

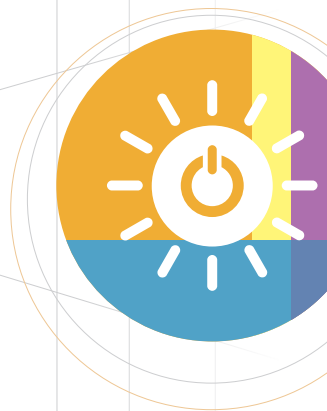
# 2020

## Annual Sustainability Report

INDUSTRIAL BANK CO.,LTD.



Annual Sustainability Report 2020



# ◎ Declaration ◎

## ◎ Notice

The Company's Board of Directors and all directors hereby warrant that the information contained in this report is free from any false representation, misleading statement or material omission, and assume joint and several liabilities for the truthfulness, accuracy and completeness of the contents herein contained.

## ◎ Report name

"Sustainability Report" is the name of the corporate social responsibility annual report by Industrial Bank. This name reflects a combination of the Bank's corporate governance philosophy of sustainable development and corporate social responsibility.

## ◎ Reporting period

The reporting period was from January 1, 2020 to December 31, 2020. Part of the contents spanned beyond this time frame boundary.

## ◎ Reporting cycle

This report is an annual report.

## ◎ Organizational scope of the report

This report covered all contents of the Company and partial contents of its subsidiaries.

## ◎ Designations

"Industrial Bank", "the Company" and "the Bank" used in this report all refer to Industrial Bank Co., Ltd.

## ◎ Basis of compilation

This report was prepared in accordance with the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions (YJBF [2007] No. 252) issued by the China Banking Regulatory Commission, the Notice on Strengthening the Undertaking of Social Responsibility of Listed Companies and the Release of the Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies and the Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibility, and the Notice on Further Improving the Poverty Alleviation Information Disclosure of

Listed Companies promulgated by the Shanghai Stock Exchange, and the Guidelines for Corporate Social Responsibility of China's Banking Financial Institutions released by the China Banking Association, along with major reference to relevant contents of the following documents:

- UN Sustainable Development Goals (SDGs)
- Principles for Responsible Banking (PRB) released by the United Nations Environment Programme
- Equator Principles IV
- The Global Sustainability Standards Board (GSSB) GRI Standards
- Social Responsibility Guidelines (GB/T 36000-2015), Social Responsibility Report Writing Guidelines (GB/T 36001-2015) and Social Responsibility Performance Classification Guidelines (GB/T 36002-2015) jointly released by the State Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration
- ISO Guidance on Social Responsibility (ISO26000)
- The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) released by the Chinese Academy of Social Sciences

## ◎ Data in the report

Part of financial data in this report originated from the Company's 2020 financial report, with some involving data from previous years. There are no material changes on the data acquisition and calculation methods. Unless otherwise stated, currency data in the report are in RMB.

## ◎ Report availability

This report was released both in hard copies and online. The online version is available at the Company's website [www.cib.com.cn](http://www.cib.com.cn).

## ◎ Priority of language

This report was published in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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Tao Yiping, Director, President

## President's Statement

The past 32 years have witnessed the Industrial Bank Co., Ltd. (IB) pressing forward with courage for sustainable development. It has been making every effort to fulfill the original aspiration of "exploration for financial reform and dedication to economic development" and the mission of "sincere services, mutual growth". In 2008, IB took the lead in adopting the Equator Principles, creatively put forward the social responsibility view of "integrating righteousness into profitability", and actively explored diverse ways to fulfill our social responsibilities, striving to achieve harmony between man and nature, environment and society. This not only reflects our idealistic vision but also conveys our development concept as a responsible and innovative bank.

IB has always kept in mind both the internal and international imperatives. In the face of COVID-19 outbreak, we maintained our strategic focus and tackled difficult problems directly in a down-to-earth manner, with satisfactory results that honor our responsibilities to clients and society. We earnestly put into practice the "three major tasks" of the financial sector, and made unremitting efforts to transform from high-speed growth to high-quality growth, from being scale-oriented to being value-oriented and from being product-centric to being customer-centric, so as to further consolidate our sustainable development practice.

We provided professional financial services for COVID-19 epidemic prevention and control. Well-conceived decisions were made to maintain basic needs along with a timely leadership mechanism in response to ensure the smooth implementation of measures and continuous financial services. We launched the Fujian Financial Services Cloud Platform and issued a variety of bonds for epidemic prevention and control, which played an important role in fighting against COVID-19. For hard-hit enterprises, we provided loans and repayment extensions, as well as bailout and buyout funds, and opened fast-track channels to help them out of difficulties at a faster pace. As a result, the Bank entered the list of exemplary cases at the event "Power of Brands in Global Response to COVID-19" in 2020.

In 2020, we accelerated the rolling out of the "1234" strategy that further upgraded our services. By the end of 2020, the total IB assets were RMB 7.89 trillion, up 10.47% over the beginning of the same reporting period. With good profitability, the business income in 2020 reached RMB 203.137 billion, a year-on-year increase of 12.04%; the total yearly profit was RMB 76.637 billion, a year-on-year increase of 2.86%. At the end of the reporting period, IB's balance of non-performing loans (NPL) was 49.656 billion, a NPL ratio of 1.25%, which dropped 0.29 percentage point from the beginning of the reporting period. Independently developed by IB on the basis of big data intelligent risk control, the online financing system for small- and micro-sized enterprises has effectively alleviated their financing difficulties and high financing cost. As of the end of 2020, more than 20,000 enterprises had applied for financial services such as "Quick Easy Loan", "Quick Mortgage Loan", "Contract Loan" and "e-Bill Loan" via this system. In addition, IB made 213 rural small and medium-sized banks gain access to the large and small-sum payment system of the People's Bank of China, 64 to the online payment inter-bank clearing system, and 135 to the NetsUnion respectively, through its agency service on the

"Bank-Bank Platform". This has improved the rural financial payment environment and addressed their difficulty in payment.

We made efforts to protect stakeholders' interests and promote the harmony between ecological the environment and people's livelihood. We paid long-term attention to the reasonable return on investment of investors. Since 2012, IB's cash dividend rate has stayed above 20% with a steady and moderate growth, staying above 23.5% in recent three years. Having achieved the "Two Ten-Thousands" mid-term goal (i.e., the financing balance of green finance to reach RMB 1 trillion and the number of customers of green finance to reach ten thousand) ahead of time, IB has defined green banking as one of its three focuses (i.e., three brands: green banking, wealth banking and investment banking) for the next five years. In 2020, we implemented the "Two Mountains Theory" and made diversified efforts to boost green development and green poverty alleviation. We continuously protected consumer rights and interests and adopted an automatic complaint classification and analysis system to optimize consumption experience in products, businesses, processes and service systems. As a result, we were rated Grade A by the head office of the People's Bank of China for our outstanding efforts in consumer protection.

In 2020, we kept optimizing our governance system to consolidate both the hardware and software environments. We worked to improve the consumer protection mechanism and the construction of complaint system at the corporate governance level, so as to strengthen internal supervision and evaluation. A total of 28 IB outlets were rated "Best One Thousand Outlets". We carried out events focusing on "IB Rule of Law", "IB Voyage" and "System and Governance Year", as well as publicity activities like "chief managers' speeches on integrity" and "Integrity Classroom", which continuously consolidated the foundation for internal control. In 2020, both the market position and social image of IB were steadily improved. It ranked 21st and 27th among Top 1,000 World Banks in 2020 by tier 1 capital and total assets respectively recognized by The Bankers (British magazine), and won a number of awards like "Best Chinese Sustainable Bank" and "Asian Commercial Bank of the Year".

2021 is the year in which the timeframes of the Two Centennial Goals converge, which also marks the launch of China's 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives through the Year 2035. As China enters a new development stage, IB will keep in mind its mission, follow the new development philosophy and actively serve and engage ourselves into the new development pattern. We will, with a more perfect and reliable governance system, more reasonable and sound business orientations and a more competitive market image that gives more consideration to the rights and interests of various stakeholders, strive to start a new phase of high-quality development, get off to a good start for the 14th Five-Year Plan, contribute more to economic and social development, and mark the 100th anniversary of the founding of the CPC with better performance.

Tao Yiping, Director, President





Jiang Yunming, Chairman of the Board of Supervisors



Chen Jinguang, Director, Vice President



Chen Xinjian, Director, Vice President, Secretary to the Board of Directors



Sun Xiongpeng, Vice President



Zhang Guoming, Supervisor



The essence of management lies in the way of righteousness

# MANAGEMENT

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## ● SDGs

 8. Decent work and economic growth	Risk compliance management
 12. Responsible consumption and production	Anti-corruption policies and training
 13. Climate action	Anti-money laundering compliance management and professional skills training
 16. Peace, justice and strong institutions	Access to finance
 17. Partnerships for the goals	Stakeholder communication

Specific data	2020
Number of independent board directors	5
Number of key issues set for discussion according to stakeholder questionnaires	16
Number of outlets	159 branches (including 113 tier-two branches) and 2003 branch agencies
Publicity activities for the Demonstration Year of "IB Voyage" Compliance Operation	More than 400 activities
Number of participants in anti-corruption trainings	56,897

# Overview of IB

## ■ About IB ■

Founded in 1988 and headquartered in Fuzhou, Fujian Province, Industrial Bank Co., Ltd. (Industrial Bank for short) was listed on the Shanghai Stock Exchange in 2007 (stock code: 601166). It's one of the first joint-stock commercial banks approved by the State Council and the People's Bank of China, and it's also the first Equator Bank in China. Now it has grown into a mainstream commercial bank group in China with banking as its main business while also covering trust, financial leasing, money management, funds, futures, asset management, consumer finance, research and consultation, and digital finance, ranking among the top 30 banks in the world and Fortune Global 500.

Upholding a customer-oriented service principle, Industrial Bank pursues a multi-channel and multi-market approach, and continuously expands its services. Currently, it has 45 tier-one branches (including Hong Kong Branch) and 2,003 branch agencies. It has created well-functioning online channels such as online banking, telephone banking, mobile banking and WeChat banking, forming a nationwide customer service network that features both online service and offline outlets along with domestic and overseas connections. Industrial Bank has built up a cross-market financial service system integrating online and offline banking, domestic and foreign currencies, offshore and onshore finance and investment and financing.

## ■ Corporate governance ■

### ■ Board of Directors

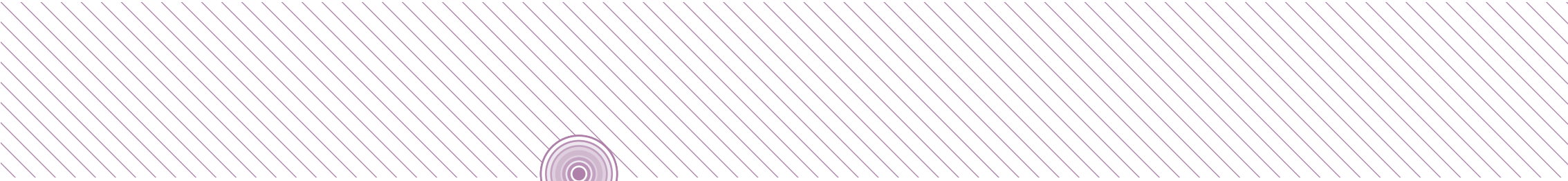
Diversified composition of the Board of Directors: By the end of 2020, the Board of Directors has 13 members, among whom five are equity directors, three are executive directors, and five are independent directors. This diversified structure in terms of professions, regions and occupations is favorable for the Board to take a wider view during decision-making and make decision-making more reasonable and targeted for the Bank's sustainable development.

The Board of Directors has five committees, namely, the Strategy Committee, Risk Management and Consumer Rights & Interests Protection Committee, Audit and Related Party Transactions Control Committee, Nomination Committee, and Remuneration Assessment Committee. The chairmen of the four committees other than the Strategy Committee are all independent directors. All five committees have done a good job in assisting the Board when making decisions. The main opinions of the committees are circulated to all directors and supervisors by their chairmen at the Board meetings before the Board makes decisions.

### ■ Board of Supervisors

The Bank has eight supervisors, including two shareholder supervisors, three employee supervisors and three external supervisors by type. The Board of Supervisors has two special committees, namely, the Supervision Committee and the Nomination, Remuneration and Assessment Committee. Their chairmen are both external supervisors.





# “Integrating Righteousness into Profitability” : Promoting Sustainable and High-quality Development through Fulfillment of CSR



## ■ Sustainable CSR management system ■

### Sustainable corporate governance philosophy

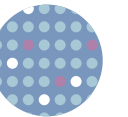
We deepen our understanding of the relationship between social responsibilities of the Bank and its own sustainable development to explore multiple ways of pushing the Bank to practice its social responsibilities for harmonious co-existence among humanity, nature, environment and society.

### Sustainable development strategies

The Bank continuously guided and encouraged active exploration in fulfilling environmental and social responsibilities in various ways to build a long-term sustainable development mechanism. We are deeply aware of our social and environmental responsibilities as a commercial bank, incorporated ESG into the strategy and planning of the Group and set corresponding strategic development goals.

### CSR management system

In 2020, the Bank thoroughly implemented the “1234” strategy. It issued the Management Measures for Corporate Social Responsibility by reference to domestic and foreign standards. By upgrading the new CSR indicator system, standardizing the requirements on CSR information reporting, and determining the process for preparation and disclosure of CSR reports, the Bank further improved the CSR management system for better institutional and normative strengthening of its CSR practice featuring “Integrating Righteousness into Profitability”. With an integrated approach to evaluate and manage the risks and opportunities of sustainable development, the Bank improved its governance capabilities to further promote sustainable development in its operation and management.

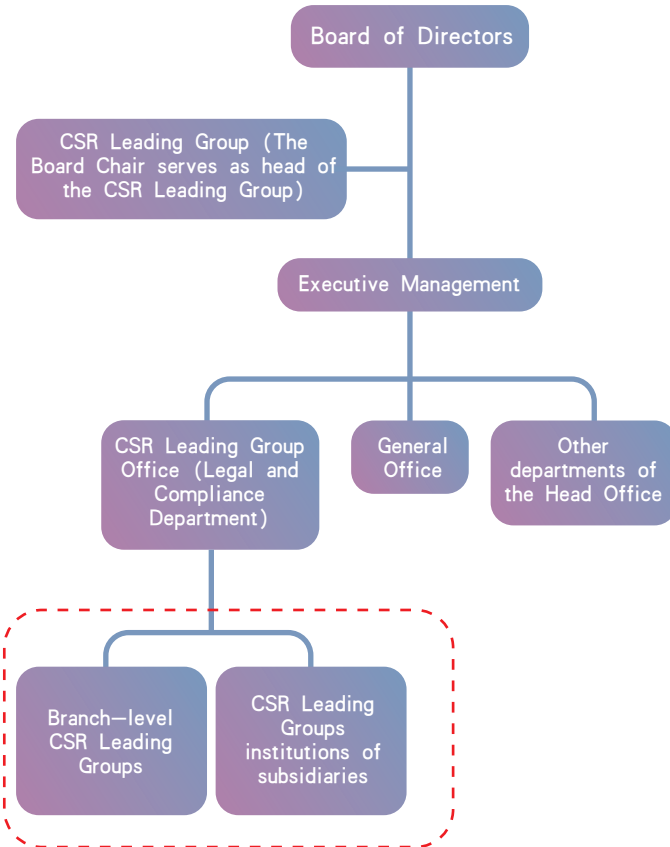


**Organizational Structure:**

The Strategic Committee under the Board of Directors is the highest decision-making body for the Bank's CSR management.

The CSR Leading Group of the Head Office is the direct leading body of the Bank's CSR work.

The CSR leading groups of IB branches are the direct leading body of each branch's CSR work, and IB subsidiaries jointly participate in the CSR work.



**Working mechanism**

By virtue of the mechanism that links the CSR work between the Head Office and branches as well as between the parent bank and the subsidiaries, the Bank standardizes the regular information reporting system, and evaluates and assesses the Group's CSR performance on a regular basis. This allows effective embedding of CSR into its business lines and management departments.

**Indicator system**

The CSR indicator system of the Bank includes five indicators: organizational governance (G), economy (EC), environment (EN), society (S) and others.

**Putting into practice the concept of responsible banking to boost high-quality development**

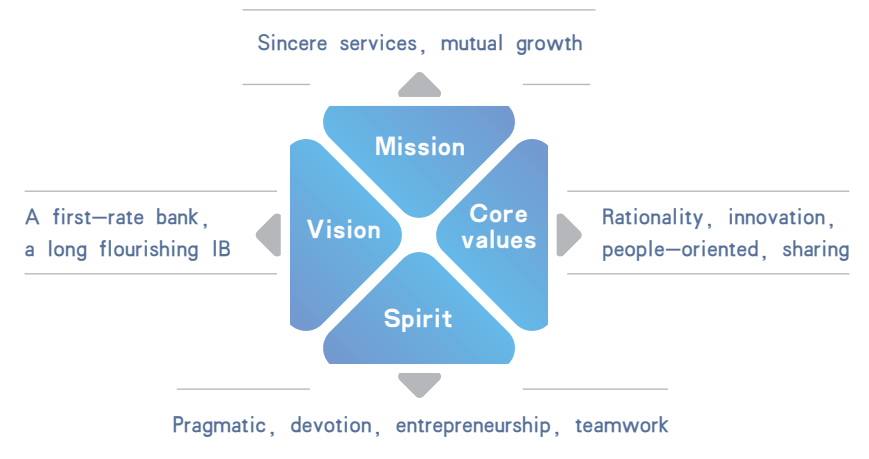
**Strengthening governance of responsible banking**

The Articles of Association of IB defines the business philosophy of sustainable development, the decision-making function of the Board of Directors and its Strategy Committee concerning sustainable development, as well as the responsibility of the Risk Management and Consumer Protection Committee of the Board of Directors to evaluate and manage the overall risk management issues, including environmental and social risks.

During the reporting period, the Board of Directors of the Bank deliberated and adopted the Outline of the Development Plan (2021–2025), proposing the sustainable development concept that corporate development should take into account environmental, social and governance factors. The Board of Directors and subordinate committees also deliberated the 2019 Annual Sustainability Report of the Company and regular comprehensive risk evaluation reports, listened to the report on the development of green finance, and made further arrangements on implementing the sustainable development concept and optimizing the organizational structure of green finance, product innovation as well as environmental and social risk management.

**Cultivating a corporate culture of responsible banking among employees**

With the internal publication IBer Journal as a major platform, the Bank launched online courses through the "IB Knowledge" app and the Bank's electronic training platform "Internet Institute." They help get IB's sustainable development-oriented value criteria, corporate culture and business philosophy across to employees for better compliance with the Principles for Responsible Banking.

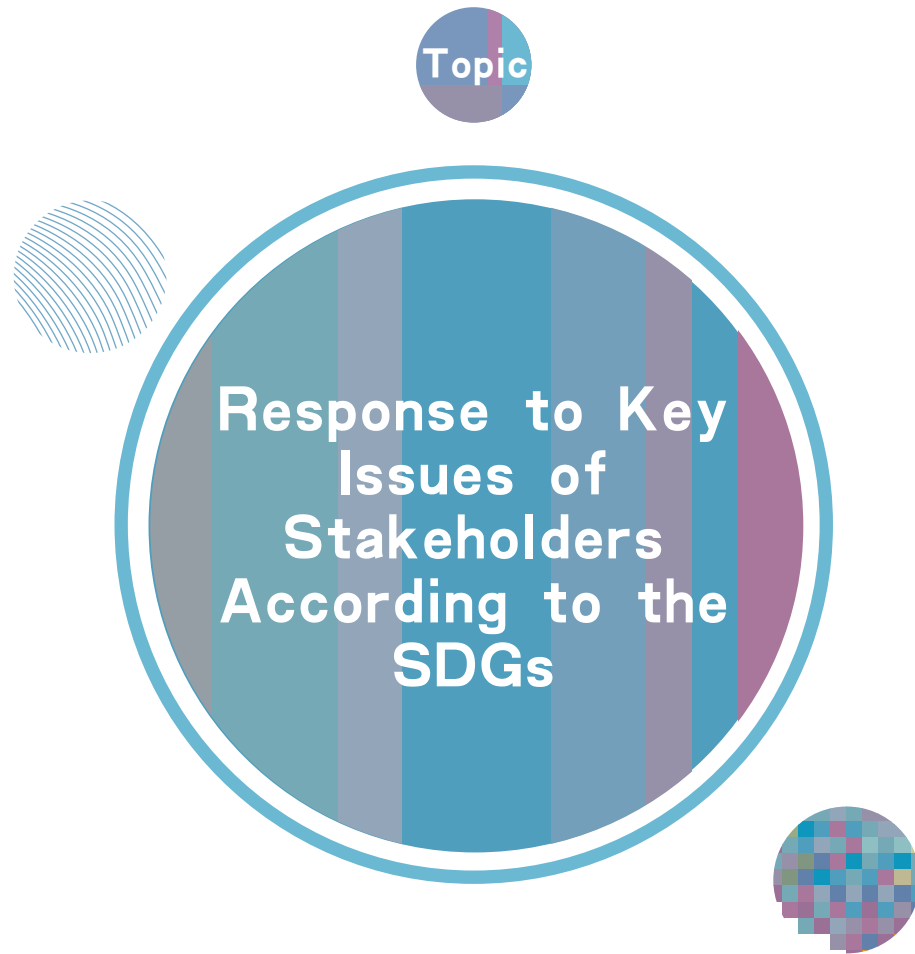


**Improving the level of PRB implementation and information disclosure**

In recent years, IB has actively supported national strategies such as pollution control and the protection of the Yangtze River and contributed ideas to boost local green development. In terms of environmental and social risk management, the Bank has gradually established a policy system for environmental and social risk management, adopted the ideas, tools and methods in the Equator Principles to conduct relevant work and embedded them into the whole process of credit granting.

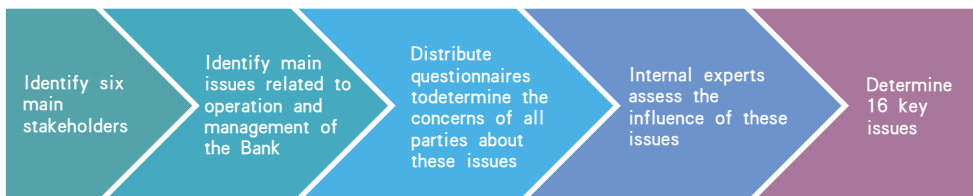
At the same time, IB engaged itself in green office, poverty alleviation, COVID-19 prevention and control and the Earth Hour event, improved the level of information disclosure through multiple channels and actively strengthened interaction with stakeholders. Currently, the Bank is at the leading level of domestic banking ESG rating by MSCI and other domestic and foreign mainstream ESG evaluation systems.



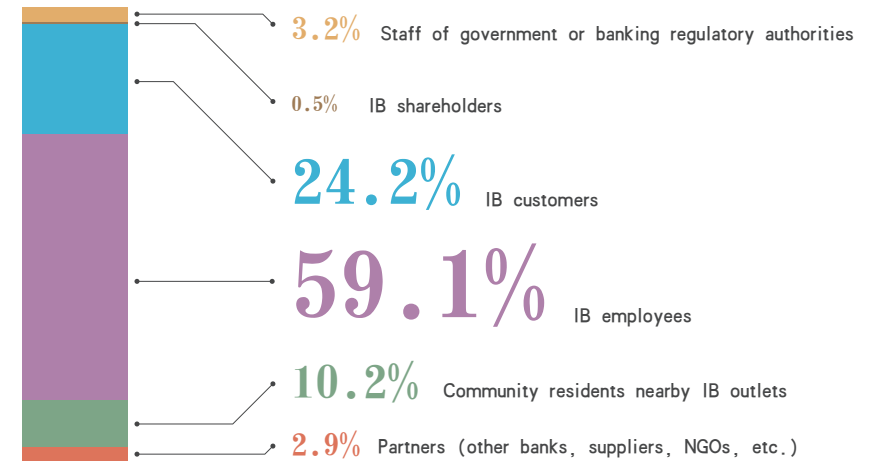


■ Procedures for assessment of key issues ■

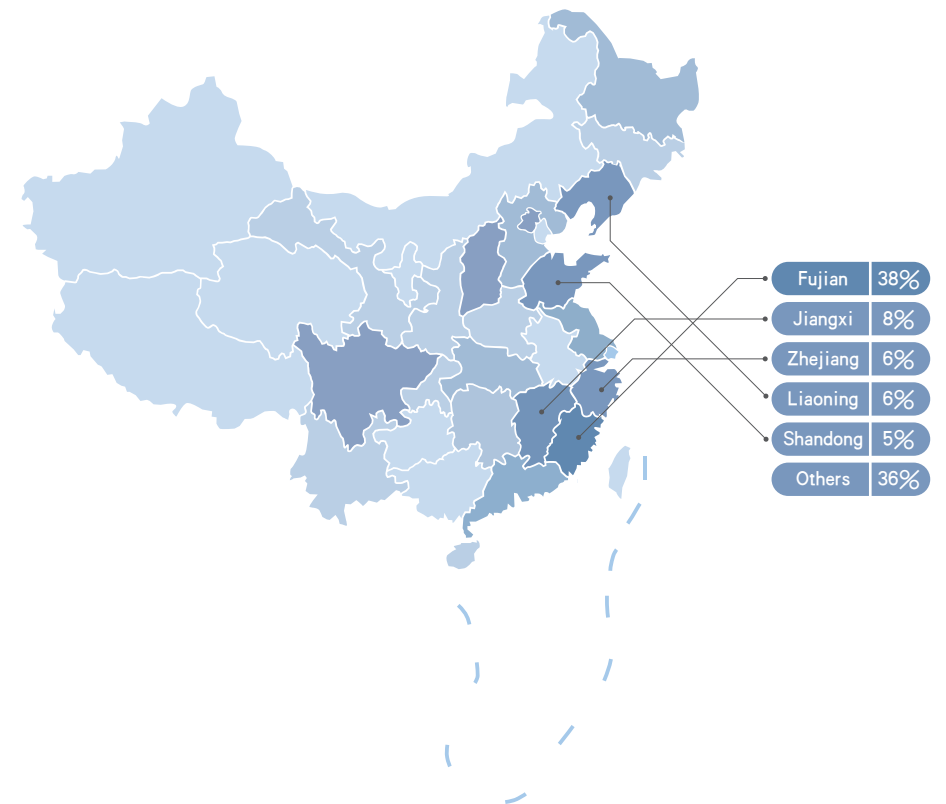
In 2020, the Bank analyzed the key issues on the Group's social responsibilities to learn about the concerns of various stakeholders about the Bank and identify the key issues on the Bank's sustainable development. The procedures for importance analysis of key issues are as follows:



■ Grouping distribution of questionnaires collected from stakeholders



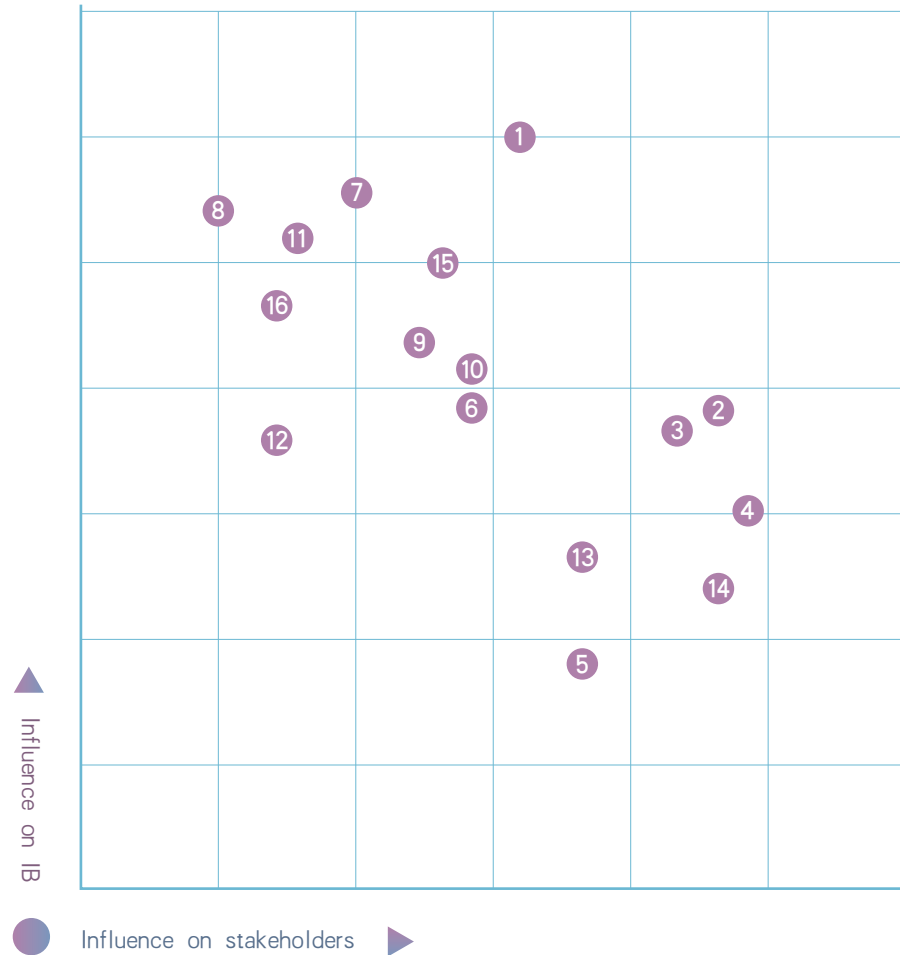
The top five provinces, municipalities and autonomous regions by the number of questionnaires collected were Fujian, Jiangxi, Zhejiang, Liaoning and Shandong.



