

## Human Capital Development Key Issue of Industrial Bank

Industrial Bank (hereinafter referred to “the Bank” or “CIB”) adheres to the people-centric human resource management philosophy and always regards human resources as the No. 1 resources for high-quality development of a company. In recent years, the Bank has used the talent development strategy as the cornerstone, upheld the equal and diversified employment philosophy, and focused on improving the talent training system. The Bank has coordinated internal and external resources and supported employees’ continuous development and met their growth and self-improvement needs through all-round training. The Bank has established a scientific, diversified performance appraisal system, fully respected employees’ contributions, improved employee communication and reporting channels, listened to employees’ voices, and paid attention to their demands. The Bank has actively created an equal, diversified, united and harmonious atmosphere and promoted harmonious development of the Bank and employees.

### I. Workforce Diversity

#### i. Programs to increase workforce diversity

The Bank has always adhered to the goal of promoting diversity and inclusion and has set quantitative diversity targets in the talent selection, training, management and use processes.

##### 1. Analysis of human capital

**(1) Total number of personnel and personnel structure:** After taking into full account factors such as divergence of development between regions, newly established institutions, per capita output and number of customers, the Bank has, based on strategic development objectives, human resources planning and operating budget targets, established a multi-dimensional quantitative personnel allocation model to determine the total number of personnel at each institution and calculate the relationship between manpower demand and business development more scientifically and systematically.

**(2) Personnel recruitment and selection:** To establish a well-functioning talent supply system, the Bank has independently developed a Group recruitment management system. First, the Bank has built recruitment channels with full coverage, which support candidates submitting an application conveniently via various platforms such as the official website for recruitment via the PC terminal and the WeChat official website via the mobile terminal. Second, the Bank has established a scientific and reasonable evaluation system and introduced a diversity of testing and evaluation tools. The system can objectively, fairly and efficiently identify and assess candidates’ key capability indicators. Finally, the Bank implements a normative, transparent recruitment process and provides online standard operating procedures from job release to final hiring. By doing so, it has not only made the recruitment process more standardized and professional but also significantly shortened the recruitment cycle and effectively improved the recruitment management effectiveness of the Bank.

**(3) Employee turnover:** Personnel stability is an important factor to maintain the competitiveness and stable development of the Bank. The Bank monitors and controls employee turnover at each institution through the data monitoring platform in the manpower system. The system pays particular attention to institutions whose employee turnover exceeds the warning threshold. Using such information as important reference, the management personnel pay attention to talent retention and take measures such as improving remuneration, incentives, promotion channels, etc. in a timely manner to strengthen the stability of the staff team. As at the end of October 2024, the employee turnover rate of the Bank was 2.45%, showing a clear downtrend over the past three years. Besides, the data cockpit in the manpower system can display the number of employees of each type/at each institution in a graphical form, providing a clear picture of personnel change trends for the management. The Bank has formulated relevant plan to provide strong data support.

## 2. Equal and diverse employment

The Bank strictly performs the personnel recruitment and selection procedures and dynamically adjusts recruitment needs based on its business development needs and personnel structure. The Bank has carried out the “Shine with CIB” campus recruitment 2024, the Chuying Traineeship Program, the Digital CIB Science & Technology Challenge, the Postdoctor Introduction Program, etc. The Bank pays attention to diversity in gender, age, region and professional background and has sped up efforts to build a young talent team by maintaining the proportion of annual new hires from campus recruitment at no less than 50%. The Bank is committed to building a diversified, inclusive staff team. In addition to personnel with a background in management disciplines such as economics and finance, the Bank has expanded the scope of recruitment in recent years to include applicants with diversified discipline backgrounds such as science and engineering, liberal arts and fine arts. The Bank works to build a multi-channel, multi-disciplinary, cross-educational background, diversified personnel recruitment and introduction model.

