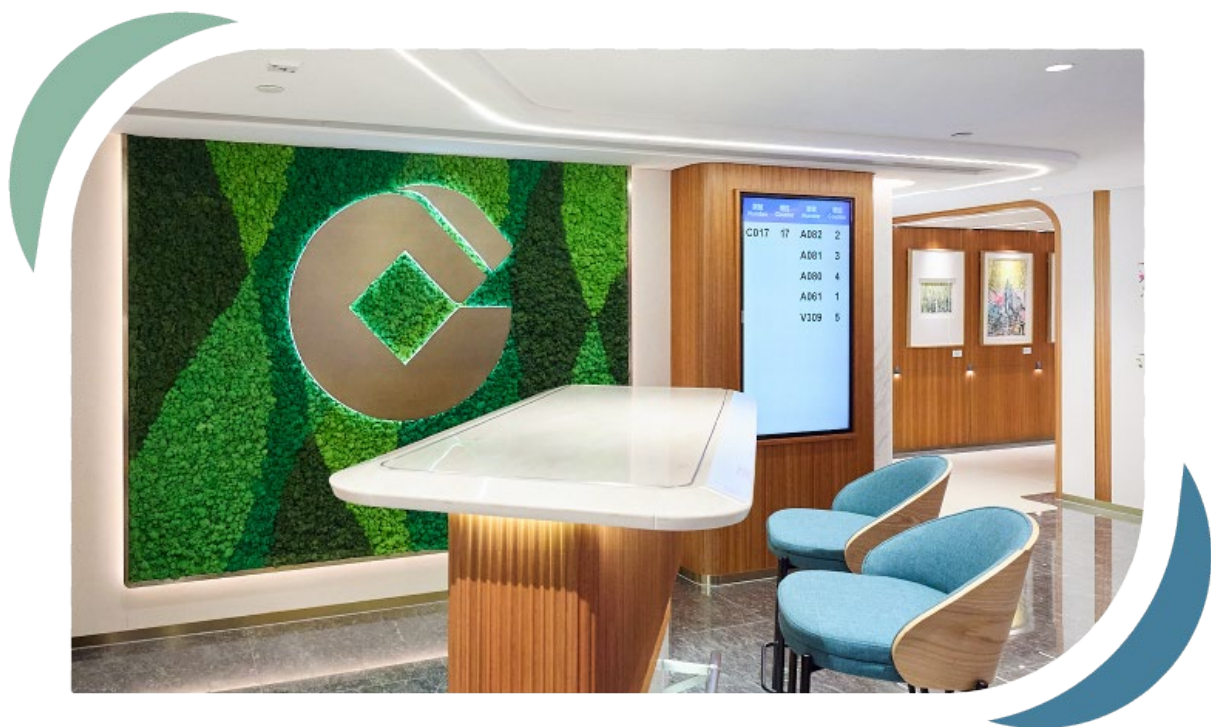
Both English and Chinese versions of the Report are available. In case of discrepancies between the two versions, the English version shall apply and prevail.

## II. ABOUT US

With over a century of service, CCB (Asia) serves as the comprehensive and integrated commercial banking platform of China Construction Bank Corporation (“CCB”) in Hong Kong. As the flagship of CCB’s overseas business, CCB (Asia) offers a diverse range of banking products and services, including personal banking, commercial banking, corporate banking, private banking, treasury business, and cross-border financial services.

CCB (Asia) is steadfast in supporting the transition to a low-carbon economy and driving Environmental, Social, and Governance (“ESG”) initiatives in Hong Kong. In response to the emerging emphasis on sustainable development and the growing impact of climate-related changes, we continuously enhance our sustainable development practices, and strengthen our capabilities in green finance, green operations, and climate risk management.

As a pivotal member contributing to Hong Kong’s economic and social development, CCB (Asia) will continue to innovate in green and sustainable finance services to support our customers’ low-carbon transition, leveraging our expertise to foster a greener and more sustainable future for all stakeholders.



### III. AWARDS

#### Hong Kong Quality Assurance Agency

Outstanding Award for Green and Sustainable Loan Facilitator (Public Transportation Industry)  
– Largest Single Green Loan

Distinguished Contribution Award for Green and Sustainable Loan Facilitator (Environmental and Clean Energy Industry)  
– Visionary Sustainability-linked Loan Performance Metrics

Premier Contribution Award for Green and Sustainable Bond Lead Manager (Biodiversity and “Belt and Road” Dual Themed Financing Project of Banking Industry)  
– Largest Single Green Bond (2018-2025)

#### The Hong Kong Council of Social Service

Caring Company Recognition for Consecutive Participation Logo – 15 or above years



Caring Company Performance Recognition Logo – Advanced performance



#### The Hong Kong General Chamber of Small and Medium Business

2025 ESG Leading Enterprise Award

#### International Finance Corporation, Hong Kong Quality Assurance Agency

Excellence in Design for Greater Efficiency (EDGE) Certification – Central Flagship Branch

#### Hong Kong Green Building Council

Zero-Carbon-Ready Building  
– CCB Tower and CCB Centre

#### Hong Kong Ta Kung Wen Wei Media Group

Best ESG Financial Institution Award

## IV. GOVERNANCE

CCB (Asia) recognizes the importance of integrating climate considerations into our corporate strategy, risk management, and daily operations, with effective governance being an essential element. Our approach to climate governance is structured across three levels: the Board of Directors (the “Board”), senior management and functional level to facilitate robust oversight, strategic alignment, and effective implementation in a holistic manner.

### 1. Our climate-related governance structure

As outlined in the Bank’s Corporate Governance document, which forms the foundation of our climate governance structure, at the Board level, the Board has primary responsibility for the oversight of climate-related matters. Supported by the Executive Committee and the Risk Committee, the Board is responsible for reviewing the Bank’s sustainability strategies, goals, and priorities, as well as key sustainability-related policies and material ESG issues. It also oversees the Bank’s overall sustainability performance. Therefore, CCB (Asia) has established a comprehensive framework to oversee and manage climate-related risks and opportunities.

The Risk Committee comprises four Independent Non-executive Directors (“INEDs”) and one Non-executive Director (“NED”), with an INED serving as the Chairman. All members have backgrounds in accounting, banking, and other relevant financial industries, collectively possessing technical expertise and experience in risk disciplines. The Risk Committee is responsible for reviewing and recommending climate risk-related policies for the Board’s approval, overseeing their implementation, and conducting regular reviews to ensure the Bank’s climate policies are effectively executed and aligned with current climate targets and regulatory requirements.