## ■ UN Sustainable Development Goals (SDGs) ■

The questionnaires also included the concern of stakeholders about SDGs. According to the feedbacks, the top ten most concerned goals are clean water and sanitation, zero hunger, quality education, good health and well-being, gender equality, affordable and clean energy, reduced inequalities, responsible consumption and production, climate action, and peace, justice and strong institutions.

## ■ Matrix of key issues ■



















<p>1</p> <p>Strategic objective of sustainable development and its implementation</p>	<p>2</p> <p>Improvement of the risk management system of the Bank</p>	<p>3</p> <p>Enhancement of the compliance and internal control management of the Bank</p>	<p>4</p> <p>Measures of the Bank for combating corruption and upholding integrity</p>
<p>5</p> <p>Establishment of the corporate culture of responsible banking</p>	<p>6</p> <p>Negotiation, interaction and cooperation with stakeholders in an active and responsible manner</p>	<p>7</p> <p>Measures of the Bank for serving the real economy and boosting the country's high-quality development</p>	<p>8</p> <p>Innovative products and services of the Bank to support private small- and micro-sized enterprises</p>
<p>9</p> <p>Measures of the Bank for better customer service experience</p>	<p>10</p> <p>Measures of the Bank for protecting customer rights</p>	<p>11</p> <p>Measures of the Bank to support ecological civilization construction through green finance</p>	<p>12</p> <p>Measures of the Bank for stronger environmental and social risk management</p>
<p>13</p> <p>Measures of the Bank for employee training and vocational development planning</p>	<p>14</p> <p>Practice and cases of rights, benefits and welfare of employees of the Bank</p>	<p>15</p> <p>Products and services for people's well-being (such as housing, education, pension, entertainment and health)</p>	<p>16</p> <p>Innovative measures, data and cases of the Bank for poverty alleviation and rural revitalization</p>

## Enhanced interaction with stakeholders to improve information transparency

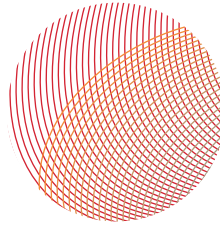
The Bank identified 16 key issues according to the Sustainable Development Goals (SDGs) of the United Nations, took corresponding measures and disclosed information via multiple channels to respond to related concerns.

Stakeholders	Key issues	Corresponding SDGs	Our responses and measures
Staff of government or banking regulatory authorities	<ol style="list-style-type: none"> <li>Improvement of the risk management system of the Bank</li> <li>Enhancement of the compliance and internal control management of the Bank</li> <li>Measures of the Bank for combating corruption and upholding integrity</li> </ol>	 16. Peace, justice and strong institutions  17. Partnerships for the goals	For details, please refer to the Management section
IB shareholders	<ol style="list-style-type: none"> <li>Strategic objective of sustainable development and its implementation</li> <li>Negotiation, interaction and cooperation with stakeholders in an active and responsible manner</li> </ol>	 8. Decent work and economic growth  13. Climate action  17. Partnerships for the goals	For details, please refer to the Management section
IB customers	<ol style="list-style-type: none"> <li>Measures of the Bank for serving the real economy and boosting the country's high-quality development</li> <li>Innovative products and services of the Bank to support private small and micro-sized enterprises</li> <li>Measures of the Bank for better customer service experience</li> <li>Measures of the Bank for protecting customer rights</li> <li>Measures of the Bank to support ecological civilization construction through green finance</li> </ol>	 7. Affordable and clean energy  8. Decent work and economic growth  9. Industry, Innovation and infrastructure  10. Reduced inequalities  11. Sustainable cities and communities  13. Climate action  17. Partnerships for the goals	For details, please refer to the Development and Environment sections

Stakeholders	Key issues	Corresponding SDGs	Our responses and measures
IB employees	<ol style="list-style-type: none"> <li>Measures of the Bank for employee training and vocational development planning</li> <li>Practice and cases of rights, benefits and welfare of employees of the Bank</li> <li>Establishment of the corporate culture of responsible banking</li> </ol>	 4. Quality education  5. Gender equality  8. Decent work and economic growth  12. Responsible consumption and production  13. Climate action	For details, please refer to the sections of Management and Giving Back to the Community
Community residents nearby IB	<ol style="list-style-type: none"> <li>Products and services for people's well-being (such as housing, education, pension, entertainment and health)</li> <li>Innovative measures, data and cases of the Bank for poverty alleviation and rural revitalization</li> </ol>	 1. No poverty  2. Zero hunger  3. Good health and well-being  4. Quality education  6. Clean water and sanitation  10. Reduced inequalities  11. Sustainable cities and communities	For details, please refer to the section of Giving Back to the Community
Staff of government or banking regulatory authorities IB customers Partners (other banks, suppliers, NGOs, etc.)	<ol style="list-style-type: none"> <li>Measures of the Bank for stronger environmental and social risk management</li> </ol>	 6. Clean water and sanitation  7. Affordable and clean energy  12. Responsible consumption and production  13. Climate action	For details, please refer to the Environment and Practice sections

**Our disclosure channels include:**

- Annual Sustainability Report (Annual CSR Report)
- Reading materials of "Green to Gold" CSR Special Issue
- The column of "Corporate Social Responsibility (CSR)" on the official website  
<http://www.cib.com.cn/cn/home/hot/social.html>
- The column of "About IB" on the official website  
<http://www.cib.com.cn/cn/aboutCIB/about/news/>
- WeChat official account
- The Bank disclosed 652 articles of CSR reports via national key media agencies such as People's Daily, Xinhua News Agency, Economic Daily, China National Radio and China Central Television (CCTV), as well as a number of network media outlets such as sina.com, sohu.com, news.qq.com, 163.com and ifeng.com.



## Steady Operation Leads to Sustainable Development: Strengthening Implementation and Governance Capacity in Risk Control and Compliance Management



Industrial Bank continuously improved its risk control and compliance management system and paid attention to risk control as a key link in the financial business chain, so as to guarantee steady and high-quality financial supply.

### ■ Deepening reform in risk management system ■

Industrial Bank keeps reforming and improving its risk management system. There are three risk defense lines with clear assignment of responsibilities, namely the front, middle and back offices, which discipline and promote each other.

- On the basis of overall relative independence of the risk management department, some of risk management and examination and approval windows were embedded into all business lines and conducted matrix management.
- Explored to build a management mechanism corresponding to the Group's business development pattern of "big investment banking, big asset management and big wealth".
- Actively established a risk management and control system in which traditional and emerging businesses run in parallel, improved the risk review system of traditional commercial banking for professional client review, and forged a big data-based intelligent risk control system through process reengineering with financial technology.
- The Special Assets Management Department of the Head Office was specially in charge of strengthening special assets management.
- In daily risk management work, the business department, risk management department and internal audit department constituted the "three risk defense lines" with clear assignment of responsibilities for risk management. Each of the departments performed its own functions to jointly achieve the risk management objectives.

Meanwhile, the Bank keeps enhancing its professional capacity to guarantee orderly operation based on the professional risk control system that features standardized risk control mechanism, professionalized risk control personnel and fine division of labor.

- Formulated a development strategy with equal emphasis on service operation and risk management, established an ex-ante, interim, and ex-post risk control system with risk assets management at the core, and improved the risk management system and operating procedures of various businesses, as well as the risk accountability and punishment mechanism.
- Included various risks assumed by all kinds of businesses and clients into the comprehensive risk management category, covering credit risk, market risk, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputation risk, strategic risk, IT risk and anti-money laundering risk, etc., and further defined the responsibilities of the Board of Directors, Board of Supervisors, senior management level and operation executive level to form a comprehensive risk management system that is clear and effective.
- Continuously deepened reform in differentiated authorization and credit extension policies, strengthened research and analysis on policies, markets, businesses and operating agencies, and thoroughly understood the operational logics and profit models of various businesses, so as to get a deeper and timely understanding of the contradiction between business development and risk management of the operating agencies, adjust corresponding risk preferences and policies, and make risk management appropriate to business development.

### ■ Strengthening the management of compliance and internal control ■

In 2020, the Bank focused on "IB Rule of Law", highlighted the enhancement of institutional execution and governance capacity and seized the key link of risk control to continuously strengthen legal compliance.

#### Effective prevention and control of money laundering risks

In 2020, the Bank continued to implement the opinions of the General Office of the State Council on improving the regulatory systems and mechanisms against money laundering, terrorist financing and tax evasion, put into practice the ideas of "compliance leads to profit" and "compliance leads to success", and carried out comprehensive anti-money laundering training and education to enhance employees' compliance awareness and improve the Bank's compliance management level of anti-money laundering.

- Formulated the Manual of Duty Performance in Anti-money Laundering, which covers the anti-money laundering duties that should be fulfilled by various business lines and posts, and carried out relevant online learning and examinations among whole staff on the "IB Knowledge" app, which involved more than 60,000 participants accumulatively.
- Carried out compliance classrooms of "chief managers' speeches on anti-money laundering". More than 40 branches of the whole Bank carried out anti-money laundering compliance classrooms. The senior management level took the lead in properly fulfilling their obligations to create the "wild goose queue effect" and comprehensively enhance the Bank's anti-money laundering management level as a whole.
- Carried out anti-money laundering training at different levels. Anti-money laundering compliance management training was conducted many times targeted at the Group's middle and senior management staff and anti-money laundering functional departments, covering more than 9,000 participants.



**Case “IB Voyage” Activity continuously implemented to foster a compliance culture**

In 2020, the Bank launched the “IB Voyage” special events for the “Rules and Governance Year”. Five training sessions on anti-money laundering management and legal and compliance management were carried out among the Group’s senior management staff at the head office level, to enhance their legal awareness and establish the general requirement of “respecting, understanding and applying the law” within the Group.

In 2020, the Bank totally released more than **50** compliance risk warnings, and launched **12** “Compliance Classroom” live-streaming sessions on the “IB Knowledge” app, with a total of more than **30,000** participants; released **12** activity announcements, and shared nearly **40** articles on outstanding compliance management experience on the “IB Voyage Activities” WeChat official account; and carried out a number of special campaigns such as “IB Voyage” assessment review, system control enhancement and selection of operation compliance model outlets, IB branches and subsidiaries launched more than **400** special publicity and implementation activities, including “chief managers’ speeches on rule of law”, “chief managers’ speeches on compliance”, “primary-level compliance publicity”, etc., and published nearly **300** newsletters on compliance.



Qingdao Branch built a compliance culture exhibition hall to publicize compliance culture

Qingdao Branch’s compliance culture exhibition hall included three modules, namely the history of banking compliance supervision, IB internal compliance management (including IB Voyage events) and the branch’s development history of internal compliance control. A dozen calligraphy and painting works on the theme of compliance were also exhibited.

Guangzhou Branch launched the “chief managers’ speeches on compliance” series activities

Guangzhou Branch organized 27 sessions of “speeches of municipal branch’s chief managers on compliance” among operating agencies and carried out 78 sessions of “speeches of grassroots sub-branch heads” to publicize anti-money laundering, case prevention & control and employee behavior management among the whole staff of all city branches. The columns of “IB Voyage 2020 chief managers’ speeches on compliance” and “IB Voyage 2020 primary-level sub-branch heads’ speeches on compliance” on the “IB Knowledge” platform attracted more than 23,400 views in total.



Beijing Branch launched a series of publicity activities

Beijing Branch produced the Promotional Video on Rule of Law Education and Training at IB, and carried out the third “IB Voyage” Speech Contest on Promoting Transformation, Strengthening Service and Fulfilling Compliance, and the four “IB Voyage Cup” Compliance Knowledge Contest.

Xiamen Branch publicized the idea of “compliance leads to success” through multiple channels

Xiamen Branch organized employees to carry out “operation risk control and compliance” labor competitions, micro-course workshops, micro-film shooting of relevant cases, talent shows on the theme of compliance, etc.



Shanghai Branch launched the “IB Doctors” case prevention & control knowledge contest

A total of 4,246 employees of the branch participated, covering all the operating agencies and departments. Through this event, the operating ideas of “compliance leads to profit”, “compliance leads to success”, “all employees should work in a compliance-based manner” and “all things should be handled in a compliance-based manner” were further consolidated.



Putian Branch launched the “Constitution Week” publicity event

During the publicity week, the branch publicized the Constitution through multiple channels. It organized the learning of the Civil Code knowledge among the whole staff via the “IB Knowledge” platform and called on publicizing rule of law.





Topic

## Consolidating the Group's Business Continuity Management to Ensure Orderly Operation

The unexpected outbreak of COVID-19 in early 2020 presented a stern test to the business continuity of commercial banks. In this context, Industrial Bank made a positive response and turned the crisis into an opportunity to comprehensively consolidate the foundation for the Group's business continuity management.

IB established the Business Continuity Management Committee of the Head Office early in 2013 to coordinate business continuity management work of the Group, organize major business process identification, business impact analysis, emergency plan compilation and emergency drill, continuously integrate management resources, improve management methods, and promote management quality and efficiency. During the key stage of epidemic prevention and control, the committee led related organizations to hold meetings and study the new problems and new risks concerning personnel, workplaces and system backup resources faced by business continuity management, and established a coordination and tracing mechanism. This ensured timely response to the resource allocation demands of various organizations in business continuity management, which practically guaranteed continuous and stable service of major businesses and information systems.

With the establishment of a regular containment mechanism, Industrial Bank made continuous efforts to consolidate the gains achieved. On the one hand, the Bank integrated the practical experience in epidemic prevention and control into the business continuity management system, improved the emergency plan and launched emergency drills accordingly; on the other hand, it carried out re-inspection on the business impact analysis of the Group's business continuity, so as to make clear the key points of business continuity management and provide technical safeguard for management objectives. Industrial Bank has always been devoted to fulfilling its commitment to maintaining social financial stability and providing clients with continuous, stable, efficient and convenient financial services.

### Case Xingtai Branch's timely cross-border service in emergency

On January 30, 2020, Xingtai Branch handled an overseas transaction of US dollar bond for a large-scale group. The due date was January 29, 2020, coinciding with China's statutory holiday. Besides, the COVID-19 epidemic escalated. If the money wasn't transferred overseas until upon the due date of the bond, there would be many uncertainties. And if the principal and interest of the bond failed to be remitted on time, it would cause bond default and had great negative effects on its business reputation and operation.

In response, Xingtai Branch coordinated the front, middle and back offices and managed to complete the information review of overseas settlement agency bank, tax filing, delivery of derivatives business for clients and preparations for foreign exchange payment procedures for this transaction within two days. It managed to remit the principal and interest on the morning of the workday right before the Spring Festival holiday. In the face of emergency, Xingtai Branch did a good job both in epidemic prevention and control and preparatory work for business handling, which saved a lot of time for the client to make repayment on schedule.

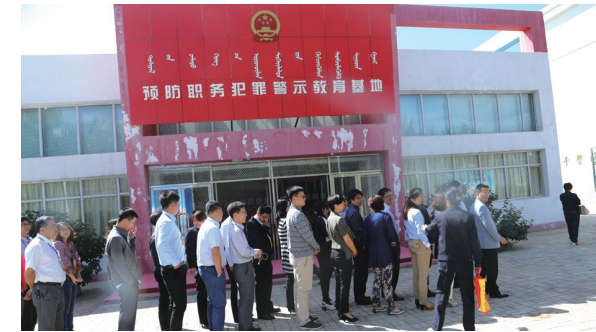
# Combating Corruption and Upholding Integrity

	2020
Number of trainings on anti-corruption policies	534
Number of participants in anti-corruption trainings	56,897



Quanzhou Branch launched the “micro-videos on financial anti-corruption” series activities

Quanzhou Branch collected micro-videos and scripts on “financial anti-corruption” from various units and the whole staff of the branch, and invited Quanzhou TV and some of the branch's employees to shoot two micro-videos. The micro-video Inheritance won the first prize in the “micro-videos on financial anti-corruption” works collection activity held by the Quanzhou Office of the China Banking and Insurance Regulatory Commission.



Hohhot Branch launched the “Integrity Education Month” campaign

The campaign included learning typical cases of violations of the eight-point decision on improving Party and government conduct and watching micro-videos on integrity education, etc.



Nanchang Branch launched the Party Day event on the education of clean government

The whole staff of the branch's Party branch went to Hetang Town to take part in the Party Day event on the education of clean government and thoroughly study the Hetang Spirit.

IB established a mechanism to regularly study the Party conduct, promote integrity and fight corruption, so as to implement relevant responsibilities of the Party committees at all levels. The Bank gave full play to the role of evaluation as the guiding “baton”, included the improvement of Party conduct and the building of a clean government into the comprehensive evaluation system, and helped subordinate institutions to make arrangements for better Party conduct and build a clean government along with their business development.

In 2020, the Bank worked to enhance the integrity awareness of CPC members, managers and executives by organizing them to visit anti-corruption education bases and watch educational films, reporting typical cases and issuing reminders during holidays and other key times. At the same time, the Bank made integrity education part of the 2020 “IB Voyage” event and carried out publicity activities such as “chief managers' speeches on integrity” and “Integrity Classroom” to strengthen positive guidance. The Bank also worked with supervision departments through the Discipline Inspection and Supervision Joint Meeting Mechanism to nurture a financial anti-corruption culture. In addition, a pre-appointment anti-corruption knowledge test mechanism was established to further enhance integrity education on CPC members, leaders and cadres.

In 2020, IB paid high attention to the role of complaint reporting and supervision in fighting bribery and corruption, and continuously improved the complainant protection system by strictly implementing the Regulations on Complaint Reporting and Work Rules for Discipline and Supervision Organs Investigation and Handling of Reports and Accusations as well as relevant requirements on confidentiality. During the year, the Bank released the revised Measures of China Industrial Bank for the Administration of Public Complaints and Proposals to further regulate the procedures and requirements of public complaint and proposal and protect the legitimate rights and interests of complainants.



The essence of development lies in taking into account parallelism

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● SDGs

-  3. Good health and wellbeing
-  4. Quality education
-  7. Affordable and clean energy
-  8. Decent work and economic growth
-  9. Industry, innovation and infrastructure
-  10. Reduced inequalities
-  11. Sustainable cities and communities
-  13. Climate action
-  17. Partnerships for the goals

Transparency and disclosure of service price information

Better complaint management system

Privacy & data security

Access to finance

Specific data	2020
Balance of loans supporting strategic emerging industries (RMB 100 million)	1,352.86
Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million)	8,054.55
Number of SME loan clients	118,894
Balance of loans to serve private enterprises (RMB 100 million)	8,337.77
Number of private enterprises with IB loans	30,056
Number of outlets with accessible routes	1,370
Number of outlets with courtesy counters	1,350
Number of smart outlets	201
Total assets (RMB 1 trillion)	7.89
Net profit attributable to shareholders of the parent company (RMB 100 million)	666.26
Social contribution value per share (RMB)*	14.05
Number of formal IT staff members in the Group	2,331
IT investment (RMB 100 million)	48.62

\* The "Social Contribution Value Per Share" mentioned in this Report is calculated using the method given in the Notice on Strengthening the Social Responsibility of Listed Companies and Issuing of the "Guidelines on Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange" issued by the Shanghai Stock Exchange on May 14, 2008, namely, social contribution value per share = earnings per share + (amount of tax paid + employee expense + interest expense + total public welfare input - social cost) / total capital stock at the end of the reporting period.

# Adopting tailored measures: Strategic upgrade and transformation being a driver of the real economy

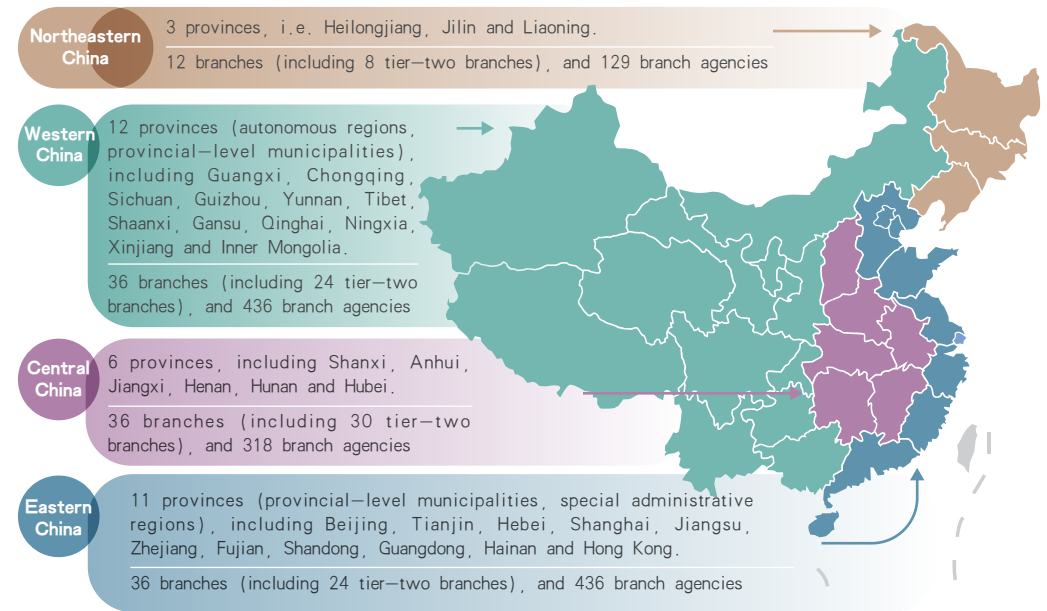
## ■ Strategic transformation and upgrade ■

The Bank conscientiously implements the various financial work arrangements of the Central Committee of the CPC. With "serving the real economy, preventing and controlling financial risks, and deepening financial reforms" as the fundamental starting point, the Bank firmly advances the "1234" Strategy, i.e., transform towards capital-light, asset-light, and high-efficiency, take "commercial bank + investment bank" as a strategic layout, keep improving the ability to build capacity in settlement, investment, and transaction, and enhance the value contribution of the key branches, key industries, key customers, and key products. Remarkable results have been achieved in the business transformation. One step has been taken forward to deepen the reform of the financial technology system and mechanism, and lay a more solid foundation for digital transformation. The number of branches and industries covered by the "region + industry" research mechanism increased. This gives a strong support for the business development and the resumption of work and production in the real economy.

## ■ Boosting local economy ■

Distribution of banking outlets nationwide (numbers of outlets) 159 branches (including 113 tier-two branches), and 2,003 branch agencies

Regional divisions are as follows:



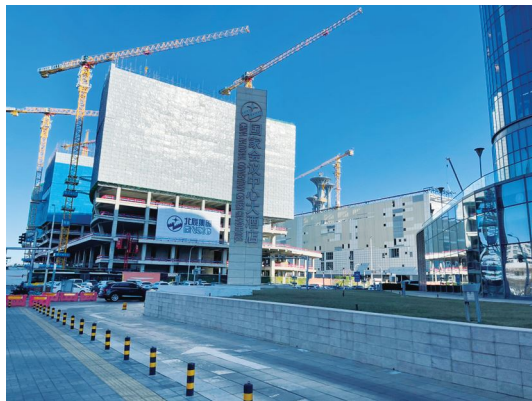


The Bank gives an active support for the development of the Beijing–Tianjin–Hebei Region, the Guangdong–Hong Kong–Macao Greater Bay Area, and other key areas, and closely coordinates with the strategy for the rise of central China and for promoting the development along the Yangtze River Economic Belt. Emphasis is placed on strengthening the alignment of the industrial gradient transfer and upgrading project between the east and the west, to promote the large-scale development of China's western region.

