兴业银行
INDUSTRIAL BANK CO.,LTD.

Stock Code 601166

2026
Semi-Annual Report

The following content is excerpted from the 2026 Semi-Annual Report.

Chapter 4 Corporate Governance, Environment and Society

4.1 Corporate governance

4.1.1 Overview of corporate governance

During the reporting period, the Company continued to deepen the effective integration of Party leadership and corporate governance, comprehensively strengthened corporate governance development, optimized corporate governance mechanisms, solidified the institutional foundation of corporate governance and implemented an interim dividend payout for the first time. Clearly defined responsibilities, effective checks and balances, and orderly operations among all corporate governance bodies have been achieved, thereby safeguarding the Company's sustained and sound development.

4.1.1.1 Shareholders and the Shareholders' Meeting

During the reporting period, in accordance with relevant laws and regulations, the Articles of Association, and the Rules of Procedure for the Shareholders' Meeting, the Company convened and held the First Extraordinary Shareholders' Meeting for 2026 and the 2025 Annual General Meeting through a combination of on-site meeting and online voting. At these meetings, 14 proposals were deliberated on or listened to. Meanwhile, the Company continued to improve its communication and engagement mechanism with shareholders, actively listened to the opinions and suggestions of investors, and ensured that shareholders exercised their rights to information, participation and voting on significant corporate matters in accordance with the law. During deliberation, where there are significant matters involving the interests of small and medium investors, the votes of such investors were separately counted and disclosed.

4.1.1.2 Directors and the Board of Directors

As at the end of the reporting period, the Company's Board of Directors consisted of 14 directors, including 11 non-executive directors (of whom five were independent non-executive directors) and three executive directors. There are five committees under the Board of Directors, namely the Strategy and ESG Committee, the Risk Compliance and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee and the Remuneration and Evaluation Committee. With the exception of the Strategy and ESG Committee, the other four committees are chaired by independent directors. During the reporting period, the Company held three meetings of the Board of Directors, 13 meetings of all committees of the Board of

Directors and two special meetings of independent directors, at which it cumulatively deliberated on or listened to 189 proposals.

4.1.1.3 Senior Management

Currently, the Company had six senior management members, including one president and five vice presidents. With authorization under the laws and regulations, the Articles of Association and the Board of Directors, the president took responsibility for organizing operations and management activities, implementing the resolutions of the Shareholders' Meeting and the Board of Directors, and formulating the annual business plans and investment plans, financial budgets and final accounts plans, basic management rules and specific regulations.

13 committees were established under the Company's Senior Management, namely, the Strategy Promotion Committee, the Digital Transformation Committee, the Assets and Liabilities Management Committee, the Investment Decision Committee, the Risk Management Committee, the Internal Control Committee, the Special Assets Operation and Management Committee, the Business Continuity Management Committee, the Commodity Purchase Committee, the Internal Accountability Committee, the Credit Approval Committee, the Investment Review Committee, and the Group Consolidated Management Committee.

4.1.1.4 Related party transactions

During the reporting period, the Company continued to strengthen the management of related party transactions in strict accordance with the regulatory provisions of the NFRA, the CSRC and the Shanghai Stock Exchange, as well as the Articles of Association of the Company. The Company continuously enhanced related party identification, inquiry and reporting, strengthened daily monitoring of related party transactions, strictly regulated the procedures for the organization, reporting and quota management of material related party transactions, and diligently fulfilled its approval and disclosure obligations for related party transactions, thereby effectively safeguarding the overall interests of the Company and all shareholders and ensuring the effective operation of the related party transaction management mechanism.

4.1.1.5 Information disclosure and investor relations

The Company thoroughly implemented the *Securities Law of the People's Republic of China* and various regulatory requirements, strictly fulfilled statutory obligations of information disclosure, and carried out information disclosure in accordance with the law. During the reporting period, the Company optimized its periodic reports in terms of both content and presentation. In terms of content, the Company adopted a framework covering the review of the 14th Five-Year Plan period, industry trends, strategy implementation and future outlook, to highlight its strategic initiatives and transformation achievements. The Company added dedicated sections on business operations and management, supplemented by business cases, to comprehensively demonstrate the underlying connections among strategic planning, business operations and management, and performance. In terms of presentation, the Company published a designed version of its annual report, incorporating various charts and illustrations to enhance visual presentation. It also added full-page key indicator snapshots to help investors gain a clear understanding of trends in operating indicators and structural changes. The Company strengthened voluntary disclosure by formulating and disclosing the *Evaluation Report on the 2025 Action Plan and the Value Enhancement Plan for "Corporate Value and Return Enhancement" and the 2026 Action Plan and Value Enhancement Plan*, which was guided by investor needs, set out targeted optimization goals and enhancement measures in areas including business operations, corporate governance and investor returns and regularly conducted assessments. The Company advanced the work related to Basel III Pillar 3 disclosures, and standardized its work on insider information confidentiality and the registration and filing of insiders to effectively prevent the risks of insider information leakage and insider trading.

During the reporting period, the Company continued to implement the *Market Value Management Policy*, the *Action Plan for Corporate Value and Return Enhancement* and the *Valuation Enhancement Plan*, while adopting multiple measures to strengthen market value management. The Company enhanced market communication through various channels, including convening and holding results briefings and shareholders' meetings, organizing domestic and overseas roadshows, receiving investor visits, participating in securities firms' strategy meetings, responding to investor relations inquiries by phone, and replying to questions on the SSE E-interactive platform, to continuously address market concerns and proactively communicate the Company's investment value. Relevant records were maintained and supporting documents were properly retained in accordance with regulatory requirements. The Company held the 2025 Annual Performance Briefing at the Shanghai Stock Exchange, at which it incorporated digital and intelligent elements in an innovative manner to showcase the image of "Digital Industrial Bank". At the same time, the Company placed emphasis on shareholder returns and continued to increase its dividend payout ratio. During the reporting period, the Company paid total cash dividends of RMB22.560 billion on ordinary shares, with the full-year dividend payout ratio for 2025 reaching 31.02%, marking a steady increase for 16 consecutive years. The Company also plans to implement an interim dividend distribution for 2026, providing investors with stable and predictable dividend returns.

4.1.2 Special committees under the Board of Directors

4.1.2.1 Strategy and ESG Committee

As at the end of the reporting period, the Strategy and ESG Committee consisted of five members, namely Lyu Jiajin, Chen Xinjian, Sun Xiongpeng, Xu Lin and Wang Hongmei, and Lyu Jiajin served as the Chairman.

During the reporting period, the Strategy and ESG Committee convened four meetings on January 13, March 25, April 28 and June 29, 2026, deliberating on a total of 24 proposals, which mainly included the work report of the Board of Directors, the President's work report, annual profit distribution, interim profit distribution, the 2026-2030 strategical development plan, the 2026-2030 digital and intelligent transformation plan, write-offs of bad debts, the sustainability report, amendments to the information disclosure management measures and amendments to the rules of procedure for the Secretary to the Board of Directors.

4.1.2.2 Risk Compliance and Consumer Protection Committee

As at the end of the reporting period, the Risk Compliance and Consumer Protection Committee consisted of five members, namely Ben Shenglin, Huang Hanchun, Zhu Kun, Chen Gongxian and Zhu Yuhong, and Ben Shenglin served as the Chairman.

During the reporting period, the Risk Compliance and Consumer Protection Committee convened three meetings on March 25, April 27 and June 29, 2026, deliberating on a total of 29 proposals and listening to six reports, which mainly included the comprehensive risk management report, the liability quality management report, the Group's risk appetite implementation plan, the report on updates and validation of the expected credit loss model, the operational risk management report, the anti-money laundering (AML) compliance management report, write-offs of bad debts, the consumer protection work plan, amendments to the liquidity risk management measures, amendments to the operational risk management measures and amendments to the compliance management policy.

4.1.2.3 Audit and Related Party Transaction Control Committee

As at the end of the reporting period, the Audit and Related Party Transaction Control Committee consisted of five members, namely Zhang Xuewen, Qiao Lijian, Zhang Wei, Xu Lin and Wang Hongmei, and Zhang Xuewen served as the Chairman.

During the reporting period, the Audit and Related Party Transaction Control Committee convened four meetings on February 25, March 24 to March 25, April 27 and June 29, 2026, deliberating on a total of 18 proposals and listening to 19 reports, which mainly included the annual financial report, the internal audit report, the financial budget and final accounts report, the engagement of accounting firms, the related party transaction report, the internal control assessment report and the comprehensive risk management report.

4.1.2.4 Nomination Committee

As at the end of the reporting period, the Nomination Committee consisted of four members, namely Wang Hongmei, Yu Hua, Ben Shenglin and Zhu Yuhong, and Wang Hongmei served as the Chairwoman.

During the reporting period, the Nomination Committee convened a meeting on March 25, 2026, deliberating on two proposals, which mainly included the Nomination Committee's work report and the engagement of a vice president.

4.1.2.5 Remuneration and Evaluation Committee

As at the end of the reporting period, the Remuneration and Evaluation Committee consisted of three members, namely Xu Lin, Huang Hanchun and Zhang Xuewen, and Xu Lin served as the Chairman.

During the reporting period, the Remuneration and Evaluation Committee convened a meeting on March 25, 2026, deliberating on six proposals, which mainly included the report on the assessment of directors' performance of duties, the directors' remuneration plan, the remuneration allocation plan for senior management members, the report on the clawback of performance-based remuneration and amendments to the measures for evaluating directors' performance of duties.

4.1.3 Changes in directors and senior management members

4.1.3.1 Changes in directors

None.