The Executive Committee, chaired by the Chief Executive Officer (an Executive Director) and comprising all Executive Vice Presidents, plays a supervisory role at the senior management level in climate-related matters, among other management issues. This committee is responsible for formulating and proposing the direction of climate-related development strategies, identifying risks and opportunities, and reporting progress and performance to the Board.

The communication between the Board and the abovementioned committees on climate-related matters is facilitated through formal meetings, written resolutions (as needed), and circulation reports. To facilitate effective oversight of climate-related risks and opportunities, the Bank has established a regular meeting schedule. At the Board level, the Board and the Executive Committee each hold climate-related discussions at least on a semi-annual basis, while the Risk Committee meets quarterly to review climate risk monitoring and oversee implementation. In 2025, the Bank convened a total of 4 Board Meetings, 19 Executive Committee Meetings, and 4 Risk Committee Meetings. The circulation reports of the Risk Committee were submitted quarterly in 2025.

In 2025, a Board evaluation was conducted to ensure the effectiveness of our governance framework in addressing climate-related risks and opportunities. This evaluation aimed to assess the Board’s readiness and capacity to provide strategic oversight in alignment with evolving regulatory requirements. The evaluation covered key areas such as the establishment and implementation of climate policies, the formulation of climate strategies, and the development and performance of climate-related risk appetite thresholds.

At the senior management level, the Risk Management Committee serves as the key body responsible for the overall planning and coordination of climate risk management. It evaluates major climate-related risks and determines appropriate control measures to mitigate potential impacts. The Quarterly Climate Risk Management Report is reviewed by both the Risk Management Committee and Risk Committee on a quarterly basis. Key climate-related issues are subsequently presented to the Executive Committee and the Board at least on a semi-annual basis.

In line with the risk governance framework, the responsibilities of managing climate-related risks are allocated among Three Lines of Defense model:

- The First Line of Defense comprises business units that are directly responsible for client onboarding, reviewing customer credit applications, conducting identification and assessment of climate-related risks.
- The Second Line of Defense involves independent risk and compliance functions which formulate climate risk management policies and supervise climate-related risks in business activities.
- The Third Line of Defense is provided by the audit function, which independently assesses the effectiveness of climate-related risk controls and governance mechanisms.

To further align with our climate-related visions, the Bank has incorporated ESG-related considerations into our remuneration policy. We are committed to continuously refining this policy by enhancing the performance measurement mechanism, thereby strengthening the link between compensation and the achievement of ESG-related objectives. The Bank will continue to explore both the possibility and necessity of further strengthening this alignment as part of our ongoing governance and sustainability efforts.

To support cross-functional collaboration, the Green and Low-carbon Development and Climate Risk Management Working Group (the “Working Group”), which comprises representatives from different functions, was established in 2022 to drive the implementation of relevant regulatory guidelines and integrate climate-related factors into our business policies, operations, and development strategies. The Working Group holds regular meetings to discuss climate risk and green finance matters, with representatives from different functions providing progress updates on a fixed, periodic basis. Furthermore, the Climate Risk Management Report, summarizing the key progress of the Working Group, was presented to the Board on a semi-annual basis.



Figure 1 - Climate-related governance structure

## 2. Strategic climate risk and opportunity review

In 2025, the Board and its designated committees actively discussed and reviewed a wide range of climate-related risks and opportunities, demonstrating the Bank's commitment to integrating climate considerations into its strategic and risk management frameworks. The key topics included:

- The 2025 Business Development Plan, with a focus on developing green credit business to enhance comprehensive green finance service capabilities, create benchmark cases for green advisory services, and transform green finance into a new driver for high-quality development and a new competitive advantage for the Bank.
- Strengthening the supervision of emerging risks, such as climate risks, as a key focus of the 2025 Work Plan for Comprehensive Management, continuing to improve relevant risk management policies, optimizing monitoring mechanism related to climate risk management and support green credit business development in line with the general trend of green and low-carbon development.
- Annual review of the Climate Risk Management Policy.
- An updated Capital Management Policy, with incorporation of climate risk impacts into the scope of assessment for the Internal Capital Adequacy Assessment Process.
- Annual review of the Risk Appetite Statement, including climate risk management.

- Review of the Quarterly Report of Risk Appetite, including climate risk indicators.
- Quarterly review of an analysis of the Bank’s overall asset quality with respect to climate risk monitoring and the green financing portfolio.
- Review of the Quarterly Climate Risk Management Report, covering:
  - The Annual Climate-related Risks Identification Report for 2025;
  - The Quarterly Climate-related Risks Monitoring Report for 2025;
  - The summary of Meetings of the Green and Low-carbon Development and Climate Risk Management Working Group;
  - The Annual Climate-related Risks Strategic Assessment Process and Results Report;
  - The summary of 2025 Climate Risk Stress Testing.
- Annual review of the Policy of Risk Governance, including review of risk management and control functions and risk areas related to climate risks within the risk governance framework.
- Annual review of the Operational Risk Policy with specialist units for climate risk supplemented to manage the operational risk.
- Annual review of the Policy Paper on Stress Testing and the results of Climate Risk Stress Testing.
- Review of the Progress Report of Green and Low-Carbon Development and Climate-related Risk Management Plan (2025-2027).

### **3. Strategic decisions on climate-related risks and opportunities**

The Bank integrates climate-related risks and opportunities into strategic decision-making, prioritizing green finance as a long-term strategic priority and aligning operations with low-carbon development goals. Sustainability is embedded in core business planning as a driver of long-term value creation. To seize green finance opportunities, the Bank establishes a differentiated suite of green financial services and diversifies its green product portfolio such as green loans, sustainability-linked loans (“SLL”), social loans (collectively referred to as “ESG Loans”), and green bonds, to support innovation and environmentally responsible projects.

Balancing climate risks with opportunities involves navigating short-term financial goals and long-term sustainability. The Bank embraces this challenge through strategic innovation, technology, and cross-sector collaboration, aligning economic growth with environmental and social responsibility.

Recognizing the growing impacts of climate-related risks, the Bank has embedded climate considerations into its risk management framework with a suite of policies and procedures such as the Policy for Risk Governance, Risk Appetite Statement, Credit Risk Management for Climate-related Risk Monitoring Policy and Climate Risk Management Policy, to address climate exposures directly. Meanwhile, the Bank has developed and launched a new ESG risk classification policy, which requires to assign ESG risk rating to each customer and has been in trial implementation since February 2026. Green financing guidelines are also developed to guide the operation, execution, assessment and management of green products, while climate risk factors are integrated into the Product Memorandum process for product evaluations. The Bank’s risk management strategies are designed to comprehensively identify, assess, and mitigate both physical and transition risks, ensuring climate resilience across all operations.