## Participating in the Beijing–Tianjin–Hebei integration initiative

### Case Greater effort in the real economy, Beijing Branch fully supports the construction of the “Four Centers” in Beijing

North Star Events is specially established by Beijing North Star Company Limited for the National Convention Center Phase II project and the 2022 Winter Olympics. The total investment of the project is 30.9 billion yuan. Because of the tight deadline, the company faces a challenge from fast project progress but slow funding. In response, Beijing Branch, while taking account of supporting major projects in Beijing and implementing the national development strategy, quickly formulated a financial service package plan that fits the actual needs of North Star Events, and issued the first loan of 2.1 billion yuan, providing an effective guarantee for the National Convention Center Phase II project. This was a concrete action to support the construction projects and the reception tasks of the Winter Olympics. In addition, Beijing Branch also gave credit support of nearly 8 billion yuan for major infrastructure development such as road networks, subways, water governance, and exhibition centers in Beijing, to fully push forward the urban development strategy.



### Case Tianjin Branch underwrites local government bond issues for better bank–government cooperation

On August 17, 2020, Tianjin Branch, as one of the lead underwriters of the Tianjin Municipal Government Bond Underwriting Group, successfully underwrote and issued the seventh batch of Tianjin government bonds for the year 2020. Industrial Bank invested 430 million yuan in government bonds, covering projects in society and people's livelihood, industrial parks, ecological and environmental protection, and shantytown renovation in Tianjin's four districts, for which Tianjin Branch provided bond financial consultancy services. Since 2020, the financial services provided by Tianjin Branch have facilitated the government's proactive fiscal policy, making its business cooperation with the government deeper and wider. Twelve institutions have undertaken financial services for government and key enterprises in 13 areas, covering finance, development and reform, housing construction, urban management, regional enterprises, and town-level governments in these areas.

## Helping build the Yangtze River Economic Belt

### Case Nanchang Branch signs a strategic cooperation agreement with the Jiujiang Municipal Government

On September 30, 2020, Nanchang Branch signed a comprehensive strategic cooperation agreement with the Jiujiang Municipal Government. According to this agreement, Nanchang Branch will give funding and consultation support to Jiujiang City in developing urban and rural infrastructure, industrial upgrading and strategic emerging industry fostering, building major functional zones, expanding international cooperation and the overseas presence of enterprises, low-cost housing and other livelihood projects, development of small- and medium-sized enterprises, and response to natural disasters, major epidemics and other emergencies. By the end of 2020, Nanchang Branch has given support for urban development, which was equivalent to 3.147 billion yuan and another 100 million U.S. dollars approximately.



Nanchang Branch signs a strategic cooperation agreement with Jiujiang Municipal Government.

### Case Wuhan Branch contributes to the recovery of Hubei housing and urban–rural development enterprises from COVID–19, and holds a special event on financial support for the development of the housing and urban–rural development industry

On June 23, 2020, Wuhan Branch and the Department of Housing and Urban–Rural Development of Hubei Province jointly hosted a special event on financial support for the development of the housing and urban–rural development industry, and signed a comprehensive strategic cooperation agreement for the transformation of enterprises in the industry and shantytown renovation, household garbage sorting and disposal, so as to promote the stable and sound development of the construction sector and real estate market in Hubei Province. At the event, Wuhan Branch signed a strategic cooperation agreement with 12 companies as the first batch of signatories to implement the strategic agreement, including CCC Second Harbor Engineering Company Ltd., China Gezhouba Group Eco–Environmental Engineering Co., Ltd., Wuhan Real Estate Development & Investment Group Co., Ltd., and Wuhan Urban Drainage Development Co., Ltd., with a total credit amount of 41.6 billion yuan.



Wuhan Branch signs a comprehensive strategic cooperation agreement with the Department of Housing and Urban–Rural Development of Hubei Province



## Boosting the development of China's central and western

### Case Based in Henan Province, Zhengzhou Branch helps facilitate bumper harvests for the Province

In recent years, Zhengzhou Branch has been committed to banking for grain business and serves as the financial guarantee of Henan Province for bumper harvests. To clear transaction obstacles of grain companies, Zhengzhou Branch took the lead in joining hands with Henan Grain Industry Investment Guarantee Co., Ltd. to integrate the "Good Grain and Good Credit" supply chain platform system, and enabled financial resources to be channeled into the grain-related industries smoothly using fintech, thus helping grain companies ease the dilemma of transaction. Also, the branch has also opened up a fast-track channel for credit during summer and autumn grain purchases. It assigned special personnel to handle loan formalities, and simplified procedures to reduce the handling time, so that the borrowers can get the loans for summer and autumn harvests whenever they need. Accordingly various credit needs such as grain purchase are met, and ensure continuity when issuing such loans. By the end of December 2020, the branch had financed 728 million yuan for grain companies that year, and helped 41 of them solve their problems in funding.



Staff of Zhengzhou Branch checks the grain depot

Grain harvest

Grain drying by farmers

### Case Lhasa Branch gives credit support for industrial development in Tibet

As a financial institution established in Tibet, Lhasa Branch actively responds to the autonomous region's policies on adjusting industrial structure, building pillar industries, promoting the optimization and upgrading of traditional manufacturing industry, and cultivating emerging industries. Accordingly, it inputs more credit funds in the weak links of advanced manufacturing, people's livelihood improvement, infrastructure construction, etc. to facilitate industry development and help enterprises gain more access to financing. For example, in support of the industries with local characteristics, Lhasa Branch issued loans to manufacturers of organic beverages such as natural mineral water, highland barley specialty beverages, natural plateau water, etc., with a cumulative total amount of 780 million yuan and a balance of 630 million yuan. It also issued loans on credit of 40 million yuan to yak breeding and processing enterprises.



Support the yak farming industry

Support local infrastructure projects

## Promoting the development of Guangdong-Hong Kong-Macao Greater Bay Area

### Case Guangzhou Branch gives credit support for infrastructure construction and promoting inter-connectivity in the Greater Bay Area

Infrastructure is an important foundation for promoting inter-connectivity in the Greater Bay Area. Given the COVID-19 impact, the resumption of work and production, and the steady economic growth, Guangzhou Branch takes infrastructure construction loans as an important direction for asset buildup. In this regard, the branch allocates emergency response funds, special loan interest rates, and differentiated financing products. It supports key construction projects in Guangdong Province in terms of quota, price, and differentiated solutions. As of the end of 2020, the branch has provided a total of 4.598 billion yuan medium- and long-term loans for infrastructure projects in the province such as rail transit, highways, and sewage treatment.



Design sketch of the Lianshiwan Bridge over the West Ring Road



Bansantiliang Station, Section B, Zhongshan West Ring

### Case Shenzhen Branch facilitates the launching of China's first hazardous waste trading platform

On December 30, 2020, China's first hazardous waste trading platform – Shenzhen Hazardous Waste Disposal Trading Platform (the "Hazardous Waste Platform"), which was supervised and guided by Shenzhen Municipal Ecological Environment Bureau and established and operated by the China Emissions Exchange, was officially launched. As the first clearing bank for transaction capital on the platform, Shenzhen Branch is deeply involved in building the platform throughout the entire process, and will continue to provide companies on the platform with exclusive green financial services. The Hazardous Waste Platform is committed to building an online mall in the hazardous waste field, on which hazardous wastes of a single category are the main category to be transacted. The branch provides enterprises with one-stop online services such as signing of contracts, testing, and payment. As the platform's first banking partner, Shenzhen Branch will further leverage its green finance strength to provide its partners with exclusive green financial services and help Shenzhen turn itself into a zero-waste city.



Signing ceremony of the Hazardous Waste Platform



Launching ceremony of the Hazardous Waste Platform

Topic

“Financial Services Cloud” effectively solves the financing problem of private and micro, small, medium-sized enterprises

In 2020, Industrial Bank, the Fujian Provincial Local Financial Supervision Bureau, and the Fujian Digital Office continued to make a concerted effort to further upgrade and build the Fujian Financial Services Cloud Platform. Through the integration of “finance + technology + data + policy”, the platform can effectively solve the information asymmetry problem between banks and enterprises and enable private and micro, small, medium-sized enterprises to have easier, cheaper, and faster access to raise funds. In particular, since the outbreak of COVID-19, the platform has actively responded with a number of fiscal and financial policies to benefit enterprises in Fujian Province. It worked with financial institutions to help tens of thousands of enterprises achieve cloud financing, and resume work and production. Remarkable results have been achieved.

The “Financial Services Cloud” platform makes information more transparent and allows enterprises to go through formalities quicker. It creates a government-bank-enterprise cooperation model featuring “government affairs data + business operation data + financial technology platform + financial innovation products”, promoting the sustainable development of the real economy.

### ■ Data-driven ■

With government affairs data as a basis, business operation data as the core, and third-party data as a supplement, the “Financial Services Cloud” platform uses fintech to connect information databases. Through comprehensive analysis and mining of data, it draws accurate enterprise profiles, allows information sharing among governments, banks and enterprises, and makes financial institutions feel relieved to offer loan products. As of the end of 2020, the platform has connected with relevant government departments to obtain nearly 4,400 items of government affairs data related to enterprises, and 33 financial institutions joined the platform, achieving full coverage of major financial institutions in the province. The platform has launched 373 financing products, providing enterprises with a wealth of financing options and helping them immediately handle financing matters on the Internet or on the mobile phone.

### ■ Technology-enabled ■

The “Financial Services Cloud” platform uses fintech tools such as blockchain, cloud computing, big data, artificial intelligence. It focuses on business ecosystem and scenarios, and provides enterprises with one-stop integrated financial services such as online identity authentication, financing demand release and matchmaking, and order taking, credit extension, and financing. These efforts effectively improve service efficiency and allow enterprises to get a loan faster. As of the end of 2020, more than 90,000 enterprises have registered on the platform, and released their demands equivalent to a total amount of more than 150 billion yuan, and a total of more than 10,000 financing demands have been solved, with an amount of nearly 44 billion yuan.

### ■ Smart policy implementation ■

The “Financial Services Cloud” platform cooperates closely with authorities in different places. Special sections were launched online one after another, such as “Fighting COVID-19”, “Fast Service Loan”, “Bail-out Loan”, “Local Services”, and “Emergency Loan”. These special sections enable a chain of successive services covering enterprise online application, list review and publicity, automatic release of demands, bank connection and approval, back-end statistical analysis. This smart online solution allows targeted delivery of financial services to enterprises in need directly. In 2020, the “Financial Services Cloud” platform only took less than half a year to finish the release of a 20-billion-yuan special fund under Fujian Province’s loan policy to bail micro, small, and medium-sized enterprises out of their difficult financial situation. This effective delivery directly benefits more than 4,500 micro, small, and medium-sized enterprises in 17 industries, accelerating the resumption of work and production and the recovery of industries in Fujian Province.

#### Case “Financial Services Cloud” platform soothes funding pressures on enterprises during the COVID-19 epidemic

Fujian Haihua Medicine Chain Co., LTD. ( “Haihua Medicine” ) is a retailer of pharmaceuticals and medical devices. After the outbreak of COVID-19, the local government issued a letter of entrustment to Haihua Medicine to purchase epidemic prevention and control supplies. The company actively responded to the government’s call and quickly invested in procurement, and this brought in greater liquidity pressure.

In response, the company applied indirectly to the Industrial Bank for financing through the Fujian Provincial “Financial Services Cloud” platform. With the platform’s online identity authentication, online signing and authorization, corporate profile and credit analysis, the Industrial Bank finished the approval process in just 2 working days and granted a credit of 10 million yuan to ensure that the company can purchase medical supplies.

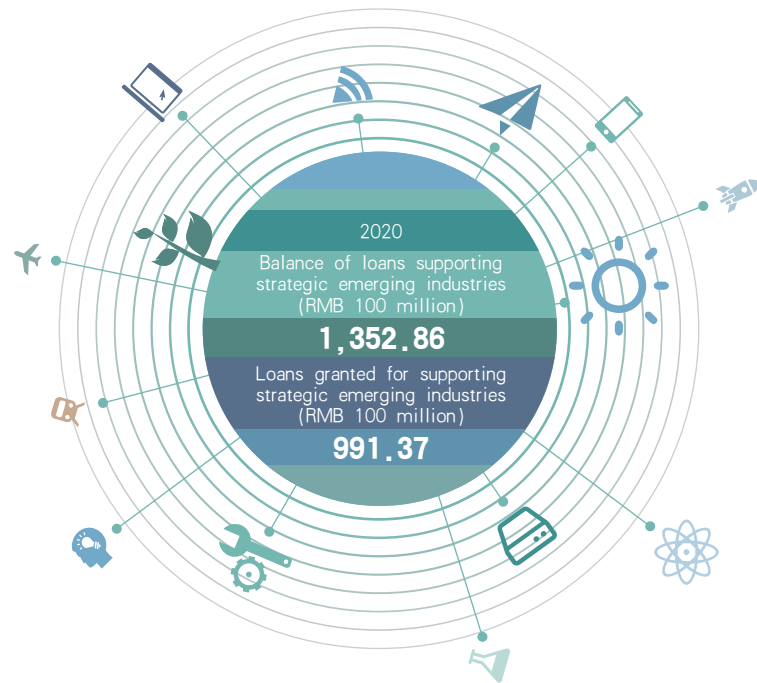
During the COVID-19 outbreak, ZhongMinYunTong (Fujian) Supply Chain Management Co., Ltd. quickly obtained a sum of funds after online application, online approval, and online lending on the “Financial Services Cloud” platform, which thus helped the company out of severe money constraints.



“Current banking services are very different from previous ones, and the ‘Financial Services Cloud’ platform is just like a ‘financial supermarket’ which provides more than 300 financing products. Companies can ‘choose and purchase’ products directly on the platform, or release their individual needs for banks to take the order quickly. This is much more convenient than in the past when companies needed to submit their applications to the banks one by one and spend a few weeks or even a month waiting for approval! After all, time is also a big cost for companies.”

——The head of the company

## Optimization and upgrading help accelerate the development of modern industry



### Improving credit policy and adding the access standards of related segments of modern industry

In 2020, on the basis of the original credit policy, the Bank further subdivided the modern industry combined with the characteristics of some segments of the modern industry, and added credit policies for segments such as industrial robot manufacturing, rail transit equipment manufacturing, aerospace equipment manufacturing, UHV transmission equipment manufacturing, and smart power equipment manufacturing, new material manufacturing, integrated circuits, smartphones, 5G upstream industry chain, emerging software and services, energy saving, etc. Based on the status quo of industries, market development trends, corporate competition patterns, product technical standards, the Bank clarified the customer access standards, project access standards, customer classification, management requirements, etc. In 2020, the Bank would give priority to supporting the newly added manufacturing segments such as 5G upstream industry chain and UHV transmission equipment manufacturing.

### Clear priority for credit availability and better business structure

In 2020, in response to the call for the transformation and upgrading of China's manufacturing industry, building an internationally competitive manufacturing industry, and building China into a manufacturer of quality, the Bank made credit more available to enterprises in emerging manufacturing industry and gave key support to high-end and smart equipment manufacturing, new information technology, new materials, energy conservation and environmental protection, or other industries with technological edge, market prospects and growth potential. Customers of the "strategic emerging industry" category in the manufacturing industry were placed on the whitelist of special line of credit for manufacturing industry, and provided with loan price subsidies. More support was given to manufacturing business clients in modern industry, and the business structure and customer structure were continuously optimized.

### Strengthening industry research efforts and formulating industry guidelines

Since 2020, the Bank has been actively engaged in the research on the segments of modern emerging industries, and has successively printed and issued the Guidelines for the Business of Rail Transit Equipment Industry, Guidelines for the Business of UHV Industry, Guidelines for the Business of Pharmaceutical Industry, Guidelines for the Business of Integrated Circuit Industry, Guidelines for the Business of New Energy Equipment Industry, Guidelines for the Business of New Economy Industry, Guidelines for the Business of Passenger Vehicle Industry, Guidelines for the Business of Household Appliances Industry, among others, which offers businesses guidance and planning ideas in terms of industry status, cooperation opportunities, strategies and plans, etc.

#### Case Hefei Branch gives assistance to the development of the "IC, Display, Robot, Integration" industry

In 2020, Hefei Branch placed its emphasis of business on the "IC, Display, Robot, Integration" ("IC" refers to the integrated circuit industry, "Display" refers to the new display industry, "Robot" refers to the robotics and household appliances industry, and "Integration" refers to the integration of artificial intelligence and manufacturing) industry in the three to five years to come, and offered services to meet the financing needs of a number of clients in this industry. In 2020, 58 new accounts were opened by clients in this industry at Hefei Branch and 44 new clients had access to credit. Accordingly, loans to the manufacturing industry were increased by 2.544 billion yuan, and the growth rate of medium and long-term loans to the manufacturing industry reached 57.6%.

#### Case Ningde Branch gives support for the development of new energy vehicles (NEVs) through supply chain financing services

In 2020, the market demand for NEV power batteries tended to rise rapidly with the spread of new energy vehicles. Ningde Branch sized the opportunity and leveraged the strength of the rapid growth of China's NEV industry chain, and served the world's leading manufacturer of NEV power batteries within its jurisdiction – Contemporary Amperex Technology Co., Limited (CATL) to meet its supply chain financing need. The Branch drew acceptance bills with a total amount of more than 3.5 billion yuan for this customer for the year 2020, providing strong supply chain support to a global core supplier of NEV power batteries.

#### 案例 CIIT helps high and new tech enterprises grow

China Industrial International Trust Limited (CIIT), a subsidiary of the Bank, established a collective fund trust scheme that raised a total fund of 200 million yuan, and issued a liquidity loan to a listed technology company. The company has earned a national high and new tech enterprise certificate. Its business covers the R&D, production and sales of core parts and components of full-screen modules, touch screen modules, liquid crystal display modules, electronic paper modules, camera modules, fingerprint recognition modules and wireless charging modules, and high-frequency materials supporting 5G and supporting flexible printed circuit boards, cover glass, backlight products, etc. The products are mainly used in communication equipment, consumer electronics, household appliances, office equipment, digital products, automotive electronics, finance, industrial control, medical devices, smart wearable equipment, smart retail, etc. In particular, its display screen supporting infrared temperature measurement is used for temperature measurement equipment for epidemic prevention and control.



## Working together to support the growth of small and micro-sized private enterprises (SMEs) via innovation

	2020
Balance of loans to SMEs (RMB 100 million)	8,054.55
Number of SME loan clients	118,894
Balance of loans to serve private enterprises (RMB 100 million)	8,337.77
Number of private enterprises with IB loans	30,056

The Bank closely follows China's strategic orientation to support private enterprises. According to the financing needs and characteristics of private enterprises, especially SMEs, continuous efforts were made in building and improving service strategies and exclusive product systems. Solving the pain points and difficulties of private enterprises was integrated with the Bank's business innovation and specialty.



### Active support for the manufacturing sector and innovative sci-tech enterprises

The Bank has been giving greater support to enterprises of the manufacturing sector, with major support given to private manufacturing enterprises and innovative sci-tech SMEs. Targeting sci-tech clients, the Bank has unveiled the "ZMKH Sci-tech Innovative Little Giant" incubation program and further promotes the "ZMKH IB Investment" online business matchmaking and exchange service platform for investment and financing. With these efforts, IB aims to build a sci-tech innovation ecosystem featuring one hundred sci-tech startups, one thousand subsidiaries, and ten thousand supply chain enterprises.

### Quicker credit response and approval efficiency

The Bank actively promotes online financing business for SMEs. With big data analysis technology, machine learning, and artificial intelligence technology, it has set up an approval model to realize online smart risk control and automatic approval and accelerate approval for loan application and loan granting. The trade financial system on the supply chain financial platform of the Bank is connected with its unified credit operation system and the core system. And the automation technology enables automated acceptance of domestic clients' online reverse factoring business, loan review and approval, and loan granting, among others.

### Launching more innovative products

The Bank has created an "Annual Review Loan" product. It conducts annual review and evaluation within the validity period of the credit. And after the annual review, it continues to make formalities less complicated via credit granting when clients re-apply the credit or re-sign the relevant credit contract and handle mortgage registration each year. It innovatively launches the "Business Inclusive Loan", which specifically addresses the financing needs of inclusive SMEs with a credit line of less than 10 million yuan. By optimizing approval authority, rating without reports, and better access standards, the Bank has sped up such business to make it more convenient for inclusive SMEs to get financial support.

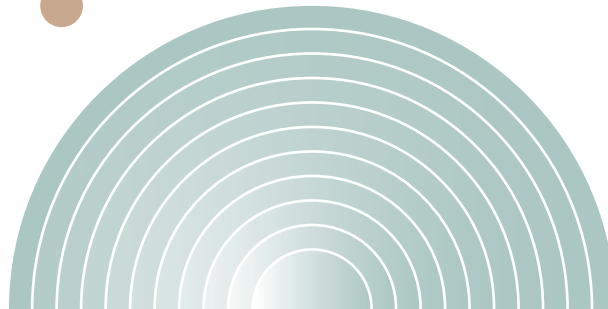
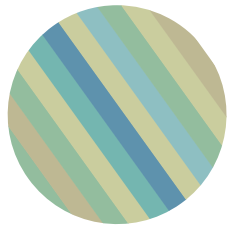
### Greater support for loan renewal

Through the "Consecutive Loan" arrangement of loan renewal without principal payment, the Bank helps enterprises solve financing difficulties in on-lending and the on-lending financial cost. For SMEs hit hard by COVID-19 with difficulties in repayment at maturity, the Bank can defer the payment or extend the deadline, or renew the loan within the annual authorization after they submit an application and the case is verified by the branch.



Topic

## Data Profiling to Turn the SMEs Credit into Loans



In order to provide SMEs with easier, cheaper, and faster access to financing, adapt to the digital trend, and better serve SMEs in financing with fintech, the Bank independently developed an online financing system for SMEs based on big data smart risk control, and launched a number of products accordingly, including “Quick & Easy Loan”, “Quick Mortgage Loan”, “Contract Loan”, and “E-Note Loan”. With data mining and correlation analysis, it drew a client-oriented “data profile” that integrates tax, industrial and commercial, credit investigation, consumption, investment, payment, credit and loan information, and the like. This enables the Bank to quickly process loan applications and allow clients to withdraw money online and borrow and pay back the money whenever and wherever possible. As a result, the SMEs financing efficiency is improved rapidly.

Since the launching and promotion of the online financing system for SME's, the Bank has completed system integration with more than 20 tax authorities across the country, and has also developed business cooperation with a number of large financing service platforms, such as the General Administration of Customs, Fujian Provincial “Financial Services Cloud” and Alibaba Government Procurement Cloud, among others. As of the end of 2020, more than 20,000 SMEs have submitted an application for online financing to the Bank, and the Bank has provided them with efficient and convenient online financing services.

### Case Longyan Branch serves technology start-ups through “Start-up Guaranteed Loan”

Longyan Branch issued its first “Start-up Guaranteed Loan” to Fujian Tianying Technology Co., Ltd., which is a technology start-up that relies on big data mining and processing technology with a focus on information system integration and storage services. The “Start-up Guaranteed Loan” product takes into account the characteristics of start-ups, with the financing interest rate not exceeding the LPR+50BP of each term loan. A guaranteed model is adopted to tackle the lack of effective pledges in the start-up stage.

### Case Tianjin Branch assists SMEs in financing through “IB E Discount”

“IB E Discount” (“xing e tie” in Chinese) is an online self-service financing product launched by the Bank. Through IB's electronic interfaces such as e-bank, bank-corporate direct linkage, corporate clients can process bill discounting automatically with no need to go to a banking outlet. Under the contactless security mode, they can get money via bill discounting within one minute to complete the whole process from submitting discount instructions via e-bank to funds entering in the account, which is commonly known in the industry as “Discounting in Seconds”.

Example One: a medical equipment sales company in Tianjin. It is a small private company of medical equipment and medical consumables. Main downstream customers are large-scale pharmaceutical trading companies and hospitals. The payment settlement is by bank acceptance. Main upstream customers are leading medical equipment manufacturers. The payment settlement is by cash. The company has a demand for bill discounting and a strict deadline requirement for the arrival of the funds at the account and the turnover of capital. Knowing these needs, Tianjin Branch offered its online discount product “IB E Discount” for the company, with which bill discount funds can arrive at the account in seconds, hence the company's bill financing demand is met and normal business turnover is ensured.

Example Two: A rubber business in Tianjin. It is a small private company mainly engaged in the processing, production and sales of rubber compounds. The downstream customers are mostly well-known automobile manufacturers, and the payment received is mostly made by bank acceptance. With the gradual resumption of work and production, the company received more and more corporate orders and its production capacity gradually improved, so the need to add more working capital became growingly urgent. Tianjin Branch helped the company with “IB E Discount” bill discounting service for the company to improve its financing efficiency along with preferential interest rate.



## Diversified Financial Services Facilitate the “Belt and Road” Initiative (BRI)

	2020
Business volume of cross-border RMB settlement (RMB 100 million)	7,550.61
Loans granted under BRI (USD 100 million)	62.23
Number of the overseas M&A projects supported	12

As a national joint-stock commercial bank headquartered in Fujian Province, the core area of the Maritime Silk Road, the Bank actively responds to the BRI. The Bank relies on its own business strength to continuously promote the internationalization of its business. Giving play to the integration, connection, and win-win effect of finance, it provides high-quality characteristic financial services for the BRI and offers diversified financial services to help Chinese and foreign-funded companies go global as well as bring in cooperation. Meanwhile, it deepens cooperation with organizations and institutions in countries along the Belt and Road routes, so as to provide financial support for promoting China's opening-up.

In 2020, the Bank assisted Chinese companies in going overseas and supported 12 overseas M&A projects with a total financing scale of 23.258 billion yuan. The projects that have been implemented cover the privatization of Chinese concept stocks, cross-border mergers and acquisitions of listed companies, the establishment of overseas red chip structures, and overseas debt restructuring, and so on.

### Building the “Belt and Road” financial service system

As of the end of 2020, IB has set up a “Belt and Road” service system covering mainland branches, the IB Hong Kong Branch, the IB Shanghai Free Trade Zone Branch, and the China-Kazakhstan Horgos cross-border RMB innovation pilot center. The Bank has established relationship and cooperation with another 1,189 banks, covering 97 countries and regions. A clearing cooperation system in 13 currencies including the U.S. dollar, euro, Canadian dollar, and Hong Kong dollar has been formed, and a cross-border banking service network that is highly compatible with the BRI needs has also been built up.

### Case “SWIFT shared direct-connected global fund management” makes going-global companies even more competitive

Supported by the overseas bank network, the Bank provides a one-stop comprehensive financial solution integrating domestic and overseas, online and offline, domestic and foreign currencies, domestic and foreign trade, offshore and onshore, investment and financing for the development of the enterprises. The solution also facilitates the construction of the projects along the Belt and Road routes. In 2020, in order to help those companies going global solve their difficulties in financial management, the Bank launched a global fund management product named the Industrial Bank SWIFT AMH (Alliance Messaging Hub) Direct Connect. This product supports access to IB to connect to global banks. With this product, the Bank provides multinational corporate clients with global fund management integrated services including multi-bank account management, payment and settlement, view analysis, centralized operation, capital appreciation, capital transactions, trade financing and other functions. As of the end of December 2020, the Bank has cooperated with more than 30 customers in terms of this product. Multinational companies are thus able to conduct one-stop management of more than 100 domestic member companies and overseas affiliated companies. Also, it has established direct connections to nearly 30 banks around the world.

