



Key Points of Human Resources Development Strategy of the Industrial Bank

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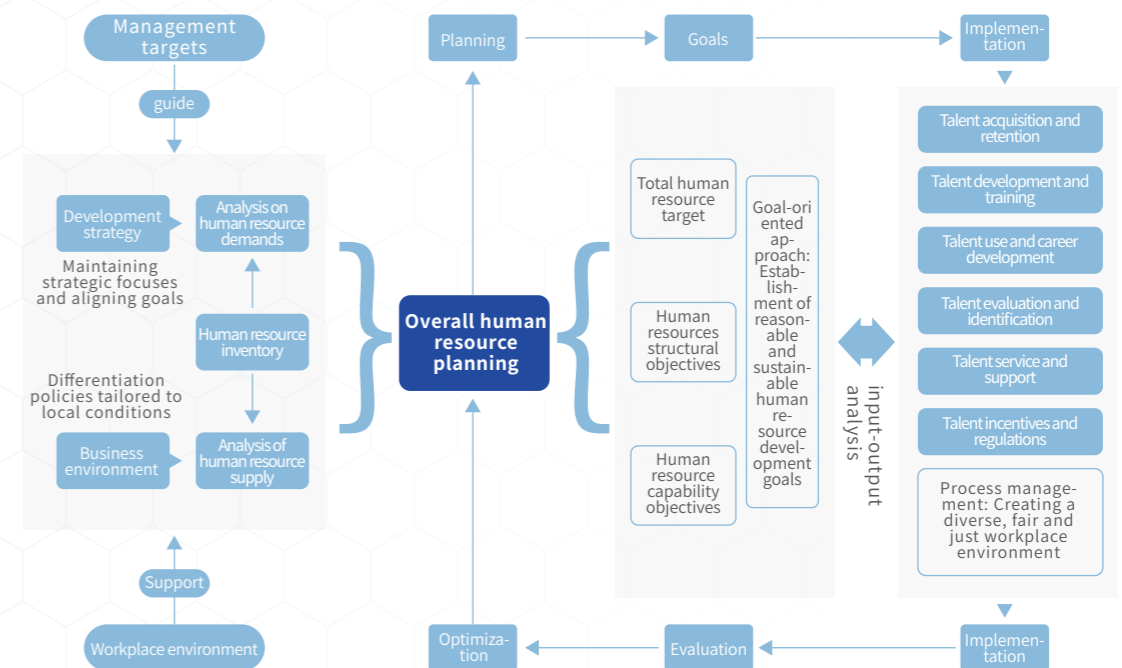
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01 A Scientific Human Resource Management System

We believe that a scientific human resources management system is the key to promote the sustainable and healthy corporate development, in which overall planning and risk prevention for human resource management is above all others.

Focusing on the overall strategic development plan and key business development demands, and taking into account the current situation of its talents at hand, IB has formulated an overall human resource planning to accommodate both the development strategy and the corporate operation environment. It has gradually realized in its management practice a closed-loop management cycle that prioritizes planning, guided by goals, accentuates implementation and follow-up actions, and conducts regular assessment for dynamic optimization. In the effort to implement its human resource planning, IB adheres to the principle of integrating long-term and short-term planning for better policy continuity in the long run while offering sufficient flexibility for actions in the short run. In the long term, the 14th Five-Year Plan of the Industrial Bank for Talent Development guides long-term talent development strategies, which outlines clear objectives regarding the total number, structure, and capabilities of each talent category and proposes initiatives and implementation strategies crucial for talent growth. In the short term, the IB aligns with its Annual Human Resource Staffing Plan and the Staffing Adjustment Proposal which consider the unique circumstances of different institutions, industries, and regions. Tailoring strategies to local conditions, the Bank emphasizes crucial performance indicators such as business revenue, net profit, and per capita efficiency, and strategically optimizes the organizational development and duty adjustments to efficiently utilize its limited human resources. This involves directing resources towards key regions, businesses, and products, ensuring a flexible and rational allocation of human resources.

Framework of the IB's Human Resource Management System



02 Comprehensive Support to Employees' Development

For a long time, IB has placed paramount importance on fostering employee development, recognizing human resources as its primary assets, and firmly believing that a high-quality and highly skilled talent team is its most prized possession. It dedicates itself wholeheartedly to supporting employees' growth, encouraging continuous improvement in various aspects of their professional and personal lives. Central to this commitment is the cultivation of a corporate culture founded on the principles of fairness, equality, diversity, and harmony, ensuring that all employees experience a working environment characterized by simple and amicable interpersonal relationships. This supportive atmosphere enables employees to concentrate on their personal and professional growth, nurturing their passion and creativity while receiving the care and warmth they need. IB holds a steadfast belief that every effort invested in fostering employee growth actively contributes to the long-term sustainability and wholesome development of the corporation, and creates substantial value for both customers and the whole society.

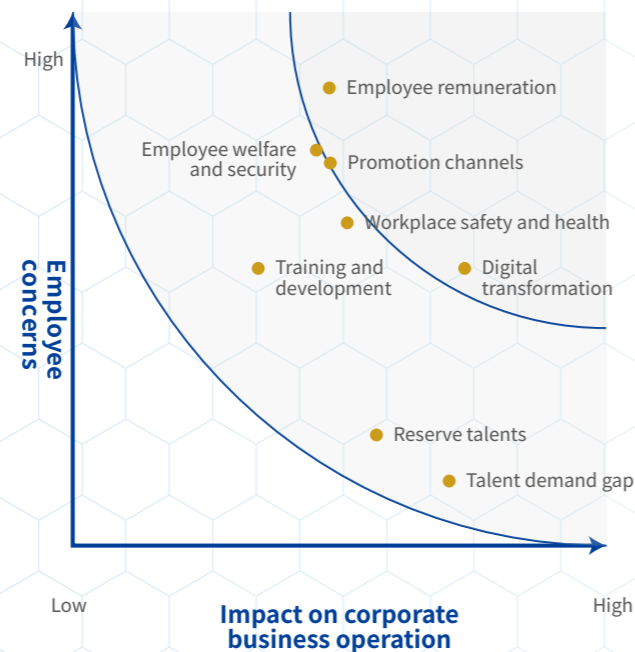
To this end, IB has been making efforts in the following five directions:

- 1 Ideas and institutions with diversity and fairness;
- 2 Abundant training and development opportunities;
- 3 Improved employees' recruitment and retention mechanisms;
- 4 Competitive salary and benevolent welfare system; and
- 5 A simple, harmonious, healthy, and friendly working environment.