4.1.3.2 Changes in senior management members

(1) On March 26, 2026, at the 13th meeting of the 11th session of the Board of Directors of the Company, Mr. Hao Chao was appointed as Vice President. Mr. Hao Chao has held office since May 8, 2026 (upon the NFRA's approval of his qualifications).

(2) On July 10, 2026, Mr. Sun Xiongpeng submitted a written resignation to the Board of Directors of the Company and resigned from his position as Vice President of the Company due to a change in work. Following his resignation, Mr. Sun Xiongpeng continued to serve as Deputy Secretary of the Party Committee, director and member of the Strategy and ESG Committee under the Board of Directors of the Company.

4.1.4 Remaining pre-tax remuneration of directors, supervisors and senior management members serving the Company on a full-time basis

Following the assessment and confirmation by the competent department, the remaining portions of the 2023 pre-tax remuneration of directors, supervisors and senior management members serving the Company on a full-time basis are disclosed as follows: Lyu Jiajin: RMB10.68 thousand; Chen Xinjian: RMB10.68 thousand; Sun Xiongpeng: RMB9.55 thousand; Zhang Guoming: RMB9.55 thousand; Zhang Min: RMB8.8 thousand; Zhang Ting: RMB8.8 thousand; and Zeng Xiaoyang (appointed as Vice President since October 19, 2023): RMB2.44 thousand.

4.1.5 Employees

Item	Number of employees
Number of employees of the parent company	62,761

Number of employees of main subsidiaries	5,681
Number of total employees	68,442
Number of retirees whose expenses are undertaken by the parent company and its main subsidiaries	2,383
By education level	
Master and above	16,258
Bachelor	48,179
Junior College	3,469
Secondary technical school and below	536
Total	68,442
By professional occupation	
Management	4,086
Business	46,925
Support	17,431
Total	68,442

Note: The above numbers of employees include those under labor dispatch arrangements.

4.1.6 Profit distribution

4.1.6.1 2025 profit distribution plan

As approved by the Shareholders' Meeting, the Company distributed a total cash dividend of RMB10.66 (including tax) per 10 ordinary shares for the full year of 2025, with total cash dividends amounting to RMB22.560 billion. Specifically, the interim cash dividend for 2025 of RMB5.65 (including tax) per 10 ordinary shares was distributed in February 2026, and the final cash dividend for 2025 of RMB5.01 (including tax) per 10 ordinary shares was distributed in June 2026. For details, please refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the Company's website (www.cib.com.cn).

4.1.6.2 2026 interim profit distribution plan

The Company's 2026 interim profit distribution plan was approved by the 2025 Annual General Meeting. The Board of Directors will subsequently formulate the specific distribution plan and organize its implementation in accordance with the plan as approved by the Shareholders' Meeting. The amount of interim cash dividends will not exceed one-third of the net profit attributable to ordinary shareholders of the parent company under the consolidated financial statements for the first half of 2026.

4.1.7 Sustainable development and ESG management

The Company is keenly aware that ESG serves as an effective connector for implementing the new development philosophy, serving national strategies, upholding the guiding principles of the Central Financial Work Conference, and advancing the coordinated development of the "Five Priorities" of the financial sector. During the reporting period, the Company regarded ESG as one of its important strategic pillars and incorporated it into the *Outline of the 2026-2030 Development Strategy Plan*. Adhering to the sustainable development philosophy of "integrating righteousness into profitability" and "pursuing profits through righteousness", the Company worked to establish a scientific and sound ESG evaluation and guidance mechanism, promoted the transformation of ESG management toward "value creation", and followed the path of financial development with Chinese characteristics. During the reporting period, the Company strictly complied with the sustainability information disclosure requirements of stock exchanges, fully integrated ESG into risk management, product innovation and internal management, improved the top-level framework for key ESG issues, conducted impact, risk and opportunity analyses in a scientific manner, and studied how to establish annual sustainable development targets and relevant evaluation indicators. The Company's MSCI ESG rating remained at the highest AAA level for the global banking industry, and the Company became the only domestic bank to be included in S&P Global's *Sustainability Yearbook (China Edition)* for three consecutive years.

4.1.8 Compliant business operations and management

During the reporting period, the Company strictly complied with the *Rules on Compliance Management of Financial Institutions* issued by the NFRA and issued the *Compliance Management Policy of Industrial Bank (Revised in April 2026)*. Following the principles of compliance with laws and regulations, comprehensive coverage, clearly defined responsibilities and rights, and pragmatic and efficient operations, the Company continued to promote compliance culture development and acted on a philosophy that "compliance starts from the top, requires proactive action by all employees, and creates value". The Company integrated compliance requirements throughout the entire process of decision-making, execution, supervision and feedback to cover all areas and procedures and implemented these requirements across all departments, institutions, positions and employees, thereby further enhancing its ability to operate in compliance with laws and regulations.

In accordance with the overall requirements of “tiered management and accountability at each level”, the Company continued to improve its organizational structure for compliance management, clarify compliance management responsibilities, and put in place a sound compliance management system. The Board of Directors assumes ultimate responsibility for compliance management, considers and approves the Company’s compliance policies and fundamental policies, supervises the implementation of compliance policies, makes decisions on the establishment of compliance management departments, and establishes a direct communication mechanism with the Chief Compliance Officer. The Risk Compliance and Consumer Protection Committee under the Board of Directors evaluates the effectiveness of the Company’s compliance management and the development of compliance culture, and urges the resolution of major issues arising in compliance management and compliance culture development. The Senior Management is responsible for implementing compliance management objectives in accordance with the Articles of Association and the authorization of the Board of Directors, and assumes leadership responsibility for business compliance within the areas under its management or supervision. Departments of the Head Office serve as execution departments for the Company’s internal controls, responsible for the establishment and evaluation of internal controls within their respective areas of responsibility. The Legal and Compliance Department/Supervision and Accountability Department of the Head Office is responsible for organizing the establishment and reassessment of the Company’s internal controls, guiding other departments of the Head Office and branches in establishing and improving their internal controls, and regularly organizing self-assessments of internal controls by various departments and branches.

The Company explicitly stipulates prohibited behavior, breaches of business ethics and other misconduct in institutional documents such as the *Employee Compliance Manual of Industrial Bank*, the *Thirteen Prohibitions on Employee Conduct of Industrial Bank*, and the *List of Major Negative Behavior for Key Positions*. The Company clearly prohibits employees from soliciting or accepting bribes, receiving kickbacks or service fees of any kind in violation of national regulations, offering bribes, participating in improper transfer of benefits, insider trading and other activities. The Company continuously strengthened compliance communication and warning education for employees, enhanced employees’ compliance awareness, and defined the baseline for business ethics. During the reporting period, the Company organized employees to participate in the video training of the Special Training Program on Banking Compliance Management organized by the China Banking Association. They studied the *Self-regulatory Guidelines for Compliance Management of Banking Financial Institutions*, learnt from leading peers’ practices in translating external regulations into internal rules, and learnt how to foster a compliance culture and develop intelligent compliance capabilities. Participants came from departments of the Head Office, domestic and overseas branches, and subsidiaries.

4.1.9 Anti-corruption management

The Company follows the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements the guiding principles of the 20th CPC National Congress and all plenary sessions of the 20th CPC Central Committee, thoroughly studies and implements Xi Jinping's thoughts on Party building, and intensifies efforts to carry out the study and education campaign on establishing and practicing a correct understanding of what it means to perform well. The Company has advanced full and rigorous Party self-governance with higher standards and more practical measures, deepened efforts to improve conduct, enforce discipline and combat corruption, and continuously enhanced the overall effectiveness of ensuring that employees do not dare to, are unable to, and have no desire to commit corruption.

Continuously enhancing supervision capabilities. During the reporting period, the Company carried out inspections and coordinated oversight involving audit, inspection and discipline supervision, strengthened supervision over inspection-related rectification, promoted coordination across problem identification, rectification and governance, and continuously enhanced governance effectiveness. The Company strictly investigated and addressed misconduct and corruption issues together, organized supervisory inspections on work conduct during key periods, and rigorously investigated violations of the central Party leadership's eight-point decision on improving work conduct, thereby continuously improving the long-term mechanism for conduct improvement.

Continuously improving the efficiency and effectiveness of case handling. During the reporting period, the Company focused on critical areas and "key few", firmly and prudently investigated disciplinary and legal violations, and unswervingly advanced the anti-corruption campaign. The Company pressed ahead with the two-year campaign to address misconduct and corruption issues that directly affected the people, formulated an action plan and implemented it in an orderly manner. The Company further promoted reform and governance through cases, revised institutional documents such as the *Rules on Integrity and Self-discipline of the Leadership of Industrial Bank*, optimized processes and systems, strengthened the regulation and supervision of the allocation and exercise of power, and continuously enhanced the authority and execution of institutional mechanisms.

Advancing the development of integrity culture. During the reporting period, the Company continued to promote the development of the "Clean Industrial Bank" culture, strengthened the circulation of typical cases, produced warning and educational videos, and carried out integrity education on a tiered and targeted basis. The Company launched dedicated sections such as the "Discipline Inspection and Supervision", the "Pre-appointment Knowledge Test on Integrity-related Laws and Regulations for Bank Management Personnel" and "Establishing and Practicing a Correct View of Performance" on the "Xingzhi" online platform, and provided integrity education and anti-commercial bribery and anti-corruption training to all employees. As at the end of the reporting period, integrity education programs recorded total attendance of more than 172.1 thousand person-times, helping strengthen employees' awareness of integrity.

4.1.10 AML management

The Company has established AML leading groups covering three levels, namely the "Head Office, branches and sub-branches", and clarified the responsibilities of various departments and positions in the management process. During the reporting period, the Company adopted multiple measures to ensure the compliance and effectiveness of money laundering risk management in accordance with the newly revised *Anti-Money Laundering Law of the People's Republic of China* and other laws, regulations and regulatory requirements.

