CHINA EVERBRIGHT BANK (EUROPE) S.A.
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SUSTAINABILITY AND CLIMATE REPORT

Transition Finance Between Europe and Asia

Sustainability disclosures for the financial year 2025, prepared with reference to the European Sustainability Reporting Standards and the Pillar 3 ESG templates.

FINANCIAL YEAR	1 January - 31 December 2025
REPORTING FRAMEWORKS	ESRS / CSRD, ITS (EU) 2022/2453, TCFD
REPORTING ENTITY	China Everbright Bank (Europe) S.A.
ASSURANCE	Limited assurance on selected indicators
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01 OUR SUSTAINABILITY POSITION

A bridge bank can move capital, not just report on it

The bank's balance sheet is small relative to the European banking system, but it sits at a specific junction: the financing of European industrial and infrastructure assets, and the trade flows that connect European and Asian supply chains. That is where the bank's sustainability effort is concentrated, because it is where the bank's decisions actually change outcomes.

- No new financing for thermal coal extraction or coal-fired power generation, and no financing of new unabated fossil-fuel exploration.
- Enhanced due diligence, including a transition-plan assessment, for all new lending to carbon-intensive manufacturing sectors.
- Sustainability-linked structures counted only where key performance indicators are material, externally verified and carry a two-way margin consequence.
- Trade-finance documentation aligned with the Carbon Border Adjustment Mechanism so that embedded-emissions data flows with the goods rather than being reconstructed later.

EUR 372 m	298 tCO2e	100%	44%
Green & SLL commitments	Scope 1 + 2 emissions	Renewable electricity	Women in workforce
+38.8% year on year	-16.3% year on year	Luxembourg premises	33% in senior leadership

02 DOUBLE MATERIALITY

What matters, and to whom

The double materiality assessment was refreshed during 2025 with input from clients, employees, the parent, and the bank's principal service providers. Impact materiality was assessed on scale, scope and remediability; financial materiality on the likelihood and magnitude of effect on the bank's own results and capital.

Topic	Impact materiality	Financial materiality	Primary lever
Climate change mitigation	High	High	Lending and trade finance
Climate change adaptation	Medium	Medium	Collateral and sector policy
Pollution and resource use	Medium	Low	Sector due diligence
Business conduct and anti-corruption	High	High	Compliance framework
Own workforce	Medium	Medium	People policies
Workers in the value chain	High	Medium	Supply-chain finance criteria
Data protection and security	High	High	ICT and DORA framework
Financial inclusion	Low	Low	Not a retail bank

Where the assessment changed

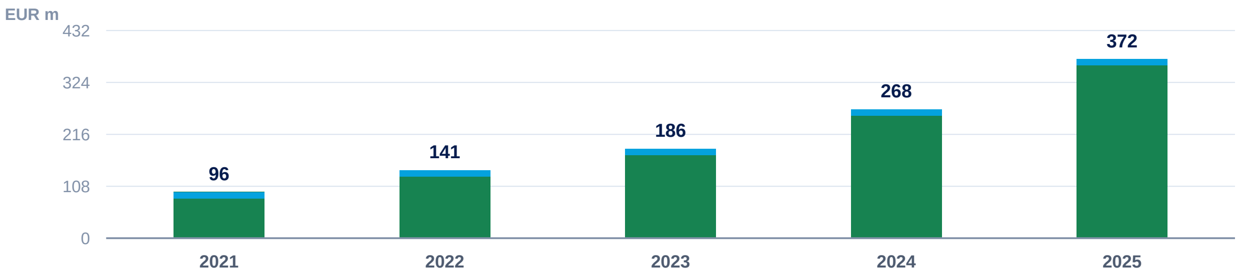
Workers in the value chain moved from medium to high impact materiality following the 2025 review, reflecting the bank's growing share of supply-chain and receivables finance in sectors with documented labour risk. Enhanced supplier declarations are now a condition of new programmes in those sectors.

03 TRANSITION FINANCE

Green and sustainability-linked portfolio

Green and sustainability-linked commitments

EUR million, at 31 December



Use of proceeds category	2025 (EUR m)	2024 (EUR m)	Share 2025
Renewable energy generation	128	92	34.4%
Energy efficiency and electrification	74	51	19.9%
Clean transport and rolling stock	62	44	16.7%
Green buildings	48	36	12.9%
Water and circular economy	26	18	7.0%
Sustainability-linked general corporate	34	27	9.1%
Total	**372**	**268**	**100.0%**

Transition finance by category

Share of green and SLL commitments, FY 2025

04 CLIMATE RISK IN THE LOAN BOOK

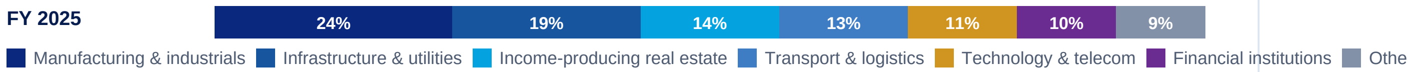
Physical and transition risk exposure

Transition risk is assessed by mapping the loan book to the sectors identified as climate-policy relevant in the Pillar 3 ESG templates. Physical risk is assessed on the location of collateral and of the borrower's principal operating assets, using flood, heat-stress and water-stress hazard data at NUTS-3 level.

