



**兴业银行股份有限公司**  
**INDUSTRIAL BANK CO.,LTD.**

**2024 年 半 年 度 报 告**

**2024 Semi-Annual Report**

**(A 股代码: 601166)**

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The following content is excerpted from the 2024 Semi-Annual Report.

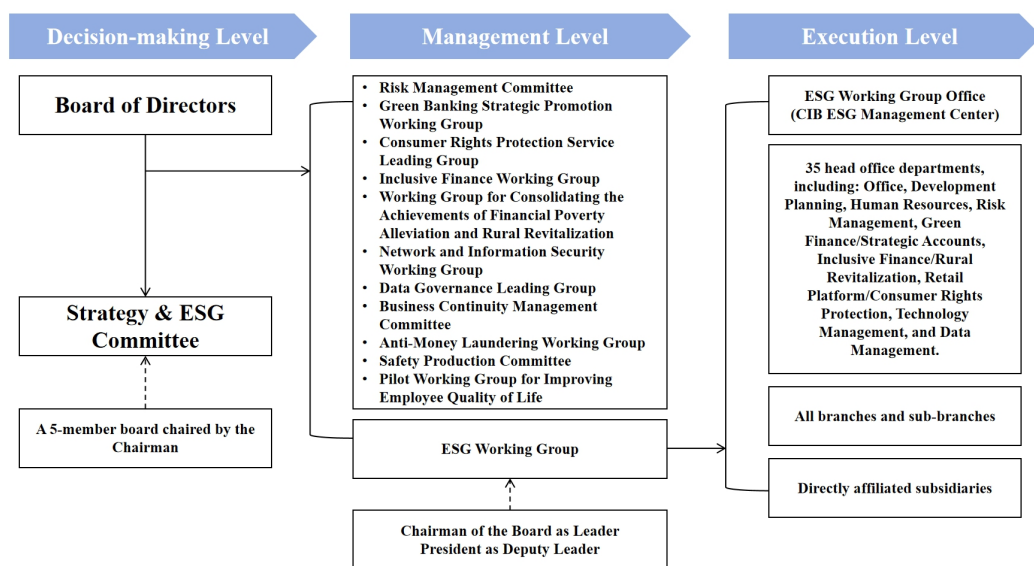
## Chapter 5: Environmental, Social, and Governance (ESG)

### 5.1 Continuous Deepening of ESG Governance System

#### 5.1.1 Construction of ESG Management System

CIB has taken a leading role in elevating sustainable development to the level of corporate strategy and governance, pioneering a socially responsible business model that features “ethical profitability,” and continues to refine its ESG management system. During the reporting period, to further implement the requirements of CIB’s ESG Policy, the ESG Management Measures were established to provide a framework for conducting various ESG management activities. In addition, the 2024 ESG Management System Construction Key Points were formulated, outlining specific objectives, content, processes, evaluation, and supervision requirements for ESG management. This closed-loop management approach aims to enhance the quality and effectiveness of CIB’s ESG management.

#### CIB ESG Management Organizational Structure



#### 5.1.2 Board Diversity and Independence

CIB continues to strengthen the diversity and independence of its Board of Directors, enhance the scientific and professional composition of its specialized board committees, prioritize the expertise and skills of its directors, and strive to establish a diverse board structure in terms of professional background, geographical

representation, gender, nationality, and career experience to improve the scientific rigor of board decisions. As of the end of the reporting period, CIB's Board of Directors consists of 10 directors (with an additional 3 nominated directors pending approval), including 7 non-executive directors (5 of whom are independent) and 3 executive directors (including nominee directors). There are 3 female directors, representing 23.08% of the board.

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Committee Affiliation</b>	<b>Professional Background</b>
Lyu Jiajin	Chairman	Male	Board Strategy & ESG Committee	Finance (Banking)
Chen Xinjian	Vice Chairman	Male	Board Strategy & ESG Committee	Finance (Banking)
	President			
Qiao Lijian	Director	Female	Board Audit & Related Party Transaction Control Committee	Actuarial Science, Corporate Financial Affairs, Finance (Insurance)
Zhu Kun	Director	Male	Board Risk Management & Consumer Rights Protection Committee	Finance, Risk Management
Chen Gongxian	Director	Male	Board Risk Management & Consumer Rights Protection Committee	Economics, Auditing
Sun Xiongpeng	Director	Male	Board Strategy & ESG Committee	Finance (Banking)
	Vice President			
Ben	Independent	Male	Board Risk Management	Finance

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Committee Affiliation</b>	<b>Professional Background</b>
Shenglin	Director		& Consumer Rights Protection Committee, Board Nomination Committee	(Banking)
Xu Lin	Independent Director	Male	Board Strategy & ESG Committee, Board Audit & Related Party Transaction Control Committee, Board Remuneration & Assessment Committee	Finance, ESG
Wang Hongmei	Independent Director	Female	Board Strategy & ESG Committee, Board Audit & Related Party Transaction Control Committee, Board Nomination Committee	Technology, ESG
Zhang Xuewen	Independent Director	Male	Board Audit & Related Party Transaction Control Committee, Board Remuneration & Assessment Committee	Finance (Banking)
Huang Hanchun	Nominee Director	Male	Board Risk Management & Consumer Rights Protection Committee, Board Remuneration & Assessment Committee	Fiscal, Accounting

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Committee Affiliation</b>	<b>Professional Background</b>
Zhang Wei	Nominee Director	Male	Board Audit & Related Party Transaction Control Committee	Corporate Financial Affairs, Auditing
Zhu Yuhong	Nominee Independent Director	Female	Board Risk Management & Consumer Rights Protection Committee, Board Nomination Committee	Finance, Technology

### 5.1.3 Executive Compensation Clawback System

CIB has established the Industrial Bank Senior Management Deferred Performance Compensation Assessment and Payment Measures and the Industrial Bank Performance Compensation Clawback Management Measures. For senior management and employees who have a significant impact on CIB's operations, at least 40% of their performance compensation is deferred for a period of no less than 3 years.