#### 4. Integration with internal functions

The Bank has embedded climate-related considerations into our core operations and decision-making processes across our internal functions, ensuring a holistic and organization-wide approach to sustainability. Each division plays a distinct yet interconnected role in advancing the Bank's climate strategy.

##### Internal functions of CCB (Asia)



Figure 2 – Integration with internal functions

## 5. Skills and competencies

To ensure that the Board remains well-informed about emerging climate-related trends, climate competence training has been provided to equip members with the necessary expertise and skills to effectively oversee and manage climate-related issues. In 2025, a total of six seminars were recommended and four training materials were shared with the Board. The training topics covered a broad spectrum of ESG and climate governance themes, as outlined below:

Seminar Topics	Training Topics
<b>Public Briefing on HKFRS S1 and S2</b>	CCB (Asia) Regulatory Disclosure – 2024 Climate Risk-related Disclosures
<b>Sustainability Reporting in Hong Kong</b>	Guidance Noted on Greenwashing: A Corporate Strategy for Sustainability Credibility
<b>Driving ESG with Digital Transformation</b>	Carbon Disclosure Project (CDP) Reporting on Climate Transition Plans
<b>Creating Climate Strategy in Uncertainty Scenario Planning and Analysis</b>	Developing Climate Strategies Amid Uncertainty: Scenario Planning and Analysis
<b>Regulator’s Dialogue - Sustainable Banking in a Changing World</b>	
<b>Sustainability Governance Annual Update</b>	

The Bank is committed to enhancing the skills and competencies of its staff through comprehensive training programs focused on professional development. To encourage the pursuit of relevant qualifications, we have incorporated the Sustainability Investing Certificate<sup>1</sup> and the Sustainability and Climate Risk (“SCR”) Certificate into our Professional Qualification Award Scheme. This initiative aims to elevate the professionalism of our climate risk management talent.

We actively support the Enhanced Competency Framework on Green and Sustainable Finance (“ECF – GSF”), launched by the HKMA, which sets out competency standards for banking practitioners performing GSF-related functions in Hong Kong. To facilitate certification, we offer full subsidies covering all related expenses, including course registration and renewal.

To foster the growth of ESG talent, we have implemented an internal accreditation mechanism that motivates employees to acquire essential knowledge and promotes continuous learning. Additionally, we have established minimum training requirements for personnel engaged in climate and ESG risk management.

In partnership with the Chartered Financial Analyst (“CFA”) Institute, we provide corporate-discounted courses on climate risk and green finance, supporting the acquisition of ESG-related knowledge. We also offer a variety of training programs focused on climate risk management, including sessions on relevant policies and expert-led discussions on sustainable finance, greentech, stress testing, and other key topics.

<sup>1</sup> The “Certificate in ESG Investing” issued by Chartered Financial Analyst (“CFA”) Institute has been renamed to “Sustainability Investing Certificate” since April 2025.

## V. STRATEGY

CCB (Asia) adopts a proactive climate strategy. In 2024, the Bank developed its Green and Low-carbon Development and Climate Risk Management Plan, which integrates climate-related considerations into its overall strategy, financial planning, operations, and risk management to support green finance development and enhance climate resilience. We systematically assess climate-related risks and opportunities, particularly in High-Carbon-Emission (“HCE”) sectors through scenario analysis and stress testing, ensuring our strategy remains adaptive to evolving regulatory and market conditions.

### 1. Strategic roadmap

The Bank recognizes the growing impacts of climate-related changes, developments, and uncertainties on our operations, strategy, and business model. As part of the Bank’s effort to sustainable growth, the Green and Low-carbon Development and Climate Risk Management Plan, which takes references from the Chinese and HKSAR governments’ green policies and goals, was established as a roadmap for the Bank to manage the issue in a strategic approach. Climate considerations are integrated into the Bank’s different corporate aspects including structure, operational mechanism, business strategies, financial planning and capabilities building. The Bank conducts regular checks and reviews of the Green and Low-carbon Development and Climate Risk Management Plan, making sure the contents of the plan are in line with the latest regulatory requirements and industrial trends, and the plan is implemented properly.

### 2. Climate strategy and impacts

CCB (Asia)’s strategic direction emphasizes the promotion of green finance development, integrated green finance service capabilities and innovation, regional green transformation, and green finance risk management. These initiatives are embedded in the Bank’s broader growth strategy, focusing on green products and sectors. The Bank also incorporates climate considerations into our operational planning, including green building upgrades, carbon reduction, and sustainable procurement practices. Furthermore, the Bank invests in green talent development and cross-border collaboration to strengthen its capabilities and position. This strategic integration ensures that climate-related opportunities are harnessed while mitigating associated risks, reinforcing long-term resilience and value creation. The Bank had enhanced business continuity plans to address climate-driven disruptions such as Severe Weather Trading related arrangement, and well-established guidelines and procedures of bank arrangement under extreme conditions. For risk mitigation, the Bank has pursued insurance to mitigate operational risk exposures arising from extreme weather conditions.

The Bank is actively steering its financial strategy to align with the global transition towards a low-carbon economy, which reflects a strategic response to climate-related risks and opportunities in both the current reporting period and future financial planning. The Bank supports green initiatives by incorporating dedicated resource allocation for related activities including investments in product innovation, system development, infrastructure upgrades, and funding for capacity-building initiatives, such as staff training. The Bank also maintains a strong focus on controlling operational consumables by introducing complementary initiatives to improve energy efficiency, reduce office supplies, and promote long-term sustainable development across the Bank.

From a top-line perspective, we are seeing a positive impact on revenue through a diversified suite of green products, which has enabled the Bank to penetrate new high-growth sustainable markets that create long-term commercial value. Over the short to medium term, the Bank anticipates increased operating expenses and capital expenditure due to proactive implementation of climate risk management measures, transitioning to low-emission technologies and accelerating energy-saving initiatives. These include ongoing investments in green energy renovations and systematic energy efficiency upgrades across office buildings and retail branches. These factors have been incorporated into the Bank's financial planning and are aligned with our Green and Low-carbon Development and Climate Risk Management Plan. In the long term, these initiatives are expected to reduce exposure to transition risks and strengthen the Bank's financial position by supporting sustainable growth, enhancing cost efficiency, and ensuring alignment with evolving regulatory and market expectations related to climate resilience.