1. Ideas and Institutions with Diversity and Fairness

As a global commercial bank, IB serves clients across diverse industries and regions, necessitating a workforce with varied backgrounds and professional roles. This amalgamation of talents contributes to the formation of a rich spectrum of professional positions and working cultures within the Bank. IB's overarching objective is to foster and enhance a corporate culture that embodies diversity, fairness, and positivity. Coupled with this goal is the aspiration to cultivate a workplace environment that is friendly, efficient, and inclusive. Such an environment acts as a fertile ground for diverse talents, promoting equal communication, collaboration, innovation, and mutual growth—a fundamental pillar for IB's long-term sustainable service to economic development and the fulfillment of its social responsibilities. At the core of IB's approach is a steadfast commitment to diversity and inclusiveness, evident in its recruitment and employment practices. IB ensures equal employment opportunities for qualified candidates, upholds the principles of fairness, and actively prevents discrimination based on various factors such as gender, age, ethnicity, religion, sexual orientation, social background, family situation, or origin. It deeply respects the individual wishes and preferences of each employee, assisting them in realizing their career aspirations and personal ambitions.

IB thoroughly analyzed and evaluated employee concerns and operational impacts, integrating this assessment with the human resource management. This comprehensive approach led to the creation of 2022 roadmap below highlighting human resource management risks. Key issues were identified and prioritized for focused attention in human resource risk prevention and control efforts. Corresponding measures and contingency plans were thoughtfully drafted to guarantee robust preparation in human resource management for corporate risk prevention and control.



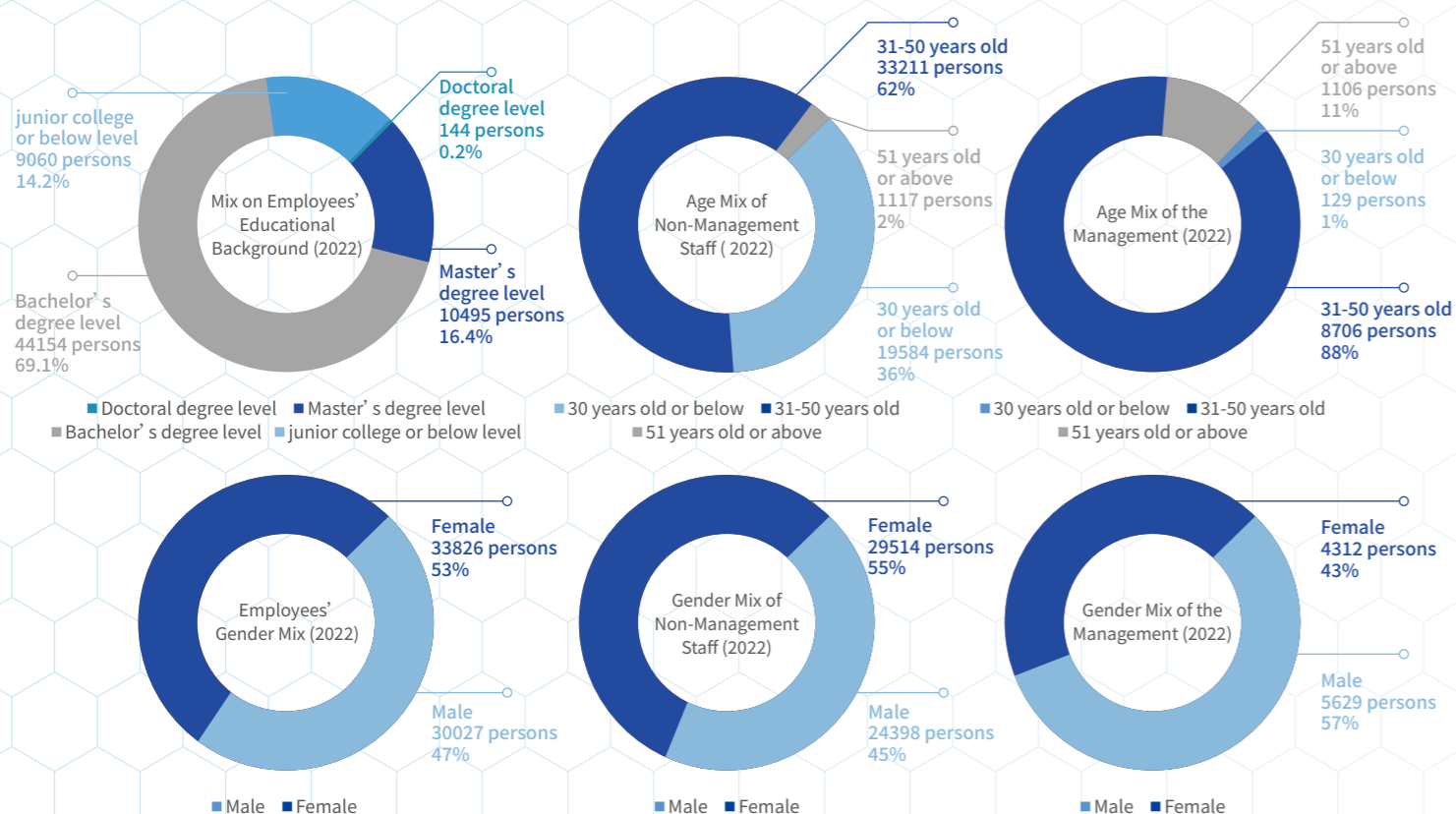
IB recognizes digital transformation of human resources as a paramount tool for risk prevention and problem resolution. By digitizing the entire human resource management process, IB has successfully enhanced and streamlined business operations, applied comprehensively technological empowerment across employee recruitment, retention, training, evaluation, motivation, and service support. This approach enriched employee communication and refined risk evaluation methods, ensured compliance with the requirements on employees' personal information protection, and continuously improved the value and refinement level of human resource management. Furthermore, IB has prioritized capacity development in human resource data analysis, reinforcing the governance of human resource data and fostering valuable data assets. The development of applications such as data dashboards, talent profiles, and indicator monitoring has been a significant outcome of this effort. These applications provide a comprehensive, multi-angle, and three-dimensional real-time display, allowing dynamic monitoring of human resource management indicators at all levels of the Bank. Such real-time monitoring enables timely assessment of human resource issues encountered by the Company and its employees during their development. Subsequently, IB's corresponding measures will effectively enhance corporate sustainability, and enable a proactive response to various risks.

Employment criteria that cherish inclusiveness and diversity

IB fully recognizes, accepts and pays attention to the differences between individuals, and the diverse perspectives and insights of its employees contribute to a more comprehensive understanding of customer needs, facilitate quicker business iterations, and boost its business development.