Conducting AML audits and assessments. During the reporting period, the Company conducted a special audit on "AML and anti-fraud management", covering 45 tier-one domestic and overseas branches and six subsidiaries required to perform AML obligations. The Company conducted money laundering risk self-assessments for institutions to evaluate their money laundering risks and control effectiveness across dimensions including regions, customers, products and channels. The Company analyzed and assessed risks, vulnerabilities and weak links in business operations to continuously optimize or improve the money laundering risk assessment indicator framework.

Advancing the development of digital and intelligent AML capabilities. The Company continued to optimize money laundering risk monitoring models, developed an intelligent assistant for suspicious transaction report quality review, and improved visualized intelligent monitoring tools. The Company launched and promoted the new-generation AML system, promoted the AML-oriented digital inspection platform, and facilitated the effective governance of AML data.

Actively conducting AML training and public awareness campaigns. Focusing on the implementation of the new AML Law and supporting rules and regulations, the Company provided training on the latest AML regulatory policies for senior management members, AML personnel and business personnel, so as to enhance the professional capabilities and competence of personnel at all levels in AML-related work. The Company also conducted various AML awareness campaigns for the public. These efforts strengthened AML compliance awareness among employees and the general public.

4.1.11 Anti-telecom and online fraud management

The Company has established a "three lines of defense" governance framework for telecom and online fraud risk management, in which it clarified the responsibilities of the Senior Management, the first line of defense, the second line of defense and the third line of defense, and has set up the leading group for fraud risk management, which is responsible for coordinating telecom and online fraud risk management to ensure the effective operation of the telecom and online fraud risk management system. The Company has incorporated telecom and online fraud risk into its comprehensive risk management framework and managed such risk as one of the sub-categories of operational risk.

Conducting telecom and online fraud risk assessments. The Company carried out telecom and online fraud risk assessments for new products and businesses, conducted regular reviews of accounts involved in fraud cases, analyzed and studied new types of fraud schemes and fund transfer patterns reported by regulatory authorities, and promptly adopted targeted prevention and control measures against fraud risks and hazards identified in products and businesses, thereby reducing fraud-related risks at the source.

Enhancing digital risk control capabilities. Based on the latest fraud schemes and abnormal account characteristics, the Company continued to update anti-fraud risk control rules and intelligent identification models to improve the accuracy of risk identification and the effectiveness of risk interception. Meanwhile, the Company made progress in optimizing and upgrading the functions of the anti-fraud platform, continuously enhancing the platform's intelligent risk control and response capabilities.

Strengthening joint risk prevention and control. The Company continued to deepen coordination and collaboration with regulatory authorities, connected with platforms including the PBOC's integrated financial anti-fraud platform and Fujian Province's four-party anti-fraud collaboration platform for public security, finance, internet and telecommunications, implemented coordinated response measures in the management and control of accounts involved in fraud cases and the protection of potential victims, and effectively intercepted and controlled fraud-related funds.

Actively conducting anti-fraud awareness campaigns. Based on typical telecom and online fraud cases, the Company optimized and improved protection strategies and rules for potential victims, accurately identified high-risk customers vulnerable to fraud, and provided risk alerts and intervened in advance. The Company continued to optimize the appeal handling process for suspicious fraud-related accounts, so as to improve response efficiency and effectiveness. The Company regularly carried out anti-fraud awareness campaigns, organized various themed promotional activities in an orderly manner, and disseminated anti-fraud knowledge through multiple channels, thereby continuously enhancing public awareness of fraud identification and prevention.

4.1.12 Regular business ethics audits

In strict accordance with regulatory requirements and internal policies, the Company formulates an internal audit plan covering business ethic audit matters at the beginning of each year, and implements the plan after approval by the Board of Directors. Through a combination of special audits and institutional audits, as well as on-site audits and off-site supervision, the plan covers all branches and institutions within the Group on a three-year cycle. The scope of supervision covers areas including AML, anti-fraud, abnormal employee behavior, consumer protection and related party transactions. The Audit and Related Party Transaction Control Committee under the Board of Directors regularly listens to reports on major findings identified by internal audits and the progress of rectification. During the reporting period, the Company's business ethics-related audit activities mainly included:

Special audits on AML and anti-fraud management. The Company completed on-site audits covering 45 tier-one domestic and overseas branches and six subsidiaries required to perform AML obligations. Focusing on key areas of regulatory concern, the Company conducted audit inspections on the performance of core AML obligations, including customer due diligence, large-value and suspicious transaction reporting, retention of customer identification materials and transaction records, and money laundering risk assessment, as well as the efficiency and effectiveness of anti-fraud management. In addition to special audits, AML management and performance were also included as priorities in all institutional audit projects conducted during the year.

Audits on abnormal employee behavior. For on-site audits, the Company included financial expenses, performance-based remuneration allocation and employee conduct as key areas of supervision and inspection in the departure audits/overall business audits conducted for 17 institutions. For off-site supervision, the Company regularly conducted data analysis related to abnormal employee behavior covering all employees across the Group. By leveraging automated system alerts and monitoring tools, the Company continuously and dynamically identified abnormal behavior, such as improper fund transfers between employees and customers, third parties or other employees, so as to promptly identify potential risks.

Special audits on consumer protection. The Company completed on-site audits, focusing on inspections of areas including institutional mechanisms, dispute resolution, marketing behavior management, suitability management and consumer services. The Company regularly followed up on the rectification of issues identified in previous internal and external inspections, continuously promoted responsible institutions in implementing corrective measures, and enhanced the efficiency and effectiveness of consumer protection efforts. Meanwhile, consumer protection-related matters were included as priorities in all 17 institutional audit projects conducted during the reporting period.

According to the 2026 audit work plan, the Company plans to conduct a special audit on related party transactions in the second half of the year. Focusing on the management of related party transactions, the audit will place particular emphasis on the collection and reporting of information on related parties and related party transactions, coordinated management of related party transactions and other areas, so as to promote standardized management of related party transactions and prevent related party transaction risks.

4.2 Accelerating the development of green banking

Since the beginning of the year, the fourth session of the 14th National People's Congress adopted the *Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China*. The State Council successively issued the *Action Plan for Carbon Peaking during the 15th Five-Year Plan Period* and the *15th Five-Year Plan for Building a Beautiful China*. The National Development and Reform Commission, the Ministry of Industry and Information Technology and other ministries and commissions issued the *Plan for Green and Low-carbon Industrial Development during the 15th Five-Year Plan Period* and the *Three-Year Action Plan for Energy-Saving and Carbon-Reduction Upgrades in Key Industries*. These policies call for leveraging the strategic role of carbon peaking and carbon neutrality ("dual carbon"), further advancing the green and low-carbon transformation of industries, realizing energy conservation and carbon reduction at a higher level and with greater quality, integrating green and low-carbon principles into all areas and stages of the national economic circulation, accelerating the development of green production modes and lifestyles, fostering more green economic growth drivers, and strengthening the green foundation for high-quality development, which will create new opportunities for the development of green finance.

The Company regards green development as a distinctive feature of sustainable development, continuously optimizes its green finance service system, builds professional capabilities in green finance, and fully supports the implementation of the "dual carbon" strategy and the development of a Beautiful China. In the "2025 Green Assessment of Financial Institutions" organized by the PBOC in May 2026, the Company was rated "Excellent", making it the only joint-stock commercial bank in China to receive such a rating for two consecutive years.

In terms of the governance framework, the Board of Directors determines the Company's green and low-carbon development plans as well as major policies and fundamental rules for green banking development, and considers the annual report on the development of green finance. The Strategy and ESG Committee under the Board of Directors is responsible for studying and formulating green and low-carbon development plans, and supervising, inspecting and evaluating the implementation of the green and low-carbon development strategy. The Senior Management has established the working group for promoting the green banking strategy, which is responsible for implementing the strategy, formulating development plans, operating plans and work programs for green finance, organizing and promoting their implementation, and tracking, supervising and evaluating their progress. Various departments, branches and subsidiaries work in collaboration to advance business development, assessment and evaluation, resource allocation, risk management, audit and supervision, information disclosure, data governance, green operations and team building.

4.2.1 Striving to support green and low-carbon economic and

social development

In promoting the green upgrading of traditional industries, the Company, in line with national industrial policy priorities, launched comprehensive transition finance solutions for key industries, promoted product and model innovation, used market-based incentive mechanisms to encourage enterprises to conserve energy and reduce emissions, and provided dedicated financing for energy-saving and carbon-reduction retrofit projects in traditional industries. As at the end of the reporting period, the Company continued to accelerate the expansion and development of transition finance business, with such business reaching RMB56.370 billion. The Company helped traditional enterprises achieve low-carbon transformation through energy-saving retrofits and the application of carbon capture, utilization and storage (CCUS) technologies, thereby enhancing their market competitiveness.

In the steel industry, the Company focused on supporting key areas such as energy conservation and consumption reduction retrofits and intelligent manufacturing. It entered into strategic cooperation agreements on green transformation with multiple steel groups to provide them with “financing + intelligence” services. For example, Industrial Financial Leasing implemented transition finance business for steel enterprises in the three northeastern provinces and designed a comprehensive solution of “financial leasing + green services” to help enterprises achieve their transformation goals.

In the electrolytic aluminum industry, the Company supported low-carbon upgrades such as energy-saving retrofits of electrolyzers and the replacement of conventional energy with clean energy. Transition finance loans for the aluminum industry were extended to Xinjiang, Inner Mongolia and other regions. The Company innovatively designed a model of “monetary policy instruments + transition finance” and provided relending for recycled aluminum recycling projects to support sci-tech innovation and technological retrofits.