### 5.1.4 ESG Issues Reviewed by the Board of Directors during the Reporting Period

<b>Relevant Board or Committee</b>	<b>Meeting Agenda</b>	<b>Meeting Date</b>
22 <sup>nd</sup> Meeting of the 10 <sup>th</sup> Board of Directors	2023 Performance Compensation Clawback Report, Special Audit Report on Performance Appraisal and Remuneration Mechanism Construction and Implementation, 2023 Annual Report of the Board Strategy & ESG Committee, 2023 Annual Report and Summary, 2023 Sustainable Development Report, Report on the 2024 Group Risk Appetite Implementation Plan, 2024 Annual Consumer	March 28, 2024

	Rights Protection Work Plan, 2023 Fourth Quarter Comprehensive Risk Management Status Assessment Report	
23 <sup>rd</sup> Meeting of the 10 <sup>th</sup> Board of Directors	2024 First Quarter Report	April 18-25, 2024
24 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors	2024 First Quarter Comprehensive Risk Management Status Assessment Report	May 30, 2024
13 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board Strategy & ESG Committee	2023 Annual Report of the Board Strategy & ESG Committee, 2023 Sustainable Development Report	March 27, 2024
7 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board Remuneration & Assessment Committee	2023 Performance Compensation Clawback Report	March 27, 2024
13 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board Risk Management Committee	2023 Fourth Quarter Comprehensive Risk Management Status Assessment Report, Report on the 2024 Group Risk Appetite Implementation Plan, 2024 Annual Consumer Rights Protection Work Plan, 2023 Consumer Rights Protection Internal Assessment Report	March 27, 2024
14 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board Risk Management Committee	2024 First Quarter Comprehensive Risk Management Status Assessment Report	May 29, 2024
18 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of	2023 Annual Report and Summary, 2023 Fourth Quarter Comprehensive Risk Management Status	March 27, 2024

Supervisors	Assessment Report, Special Audit Report on Performance Appraisal and Remuneration Mechanism Construction and Implementation, 2024 Annual Consumer Rights Protection Work Plan	
19 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Supervisors	2024 First Quarter Report	April 18-25, 2024
20 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Supervisors	2024 First Quarter Comprehensive Risk Management Status Assessment Report	May 29, 2024
8 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Supervisors Supervision Committee	2023 Annual Report and Summary, 2023 Fourth Quarter Comprehensive Risk Management Status Assessment Report	March 27, 2024
11 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Supervisors Nomination, Remuneration & Assessment Committee	Special Audit Report on Performance Appraisal and Remuneration Mechanism Construction and Implementation	March 27, 2024

### 5.1.5 ESG Differentiated Service Capabilities

CIB continues to expand its “finance + non-finance” innovation space, actively integrates into high-level financial opening-up, serves the “Belt and Road” initiative, and transforms its leading ESG advantages into differentiated service capabilities. In April 2024, CIB, based on the “bank-university-enterprise” collaboration model and focusing on the pain points and difficulties faced by Chinese enterprises “going global” under the background of the EU’s green transition, jointly launched the

“Global Consulting Cooperation Project” with Zhejiang University International Business School, Cambridge Judge Business School, and Honor Device Co., Ltd. (荣耀终端有限公司). This project aims to provide “finance + non-finance” combined services for enterprises at various stages of their transformation process, enhance the international competitiveness and overseas influence of national brands, and help Chinese enterprises “go global.”

#### **5.1.6 ESG Talent Cultivation**

To enhance the deep integration of ESG concepts, strategies, and CIB’s strategic implementation, business management, and investment and financing decisions, CIB further builds an ESG professional talent training system and refines the ESG professional curriculum. It is committed to cultivating a high-quality, professional, and international talent team that recognizes ESG concepts, is familiar with ESG policies, and masters ESG tools, transforming ESG talent training results into new momentum for serving high-quality business development.

During the reporting period, CIB, referring to domestic and international standards such as the International Sustainability Standards Board (ISSB) Standards, continued to enhance its ESG information disclosure capabilities and achieved multiple firsts in the domestic banking industry’s ESG field: first domestic bank included in S&P Global’s The Sustainability Yearbook 2024 (China Edition), only domestic bank (including Hong Kong) awarded S&P Global’s “Industry Mover” distinction, pioneered inclusion in the ChinaBond Pricing Center’s “ChinaBond Sustainable Information Disclosure Capacity Building Platform” enterprise case, and position on Fortune magazine’s China ESG Impact List for two consecutive years.