IB has implemented a robust internal system to establish and manage diversity data concerning its employees and placed a strong emphasis on respecting individuals irrespective of their age, race, gender, nationality, or physical abilities. It operates on the fundamental principles of fairness and equality, steadfastly prohibiting any form of discrimination on any grounds. Furthermore, IB is dedicated to safeguarding the legitimate rights and interests of female employees, vigorously opposing all manifestations of child labor and forced labor, and endeavors to create appropriate working conditions for qualified employees with disabilities in accordance with applicable laws. In line with a global perspective, IB enhances its mechanism for talent acquisition worldwide, aligning it with the strategic layout of its overseas branches, and gives priority to hiring local employees. It has organized and implemented international talent cultivation programs, and actively promoted talent exchange at home and abroad.. IB has also carried out special recruitment activities for Southeast Asian and Taiwanese employees, and hired 13 Southeast Asian employees and 9 Taiwanese employees since 2022, thereby fostering a strong reserve of international talent.

By the end of 2022, IB' s personnel mix is as follows:



A fair and just employment mechanism that attracts talents everywhere

IB remains steadfast in upholding a policy of open and equitable employment, fostering a healthy entrepreneurial spirit and a positive working environment, and unwavering in the commitment to adhering to policies, procedures, and regulations that ensure fairness and precision in employment practices. It actively practices a transparent and impartial employment mechanism, staying attuned to the evolving standards of talent in the modern era, and such dedication translates into the creation of an impartial and just environment for talent selection and appointment. Moreover, IB is deeply entrenched in the concept of fair and upright employment, and ensures that the principle of equality permeates every facet of employees' career development. It continues the efforts to refine mechanisms for talent acquisition and development, charting a clear course for talent selection and employment, which includes the thoughtful establishment of performance evaluation indicators and the enhancement of the salary and welfare system. In addition, IB actively constructs pathways for employee advancement, implementing a standardized mechanism for appointment and job rotation of officials; and through these initiatives, IB is tirelessly working to establish a human resource ecosystem that embodies fairness and inclusivity.

Ubiquitous and diverse communication channels

Employees serve as the bedrock of IB' s business development. To harness the full potential and dedication of employees in managing the Bank, and foster a strong sense of mission, responsibility, teamwork, and encourage democratic supervision, IB is committed to enhancing communication channels among its workforce. Firstly, IB has established clear communication channels, such as internal websites, mailboxes, and other communication platforms, to facilitate seamless and effective communication, information sharing and exchange among employees. Secondly, IB actively encourages employees to collaborate and share experiences and knowledge by organizing internal seminars, team activities, and project cooperation. In recent years, it has vigorously promoted flexible and agile organizational structures to enhance communication and collaboration avenues among employees. Thirdly, IB has meticulously developed a feedback platform for addressing employees' complaints, and innovatively launched the "IB Voice" system for employees to make suggestions and engage in democratic management, providing them with a convenient channel to actively participate in democratic corporate management and supervision. In the meanwhile, IB has vigorously promoted the systematic management of employees' behaviors, and built a systematic platform for managing such behaviors, serving to fully understand the ideas, life and work dynamics of employees within the Group. Since the beginning of this year, IB has distributed more than 120,000 questionnaires for this purpose. Lastly, IB has strengthened the investigation and disposal of employees' complaints, and formulated the Measures of the Industrial Bank on the Management of Complaint Letters and Visits. It promptly arranges for the institutions concerned to assign and deal with the complaints in a timely manner, investigates and deals with the alleged discipline violations reported by employees in strict accordance with the required process.

By the end of 2022, IB employees made significant strides in fostering corporate business innovation and knowledge sharing, notably through the dissemination and discussion of 3,474 detailed

business case studies. The “IB Voice” platform emerged as a crucial hub for this, amassing an impressive 5,237 posts and over 30,000 comments from employees. On a daily basis, the platform recorded a notable reading volume of 25,000 persons/times, accumulating an impressive total of over 12.81 million persons/times throughout the year. During the year, IB received and thoughtfully processed 2,467 valuable suggestions from employees, and adopted 1,549 of these suggestions, reflecting a commendable adoption rate of 63%. This high adoption rate underscores IB’s dedication to valuing and implementing employee feedback, ensuring their rights and interests are robustly safeguarded.

Working experience highly rated for harmony and inclusiveness

IB has meticulously explored and established an effective ecological evaluation system for human resources, which involves regular online surveys focused on assessing the human resource ecology. It coordinates efforts to anonymously gather feedback from officials and employees across the organization, and its evaluation encompasses three critical aspects: the institution’s human resource management, the operations of the leadership team, and the performance of middle-level officials. These surveys offer valuable insights into the overall satisfaction levels concerning various elements such as corporate culture, working environment, promotion opportunities, pay, and benefits. By conducting in-depth analyses and meaningful comparisons, IB is able to pinpoint areas that require improvement. In the spirit of transparency and constructive growth, it shares the survey results and identified challenges with the respective institutions, promoting open dialogue. Furthermore, IB puts forth effective suggestions and measures for improvement, particularly focusing on addressing concerns in backward institutions. This proactive approach serves to enhance overall employee satisfaction and contribute to a more positive and nurturing work environment.

In 2022, the human resource ecosystem survey conducted by IB covered 90 institutions within the Group and all target population, 70% of which provided feedbacks for evaluation, with a final employee satisfaction score of 96.36.



2. Abundant Training and Development Opportunities

The win-win and reciprocity concepts have constantly been an unwavering vision and mission of IB’s human resource management. IB aspires for each employee to discover a fitting career development trajectory within the organization, fostering a shared journey of personal growth alongside the Bank, and the goal is to continually harness individual strengths and potentials, ultimately realizing the aspiration for personal advancement. In pursuit of this objective, IB dedicates itself to delivering top-tier training and developmental prospects for all its employees (including both formally hired employees and labour dispatching employees). It establishes robust development platforms, actively paving the way and embracing the responsibility of guiding employees, enabling them to explore and maximize their unique capabilities. In order to facilitate this growth, IB employs a digital management system that offers a rich array of learning opportunities and resources, customized for employees at diverse stages of their careers and personal development. This digital platform plays a pivotal role in nurturing personal growth and propelling career advancement for all team members.

Indicators	2021	2022
Number of employees’ training programs (Items)	4,917	5,421
Number of employees receiving training	693,916	743,916
Employees’ training coverage (%)	94.8	95.72
Average number of training hours per employee per year (in hours)	195	207
Expenditures for employees’ training (in RMB 10,000)	17,297	13,434

Customized specialized training for employees considering different career stages

1 Introductory training for new employees

By introducing the corporate culture and key business know-hows to improve professional qualities, IB helps new employees quickly adapt to their jobs so that they become an integral part of the IB family faster, and transform from “fresh graduates” to “IB members”.