In the cement industry, the Company actively supported projects involving green energy and alternative fuels and raw materials in the cement industry, as well as energy efficiency improvement projects, effectively helping enterprises reduce carbon emission intensity and achieve green and low-carbon development.

In the paper industry, the Company extended the loans themed “biodiversity + paper industry transition”, providing financial support for the relocation, retrofit, transformation and upgrading projects of pulp and paper production lines. It helped enterprises adopt clean production technologies to achieve compliant treatment and recycling of wastewater and exhaust gases, and struck a balance between industrial benefits and ecological conservation through afforestation and ecological restoration efforts.

In the chemical industry, the Company strengthened financing support for areas such as the application of green industrial technologies and equipment renewal and retrofits, so as to facilitate energy optimization retrofits in chemical industrial parks. It provided a transition performance-linked loan for a comprehensive energy efficiency improvement project in a chemical industrial park in Anqing, thereby incentivizing relevant enterprises to independently reduce carbon emissions. The Company also implemented transition finance business in the coal chemical industry, helping coal chemical enterprises in Shaanxi Province advance technological retrofit projects such as cascade utilization of waste heat, carbon capture and utilization (CCU), and replacement with green electricity.

In the petrochemical industry, through innovative transition finance solutions, the Company provided enterprises with targeted support for green technology retrofits, energy efficiency improvements, and pollution and carbon reduction, directly linking financing conditions to enterprises' environmental performance indicators to create positive incentives. For example, the Company developed a dedicated financial solution for the green and low-carbon transformation of the petrochemical industry in Dongying, supporting local enterprises in their green and low-carbon upgrading.

[Case 1] Issuing China's first carbon allowance-pledged loan in the steel industry

In June 2026, the Company provided a carbon emission allowance (CEA)-pledged loan to a group. This transaction was the first CEA-pledged loan in the Chinese steel industry following the industry's official inclusion in the national carbon market in March 2025. The fund was dedicated to the group's production and operations related to low-carbon transformation, helping it optimize its energy mix and improve carbon management, and promoting the steel industry's shift from "passive emission reduction" to "proactive innovation". In response to the group's financing needs for low-carbon transformation, the Company converted the carbon allowances held by the group into a credit resource that could be financed and transferred by registering the pledge of the enterprise's carbon assets, thereby reducing the cost of financing its green transformation, effectively tapping into the "dormant" value of carbon assets, and transforming "carbon constraints" into "carbon credit".

[Case 2] Issuing China's first carbon asset-backed e-CNY bond

With the Company acting as the lead underwriter, the sixth tranche of medium-term notes (carbon assets) of a company in 2026 was successfully issued, with an issuance size of RMB1 billion and a term of three years. It marked China's first carbon asset-backed e-CNY bond. The bond introduced an innovative mechanism linking returns to carbon assets to unlock the "dormant" value of environmental rights and interests. The bond's floating interest rate was linked to the return on the disposal of CEAs held by the company's subsidiary power plants. When the carbon yield reaches the agreed conditions, investors are entitled to the corresponding floating returns. The project opened a dedicated e-CNY account, enabling the entire process of proceeds to be conducted through e-CNY, from subscription and fund transfer to redemption, with real-time receipt and full traceability, thereby further improving the efficiency of fund transfers and expanding the application scenarios of e-CNY in the bond market.

[Case 3] Issuing the first transition finance loan for the coal chemical industry of Shaanxi Province

Under the guidance and support of the PBOC Shaanxi Branch, Xi'an Branch of the Company approved RMB200 million in transition finance credit facilities for a local chemical enterprise and completed the first drawdown of RMB123 million, marking the first transition finance transaction in the coal chemical industry of Shaanxi Province. The chemical enterprise had substantial demand for medium- and long-term funding as it continued to advance technological retrofit projects involving cascade utilization of waste heat, CCU, and replacement with green electricity. The Company established a dedicated service team to assist the enterprise in systematically developing its transition pathway and coordinated with third-party professional institutions to conduct a full-process assessment of the enterprise's transition objectives, technological pathways and carbon reduction results. Following the implementation of the project, by the end of 2026, the carbon emission intensity per unit of product in the enterprise's core business segments is expected to decline from the 2025 level, resulting in a reduction of more than 170,000 tons of carbon dioxide emissions. Meanwhile, the project is also expected to coordinate upgrades among more than 20 small and medium-sized enterprises across the upstream and downstream segments of the supply chain.

4.2.2 Continuously developing a group-wide green finance product and service system

The Company fully leveraged the Group's strengths in comprehensive operations, made steady progress in building a green banking group, and remained committed to establishing an all-around and multi-tiered group-wide system of green finance products and services encompassing a wide range of areas, including green credit, green investment banking, green retail banking, green leasing, green trust, green wealth management and green funds. The goal is to support the real economy in pursuing green development through concrete actions. As at the end of the reporting period, the Company had 93.5 thousand green finance customers, with the balance of on- and off-balance-sheet green financing reaching RMB2.67 trillion, up 8.23% from the end of the previous year, and the balance of green loans reaching RMB1,214.207 billion, up 9.63% from the end of the previous year.

4.2.2.1 Green investment banking

The Company promoted the deep integration of its dual business cards of "green banking" and "investment banking", and continued to diversify the green investment banking product portfolio covering green bonds, green M&A and syndicated financing, and green agency and distribution services, to drive steady growth in the financing scale of green investment banking business.

Issuing green financial bonds. During the reporting period, the Company successfully issued a USD800 million three-year green floating-rate bond under its medium-term note program in the international capital market. The bond was the first green bond globally to comply with the requirements of the *Hong Kong Taxonomy for Sustainable Finance (Phase 2A)*. It also complied with the *Green Bond Principles* of the International Capital Market Association (ICMA) and the *Green, Social and Sustainability Bond Framework for Industrial Bank Co. Ltd. (Version June 2024)*. The proceeds will be used to finance and refinance eligible green assets in areas such as renewable energy and low-carbon and low-emission transportation and support the implementation of the Belt and Road Initiative (BRI).

Underwriting green bonds. During the reporting period, the Company underwrote RMB14.614 billion of green debt financing instruments issued by non-financial enterprises, maintaining a leading position among joint-stock commercial banks across China. The Company implemented innovative products such as the first carbon asset-backed e-CNY bond and the first e-CNY bond themed “green development + sci-tech innovation” in China.

4.2.2.2 Green retail

CIB Consumer Finance closely followed the “Five Priorities” of the financial sector and the requirements for the high-quality development of green finance in the banking and insurance sectors, and prioritized the deep integration of consumer finance with sustainable consumption scenarios. By providing more agile and high-quality financial services, the Company encouraged residents to adopt sustainable and low-carbon lifestyles. The Company promoted the formulation of the *Outline of the 2026-2030 Development Strategy Plan* for subsidiaries, with a dedicated section on ESG, and deeply integrated ESG into all aspects of corporate governance, business operations and risk management, thereby establishing a sustainable scenario-based and differentiated service framework. Through “Xingjia Loan”, the Company reached resident households, ecological planting and breeding businesses, and rural cultural tourists that were difficult for commercial banks to reach, and supported rural revitalization and urban-rural integration. Through “Huoli Loan”, the Company connected with green, healthy and smart consumption scenarios, guiding residents toward low-carbon consumption. Through “Youketong”, the Company provided end-to-end online services and reduced transportation-related carbon emissions arising from customers’ need to visit outlets in person. In addition, CIB Consumer Finance promoted electronic contracts and blockchain-based electronic evidence preservation technologies, and in conjunction with tools such as mobile tablets for business operations and intelligent customer service to achieve paperless operations across the entire business process, delivered notable energy-saving and carbon-reduction results in operations.

4.2.2.3 Green leasing

Industrial Financial Leasing positioned green leasing as an important strategic focus and a key foundation for differentiated development. Centered on areas such as new energy, green upgrading of traditional industries, and pollution prevention and control, the Company promoted the green transformation of the financial leasing business and supported pollution and carbon emission reduction. As at the end of the reporting period, the balance of green leasing assets exceeded RMB90 billion, accounting for more than 60% of the outstanding leasing assets.

4.2.2.4 Green trusts

Relying on the institutional advantages of trusts, Industrial Trust explored a “finance + industry” service model, provided trustee services for the leasing of new energy-related green assets and supported the low-carbon transformation of the real economy through green trusts. As at the end of the reporting period, the balance of the Company’s green trust business was RMB26.247 billion. (In accordance with the *Green Trust Guidelines* issued upon consideration and approval at the Third Meeting of the Fifth General Assembly of Members of the China Trustee Association, the recognition and statistical standards of green trust business have followed the statistical methodology set out in the industry standards since January 1, 2026.) The business scope covered new energy sectors such as wind power, photovoltaic power, energy storage and charging piles and injected new momentum into the achievement of the “dual carbon” goals through green trust services.

4.2.2.5 Green wealth management

CIB Wealth Management has always attached great importance to and actively participated in the green investment market and continued to improve its green finance product portfolio. It has established an all-around, multi-tiered ESG product portfolio covering “short-term + medium- and long-term products”, “pure bonds + projects + multi-strategy” and “open-ended + closed-ended products”, including fixed-income, enhanced fixed-income, hybrid, project-based and equity products. Among them, fixed-income products linked to the “ChinaBond-CIB Green Bond Wealth Index” deeply tap the investment value of green bonds, while quantitative products adopting a “fixed-income + CSI A500 quantitative enhancement strategy” actively embrace high-quality ESG indices and practice the ESG investment philosophy.