## **5.2 ESG Risk Management**

CIB fully applies the ESG risk assessment system to the credit process of its three main business lines: corporate finance, retail finance, and financial markets. Customers are classified into four categories according to the degree of ESG-related risks: A (Excellent), B (Normal), C (Concern), and D (High Risk), and differentiated management strategies are adopted and integrated into all aspects of the credit process,



including due diligence, risk assessment, contract signing, financing disbursement, and ongoing management.

### **5.2.1 ESG-Related Risk Triggers**

CIB strengthens the collection and verification of customers' basic information and data based on ESG-related content. The main factors that trigger risks include: the establishment and improvement of ESG risk management systems; measures taken to prevent ESG risks; the acquisition of relevant production, operation, and discharge permits; energy-saving assessment review and environmental impact assessment; implementation of safety production and health and hygiene standards; production processes and energy efficiency utilization; employment; the degree of negative impact on the surrounding environment; and the historical records of environmental protection and safety production by regulatory authorities. At the same time, CIB focuses on investigating whether customers have negative ESG-related information.

### **5.2.2 ESG-Related Risk Classification Management and Upgrade Process**

**(1) Due Diligence Stage:** First, conduct analysis based on classified evaluation. For Category C and D customers, analyze potential ESG risks and their impact on business, propose countermeasures, and explain the controllability of ESG-related risks and the necessity of business handling. Second, formulate specific risk prevention and control measures and contingency plans by category: For Category C and D customers, specific risk prevention and control measures and contingency plans should be formulated based on their ESG risk characteristics, including limiting the time for rectifying illegal and non-compliant events, signing special commitment letters, and adjusting credit schemes.

**(2) Credit Review and Approval Stage:** For Category A and B customers, handle business according to current credit review and approval regulations. For Category C customers, focus on and prudently assess potential ESG risk issues, countermeasures, and impacts, and actively seek appropriate ways to mitigate credit risk, including the aforementioned risk mitigation measures. For Category D customers, in principle, no new customers will be accepted, and existing customers should be actively phased out as soon as possible.

**(3) Ongoing Management Stage:** For Category C and D customers, conduct regular ESG assessments, track the implementation of relevant management requirements in the approval notice, follow up on the progress of customers' ESG issues, and reflect these in the ongoing management report. For those who have

committed the aforementioned illegal and non-compliant acts and have not actively rectified them, take corresponding risk control measures such as early warning, increasing risk mitigation procedures, and credit limit control. When customers experience significant environmental and social risk events or emergencies, timely assess the impact of the events on the safety of CIB's credit assets and reputation, formulate emergency response plans, and clarify risk resolution measures.

### **5.2.3 Optimizing Credit Resource Allocation**

Aligned with the national "Dual Carbon" goals, CIB shall further leverage its leading position in green finance, enriching and improving the green finance product and service system. We shall focus on key areas of "carbon reduction" and "pollution reduction," such as clean energy, energy conservation and environmental protection, and carbon emission reduction technologies. And we shall accelerate the construction of green assets, expanding their scale and volume, while promoting a low-carbon transformation of our asset portfolio and biodiversity conservation, which can mitigate exposure to environmentally sensitive risks.

## **5.3 Green Bank Development**

During the reporting period, CIB actively implemented overarching policy documents on Beautiful China construction and green, low-carbon development. We focused on growing our green finance business, strengthening product and service innovation, and enhancing our professional capabilities in "Dual Carbon" financial services. We promoted the integrated development of "green + industry" and advanced the construction of a green bank. These efforts were aimed at achieving our green finance development goals: by the end of 2025, the Group's total green finance balance will reach no less than RMB 2 trillion, and the number of green finance corporate clients will reach no less than 55,000, achieving positive economic, social, and environmental benefits. As of the end of the reporting period, CIB had 65,200 green finance clients, an increase of 11.70% compared to the previous year-end. The financing balance of on- and off-balance sheet green finance reached RMB 2,128.483 billion, representing a 12.45% increase compared to the previous year-end.

### **5.3.1 Green Credit**

The scale of green loans maintained a leading position among joint-stock commercial banks. As of the end of the reporting period, the balance of green loans

under the People’s Bank of China’s (PBoC) definition reached RMB 915.063 billion, an increase of 13.11% compared to the previous year-end.

As of the end of the reporting period, 445 carbon emission reduction-linked loans with a total financing amount of RMB 20.4 billion were issued in 33 branches. A total of 42 national carbon allowance pledge financing businesses were implemented in 15 branches, with a pledged allowance of 8,430,000 tons and a financing amount exceeding RMB 2.4 billion.

### **5.3.2 Green Investment Banking**

During the reporting period, the cumulative investment in the green investment banking business reached RMB 126.636 billion. Among them, the market share of underwriting green non-financial bonds reached 10.52%, ranking first among joint-stock commercial banks.

### **5.3.3 Green Trust**

Closely following the new classification guidelines for trust businesses, CIB formed a green product line with trust advantages. While adhering to serving the two major areas of “carbon reduction” and “pollution reduction,” CIB also focuses on business opportunities for low-carbon transformation in traditional sectors. During the reporting period, CIB innovatively launched a green finance family trust business to support the sustainable operation of construction waste recycling enterprises and prefabricated building enterprises and served the Group’s exclusive green finance customers to support the investment and financing needs of hydropower enterprises.