Example: A building materials group has started to expand overseas markets in Central Asia since 2006. The Group has corresponding projects in countries and regions along the “Belt and Road” routes, such as Kazakhstan, Uzbekistan, Kyrgyzstan, and Azerbaijan. In the past 10 years, the company has built more than 300 large-scale cement production lines and more than 60 glass production lines in these countries, producing a positive impact on the local economic development. Based on the distribution of the global accounts of the company, the Bank tailored a SWIFT AMH global fund management plan for the company. This enabled the company for integrated management of funds in the bank accounts of its branches and subsidiaries around the globe to make funds visible, controllable and available, and move faster to go global under the BRI.



“The Industrial Bank SWIFT AMH Direct Connect global fund management helps us solve a multinational financial management problem that plagued us for many years. We thank IB for your SWIFT AMH Direct Connect product.”

—The group's CFO

### Case IB EasyTrade helps enterprises expand their import and export business

In 2020, IB once again optimized its hit product of cross-border financial one-stop service – “IB EasyTrade” (including customs single window service), and expanded the variety and range of the service. It provided import and export enterprises with diversified financial services covering settlement, deposits, financing, transactions, global fund management, etc. It helped clients to handle cross-border businesses online with no need to go to a banking outlet, allowing them to enjoy higher efficiency and more convenience, while expanding their import and export businesses. This product has been widely praised by corporate clients. As of the end of December 2020, 12,060 clients of “IB EasyTrade” have signed a contract with the Bank, up 8,039 from the end of last year; a total of 111,500 “IB EasyTrade” transactions have been handled throughout the year, up 40.78% year on year; 26.016-billion-U.S. dollar cross-border transactions have been handled, up 58.25% year on year.



## ■ Promoting the internationalization of the RMB ■

In the process of promoting RMB cross-border payment business, IB leveraged its strength in the financial market and integrated resources inside the bank to actively expand domestic rural financial institutions into indirect participants in the CIPS system, and to gradually transform RMB cross-border payment capabilities from first- and second-tier cities to third- and fourth-tier cities and the vast rural areas. This, therefore, strengthened the cross-border payment capabilities of financially weak areas. As of the end of 2020, IB has been the agent of more than 100 domestic financial institutions as indirect participants, and the number of proxy access accounted for nearly one third of the domestic participants in the CIPS system.

Meanwhile, the Bank deeply explored the business opportunities of interconnectivity in the bond market to facilitate the internationalization of the RMB. In 2017, "Bond Connect", the bond market cooperation mechanism between the mainland and Hong Kong, was successfully launched, and the CIPS system became the only fund settlement channel of the Northbound trading of "Bond Connect". As one of the first batch of market makers, IB is active on the "Bond Connect" market. It also provides financial market bilateral business agent settlement services for the "Bond Connect" transactions of several non-direct participants in the CIPS system, covering the full-variety settlement of primary and secondary bond markets. The agent settlement volume exceeded 500 billion yuan in 2020.

## ■ Cultivating talents under BRI ■

IB is committed to actively providing international education families with more complete and all-round financial services through "Finance + Education". As a Vice-Chairman-level member of the Committee on Study Abroad Services, CEAIE, the Bank has continuously transformed and upgraded its services, and expanded and deepened cooperation with international education institutions. It has built up China's first "Universal Life" international education one-stop platform, covering the whole-chain service system of planning and training, education and internship, clothing, food, housing and transportation, airline tickets and visas. This provides clients with a series of thoughtful and human-oriented services before, during and after studying abroad. Since the platform was launched, it has been unanimously welcomed by clients and has served more than 2 million club members and 1 million Universe Life debit card clients.

In November 2020, IB actively joined the national-level talents cultivation program "Talents Cultivation Program under BRI" and provided exclusive financial support for the program. It specially allocated 1.5-billion special loans with preferential interest rates for studying abroad to fully support talent development in China. As a Vice-Chairman-level member of the Committee on Study Abroad Services, CEAIE, the Bank also gives full support for the construction of the "National Online Service Platform for Studying Abroad". At the end of 2020, as the exclusive financial service institution for studying abroad joining the platform in the banking industry, the Bank provided online financial products and services for the majority of families with students studying abroad.



# Creating value to protect the legitimate rights and interests of investors

## ■ Performance is growing healthily, and value is being created ■

As of the end of 2020, IB's total assets were **7.89 trillion yuan**, up **10.47%** from the beginning of the reporting period. Its profitability remained at a good level. In 2020, the operating revenue reached **203.137 billion yuan**, up **12.04%** year on year; the total profits for the year reached **76.637 billion yuan**, up **2.86%** year on year; the net profit attributable to shareholders of the parent company was **66.626 billion yuan**, up **1.15%** year on year. By the end of the reporting period, the Bank's non-performing loan balance was **49.656 billion yuan**, and the non-performing loan ratio was **1.25%**, down **0.29** percentage points from the beginning of the period; the Bank's provision coverage ratio was **218.83%**; the returns on shareholder investment continued to maintain at a good level in the industry, the ROEWA was **12.62%**, and the basic EPS was **3.08 yuan**; the social contribution value per share was **14.05 yuan**<sup>3</sup>.

The Bank has been attaching importance to giving reasonable returns on investment to investors. Meanwhile, it has been pursuing sustainable development. The continuity and stability of the profit distribution policy are maintained on the basis of meeting the regulatory requirements for capital adequacy ratio. Since the Bank went public, it has issued a cumulative total cash dividend of more than **100 billion yuan**; since 2012, the cash dividend rate has remained above **20%** and has seen a steady rise year by year, and in the past three years, it was maintained at above **23.5%**.

[<sup>3</sup> The "Social Contribution Value Per Share" mentioned in this Report is calculated using the method given in the Notice on Strengthening the Social Responsibility of Listed Companies and Issuing of the "Guidelines on Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange" issued by the Shanghai Stock Exchange on May 14, 2008, namely, social contribution value per share = earnings per share + (amount of tax paid + employee expense + interest expense + total public welfare input - social cost) / total capital stock at the end of the reporting period.]

## Taking multiple measures and making steady headway to protect the legitimate rights and interests of investors

### Establishing mechanisms, making communication smooth, building a two-way interactive system for investors

The Bank has established complete systems and regulations for investor relations management, information disclosure, internal information acquisition, and insider management, thereby guaranteeing the quality, standard and efficiency of information communication between the Bank and investors.

Meanwhile, the Bank has established an external-internal feedback mechanism as a supplementary measure. Through daily communication with analysts and investors, it closely tracks market trends, organizes professional research reports, and solicits investors' suggestions on business operation and management for reference in decision making at the executive level; and on this basis, it timely implements the corresponding work guidelines of the management, forms an effective two-way information interaction, and builds a strategic investor relations management system that features two-way interaction both inside the Bank and externally.

### Broadening and deepening investor communication at multiple levels and in an all-round way

Given the differences in the type of investors, the Bank arranges online and offline meetings in a diversified and down-to-earth way to broaden and deepen investor communication.



Use the performance briefing, the SSE "E-interactive" investor exchange platform, and the "Investor Relations" section on the official website homepage to broaden communication.



Keep close communication with mainstream investment research institutions at home and abroad and make the voice of market opinion leaders heard to deepen communication



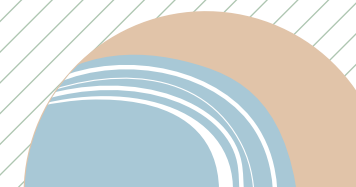

The management of the Bank leads a team to have "face-to-face" and "zero-distance" communication with institutional investors and analysts, which is to make market communication smooth, and also enable the management to obtain first-hand feedback from the market.

## Adhering to the philosophy of the Bank to deliver outcomes

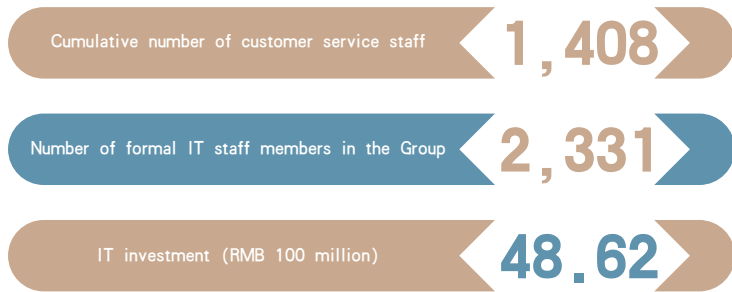
In 2020, the Bank adhered to the "More Communication, Better Understanding" philosophy, and timely conveyed its development strategy and business performance to the market, so that investors have a better understanding of its current operating conditions and future development ideas. The Bank got an "A" or excellent grade in the SSE 2019-2020 Evaluation of the Information Disclosure Work of Listed Companies, and an "A" or excellent grade in the FJLCA 2019-2020 Investor Relations Management Evaluation; it has successively won the awards including "Award for Interaction with Small and Medium Investors", "Award for Social Responsibility of Chinese Listed Companies", "Top 100 Listed Companies in China", "Outstanding Listed Company of the Year", "Commercial Bank with the Best Investment Value of the Year", "Most Socially Responsible Listed Company"; Board Secretary Chen Xinjian won the "New Fortune Golden Board Secretary", and in terms of the investor relations, the Bank won the "Best IR Team".

## Putting customers first to provide better service

In 2020, the Bank vigorously implemented the "people-oriented" and "customer-oriented" service philosophy. It deepened innovations in products and services. A step was gone further to push forward with the establishment of a service standardization system. Customer service procedures were optimized, and services were provided to vulnerable groups. Efforts were intensified in customer information security protection and customer complaint management, to make both the level and the quality of customer service higher, and protect the legitimate rights and interests of consumers.



2020

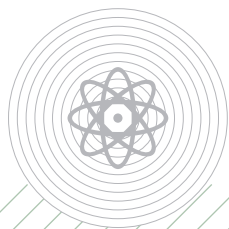


### Internet Joint Service System

To open an account online, as an important link of financial services, is constrained by time, space, and technology. This link has always been the last kilometer for the Bank to overcome difficulties in financial services at the primary level. As an important channel for IB to promote financial services, the Internet Joint Service System strengthens the effective integration of finance and technology to improve the link of opening an account online, and thus help customers to enjoy fast and quick financial services.

The Bank has successively launched the debit card mailing application service, corporate payroll card batch account opening service, and online social security card registration service in the Internet Joint Service System. For the online account opening business, it optimizes the links such as information registration, information review, account opening, and account activation. By connecting front-end channels and back-end counters, it introduces big data risk control technology and biometric identification technology to provide customers with a simple and smooth online account application channel, through which customers can complete account application whenever and wherever possible with no need to go to a banking outlet.

As of the end of December 2020, a yearly total of more than 17,000 applications for debit card mailing were submitted to the Bank; thanks to the online social security card registration service, the Bank addresses the needs of the insured to open and activate their social security card accounts no matter where they are, which facilitates the subsequent payment of social security benefits; the corporate payroll card batch account opening service connects the interfaces to the corporate and the individual, thus corporate employees can fill in payroll card application information through online account opening channels, and the back-end system will complete the approval of individual account opening and the signing of the contract on wage payment on behalf of the employer, so as to ensure the corporate-individual connection and serve corporate clients. Meanwhile, the Internet Joint Service System cooperates with platforms such as diversified financials, corporate online banking, Alipay, and WeChat, to provide customized account opening functions for different channels, and to provide customers with personalized services based on their priority needs.



### Strengthening customer information security protection

In 2020, the Bank continued to strengthen customer privacy protection and deepen data security governance. Continuous efforts were also made to ensure customer privacy protection and data security in terms of institutional development, daily management, security awareness education, security technology and security operations. All these efforts fully respected user privacy rights and protected their legitimate rights and interests of users in accordance with the law.

- 

#### Institutional development

The Bank put in place clear principles and requirements for processing personal information and data, established standards for customer privacy protection and data security management, and improved its comprehensive management capabilities and emergency response capabilities to handle personal customer financial information leaking incidents.
- 

#### Daily management

The Bank continued to strengthen the protection of personal financial information, carried out self-inspection, eliminated risks of personal financial information exposure at workplace and risks in the IT system's function of personal financial information protection, and standardized the control over the collection and dissemination of personal financial information.
- 

#### Security awareness education

The Bank continued to carry out the "IB Security" confidentiality and information security activities internally. Targeting personal information protection, the Group also organized such activities to encourage employees to learn related knowledge.
- 

#### Security technology and security operations

The Bank ensured terminal security access control, strengthened the development of terminal data leakage prevention capabilities, and comprehensively improved workplace security protection level and capabilities; continued to improve the in-depth defense system for cyberspace security, further enhanced security threat monitoring and protection capabilities in cyberspace, host computer, and applications, and carried out security operations in combination with external intelligence to timely detect and dispose of security threats.

### Implementing strict information disclosure

In 2020, the Bank fully disclosed service price information, making service price information clearer and more complete, and thus enhancing customer experience.

- Optimize online banking of credit cards, announce the fee-charging information in both the "Important Announcements" section and the "Fee-charging Standards" section, separately list the "Important Announcements" on the original announcement page, and display the "Fee-charging Standards" in a prominent position;
- Optimize the "Hao Xing Dong" app, add the "Fee-charging Standards" column, and release service fee-charging announcements there, so that customers can directly understand the full information related to fee charging of credit cards.



## ■ Building smart outlets ■

In 2020, the Bank continued to build standardized smart outlets with some model ones. Five smart model outlets in Shanghai and Fuzhou were built up. The construction of smart outlets was included in its project of smart banking development. As of the end of December, the Bank has finished building 118 of the 201 outlets according to the construction standard of smart outlets, and another 83 outlets were under construction. The indoor environment and service image of the outlets conformed to unified requirements while providing better customer experience. Requirements on different types of outlets were put in place in terms of internal and external environments, hardware facilities, devices and equipment, publicity signs and notices. Based the new version of the outlet decoration design standard manual, the Bank completed the construction, trial implementation and promotion, and opinion collection of model outlets, and planned to fully start promoting the construction of standard outlets in 2021.



Smart outlet of Changchun Branch at People's Square



Business Department of Shanghai Pilot Free Trade Zone Branch



Business Department of Fuzhou Branch



Fuzhou Ximen Sub-branch



Beijing East Road Sub-branch, Nanjing Branch



Business Department of Changchun Branch

## ■ Serving the vulnerable groups ■

**Care for special groups**—By the end of December 2020, 1,370 outlets had accessible routes and 1,350 outlets had courtesy counters. ATMs for the visually impaired have been launched installed at outlets where conditions permit.

**Convenience service box**—All outlets provide presbyopic glasses, magnifying glasses, umbrellas, sewing kits, conventional medicines (cooling ointment, adhesive bandages, iodine, alcohol wipes), chargers, and calculators.

**Toilet for customers**—Where conditions permit, toilets in the outlets have been opened for the urgent need of customers, and where conditions do not permit, maps have been provided to guide customers to the toilets nearby the outlets.

2020	
Number of outlets with accessible routes	1,370
Number of outlets with courtesy counters	1,350



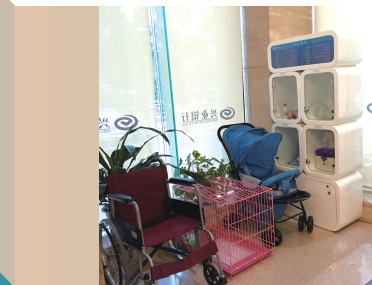
Volunteer Service Station at the outlets of Zhengzhou Branch



Convenience Service Area at the outlets of Jinan Branch



Ningbo Branch sets up a "Mother & Baby Room"



Outlets of Changsha Branch  
◀ Wheelchairs



Outlets of Changsha Branch  
◀ Convenience service box

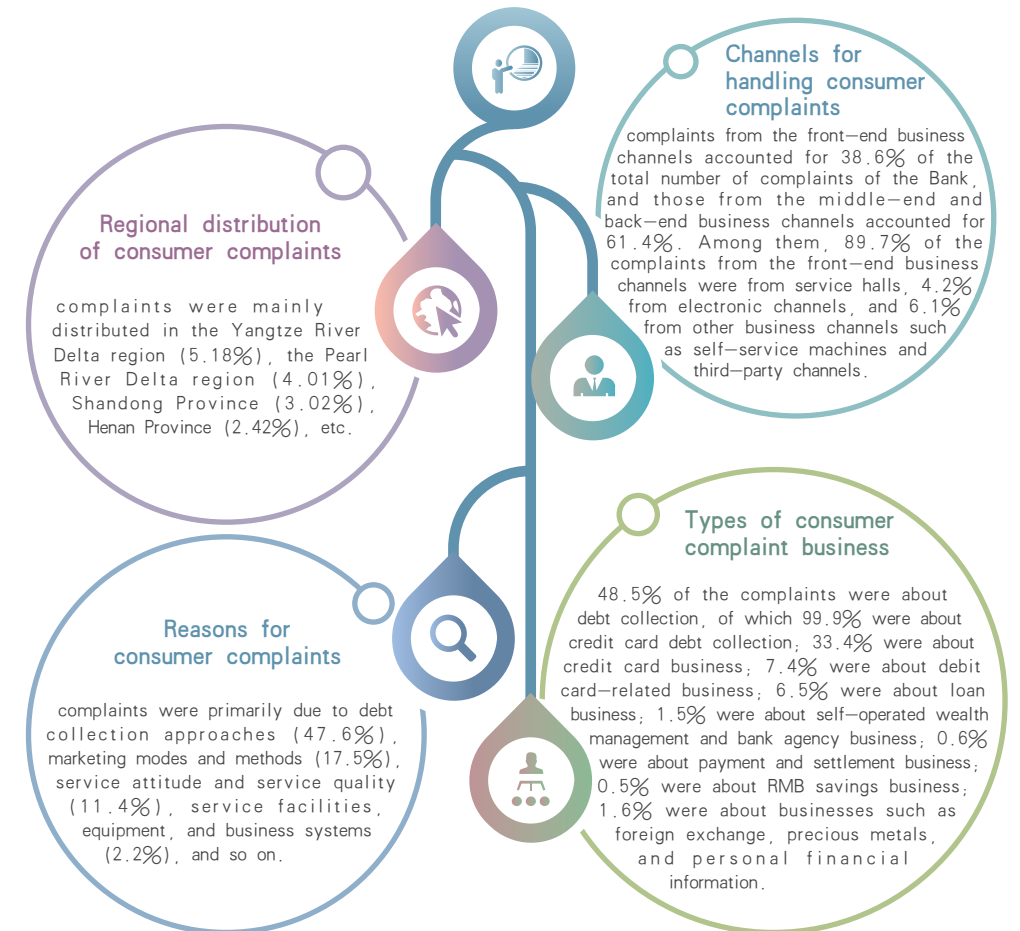


### Strengthening protection of consumers' rights and interests

- Continue to improve the work system and mechanism for protecting consumers' rights and interests, and consolidate the primary responsibility of consumer protection;
- Strengthen the source management to protect consumers' rights and interests, ensure the prior review of consumer protection, improve pre-sales management and control capabilities, emphasize compliance sales, and ensure that all rights and interests of consumers are fully protected in the sales of products and services;
- Pay adequate attention to the development of benchmarking outlets. In 2020, a total of 28 outlets were shortlisted for the China Banking Association's "Top 1,000 Demonstration Units in Standardized Services";
- Raise the awareness of consumer rights and interests protection among all employees of the Bank, and set up an "IB Staff" consumer protection service column; organize a series of consumer-centered activities of consumer rights and interests protection on eight major themes, covering "Learning" consumer protection documents, "Case Study" case collection and selection, "Investigation" of sensitive complaints, appraisal and selection of consumer protection service star branches and star staff, etc.
- Promote systematic, institutional, standard and regular protection of rights and interests of consumers of the Bank, protect the legitimate rights and interests of financial consumers, and advance the high-quality development of the banking business.

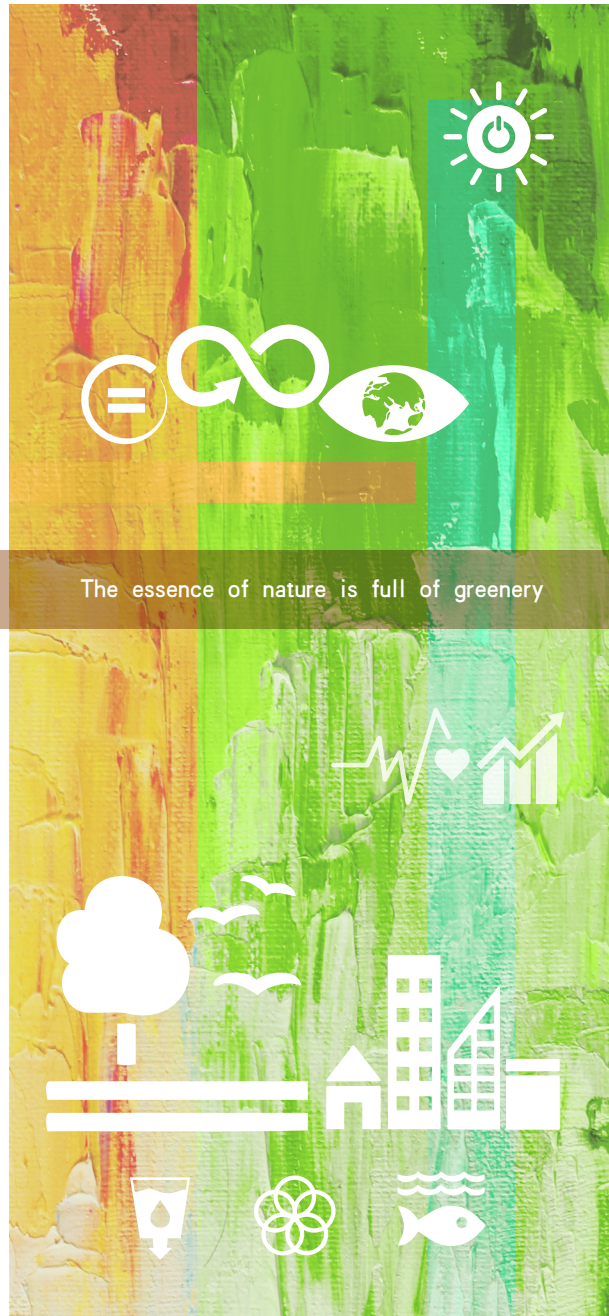
### Improving customer satisfaction

In 2020, the Bank received 47,730 consumer complaints from various channels, with an average of 1.98 complaints per outlet per month, and the complaint rate was 0.043%, which continued to remain at a low level. Main situations of consumer complaints were as follows:



The Bank will continue its focus on consumer complaints and take consumer complaints as a valuable source of information for improving its business and services. It will also actively communicate with consumers to provide them with better experience. By using an automated complaint classification and analysis system, it will focus on complaint problem analysis and traceability rectification, and continue to optimize consumer experience in products, business operation, processes, systems, among others, so as to protect the legitimate rights and interests of consumers.

The Bank was rated for its effort in consumer protection as Excellent A-level by the head office of the People's Bank of China in 2019; won the title of the Excellent Organizer of the March 15th Consumer Rights and Interests Protection Education and Publicity Week of National Banking and Insurance Industry in 2020, the Excellence Award of the "Popularize Financial Knowledge to Safeguard Your Pocketbook" Excellent Promotional Videos Collection and Selection Activity in 2020, and the title of the Excellent Organizer of Financial Joint Publicity and Education Campaign in 2020.