4.2.2.6 Green funds

As the second manager in the mutual fund industry to launch a green bond fund, Industrial Fund has issued and continues to manage the “CIB Green Pure Bond One-Year Regularly Open Green-themed Fund”. The product operated steadily and continued to increase the proportion of corporate bonds in its portfolio during the reporting period, effectively supporting enterprises’ green financing needs. As at the end of the reporting period, the product recorded a scale of RMB224 million. In terms of investment targets and allocation, the fund invested no less than 80% of its fund assets in bonds, and no less than 80% of its non-cash fund assets in bonds that were consistent with the green investment philosophy. The proceeds were all directed to areas related to pollution prevention and control, ecological conservation and environmental remediation. In terms of ESG equity products, Industrial Fund launched the CIB Energy Innovation-themed Fund in August 2021. As at the end of the reporting period, the fund reached a scale of RMB258 million. In addition, Industrial Fund has actively expanded its equity index fund business, with ESG factors incorporated into the index methodologies underlying the benchmark indices tracked by products such as the “CIB SSE 180 ETF”, “CIB CSI A500 ETF” and “CIB CSI A500 Enhanced Index Fund”.

4.2.3 Strengthening innovation in green finance products and services

The Company remained committed to leading through professional innovation, creating innovative products and services that served as market benchmarks, and continuously promoting their replication and expansion. The Company continued to optimize its three-tier green finance product and service system, comprising “diversified Group-wide products + specialized dual-carbon service offerings + targeted solutions for key industries,” and has developed a multi-business, full-chain and multi-dimensional green finance service framework. During the reporting period, the Company implemented 275 innovative green finance products, with an aggregate amount of RMB23.222 billion, including CEA-pledged loans, transition finance loans, water rights-pledged loans, climate loans, ESG-linked sustainability loans and overseas blue sustainability bonds.

[Case 4] Releasing sustainability advisory banking services

In 2026, the Company launched sustainability advisory banking services, a one-stop, comprehensive ESG financial service solution that leverages the strengths of “commercial banking + investment banking” and addresses the high-quality development needs of enterprises in areas such as green and low-carbon transformation, ESG governance enhancement, supply chain value upgrading, climate risk management and global expansion. Centered on “financing + intelligence”, the solution provides full-lifecycle services for enterprises at different stages, aiming to establish a benchmark for ESG services.

During the reporting period, Hangzhou Branch extended a cross-border syndicated loan of more than RMB400 million for an enterprise and provided innovative full-process ESG advisory services to support the enterprise’s sustainable development and compliant operations. By precisely aligning the enterprise with the EU’s *Corporate Sustainability Reporting Directive* (CSRD) and the ESG disclosure requirements for A-share listed companies, the Company helped the enterprise and its acquisition target establish an ESG framework and enhance their sustainability in environmental, social and governance areas. The services covered key areas including industrial regulation, environmental compliance, labor compliance and data security in the EU and Germany, assisting the enterprise in identifying and mitigating ESG risks in cross-border operations. At the same time, through a dedicated ESG value enhancement plan, the Company promoted coordinated improvement in the ESG performance and operating performance of the acquired assets in order to enhance their long-term sustainable investment value.

[Case 5] Issuing China's first ESG-linked loan under sustainability assurance standards

During the reporting period, Changsha Branch extended an RMB800 million loan to an enterprise, with a third-party institution independently verifying key indicators including the enterprise's carbon emission intensity, green supply chain management and fulfillment of social responsibilities. The loan was closely aligned with the sustainability assurance standards issued by the Ministry of Finance. Taking into account the characteristics of the enterprise's industry, the Company selected ESG topics as performance indicators and set quantitative performance targets. For the first time, an ESG assurance report was issued for the loan in accordance with the *Sustainability Information Assurance Service Standard No. 6101—Basic Standard (Trial)* issued by the Ministry of Finance in January 2026. The application of an ESG assurance report to lending practices marked a new stage in China's sustainable development that shifts from "voluntary disclosure" toward "standard-based verification", and provided the banking industry with a standardized operating process for integrating localized ESG assurance with loan products.

4.2.4 Carbon accounting for financing and investment activities

The Company regards carbon emission accounting for financing and investment activities as an important foundation for mitigating climate risks and promoting the low-carbon transformation of financing and investment activities. Since 2024, the Company has conducted carbon emission accounting for financing and investment activities across more than 80 industries, including eight major carbon-intensive industries, for two consecutive years, and reported the accounting results to regulators as required. During the accounting process, the Company continued to improve its carbon accounting methodology in accordance with the *Notice on Conducting Carbon Accounting for Financing and Investment Activities of Banking Financial Institutions* issued by the General Office of the PBOC, with reference to relevant documents including the *Global GHG Accounting and Reporting Standard for the Financial Industry* developed by the Partnership for Carbon Accounting Financials (PCAF). At the same time, the Company strengthened the application of accounting results and made progress in implementing transition finance products and services.

To digitalize carbon accounting and carbon management, the Company strengthened the intelligent management of carbon data through the "dual carbon" management platform and promoted the development of a corporate carbon account system to effectively assess corporate customers' carbon emission levels and carbon reduction performance. As at the end of the reporting period, 52.5 thousand corporate carbon accounts and 10,082.6 thousand individual carbon accounts were created on the platform.

Relying on the "dual carbon" management platform and based on the corporate carbon account system, the Company focused on enterprises' carbon management needs across the entire process, continuously strengthened its capacity for launching innovative carbon finance products, and developed a comprehensive carbon finance product portfolio covering green financing, green bonds, advisory services and sci-tech services. The Company integrated carbon accounts with financial services, continuously expanded the reach of carbon finance services, and promoted the nationwide and scenario-based implementation of carbon finance products and services. During the reporting period, the Company launched 138 innovative carbon finance products based on corporate carbon accounts, with total disbursements amounting to RMB10.508 billion.

4.2.5 Enhancing ESG risk management

The Company's Board of Directors considers or listens to the comprehensive risk management report, including ESG and climate risk management, on a quarterly basis. The Strategy and ESG Committee under the Board of Directors promotes the implementation of the ESG strategy and puts in place an effective ESG risk management and internal control framework. The Risk Compliance and Consumer Protection Committee under the Board of Directors takes the lead in formulating the risk strategy and basic risk management policies, which cover climate risks. The Senior Management has established the Risk Management Committee of the Head Office, which is responsible for formulating the Company's ESG policies and rules, regularly deliberating on matters related to ESG and climate risk management, supervising and promoting the implementation of specific ESG and climate risk management work by relevant Head Office departments, dynamically adjusting and improving policies for core businesses such as credit and investment, and regularly reporting material ESG and climate risk matters to the Board of Directors.

4.2.5.1 ESG-related credit policies

Amid the backdrop of China's "dual carbon" goals, ESG and green finance are important areas for the Company's business transformation and development. It is essential for the Company to further focus on key industries and regions, implement a differentiated credit policy that supports, controls and reduces credit exposure as appropriate, strengthen the application of ESG ratings, and manage customers by tier and category. The Company actively directs credit resources toward business areas that meet relevant ESG requirements and feature low energy consumption, low emissions, low pollution, high efficiency and favorable market prospects, further refines risk policies and better supports business development.

All industries are required to comply with relevant national environmental protection standards. Polluting enterprises must hold a *Pollutant Discharge Permit* or proof of environmental compliance. Emissions of all pollutants must meet relevant national and local standards, with no major environmental pollution incidents or ecological damage events in recent years. Enterprises must maintain sound workplace safety and occupational health management systems in compliance with national or industry standards, with no major safety accidents involving liability in recent years. Projects must remain aligned with national industrial plans, and all approval procedures must be lawful, complete and valid. Core production equipment, primary products, production capacity, and processes must not constitute newly constructed projects in the restricted category or projects in the eliminated category under the *Catalog for Guiding Industry Restructuring* (subject to the latest version).

For more information on the Company's ESG-related credit policies for key industries and areas, including agriculture and forestry, power, mining, petroleum and natural gas, and biodiversity in 2026, please visit the Company's official website:

https://www.cib.com.cn/cn/aboutCIB/ESG/customer/Environment/20260720_2.pdf

4.2.5.2 Full-process ESG risk management

The Company has formulated and issued the *ESG-embedded Credit Process Scheme for Corporate Financial Customers of Industrial Bank*, the *ESG-embedded Credit Process Scheme for Interbank Financial Customers of Industrial Bank* and the *ESG-embedded Credit Process Scheme for Retail Credit Customers of Industrial Bank* to guide and standardize full-process ESG risk management for credit business across the Company. The scope of management covers corporate credit businesses such as working capital loans and project financing, as well as investment banking business, specified retail credit business, interbank business and other credit businesses for investment and financing activities. The Company has established a clear ESG and climate risk rating and classification framework for customers and incorporated ESG-related risk management measures into all stages of the credit process, including due diligence, risk assessment, disbursement review and duration management.

In 2025, the Company developed an ESG and climate risk rating model for customers and embedded it into the risk management system. As at the end of the reporting period, the Company completed ESG and climate risk ratings for 27,064 customers online through the system, with 78% of the assessment indicators automatically collected by the system.

For more information on the Company's ESG and climate risk management policies, please visit the Company's official website:

https://www.cib.com.cn/cn/aboutCIB/ESG/customer/Environment/20260720_1.pdf

4.2.6 Reinforcing climate risk management

The Board of Directors assumes ultimate responsibility for climate risk management. The Risk Compliance and Consumer Protection Committee under the Board of Directors is responsible for deliberating on the risk strategy and basic risk management policies, including climate risks, as well as climate risk-related proposals, regularly listening to reports on the Company's climate risk management, overseeing the management of climate-related risks and opportunities, and supervising the setting of climate risk-related targets and the progress toward such targets. The Senior Management has established the Risk Management Committee of the Head Office, responsible for formulating the Company's climate risk management objectives, policies and rules, and regularly reporting material matters, including the Company's climate risk management, to the Board of Directors and its Risk Compliance and Consumer Protection Committee. During the reporting period, the Board of Directors deliberated on and approved the *Guiding Opinions on Strengthening Climate Risk Management*, and the Risk Management Committee of the Head Office deliberated on and approved the *Report on Strengthening the Development and Application of Climate Risk Management Tools*.