### **5.3.4 Green and ESG Wealth Management**

CIB Wealth Management focuses on the three core needs of wealth management clients: liquidity, stability, and profitability, forming a comprehensive and multi-level ESG product system of “short-term + medium-to-long-term,” “pure debt + project + multi-strategy,” “fixed income + hybrid,” and “open + closed.” During the reporting period, CIB promoted the scale of the Yuedong Qingyun product, with the “linked green bond index” as the main strategy, to RMB 12.6 billion.

### **5.3.5 Green Fund**

CIB Fund issued and continues to manage a green-themed fund - CIB Green Pure Bond One-Year Regular Open A (009237.OF). More than 80% of the fund’s bond investments are allocated to green-themed bonds, and the proceeds from the

bonds are invested in pollution prevention, ecological protection, and environmental remediation. The benchmark is the yield of the ChinaBond - China Green Bond Total Return Index.

### **5.3.6 Green Operations**

Through special tasks such as carbon inventory and carbon verification, CIB formulated carbon neutrality goals and phased timelines based on a comprehensive understanding of the current carbon emissions:

By 2025 - Achieve a 20% reduction in CIB's own carbon emission intensity compared to 2020.

Before 2030 - Achieve carbon neutrality in CIB's own operations (including Scope 1 and Scope 2 carbon emissions).

Before 2035 - Achieve carbon neutrality in the entire upstream and downstream activities of CIB (including Scopes 1, 2 and 3 carbon emissions).

Focusing on the carbon neutrality timeline, CIB proactively embraces the green and low-carbon transformation trend and strives towards its carbon neutrality goals.

## **5.4 Data Security and Privacy Protection**

### **5.4.1 Emergency Response Measures for Data Security and Privacy Protection**

CIB has established and improved a data security and privacy protection management system and formulated and issued the Industrial Bank General Emergency Response Plan for Data Security Incidents. The main measures include:

**(1) Further clarifying CIB's data security emergency response organizational structure.** The Data Security Emergency Command Group is designated as the highest decision-making body for data security emergencies. The Emergency Command Group Office, affiliated with the Data Management Department, serves as the command center for data security incidents, guiding specific emergency work. Six working groups are established under the Data Security Emergency Command Group, responsible for monitoring, business support, technical support, liaison and reporting, public opinion handling, and logistical support, respectively. The leading unit for emergency response is responsible for the overall

leadership of data security incident handling, tracking, and report writing.

**(2) Clarifying the emergency response organizational procedures.** Decision-making principles include the “principle of efficient handling,” the “principle of coordination and cooperation,” and the “principle of safeguarding rights and interests,” and various situations that trigger the emergency decision-making process are clarified.

**(3) Providing reference solutions for emergency response.** The solution includes six stages: preparation, verification, containment, eradication, recovery, and tracking. The leading unit for emergency response can refer to the general handling measures at each stage to lead the work.

**(4) Clarifying incident reporting requirements.** The reporting content and channels after an incident occurs are clarified, and the reporting requirements for the three stages of incident occurrence, during the incident, and after the incident are explained in detail.

#### **5.4.2 Information Security Management System Certification**

CIB actively carries out information security management system certification. During the reporting period, two new cybersecurity-related certifications were added, including the “Mobile Internet Application (App) Security Certification” and the “Fin-tech Product Certification” certificates, which are applied to the CIB mobile banking App and the “Kongshoudao” App of Industrial Consumer Finance Co., Ltd., respectively.

#### **5.4.3 Information Security-Related Training**

<b>Training Type</b>	<b>Trainees</b>	<b>Training Frequency</b>	<b>Number of Trainees</b>	<b>Training Content</b>
Information Security General Training	All internal employees, (including contractors) and dispatched personnel	14	95,000	Personal information protection, social engineering attack prevention, account and password security, security awareness, security compliance requirements, facial recognition technology risks, etc.

Personal Information Protection Special Training	Key personnel for personal information protection at head office and branches	2	300	Personal information protection impact assessment
Security Professional Skills Training	Security personnel	2	230	Attack and defense skills, interpretation of cybersecurity laws and regulations, use of cybersecurity equipment, security monitoring and analysis techniques, etc.
Security Development Professional Training	R&D personnel	2	8,530	Secure development lifecycle system, security requirements and design, secure coding specifications, common vulnerability prevention guidelines, security architect work practices, security development platforms and toolchains, commercial password application and security assessment, software supply chain security, etc.
Data Security Professional Training	Data security professionals	4	1,275	Data security supplementary agreements, use of due diligence report templates, data security classification and grading catalogs, etc.

## 5.5 Consumer Rights Protection

### 5.5.1 Consumer Complaint Channels and Mechanisms

CIB consistently adheres to the people-centric development philosophy, firmly integrating the development concept of “Serve with Heart, Protect from the Start” throughout the entire process of business development. During the reporting period, CIB, through various methods such as regularly organizing consumer complaint analysis meetings and issuing consumer complaint bulletins, reinforced the responsibility of business departments for complaints and strictly implemented the “Top Leader Accountability System.” At the same time, to improve the quality and efficiency of complaint handling and enhance customer service experience, CIB continuously strengthens complaint management and promptly improves online and offline customer complaint channels and handling processes based on actual needs to

ensure that each and every customer complaint is “responded to and addressed.”