The essence of nature is full of greenery

## ENVIRONMENT

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● SDGs

-  3. Good health and wellbeing
-  7. Affordable and clean energy
-  10. Reduced inequalities
-  12. Responsible consumption and production
-  17. Partnerships for the goals
-  6. Clean water and sanitation
-  8. Decent work and economic growth
-  11. Sustainable cities and communities
-  13. Climate action

Identification and management of environmental and social impacts

Environmental risk policies and management measures

Greenhouse gas emissions

Energy consumption and utilization

Management of environmental and social risk policies of supply chain

Specific data	2020
Proportion of the loan balance of "resource industries with high pollution and energy consumption and industries with overcapacity" in corporate loans (%)	2.62
Total green financing (RMB 100 million)	28,598
Number of cumulative clients in green finance	29,829
Environmental performance of projects supported by green finance	Annual savings of 30.3901 million tons of standard coal, annual emission reduction of 84.7285 million tons of carbon dioxide, annual comprehensive utilization of 45.9649 million tons of solid waste and annual savings of 410.4725 million tons of water
Balance of "green mortgage loans" (RMB 100 million)	192.42
Carbon emissions on the premises of the IB headquarters (tons)	47,826.10

**Intensive effort to improve professional management of environmental and social risks**

■ Environmental and social risk management objectives



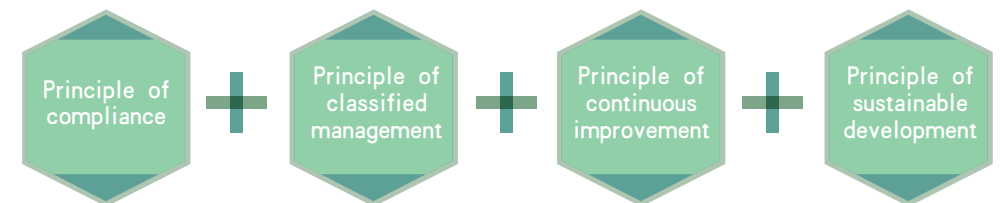
- Establish an environmental and social risk management system, policies, procedures, tools and methods
- Establish a risk check-and-balance mechanism to ensure independent and effective management of environmental and social risks
- Develop environmental and social risk management tools to improve professional risk control capabilities
- Strengthen fundament in data, systems and methods
- Establish a sound environmental and social risk expert mechanism

■ Commitments to fulfill environmental and social responsibility

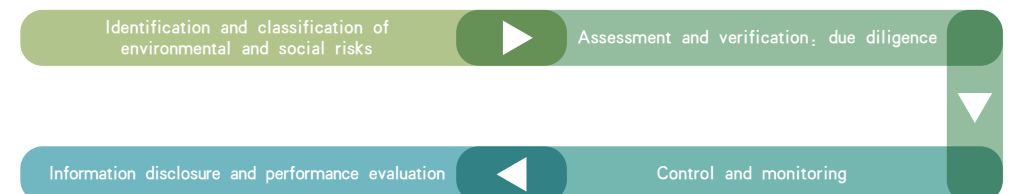


- Strictly abide by Chinese environmental and social laws and regulations and operate in accordance with the laws and regulations
- Put more funds in sustainable projects that are conducive to identifying and eliminating economic, environmental and social risks, advocate financing for eco-protection, eco-improvement and green industries, and continue improving financial instruments
- Actively help the business partners who share common viewpoint on and commitment to sustainable development to tackle environmental and social issues, and provide related financial products and services
- Strive to build IB into a conservation-oriented enterprise, promote energy conservation, emission reduction and consumption reduction in internal management, and advocate environmental and social risk awareness in corporate culture
- Continue to focus on and improve environmental and social risk management measures, and conduct periodic reviews and revisions based on the changing external conditions and information to ensure the sufficient applicability of the Group's environmental and social management system

■ Environmental and social risk management principles



■ Environmental and social risk management process





## Navigating investment for further structural adjustment

### Business data in the “industries with high pollution and energy consumption and industries with overcapacity”

Industries with high pollution and energy consumption and industries with overcapacity	Loan balance in 2018 (RMB 100 million)	Proportion in corporate loans in 2018 (%)	Loan balance in 2019 (RMB 100 million)	Proportion in corporate loans in 2019 (%)	Loan balance in 2020 (RMB 100 million)	Proportion in corporate loans in 2020 (%)
textile, leather processing and papermaking	26.61	0.16	19.10	0.11	19.81	0.10
Manufacturing of chemical raw materials and products*	228.87	1.37	203.34	1.17	218.12	1.10
Rubber and plastic products*	12.06	0.07	8.72	0.05	8.97	0.05
Coking	25.37	0.15	12.55	0.07	17.50	0.09
Steel	158.48	0.95	77.14	0.44	75.19	0.38%

Industries with high pollution and energy consumption and industries with overcapacity	Loan balance in 2018 (RMB 100 million)	Proportion in corporate loans in 2018 (%)	Loan balance in 2019 (RMB 100 million)	Proportion in corporate loans in 2019 (%)	Loan balance in 2020 (RMB 100 million)	Proportion in corporate loans in 2020 (%)
Cement	68.59	0.41	35.96	0.21	41.36	0.21
Plate glass	5.00	0.03	0.70	0.004	1.20	0.01
Polysilicon*	11.32	0.07	8.24	0.05	8.88	0.04
Electrolytic aluminum	114.59	0.68	108.72	0.62	128.05	0.64
Shipbuilding	1.93	0.01	1.00	0.01	0.92	0.00
Subtotal	652.82	3.90	475.47	2.73	519.99	2.62

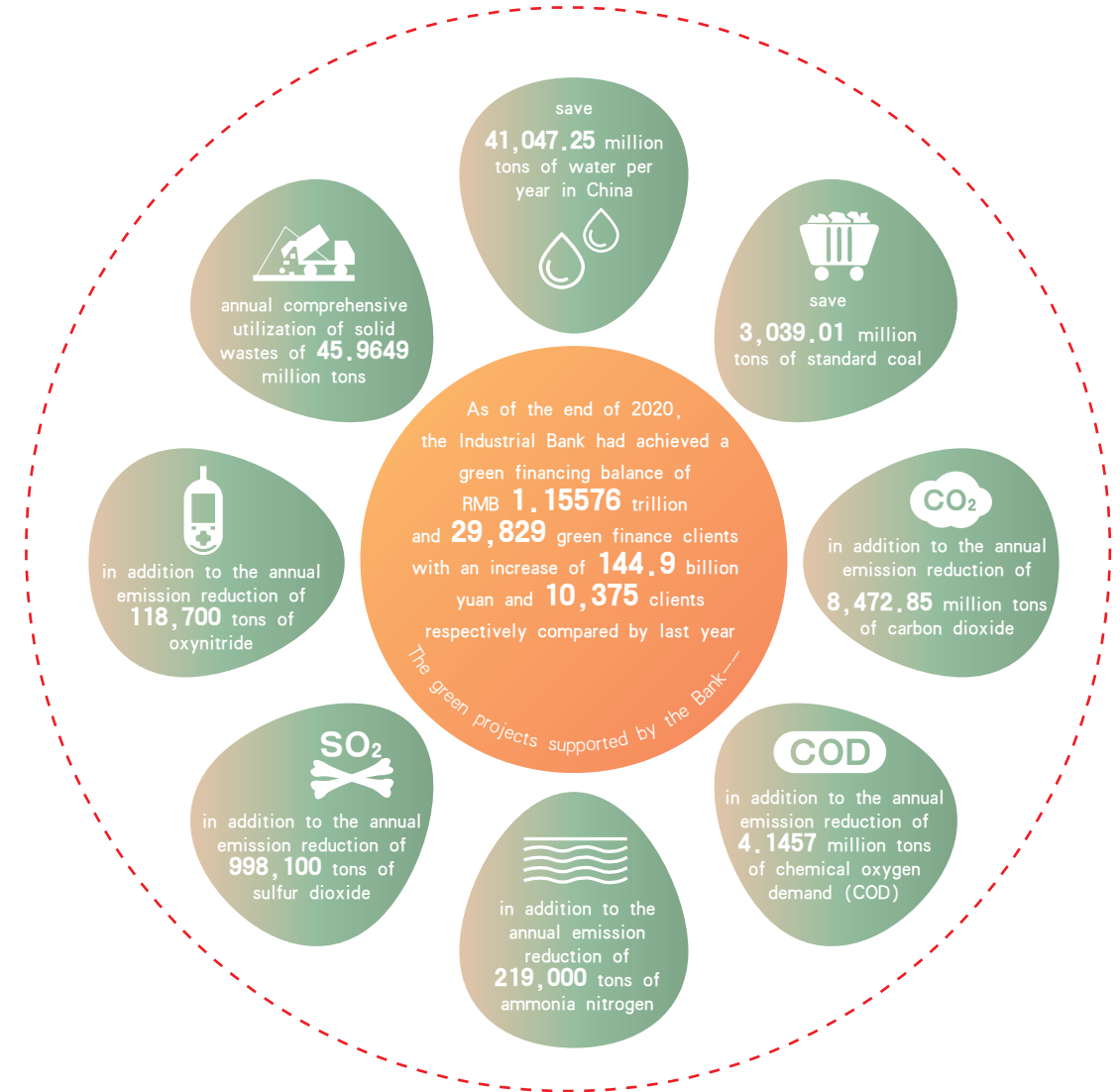
Note: The “industries with high pollution and energy consumption and industries with overcapacity” are classified according to the Notice on Adoption of Key Evaluation Indicators for Green Credit (YJBF [2014] No. 186) of the China Banking Regulatory Commission (CBRC), and the data statistics of the sub-sectors subdivided in the industries marked with \* are at our own discretion.

In 2020, the Bank continued to adopt the principle of “controlling loan increment, optimizing the existing loans and adjusting credit structure” in the industries with overcapacity such as steel, coal and nonferrous metals. Based on national industrial policies, regional resource endowments, and environmental compliance, it implemented a differentiated credit policy with supporting, control and reduction measures for these industries. While continuing to implement strict control measures, it actively seized the good business opportunities in the supply-side structural reforms and followed the strategy of superior regions and excellent leaders, to improve business access and industry quota management or take other measures to optimize the business structure and promote the supply-side reforms. Meanwhile, the Bank will pay more attention to the consideration of environmental, social, corporate governance and other non-financial factors in its credit business, and will shift more credit resources into the industries with low energy consumption, emissions and pollution, high efficiency, and good market prospects.

## Multiple business lines: More efforts made by IB as a Green Finance Group

	2018	2019	2020
Green financing balance (RMB 100 million)	8,449	10,109	11,558
Cumulative aggregate of enterprises provided with green finance service	16,862	19,454	29,829
Total green financing (RMB 100 million)	17,624	22,232	28,598

By the end of 2020, the balance of loans granted via IB's "Green Mortgage Loan" was **19.242 billion yuan**, China Industrial International Trust Limited achieved a green financing balance of **54.548 billion yuan**, Industrial Bank Financial Leasing Co., LTD. achieved a financing balance of **40.430 billion yuan** in green lease, and CIB Fund Management Co., Ltd. achieved a business balance of **9.163 billion yuan** in green finance.



The Bank started its green finance business in 2006 and voluntarily adopted the Equator Principles (EPs) in 2008 as the first EPFI in China. Now it has built up the Group's green financial product and service system covering multiple business lines such as green financing, green leasing, green trust, green funds, green wealth management and green consumption. The Bank has become the commercial financial institution with the highest balance of green financial bonds issued globally. It has explored a unique way to sustainable development after continuous innovation of business models by combining corporate social responsibility with commercial operations. Since 2018, the Bank has been awarded the title of Advanced Bank in the Overall Green Bank Evaluation in a number of green bank rating activities, which are carried out by major domestic banking institutions and are organized by the China Banking Association under the guidance of the CBRC, for two consecutive years.

The Bank set a medium-term development goal that the Group's green financing balance exceeds one trillion yuan and the number of green finance clients exceeds 10,000 by the end of 2020 during the "13th Five-Year Plan" period, which was completed in 2019, one year ahead of schedule.



## Responding to the green development strategy and actively promoting product innovation

Guided by the corporate strategy of “becoming a first-class integrated green finance service provider and a market-leading green finance group”, and in response to the national strategy of supporting the green and high-quality development of the real economy, the Bank focuses its green finance service on some key areas such as utilization and protection of water resources, solid waste treatment, air pollution control, new energy, green transport, green building, among others, with clients mainly coming from the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Economic Belt and other key regions.

In terms of green financial product innovation, the Bank leverages on its green finance strength to transform national and local supporting policies for green development into products and services that facilitate green financing. The Bank creatively launched a number of green financial products and services such as “Environmental Protection Loan”, “Water Conservation Loan”, “Green Bill Financing” and “Green Innovation Loan”, and released the first ESG financial product. This effectively alleviates the problems faced by enterprises during green transformation and development, including the lack of collateral, difficult and expensive access to financing, and also helps to improve the quality and effectiveness of the guiding and leveraging roles of the green special funds provided by the government.

In terms of green bonds, the Bank underwrote the first “Green Bond Against COVID-19” on the market, issued overseas blue bonds in Hong Kong and underwrote the first corporate blue bond in the mainland to help companies reduce their fund-raising costs; it has cumulatively issued 130-billion-yuan green finance bonds, including 100-billion-yuan green finance bonds in stock at home. In the 2020 Ranking of Green Debt Financing Instrument Investors organized by the National Association of Financial Market Institutional Investors (NAFMII), IB ranked first among national commercial banks and policy banks.

### Case “Green Innovation Loan” facilitates the pilot project of garbage sorting

In April 2020, IB launched the 69-million-yuan clean fund business of the Hongmiaoling kitchen garbage PPP project in Fuzhou City. This is the first green innovation investment business (hereinafter referred to as “Green Innovation Loan”) in Fujian Province in cooperation with the China Clean Development Mechanism Fund (CCDMF), and is also the first loan for the garbage sorting PPP project in Fujian Province.

The “Green Innovation Loan” was jointly launched by the CCDMF, the Fujian Provincial Department of Finance, and Industrial Bank to support green and low-carbon development, energy conservation and emission reduction, and other innovative businesses of Fujian Province that are beneficial to addressing climate change via projects. The project has brought in a broad range of benefits. As the first loan for garbage sorting in Fuzhou City, it boosted the pilot project with good social benefits. It has become a demonstration project under the Fujian Provincial People's Government, Capital Environment, Industrial Bank, and other parties involved.

### Case Focusing on the blue economy, IB exclusively underwrites China's first blue bond

As the sole lead underwriter, IB successfully issued China's first blue bond for Qingdao Water Group in November 2020, namely, the first green medium-term note (blue bond) of Qingdao Water Group Co., Ltd. for the year 2020, with a scale of 300 million yuan and a period of 3 years. All the funds raised will be used for the construction of seawater desalination projects.

The successful issuance of the first blue bond has provided a reference for domestic and foreign institutions to explore blue bond standards. The bond issuer is Qingdao Water Group, the largest water supplier in downtown Qingdao. The funds raised are used for the construction of the expansion project of Qingdao BCTA Desalination Plant. It is planned to build this project into one of the largest desalination plants in China, which will not only supply water to industrial enterprises in the region, but also become an important supplement to municipal water supply. According to the industrial policy orientation, with reference to the standards and policy framework requirements of green bond projects, IB evaluated the risks and environmental and social benefits, solved multiple difficulties in project standard certification, and successfully issued the bond, thereby expanding low-cost financing channels for enterprises.

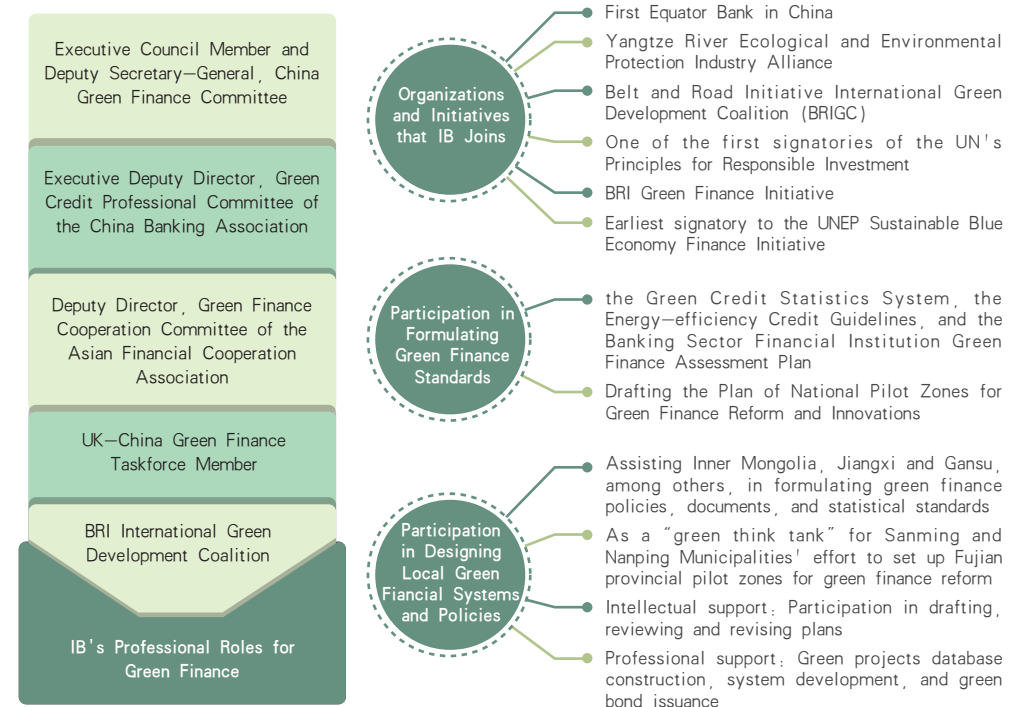
### Case IB's wealth management subsidiary launches the first ESG wealth management product

On September 16, 2020, CIB Wealth Management, IB's wealth management subsidiary, launched the first ESG wealth management product, namely, “CIB ESG Beautiful China”. This product is exclusively sold to Industrial Bank's private banking clients to help business owners and individual investors take the initiative to fulfill their social responsibilities and share sustainable development investment results. Therefore, CIB Wealth Management becomes one of the first batch of bank wealth management subsidiaries who launch ESG-themed products in China.

“CIB ESG Beautiful China” is a fixed-income fixed-term open-ended net-worth product. Through the ESG strategies such as “standard screening” and “negative screening”, priority is given to selecting the market entities with good performance in ESG, while avoiding the companies who are placed on the “blacklist” because of poor performance in fulfilling sustainable development responsibility, legal responsibility, internal and external moral responsibilities, etc., so as to eliminate those poor performers for investors. With standardized wealth management products as the medium, the Bank encourages business owners and investors to actively practice ESG principles in daily company operations, raise the awareness of social responsibility and improve the sustainable development capabilities of the companies themselves, so as to make positive contributions to improving the environment, society and corporate governance.

## Creative capital financing promotes the green finance system

In recent years, IB has given full play to its “first-mover advantage” in the field of green finance, to promote green finance in China in formulation of regulatory policies, industry initiatives and guidance, mutual assistance among banks, and communications with domestic and foreign institutions, among others, and thus to promote the green development of the banking industry.





### Case Being the first signatory to the Sustainable Blue Economy Finance Initiative

In 2020, IB signed the United Nations Sustainable Blue Economy Finance Initiative, and thus became the first Chinese-funded signatory in China. The Initiative aims to have a positive impact on ocean-related mainstream investment, insurance and loans with the practical actions of financial institutions, create a sustainable blue economy, and support the realization of the United Nations Sustainable Development Goals (SDGs).

There have been 50 signatories to the Initiative around the world. The United Nations Environment Programme Finance Initiative (UNEP FI) is the management organization of the Initiative, to help and guide banks, insurers and investors to promote the adoption and implementation of the 14 Sustainable Blue Economy Finance Principles. These principles provide a guiding framework for sustainable marine economic financing, and cover investments and projects that support sustainable marine economic development, identification of and focus on relevant compliance and risks, appropriate disclosure of economic, environmental and social effects, active sharing of experience in supporting sustainable marine economic development, and other content.

Through their products, services, and customer relations, financial institutions can help defend the oceans and provide funds for the sustainable transformation of the blue economy. The implementation of these principles will contribute to the protection and sustainable utilization of the oceans and the reduction of investment risks in the 'blue economy'. Joining the Initiative will not only help banks to deepen and improve their own green financial product innovation, environmental and social risk management, and ESG system construction, but also promote "Ocean Health" through financial services, accelerate the sustainable utilization and transformation of marine resources, and promote green development with the blue economy.

### Case Industrial Bank Financial Leasing releases the first green leasing industry standard

In September 2020, at the 2020 Annual Meeting of the Green Finance Committee (GFC) of the China Society for Finance and Banking, Industrial Bank Financial Leasing Co., Ltd., an IB subsidiary, released the first green standard in the leasing industry – Standard Catalog of the Green Leasing Industry. This filled in gaps of green finance standards in China's financial lease area. The standard takes into account of a leasing industry's feature that involves both resources and funds financing. This is an improvement of the green financial standard framework system in the leasing industry, and also a guideline to help the industry carry out green leasing practices effectively.

Based on the related standards to green finance, two innovations were made in the Standard Catalog of the Green Leasing Industry after referring to green leasing practices. On the one hand, Industrial Bank Financial Leasing Co., Ltd. sorted out the asset catalogs and information related to ten types of green industries, and set the criteria for identifying green leasing based on leasehold properties. On the other hand, it improved the green transportation, ecological agriculture and other catalogs that were closely related to the leasing business, adjusted the sub-catalog settings of energy-saving transformation and energy efficiency improvement, solid waste treatment, clean energy, smart city, and other areas, and deleted the categories related to clean utilization and production of coal, in order to keep in line with international standards.

As a wholly-owned subsidiary of IB, Industrial Bank Financial Leasing Co., Ltd. adopts green leasing as an effective means to seek differentiated development. Green leasing accounts for one-third of the company's business. The purpose of releasing the first green leasing industry standard is to further improve the development environment for the green leasing industry and better promote the green industry development.

## Improving the quality and efficiency of green finance via digital services

In 2020, the second phase of the Green to Gold system, a green financial business system self-developed by the Bank, was successfully launched. Through comprehensive integration and remodeling of the original system functions, it was built into a leading professional support platform for the Group's green finance business featuring complete basic functions and high expansibility. The Green to Gold system integrates the professional operation system, risk control process, business experience and technical standards accumulated by the Bank after years of exploration in green finance. It also realizes the attribute recognition of multi-channel green financing including the green loans and green bonds of the People's Bank of China and green financing of the China Banking and Insurance Regulatory Commission, as well as the unified management of the support materials. As a result, the system has greatly improved the quality and efficiency of green financing management and become a booster for the Bank to be an exporter of green financial technology. So far, the Bank has explored and launched the interbank cooperation model in green finance via its Bank-Bank Platform, covering small and medium-sized banks like city commercial banks and rural commercial banks.

Since 2006 when green finance was launched by IB, it has been playing a strategic role in the Bank's business. The self-developed Green to Gold system has guaranteed the scaling up of its services across the Group. It has five highlights, i.e., five functional modules, namely green client management, green business identification, environmental benefit calculation, green asset management and review of EPs implementation.

1



40 sets of environmental benefit calculation models have been developed, covering dozens of industries including low-carbon economy, circular economy and ecological economy. With a wide range of application, they can accurately evaluate environmental benefits.

2



The module of green asset management has been added to meet supervision requirements. The system can realize centralized management of green loans of the People's Bank of China, green credits of the China Banking and Insurance Regulatory Commission, green financial bonds and other green assets.

3



AI model is introduced for the first time. Technologies such as keyword identification and machine deep learning can significantly improve the timeliness and accuracy of green business identification and greatly accelerate the efficiency of manual operations.

4



The geographic information system module (GIS) has been developed. The green finance performance of various institutions can be visually displayed through maps to help exploit regional characteristic markets and business potential.

5



Big data analysis. Using big data technology and customer relationship network algorithms, we collect and analyze a large amount of operational data from enterprises to assess the social and environmental risks of target enterprises in almost real-time, and efficiently develop a sandbox for green finance customers.



Topic

## IB's Green Finance Practice on the Basis of the "Invaluable Assets" Theory

Chinese President Xi Jinping put forward the development theory of lucid waters and lush mountains are invaluable assets for the first time in 2005. Since then, persistent effort was made to promote the implementation of the "Invaluable Assets" theory. As a result, China saw fundamental changes in its ecological environment and economic and social development patterns. The Bank took the lead in exploring green finance business in China the same year when the theory was put forward, and for more than a decade thereafter, it had been making sustained effort in tree planting and promoting ecological conservation in China. In 2020, IB carried out vivid green finance practices based on the "Invaluable Assets" theory to promote the resumption of work and production, support green poverty alleviation, and serve green development.

### ■ Supporting green poverty alleviation ■

In its effort to promote poverty alleviation by developing industries, IB, as a foregoer of green finance in China, gave full play to its advantages in green finance and utilized local ecological and environmental resource endowments to vigorously develop a green ecological economy, and thus explored a characteristic path of green poverty alleviation.

In its effort to alleviate poverty, IB strived to improve the ecological compensation mechanism in underdeveloped areas. It sought mutual enhancement between economic development and ecological conservation in rural areas, and implemented requisition-compensation balance for enhancement of the local green development ability.

IB provided 600-million-yuan green financing for the comprehensive treatment project of stony desertification in Panxian County, a national-level poverty-stricken county in Guizhou Province, with a loan period of up to 15 years. The project, after being completed, will greatly improve the quality of the ecological environment within the prevention and control areas of stony desertification, and will bring obvious social benefits for promoting the local agricultural industrial structural adjustment, raising rural incomes, and winning the fight against poverty.

IB supported the photovoltaic power generation project and other green industry projects in Shanxi, Jilin, Jiangxi, among other provinces, to raise the collective income of local poverty-stricken villages and promote the development of local green industries. With this support, green power was injected into targeted poverty alleviation, and poverty alleviation industries with distinctive advantages became bigger and stronger, thus deepening the long-term mechanism for ensuring stable income of poverty-stricken families.

### ■ Promoting the resumption of work and production ■

A huge impact was produced on the global economy due to the outbreak of COVID-19. As the epidemic is partially under control, countries around the world have emphasized "green, low-carbon recovery" in the process of restarting economic development, so as to address global climate change and prevent the epidemic from worsening again. Since the COVID-19 outbreak, with its strength in green finance, IB has adopted the "One Measure for One Account" method to provide enterprises with targeted services, and has given support to environmental protection enterprises for fighting the epidemic and resuming work and production, including an accumulative total of over-7-billion-yuan green financing given to them for tackling the epidemic.

To help eco-protection enterprises fight the epidemic, IB developed innovative financial service modes, opened fast-track approval channels, increased efforts to grant credit loans, and efficiently approved and issued green financing instruments such as corporate bonds and asset-backed securities. IB took the lead in underwriting the first green bond against COVID-19 on the market. It issued 1.551 billion green asset-backed notes for Huadian Power International Corporation Limited. Funds raised were first used to ensure the power supply in Hubei and other regions. Green "Loans Against COVID-19" were tailor-made for Dongjiang Environmental Company Limited. IB issued 400-million-yuan loans to the company within a week, and gave it a preferential loan interest rate. A special fund was used for the disposal of medical wastes. All these efforts gave environmental protection support to the enterprises for the resumption of work and production.

### ■ Serving green development ■

Since the establishment of the pilot zones of green finance reform and innovation in Zhejiang Province, Guangdong Province, Jiangxi Province, Guizhou Province, and Xinjiang Uygur Autonomous Region in June 2017, localities have actively brought in piloting projects and vigorously promoted green development. Based on the cooperation concept of "financing of intellectual capital, funds, and business", IB signed a green finance cooperation agreement with 9 national and local pilot provinces (regions) of green finance reform and innovation, including Guizhou, Zhejiang, Jiangxi, Xinjiang, Inner Mongolia, Gansu, Qinghai, Jilin, and Yunnan. The total contract amount was 570 billion yuan, and IB participated in the formulation (revision) of green finance policies and the drafting of plans for pilot zones in many places. As of the end of 2020, it has offered loans of 478.211 billion yuan to those contracted provinces and regions.

IB provides differentiated services based on the industrial base, environmental status, and development orientation of different pilot zones, so as to achieve the integration of industry and finance and adopt one policy for one place. It gives full play to its resource superiority of financial licenses to provide the pilot zones with investment, loans, trusts, funds, securities and other diversified financial services. Internal and external expert team resources are utilized to promote the construction of the pilot zones, deepen cooperation in an all-round way, and achieve win-win development.

# Green operation: Implementing the concept of environmental protection

Energy consumption by the head office	2020
Total water consumption by office (ton)	235,795.95
Total power consumption by office (10,000 kWh)	6,575.19
Total paper consumption by office (10,000 sheets)	255.5
Total fuel consumption by cars for official business (L)	153,839.56
Carbon dioxide emissions from the head office (ton)	47,826.10
The proportion of video conferences in the total number of conferences (%)	41.47%
Video equipment coverage (%)	75%

The Bank actively implements the national policy of low-carbon economy and adheres to the corporate governance concept of sustainable development throughout all links of operations and management. Continuous attention is paid to energy saving and emission reduction in daily work. Based on the actual situation, the Bank starts from small details around. Meanwhile, it insists on conducting corresponding reviews of suppliers in terms of production safety and environmental certification, etc. during the procurement process. With various design measures adopted, IB's Fuzhou Headquarters Building was given a two-star green building design logo certificate and thus became a low-carbon, environmentally-friendly, green modern model building, so the Bank has taken its due responsibility for the improvement of the natural environment.

## Earth Hour

The 2020 WWF Earth Hour event, with the theme of "Voice for the Planet", was held at 20:30-21:30 on March 28, 2020. The loss of various natural resources and the decline of biodiversity threaten the healthy and prosperous future of the human beings. This event encourages people to turn off the lights and listen to the sounds of nature, and to work together to protect biodiversity and give their voice to the planet.