### **3. Climate resilience assessment**

The Bank has leveraged the results of climate resilience assessments conducted under various climate-related scenarios to inform and enhance our strategy and business model. Meanwhile, the regular identification and monitoring of climate-related financial risks remain integral to the Bank's risk management framework. This includes evaluating the impacts of both physical and transition risks on traditional risk categories, such as credit, market, and operational risks. These analyses are reviewed by senior management, the Board, and designated committees to guide necessary strategic adjustments. The Bank remains committed to actively engaging with both internal and external stakeholders to ensure our approach aligns with industry best practices and evolving regulatory requirements.

### **4. Significant areas of uncertainty**

Significant areas of uncertainty were carefully considered and assessed in various climate resilience-related evaluations conducted by the Bank. In 2025, the Bank carried out a Climate-related Risk Identification Assessment to identify and analyze climate-related financial risks faced by the Bank across the short, medium, and long term. These risks are significantly influenced by both physical and transition risk factors. Together with the analysis of the Bank's business model and asset portfolio, key areas of uncertainty considered in the assessment included, but were not limited to, the following:

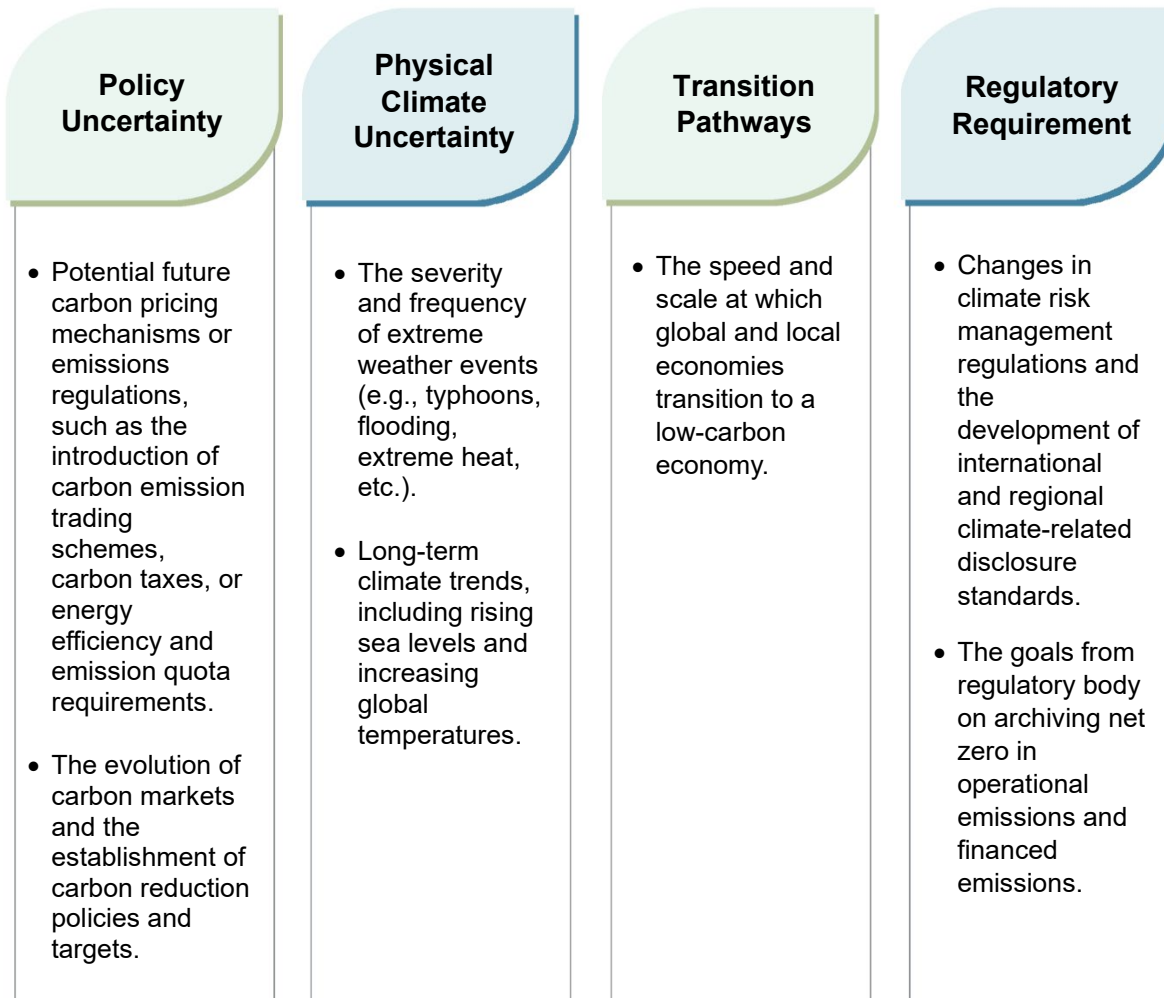


Figure 3 - Key areas of uncertainty

In 2025, as part of the Bank’s efforts to promote sustainable growth and enhance risk mitigation, the Bank performed Climate-related Risks Strategic Assessment. This assessment is to identify key climate-related risks and opportunities by considering both internal and external factors that influence the Bank’s strategic position. The assessment also takes into account additional uncertainty factors, including:

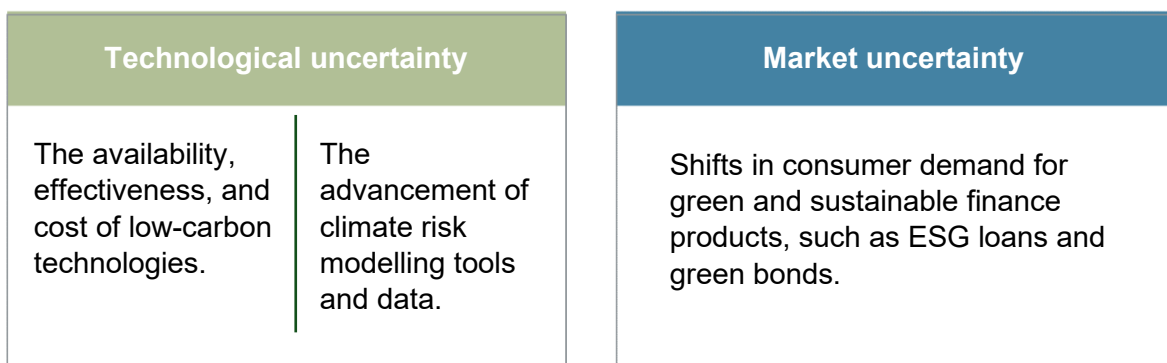


Figure 4 - Uncertainty factors from 2025 Climate-related Risks Strategic Assessment

## **5. Flexibility and responsiveness to climate-related initiatives**

With strong resource support from the Head Office and ongoing improvements in resource allocation efficiency, the Bank maintains a high level of financial flexibility and responsiveness to climate-related initiatives. This ensures that adequate resources are allocated in line with project needs. In terms of climate risk management, investments in climate risk-related capacity building, the establishment of transition planning and the enhancement of climate-related data remain key priorities for the Bank.