During the reporting period, the Company participated in the PBOC's pilot programs for physical risk and transition risk stress tests. Both tests were conducted under the regulatory technical framework and incorporated stress scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), a United Nations body, with localized stress scenarios established by regulatory authorities to assess the impact of physical and transition climate risks on the Company.

Physical climate risk stress test: During the reporting period, the Company participated in the PBOC's first pilot program for physical climate risk stress testing and completed the physical climate risk stress test. The test focused on typhoons, which occur frequently in China's coastal regions, and assessed the Company's ability to address physical risks under the regulatory technical framework. The test developed localized stress scenarios based on historical climate scenarios, the IPCC's SSP5-8.5 scenario and domestic climate characteristics, covering five major industries, namely agriculture, infrastructure, industry, public facilities and real estate, and taking into account the impact of typhoons on the value of real estate collateral. Covering the period from 2025 to 2050, the test developed a typhoon catastrophe model and a stress transmission model to assess the impact of typhoons on the quality of the Company's credit assets, the value of loan collateral and capital adequacy. The stress testing results showed that the NPL ratio in the test regions increased significantly with the severity of disasters, while the Company's capital adequacy remained above regulatory requirements under all stress scenarios.

Transition climate risk stress test: During the reporting period, the Company carried out transition climate risk stress testing as arranged by the PBOC and assessed its ability to address transition risks under the regulatory technical framework. The test included one baseline scenario and two transition scenarios, with parameters such as GDP, carbon prices and growth rates of various industries. The baseline scenario assumed that existing policies would remain unchanged, while the two transition scenarios were an orderly transition and a "hot house world". The test covered all corporate and personal loans and incorporated the impact of enterprises' emissions reduction technologies, covering the period from 2025 to 2040. For corporate loans, the test used a "bottom-up" approach to develop a financial transmission model and, in conjunction with the internal financial rating model, assessed the impact on customers' profitability, probability of default and credit asset quality. For personal loans, the test used a "top-down" approach to develop a transmission model between macroeconomic scenarios and probability of default and analyzed the deterioration in loan quality. The resulting changes were ultimately transmitted to capital adequacy indicators. The stress testing results showed that the Company's loan quality and capital adequacy remained relatively stable and that transition risks were generally manageable.

Validation and application of climate risk stress testing results: During the reporting period, the Company continued to incorporate climate risk stress testing into its validation framework, established a self-correction mechanism based on stress testing results, and continued to explore the application of stress testing results to the setting of internal capital adequacy ratio (CAR) targets under the Internal Capital Adequacy Assessment Process (ICAAP), and test the effectiveness of recovery measures under the recovery plan.

4.2.7 Advancing green operations across the Group

As one of the first banks in China to adopt the United Nations' "Climate Neutral Now" initiative, the Company conducted special initiatives such as carbon inventory and carbon verification in 2022 and, based on a comprehensive assessment of its carbon emissions, scientifically set carbon neutrality targets and a phased timeline. In 2025, the Company successfully achieved its first-stage emission reduction target, reducing the carbon emission intensity of its own operations by 20% from the 2020 level.

During the reporting period, the Group's leading group for green operations convened a special meeting on green operations to study and deploy key initiatives for green operations. The Company conducted the 2025 Group Emission Reduction Assessment to evaluate the effectiveness of phased implementation efforts, optimize emission reduction management strategies, and carry out energy conservation and emission reduction management more effectively. The Company set emission reduction targets for 2026, with a focus on areas including carbon emission management, electricity management, water resource management, green office operations and waste management, while establishing quantitative key climate impact indicators. The Company prompted institutions at all levels to formulate annual green operation plans closely aligned with emission reduction targets, key tasks and quarterly thematic activities, specify detailed measures, strengthen accountability, and advance emission reduction and carbon reduction in an orderly manner. The Company advanced digital and intelligent development, improved the functions of its green operation management system, and refined its operations and management. At the same time, the Company conducted a special audit on the implementation of green office operations across the Group to review the implementation of relevant measures and ensure closed-loop management.

The Company developed a comprehensive green culture and organized diverse low-carbon and environmental protection activities. During the reporting period, the Company issued quarterly thematic activity plans on "low-carbon and eco-friendly operations" and "water resource management" and organized employees from 30 subsidiaries and branches to participate in Tree Planting Day activities. The Company also conducted awareness campaigns for World Water Day, Earth Day, World Environment Day and National Energy Conservation Publicity Week, encouraging domestic and overseas investors and customers to participate in green and environmental protection initiatives.

4.3 Enhancing financial accessibility

The Company adheres to the principle of balancing economic and social benefits, actively expands the reach of financial services, and strives to ensure that the general public has equitable access to financial resources and development opportunities. The Board of Directors coordinates the implementation of the "Five Priorities" of the financial sector across the Company and conducts in-depth research on policy developments and market trends in inclusive finance to ensure that the Company's financial services are effectively aligned with national strategic priorities and promote business transformation and high-quality development. The Strategy and ESG Committee under the Board of Directors is responsible for reviewing the Company's plans, policies and targets for inclusive finance. At the Head Office level, the Company has established an inclusive finance work leading group, headed by bank leaders, to oversee the overall planning and coordination of the Company's inclusive finance business and supervise and inspect the progress of related work. The Inclusive Finance Department/Rural Revitalization Department of the Head Office takes the lead in developing inclusive finance business across the Company. The principal heads of 18 Head Office departments and subsidiaries serve as members of the inclusive finance work leading group and work together to advance initiatives related to the development of the Company's inclusive finance business.

4.3.1 Targeted services for inclusive finance customer groups

The Company focuses on key groups with limited access to financial services, tailors its services to the specific needs of different customer groups, and provides targeted and convenient financial support to inclusive finance customers. As at the end of the reporting period, the outstanding balance of the Company's inclusive loans to small and micro enterprises was RMB613.327 billion, serving 242.5 thousand customers.

For small and micro enterprises along industrial supply chains, the Company leveraged its "industry + scenario" model to deepen its engagement with real-economy supply chains. By optimizing distinctive products such as "Xingsu Loan", "Technology Enterprise R&D Loan" and "Industrial Plant Loan", the Company addressed the various financing needs of small and micro enterprises and expanded the coverage of financial services for small and micro enterprises along industrial supply chains.

For technology enterprises, the Company focused on cultivating new quality productive forces, developed full-lifecycle financial services, and built an ecosystem of partners comprising various stakeholders, such as government authorities, universities, research institutes, industrial parks and industry associations, to provide technology enterprises with integrated “financing + intelligence” support.

For key groups such as elderly people, people with disabilities and new urban residents, the Company has established accessible outlets and launched dedicated service channels and sign language services. The Company has established “CIB Public Welfare” public-benefit service stations at various locations to serve new urban residents, carried out age-friendly renovations at its outlets, established a professional team for pension finance, and developed the “Anyu Life” pension finance services center. The Company also introduced the large-font version of its mobile banking and Industrial Living app, simplified page layouts for frequently used scenarios, and provided age-friendly and accessibility features such as voice broadcasting and recognition, additional confirmation for fund transfers and intelligent customer service.

4.3.2 Expanding financial service channels

To meet the actual business and daily-life needs of its customer groups, the Company continued to innovatively introduce and upgrade its portfolio of inclusive finance products and services to better serve the public. By effectively integrating online and offline channels, the Company worked to address existing challenges and made it easier for small and micro enterprises to access financing at lower costs and with greater efficiency.

For online channels, the Company developed a digital inclusive finance ecosystem. It further developed “Industrial Inclusion” as an online service channel to provide small and micro enterprises with online “financial + non-financial” services such as credit financing, account services, financial management and value-added services. The Company strengthened the application of AI technologies to develop an efficient and convenient digital inclusive finance service model and effectively improved service efficiency. As at the end of the reporting period, the “Industrial Inclusion” platform had 133.2 thousand certified enterprise users, representing an increase of 15.07% from the end of the previous year. Since its launch, the platform has cumulatively addressed financing needs totaling RMB587.875 billion, representing an increase of 13.95% from the end of the previous year.

For offline channels, the Company deepened the financing coordination mechanism for small and micro enterprises. The Company established and improved a regular service coordination mechanism in which it leveraged tools such as intelligent outbound calls, preliminary marketing screening models and product credit limit calculations to precisely match and efficiently meet the financing needs of small and micro enterprises. As at the end of the reporting period, loans totaling RMB1,067.737 billion were extended to 124.1 thousand small and micro enterprises through this mechanism.

4.3.3 Supporting rural revitalization

The Company faithfully implemented the strategic plans to provide financial services for rural revitalization by establishing a team of financial service commissioners to serve rural areas at the primary level. It deepened innovative practices in empowering rural revitalization through digital technologies and provided targeted support for the development of key regions, striving to develop a new path for rural financial services featuring distinctive characteristics, pragmatism and effectiveness. During the reporting period, the Company convened the "2026 Special Meeting of the Leading Group for Consolidating Financial Poverty Alleviation Achievements and Rural Revitalization", continuously developed and improved a rural revitalization-oriented financial service model with CIB characteristics, and effectively empowered the modernization of agriculture and rural areas through high-quality financial services. As at the end of the reporting period, the balance of the Company's agriculture-related loans reached RMB580.694 billion, representing an increase of 7.49% from the beginning of the year. Specifically, the balance of inclusive agriculture-related loans stood at RMB64.862 billion, representing an increase of 5.85% from the beginning of the year.