2 Advanced courses for the management

Grounded in a competency model and tailored working scenarios for managers at every level, IB has designed a “5+N” manager training program which aims to bolster team management skills, elevate managerial proficiency, and augment comprehensive management capabilities, including leadership skills.

3 Development led by the decision-makers

In line with the principles outlined in the 20th National Congress of the Communist Party of China (CPC) and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, IB tailo-

rs its training courses to align with these ideologies. The focus is on elevating the ideological and theoretical understanding of senior officials, enhancing their political judgment, comprehension, and capacity for effective political implementation. These efforts are aimed at bolstering their ability to promote high-quality development in accordance with these foundational ideologies.

4 Leadership Development Programs

IB has formulated leadership training programs covering officials and employees at all levels, and offered a series of leadership courses. It carefully selected nine classic leadership courses from the world's top DDI training company, covering such content as super-effective communication, task planning and implementation, and revitalization of change, which guide managers to comprehend their primer knowledge, consolidate their foundation and improve their management ability. Currently, nearly 100,000 persons/times have participated in various IB leadership programs.

Satisfying the flexible learning needs of employees and focusing on the building of a mobile platform

IB emphasizes the development of “core functions” and the creation of “user-friendly tools”, continues the iteration and update of the “IB Knowledge” learning platform, and expedites the digitalization of the training management system. It actively consolidates the training resources across the Bank, establishing comprehensive resource management platforms such as internal and external teaching staff databases, courseware libraries, case libraries, and project libraries.

As of late June 2023, the “IB Knowledge” Platform has collectively provided an impressive total of 14,741 courses, 5,017 live broadcasts, and administered 11,506 examinations. On average, each learner has engaged in 341 courses, reflecting a robust commitment to continuous learning. At the IB head office, 11 dedicated professional lecturer teams have been established, specializing in critical domains such as financial technology, green finance, risk management, investment banking, and wealth academy. These teams comprise a total of 699 highly qualified members. Notably, over the years, more than 2,500 individuals have successfully completed specialized training programs for lecturers, with the prestigious designation of 55 elite lecturers conferred annually. Furthermore, IB has inaugurated its inaugural professional lecturers' team, featuring 57 instructors specializing in financial technology, 62 in green finance, and 53 in risk management—a testament to the bank's commitment to expertise and excellence in key areas.

Ensuring the professional competence of employees and providing certification mechanisms for academic degrees and certificates

IB attaches great importance to the growth of employees and encourages all employees to learn from being “multi-skilled in a profession” to being “multi-certificates in a profession”. In 2022, it made significant strides in advancing the digital transformation of its examination processes, and efficiently organized approximately 45,000 employees to partake in nearly 20 examination subjects, witnessing an impressive year-on-year increase of 50% in the number of examinees. As a strong advocate for continuous growth, IB encourages all employees to actively engage in external education and pursue certification examinations, which aims to optimize the professional knowledge

structure and enhance the comprehensive skills of the workforce. Moreover, IB provides financial support in a legal and compliant manner to facilitate these endeavors. This support encompasses mainstream, market-recognized qualifications within the industry, such as the Chartered Financial Analyst (CFA) and the Certified Public Accountant (CPA), reinforcing IB's commitment to nurturing a highly skilled and knowledgeable workforce.

In 2023, aligning with its 14th Five-Year Plan for Talent Development, IB conducted a thorough survey of the certification status of external certificates held by its employees, and actively advanced efforts to promote external examination and certification initiatives, focusing on enhancing the number of employees holding valid external certificates and elevating the digital management proficiency of these certificates.

Guaranteeing diversified training resources and exploring to promote university-enterprise cooperation

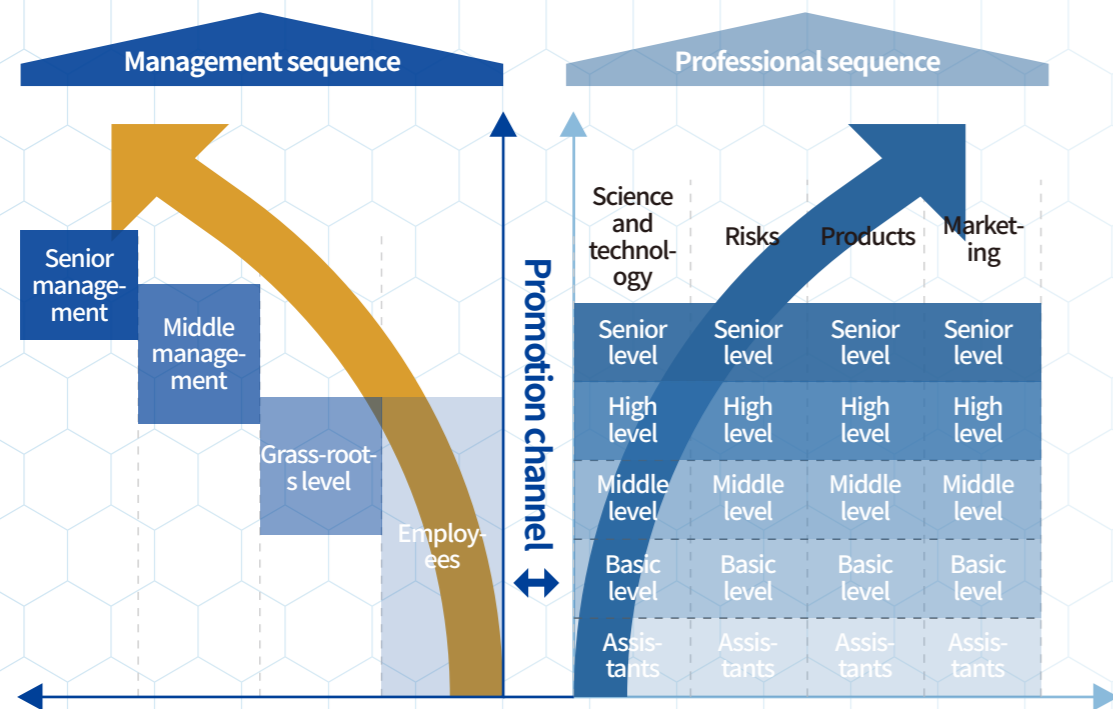
IB is actively broadening its partnerships with esteemed Chinese and international universities, as well as professional training institutions. Through these collaborations, the Bank aims to incorporate high-quality external learning resources and nurture its employees with an international perspective and enhanced capabilities. Additionally, IB is strongly engaging with third-party professional institutions and educational/research organizations, including Dalian Advanced Managers College, Jinggangshan Officials College, and prominent Chinese institutions of higher learning such as Peking University, Zhejiang University, and Xiamen University. Moreover, collaborations with organizations like Xiamen Meiya Pico Information Co., Ltd. are leveraged to develop and provide joint training programs for its employees.