In 2025, the Bank continued to invest in building our capacity to effectively assess and manage climate-related risks. This included:

- Enhancing internal expertise through designated team formation, as well as training and development programs focused on climate risk assessment and management; and
- Strengthening governance structures and allocating resources to ensure that climate risks are systematically identified, monitored, and addressed.

In addition, the Bank began to allocate resources in exploring the establishment of transition planning, as well as the estimation of financed emissions of the Bank's investment and financing portfolios. The Bank continues to strengthen climate risk management and monitoring across its businesses by prioritizing sectors, portfolios and counterparties with greater impact on a phased basis. Currently, we are addressing the data availability challenges and aligning our methodologies with regulatory expectations and evolving market practices to enable a resilient and sustainable transition.

Investments were also made to improve the quality, granularity, and availability of climate-related data. A data gap analysis of the Bank's climate-related data systems was conducted back in 2024, leading to an established action plan which aims at acquiring appropriate external data and leveraging publicly available tools and proprietary platforms to strategically collect, manage, and archive climate-related data. During 2025, the Bank continued to execute the action plan with enhancement observed in climate-related data.

## **6. Climate risk stress testing ("CRST")**

Risk identification through climate scenario analysis and stress testing is a crucial step for projecting the impacts of climate risks.

In alignment with CCB (Asia)'s climate risk management framework and regulatory requirements, the Bank performed stress tests based on the year-end position for materiality assessments. The Bank assessed the potential effects of physical and transition risks on its profitability and capital adequacy ratios to ensure a thorough understanding of the implications posed by climate-related scenarios, including both short-term and long-term scenarios.

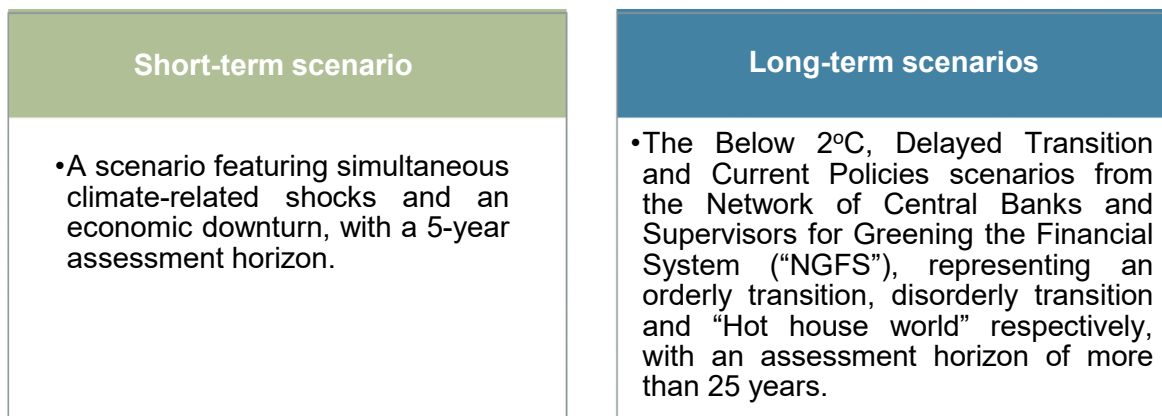


Figure 5 - Climate scenarios

The Bank’s assessment of physical risks focused on the potential impacts of rising average temperatures, increasing sea levels, and the heightened frequency and severity of extreme weather events on our property-related lending portfolios. In parallel, transition risks were evaluated by examining the effects of policy changes, such as increases in carbon pricing, changes in energy consumption, advancements in low-carbon technologies, and shifts in market sentiment. These factors were analyzed under various climate-related scenarios, including a detailed assessment of exposures in high-carbon-emitting industries.

Macroeconomic variables embedded in these scenarios, such as gross domestic product (“GDP”), unemployment rate, consumer price index, interest rates, and property prices, were also incorporated into the stress testing process.

To quantify the financial impact of climate-related risks, the Bank conducted a CRST covering credit, market, and operational risks. The credit risk analysis included changes in probability of default, loss given default, expected credit loss, and risk-weighted assets. Market risk was assessed through potential declines in the market value of bond investments. Operational risk considerations included potential losses from asset and facility damage, as well as business disruptions. The CRST encompassed a range of asset categories, including corporate and retail loans, property-related lending, bond investments, and self-owned assets and facilities. Results from the CRST indicated no significant impact on the Bank’s profitability or capital adequacy, demonstrating strong resilience to severe climate-related shocks across multiple scenarios.

To assess transition risks, the Bank adopted a hybrid approach that combines both top-down and bottom-up analyses to evaluate the impact of climate risks on high-carbon-emitting industries. The bottom-up analysis involved assessing selected counterparties from these industries using internal rating scorecards that incorporate both quantitative and qualitative factors. The effects of transition policies, technological advancements, and shifts in market sentiment were translated into financial risk drivers, including changes in revenue, operating costs, and the repayment capacity of counterparties.

In evaluating physical risks, the Bank identified vulnerable areas in Hong Kong using the Tertiary Planning Unit (“TPU”) framework and assigned risk severity levels based on each area’s exposure to extreme climate events and sea level rise. The assessment considered both direct damage to properties caused by extreme weather and the indirect impact on property values due to changing market perceptions.

## VI. RISK MANAGEMENT

CCB (Asia) has developed a robust climate-related risk management framework that integrates climate considerations into its overall risk governance. In 2025, the Bank continued to enhance its framework by refining the Climate Risk Management Policy, including the enhancement in role and responsibilities of key stakeholders in climate-related risk management, refinement of risk classification criteria, and fine-tuning of internal monitoring thresholds and escalation mechanisms. These efforts are supported by regular climate-related risk assessments and monitoring, experience in internal and regulatory stress testing programs, and the execution of strategic assessment framework to ensure alignment with evolving regulatory requirements and industry best practices.