CIB has fully disclosed the “Consumer Complaint Channels and Handling Processes” through its official website, mobile banking App, WeChat official account, and outlets, clarifying the time limit for complaint handling and ensuring smooth consumer complaint channels. CIB implements 24/7 human agent service to ensure efficient handling of consumer complaints. An online customer service team has been established to handle customer business consulting, inquiries, transactions, complaints, and reports through multiple electronic channels such as CIB’s mobile banking App, CIB Life App, WeChat official account, and personal online banking, providing instant online replies and immediate handling of simple requests. CIB is committed to enhancing the efficiency of complaint handling by implementing automated case routing functionality. Simultaneously, CIB is actively pursuing iterative upgrades to its debt collection system to achieve comprehensive, end-to-end management of debt collection operations.

### **5.5.2 Consumer Complaint Status**

During the reporting period, CIB received 118,019 consumer complaints across all channels, a decrease of 82,107 complaints or 41.03% compared to the same period last year. The average monthly complaint volume per outlet was 9.36, with a complaint rate of 0.27%. The main situations of consumer complaints are as follows:

**(1) Regional Distribution of Consumer Complaints:** The top five provinces/municipalities with the highest number of complaints were Guangdong Province, with 11,587 complaints accounting for 9.82%; Shandong Province, with 10,694 complaints accounting for 9.06%; Fujian Province, with 9,234 complaints accounting for 7.82%; Shanghai, with 5,740 complaints accounting for 4.86%; and Beijing, with 5,740 complaints accounting for 4.86%.

**(2) Business Handling Channels for Consumer Complaints:** Complaints related to front-office business channels totaled 59,601, accounting for 50.5%. Among them, electronic channel complaints were 48,078, branch counter complaints were 10,577, and complaints related to other business channels, such as self-service equipment and third-party channels, were 946. Complaints related to middle and

back-office business channels were 58,418, accounting for 49.5%.

**(3) Business Areas of Consumer Complaints:** Credit card business complaints were 92,965, accounting for 78.77%; debit card-related business complaints were 7,962, accounting for 6.75%; loan business complaints were 11,851, accounting for 10.04%; bank self-operated wealth management and agency business complaints were 2,142, accounting for 1.81%; payment and settlement business complaints were 282, accounting for 0.24%; RMB savings business and RMB management complaints were 297, accounting for 0.25%; and other business complaints such as foreign exchange, precious metals, and personal financial information were 2,520, accounting for 2.14%.

**(4) Reasons for Consumer Complaints:** The main reasons included 58,462 complaints caused by debt collection methods and measures, accounting for 49.54%; 40,753 complaints caused by financial institution management systems, business rules, and processes, accounting for 34.53%; 14,599 complaints caused by marketing methods and measures, accounting for 12.37%; 1,758 complaints caused by service attitude and service quality, accounting for 1.49%; 1,228 complaints caused by financial institution service facilities, equipment, and business systems, accounting for 1.04%; 502 complaints caused by consumer fund security, accounting for 0.43%; 318 complaints caused by pricing and fees, accounting for 0.27%; 187 complaints caused by product returns, accounting for 0.16%; and 212 complaints caused by other reasons such as contract terms, consumer information security, information disclosure, and right to independent choice, accounting for 0.17%.

CIB continuously pays attention to consumer complaints, standardizes the complaint handling process, protects the financial rights and interests of complainants, and earnestly regards consumer complaints as valuable information sources for improving business and services. CIB continuously optimizes its products, businesses, processes, systems, and services, actively communicates with consumers, and strives to enhance the consumer experience.

### **5.5.3 Financial Literacy Education and Stakeholder Outreach**

Driven by innovative integration and strengthened collaborative linkage, CIB



continuously enriches financial education content, actively explores new carriers and forms of financial education, builds a diversified, multi-faceted, and intelligent financial education system, creates an open and shared financial education channel network, continuously optimizes the financial service closed loop and makes financial knowledge “accessible.”

During the reporting period, CIB conducted a total of 11,998 online and offline financial education activities and produced 2,641 original leaflets, posters, graphic posts, and press releases, reaching approximately 112.9214 million financial consumers, achieving positive results.

### **(1) Strengthening Planning and Layout, Implementing “Around-the-Clock” Financial Education Plans**

During the reporting period, CIB launched the “Strengthening Risk Warnings with Financial Consumers as the Center - Industrial Bank’s 2024 Series of Consumer Rights Protection Activities”, launched ten themed activities for the year-round series of consumer rights protection activities, requiring full coverage of outlets and participation of all employees. CIB also issued the 2024 Plan for Financial Literacy and Financial Consumer Education throughout CIB, “planning and laying out” the financial consumer education and publicity work for the entire year, and continuously improving the regular and long-term mechanism for financial education.

### **(2) Segmenting Target Audiences, Achieving “Refined” Financial Education Coverage**

CIB is committed to serving key regions, including rural areas, remote areas, and areas with concentrated ethnic minority populations, as well as key demographics such as the elderly, youth, and new urban residents. Driven by the motto of “reaching every corner, leaving no one behind,” CIB conducts multi-layered financial education activities. For example, CIB released the Financial Services Handbook for Senior Citizens, covering the eight major rights of financial consumption, popularization of basic financial knowledge, and introduction of CIB’s age-appropriate services to help the elderly bridge the “digital divide.” In conjunction with the characteristics of Children’s Day, CIB went into schools to convey financial risk warnings to young

people.