### ii. Workforce diversity policy and management & supervision

The Bank carries out talent exchange in a planned manner to strengthen talent capability. The Bank has implemented a series of major programs. **First, position exchange program of high-level cadres**, which aims to promote integrated development of cadres across the Bank. Since 2023, 35 high-level management cadres participated in position exchanges between the Head Office and branches, 8 between the parent bank and subsidiaries, 13 between institutions in East China and West China, and 11 between institutions in South China and North China, **Second, “Honghu and Kunpeng Talent Pools” for middle-level reserve cadres**, which aim to further boost the role of middle-level management cadres as the backbone staff of the Bank. In the first session in 2022, 165 persons were included into the talent pool for training, and in the second session in 2023, 54 persons were included into the talent pool for training. Meanwhile, during the two sessions, 37 persons participated in position exchanges in Head Office departments, subsidiaries and branches. **Third, interbank talent exchange mechanism**, which aims to explore a talent exchange and use mechanism between banks and expand talent development arenas. In 2023, three excellent cadres were sent to work at Haixia Bank of Fujian.

### iii. Workforce diversity

As a global commercial bank, the Bank serves customers across various industries and regions and its employees have a diversity of backgrounds. The Bank has formed diversified professional posts and work culture. The Bank applies the concept of diversity and inclusion in recruitment and employment, provides equal employment opportunities to eligible candidates, avoids discrimination by gender, age, nationality, family background, religion, sexual orientation, society, place of origin, etc., ensures equal access to opportunities, respects every employee's willingness and preference, and helps employees achieve their career goals and personal ambitions.

#### **Talent programs and talent pool programs implemented by the Bank**

No.	Name of program	No.	Name of program
1	Ten Thousand Science & Technology Talents Program	2	Ten Thousand Green Finance Talents Program
3	Ten Thousand Wealth Talents Program	4	One Thousand Middle-office and Back-office Leading Personnel Program
5	One Thousand Industry Experts Program	6	One Thousand Model Talents Program
7	One Thousand International Business Talents Program	8	One Thousand Private Banking Talents Program
9	Investment Banking Talent Doubling Program	10	Strategic Key Talent Doubling Program
11	International Talent Training Program	12	Comprehensive Operation Talent Training Program
13	East and West Talent Exchange Program	14	"Craftsmanship" Skills Enhancement Program
15	Overseas Talent Exchange Program	16	"Greater Bay Area" Talent Exchange Program
17	Aid-Tibet Talent Program	18	Talent Introduction to Fujian Program
19	High-level Reserve Talent Pool Program	20	Kunpeng Talent Pool Program
21	Honghu Talent Pool Program		

#### 1. Employment philosophy stressing diversity and inclusion

The Bank fully recognizes, accepts and values individual differences. The cognition and

perspective of employee diversity help the Bank learn about customer demand more comprehensively, conduct business innovation more quickly, and realize business development more smoothly. The Bank establishes and manages employee diversity data through its internal system, fully respects employees of different ages, races, genders, nationalities and physical conditions, upholds the principles of justice and equity, and prohibits discrimination for any reason in any form. The Bank protects women employees' lawful rights and interests, boycotts child labor and forced labor of all forms, and creates proper working conditions for eligible persons with disabilities on the basis of compliance with applicable laws.

## 2. A recruitment policy that upholds diversity and inclusion

The Bank has improved its global talent introduction mechanism. Based on its overseas branch layout and planning, the Bank gives priority to recruiting local people and it has organized and implemented the international talent training program and actively promoted domestic and overseas talent exchanges. Special recruitment events have been launched in Southeast Asia and Taiwan, China, to increase international talent reserves. In 2023, the Bank introduced eight employees from Southeast Asia and nine from Taiwan, China. Currently, the Bank has 14 non-Chinese employees.

## II. Employee Training and Development

### i. Management/leadership development training

The management/leadership development training of the Bank is tiered and categorized based on the staff levels of the Bank (high-level management, middle-level management, primary-level management, and ordinary employees). The Bank has continuously deepened the “5+N” training system. Specifically, the Bank conducts comprehensive ability enhancement training centering around “5” areas, those are, “Party building” “digital technology” “risk management” “business operation” and “leadership”; and the Bank conducts management ability training centering around “N” abilities, with a focus on cultivating the ability to grasp the situation, survey, research and system planning ability, organization and mobilization ability, moral inspiration ability, etc.