Continuing to develop the financial service commissioner team to bridge the last-mile gap in accessing financial services. The Company fully leveraged the role of financial service commissioners as "liaisons" and established new cooperation mechanisms with county-level and township governments, agricultural enterprises, farmers, new types of agricultural business entities and other organizations. As at the end of the reporting period, the Company had more than 2,300 financial service commissioners.

Leveraging advanced technologies to ease financing difficulties. Capitalizing on technological strength, the Company launched various types of technological systems and developed a distinctive service framework to support rural revitalization. For example, the Company connected remote sensing data through the Satellite Remote Sensing Application System to enable intelligent post-lending management for crop farming loans. Relying on the Digital Supervision Platform for Biological Assets, the Company supported loans secured by living assets, a move that eased the financing difficulties of farmers engaged in breeding. The Company improved the functions of the Smart Market System to continuously support the digital transformation of commodity trading markets. As at the end of the reporting period, the balance of financing provided to professional markets across various scenarios exceeded RMB55 billion.

Providing targeted support for the development of key regions. The Company deepened its presence in industries in county areas by implementing the "one county, one industry, one policy" approach. Focusing on industry clusters with competitive advantages in county areas, the Company conducted comprehensive research and facilitated industry-finance integration, optimized authorization for agriculture-related businesses and industry-specific credit strategies, developed dedicated credit solutions, and improved marketing business guidelines to promote the high-quality economic development in county areas.

[Case 6] Financial service commissioners supporting the high-quality development of the Yunnan floral industry

Jinning District, Kunming, Yunnan Province, is known as the “Flower Capital of the Plateau”, with over 60,000 mu (approximately 4,000 hectares) under flowers and horticultural cultivation. Behind the thriving floral industry, however, lie challenges related to capacity expansion, technological upgrading and supply chain optimization, leaving flower-growing enterprises facing working capital constraints. Through its financial service commissioner program, the Company has developed an innovative service model for the Yunnan floral industry. It selected financial professionals with expertise in agriculture, committed to rural development and skilled in customer service, and dispatched them into the fields and factory workshops to serve as a vital link between the Company and agriculture-related enterprises. Financial service commissioners make regular monthly visits and provide all-around services, including financial statement analysis, cash flow management, supply chain finance coordination and risk prevention and control guidance. Recently, the Company provided an RMB56 million loan to a flower industry enterprise in Jinning to finance its supporting infrastructure construction in a modern flower industrial park, helping address the enterprise’s urgent liquidity needs and providing new impetus to the upgrading of the Yunnan floral industry.

4.4 Protecting consumer rights and interests

To ensure the political and people-oriented nature of financial work, the Company attaches great importance to consumer protection. The Company’s Board of Directors is the highest decision-making body for consumer protection and assumes ultimate responsibility for consumer protection. It is responsible for formulating strategies, policies and targets for consumer protection and incorporating the implementation of consumer protection initiatives into the Company’s corporate governance evaluation. The Risk Compliance and Consumer Protection Committee under the Board of Directors assists in guiding, supervising and evaluating consumer protection work, urges the implementation of corrective actions for relevant issues, and studies major issues and important policies related to consumer protection, including consumer protection reviews. The Senior Management has established a consumer protection work leading group, headed by the bank leader in charge of consumer protection, with the principal heads of 32 Head Office departments serving as members. The group covers all business lines and management departments across the front, middle and back offices, and is responsible for coordinating the formulation of consumer protection plans, programs and tasks and incorporating consumer protection into business operations and management. The Retail Banking Department/Consumer Protection Office/Pension Finance Department at the Head Office serves as the leading department for the Company's consumer protection work. It is responsible for organizing, coordinating, supervising and guiding all functional management departments at the Head Office and branches in carrying out consumer protection work. As at the end of the reporting period, the Board of Directors and its Risk Compliance and Consumer Protection Committee deliberated on and approved proposals including the *2025 Report on Consumer Protection of Industrial Bank Co., Ltd.* and the *2026 Work Plan for Consumer Protection of Industrial Bank Co., Ltd.*

Guided by the philosophy of "long-term partnership-based service", the Company continues to advance the "Experience Campaign". Focusing on the eight rights of consumers, the campaign strengthens compliance management of products, services and marketing activities, enhances debt collection management, intensifies efforts to build a consumer protection talent pool, and conducts internal compliance training programs and consumer education and awareness activities. During the reporting period, the consumer protection work leading group convened a special meeting on consumer protection across the Company and further emphasized the requirements of the "comprehensive consumer protection" framework and the accountability system under which the top executive assumes primary responsibility for consumer protection. The Company launched the "Listening to CIB Voices" initiative led by the top executive, under which the principal heads of Head Office departments and branches listen to recordings of customer complaints each month so as to facilitate channels for the management to hear customers' concerns and improve complaint governance at the source, as well as relevant products and processes. During the reporting period, the Company issued the *Key Work Priorities for Consumer Protection of Industrial Bank in 2026* and revised the *Management Measures for Consumer Protection Audits of Industrial Bank*, in which it strengthened the primary responsibilities of business departments, enhanced supervision, inspection and guidance of consumer protection, and improved the quality and effectiveness of consumer protection work across the board.

4.4.1 Compliance management of products, services and marketing activities

4.4.1.1 Strengthening standardized marketing management

To further strengthen marketing management, the Company formulated a number of policies, adopted various measures to strengthen the management of marketing and promotional practices and prevented consumers from being forced or indirectly forced to accept products or services, a move aimed at fully respecting consumers' right to know and right to make independent choices.

4.4.1.2 Supervision and review of products and services

Guided by the principle of "prioritizing prevention and addressing issues at the source", the Company continues to strengthen the institutional mechanisms for consumer protection reviews. Head Office departments leverage centralized consumer protection reviews to promote the effective implementation of enhanced management. By applying unified review standards and criteria, the Company embeds consumer protection reviews as a mandatory requirement throughout the full lifecycle of business activities, including product design, pricing management, agreement formulation, and marketing and promotional activities, thereby effectively serving as a “firewall” at the early stage. Meanwhile, the Company accelerates the optimization of its intelligent consumer protection review platform and leverages technology to improve review quality and efficiency. The Consumer Protection Office of the Head Office continues to expand its compliance rule library and improves its AI-assisted review models, while enhancing the accurate identification of potential risks and full-process risk management, thereby strengthening the foundation for consumer protection at the source. At the same time, the Company strictly implements risk management and internal control measures for consumer protection reviews, supervises and conducts post-review evaluations of consumer protection reviews across institutions at all levels, and monitors whether all items subject to review have been duly reviewed, as well as the quality and effectiveness of consumer protection reviews across the Company. During the reporting period, the Company received honors including the Outstanding Case for Innovative Finance Technology Services at Sina Finance’s “Gold Stone Awards” and the Outstanding Case for Consumer Financial Security Protection from China Financial Media.

4.4.2 Consumer complaint management

The Company attaches great importance to consumer complaint services and firmly upholds the business philosophy of being “rooted in quality service and paved by consumer protection”. Consumer complaint service is managed toward the overall objectives of “governance at the source, closed-loop management and continuous improvement”. In line with the requirements of digital transformation, the Company has developed a diversified, multi-channel and multimedia collaborative service framework featuring voice, text, video and “Xiaoxing”, the 3D digital agent serving as a customer service representative. Starting from service scenarios, the Company promotes the “online, digital, intelligent and ecosystem-based” development of financial services, forming a diversified multimedia service system covering hotlines, online services and video services. The system supports access to the customer service platform through text, voice and online calls, and provides AI-powered and human customer services through channels including the Company’s official app, WeChat services and online services. The platform actively captures and conveys the “Voice of Customers” and serves as a key channel for remote customer services.

4.4.3 Consumer protection in debt collection management

The Company strictly complies with laws and regulations relating to debt collection management and relevant guidelines issued by the China Banking Association, including the *Guidelines on Debt Collection for Personal Consumer Loans by Financial Institutions (Trial)*, the *Guidelines on Post-lending Debt Collection Risk Management for Internet Finance and Online Consumer Credit (GB/T45251-2025)*, and the *Guidelines on Credit*

Card Debt Collection of the China Banking Association (Trial). In light of its business developments, as well as the latest regulatory policies, the Company during the reporting period formulated and revised policies including the *Debt Collection Management Measures for Retail Credit Business of Industrial Bank* and the *Retail Credit Debt Collection Manual*, which covered the full range of business scenarios throughout the debt collection process, including regular collection and judicial collection. The Company incorporated debt collection management into its annual consumer protection audit to effectively safeguard consumers' legitimate rights and interests.

The Company actively supported customers in restoring their repayment willingness and provided relief measures, including repayment grace periods and deferred principal repayment, for personal loan customers who were willing and able to make repayments to a certain extent. As part of its ongoing efforts to support customers in meeting their contractual obligations, the Company provides personalized reminders through multiple channels, including text messages and intelligent voice calls, to reduce the risk of default and demonstrate a human-centered approach to financial services. Meanwhile, for loan products or services that offer options to modify loan terms, the Company clearly sets out the relevant modification provisions in the applicable loan agreements and informs customers of their related rights and interests.

4.4.4 Consumer protection-related training

The Company places great importance on strengthening employees' awareness of consumer protection and has developed an internal consumer protection training plan under the "Leadership Program" for all employees. For employees involved in customer-facing services, the Company provides annual consumer protection training covering personnel at all levels and across various positions, including senior management members of the Head Office and branches, middle- and back-office management personnel, front-line employees who directly serve consumers, and new hires. During the reporting period, the Company conducted 240 online training sessions and 399 offline training sessions, with total attendance of 115.4 thousand person-times.