### 1. Transforming climate risk into actionable risk metrics

The Bank has established a set of processes for identifying, assessing, prioritizing, and monitoring climate-related risks. These include the development of green financing guidelines for the identification, assessment, and management of green credit; the integration of climate risk factors into the Product Memorandum for the evaluation and approval of new products and services; and the regular execution of climate risk stress testing and scenario analysis to evaluate the potential impacts of climate-related risks on customers and business operations.

The Bank evaluates how physical risks translate into credit, market, operational, and liquidity risks through their impact on key indicators.

Key Risk Indicators (Physical Risks)	Descriptions
<b>Credit risk</b>	Regular assessments are conducted on collateralized properties located in vulnerable areas of Hong Kong to identify potential physical risks to the mortgage portfolio. In addition, the Bank identifies industries that are particularly vulnerable to physical climate risk. This classification is applied to the industry of the borrower or issuer to categorize holdings associated with elevated climate risk. The Bank continues to refine and optimize our classification criteria and monitors the physical risk exposures of our loan and debt securities portfolios to ensure that exposure levels remain within established monitoring thresholds. Findings are reported to management on a quarterly basis.
<b>Market risk</b>	A climate risk driven market risk stress testing methodology has been developed and integrated into the stress testing framework, incorporating climate-related scenarios to evaluate potential market impacts.
<b>Operational risk</b>	The Bank analyses the effects of physical risks on business continuity, including potential infrastructure damage and disruptions caused by extreme weather events.
<b>Liquidity risk</b>	Recognizing that physical climate risks may affect access to funding, there are mechanisms as early warning indicators to monitor any emerging liquidity crisis, under contingency funding plans. Liquidity ratios, such as Liquidity Coverage Ratio (“LCR”) and Net Stable Funding Ratio (“NSFR”), are calculated daily with projection for risk assessment.

Key Risk Indicators (Physical Risks)	Descriptions
	Climate-related events may arise liquidity declines and these tools help detect Bank's liquidity declines. Relevant stress tests are conducted to gauge the Bank's resilience, including those driven by climate hazards.

For transition risks, we assess their effects and the measures implemented to address credit, market, and liquidity risks, as outlined below.

Key Risks Areas (Transition Risk)	Descriptions
<b>Credit and market risks</b>	In line with guidelines issued by the HKMA, the Bank identifies HCE industries that are particularly vulnerable to climate change. This classification is applied to the industry of the borrower or issuer to categorize holdings associated with elevated climate risk. The Bank continues to refine and optimize our HCE classification criteria and monitors the transition risk exposures of our loan and debt securities portfolios on a monthly basis to ensure that exposure levels remain within established monitoring thresholds.
<b>Liquidity risk</b>	The Bank conducts ongoing monitoring of the impact of climate-related change in context of liquidity profile while staying abreast of the latest market and regulatory developments. Particular attention is given to transition risks arising from climate-related factors, policy changes, technological advancements, and shifts in market sentiment that could affect liquidity. The Bank's liquidity policies are regularly reviewed and updated in accordance with evolving regulatory guidelines and market conditions.

## **2. Assessing and managing climate risk across financial pillars**

The Bank remains vigilant in addressing climate change challenges. When assessing the magnitude of key risks, the Bank applies both quantitative and qualitative analyses to determine whether a climate-related risk is material enough to warrant action. The Bank's Risk Appetite Statement is reviewed annually according to the latest regulatory requirements and Head Office's requirements to ensure alignment with our strategic objectives. Additionally, a quarterly Climate-related Risks Monitoring Report has been developed to support the ongoing monitoring and reporting of climate-related risks and exposures to HCE industries.

As part of regular monitoring, various key quantitative indicators with established thresholds are continuously assessed. If any threshold is breached, an escalation process and/or mitigation actions will be triggered. Examples of the indicators monitored include, but are not limited to, the following:

- Proportion of loan and/or debt securities exposure to HCE industries;
- Proportion of mortgage balances related to properties located in physically vulnerable areas of Hong Kong;

- Proportion of loan and/or debt securities exposure to industries vulnerable to physical risks;
- Proportion of the Bank’s physical property assets and business activities located in physically vulnerable areas of Hong Kong;
- Changes in credit limits granted to HCE industries; and
- Annual operational carbon emissions.

### 3. Enhancements to climate risk management

In 2025, the Bank continued to make significant progress in strengthening our climate-related risk management framework by incorporating the latest regulatory developments, improved data availability, and insights gained from prior assessments. These enhancements reflect the Bank’s commitment to continuously improving how it identifies, assesses, and manages climate-related risks and opportunities. Key developments in 2025 include, but are not limited to, the following:

2025 Key Developments	Descriptions
<b>Refinement of the bank-wide climate risk management policy</b>	The Bank has introduced a formal Climate Risk Management Policy to define the objectives and governance structure for managing climate-related risks. This policy provides a comprehensive framework for identifying, measuring, monitoring, reporting, controlling, and mitigating climate-related risks, as well as disclosing the Bank’s climate risk management approach in its operations and investment activities. In 2025, based on latest regulatory environment and expectation, the Bank has reviewed and further refined the Policy in ensuring an effective governance.
<b>Completion of the annual climate risk identification assessment</b>	An annual assessment was conducted to evaluate the Bank’s exposure to climate-related risks across the short-, medium-, and long-term horizons. This analysis considered the Bank’s business profile, high-risk counterparties, operational context, and peer benchmarking. The assessment identified three major risk types, i.e. credit risk, market risk and operational risk, that are closely linked to climate change, enabling the Bank to better understand our strategic positioning and implement effective monitoring and control mechanisms.
<b>Implementation of internal limits and monitoring indicators</b>	Based on the findings of the climate-related risk identification assessment, the Bank established and refined internal limits and monitoring indicators at both the portfolio and counterparty levels. These measures ensure that exposures to climate-related risks remain within the Bank’s defined risk appetite.
<b>Regular climate-related reporting</b>	Key climate-related issues were reported to the Executive Committee and the Board at least semi-annually, and to the Risk Management Committee and Risk Committee on a quarterly basis. This regular