IB is actively aligning with the State's directives to enhance the high-quality development of modern vocational education, and exploring various models of academic operations, such as fostering partnerships through school-enterprise collaboration and integrating industry-relevant teachings. A significant stride in this direction is the steadfast collaboration with Minjiang University on tailored development programs for IB digital financial talents. In fulfilling its corporate social responsibility, IB responds to the call for supporting innovation and entrepreneurship among college students in Fujian Province. It has demonstrated exclusive support for the 13th National College Students' E-commerce “Innovation, Creativity and Entrepreneurship” Challenge Selection Competition in the Fujian Zone. By facilitating this initiative, IB aims to expedite the employment prospects for students and position itself advantageously as a pioneer in this endeavor.

Implementing professional sequence standardization and broadening employees' promotion channels

IB has consistently enhanced its professional technical sequence, expanding avenues for talent growth and fostering innovation among its workforce. This progress is a result of the dual-track development model encompassing both management and professional sequences. The Bank seamlessly integrates this model with various mechanisms such as job promotion, performance management, compensation and benefits, and assessment and evaluation. Such comprehensive approach offers talents a more inclusive, diverse, and dynamic development path for

advancement, while also establishing stable salary expectations. By doing so, IB ensures talent stability, providing a secure environment conducive to their professional growth and contributions.



3. Improved Recruitment and Retention Mechanisms

IB has been strategically directing talents to focus on critical business sectors and pivotal regions, addressing talent gaps in key positions. This deliberate effort has led to the augmentation of key talent teams, particularly in crucial domains like green finance, investment banking, wealth management, and technology. The outcomes of this focused approach have been significant, amplifying the Bank's reputation and influence as an employer of choice. IB's commitment to talent development and strategic talent placement earned the esteemed recognition of the 2022 China Best Employer Award, further affirming its dedication to fostering a thriving and influential work environment.

Carrying out targeted talent recruitment to make up for the talent shortage

Firstly, IB took a proactive step by introducing the Implementation Opinions on Promoting the Ten Thousand-Talents Plan for Science and Technology, which has provided a comprehensive blueprint for the future development of science and technology talent teams, fostering institutional and mechanistic reforms in this domain. Presently, IB boasts a robust science and technology talent pool, exceeding 6,700 individuals, constituting over 10% of the total regular employees in the Group,

which reflects a remarkable increase of nearly 6 percentage points compared to the 2020 figures. Secondly, IB enacted the Opinions of the Industrial Bank on Building a Gathering Place for High-level Talents and the Opinions on Implementing Agreed Remuneration for a Few High-level Talents to create hubs that may attract top-tier talent and devised specialized policies following the "One Talent, One Policy" approach. This strategy, based on market principles and agreed remuneration, focused on targeting specific high-level talents. Thirdly, IB implemented the Opinions on Strengthening and Improving Campus Recruitment, establishing a recruitment model primarily centered on campus hiring supplemented by social recruitment. Notably, campus recruitment constitutes no less than 50% annually, with a specific emphasis on talents with a science and technology background, constituting no less than 80%. It has proactively engaged with potential talent sources by initiating the IB Digital Technology Challenge event for college students, co-organizing the Tailored Digital Finance Talents Class with Minjiang University, and introducing the "Young Goose Plan", a training program catering to over 1,000 interns across the Bank. Additionally, the establishment of a postdoctoral research station serves as a gateway for attracting high-end talents.

Implementing Talent Exchange Systematically to Enhance Talents' Capabilities

IB remains steadfast in providing a high-quality platform for talent development. In recent years, acknowledging the evolving landscape of digital transformation and reform, it has undertaken a series of pivotal projects to incentivize talent growth. Foremost, IB has successfully facilitated the exchange of high-level officials, fostering seamless integration across the Bank, and resulted in a cumulative total of 80 headquarters-branch exchanges, 35 parent company and subsidiary exchanges, 32 east-west exchanges, and 37 north-south exchanges since 2022. This collaborative effort has significantly enhanced organizational cohesion and knowledge sharing. Moreover, IB has established the "Honghu Talent Pool" and the "Kunpeng Talent Pool" targeting middle-level reserve officials, further encouraging active participation from middle-level management. A total of 165 individuals were carefully selected and incorporated into the talent pool during the first phase. Notably, 35 middle-level and key officials from head office departments or subsidiaries were strategically exchanged with branches, while 39 middle-level and vital officials from branches took up roles at head office departments or subsidiaries. Last but not the least, IB has introduced and propagated a competitive talent employment mechanism for key and core positions, emphasizing merit-based selection over traditional training approaches, and yielded remarkable results. Since 2022, 16 outstanding individuals identified through the "IB Leap" marketing competitions have seamlessly transitioned into leadership positions within the senior management officials, underscoring the effectiveness of this competitive talent recruitment approach.

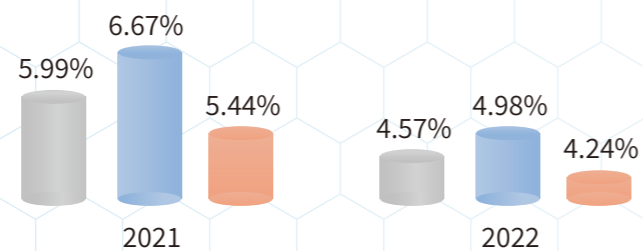
Prospective improvements of workplace environment to enhance employees' sense of ownership

The environment plays a pivotal role in attracting and engaging talent, shaping a decisive factor for talent competition. IB strongly emphasizes utilizing "talent satisfaction" as a yardstick, actively drives the enhancement of the work environment, aiming to cultivate an exceptional talent ecosystem, and employs a multifaceted approach to retain outstanding talent and foster a corporate culture.

re and atmosphere conducive to talent retention. It prioritizes respect, care, material rewards, and spiritual rewards as essential components in its talent retention strategy, and ensures to maintain a stable and empowered workforce, which is bolstered by the career fulfillment, a favorable work environment, emotional well-being, and competitive compensation.

IB Employee Turnover Rate in the Last Two Years

■ Employee turnover rate(Excluding credit card dispatched employees)
 ■ Male employee turnover rate
 ■ Female employee turnover rate



Development of a talent pool in a planned manner to enhance corporate sustainable development capabilities

IB establishes a comprehensive and sound system for the management and development of talent pool that covers various development stages and levels of talent. It has formulated and implemented diversified individual career development plans according to the career stage development goals of steady start for newcomers, advanced growth for managers, and leadership development for decision-makers. Moreover, IB actively creates various channels for attracting talent, widens employees' development paths, accelerates and expands the growth of seven types of talent pools (in digital, composite, professional, high-end, comprehensive, international, and artisan aspects). To achieve this goal, IB is vigorously implementing the "Ten Thousand Talents Plan for Science and Technology" and the "Ten Thousand Talents Plan for Green Finance".