As an Equator Bank, the Bank has joined the Earth Hour event for ten consecutive years. In 2020, the Bank became the partner for annual promotion of WWF Earth Hour, showing its environmental protection awareness and determination on the world stage.



## Participate in the Earth Hour, Turn off lighting at all branches



## Encouraging staff to come up with their ideas on sustainability

A series of Earth Hour activities, such as Bright Theme, Golden Idea, and Knowledge Challenge Competition, were carried out across the entire Group in 2020. All subsidiaries of the Group, branches of the Bank, and departments of the head office attached great importance to these activities and actively encouraged staff to participate in them. A total of 47 institutions at home and abroad within the entire Group submitted their works. 1,163 theme slogans were collected for the "Bright Theme: Your Voice for the Planet" activity, 1,184 golden ideas were collected for the "Golden Idea: Share Your Earth Hour Action Plan" activity, and 9,784 staff participated in the online question answering for the "Come to Answer Questions: Sustainability Knowledge Challenge Competition" activity. The golden ideas collected were compiled into the 2020 Guide to Sustainable Life for the staff of the Industrial Bank.

All staff actively participated in the series of Earth Hour activities, showing the Bank's ideal and vision of supporting environmental protection and contributing to sustainable development, and promoting the continuous deepening of the social responsibility work and sustainable development concept of the Bank. With this as an opportunity, the Bank implemented the philosophy of sustainable development throughout every aspect of work and life of all staff, thus contributing to improving domestic environmental conditions and building a better future for the Earth.





The essence of the strong is helping and leading

## GIVING BACK TO THE COMMUNITY

Building inclusive financial services in collaboration with the community to improve the people's livelihood 74

**Topic:** Starting from transaction and ending in scenes to build a service platform of urban ecology 79

Popularization of financial knowledge for better public awareness 82

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Common growth of all the staff members based on the principle of people first 95

## SDGs



Participation in and making contributions to the local communities

Equality and pluralism of staff members

Salaries and welfare system for staff members

Supporting the further education of staff members

Policies and training activities for promoting knowledge and skills of staff members

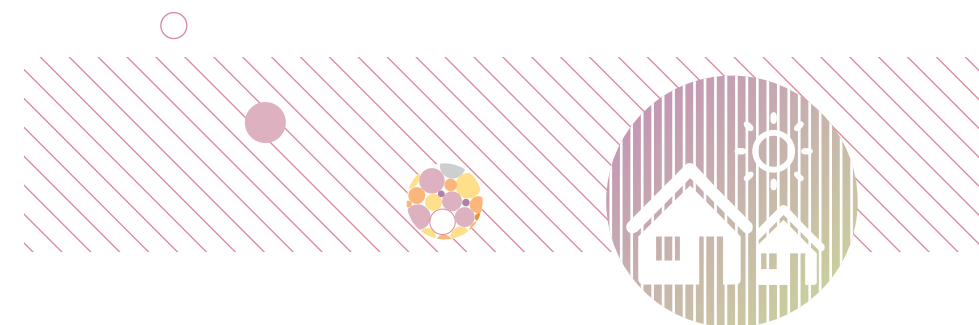
Occupational health safety management of staff members

Specific data	2020
Total donations for fighting COVID-19 (RMB 10,000)	More than 6,000
Credit support for the enterprises manufacturing goods and supplies for COVID-19 response (RMB 100 million)	849
Total incremental credit to the small and medium-sized enterprises manufacturing goods and supplies for COVID-19 response (RMB 100 million)	407.13
Number of IB-supported small and medium-sized enterprises manufacturing goods and supplies for COVID-19 response	1,242
The balance of financial loans for targeted poverty alleviation (RMB 100 million)	166.68
Investment in public financial literacy (RMB 10,000)	1,779.67
Number of participants in financial literacy events (10,000 people)	4,281.96
Number of thematic activities for public financial literacy	11,183
Number of leaflet copies handed out for public financial literacy (10,000)	1,912.16 (Including the online channels)
Number of media reports for public financial literacy events	3,948
Total amount donated to public welfare and charity (RMB 10,000)	10,928.71
Total number of staff members	55,473
Ratio of male to female staff members	0.85:1
Proportion of high and middle-level managerial personnel (%)	5.84
Ratio of males to females among high and middle-level managerial personnel	2.19:1
Proportion of staff members with undergraduate education or above (%)	94.01
Number of ethnic minority staff members	2,091 (Accounting for 3.77%)
Number of non-mainland staff members	217 (Including 192 people from Hong Kong)
Social insurance coverage (%)	100
Proportion of staff members signing labor contract (%)	100
Coverage of housing provident funds (%)	100
Number of staff training programs	3,704
Staff members receiving training	651,818
Average number of training hours each staff member receives per year (Total number of training hours for all staff members/total number of staff members)	193
Staff training expenditure (RMB 10,000)	13,900

## Building inclusive financial services in collaboration with the community to improve the people's livelihood

The Bank thoroughly implemented the national inclusive financial policy by setting up a leading group of inclusive financial affairs to strengthen the leadership and arrangement of inclusive finance. IB substantially scaled up the support for key fields and weak links in a bid to implement the inclusive financial policy in all businesses.

	2020
Balance of secured loans for individual entrepreneurship (RMB 100 million)	2.31
Number of people getting secured loans for individual entrepreneurship	720
Balance of agriculture-related loans (RMB 100 million)	4,438.99
Balance of loans for indemnificatory housing projects (RMB 100 million)	1,291.51
Balance of consumption credit (RMB 100 million)	688.81
Number of community-based sub-branches	863





## Community-based sub-branches become a place of warmth “at your door”

The Bank has been making efforts to become a place of warmth “at your door” to provide a wide range of meticulous services to community users. As of the end of 2020, 863 community-based sub-branches were put into operation. They not only expanded IB's financial service coverage in terms of outlet location, but set up many convenience facilities like the rest station for sanitation workers and charitable donation station. They launched all kinds of activities jointly with nearby property management companies and launched activities with other businesses nearby to benefit community residents on a regular basis. Relying on the training resources of the head office and branches, they gave lectures on inclusive finance to nearby clients, with themes such as anti-counterfeit banknotes and prevention of scams. Some outlets provided innovative services like express delivery and tea rest for clients.



Activities of the community-based sub-branches of Shanghai Branch



Activities of the community-based sub-branches of Zhengzhou Branch



Development of the community-based sub-branches of Hefei Branch



Kaiyun Street community-based sub-branch of Changchun Branch

## Provision of simple and swift consumption financing services

The Bank developed and put into service the functions of due diligence investigation and interview via video link by using advanced technology as big data and AI, built and optimized all kinds of risk control models, and strengthened the direct connection of IB's “Xingshan Loan” product to local government affairs such as the housing provident fund, social insurance and tax. Also, to expand online small quantity “Xingshan” loan, IB made continuous efforts to promote “Xingshan Loan” among corporate clients who use the Bank's service of distributing payroll paychecks for them. In this way, IB provided simple and swift consumption financing service to the clients. The purpose was to make our services reach a wider scope of retail credit clients. As of the end of December in 2020, IB had 1.8212 million consumption credit clients with a loan balance of 68.881 billion yuan.

## ■ Support of entrepreneurship ■

Following the regulations of the local branch of PBOC and relevant government authorities, IB branches were encouraged to communicate with local government departments of finance, human resources and social security for offering secured loans for entrepreneurship, which offered funding support to individuals in their self-employment or starting their own business. IB supported its branches in their connection with local government's financial department to participate in the local financial poverty alleviation program actively and expand the credit input in poverty alleviation.



By the end of 2020, IB had a **231 million yuan** balance of secured loans for individual entrepreneurship, granting loans of **158 million yuan** in the same year.

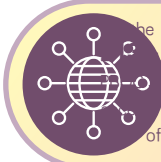
## ■ Support of "agriculture, farmers and rural areas" ■

In the availability of credit, the Bank strengthened its support for rural areas, enhanced the capacity for making innovation in products and services, intensified the credit support for agriculture and its sidelines as well as local characteristic industries, and put effort in the construction of key infrastructure projects in transport, electricity and water conservancy. Meanwhile, the Bank scaled up financial support for appropriate extensive operation of family farms and their cooperative operation. IB introduced loan models like unsecured loans, mortgage of "two rights" (land management right and property right), "two rights + insurance" and "two rights + guarantee" for the farmer households with good social credibility and a large cash flow and agriculture-related business entities like family farm. IB increased the grant of mortgage loans for "two rights" and forest ownership in rural areas, strengthened the public-private linkage in work procedures. The Bank provided financing service for retail customers in farming, forestry, animal husbandry and fishing on the upper stream and lower stream of core enterprises, provided support for all kinds of people returning or coming to rural areas to make innovation or start their own business, and scaled up the financial support for rural tourism, farming and breeding, and processing of agricultural products and byproducts.



As of the end of December in 2020, the balance of agriculture-related loans was **443.899 billion yuan**.

In addition, the Bank acted as an agent for rural medium-sized and small banks to gain access to the financial infrastructure of the Central Bank so as to improve the financial payment environment in rural areas. This move solved the "payment" problem faced by the rural medium-sized and small banks.



By the end of 2020, the Bank-Bank Platform of IB acted as an agent for a total of **135** rural medium-sized and small banks to gain access to the payment system of the Central Bank. IB acted as an agent for a total of **64** rural medium-sized and small banks to gain access to the online payment inter-bank settlement system, and acted as an agent for a total of **135** rural medium-sized and small banks to gain access to Nets Union.

Through acting as an agent for financial infrastructure, IB allowed rural medium-sized and small banks to save their cost and helped them provide multi-level payment and settlement services, so that rural residents can equally enjoy the benefit and convenience brought by modern payment service.

### Case Acting as an agent for payment through IB's Bank-Bank Platform to improve the financial payment environment in rural areas

Though Liupanshan Rural Bank in Longde of Ningxia is located in the outlying Liupanshan area, the payment agency scheme offered by Bank-Bank Platform of IB eliminated its worries. The scheme solved the payment problem faced by town-based banks. Liu Qing, vice-president of the Liupanshan Rural Bank in Longde, said that their clients can receive services in all parts of the country with the bank card now, and next they will be connected to the NetsUnion Clearing center, and linked to WeChat and Alipay. All this will bring great convenience to the users in outlying areas. Gaining access to the payment route, upgrading the application scenario and joining Shanghai Commercial Paper Exchange Corporation Ltd ... Over the past two years, the efficient and convenient banking service the Liupanshan Rural Bank in Longde provided facilitated rural economic development.

### Case Payment agency of the Bank-Bank Platform helps the rural medium-sized and small banks provide multi-level payment service

Xinpu Changzheng Rural Bank in is located in Zunyi of Guizhou, an old revolutionary base, and it is committed to providing financial service for the development of local "agriculture, farmers and rural area", small and micro-enterprises, self-employed workers and community residents. It gained access to the payment system of the central bank through the Bank-Bank Platform of IB, solving the difficulty in payment for local people. IB helped it gain access to the NetsUnion Clearing platform and open EPO on WeChat and AliPay through coordinating with NetsUnion and payment organizations. Now, the clients can make payments directly on WeChat and AliPay with the bank card issued by the local town-based bank, enjoying the equal convenience of payment as in developed areas. In addition, IB also acted as an agent to this rural bank to gain access to the interbank clearing system of the online payment of PBOC, solving the problem of the real-time transfer to the account of the social insurance funds. Therefore, it smoothly obtained the qualification to issue the social security card, making it the first rural bank in Guizhou and the third in the whole country having this qualification.

### Case CIB Wealth Management facilitates the development of Fujian and inclusive wealth investment boosts rural revitalization

Shortly before China's 7th National Poverty Alleviation Day, "Tiantian Wanlibao Inclusive Wealth Management", an open net value wealth management product jointly introduced by CIB Wealth Management Co., Ltd., a subsidiary of IB, and the Rural Credit Cooperatives Union of Fujian was formally put into operation. It is the first inclusive wealth management product custom-made by CIB Wealth Management for the clients of the rural commercial banks and rural credit cooperatives inside the province. It is also an important measure taken by CIB Wealth Management to actively shoulder its social responsibility and facilitate the development of inclusive finance inside the province. By giving play to the bridging function of the Rural Credit Cooperatives Union of Fujian, CIB Wealth Management introduced the high-quality wealth management product to rural areas so as to widen the investment channels of rural residents and realize the goal of wealth management service reaching each and every town, village and household. This further promoted the integration of urban and rural areas.

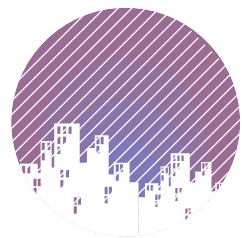
## ■ Driving the construction of urbanization ■

Aiming at the idle land upgrading plan made by local governments, the Bank assisted in the businesses of the following fields in urban renewal projects with medium and long-term financial products: relocation and renovation, environmental improvement, district planning, construction of resettlement housing, construction of supporting infrastructure, commercial development, capacity-increasing transformation and garden construction, among others.

Focusing on Beijing, Shanghai and Shenzhen, the Bank formed a local business policy for renewal type projects, and introduced special integrated service for project financing (getting involved in stages of relocation and rearrangement, development and construction, and operation step by step). At the same time, IB made the access policy and regulatory requirement for related "integrated loan" and the "primary and secondary coupling" operation of the comprehensive projects in redevelopment of low efficient industrial land, urban renewal and city-industry integration.

Topic

## Starting from transaction and ending in service scenarios to build a service platform of urban ecology



In recent years, IB makes efforts to build an ecosphere of business scenes. Starting from differentiated scenes in industries, we rely on open banking to deliver fintech results for the diversified needs in urban life as well as clients' settlement demand. We provide more convenient and comprehensive financial service for clients.

To meet the differentiated needs on different scenes and of different client groups, the Bank adopts "self-built platform, industrial cooperation, open and interconnected, and enhanced synergy" as a whole strategy to further reach clients and the upper and lower reaches of the ecosphere. By the end of 2020, IB served over 7,000 clients via the platform. As a result, the public-private coupling is closer and an eco-chain where all kinds of clients (from the government (G) to businesses (B) and then to customers (C)) are closely linked from end to end.

### Medical care

**In medical care**, we have nurtured a scene ecosphere of different categories in this sector depending on the impetus brought by "deepening the medical reform" and accelerated process in the reform of "Internet + medical care & health". For example, IB developed a new service model of "Internet + medical care + finance" that targeted on the pain points of patients— "difficulty and complicated procedures in getting medical services". IB inserted the payment and settlement service in all kinds of payment scenes related to medical insurance by introducing an electronic health card; the patient can finish the whole process of medical service with a card.



### Education

**In education**, IB developed ecological scenes around "finance + technology + education" through exploring the educational characteristics in the new era and individualized demands of different kinds of customers. For instance, the cloud platform for online payment and campus payment IB put up has greatly facilitated the payment of both teachers and students while improving the financial management of the school. As of the end of 2020, the educational ecosphere served more than 400 educational institutions, providing online settlement service in education for 660,000 people each year. Take a look at the direct payment model of "central booking + school account" for the business trips of higher education institution staff which provided by IB. In this example, the Bank explored the value around the customer's demand to promote IB's serving ability for higher education institutions.

### Transport

**In transport**, our service is applied in many scenes such as the expressway, urban public transport, passenger transport of the subway, shipping port and airport, and it is being extended to the scenes like smart parking and self-service refueling. Take the expressway ETC in Fujian Province for example, a car owner can use his or her cell-phone to top up his or her ETC card and pay the expressway toll through scanning QR code; this scheme is also applied in the passing of the navigation lock by ships at the port in Anhui Province, and it allows crew members to pay the fee with their cell-phone, which greatly promotes the efficiency of passing and greatly facilitates the lock passing of the crew members and operation of the lock.



### Housing industry

**In the housing industry**, for government clients, IB creates a one-stop service chain through fintech to empower housing and urban development; IB helps government agencies supervise the flow of funds in the whole process from tendering and bidding for land to the housing building sector. For business clients, IB introduced custom-made settlement and payment service for housing builders. For individual customers, IB creates an exclusive payment platform and multiple payment models for lessees and tenants to meet their needs of payment through different channels.





**Case** Xining Branch helps the medical insurance enter the “era of QR code”

The electronic voucher mixed payment for the medical insurance of Qinghai Province established by Xining Branch successfully passed the pilot project acceptance inspection conducted by the National Healthcare Security Administration and Qinghai Healthcare Security Administration. And it was formally put into operation in 10 designated medical institutions across Qinghai Province such as No.4 People's Hospital of Qinghai and 1,000 pharmacies.

The launch of this mixed payment system will enable QR code presentation and mixed payment and settlement of the electronic voucher when using medical insurance. Users only need to present the QR code of the voucher for medical insurance once to use their personal medical insurance account and personal cash when making payment at the designated medical institutions and retail pharmacies through scanning the code. In this way, they can finish the settlement of medical costs easily. This marks the medical insurance operation in Qinghai Province has entered the “QR code era” from the “card era”.



Xining Branch and Qinghai Healthcare Security Administration signed a cooperative agreement for the pilot project of the electronic voucher

**Case** Huzhou Branch creates a “super farmer's market” to benefit people's livelihood with fintech

To advance the smart upgrading of Huzhou Central Farmer's Market in an all-round way, the mobile payment team of Huzhou Branch joined hands with Huzhou Big Data Operation Co., Ltd. to create a “super farmer's market” through technological financial service. Consumers, market administration bureau and market manager can read the situation of the whole market only relying on the data screen at the gate of the market, including the trading volume, total number of orders, number of vendors, ranking list of sales volume, trading data and flow of customers on the same day.

The solution of “super farmer's market” has adopted intelligent hardware and applied the thinking of “scenario + technology + finance” to enable a smart farmer's market management platform, covering tracing the source of farm produce, cashier management and vendor management. Depending on this platform, citizens can enjoy traceable food safety service and convenient and reliable payment management service. At the same time, vendors can enjoy a series of convenient inclusive financial services like payment route management, bank account management and credit extension loan for small businesses. Therefore, citizens can really have a sense of happiness and gain thanks to the improvement of living standard.

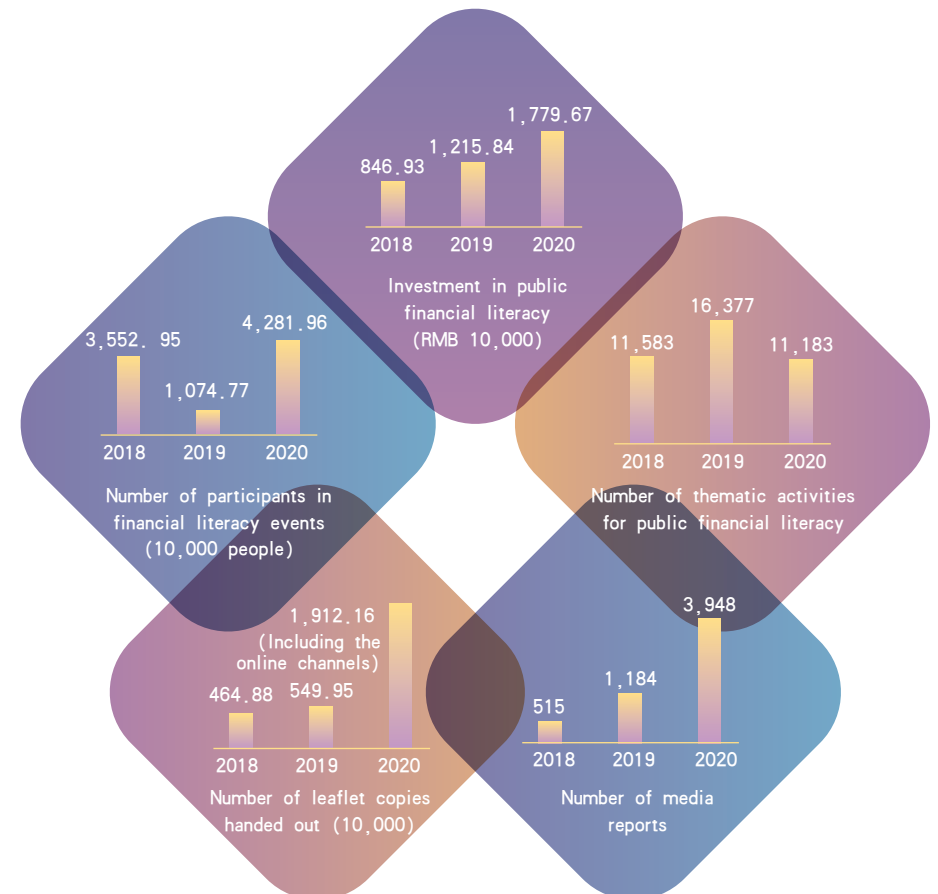


Big screen with visible data



Popularizing financial knowledge

# Popularization of financial knowledge for better public awareness







■ Full coverage ■

The Bank has successively organized activities of popularizing financial knowledge like the "Publicity Week for the Protection of Consumers' Rights and Interests on March 15", "Publicity Day for the Protection of Consumers' Rights and Interests on March 15", "Popularizing Financial Knowledge and Maintaining Your Wealth", "A Long March of Popularizing Financial Knowledge", "Month of Popularizing Financial Knowledge and Financial Knowledge for All Households" and "Become a Rational Investor and a Good Netizen in Finance", achieving 100% participation and coverage of its traditional business outlets and community banks.



Ningde Branch launched the activity for guarding against illegal fundraising



Shenyang Branch held an evening party to popularize the protection of consumers' rights and interests



Yichun Branch launched the activity of "community-level popularization of knowledge about RMB"



Fuzhou Branch's thematic comics in the month of "popularization of financial knowledge"



Jincheng Branch launched activities to help people guard against new types of telecom fraud

Nanchang Branch launched activities to help people guard against illegal fundraising

Haikou Branch launched activities to help people guard against illegal fundraising in 2020

■ Multiple channels ■

The Bank irregularly updates the financial literacy content about the protection of consumers' rights and interests on the homepages of its official website and mobile banking and at official micro-blog and WeChat official account. It also gives risk warnings to the consumers jointly with the mainstream media via television, radio, newspapers, magazines and other media outlets, and launches an online financial knowledge lecture program together with its business departments to create an atmosphere of publicity and education. In addition, it interacts with consumers via Q&A on its app platform, sends risk warning text messages, and encourages consumers' critical thinking. These efforts help the public enhance risk identification and prevention capabilities.



Sanya Branch popularized credit information via the short video platform



The short video edited by Zhengzhou Branch won the award for excellence among outstanding original works in the category of videos for the "2020 Financial Literacy Promotion in the Banking and Insurance Sectors in Henan Province"

■ Assistance to vulnerable groups ■

Given the elderly clients' weakness in information sources, the Bank held 1,063 financial anti-fraud lectures through the "Anyu Club" to help them identify the P2P risks, illegal fundraising and telecom fraud, and organized professional lawyers to hold 321 legal consultation lectures at sub-branches and provide 24/7 legal advisory services for them. The elderly clients can call 95561 for consultation in case of any financial disputes.



Jincheng Branch launched activities to help people guard against new types of telecom fraud



Nanchang Branch launched activities to help people guard against illegal fundraising



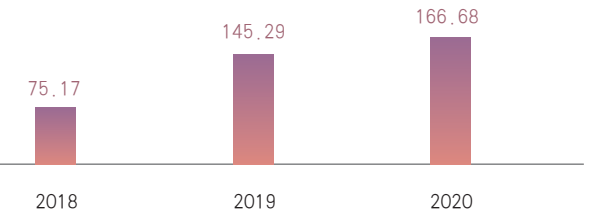
Haikou Branch launched activities to help people guard against illegal fundraising in 2020

Topic

## Financial measures taken to facilitate targeted poverty alleviation

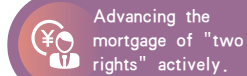
In 2020, the Bank took poverty alleviation as a major political task. IB leaders attached great importance to this task and set up a leading group of poverty alleviation through finance led by IB President Tao Yiping, clearly designating the group members from the head office and affiliated office. IB established a coordination and cooperation mechanism among different departments of the head office, and made an overall plan for poverty alleviation through finance. Multiple measures were taken to facilitate poverty alleviation, push forward the targeted poverty alleviation in poverty-stricken areas, and promote the availability of financial service in those areas. IB was chosen "The Best Differentiated Targeted Poverty Alleviation Institution for the Year" on the financial value list of China Business Network, "Financial Institution for Targeted Poverty Alleviation for the Year" by the 21st Century Annual Finance Summit of Asia, and "The Best Institution for Innovation in Poverty Alleviation for the Year" by the 3rd CSR Pioneering Forum of International Finance News 2020 in succession. IB also won the "Leading China" prize for poverty alleviation for the year of 2020 in the financial circle.

Balance of targeted poverty alleviation loans (RMB 100 million)



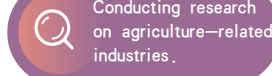
### Focusing on agriculture, farmers and rural areas and helping rural residents in poverty alleviation

Because the registered impoverished population in our country is concentrated in rural areas, scaling up the financial support for agriculture, farmers and rural areas can help the poverty-stricken areas shake off poverty as soon as possible.



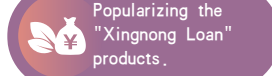
Advancing the mortgage of "two rights" actively.

Unsecured loans, mortgage of two rights (land management right and property right), "two rights+ insurance" and "two rights +guarantee" were made available for the farmer households with good social credibility and a large cash flow and agriculture-related business entities like family farm.



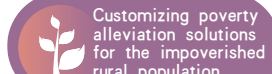
Conducting research on agriculture-related industries.

IB launched industrial research around agriculture-related industries like grain, vegetables and fruits, put forward the types of key clients to be supported in these industries, and provided professional guidance for the expansion of agriculture-related services.



Popularizing the "Xingnong Loan" products.

IB branches were encouraged to expand "Xingnong Loan" in an all-round way based on local conditions and advantageous industries.



Customizing poverty alleviation solutions for the impoverished rural population.

Targeted poverty alleviation solutions were jointly made with the local poverty alleviation office, social security department and core enterprises in the supply chain based on local conditions.

### Advocating green poverty alleviation and building beautiful China

As the first Equator Principles Bank in China, IB attaches great importance to green poverty alleviation. On the one hand, IB increased green financial credit for poverty-stricken areas. The Bank focused the support on environmental improvement and clean energy fields that feature green development and inclusive livelihood such as supply of running water, sewage disposal or urban natural gas; the fields like energy-conservation and emission reduction, environmental protection or recycling of resources which are in line with policies for green credit and green finance had priority to get funds. On the other hand, IB established an interests binding mechanism for impoverished population and green projects in terms of poverty alleviation through industrial development. IB and high-quality projects in pollution-free industries worked together to create job opportunities for impoverished population. The Bank provided support for those projects in the introduction and improvement of varieties, construction of standardized breeding farm and training of production technology, so that impoverished population could be connected with green projects, and green projects to the market.