Exposure category	Gross exposure (EUR m)	Share	Weighted avg. maturity
Climate-policy relevant sectors	1,142	54.6%	4.1 years
of which: with published transition plan	784	37.5%	4.3 years
of which: subject to enhanced due diligence	218	10.4%	3.4 years
Exposures excluded by sector policy	-	-	-
High physical-risk locations (acute)	96	4.6%	5.2 years
High physical-risk locations (chronic)	148	7.1%	5.8 years

Loan book by sector

Share of gross loans and advances, 31 December 2025



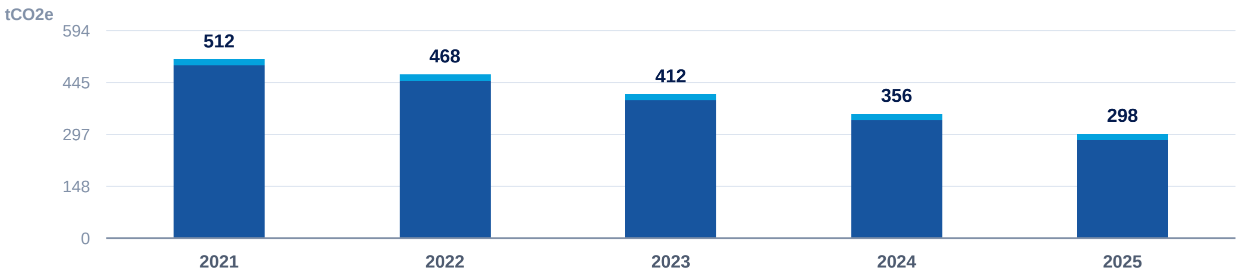
Scenario analysis uses the Network for Greening the Financial System reference scenarios. Under the disorderly transition scenario, the modelled increase in expected credit loss on the corporate book over a five-year horizon is equivalent to 11 basis points of additional annual cost of risk - material for planning, but well within the bank's capital headroom.

05 OWN OPERATIONS

Emissions, energy and travel

Scope 1 and 2 emissions

Tonnes CO2 equivalent, market-based method



Indicator	2025	2024	2023	Unit
Scope 1 (direct)	38	44	51	tCO2e
Scope 2 (market-based)	260	312	361	tCO2e
Scope 2 (location-based)	318	376	428	tCO2e
Scope 3 - business travel	486	512	468	tCO2e
Scope 3 - purchased goods and services	1,240	1,184	1,098	tCO2e
Total energy consumption	1,842	1,976	2,104	MWh
Renewable share of electricity	100	100	84	%
Emissions per FTE (Scope 1+2)	1.39	1.82	2.31	tCO2e
Paper consumption	3.2	4.6	6.1	tonnes

Scope 3 financed emissions are disclosed separately in the Pillar 3 ESG templates and are not included in the totals above.

The reduction in Scope 2 emissions reflects a full year of renewable electricity supply at the Luxembourg premises together with the consolidation of two floors following a workplace redesign. Business travel remains the largest controllable Scope 3 category; a rail-first policy applies to all journeys under 600 kilometres.

06 GOVERNANCE, PEOPLE AND CONDUCT

Oversight and social indicators

Sustainability is a standing item on the Risk Committee agenda and is reported to the Board at least twice a year. Climate and environmental risk is embedded in the credit approval process through a mandatory sustainability assessment in every credit application above EUR 5 million. Sustainability objectives form part of the balanced scorecard for authorised management.

Indicator	2025	2024	2023
Employees (FTE)	214	196	178
Nationalities represented	24	22	21
Women in workforce (%)	44	43	41
Women in senior leadership (%)	33	29	27
Voluntary turnover (%)	6.8	7.4	8.1
Average training hours per employee	31	28	24
Mandatory compliance training completion (%)	100	100	100
Whistleblowing reports received	2	1	1
Confirmed corruption incidents	0	0	0
Material data-protection breaches	0	0	0

Conduct and anti-financial crime

The bank applies the Luxembourg anti-money-laundering framework and the group standards of the parent, with enhanced due diligence on all cross-border trade transactions involving dual-use goods or sanctioned jurisdictions. Sanctions screening is performed on every payment message and every trade document set, pre-execution.

07 METRICS SUMMARY AND BASIS OF PREPARATION

Indicators, boundaries and assurance

Metric	2025	2024	Basis
Green and SLL commitments (EUR m)	372	268	Signed commitments
Green share of new lending (%)	27.4	21.6	By commitment value
Scope 1 + 2 emissions (tCO2e)	298	356	Market-based
Renewable electricity (%)	100	100	Contractual instruments
Climate-relevant sector exposure (%)	54.6	56.2	ITS 2022/2453 mapping
Exposures under sector exclusion	0	0	Policy compliance
Employees (FTE)	214	196	Year-end headcount
Women in senior leadership (%)	33	29	Authorised mgmt + heads

Basis of preparation

Reporting boundaries cover the bank's Luxembourg operations, which represent the whole of its own operations. Emissions are calculated in accordance with the Greenhouse Gas Protocol using supplier-specific factors where available and national grid factors otherwise. Selected indicators, marked in the bank's full ESG data appendix, are subject to limited assurance by an independent practitioner.

Important notice
This report sets out the bank's sustainability disclosures. Selected indicators, marked in the bank's full ESG data appendix, are subject to limited assurance by an independent practitioner. Nothing here is an offer of securities or investment advice.