### **(3) Integrating Resources from Financial Education Organizations, Forming a “Strong Linkage” Synergistic Communication Effect**

Adhering to the intensive use of resources from multiple parties and forming a financial education system of “multi-party cooperation, multi-round co-driving,” CIB reaches consumers with richer and more practical content. For example, CIB collaborates with external institutions such as insurance companies and legal advisors to provide various elderly-specific services such as legal advice, pension consultation, and An Yu Classroom. Focusing on the daily financial service needs and financial consumption characteristics of the elderly, CIB carries out various “consultation meetings” and “cloud classrooms” for the elderly on topics such as “property inheritance,” “consumer rights protection,” “housing rental and sale,” and “elderly financial management.” In addition, during the reporting period, CIB published 2,969 special topics on external media channels such as [jrj.com.cn/](http://jrj.com.cn/), [stockstar.com](http://stockstar.com), [caijing.com](http://caijing.com), and [cnfol.com](http://cnfol.com), fully leveraging the publicity role of media at all levels to create a synergistic communication effect.

#### **5.5.4 Standardized Debt Collection Management**

CIB has established a centralized debt collection team at the head office and has preliminarily formed a collaborative mechanism between centralized debt collection at the head office and local debt collection at branches in aspects such as restructuring and dispute resolution. A standardized guidance manual for centralized debt collection has been formulated and issued, outlining clear requirements for the responsibilities, operating procedures, and operating specifications of centralized debt collection positions at both the head office and branch levels.

#### **5.5.5 Specialized Debt Collection Training**

CIB maintains a steadfast focus on fostering a robust compliance and consumer protection ethos within its debt collection team and those of its partner agencies, and continuously strengthens compliance in debt collection operations through training, testing, and system optimization. This commitment is further underscored by the implementation of bank-wide training initiatives on centralized debt collection

practices for retail credit, encompassing foundational debt collection knowledge, complaint resolution procedures, and practical case handling guidelines. Firstly, comprehensive training programs are enhanced for all personnel, with debt collection staff receiving regular instruction and guidance through the development of illustrative case studies and operational manuals. This serves to tangibly reinforce awareness and understanding of compliant debt collection practices. Secondly, standardized testing is implemented, requiring all participants to undergo assessment following training to ensure thorough comprehension of pertinent policies and procedures.

#### **5.5.6 Fair Advertising Policies and Relevant Training**

CIB conducts annual training programs dedicated to fair advertising principles, consistently reinforcing employees' understanding of this core concept and effectively enhancing the professional competency of its marketing personnel. These training initiatives encompass a variety of formats, including specialized training tailored to specific business lines, regular training sessions conducted at branch locations, and online training programs facilitated through the "CIB Knowledge" platform. The curriculum comprehensively covers pertinent laws and regulations, policies, ethical marketing guidelines, consumer protection and compliance risks, and real-world case studies relevant to fair marketing practices across various business segments, including credit cards, wealth management, and lending. CIB mandates annual participation in these training programs for all employees who directly engage with customers, ensuring a thorough understanding and practical application of fair marketing principles. Furthermore, regular assessments are conducted to evaluate training effectiveness and reinforce the assimilation and application of acquired knowledge.

#### **5.5.7 Consumer Rights Protection Audit**

CIB has established the Industrial Bank Consumer Rights Protection Audit Management Measures. Under these measures, the Head Office Audit Department oversees the consumer rights protection performance across the entire bank. This oversight encompasses a comprehensive review of various aspects, including: the

assessment and scrutiny of new products and services; the regulatory compliance of product and service promotion and marketing activities; the veracity and adequacy of information disclosure and risk warnings; the fairness and appropriateness of the sales process; the accessibility of customer feedback channels; and the effectiveness of customer complaint resolution. In accordance with the annual plan, a dedicated audit focusing on consumer rights protection is scheduled to be implemented across the entire bank in the second half of the year. This audit will prioritize the examination of the implementation of CIB's consumer protection management system and mechanism development, as well as the efficacy of its complaint handling processes. Furthermore, it will investigate the potential occurrence of any practices that infringe upon consumer rights during the course of business operations.

## **5.6 Empowering Employee Development**

### **5.6.1 Diverse and Inclusive Employment Philosophy**

CIB adheres to the principles of diversity and inclusion in recruitment and employment, providing equal employment opportunities for qualified candidates and avoiding discrimination based on gender, age, ethnicity, family status, religious belief, sexual orientation, social background, or origin. CIB strives for equal opportunities and respects the wishes and preferences of each employee, helping them achieve their career aspirations and personal ambitions.

CIB establishes and manages employee diversity data through internal systems, fully respecting employees of different ages, races, genders, nationalities, and physical conditions. CIB upholds the principles of fairness and justice, prohibits discriminatory behavior for any reason or in any form, protects the legitimate rights and interests of female employees, and resists all forms of child labor and forced labor. For qualified persons with disabilities, CIB, based on applicable laws, creates appropriate working conditions. CIB improves the global talent introduction mechanism, prioritizes the recruitment of local employees in conjunction with the layout and planning of overseas branches/sub-branches, organizes and implements international talent training programs, and actively promotes the exchange of

domestic and international talents.