2025 Key Developments	Descriptions
	reporting structure enhances transparency and supports informed decision-making.
<b>Completion of the 2025 climate risk stress testing</b>	<p>The Bank conducted our annual climate-related risk stress testing and scenario analysis to assess the impact of physical and transition risks on key financial risk indicators, including credit, market, and operational risks. The 2025 assessment incorporated updated data and the industry best practices.</p> <p>Additionally, the Bank participated in the 2023-2024 Banking Sector CRST exercise and was invited to share our transition risk assessment practices with over 300 industry professionals at an HKMA-hosted forum in February 2025.</p>
<b>Enhancement and completion of the climate-related risk strategic assessment framework</b>	<p>The Bank established a formal framework for conducting strategic assessments of climate-related risks and completed our first assessment in 2024. This process involved identifying key internal and external factors relevant to the Bank's climate strategy, evaluating strengths and weaknesses, and analyzing the external environment for potential threats and opportunities.</p> <p>In 2025, the Bank has enhanced the identification and assessment by refining the latest relevant internal and external factors, for example, the growing opportunities in green finance, increasing risk management pressure due to frequent extreme weather events and improvements in climate-related data quality. The assessment was completed to shed light on future climate-risk strategy development.</p>

## VII. METRICS AND TARGETS

CCB (Asia) has established climate-related metrics and targets to guide its transition toward a low-carbon economy and monitor progress in managing climate-related risks. These metrics support transparent reporting, informed strategic decision-making, and align with regulatory expectations. In 2025, the Bank made significant progress through energy efficiency upgrades, renewable energy adoption, and the completion of a third-party carbon audit. These efforts reflect the Bank's commitment to measurable climate action and continuous improvement in environmental performance.

### 1. Climate-related targets

CCB (Asia) has established climate-related targets and performance metrics to guide its transition toward a low-carbon economy. These targets are embedded in strategic plans that span green finance, low-carbon operations, and climate risk management, forming a robust foundation for evaluating the effectiveness of the Bank's climate strategy and operational performance.

To support transparent reporting and informed decision-making, the Bank tracks a range of key indicators, including ESG loan and bond balances, exposure to HCE industries, operational emissions, and the collateral value of mortgage portfolios in climate-vulnerable areas. The geographic distribution of branches and physical assets in Hong Kong is also monitored to assess exposure to physical climate risks. These metrics are fully integrated into the Bank's risk management framework and are regularly reviewed to ensure alignment with our risk appetite and evolving regulatory requirements. During the reporting period, percentage of assets or business activities vulnerable to the mentioned climate-related risks were regularly monitored. They remained within the internally established thresholds and aligning with the Bank's risk appetite.

### 2. Operational emissions

In 2023, the Bank engaged an independent third-party auditor to conduct carbon emissions audit, Annual carbon emission audit report has been performed every year since 2023.

In 2025, the Bank established an operation carbon net-zero pathway for 2025-2027 to guide CCB (Asia) towards achieving its operational carbon net-zero target by 2030.

### Annual carbon emissions (2023 – 2025)

Year	Carbon Emissions (Tones of CO <sub>2</sub> e)			
	Scope 1	Scope 2	Scope 3 <sup>2</sup>	Total
2023	86.977	9,053.468	327.874	9,468.319
2024	90.507	8,435.53	380.774	8,906.811
2025	95.867	7,618.467	255.921	7,970.255

The 2025 carbon emissions audit has been completed. Using 2023 as the baseline year, the operational carbon emission (Scope 1 and 2) amounted to approximately 7,714.334 tons CO<sub>2</sub>e, representing a reduction of 1,426.111 tons CO<sub>2</sub>e (15.60%) compared with 2023. Scope 3 emissions were recorded at approximately 255.921 tons CO<sub>2</sub>e in the same year.

From 2025 onwards, the Bank has enhanced its ESG data collection boundary. This includes incorporating general waste of CCB (Asia) properties by establishing a systematic information collection form to better manage the data received. In addition, the Scope 3 data collection boundary has been widened to meet information disclosure requirements.

The carbon emissions are measured with reference to the standard of ISO14064, which is an international recognized scientific measurement methodology. It caters for continuous accountability, maintains strategic momentum, and provides a clear, verifiable trajectory towards carbon net zero. Regular monitoring of carbon emission performance facilitates prompt reaction to adjust the Bank's carbon reduction plans, supporting its progress toward carbon net-zero target.

### 3. 2025 operational actions

In addition to financial exposure metrics, the Bank has collected data on energy and recycled materials to calculate the Bank's operational carbon emissions. Details of operational actions taken are as below:

Operational actions taken up to 2025	Descriptions
<b>Solar Power Installation</b>	CCB Centre completed the installation of photovoltaic (solar power) systems in 2021. The system generates approximately 33,300 kWh of electricity annually and produced 34,174 kWh in 2025.
<b>Smart Air Conditioning Systems</b>	CCB Centre and CCB Tower completed the installation of artificial intelligent air conditioning management systems in 2022 and 2023, respectively.

<sup>2</sup> Scope 3 data collection includes the following categories:

- Category 1: Purchased Goods and Services
- Category 3: Fuel- and energy- related activities
- Category 5: Waste generated in operations (Only includes emission from recycled waste. Other waste types are excluded due to incomplete data.)
- Category 7: Employee Commuting (Only includes emissions from employees commuting by electricity vehicles. Other transport modes are excluded due to incomplete data.)
- Category 8: Upstream Leased Assets

Operational actions taken up to 2025	Descriptions
	<p>By integrating data from the Building Management System (“BMS”) and conducting retro-commissioning, the efficiency of the air conditioning systems was significantly enhanced, reducing carbon emissions and optimizing daily operations.</p> <p>Compared with 2019, electricity consumption for air conditioning at CCB Centre and CCB Tower in 2025 decreased by approximately 636,568 kWh (16.92%) and 325,052 kWh (15.63%), respectively.</p>
<b>LED Lighting Upgrade</b>	<p>Office lighting replacement of CCB Centre and CCB Tower was completed with LED lights installed in 2023 and 2024, respectively. This initiative is expected to save approximately 283,300 kWh of electricity annually, with actual energy savings reaching 300,085 kWh in 2025.</p>
<b>Variable Speed Drives Upgrade</b>	<p>CCB Centre and CCB Tower completed the installation and upgrade of variable speed drives for the air conditioning systems in 2024 and 2025 respectively. This initiative is expected to save approximately 346,410 and 14,414 kWh of electricity for CCB Centre and CCB Tower respectively in 2025. Total expected energy savings reaching 360,824 kWh in 2025.</p>
<b>Fan Coil Unit Upgrade</b>	<p>The first phase of upgrading fan coil units on eight floors at CCB Centre to energy-efficient motors was completed in 2024, contributing approximately 231,896 kWh of energy savings in 2025.</p> <p>The second phase, covering ten office floors at CCB Centre, was completed in end of 2025 and is expected to deliver annual electricity savings of approximately 291,469 kWh.</p>
<b>Green Building Certifications and ESG Recognition</b>	<p>CCB (Asia) has continued to strengthen its commitment to sustainability through green building certifications and recognition for ESG leadership, as outlined below:</p> <ul style="list-style-type: none"> <li>• EDGE Green Building Certifications: <ul style="list-style-type: none"> <li>• Obtained in 2021 to 2024 for: <ul style="list-style-type: none"> <li>• CCB Tower</li> <li>• CCB Centre</li> <li>• Private Banking Office (21<sup>st</sup> floor, CCB Tower)</li> <li>• Wanchai branch</li> <li>• Tsimshatsui branch</li> </ul> </li> <li>• In 2025, Central branch was granted the EDGE certification</li> </ul> </li> <li>• ESG Recognition in 2025:</li> </ul>