**1. The high-level cadre training program of the Bank** is divided into special training and business operation training. Through authoritative channels such as China Executive Leadership Academy Jinggangshan and China Executive Leadership Academy Yan'an, the Bank has held 10 special training sessions for high-level cadres in rotation in recent years, which covered 451 people. The training has further enhanced high-level cadres' leadership, theoretical literacy, Party spirit and duty performance ability. In terms of business operation training, based on the characteristics of the posts of high-level cadres, in 2023 the Bank held a series of training sessions for branch heads of corporate banking and investment banking, retail finance, and financial markets. In 2024, the Bank held a series of special workshops on high-quality financial development under topics such as retail, technology and risks, to further improve high-level cadres' leadership and empower the management.

**2. The middle-level cadre training program of the Bank** includes the training class for reserve cadres for high-level management, the training class for senior middle-level cadres, the training class for newly appointed middle-level cadres, and the training class for the

Kunpeng and Honghu Talent Pools. The Bank has continuously developed its brand programs, “Xinglan Cuican” and “Zhenlan Qihang” to build a middle-level cadre team with strong management abilities, specialized expertise, and a keen awareness of innovation. Through the Party School of the CPC Fujian Provincial Committee, the Bank has held the workshop for reserve cadres for high-level management, enhanced management empowerment, and intensified training to young cadres. For people included into the Kunpeng and Honghu Talent Pools, the Bank has organized the class for advanced studies for the Kunpeng and Honghu Talent Programs and used such training methods as are best adapted to the trainees. Those programs have helped ensure stable supply of management talent reserves. In 2024, five leadership training sessions for middle-level cadres have so far been organized, which covered 350 middle-level cadres online and 519 offline.

**3. The primary-level cadre training program of the Bank** is divided into the training class for senior primary-level cadres and the training class for newly appointed primary-level cadres. Based on the job competency characteristics, the Bank has continuously developed brand programs “Yilan Shanyao” and “Weilan Yangfan” and helped the primary-level management cadres of the Group temper their ability to adapt to situation changes, enhance team management and problem-solving abilities, and further improve primary-level management. The Bank has scientifically designed core courses on leadership and developed various teaching methods such as lecture-style teaching, case teaching, discussion-based teaching and experiential teaching. The program is divided into two stages, online training and offline training. Highly motivated excellent trainees are selected through the online training model that stresses operation, contents and interaction. These trainees will then participate in five-day offline centralized face-to-face training.

**4. The leadership training of the Bank is open to all employees (including outsourcing labor).** The training contains such contents as improving time management, emotion management, image management and human relations management. The Bank stresses that the core of leadership is self-management skills and ordinary employees should also strengthen leadership training. The Xingzhi app has launched leadership courses available for all employees, including *Open the Door to Leadership*, *Highly Effective Communication*, *Efficient Decision-making*, and *Self-positioning and Self-cognition of High-performance Managers*. To enhance employees’ (including outsourcing labor) study and understanding of the Bank’s strategies and improve strategy implementation ability and leadership, the Bank has organized the “Quan Xing Xue” liberal education program for all employees and used the Xingzhi app to organize quick Q&A tests, encouraging employees to learn through practices and tests. The program generated considerable interest among employees in studying fundamental topics such as strategies, reform, and management leadership.

ii. Joint training programs developed/delivered with educational institutions

According to the Bank leaders’ instructions and requirements of “carrying out open-door education”, the Bank has formulated the *Opinions on Strengthening and Promoting Overall Management of Training Cooperation with Universities*, to standardize and manage training cooperation projects between the institutions of the Bank and universities, ensure training quality and effectiveness, and empower talent growth and development. Through cooperation with major universities, municipal and provincial Party schools, executive

leadership academies, etc., the Bank has made full use of quality teaching resources and combined them with the Bank's internal training resources to improve talent training quality. As at the end of October, the Bank held 24 joint training sessions with universities in 2024.

#### 1. Joint training programs with Party schools and executive leadership academies

The Bank has actively cooperated with Party building training institutions in holding training sessions. The Bank has jointly developed and delivered training programs with the Red Education Base of the CPC Jinggangshan Municipal Committee, China Executive Leadership Academy Jinggangshan, the Xi'an Jiaotong University Base for Cadre Education and Training of the Organizing Department of the CPC Central Committee, South to North Water Diversion Cadre College, the Party School of the CPC Fujian Provincial Committee, etc., continuously strengthening Party building education. On April 23, 2024, the Bank signed a strategic cooperation agreement with the Party School of the CPC Fujian Provincial Committee (Fujian School of Administration), to strengthen joint training. According to the agreement, a total of four sessions of the series training programs for middle-level management cadres and four Party building training sessions will be jointly held with the Party School.