### **5.6.2 Feedback and Escalation Procedures for Employee Grievance Reporting**

CIB attaches great importance to the supervisory power of the public and adheres to the people-centric approach. CIB practices the Party's mass line by attentively listening to and addressing the concerns and appeals of its employees. CIB meticulously investigates all calls and letters from the public, and when allegations are substantiated, CIB takes disciplinary action against the responsible parties in accordance with regulations. In cases of false accusations or rumors, CIB will promptly clarify and address the misinformation.

(1) We have established diversified feedback channels that reach employees at all levels, enabling them to voice their opinions and suggestions. Through various mechanisms, such as pre-appointment announcements for leadership positions, annual performance reviews, human resources surveys, and democratic evaluations of leadership teams, we ensure open and accessible channels for employee feedback and supervision. We strictly protect the anonymity and confidentiality of employee personal information and feedback, guaranteeing their right to know and their right to supervise. During the reporting period, all complaints and suggestions received through letters, phone calls, and emails were handled in accordance with regulations. This effectively leveraged the supervisory role of the public, making complaint and suggestion handling an important tool for strengthening Party discipline and a powerful means of maintaining close ties with the masses.

(2) We have diligently implemented a systematic approach to managing employee conduct, continuously optimizing system development, and leveraging innovative technological tools. By establishing a comprehensive employee behavior management platform, we have created open communication channels for employees to express their thoughts and concerns. During the reporting period, we distributed over 60,000 survey questionnaires to gain a comprehensive understanding of the thoughts, lives, and work dynamics of our employees across the Group. This initiative effectively facilitates the democratic supervisory role of our employees.

(3) We have established a digital platform called “Voice of CIB” for employee appeals and feedback, leveraging technology to facilitate employee suggestions, participation in democratic management, and democratic supervision. The “Voice of CIB” platform is designed to focus on capturing and responding to the concerns and ideas of our employees. It emphasizes the principles of “democracy, openness, and timeliness,” aiming to “empower voices, gather wisdom, and create value.” The platform plays a proactive role in fostering open communication, collective problem-solving, and transformative development within CIB. As of the end of the reporting period, the platform has received 19,705 posts from employees, with over 130,000 comments and a daily readership of 50,100. The cumulative readership has exceeded 59.21 million.

### **5.6.3 Career Development**

CIB attaches great importance to employee growth and encourages all employees (including contractors)<sup>1</sup> to progress from “one specialty and multiple skills” to “one specialty and multiple certifications.” CIB organizes training and examinations covering three main types: job grades, technical tracks, and special certifications. CIB systematically develops talent echelons and has formulated and issued the Industrial Bank Management Measures for Professional and Technical Tracks, establishing a comprehensive talent pipeline development and training system covering talent teams at all stages of development and at all levels. Following the career stage development goals of “steady starts for new employees, advanced growth for managers, and leadership development for decision-makers,” we have formulated and implemented diverse individual career development plans. We actively cultivate various talent pipelines and broaden career paths for employees, accelerating the growth of a talented workforce encompassing seven key profiles: digital, multi-skilled, specialized, high-end, comprehensive, international, and craftsman-like. Our dual-track development model, encompassing both management and professional tracks, broadens career growth opportunities and stimulates innovation. By integrating promotion opportunities, performance management, compensation and benefits, and

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<sup>1</sup> CIB does not have part-time employees.

evaluation mechanisms, we provide employees with more flexible, diverse, and dynamic career advancement pathways, along with stable salary expectations, ensuring a stable and secure workforce.

#### **5.6.4 Partners with Educational Institutions for Training Programs**

CIB actively engages in collaborations with universities and institutions, partnering with key universities and executive training academies to leverage high-quality educational resources. We utilize a blended approach, combining online and offline learning, to deliver training programs that complement our internal training initiatives and enhance the quality of talent development. During the reporting period, the Head Office Credit Card Center, Chongqing Branch, Shenzhen Branch, and Quanzhou Branch, among others, collaborated with Zhejiang University, Chongqing University, and the Jinggangshan Learning Education Training Center to conduct specialized training on “Leadership for Middle-Level Managers.” This training aimed to enhance the management capabilities of leaders at all levels, broaden their horizons with new knowledge and skills, address knowledge gaps and skill deficiencies, and ultimately improve their job performance. Chengdu Branch, Zhengzhou Branch, Quanzhou Branch, and Nanchang Branch, among others, partnered with institutions like Southwestern University of Finance and Economics, the South-to-North Water Diversion Cadre College, Huaqiao University, and China Executive Leadership Academy Jinggangshan to conduct specialized training programs focused on corporate banking marketing, Party spirit education, and new employee development. These programs are meticulously designed with tailored content and learning plans based on CIB’s strategic development goals and talent development needs, ensuring that the training achieves its intended objectives.

#### **5.6.5 Non-Pay Benefits for Employees**

##### **(1) Proactively Create a Comprehensive, Warm, and Meticulous Benefits System**

CIB provides comprehensive and diverse benefits to all employees, alleviating their concerns and improving their overall well-being. We punctually and fully pay all statutory contributions for basic pension insurance, basic medical insurance,

unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds. We have also established enterprise annuity plans and supplementary medical insurance plans to further enhance employee benefits. Annual health check-ups are provided to all employees. Female employees on maternity or prenatal check-up leave receive benefits, including maternity allowance, that are no less than their regular salary during their working period.