## Expanding the service coverage area by poverty alleviation through technology

The Bank extends modern financial services on its "Bank-Bank Platform" to more third- and fourth-tier cities, rural areas and remote areas, increasing the supply of financial products in underdeveloped areas.

On one hand, it continues to provide credit line support for small and medium-sized rural banks to contribute to poverty alleviation by expanding their funding sources. By late December 2020, the Bank has granted credits to about 200 small and medium-sized banks, offering the credit extension loans of nearly RMB 200 billion to more than 100 rural financial institutions and of about RMB 50 billion to the small and medium-sized banks in key poverty-stricken areas such as Ningxia, Gansu, Guizhou, Yunnan, Xinjiang and Qinghai.

On the other hand, the Bank has integrated its own high-quality wealth management to contribute to poverty alleviation. By late December 2020, it has provided retail terminal wealth management services to more than 100 small and medium-sized banks in key poverty alleviation provinces and counties nationwide, continuing to create stable intermediate business income for them. It has also cooperated with 21 provincial rural credit cooperatives accumulatively on the agency sales of "Wealth Cloud" wealth management products on the "Bank-Bank Platform", creating convenient and favorable inclusive conditions for the urban and rural residents in rural areas and third- and fourth-tier cities to increase wealth investment income.

## Enriching the means of poverty alleviation via e-commerce

E-commerce is an open platform for non-financial life scene services of the Bank. Utilizing its own strength, the Bank carries out poverty alleviation through e-commerce, and actively performs its corporate social responsibility. Using its huge retail user base, offline outlets, and online traffic of mobile banking, it set up a special zone of "CIB CARES" on the e-commerce platform "Industrial Shopping Mall", expanding the sales of poverty alleviation products through a combination model of online and offline purchases and sales, and helping farmers in poverty-stricken areas bring high-quality agricultural and sideline products to the market. Since July 2019, the Bank has actively explored and improved the poverty alleviation model of "Industrial Shopping Mall" and expanded the impact of its financial e-commerce poverty alleviation and the brand awareness of "CIB CARES", by gathering all of its strengths and trying the branches' poverty alleviation through e-commerce. In 2020, it supports 40 poverty alleviation merchants and markets a total of 401 poverty alleviation products, cultivating a range of high-profile products such as Aksu apples, Zhenghe white tea, and Helong rice. As of December 2020, the Bank has contributed to a total of nearly 20,000 sales of Aksu apples, generating the income of more than RMB 1.8 million for local fruit farmers, and establishing a new collaboration model of "benefiting enterprises with the help of the Bank and the government". In addition, the Bank has also organized e-commerce and futures trainings for two consecutive years from 2019 to 2020 for local grass-roots cadres and related enterprises in Helong County and Songjiang Town, Antu County, Yanbian Korean Autonomous Prefecture, Jilin Province, attracting nearly 600 participants.



Customized Aksu apple packaging at the pairing poverty alleviation locality



### Case "Taste of Ningxia" witnesses the friendship between Fujian and Ningxia

IB Yinchuan Branch signed the strategic cooperative agreement of "poverty alleviation through e-commerce" with the Poverty Alleviation Office, Commerce Department and Department of Agriculture and Rural Affairs of the autonomous region. The purpose was to conduct a special exchange session at the brand building workshop of Ningxia's agricultural enterprises held by the Department of Agriculture and Rural Affairs of Ningxia at Xiamen University. "Taste of Ningxia": a section for selling the famous and premium products originated from Ningxia was set up at the IB Life Shopping Mall in a bid to boost the industrial growth by e-commerce and promote the effective implementation of poverty alleviation through finance.

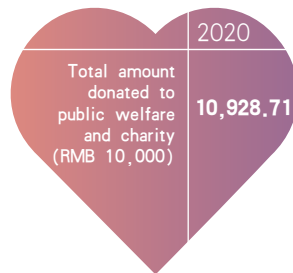
## Advancing poverty alleviation efforts by the way of fixed-point poverty alleviation

The Bank facilitated poverty alleviation in poverty-stricken areas through the combination of funding support and sending staff to the community level, the combination of assisting in building livelihood and infrastructure project and supporting the industrial development, and the combination of pairing assistance by the unit and voluntary participation of staff members; and IB made overall coordination in fixed-point assistance for severely impoverished areas and contiguous poverty-stricken areas with which all branches were paired (e.g. poverty-stricken counties and villages like southern Xinjiang, Ngari Prefecture of Tibet, Ganzi Prefecture of Sichuan and Tianshui of Gansu). At the same time, it took strict measures to prevent the phenomenon of falling back into poverty due to COVID-19. So far, the Bank has already sent 40 poverty alleviation staff members to 51 points for pairing assistance. All the localities for pairing assistance were lifted out of poverty before April 2020. The Bank was given the "Honorary Certificate for Making Major Contributions to Poverty Alleviation"; and the project was selected as the "Public Welfare Project for Fulfilling the Responsibilities for the Year".

### Case A new path for poverty alleviation through finance and the countryside takes on a new look after transformation--Dalixi Village of Zhenghe County, Nanping City, Fujian Province

Since 2012, IB had been linked to Zhenghe County of Nanping City for the purpose of getting rid of poverty for a long time. As a pairing unit, IB donated a total amount of 49 million yuan to facilitate the poverty alleviation of Zhenghe County. Dalixi Village lies in the northern part of Chengyuan Town and it was the pairing assistance village of IB in the fifth-round effort of entire village poverty alleviation. It was one of the ten impoverished villages in Chengyuan Town. Since 2017, IB had invested 1.3805 million yuan in assistance and sent its staff member Zeng Nianhe to serve as the first secretary of Dalixi Village. With the help of the special-purpose fund allocated by IB and funds raised through multiple channels, Zeng Nianhe led the villagers to renovate the village office, build the driveway across the village and a 4-km-long tractor road ... Convenient transport facilitated the development of local forest resources such as moso bamboo. The collective economy of this village saw steady growth and the villagers increased their income and got rich. This village was lifted out of poverty ahead of time in 2018.

## Incessant endeavors to conduct public welfare activities and help the poor



### ■ Donations to education ■

Fulfilling its CSR of helping poor students and relying on the Group's resources, the Bank has formed a diversified system of alleviating poverty and helping students from elementary school to university and from general education to special education, with an accumulative donation of more than RMB 70 million for education and poverty alleviation. The scholarships of more than RMB 3.8 million have been granted to 4,370 outstanding students accumulatively through the "Scholarship of Industrial Bank Caring for the Next Generation" program established in 2000, and the amount of more than RMB 29.5 million has been funded for a total of 6,000 impoverished college students from 5 colleges and universities through the "Industrial Bank's Student Grants" program established in 2007. The Bank has donated to a total of RMB 1.5 million through special poverty alleviation programs such as the "Action to Help the Poor and Disabled Students Realize Their Dreams" and the "Spring Bud Program" organized successively since 2016. Industrial Consumer Finance Co., Ltd., its subsidiary, has also donated a total of more than RMB 10 million since 2016, in order to establish the "Special Education Fund of Quanzhou Education Foundation", which is dedicated to the targeted poverty alleviation of disabled students and households.



#### Case Donating money to build No.2 and No.3 Experimental Elementary Schools in Zhenghe County

Since 2012, IB had been linked to Zhenghe County of Fujian Province for a long time. The Bank donated a total amount of 49 million yuan to facilitate the poverty alleviation of this county. It donated 23 million yuan to the compulsory education of this county, and this sum was used to build No.2 and No.3 Experimental Elementary Schools in Zhenghe County. In 2017, the construction of No.2 Experimental Elementary School in Zhenghe County was completed. After three years' development, there were altogether 25 classes in the autumn of this year with more than one thousand students on school enrollment. In addition, IB donated 15 million yuan to No.3 Experimental Elementary School in this county in batches in 2019 and 2020, providing strong financial guarantee for this school's infrastructure development. It is estimated that the school will enroll new students in the autumn of 2021.



The IB Experimental Building in No.2 Experimental Elementary School in Zhenghe County built with the donation of IB

#### Case "IB Cares Charitable Stipend" helps impoverished students set goals and fulfill dreams

From 2007, IB set up "IB Charitable Stipend", which helps 100 financially difficult university students at Xiamen University, Fuzhou University, Jimei University, Fujian Normal University, and Fujian Agriculture and Forestry University every year. Up to now, a total amount of 29.5 million yuan was donated to fund 6,000 financially difficult students in their schooling. It is one of the social funds for students lasting the longest time, having the largest sum and covering the widest scope of people in Fujian. The new round of donation scheme is "four-year consistency", namely the stipend receiver can get the financial help from IB in succession within the period of funding plan until graduation from undergraduate education program once approved. This scheme can dispel their worries. Except provision of tuition, IB also plans to find out the financial situation of the families of the impoverished students and let the local IB institutions located in the area where those students live offer pairing assistance, trying to realize the goal of "lifting one family out of poverty when supporting one student".

#### Case Donating 1 million yuan to "College Dream Fulfilling Action for the Disabled"

From 2015, IB donated a total amount of 1 million yuan successively to the "College Dream Fulfilling Action for the Disabled" program jointly launched by the Fujian Poverty Alleviation Foundation, the Fujian Provincial Department of Finance and the Fujian Disabled Persons' Federation. It is mainly to cover the total tuition fee for disabled university students and offspring of the disabled families receiving subsistence allowance in 23 key counties for development-oriented poverty reduction in Fujian at domestic higher learning institutions (including both undergraduate and junior college education). Up to now, the program has already sponsored 2,310 impoverished disabled college students and college students from disabled families suffering from poverty. In 2019, 282 students from such families graduated as the first ones receiving help from this program. The dream of shaking off poverty for those impoverished families has come true.



## ■ Assisting those in need ■

### Case Sanming Branch fulfills its social responsibility with loving care

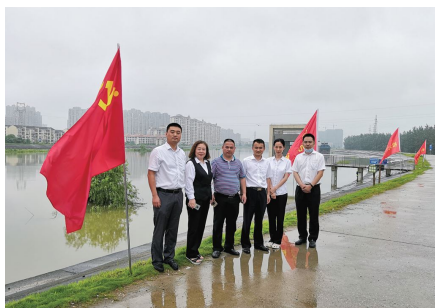
Lianyun Village in Lianhe Town of Youxi County was a newly-added pairing assistance point of Sanming Branch this year. On December 17, 2020, Sanming Branch sent its staff representatives to visit impoverished farmer households there, who received donated money and bottled cooking oil as gifts of small comforts. The villager Lin Shengxin has a four-member family. His son and daughter-in-law are working outside hometown; he and his wife suffer from serious illness. While giving them money and gifts, the Sanming Branch representatives also asked about their recent life and production in detail, explained poverty alleviation policies to them. They encouraged the family to overcome the difficulties with the help of preferential policies.

## ■ Disaster relief ■

### Case Hefei Branch makes all-out efforts to support the flood-fighting frontline

In July 2020, Anhui was hit by continuous heavy rainfall and in urgent need of flood control and disaster relief. In the face of the flood, Hefei Branch took quick action by setting up a work group and started an emergency plan in the first place. It mobilized Party members and officials as well as branch offices to go to the flood control frontline. It made all-out efforts to support flood prevention, rescue operation and disaster relief by fighting the flood, donating disaster relief supplies and launching thematic Party Day activities to fulfill its responsibility. The Branch leadership went to places like An'qing, Ma'anshan, Chaohu and Wuwei to pay a number of visits to the affected people, town and village officials and military officers and soldiers on the frontline.

At the same time, the Branch adopted many measures to ensure the financial service of affected areas; it made all-out efforts to ensure the emergency maintenance of infrastructure and life facilities as well as post-disaster reconstruction. On the one hand, it introduced the "special-purpose loan for flood fighting and disaster relief"; on the other hand, it visited the affected clients on the spot, opened a fast-track channel for them, and gave priority to handling the businesses related to flood prevention and disaster relief. By the end of 2020, Hefei Branch examined and approved 27 special-purpose loans under the category of Flood Fighting Loan, with a sum of 2.89 billion yuan. It granted 1.24 billion yuan in emergency loans to the seriously affected areas.



Visiting the frontline of fighting floods and rescue operations



Donating money and supplies

Topic

Finance assists in the resumption of work and production in the fight against COVID-19

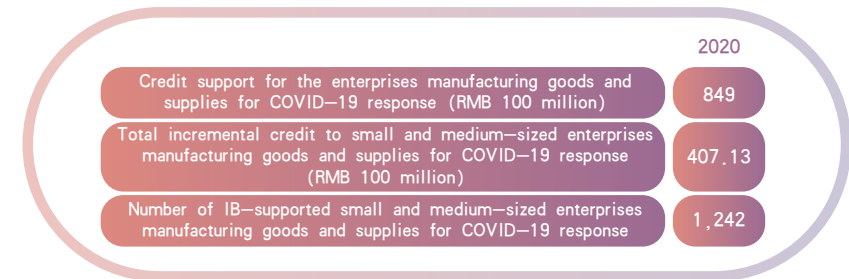
The Party Committee of the Bank attached great importance to the outbreak of COVID-19, assessed the epidemic situation in real time, and actively responded to the national call for fighting COVID-19.

- On January 26, 2020, the Bank donated RMB 30 million to Wuhan for the fight.
- In late February, another donation of RMB 5 million was given to Yichang City, Hubei Province, which was targeted and supported by Fujian Province.
- The branches and subsidiaries also took actions and continuously donated money and supplies to support local epidemic prevention and control.
- All the CPC members of the Bank voluntarily together donated about RMB 1.98 million.
- As of the end of 2020, the Bank has donated a total of more than RMB 60 million to COVID-19 response.
- The labor union of the IB Head Office allocated a special grant of RMB 1 million to the labor union of Wuhan Branch, which was mainly used for helping employees in need and working overtime, sick employees and their family members. Anti-epidemic exemplars were also rewarded using part of the grant. A special reward of RMB 669,000 was given to 206 employees whose immediate family members are front-line medical personnel in the fight against COVID-19.

Faced with the severe challenge of COVID-19, IB did a good job in response following the requirement of "stabilization in six areas" and "six guarantees". The Bank made all-out efforts to support the steady production of the enterprises engaged in COVID-19 prevention and control and the resumption of operation and production of all kinds of market entities to ensure economic stability. The corresponding measures included: specifying the scale of special-purpose credit, opening fast-track channels for banking services, cutting fees, loan renewal without repayment of the principal and optimizing the online service.

Since March 2020, the Bank has sorted out the information of enterprises in need, and successively released a total list of 1,166 enterprises in four batches receiving its COVID-19 support. They are mainly medical institutions and those engaged in important medical supplies and living supplies. Preferential treatment was given to the clients of Wuhan Branch in this regard, and the supporting exclusive policies and financial resource subsidies were given to the enterprises in the list. Meanwhile, the Bank comprehensively analyzed the clients' needs in an off-site manner and actively worked out capital solutions to help the enterprises resume work and production, by opening up exclusive channels, accelerating approval and review, retaining special quotas to ensure corporate payment needs, increasing the proportion of medium and long-term loans, etc.

To facilitate the resumption of work and production of small and micro enterprises and help them get out of trouble, the Bank continues to innovate in products and services while taking account of its own business innovation and operating characteristics. Accordingly, the Bank works on online financing products, such as "Quick Easy Loan", "Quick Mortgage Loan", "e-Bill Loan" and "Contract Loan" and the exclusive loan products such as "IB Inclusive Loan", "IB Favorable Loan", and "Pledge Loan with Intellectual Property Rights", to channel credit funds into small and micro enterprises greatly affected by COVID-19, and continue to increase the proportion of credit loans for private small and micro enterprises and the proportion of acquired loans for first-time homebuyers.



#### Case Strengthening the online financial service of "Internet + Healthcare"

From February 2020, the Bank promoted the application of fintech products across the whole bank by the mutual embedding between online medical consultation /online donation /apps of medical institutions and the Bank's diverse financial products in an orderly way, aiming to enable public hospitals to meet people's needs in online medical consultation, medical treatment and purchase of medicines, and to help the healthcare and health security authorities at all levels to win the victory in COVID-19 prevention and control. Non-contact convenient services including online medical consultation, subsequent visits and circulation of prescriptions were provided for patients with chronic diseases such as high blood pressure, cardiovascular and cerebrovascular diseases, and diabetes. These patients have the demand for regular inquiry, subsequent visit and renewal of prescriptions. Such services were also provided for patients at the department of gynecology, the department of gastroenterology and the department of pediatrics like pregnant women and those suffering from gastrointestinal discomfort.

As of the end of 2020, the Bank had supported the building of "Shanxi Health", a diagnosis and treatment platform of Shanxi Province, "Liaocheng Health", a diagnosis and treatment platform of the Health Commission of Liaocheng, and the medical alliance the Health Commission of Zhangzhou; it integrated the functions of IB's bank card with local resident health card on some platforms, thus providing more convenient payment methods for ordinary people in seeking medical advice and purchase of medicines. IB put in place "Internet + Healthcare" products such as online diagnosis and treatment, online donation for 95 hospitals including No.4 People's Hospital of Qinghai Province and No.6 Hospital of Wuhan.

#### Case Beijing Branch made all-out efforts to fight COVID-19

Beijing Branch actively provided funds for enterprises engaged in COVID-19 prevention and control. By the end of 2020, Beijing Branch granted loans of 6.8 billion yuan, opened acceptance bills of 1.8 billion yuan and commercial draft bond of 390 million yuan in total for such enterprises. It will supply 7.6 billion yuan in loans in the first quarter of 2021. It granted a loan of 2 billion yuan to Wumart, which is a key enterprise supplying goods and materials for COVID-19 prevention and control, granted a loan of 800 million yuan to JD, 300 million yuan to Didi, and 200 million yuan to Hualian. It provided the factoring service for a sum of 500 million yuan for Sinopharm, a key pharmaceutical enterprise, granted a loan of 500 million yuan to China National Pharmaceutical Group, and expanded a credit line of 2.5 billion yuan for Lepu Medical.

# Common growth of all staff members based on the people-first principle

## General information about staff members



## Welfare benefits of staff members



## ■ Rights and Interests of Employees ■

### ■ Pluralistic environment

The Bank embraces the people-first idea and has created a fair, harmonious and pluralistic environment for the staff. Strictly abiding by national laws and regulations, it has also formulated relevant recruitment management measures to provide employees with equal employment opportunities. It resolutely opposes employment discrimination, and explicitly prohibits the employment of child labors and forced labors. The distribution of the staff's salaries is based on the principle of "the value of the post and contribution to the bank", and the Bank practices a uniform salary standard for the same post regardless of gender and nationality.

### ■ Guarantee of rights and interests

The Bank guarantees all rights and interests as well as the benefits for the staff in strict accordance with the state laws and regulations. The rate of signing a labor contract and the coverage of social insurance and housing provident fund are both 100%. Staff members enjoy paid annual leave according to the national regulation.

### ■ Care for health

The Bank has always attached importance to the psychological health of staff members in terms of psychological health mechanism, adjusted their emotions and helped them to release the pressure. The Bank has taken multiple measures based on the actual situation to provide practical and meticulous care and psychological counseling for the staff since the outbreak of COVID-19 in 2020. Specifically,

- It has timely cared for and consoled the medical family members of employees, comprehensively analyzed the anti-epidemic information of the immediate family members of its employees in Hubei Province, and given condolences to those front-line medical immediate family members.
- It has also actively cared for employees and provided necessary organizational help to enhance their sense of belonging, and respected their privacy to embody humanistic care and homestead culture.
- Meanwhile, it has paid attention to employees' mental pressure and emotion management to help them reduce excessive tension, anxiety and fear caused by COVID-19, and actively guided them to scientifically address personal psychological changes during the pandemic to help them adjust their own emotions reasonably.
- In addition, it has also made full use of its internal learning platform to offer anti-epidemic mental health counseling courses, guide employees to receive anti-epidemic psychological interventions through the government's public platforms, and provide mental health counseling and knowledge assistance for all employees in a timely manner.

## ■ Training of staff members ■

Number of staff training programs	3,704
Number of staff receiving training	651,818
Proportion of staff receiving training (%)	93.7%
Average number of training hours each staff member receives per year (Total number of training hours for all staff members/total number of staff members)	193
Staff training expenditure (RMB 10,000)	13,900

Note: the data above includes the learning of non-payroll (temporary) personnel

Given that the education and trainings were affected by COVID-19 in 2020, the Bank rapidly and actively changed its employee training model in strict accordance with related requirements of COVID-19 prevention and control while taking account of the needs of strategic changes and talent training. The purpose was to strengthen employees' professional ethics education and learning and improve their professional quality and thinking skills. It also attached great importance to the appreciation of employees' human capital in an environment that advocates the idea of enabling growth. Also, it cultivated the employees' lifetime employment ability, continuously improved the training system and mechanism, and strengthened the training system planning. This allowed employees to have financial service capabilities to meet future development needs and help enhance institutional performance and their personal growth.

### ■ Empowerment for a better talent training system

In 2020, the Bank continued to promote its learning-oriented organizational building and push forward the preparations for setting up its university and Party committee and school. Accordingly, trainings were arranged to enhance strategic implementation, organizational development and business acceleration. Focusing on enhancing the political integrity and leadership of its management personnel, the Bank continued to improve its leadership training system with its own characteristics. In the meantime, it also explored a selection and training mechanism of high- and medium-level young reserve talents, and created a good learning atmosphere with the help of the Group's programs such as the Elite Lecturer Challenge and the Training Program for Fintech Innovation Talents, in order to create a sufficient supply chain of talents for its own sustainable development and build a scientific, systematic and continuous talent echelon training system.

### ■ Performance-driven model to boost business development

To address the innovation and performance improvement difficulty of the staff in business development, the Bank has implemented the projects, such as "Xing Lian Dong Li", "Star of the Bank", "IB Retail Finance Show", "FICC Case Contest", "Trend of IB" and "Te Chuang Ying". These projects focused on talent cultivation in key positions and enhanced the staff's professional capabilities and customer service capabilities by means of new training and learning techniques such as practice-based learning and performance improvements. The goal was to a deep integration of training and performance to facilitate strategy implementation and business development.

### ■ Knowledge sharing to promote digital transformation

The Bank continues to upgrade training software and hardware infrastructure to meet staff's fast-growing learning habits and needs in the digital learning era of mobile innovation. As for software, the Bank further improves its online mobile learning platform "IB Knowledge", optimizes system functions and learning resources, and enhances user experience, attracting a total of 7.7 million online learners throughout the year with 4,381 new courses, 829 online cases and 2,109 live broadcasts. These efforts helped create a new atmosphere of fragmented "plug-and-play" learning for all staff. As for the hardware, the Bank explores the application of smart teaching equipment and upgrades classrooms into smart ones.

## ■ Staff activities ■

The labor union of the IB head office carries out colorful recreational and sports activities



The Bank organized the 2nd sports meeting of corporate labor unions directly under the Fujian Federation of Labor Unions. A total of nearly 100,000 staff members (nearly 30,000 IB employees) and 23 enterprises participated in the event. A Special Contribution Award was given to the Bank by the Fujian Federation of Labor Unions.



For the head office's special interest groups in calligraphy and painting, photography, baking, basketball, badminton, soccer, tennis and swimming to hold activities, the Bank organized group activities for them. It also offered a series of online thematic lectures on healthcare, health preservation or virtual tourism.

It jointly held friendship activities for young people together with the Fujian Provincial Department of Finance and the Fuzhou Central Branch of the People's Bank of China.







The Bank held a quiz show of fighting COVID-19 and the thematic activity of Home Workout to Fight COVID-19, as well as a range of on-line and off-line recreational and sports activities during the Spring Festival, the Mid-autumn Festival, the National Day holiday, or the International Children's Day.

**01**  
1月13日-15日  
2020 活动月历

- 6个趣味游戏
- 4类新春礼包
- 多样祝福红包
- Shu子兴家人的“文化年味”

1月13日(中心大厦)  
1月14日(江北大厦)  
1月15日(马江大厦)  
三地齐声欢  
1300多名兴业客服喜迎新年  
活动参与率超90%

**02**  
2月20日-23日 (4天)  
2月20日-23日  
2020 活动月历

知识战“疫”  
答题闯关  
2020年2月20日-23日  
4天, 22766人参与“战”疫挑战

双人“联办公”软件,  
进入群页“知识战疫”参加互动,  
即可获得防疫用品1份

**03**  
2020 活动月历

云健身“训练计划”  
首次云嗨相舞健身舞  
6期云嗨健身舞“嗨”教程  
6位嗨舞健身“大咖”  
共同带领兴业e家家庭舞  
愉快分享个人“嗨”身秘籍  
居家健身 同兴抗疫

**06**  
6月01日-03日  
2020 活动月历

兴业银行究竟是什么?  
爸爸妈妈在里边又能做些什么?  
“孩子眼中的兴业银行”主题作品征集活动  
271份作品, 累计投票数646610  
绘画作品、书法作品、摄影作品、童言童语  
从孩子的世界看世界, 听到, 感受到一个不同的兴业银行

**10**  
10月1日-8日  
2020 活动月历

云书寄语颂国庆  
月满中秋共团圆  
用照片明信片记录美好瞬间  
表达好祖国生日的美好祝福

一秒制作线上明信片  
以图传情寄福  
集齐“双节双福”

2020 趣跑圈

- 竞律: 自律更自由 “责任”最难得
- 竞幸: 幸运总是眷顾 “奋进”的人
- 竞创: 团队合作 “信任”至上
- 竞益: 你我出点力 “凝聚”献公益

活动规则 常见问题指南 操作视频

**Case** The labor union of the IB head office's credit card center makes progress with staff members

Small good deeds make a long stream of love; unpaid blood donation from caring staff

In July 2020, the labor union of the IB head office's credit card center called on staff members to participate in an unpaid blood donation activity based on the idea of "delivering loving care". To repel the worries of staff members about blood donation, the labor union publicizes the significance of unpaid blood donation to increase their awareness. Meanwhile, it made great efforts to ensure logistical support for the participating staff members, arranging regular bus service to transport staff members to blood draw stations and allowing blood donors to enjoy paid leave. Finally, a total number of 48 staff members from the credit card center rolled up their sleeves to deliver caring love.