#### 2. Joint training programs with domestic universities

The institutions (Head Office, branches and subsidiaries) of the Bank fully leverage local resources to conduct joint training with prestigious universities in China to empower employees' growth and development.

Jointly holding the "Xingying Yuanhang" cadre training class with **Peking University**. Centering around contents such as *Chinese Modernization - Move Toward the Future with New Economy*, *Analysis of the Development Trends of Large Language Models and New Quality Productive Forces in the Age of Intelligence* and *Follow the Financial Development Path with Chinese Characteristics*, CIB Wealth Management further strengthened middle-level and primary-level cadres' understanding of the guiding principles from the Central Financial Work Conference and the Third Plenary Session of the 20th CPC Committee to enhance their ideological awareness and political orientation,

Jointly implementing the core talent training program with **Shanghai Jiaotong University**. Centering around contents such as *How to Improve Young and Middle-aged Cadres' Ability to Grasp the Situation Amid the Changes of the Times* and *Innovation in the Age of Intelligence - Led by AI Technologies (e.g., ChatGPT)*, Zhangzhou Branch further strengthened the ideals of the cadres and ordinary employees of the branch, united the staff team, and improved core talents' comprehensive abilities such as ability to grasp the situation, system planning ability, organization and mobilization ability, etc.

Jointly conducting special training for middle-level cadres with **Zhejiang University**. The Credit Card Center of the Head Office and Zhejiang University jointly held the "Xingzhengcheng" special training for middle-level cadres, to build a leading team with strategic vision, refined organization management and strong leadership, and comprehensively enhance middle-level cadres' leadership. Shenzhen Branch and Zhejiang University jointly conducted the comprehensive ability enhancement training for

middle-level cadres. Centering around courses such as *Accelerate Development of New Quality Productive Forces and Promote High-quality Economic Development*, *FinTech Transformation of Banks in the Age of Digital Economy*, and *Leadership Skills and the Art of Leadership*, the training aims to expand trainees' horizons with new knowledge and new skills and improve their weak areas in knowledge and ability. CIB Wealth Management and Zhejiang University jointly held the "Xingying Yuanhang" cadre training class, to further strengthen middle-level and primary-level cadres' understanding of the guiding principles from the Central Financial Work Conference and the Third Plenary Session of the 20th CPC Committee and enhance their ideological awareness and political orientation.

Jointly implementing the "Xingyu Linghang" leadership training program for sub-branch heads with **Chongqing University**. Centering around contents such as improving sub-branch heads' excellent leadership and professional competence and building a high-quality team, Chongqing Branch improved the management capacity of the primary-level institutions of the branch and further strengthened the cohesion of the primary-level institutions and their ability to take on challenges.

Jointly carrying out the ability enhancement training program for management personnel in the marketing sequence of corporate banking with **Southwestern University of Finance and Economics**. Centering around contents such as *Effective Enhancement of Management of Branch Heads in Charge of Corporate Banking and Market Expansion* and *Effective Management of Corporate Business and Capacity Enhancement*, Chengdu Branch further enhanced the leadership of the marketing management cadre team of the corporate banking line, improved the production capacity of operating institutions, and promoted business development of the branch.

Jointly carrying out the leadership enhancement (corporate banking) training program for middle-level cadres with **Dongbei University of Finance and Economics**. Centering around contents such as *Innovation in Leadership, Execution Ability and Management Behaviors in the New Era*, *Interpretation of Current Macro Economic and Financial Situation and Hot Topics*, and *Digital Marketing and Risk Control of Inclusive Finance*, Dalian Branch continuously enhanced the professional literacy of the middle-level cadres of the branch and promoted improvement in areas such as leadership transformation, business innovation, strategic thinking and vision, so they can better adapt to the development needs of the financial sector.