IB places high importance on the training and use of new recruited employees who graduated from campus and is committed to developing a management trainee team with strong foundation and high quality. It follows the principles of "comprehensive training with dedicated mentors and continuous guidance", which focus not only on teaching them business knowledge and work skills but also on cultivating their moral qualities and professional habits. In addition, IB adopts a comprehensive training approach that includes rotational training for new employees on the first lines and special experiential learning in major project teams to strengthen their career development foundation. During the training process, IB actively creates internal and external conditions conducive to the holistic development of management trainees, assigns dedicated personnel to ensure the realization of training goals at each stage, and enhances continuous monitoring of the training process. It adopts such methods as the coaching, feedback and improvement, and considers relevant job experiences to help employees enhance their overall capabilities and qualities.

Implementation of Talent Introduction Plan and the Projects of Talent Pool

- 1.Ten Thousand-Talents Plan for Science and Technology
2. Ten Thousand-Talents Plan for Green Finance
- 3.Lead the Development of Thousand-Talents Plan in the Middle and Back Platforms
- 4.Thousand-Talents Plan for Industrial Experts
- 5.Strategic Focus on Talent Multiplication Plan
- 6.Development Program for Comprehensive Business Talents
- 7.Development Program for International Talents
- 8.Enhancement Program of Professional Skills for "Talents with craftsmanship"
- 9.East-West Talent Exchange Program
- 10.Talent Exchange Program for Guangdong-Hong Kong-Macao Greater Bay Area
- 11.Overseas Talent Exchange Program
- 12.Talent Recruitment Plan for Fujian Province
- 13.Talent Program for Tibet Aid
- 14.High-level Reserve Talent Pool Project
- 15.Kunpeng Talent Pool Project
- 16.Honghu Talent Pool Project



4. A Competitive Remuneration and Benevolent Welfare System

IB is committed to establishing a performance evaluation mechanism that is scientific, fair, and well-structured, ensuring equitable assessment for all employees. It actively fosters a work environment characterized by simplicity, health and vitality, promoting a positive atmosphere across the Bank. In recognition of hard work and dedication, IB provides competitive remuneration and rewards to individuals who contribute significantly. Furthermore, IB places great importance on the welfare of its employees, extending caring and thoughtful benefits, including comprehensive medical insurance coverage for both employees and their families. Additionally, IB offers generous holiday allowances, ensuring that all employees can enjoy a variety of annual leaves to maintain a healthy work-life balance.

IB places a paramount emphasis on the development of its employees, recognizing them as the most valuable resource and the core asset of the Bank, and consistently aligns its development strategy with talent team construction, effectively integrating the two. Over 35 years, IB has diligently cultivated and refined a comprehensive and competitive remuneration and benefits system, ensuring fairness and effectiveness in incentivizing performance. It wholeheartedly dedicates to providing employees and their families with compassionate support and reliable protection, enhancing their quality of life and alleviating worries and difficulties, through which it fosters the establishment of a culture characterized by simplicity and a spirit of striving for success with distinctive IB attributes.

A fair and reasonable remuneration system

IB pays attention to the establishment of an equitable and just remuneration mechanism, and its remuneration policy aligns with corporate governance requirements, considering the Bank's competitiveness and sustainability while being responsive to business performance. It also effectively integrates short-term and long-term incentives, prioritizes both the internal fairness and external competitiveness of remuneration, ensuring that the policy aligns with the Bank's strategic goals, enhances talent attraction, and promotes talent retention. IB's remuneration policy is governed by relevant systems such as the Remuneration Management System of the Industrial Bank. The remuneration comprises a combination of basic salary, performance-based incentives, and welfare income, among which performance-based incentives are intricately tied to the comprehensive performance and value contribution of employees within the institution.

IB consistently upholds the principle of equitable compensation for commensurate work, and has devised a well-structured and diverse performance evaluation system to achieve this goal, valuing and appreciating each employee's personal contributions and efforts, considering 360-degree comprehensive evaluation opinions. It establishes and improves an effective performance evaluation and feedback mechanism, regularly organizes and carries out performance assessments and reviews for all employees through various methods such as comprehensive environmental impact assessment and performance interviews. Such feedback communication system established enables IB to conduct evaluations on the performances, achievements, and contributions of its employees, teams, and departments in a comprehensive, impartial and accurate manner, and helps employees form a more accurate understanding of their work, capabilities, and performances. This contributes to employees' actively review of their existing drawbacks and weak points, timely iden-

tifying measures for the improvement, and continuously boosting the effective progression of employees' work performance. IB has adopted a dual-track development model, encompassing both management and professional sequences. This approach broadens the growth avenues for employees, offering them an inclusive, enriching, diverse, and dynamic trajectory for advancement and personal development. In addition to these efforts, IB has refined its incentive and honor system, introducing the prestigious "Outstanding Contribution Award" as the highest form of recognition for employees. This award amplifies visibility and sets exemplary standards, effectively inspiring employee enthusiasm and motivation. It serves as a catalyst for fostering healthy growth and development among all employees.

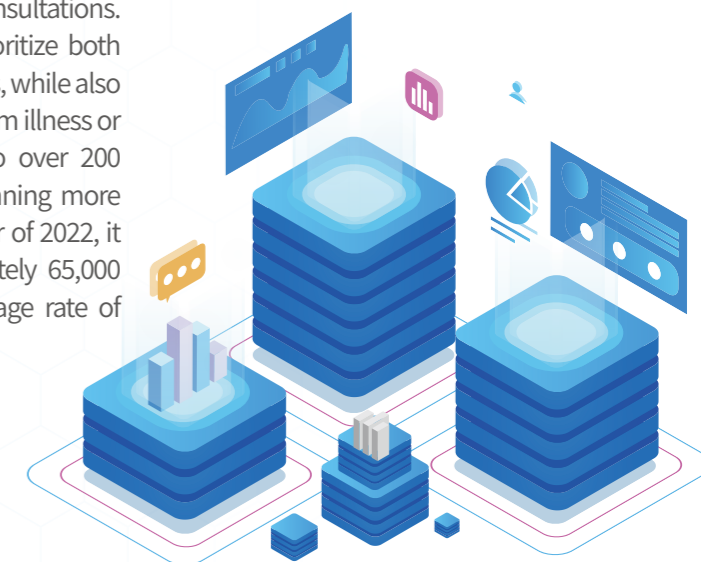
To align with the demands of corporate transformation and development, IB consistently evaluates its current remuneration policies, and promptly makes adjustments and enhancements to the remuneration structure and resource allocation methods. This is done by considering factors such as the evolving talent management needs during various stages of business growth and shifts in the interbank market landscape.