The staff members of the credit card center participated in the unpaid blood donation

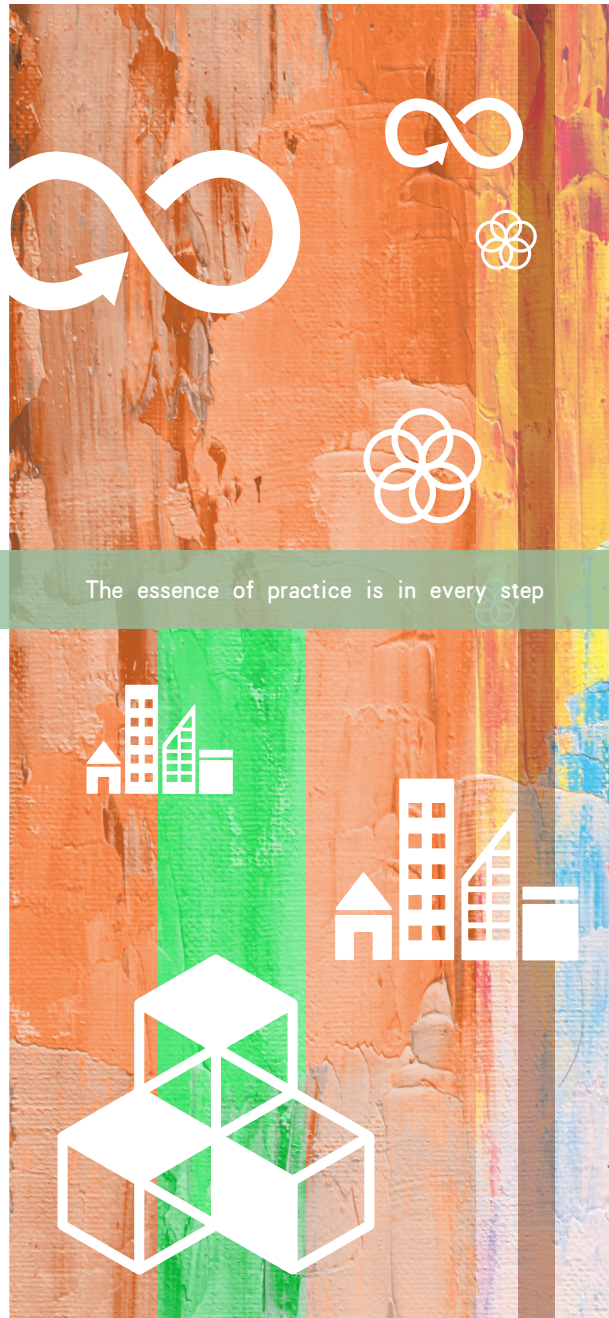


The staff members participated in the first-aid drill of cardio-pulmonary resuscitation

Sincere services for staff members and the people-first principle for stronger cohesion

The labor union of the credit card center held several lectures about the actual operation of cardio-pulmonary resuscitation successively in 2020, actively popularizing first aid knowledge. The staff members went through the first-aid drill under the guidance of the instructors. They said they learned a lot from the first-aid practice.

In 2020, the labor union of the credit card center arranged more than 20 activities in 4 categories: On International Woman's Day, the female staff members of the center were given presents of fresh flowers; on International Children's Day, the parent-offspring activity of soliciting essays from the staff members of the credit card center; there were also experience activities like cake baking and flower arrangement, and contests of lecturing camp and talk show.



The essence of practice is in every step

## PRACTICE

**Topic:** Work together to Create the "Fujian Version of the Equator Principles"  
 – Fujian Multi-Party Co-governance Initiative for Ecological Environment in  
 Financial Industry Signed

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Implementation of the EPs

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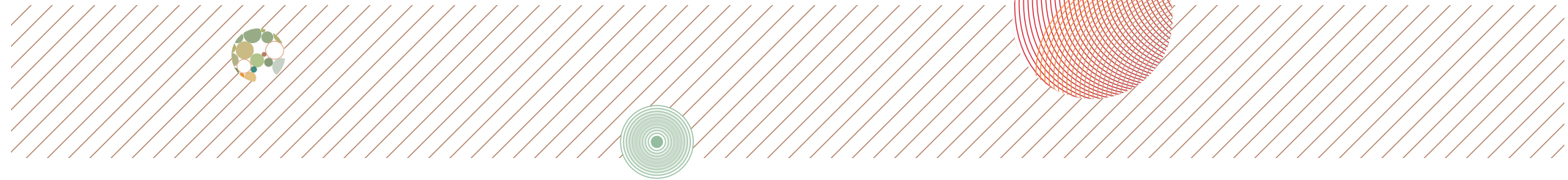
Topic

Work together to create the "Fujian Version of the Equator Principles":  
 Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry Signed



Launching ceremony of Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry

On December 11, 2020, the signing ceremony of the Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry and the press conference for the Benchmarking Project of Multi-party Co-governance of Ecological Environment were held in Fuzhou. Guo Ningning, Vice Governor of Fujian Province, attended and launched the initiative. On behalf of Fujian financial institutions, Tao Yiping, President of Industrial Bank, announced the Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry, which is the first eco-environment governance initiative proposed by a financial institution in China.



Fujian is an important cradle for Xi Jinping's thoughts on ecological civilization and the first National Experimental Area for Ecological Civilization. As a national joint-stock commercial bank rooted in Fujian, the Industrial Bank is committed to advancing the "Ecological Fujian" project and working with financial peers to create the "Fujian version of the Equator Principles" through the release of Fujian Financial Industry Ecological Environment Multi-Party Governance Action Initiative and the "Benchmarking Project of Multi-party Co-governance of Ecological Environment".

The Initiative contains 9 articles that covers the following areas: implementing the "Two Mountains theory", supporting green industries, rejecting financing projects that are not friendly to the environment, observing the bottom line of compliance strictly, promoting environmental improvement and restoration, strengthening professional ability, enhancing green operation, boosting co-governance and sharing green information. While referring to national policies and regulations on high-quality development and environmental governance, it also learnt from the ideas and management methods in the Equator Principles (EPs). Sharing the successful experience of the Bank in project classification and information disclosure during the implementation of the EPs over the past 13 years, the initiative also brought in public eco-protection organizations as third-party expert support. By integrating international best practical experience of the EPs and the financing and credit business in Fujian Province, a set of environmental and social risk management system and business process that suits local financial projects in Fujian has been formed, thus enabling the spread and localization of the EPs' philosophy.



President Tao Yiping of Industrial Bank, on behalf of Fujian financial institutions, announced the Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry

In addition, Industrial Bank has joined hands with enterprises, insurance institutions and environmental charity organizations to jointly launch the Benchmarking Project of Multi-party Co-governance of Ecological Environment. It plans to build the first integrated industrial park of clean manufacturing, dyeing and finishing in Fujian Province through unified infrastructure facilities for water, electricity, steam, sewage treatment and others in the Fujian Shenyuan New Material Integration Industrial Park, so as to change the public's impression on heavy pollution in the weaving and dyeing industry. The benchmarking project has innovated a multi-party governance model of "government-bank-insurance-enterprise-NGO", implemented the Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry and brought together each member's expertise for the collaboration of environmental and social risk management and for jointly exploring the experience of multi-party governance and management of the ecological environment.



Press conference of the Benchmarking Project of Multi-party Co-governance of Ecological Environment

As a pioneer in domestic sustainable finance and the first Equator Bank in China, Industrial Bank not only focuses on its own green financial development, but also actively explores ways of fulfilling social responsibilities that supports the governance of the ecological environment via finance, and innovates a new model of ecological environment governance with multi-party participation. The Fujian Multi-Party Co-governance Initiative for Ecological Environment in Financial Industry and the supporting "Benchmarking Project of Multi-party Co-governance of Ecological Environment" will collect a set of practical ecological environment governance experience, which will be disclosed in the form of white papers and annual reports at a later stage to spread Fujian's experience and gather new momentum of financial support for China's ecological environment governance.



## Implementation of the EPs

### Revision of the Administration Rules for the Equator Principles

After more than one year, the fourth version of the Equator Principles (EP4) took effect on July 1, 2020. The Bank timely revised the management norms on the EPs according to the requirements in the new version of the EPs, so as to improve the quality and efficiency of whole process management. With the EP4 and the guidelines to implement the EP4 lately released by the Equator Principles Association as the benchmark, the Bank not only took into account the new requirements in the EP4 on the scope of application, climate changes and biodiversity, but also gave full consideration to relevant requirements such as the Sustainable Development Goals (SDGs) of the United Nations, the Paris Agreement and TCFD. In doing so, it comprehensively revised and improved the project management system under the EPs and the model contracts of EPs projects and detailed the whole process management norms for EPs projects. The efforts aimed to keep up with the latest international trend of sustainable development and enhance the Bank's innovative practice ability in sustainable finance, getting better able to implement the EPs.

### Continue to strengthen international exchanges and dialogues

IB continued to strengthen communication and interaction with the Equator Principles Association to make the Bank better able to participate in the formulation of international standards. As a representative of the Equator Bank in the Asia-Pacific region, IB participated in the translation and proofreading of the Chinese version of EPA's The Equator Principles IV. IB participated in the formulation of EPA's standards and gave feedback on implementing the EPs in China by participating in the 2020 Equator Conference, voting on the EPA Strategy, and submitting the EPA's annual report, so as to enhance the voice of China's Equator Bank.

### Implementation of the EPs

The Bank evaluated the applicability of **130** accumulative projects to the EPs from January 1 to December 31, 2020. The evaluation involved a total investment of about RMB **759.543 billion**, **128** clients and **69** national standard industries, as well as **31** IB branches. A total of **32** projects had been at the effective financing stage (with a financing contract signed), including **31** project finance and **1** project-related corporate loan. By the end of 2020, the Bank had accumulatively evaluated the applicability of **1,294** projects to the EPs, involving **621** EPs projects and a total investment of RMB **2,916.144 billion**.

#### Project finance

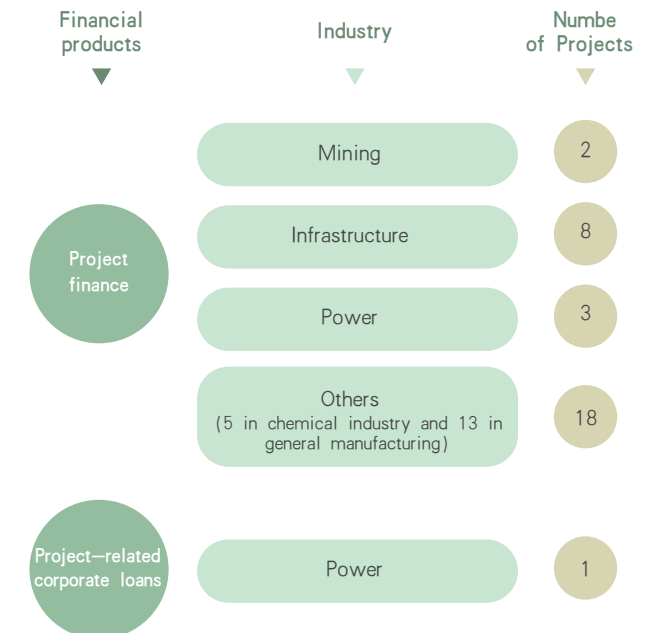
In 2020, the Bank had executed a total of **31** effective project financings, including **16**, **13** and **2** ones for the projects of category A, B and C, respectively. The projects are all located in China and are mainly distributed in industries such as transportation infrastructure construction, lithium-ion battery manufacturing, hydroelectric power generation, information processing and storage, etc. As for the projects of category A and B projects, the Bank has hired independent third-party environmental and social consulting agencies to assist in due diligence and assess their applicability to the EPs.

#### Project-related corporate loans

In 2020, the Bank had a total of **1** project-related corporate loan in effect, which is for a category B project. The project is located in China and belongs to the thermal power production and supply industry. The Bank has hired an independent third-party environmental and social consulting agency to assist in due diligence and assess its applicability to the EPs.

### Industry Distribution of the EPs Projects in 2020

(the Industry Scope Disclosed According to the Administration Rules for the Equator Principles)



### Case "Rookie in Lithium Battery Industry" Applicable to the EPs; Changzhou Branch's first EPs project unveiled at a lithium battery manufacturer

SVOLT Energy Technology Co., Ltd. is a large-scale high-tech enterprise that manufactures and sells new-energy lithium batteries. With cutting-edge lithium technology, it has a production capacity of 4GWh lithium-ion power batteries and modules. Its products are mainly used in new energy vehicles. According to the requirements of the Equator Principles, the Changzhou Branch judged the impact of the project on the environment and society based on factors such as the project scale and the characteristics of the production process, and finally recognized it as a category B EPs project. Through the selection of third-party assessment agencies and the due diligence of environmental and social risks, the project's potential risks were identified and mitigated. Finally, the Bank signed the "EPs Project Loan Contract" with the company, and the project was successfully implemented.

The environmental and social action plan used in the project, improved the company's ability to manage project production safety, environmental safety and other aspects, which was highly recognized by the company, and enhanced the IB's ability to monitor and control the overall project risk and asset quality, while facilitating bank-company joint delivery of their social responsibility for sustainable and high-quality development.

## THE FUTURE

The year of 2021 is the first year of China's "14th Five-Year Plan" and the Long-Range Objectives Through 2035. It is also a crucial year for China to take a key step towards building a great modern socialist country in all respects. Development is the foundation and key to solving all problems in China. The Bank will continue to uphold the principle of sustainable development, accelerate the "1-2-3-4" strategy, focus on customers, and promote high-quality development across the Bank through efforts in multiple aspects such as green finance, inclusive finance, financial technology, and risk prevention and control.

### Play the Role of Green Finance as Ecological Barrier

With the new concept of green development, the Bank will leverage its strength on green finance to promote green transformation of production and lifestyle, rational allocation of energy resources, reduction of pollutant emissions, continuous ecological improvement for stronger ecological safety barriers through the "financing + integration of intelligence".

### Return to Its Roots and Pursue Inclusive Finance for People's Livelihood

The Bank will keep in mind the mission of the banking industry, return to its roots and serve the real economy. Driven by the dual circulation strategy, the Bank should focus on supporting small, medium and micro-enterprises to improve financial availability and inclusiveness. With a multi-pronged approach to service channels, settlement tools, financing costs, and comprehensive financial services, the Bank will strive to create inclusive finance for people's livelihood. The Bank will strictly implement regulatory requirements, improve internal incentive and restraint mechanisms, strengthen consumer investment education, and build the three defense lines for consumer rights protection.

### Digital transformation and technology empowerment

Driven by digital transformation, the Bank will vigorously promote digital operations, build up digital platforms and cloud service scenarios, consolidate the financial technology infrastructure, promote in-depth data governance, and jointly strengthen technological empowerment in the areas of business development and risk control.

### Active compliance and control risks

The bank will continue to adhere to the tenet of "strict governance of the Bank", practice compliance obligations with strict criteria and strengthen the sense of responsibility. It will use "innovation" to drive management reforms and build a new pattern of compliance and internal control while promoting special governance and deepening the transformation of business efficiency. The Bank will consolidate its three major responsibilities ("main responsibility, management responsibility, and rectification responsibility"), and continue to improve the risk management and control capabilities of operating institutions and business management departments at all levels of the Bank, so as to provide risk management and control guarantee for the Group's new round of five-year planning.

In the future, from the starting point of a new mission and a new journey, the Bank will strive to build a mainstream banking group with clear strategic objectives, distinctive operating characteristics, outstanding professional capabilities, leading technological innovation and strong comprehensive strength and continue to move towards the ambitious goal of "a first-class international bank in a sustainable way".



## CSR Performance

Economic Performance	2020
Total assets (RMB 1 trillion)	7.89
Net profits attributable to shareholders of the parent company (RMB 100 million)	666.26
Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million)	8,054.55
Number of SME loan clients	118,894
Balance of loans to serve private enterprises (RMB 100 million)	8,337.77
Number of private enterprises with IB loans	30,056
Environmental Performance	2020
The change in the proportion of the loans of "resource industries with high pollution and energy consumption and industries with overcapacity" to the corporate loans (%)	0.11
Total green financing (RMB 100 million)	28,598
Number of cumulative clients in green finance	29,829
Environmental performance of projects supported by green finance	Annual savings of 30.3901 million tons of standard coal, annual emission reduction of 84.7285 million tons of carbon dioxide, annual comprehensive utilization of 45.9649 million tons of solid waste and annual savings of 410.4725 million tons of water
Balance of "green mortgage loans" (RMB 100 million)	192.42
Carbon emissions on the premises of the IB headquarters (tons)	47,826.10

Social Performance	2020
Social contribution value per share (RMB 1) <sup>7</sup>	14.05
Development of Service Channels	
Number of outlets	159 branches (including 113 tier-two branches) and 2,003 branch agencies
Number of outlets with accessible routes	1,370
Number of outlets with courtesy counters	1,350
Number of smart outlets	201
General Information about Staff Members	
Total number of staff members	55,473
Ratio of male to female staff members	0.85:1
Proportion of high and middle-level managerial personnel (%)	5.84
Ratio of males to females among high and middle-level managerial personnel	2.19:1
Proportion of staff members with undergraduate education or above (%)	94.01
Proportion of ethnic minority staff members	3.77
Number of non-mainland staff members	217 (including 192 from Hong Kong)
Staff Training	
Number of staff training programs	3,704
Number of staff receiving training	651,818
Average training hours per staff member per year (total training hours / total number of staff members)	193
Staff training expenditure (RMB 10,000)	13,900
Publicity activities for the Demonstration Year of "IB Voyage" Compliance Operation	More than 400 activities
Number of participants in anti-corruption trainings	56,897
Financial Security	
Number of formal IT staff members in the Group	2,331
IT investment (RMB 100 million)	48.62

Staff Members' Rights and Interests	
Social insurance coverage (%)	100
Proportion of staff members signing labor contract (%)	100
Coverage of housing provident funds (%)	100
Percentage of staff members under the guarantee of a collective agreement (%)	100

Financial Literacy Events for the Public	
Investment in public financial literacy (RMB 10,000)	1,779.67
Number of thematic activities for the public	11,183
Number of leaflet copies handed out (10,000 copies)	1,912.16 (including online channels)
Number of media reports on public financial literacy events	3,948

Charitable Activities	
Total amount donated to public welfare and charity (RMB 10,000)	10,928.71
Balance of loans for targeted poverty alleviation (RMB 100 million)	166.68

Fighting Against COVID-19	
Total donations for fighting COVID-19 (RMB 10,000)	More than 6,000
Credit support for the enterprises manufacturing goods and supplies for COVID-19 response (RMB 100 million)	849
Total incremental credit to the small and medium-sized enterprises manufacturing goods and supplies for COVID-19 response (RMB 100 million)	407.13
Number of IB-supported small and medium-sized enterprises manufacturing goods and supplies for COVID-19 response	1,242

[ The "Social Contribution Value Per Share" in this report is calculated on the basis of the Notice on Strengthening the Social Responsibility of Listed Companies and Issuing of the Guidelines on Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange on May 14, 2008. That is, the Social Contribution Value Per Share = earnings per share + (tax amount + employee expense + interest expense + total public welfare input-social cost)/ total capital stock at the end of the term. ]




## Honors of Industrial Bank in 2020

The Banker (British magazine)		Ranking 21st among Top 1,000 World Banks 2020 by Tier 1 capital Ranking 27th among Top 1,000 World Banks 2020 by total assets
Forbes		Ranking 57th in the Forbes Global 2000 in 2020
China Banking Association		Winner of the Annual Best Green Finance Performance Award Winner of the Annual Best Social Responsible Manager Award
The Banker and Professional Wealth Management (PWM) subordinate to the Financial Times Group		Winner of the Best Performing Private Bank
Professional Wealth Management (PWM)		Winner of the Best Private Bank for Digital Marketing and Communication (Asia)
Finance Asia		Winner of the Annual "China's Best Sustainable Bank" Award
Asia Money		Winner of the Best National Commercial Bank in Green Finance Winner of the Best Green Bond Bank Winner of the Best Supply Chain Finance Bank
The Climate Bonds Initiative (CBI)		Winner of the Largest Financial Corporate Deal of 2019 Winner of the Largest 10-Year Financial Corporate Issuer
National Party Media Information Public Platform of People's Daily		Case of "Equator Principles Promoting the Sustainable Development of Commercial Banks" – Typical Cases of Inclusive Finance in China
people.cn		Winner of the 2020 Enterprise Award Fujian Financial Services Cloud Platform – Winner of the 2020 People's Ingenuity Service Award
www.xinhuanet.com		Ranked in the List of the "2020 My Favorite Chinese Brand" Anti-epidemic work was selected as a classic case of "Global Anti-epidemic, Brand Power" Excellent case of "Green Star"



- The Chinese Banker



Tao Yiping was selected as one of the "Top Ten Financial Figures of 2020"

Winner of the Best Financial Innovation Award

Winner of the Top Ten Private Enterprises with Financial Service Innovation

Winner of the Top Ten Small and Micro Enterprises with Financial Service Innovation


Winner of the Top Ten Investment Banks with Innovation

Winner of the Top Ten Family Trust Management Innovation Award

Winner of the Top Ten Intelligent Risk Control Innovation Award

Winner of the Top Ten Small and Micro Enterprises with Fintech Service Innovation

Winner of the Best Asset Management Bank
- China Business Journal




Winner of the Social Responsibility Industry Impact Award


Winner of the Preferred Banks for Wealth Management

Ranked in the 2020 Outstanding Competitive Banks with Fintech Innovation

Ranked in the 2020 Outstanding Competitive Private Banks
- China Newsweek



Ranked in the 2020 Responsible Enterprises
- National Business Daily




Winner of the Listed Company CSR Rating Award

Chief Responsibility Officer

Winner of the Annual Outstanding Contribution Award for Inclusive Finance

Ranked in the TOP 100 in the Brand Value List of Chinese Listed Companies
- 21st Century Business Herald



Winner of the 2020 Asian Outstanding Commercial Bank

Winner of the 2020 Outstanding Listed Company


Winner of the 2020 Best Financial Institution for Targeted Poverty Alleviation

Winner of the Best Asset Management Bank

Everyday Wanlibao series products with steady profit and constant surplus

  - Most Popular Wealth Management Product Award
  - The Group's public welfare brand of "Xing Gong Yi"
  - Annual Outstanding Charity Innovation Case Award


Fujian Financial Services Cloud Platform – Excellent Inclusive Financial Innovation Service Platform
- Southern Weekend



Winner of the Outstanding Responsible Enterprise Award

Winner of the 2020 Green Development Award

"Honor Certificate for Responsible Enterprise in Banking Industry"
- ThePaper.cn




Winner of the Financial Institution Awards 2020

Winner of the Inclusive Finance Awards 2020


Industrial Bank Credit Card Center – Credit Card Center Awards 2020

Industrial Bank Financial Project for Targeted Poverty Alleviation

  - 2020 The Paper Annual Responsibility Practice Public Interest Award
- Tencent News




Winner of the "ESG Best Performance" Award
- Sina Finance



Ranked in the 2020 Outstanding Banks with Most Investment Value

Winner of the 2020 Outstanding Bank Award for Inclusive Finance

Winner of the Best Banking Award for Responsible Investment



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**Independent Assurance Report**  
**on the Sustainability Report**

安永华明(2021)专字第60438520\_A01号  
Industrial Bank Co., Ltd.

**The Board of Directors of Industrial Bank Co., Ltd.:**

We have been engaged to express a limited assurance opinion on the selected data in the 2020 Annual Sustainability Report of Industrial Bank Co., Ltd. (the "Sustainability Report") prepared by Industrial Bank Co., Ltd. ("Industrial Bank").


**I. The Management' responsibilities**

The Management of Industrial Bank are responsible for the preparation and presentation of the selected data in accordance with the standard for preparation of the report. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected data, and making estimates that are reasonable in the circumstances.

**II. Our responsibilities**

Our responsibility is to express a conclusion on the selected data in the Sustainability Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected data in accordance with the *International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year then ended in the Sustainability Report is not prepared in all material respects in accordance with the standard for preparation of the report.



1

A member firm of Ernst & Young Global Limited



**Independent Assurance Report  
on the Sustainability Report**

安永华明(2021)专字第60438520\_A01号  
Industrial Bank Co., Ltd.

**III. Scope of work, approach, and limitation**

The selected data in the Sustainability Report of Industrial Bank for 2020 that is covered by this report is as follows:

- Ratio of staff with minority nationality (%)
- Ratio of male to female middle and senior managers (%)
- Loan balance of targeted poverty alleviation (RMB100 million)
- Balance of loans to small- and micro-sized enterprises (RMB100 million)
- Number of customers concerning loans to small-and micro-sized enterprises (Account)
- Number of "Smart Branches" (Account)
- Investment amount of public education service (RMB10,000)
- Number of projects applying Equator Principles have reached financial close (Account)
- Financing balance of green finance (RMB100 million)
- Accumulative credit extension of "green mortgage loan" (RMB100 million)
- Investment in information technology of the group (RMB100 million)
- Emission of carbon dioxide of the head office (ton)

Our work was performed at the Head Office of Industrial Bank, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the Sustainability Report in relation to the selected data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected data on which we report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.



**Independent Assurance Report  
on the Sustainability Report**

安永华明(2021)专字第60438520\_A01号  
Industrial Bank Co., Ltd.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and the therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected data prepared in accordance with the basis of reporting.

Our work was limited to the data as of 31 December 2020 and for the year then ended in the Sustainability Report. We have not performed any procedures over other data included in the Sustainability Report for 2020, nor have we performed any procedures on other data or data for 2019 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of Industrial Bank's Internal controls.

**IV. Conclusion**

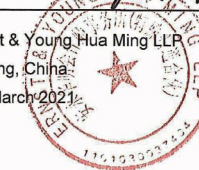
Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year the ended has not been prepared, in all material respects, in accordance with the standard for preparation of the report.

**V. Our Independence, quality Control and assurance team**

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.

*Ernst & Young Hua Ming LLP*

Ernst & Young Hua Ming LLP  
Beijing, China  
12 March 2021





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# Reader's Feedback Form

We appreciate your advice and valuable information on our report!

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Postal code: 350003



E-mail: sustainability@cib.com.cn

1. How do you think about the overall quality of Industrial Bank's sustainability report?  
 Good       Not bad       Ordinary
2. What's your suggestion on Industrial Bank's corporate governance?  
 Good       Not bad       Ordinary
3. What's your opinion on Industrial Bank's economic development, environmental protection and return to the community?  
 Good       Not bad       Ordinary
4. What's your opinion on Industrial Bank's sustainable development?  
 Good       Not bad       Ordinary
5. How do you think of Industrial Bank's implementation of the Equator Principles?  
 Good       Not bad       Ordinary
6. How do you think about Industrial Bank's information disclosure? Is it transparent, integrated and accurate?  
 Good       Not bad       Ordinary
7. How do you think about the report's layout and design?  
 Good       Not bad       Ordinary
8. Please give your comments and suggestions on our sustainability report.

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Your contact details: \_\_\_\_\_

Name: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email: \_\_\_\_\_ @ \_\_\_\_\_



Answer questions by scanning the QR code with your mobile phone ▶