Jointly carrying out the "Linghang Program" with **Harbin Institute of Technology**. Centering around contents such as *How to Efficiently Improve Execution Ability*, *How to Effectively Strengthen Cadres' Seven Abilities*, and *Consumer Protection and Employee Emotion Management Toward Complaints*, Harbin Branch intensified efforts to build a branch and sub-branch head team, strengthened learning of the Bank's strategies, Party building, leadership, etc., and pushed for improvement in areas such as leadership transformation, business innovation, strategic thinking and vision upgrading.

Jointly implementing the training program for new employees with **Huaqiao University**. Centering around contents such as *Work Attitude and Role Change*, *Energy Management of Highly Effective People*, and *Be a Good Communicator in the Workplace*, Quanzhou Branch helped the new employees of the branch integrate into the culture of the Bank and

master job skills and logic thinking at a faster pace and establish professional work thinking and behavioral habits, thus promoting communication, collaboration, agility and openness and building a talent team for the branch.

### 3. Continuously promoting industry-education integration

The Bank jointly carried out global consulting cooperation projects with the International Business School of Zhejiang University (ZIBS), University of Cambridge Judge Business School (CJBS) and Honor Device Co., Ltd. The research project titled *How Banks Support Enterprises Going Global by Serving Enterprises' ESG Building Against the Backdrop of Green Transition of the EU* submitted by the Bank attracted a total of 12 masters of finance from ZIBS and CJBS to sign up. It formed a complete closed loop from subject research, financial innovation to application in enterprises.

To actively explore vocational FinTech education, the Bank and Minjiang University jointly held the CIB digital finance talent training class, formulated the “application technology + high-end finance + practice at CIB” training plan, and provided the students of the training class with green internship channels at CIB such as summer/winter traineeship, graduate traineeship and weekend practices. In 2024, 20 students of the first session of the training class completed major courses in Science and Engineering and minor courses in Finance and relevant teaching tasks and successfully graduated with dual degrees, and four of them were hired by institutions of the Bank; some 100 students were enrolled for the second and third sessions of the training class. On that basis, the Bank will continue to explore and extend the earlier-stage talent training program with well-known universities in China.

The Bank has further explored ways to expand the scope of bank-university cooperation and deepen the connotation of cooperation, to cultivate high-level financial talents that meet social demand. On September 19, 2024, the Bank and Renmin University of China signed a framework cooperation agreement to push the development of bank-university cooperation and industry-education integration toward a higher level.

#### ii. Talent development strategy

The Bank attaches great importance to employee growth. The Bank has continuously improved the institutional system and enhanced talent support in key links such as talent training, use and management and encouraged employees to develop various skills and obtain certificates for their professions. The Bank has put forth effort to build a highly competent cadre team and continuously strengthened the talent support for high-quality development.

#### 1. Thoroughly implementing key talent programs

The Bank has continuously implemented the talent development plan during the 14th Five-year Plan period. With a focus on a “seven-type” talent team characterized by digitalization, compound type, specialization, high-end skills, comprehensiveness, internationalization, and craftsmanship, the Bank has organized and carried out a series of major talent programs. The Bank has advanced in depth the “Ten Thousand Science & Technology Talents Program” and the “Ten Thousand Green Finance Talents Program” and focused on implementing the “Ten Thousand Wealth Talents Program”, the “One Thousand

Model Talents Program”, the “Investment Banking Talent Doubling Program” and the “International Talent Training Program”, to further strengthen talent reserves.

## 2. Accelerating efforts to improve independent training capability

The Bank has strengthened training through exchange and job rotation, deepened the development of the “Honghu Talent Pool” and the “Kunpeng Talent Pool”, added the “Hongyan Talent Pool” and the Aid-Tibet cadre exchange program, and trained reserve compound talents by having them work in various positions. The Bank has strengthened project-based practices. It has held the “Xing Feiyue” Contest and the “Xinghuo · Liaoyuan” Innovation Marathon to discover and train excellent talents.

## 3. Continuing to expand employee growth channels

The bank has established a dual-track development model that comprises of the management sequence and the professional sequence. Based on the staged career development objectives of “startup for new employees, growth for management personnel, and leadership development for decision-makers”, the Bank has developed and carried out diversified individual career development plans. Meanwhile, the Bank has formulated the *Measures of Industrial Bank for Management of Professional and Technical Sequences*, improved the professional certification system, and established well-functioning career development channels for talents in professional sequences such as marketing, technology, product, risk, treasury and operation support sequences, continuously expanding employee growth space.