Comprehensive and benevolent welfare

IB has been improving its employees' welfare and security system, providing them with various benefits on food, clothing, housing, transportation, employee care, culture and entertainment facilities so as to create a homeland corporate culture and continuously enhance the employees' sense of happiness and achievements. In addition, it also attaches great importance to the protection of female employees' rights and interests. For example, a female workers' committee has been established in each division of IB to actively assist female employees in resolving the difficulties in their work and life.

Comprehensive and thoughtful healthcare

IB ensures the well-being of its employees and their families by offering extensive medical coverage, which includes medical insurance, supplementary commercial medical insurance, physical examinations, and professional medical consultations. This comprehensive approach aims to prioritize both the physical and mental health of employees, while also alleviating any economic burdens arising from illness or accidents. Currently, IB provides access to over 200 institutions for physical examinations, spanning more than 150 cities across the nation. In the year of 2022, it facilitated health check-ups for approximately 65,000 individuals, achieving an impressive coverage rate of 100%.



Work-life balance

IB provides all employees with sufficient, abundant, and flexible work and holiday arrangements, including annual leave, parental leave, marriage leave, business leave, and maternity-related leaves. In 2022, the number of IB leave-users was approximately 110,000 persons/times.

Care for retired employees

IB has set up a specialized internal body dedicated to providing care and support for retired employees. Beyond the social security pensions and basic medical insurance, retired employees are entitled to corporate pensions, supplementary commercial medical insurance, annual physical examinations, and various other welfare benefits. Additionally, IB has established five comprehensive mechanisms to extend care and condolences to retired employees, encompassing their festivals, birthdays, hospitalization, difficulties, and funerals. To ensure retired employees experience continued connection and support, the Bank has designated both full-time and part-time staff members to maintain regular communication with them. The Activity Room of the Head Office is used for retired employees to facilitate the learning, exchange, cultural and recreational events, so as to enrich their life after the retirement, and improve the development of “IB homeland” culture, further strengthening the sense of happiness and belonging of retired employees. These efforts are aimed at ensuring that the family-like warmth and care of IB are ever-present, even after an employee’s retirement.

5. Building a Simple, Harmonious, Healthy, and Friendly Working Environment

Providing comprehensive healthcare services

IB consistently prioritizes the physical and mental well-being of its employees, ensuring their healthy development within a safe and supportive working environment. All office buildings are equipped with barrier-free infrastructure, well-maintained gymnasiums, and shuttle bus services to facilitate easy commuting. The dining environment is not only hygienic but also offers a rich variety of nutritious meals. In order to bolster safety awareness, regular fire drills are conducted, complemented by the presence of medical emergency equipment like AEDs to address any unexpected emergencies and prioritize employee safety. IB offices maintain a strict non-smoking policy. Additionally, within the office area, there's a dedicated pantry and leisure space offering coffee, tea, clean drinking water, a reading corner, and a negotiation room. This setup encourages a blend of work and leisure, promoting relaxation and meaningful interactions among employees, and ultimately creating the working environment of “happy work, healthy life”.

Paying attention to the physical and mental health of employees

IB places a strong emphasis on employees’ well-being by routinely organizing health check-ups and informative health lectures, and cares both the mental and physical health of its staff, offering a range of employee care initiatives and health-focused lectures. In response to the widespread outbreak of the national epidemic in November 2022, IB swiftly initiated two major caring projects, “Online Health Consultants” and a “Psychological Counseling Service Hotline” and introduced the “Baduanjin (Tai Chi Martial Art) Live Class” to further support the health and well-being of its employees during these challenging times. In December, as the situation evolved and epidemic prevention and control measures were adjusted, it took proactive steps to address the scarcity of medicine, and coordinated with multiple sources to procure and distribute a combination of epidemic prevention supplies, including various medicine and basic protective items, to all employees, which significantly enhanced employees’ ability to protect themselves. Leveraging the “IB Knowledge” platform, IB conducted a series of health-related lectures, organized by the Trade Union, including six courses such as “prevention and treatment of thyroid nodules” and “identification and prevention of cerebrovascular diseases”, which catered to the varied health needs of employees, further underlining IB’s commitment to their holistic well-being.

Solving employees’ contingencies

In 2022, IB spearheaded the “Double Festivals Warmth” initiative, offering solace and assistance to 273 employees across the organization, and diligently executed the principle of “serving the people’s interests” by intensifying support efforts for employees in need, resulting in meaningful visits to and support for 139 individuals. Furthermore, IB proactively sought special financial assistance funds from the central government through the All-China Federation of Trade Unions.

These funds were directed towards special assistance and care programs—offering snacks to the “IB Guards on Night Shift” and promoting physical fitness and overall well-being through “IB Sports and Vitality” events, and establishing psychological care stations for employees—which benefit employees stationed at the customer service center, who were facing escalated work intensity and pressure.

Improving the quality of employees' lives

IB developed a three-year development plan for “the pilot project to improve the employees' quality of life”.

In December 2021, IB achieved a significant milestone by being selected as one of the inaugural 50 pilot units for the All-China Federation of Trade Unions' groundbreaking “Improving Workers' Quality of Life” initiative. The Bank has demonstrated a proactive approach in shaping an exemplary and highly influential “happiness model” for the lives of workers, which involved a comprehensive exploration of the “Internet + Trade Union” model and the establishment of a robust “1 + 6 Trade Union Action System”. The “1” in the system symbolizes the innovative “Intelligent IB” system, strategically anchored on the “Online Workers' Home” platform which revolutionizes workers' experiences and interactions. On the other hand, the “6” represents the six pivotal action systems revolving around ideology, rights and benefits, care, capacity, culture, and responsibility development, which are firmly rooted in the “Online Workers' Home” platform, providing a solid foundation for IB's transformative approach to enhancing the quality of workers' lives.

IB has successfully launched and widely implemented the “Online Workers' Home” platform across the entire organization, which seamlessly integrates a diverse range of functional modules encompassing democratic management, service development, recreational and sports activities, employee benefits, and exhibition and communication. It stands as a pivotal initiative for the Bank, reinforcing technological empowerment, executing digital transformation strategies, and enhancing the overall quality of employee life. This strategic initiative has garnered recognition from the All-China Federation of Trade Unions, earning a prestigious title of the “2022 Internet + Trade Union Inclusive Service and Innovative Platform.” Furthermore, IB was acknowledged as a major work project by the Fujian Provincial Federation of Trade Unions in 2021. The success of the “Online Workers' Home” platform has also earned IB the esteemed accolade of being an “excellent project of the featured application system with digital governance and efficiency enhancement.” By the end of 2022, the platform has facilitated the publication of 392 pieces of valuable information, the organization of 140 engaging activities, and the distribution of benefits on 79 occasions. Impressively, the information and activity browsing and commenting have collectively exceeded 24,000 persons/times, benefiting over 56,000 individuals.