Operational actions taken up to 2025	Descriptions
	<ul style="list-style-type: none"> <li>• Hong Kong Green Building Council Zero-Carbon-Ready Building:               <ul style="list-style-type: none"> <li>• CCB Tower</li> <li>• CCB Centre</li> </ul> </li> </ul>

## VIII. LOOKING FORWARD

Over the year, the Bank actively fosters a green culture and promotes low-carbon operations through carbon footprint management and sustainable procurement practices. These efforts reflect our commitment to building a responsible and environmentally conscious institution. Across our operations, we embed eco-conscious practices, implementing energy-saving and emission-reduction measures, optimizing carbon management, and promoting green procurement. These initiatives are supported by a corporate culture rooted in environmental stewardship. By embedding green development principles and climate risk considerations into our business strategy, operations, and governance frameworks, the Bank is positioning itself as a pioneer in sustainable finance, driving systemic progress toward a resilient, low-carbon future.

To ensure our strategic objectives remain responsive to climate change and evolving regulatory landscapes, we continuously integrate environmental and climate risk factors into our business model and risk management planning. The Bank is also advancing green finance by refining its development framework, enhancing service capabilities, and driving innovation in sustainable financial products. We support regional green transition efforts, strengthen partnerships in sustainable finance, and reinforce internal controls to manage green financial risks effectively. The Bank has enhanced its enterprise-wide climate risk management system, integrating climate risk into end-to-end business processes, improving our ability to manage both physical and transition risks, and continuously upgrading its data infrastructure and methodologies in line with global best practices. Moreover, the Bank is actively exploring the integration of transition planning into its business strategy and risk management process as well as the use of external data sources and industrial methodologies for assessing carbon emissions within our investment and financing portfolios.

To ensure transparency and accuracy, our carbon emissions will continue to be independently audited by a third party. The Bank will continue to address climate change through our strategies, policies, and CRST framework. We will also regularly monitor and refine our methodologies within the CRST framework to enhance the accuracy and reliability of our climate risk assessments.

CCB (Asia) will continue to leverage green finance as a driving force to promote Hong Kong's status as a green finance hub, serving as a green bridge in the Guangdong-Hong Kong-Macao Greater Bay Area, with an aim to channel more capital toward green and sustainable projects, stimulating comprehensive green transitions in economy and society, contributing to Hong Kong's and the Country's sustainable development. By strengthening collaboration with our stakeholders, we aim to broaden our collective impact and drive meaningful progress toward a sustainable future.

## IX. HKMA'S SPM MODULE GS-1 "CLIMATE RISK MANAGEMENT" INDEX

Disclosures in this report are prepared in line with the disclosure requirements and recommendations of the HKMA's SPM module GS-1 "Climate Risk Management".

Disclosure Description	Section(s)
<b>Governance</b>	
a) Describe the board's oversight of climate-related risks and opportunities	
The board's oversight of climate-related issues, including processes and frequency by which the board and/or board committees are informed about climate-related issues; how the board considers climate-related issues when reviewing and guiding areas including strategy and plans; and how the board monitors and oversees progress against climate-related targets.	GOVERNANCE – Our Climate-related Governance Structure
b) Describe management's role in assessing and managing climate-related risks and opportunities	
The management's role related to the assessment and management of climate-related issues, including whether they report to the board; description of organizational structures; processes to be informed of climate-related issues; and how climate-related issues are monitored.	GOVERNANCE – Our Climate-related Governance Structure

<b>Strategy</b>	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	
Short-, medium-, and long-term time horizons; climate-related issues potentially arising in each time horizon that could have a material financial impact on the organization; and the processes used to determine climate risk and related opportunities.	STRATEGY – Climate Strategy and Impacts
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	
How identified climate-related issues affect businesses, strategy, and financial planning; the impact of climate-related issues on financial performance and financial position; initiatives taken to reduce greenhouse gas emissions; and climate scenarios used to inform strategy and financial planning.	STRATEGY – Climate Strategy and Impacts
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios (including a 2°C or lower scenario)	
Resilience of strategies to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.	STRATEGY – Climate Resilience Assessment

**Risk Management**

a) Describe the organization’s processes for identifying and assessing climate-related risks

Risk management processes for identifying and assessing climate-related risks, including how the relative significance of climate-related risks is determined in relation to other risks; and how existing and emerging regulatory requirements related to climate change is considered.

RISK MANAGEMENT -  
Transforming Climate Risk into Actionable Risk Metrics;  
Assessing and Managing Climate Risk Across Financial Pillars

b) Describe the organization’s processes for managing climate-related risks

Processes for managing climate-related risks, including how decisions are made to mitigate, transfer, accept, or control those risks; and processes for prioritizing climate-related risks.

RISK MANAGEMENT -  
Enhancements to Climate Risk Management;  
STRATEGY –  
Flexibility and Responsiveness to Climate-related Initiatives

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.

RISK MANAGEMENT -  
Enhancements to Climate Risk Management

**Metrics and Targets**

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

Key metrics used to measure and manage climate risk and opportunities; and internal carbon prices as well as climate-related opportunity metrics (if applicable).	<p>METRICS AND TARGETS – Climate-related Targets The Bank will explore the possibility of setting internal carbon prices.</p>
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b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks

Scope 1, scope 2, and scope 3 emissions (if applicable) and its related risks.	<p>METRICS AND TARGETS – 2025 Operational Actions The Bank will disclose possible Scope 3 emission.</p>
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c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Key climate objectives in response to anticipated regulatory requirements, market changes, or other objectives	<p>METRICS AND TARGETS – Climate-related Targets; Looking Forward The Bank will continuously review the result and update roadmap for Operation Net Zero by 2030.</p>
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End



**中国建设银行(亞洲)**  
China Construction Bank (Asia)