# III. Employee Survey and Grievance

## i. Regular performance appraisals and feedback processes

The Bank adheres to equal pay for equal work and fully respects employees’ personal contributions. It has designed a scientific, diversified performance appraisal system and established a sound and effective performance appraisal and feedback system.

**In terms of employees**, the Bank adopts a unified annual appraisal system to all employees and classifies annual appraisal results into five levels, A, B, C, D and E, which provides an important basis for daily management, remuneration distribution, job rank promotion and demotion, rewards and punishment, training, etc. of employees. The appraisal processes include design of appraisal indicators, determination of performance targets, phased appraisal management, and final appraisal. In addition, the appraisal is divided into comprehensive appraisal and special appraisal based on duty, position and institution type. The comprehensive appraisal covers five primary indicators, those are, virtue, competence, diligence, achievement and integrity, and 10 secondary indicators. Of the five primary indicators, virtue includes political character and moral conduct; ability includes professional literacy, organizational leadership, and learning innovation; diligence includes dedication to work; achievement includes duty performance and collaboration effect; and integrity includes honesty, self-discipline and compliance with laws and regulations. The contents of the special appraisal mainly cover job performance appraisal, 360-degree appraisal, evaluation by the leaders of the Bank, on-site appraisal, etc. They are determined every year by duty, position and institution type based on realities.

**In terms of high-level management personnel**, the appraisal aims to comprehensively assess the political accomplishment, duty performance ability, work achievements, style of work, etc. of high-level management cadres, centering around the Bank's strategic development objectives and vision of cadre team building. The performance appraisal processes include:

#### 1. Performance target setting and preparation

Based on its short-term and long-term objectives and relevant requirements of superior organizations, external regulators, business plans, risk control, and social responsibility, the Bank has reasonably formulated and appropriately optimized the performance appraisal standards for high-level cadres and has always made sure that they are consistent with the Bank's business development orientation, the industry talent market requirements, and the cadres' general expectations for career development. The management department that leads the appraisal organizes cadres to report on their work according to relevant procedures, and the management department that collaborates in the appraisal collects and collates basic data of the appraisal based on its job positioning.

#### 2. Implementation and coaching of performance appraisal

On the one hand, the Bank adheres to tiered and categorized appraisal. The Bank has classified the institutions where the appraisees work into three types, those are, subsidiaries, branches and Head Office departments, and classified the position ranks of the appraisees into two types, principal posts and deputy posts, to carry out more targeted and exercisable systemic appraisal. On the other hand, the Bank combines qualitative and quantitative appraisal. In qualitative appraisal, the authorized appraiser appraises the appraisee's virtue, competence, diligence, achievement and integrity; and quantitative appraisal can reflect the appraisee's business or work achievements in the institution or department where the appraisee works. Besides, relevant personnel provide performance coaching for and follows up the performance targets of the appraisee and pushes for and oversees implementation of management tasks.

#### 3. Feedback and correction of appraisal results

After the performance appraisal results for a high-level cadre are confirmed, the Bank communicates the results to the relevant cadre through individual talk, letter, notification, conference comments, etc., in line with the matter-of-fact principle, affirms the cadre's achievements and points out their weaknesses, to motivate or pressure him or her. If the high-level cadre raises an objection to the performance appraisal results, the cadre may apply to the Bank to reexamine the results according to procedures. After verified by investigation and approved by the Party Committee meeting, the Bank notifies the cadre of the reexamination results in writing within a specified period of time, fully states the reexamination process and argumentation basis, fully protects the cadre's rights to complain, and ensures openness, transparency and justice.

#### 4. Application and enhancement of performance appraisal functions

The Bank has combined examination and application and dynamically unified appraisal results with talent selection, appointment, training, education, management, supervision,

remuneration distribution, accountability, etc., and employs a combination of incentives and restraints in conjunction with regular performance appraisals. Regarding personnel who are rated A, the Bank circulates a notice of commendation within the Bank and tilts towards them in distribution of performance bonuses, effectively motivating them to enhance initiative and effectiveness in task implementation and strategy execution. Regarding personnel who are rated C or below, the Bank strengthens targeted coaching through measures such as talks, position adjustment, training and education, special practice, etc. to improve their weak areas, enhance their professional ability, and improve their work performance.