IB has introduced the “Employee Mall” as an extension of the existing “IB Mall,” elevating the standard of inclusive services offered to employees. This innovative platform takes full advantage of the Bank's extensive coverage across 32 provinces, autonomous regions, and municipalities directly under the central government, ensuring that employees have access to a diverse range of high-quality, distinctive products sourced from across China.

Showcasing the culture of homeland, and organizing a variety of recreational and sports activities for Fitness

IB actively advocates the “fitness for all” philosophy by organizing diverse fitness competitions and. It leveraged technology to have hosted distinctive online AI sports competitions for employees from head office department based in seven cities, including Fuzhou and Beijing, with the enthusiastic participation of nearly 2,200 employees. IB also organized invigorating sport-walking events and engaging fitness competitions such as lunch-time rope skipping and tug-of-war, which significantly enriched employees' extracurricular recreational and sports experiences, contributing to a healthier and more active lifestyle.

Promoting traditional culture and carrying out rich and classic festive activities

IB arranged for a series of engaging activities to bring employees together and enhance their sense of belonging and happiness. For example, prior to the Chinese Spring Festival, it organized a refreshing park tour, allowing employees to connect with nature and embrace the festivities. During the Lantern Festival, a vibrant online Lantern Festival Gala was held, seamlessly blending knowledge and entertainment. Remarkably, this event saw enthusiastic participation from a total of 32,000 individuals, who collectively shared an impressive 127,000 beautiful moments. On the International Women's Day, IB curated a range of activities encompassing baking, flower arrangement, breast palpation awareness sessions, and informative home storage lectures, which aimed at empowering and celebrating women. For the Mother's Day, IB hosted an online photo exhibition titled “Greatness of Maternal Love, Repay Maternal Love with Gratitude”, a touching tribute to the spirit of maternal love. On the Children's Day, a delightful handmade activity titled “Inheriting Culture with Ingenuity and Skillfulness” was organized, encouraging creativity and cultural appreciation. During the Mid-Autumn Festival, IB conducted an engaging “Family Custom Helping Integrity” Integrity Knowledge Contest, promoting values that resonate with employees and their families. These activities have not only amplified the sense of belonging and achievement among employees but also embraced and celebrated Chinese traditional culture, fostering the core socialist values within the family.

Appendix on the Data Index:

Employees' Composition		
Indicators	2021	2022
Total number of employees (persons)	57,428	63,853
Number of female employees (persons)	31,146	33,826
Percentage of female employees (%)	54.23	52.97
Percentage of middle and senior management personnel (%)	5.74	5.39
Percentage of female employees in the middle management (%)	33.66	33.42
Percentage of female employees in the senior management (%)	17.62	17.12
Percentage of employees with undergraduate degree or above (%)	86.54	85.81
Number of ethnic minority employees (persons)	2,187	2,410
Percentage of ethnic minority employees (%)	3.81	3.77
Number of disabled employees (persons)	/	21
Percentage of employees with physical disabilities (%)	/	0.03
Number of foreign employees (persons)	214	219
Total number of employees in overseas institutions (persons)	252	262
Total number of management personnel by gender (persons)	9,235	9,941
Number of male employees (persons)	5,250	5,629
Number of female employees (persons)	3,985	4,312
Total number of non-management personnel divided by gender (persons)	48,193	53,912
Number of male employees (persons)	21,032	24,398
Number of female employees (persons)	27,161	29,514
Total number of management personnel by age (persons)	9,235	9,941
Under 30 years old (persons)	166	129
31-50 years old (persons)	8,107	8,706
51 years old and above (persons)	962	1,106
Total number of non-management personnel by age (persons)	48,193	53,912
30 years old or below (persons)	17,726	19,584
31-50 years old (persons)	29,573	33,211
51 years old and above (persons)	894	1,117
Average age of employees (years)	34.2	34.2
Average length of employment for female employees in the Bank (years)	6.4	6.1
Average length of employment for male employees in the Bank (years)	6.6	6.7

Information on Employee Turnover		
Indicators	2021	2022
Number of new employees recruited this year (persons)	8,329	11,362
Number of employees hired through campus recruitment (persons)	1,484	2,777
Number of employees hired through social recruitment (persons)	6,845	8,585
Number of new female employees (persons)	3,977	4,918
Number of new male employees (persons)	4,352	6,444
Employee turnover rate (%) <small>(Excluding credit card dispatched employees)</small>	5.99	4.57
Male employee turnover rate (%)	6.67	4.98
Female employee turnover rate (%)	5.44	4.24
Percentage of internal candidates competing for vacant positions (%)	37.25	30.71
Major mergers and acquisitions and redundancies	No	No

Employee Rights and Benefits		
Indicators	2021	2022
Signing rate of labor contract (%)	100	100
Coverage rate of social insurance (%)	100	100
Coverage rate of housing provident fund (%)	100	100
Percentage of employees protected by collective bargaining agreements (%)	100	100
Coverage rate of employees' satisfaction survey (%)	/	100
Participation rate of employees' satisfaction survey (%)	/	70
Employees' satisfaction score	/	96.36
Number of casualties due to work-related incidents	/	0
Casualty rate due to work-related incidents	/	0
Number of cases involving work-related injuries of employees	/	27
Number of lost workdays due to occupational injuries	/	916

Occupational Health & Safety		
Indicators	2021	2022
Estimated percentage of operations conducted in accident-prone areas with high workplace casualties	0	0
More than 20% of the operations are being conducted in accident-prone areas with high workplace casualties	No	No
High-casualty-prone activities account for more than 20% of all operations	No	No

Employee Remuneration		
Indicators	2021	2022
Percentage of employees receiving regular performance and assessments (%)	100	100
Percentage of employees receiving the target management assessment (%)	100	100
Percentage of employees in receiving multidimensional performance assessments (e.g. 360 degree feedback evaluation) (%)	100	100
Average fixed salary ratio between male and female employees in the senior management	1.06:1	1.11:1
Average fixed salary ratio between male and female employees in the middle management	0.99:1	1.00:1
Average fixed salary ratio between general male and female employees	1.05:1	1.07:1
Total remuneration of CEO (in RMB 10,000)	131.46	145.6