## **(2) Actively Create a Healthy, Civilized, Harmonious, and Friendly Working Environment**

CIB provides all employees with generous and flexible work and vacation arrangements, diligently upholding their legal labor rights and fully guaranteeing their right to rest and take leave. During the reporting period, we revised and issued the Industrial Bank Employee Attendance and Leave Management Measures, which clearly define various types of leave, including annual leave, home leave, sick leave, work-related injury leave, marriage leave, maternity leave, prenatal check-up leave, breastfeeding breaks, paternity leave, bereavement leave, parental leave, leave for caring for a single child, and personal leave, as stipulated by national and local regulations. Over 60,000 instances of leave were taken by employees across CIB during the reporting period.

## **(3) Deepen the Care for Female Employees**

CIB actively implements relevant regulations for the protection of female employees, builds “Love Mom Rooms,” and carries out special care activities for female employees on Women’s Day, including DIY handicrafts, female-themed lectures, health care, and female employee team-building activities.

## **(4) Implement Employee Assistance and Condolences**

To foster a caring and supportive work environment, CIB provides assistance and condolences to employees in need each year before the Spring Festival. CIB also offers timely condolences and financial support to union members during life events such as marriage, childbirth, hospitalization, serious illness, or the death of themselves or immediate family members.

## **(5) Carry out Diverse Cultural and Sports Activities**



CIB prioritizes the physical and mental well-being of its employees. We have established employee recreation centers and encourage branches/sub-branches with the necessary resources to do the same. Various branches/sub-branches of CIB collaborate with external organizations to build “shared employee homes,” providing employees with diverse venues for physical exercise and recreational activities. In addition, labor unions at all levels organize a variety of cultural and sports activities tailored to local preferences, such as online and offline Spring Festival celebrations, Women’s Day events focused on female employee well-being, family values, and parenting education programs, Children’s Day parent-child activities, and walking events.

#### **5.6.6 Employee Satisfaction Survey**

CIB places a high priority on employee career development and satisfaction, conducting an annual bank-wide employee satisfaction survey. We foster a fair and just environment for talent selection and promotion and have established a mature and comprehensive employee advancement system. We are committed to building a diverse, equitable, and inclusive human resources ecosystem, seeking a path of shared growth for both the company and its employees.

**(1) Listening to employee feedback.** During the reporting period, CIB conducted on-site human resources ecosystem surveys at several branches/sub-branches. These surveys covered multiple levels and dimensions of employee satisfaction, focusing on areas such as talent selection and appointment, job systems, management mechanisms, work environment, corporate culture, and compensation and benefits. This feedback is used to make targeted improvements and enhance the effectiveness of human resource management services.

**(2) Focusing on talent retention.** During the reporting period, CIB implemented a name-list management system for core frontline personnel to continuously track their employment status; the turnover rate was included as a performance indicator, and the core talent turnover rate decreased by 0.135 percentage points year-over-year.

**(3) Facilitating career development.** During the reporting period, CIB formulated the Industrial Bank Management Measures for Professional and Technical

Tracks to provide well-defined career paths for professionals in various fields, such as treasury operations, information technology, risk management, tellers, and marketing. CIB also actively implemented the “Wealth Ten Thousand Talents Plan” and “Model Talent Plan” projects, conducted talent assessments in technology and green finance, and selected “Craftsman-like Talents.” These efforts further strengthened talent development, resulting in a company turnover rate of 2.25%.

## **5.7 Strengthening Anti-Corruption and Professional Ethics Management**

### **5.7.1 Integrity Education**

CIB integrates integrity education with its core business operations, comprehensively promoting the “4+2” series of micro-Party lectures on integrity in 2024. Building upon the foundation of regular activities such as studying the negative list of Party members’ daily conduct, learning from cautionary education cases, visiting integrity education bases, and holding integrity education lectures, CIB also focuses on key personnel by conducting integrity talks and organizing viewings of short warning films on integrity to reinforce integrity reminders.

### **5.7.2 Employee Professional Ethics Education and Training**

During the reporting period, CIB adhered to the principle of “rigorous governance” and continued to standardize employee professional conduct. CIB emphasized the importance of integrity and prohibited activities that violate professional ethics. To enhance awareness, CIB analyzed and compiled typical cases from the banking industry tailored to different job functions. Various educational activities were organized, including group discussions, short drama productions, legal comics, and compliance risk alerts. During the reporting period, CIB has organized 1,124 “Compliance Talks by Grassroots Leaders” sessions, with a total of 33,956 participants.

### **5.7.3 Business Ethics Audit**

CIB attaches great importance to the supervision and management of business ethics-related matters and continuously pays attention to the progress of work in areas such as anti-money laundering, anti-bribery, anti-corruption, anti-fraud, and employee

behavior management.

According to CIB's 2024 Internal Audit Plan, key focus areas include: **1. Anti-Money Laundering (AML):** A dedicated audit of AML policy implementation has been completed, covering all subsidiaries and domestic first-level branches. The audit focused on areas such as customer identification, reporting of large and suspicious transactions, and foundational AML management. **2. Employee Conduct Management:** Comprehensive operational and financial audits covering employee conduct, financial expenses, and major procurement activities are being conducted. On-site audits have been completed at 13 first-level branches and 3 second-level branches during the reporting period. Real-time, dynamic monitoring is also being conducted using the audit big data platform, with a focus on case prevention and management, as well as monitoring for unusual employee behavior.

**5.8 For more detailed information on CIB's ESG initiatives, please refer to the ESG section on our official website.**