## ii. Grievance reporting or escalation procedures

The Bank adheres to a diversified and equal idea and institutional response, attaches great importance to the power of oversight by the public, takes a people-centric approach, and follows the Party's mass line. It listens to employees' voices and cares about their grievances. **First, the Bank improved the employee grievance reporting and oversight channels.** The Bank improved the employee grievance reporting and oversight channels by issuing a notice prior to appointment of a cadre, discussing the cadre selection process and the cadres in the report on selection and appointment of cadres in the year, conducting surveys of the human resources ecosystem, to ensure employees' right to know and right to oversee. During the publicity period of the prior-to-appointment notice, employees are welcomed to air their views and opinions via phone, letter or visit. Regarding the issues reported by employees, the Bank analyzed and assessed them according to regulations, gave work recommendations in a timely manner, consciously accepted oversight, and responded to their concerns in a timely manner. As at the end of October 2024, the Bank handled a total of 53 grievance reports. Through the discussions of the cadre selection process and the cadres in the report on selection and appointment of cadres in the year, the Bank conducted a survey on cadres' and ordinary employees' approval of newly appointed cadres at the Bank's institutions, collected issues in the personnel selection and use work at each institution, and sought opinions and advice from cadres and ordinary employees. Through online and offline methods, the Bank organized cadres and ordinary employees to take part in the survey of the human resources ecosystem, learned about employee satisfaction and the situation of the human resources ecosystem at each institution, and encouraged participants to give opinions and advice. **Second, the Bank established a well-functioning employee grievance reporting platform.** The Bank creatively launched "Xingsheng", a platform for employees to offer advice and suggestions and for democratic management, providing a convenient channel for all employees to participate in democratic management and democratic supervision. As at the end of October 2024, the platform received 24,200 posts from employees, with more than 158,000 comments and more than 74.09 million views. On the platform, employees can directly mention relevant institution to give opinions and advice, and the relevant institution mentioned needs to give a reply in five working days. The employee may give a satisfaction score to the institution's reply, thus forming a closed-loop feedback mechanism. Regarding the opinions and advice in which no institution is mentioned, the platform will split them based on their contents and send them to relevant institution(s). Meanwhile, the platform ensures a good job in the reminder and supervision work regarding opinions and advice for which no reply is made. For example, regarding issues that are mentioned by employees many times, the platform

contacts relevant department(s) to properly solve the issues to improve employee satisfaction. **Third, workers' congress:** The Bank has established an enterprise democratic management system with the workers' congress as its basic form, continuously deepened and expanded the multi-level workers' congress system within the Group, and promoted full coverage of the workers' congress in the organizational system. The Bank has continuously improved the labor union members' congress and the labor union organizational election system, actively implemented the proposal collecting and handling system, and sought employees' advice in various forms, to advance the work of the labor union toward the democratic, normative and law-based direction.

Appendix: 2023 employee turnover

Indicator	Turnover
<b>Number of new hires in the year (person)</b>	3,893
<b>- Number of hires from campus recruitment (person)</b>	820
<b>- Number of hires from social recruitment (person)</b>	3,073
<b>- Number of new female hires (person)</b>	1,773
<b>- Number of new male hires (person)</b>	2,120
<b>Employee turnover<sup>1</sup> (%)</b>	3.40
<b>By gender</b>	
<b>- Male (%)</b>	3.65
<b>- Female (%)</b>	3.19
<b>By age</b>	
<b>- 26 to 35 (%)</b>	4.30
<b>- 36 to 45 (%)</b>	2.20
<b>- 46 to 54 (%)</b>	0.70
<b>- 55 and above (%)</b>	0.66
<b>By region</b>	
<b>- East China (%)</b>	2.82

<sup>1</sup> The statistical standard of employee turnover is the statistical standard of the Bank, which covers the regular employees of the Head Office and branches of the Bank.

<b>- Central China (%)</b>	3.36
<b>- North China (%)</b>	2.78
<b>- South China (%)</b>	5.93
<b>- Northwest China (%)</b>	4.87
<b>- Northeast China (%)</b>	1.27
<b>- Southwest China (%)</b>	3.97