4.4.5 Financial literacy enhancement

The Company focuses closely on the actual needs of financial consumers and, guided by the principles of "systematic planning, full-channel coverage, standardized development and brand building", actively conducts diverse financial education activities through a working model featuring Head Office coordination and empowerment, branch-level implementation, online and offline collaboration, and internal and external resource integration. The Company continues to expand the education campaign to key groups and in key regions, so as to build a safe, stable, fair and equitable financial consumer environment.

4.4.5.1 Public financial literacy campaigns

The Company organized institutions at all levels within its jurisdiction to carry out regular and centralized financial education initiatives, expand the reach and enhance the depth and effectiveness of financial education and awareness campaigns on consumer protection and improve consumers' financial literacy and risk awareness. The Company formulated the *Management Measures for Financial Literacy and Financial Consumer Education of Industrial Bank*, specifying the tasks and requirements for financial consumer protection education and awareness initiatives across the board and ensuring the orderly implementation of relevant work. During the reporting period, the Company issued its annual plan for financial consumer protection education and awareness campaigns, where it set out the annual work scheme and activity arrangements.

As at the end of the reporting period, the Company conducted more than 24,848 online and offline financial education activities, reaching financial consumers approximately 331,851.5 thousand times in aggregate. The Company also published feature articles on mainstream newspapers and periodicals, including *People's Daily*, *Guangming Daily*, *Economic Daily*, *Financial News* and *China Banking and Insurance News*, as well as online media platforms.

4.4.5.2 Financial education activities for key customer groups

The Company aims to "ensure comprehensive coverage across regions and reach every member of the public without omission," with a focus on key groups including the elderly and children, people with disabilities, truck drivers, ride-hailing drivers, food delivery workers and couriers, as well as key regions such as rural areas, remote areas and areas inhabited by ethnic minorities. The Company advances targeted and tiered financial education to provide consumers with more convenient and diverse access to financial knowledge and services, and continuously enhances consumer satisfaction and their sense of happiness and security.

4.5 Safeguarding privacy, data and AI security

The Board of Directors is responsible for overseeing cybersecurity, data security and personal information protection across the Company and reviews the Company's personal information protection report annually. The Risk Compliance and Consumer Protection Committee under the Board of Directors coordinates and supervises personal information protection efforts, and promptly reviews and oversees the progress and effectiveness of privacy and data security work. The Head Office's network and information security work leading group and the data security work leading group are responsible for reviewing and approving the cybersecurity and data security strategies, plans and major decisions across the Company, organizing responses to major cybersecurity and data security incidents, and reviewing and deploying cybersecurity and data security-related work. Relevant functional departments of the Head Office, including the Technology Management Department, Data Management Department and Security Department, take the lead, while branches, institutions and business lines work together to implement information security management policies and requirements. They are responsible for the day-to-day operations and management in terms of privacy and data security, risk monitoring, vulnerability remediation, and security awareness training for all employees, thereby strengthening the Company's information security.

During the reporting period, the Company issued the *2026 Cybersecurity Work Priorities of Industrial Bank* and the *2026 Data Security Work Priorities of Industrial Bank* to comprehensively strengthen its cybersecurity and data security management. The Company launched a special campaign to enhance data security capabilities to improve its data security governance framework and strengthen its technical capabilities for data security protection. Cybersecurity and data security risks have been incorporated into the Company's comprehensive risk management framework and internal control evaluation framework.

During the reporting period, the Company was not subject to any regulatory penalties arising from customer information leakage or failure to meet customer information protection requirements.

4.5.1 Third-party data security management

Through policies such as the *Management Measures for Personal Information Protection of Industrial Bank*, the Company requires compliance reviews of the sources of personal information provided by partners and data sharing and exchange activities before collecting personal information through partners or conducting data sharing or exchange activities involving personal information, so as to ensure that personal information obtained from third parties is collected lawfully and in compliance with applicable requirements. The Company has formulated the *Detailed Rules for the Security Management of External Data Exchange of Industrial Bank* to regulate data security requirements for external data exchange activities. These requirements include requiring the Company and third-party institutions to define their respective data security responsibilities and obligations through contracts and agreements, specify the scope, purpose and intended use of data, and require third parties to promptly delete the Company's data upon termination of entrusted processing or external data sharing. The Company strictly limits the purposes and uses for which authorized third parties may process customer information. It strictly prohibits sharing customer information with financial partners, related companies, business partners or other third parties without customer authorization, and prohibits renting, selling or otherwise providing customers' personal information to third parties for purposes other than completing transactions or providing services, except as otherwise provided by laws and regulations.

4.5.2 Safeguarding AI ethics and fairness

During the reporting period, the Company continued to strengthen its AI-related ethics risk governance framework, coordinated the management of AI model algorithms, data and application security, improved its AI ethics governance mechanisms, and continued to develop its AI model and algorithm security management framework. By establishing AI security policies and standards, strengthening controls over the model development process, reinforcing security protection for model training data, developing security guardrails for large language models (LLMs), and enhancing application planning and requirements management, the Company established security mechanisms covering the full lifecycle of generative AI models and algorithms. These efforts helped prevent risks such as limited explainability, inadequate robustness and unreliable outputs of LLMs, while effectively addressing algorithmic bias and discrimination.

During the reporting period, the Company strengthened data security management during the use, R&D and training of AI models by formulating relevant standards for AI application security. Meanwhile, by improving the *Model Management Measures of Industrial Bank*, the Company further strengthened requirements for model data security management, established a holistic model data security assessment mechanism, and regularly conducted model data security assessments.

4.5.3 Information security-related audits

The Company attaches great importance to and actively conducts information security audits. During the reporting period, the Company conducted a number of special audits: **first,** a special audit on information technology (IT) risk management at certain subsidiaries of the Group, focusing on the risk of intranet information exposure arising from inadequate cybersecurity management of outlet terminals, as well as the risks of customer information leakage and unauthorized data access arising from weak full-lifecycle controls over application system account authorization; **second,** a compliance audit on the protection of minors' personal information, focusing on the completeness of rules governing the processing of minors' personal information, the effectiveness of age verification mechanisms in systems, and the compliance of privacy policies; **third,** a special audit on technology outsourcing management, focusing on identifying risks related to account authorization for outsourced personnel and access controls for sensitive data; and **fourth,** a special audit on online banking and payment security, with a focus on assessing the security of data transmission through online banking channels and payment services, the capabilities of systems to protect customer privacy, and the effectiveness of the compliance management system for personal information.

4.6 Supporting employee development

The Company's Board of Directors is responsible for considering talent development plans, deciding on the appointment and removal of senior management members and matters relating to their remuneration and performance evaluation, and approving major human resource policies and rules, so as to ensure that the talent strategy is aligned with the Company's long-term objectives and ESG principles. The Nomination Committee under the Board of Directors is responsible for developing the selection criteria and procedures for directors and senior management members and selecting and reviewing candidates for directors and senior management members and their qualifications for office. The Remuneration and Evaluation Committee is responsible for formulating performance evaluation criteria for directors and senior management members and conducting performance evaluations, as well as formulating and reviewing remuneration policies and plans, such as the remuneration decision-making mechanism, decision-making process, payment arrangements, and suspension of payment and clawback arrangements for directors and senior management members. The Senior Management is responsible for implementing decisions of the Board of Directors, guiding reforms of talent management mechanisms, and promoting innovation in human resources policies. Under the guidance of the Board of Directors and the Senior Management, the Human Resources Department is responsible for the overall management of management personnel and employees, development of the talent pool, improvement of the remuneration and benefit system, optimization of employee recruitment and selection mechanisms, and employee relationship management, among other areas. It regularly conducts employee satisfaction surveys to provide professional support for management decision-making and continuously enhance organizational vitality and resilience.

4.6.1 Strengthening employee employment management

Embracing an open and diverse talent recruitment approach, the Company is committed to fostering a fair and inclusive organizational environment, continuously optimizing its workforce structure, and enhancing organizational vitality. In recruitment and day-to-day management, the Company fully protects employees' legitimate rights and interests, explicitly prohibits discrimination in recruitment on the basis of nationality, ethnicity, gender, marital status, religious beliefs or other factors, and effectively safeguards equal employment and development opportunities for women, ethnic minorities, employees with disabilities and other groups.

In terms of recruitment, the Company kept improving its multi-dimensional and multi-tiered talent acquisition mechanism. Leveraging recruitment channels including experienced-hire recruitment, campus recruitment and cooperation with headhunters, supplemented by talent pipeline development models such as university-enterprise joint training programs and internship programs, the Company continued to optimize its workforce structure and attract talent with diverse backgrounds. During the reporting period, the Company conducted the Group's 2026 campus recruitment to systematically recruit graduates, implemented the "Young Talent" internship program to provide young people with opportunities for practical experience and professional development, and held the 5th "CIB Digital Technology Challenge" to identify innovative technical talent. As at the end of the reporting period, women accounted for approximately 53% of the Company's employees, while approximately 11% of newly recruited employees had interdisciplinary educational backgrounds. From 2025 to June 2026, the Company received multiple honors in human resources. It was included in the "Top 100 Best Employers" in China Best Employer Selection organized by zhaopin.com, and was named the "2025 Most Socially Responsible Campus Recruitment Employer" by nowcoder.com, and the “2025 China Talent Management Model Enterprise” by Beisen. It also received the “2026 Distinguished Award for Human Resources Management” by 51job.

4.6.2 Developing a diverse talent pool

4.6.2.1 Ensuring unimpeded career development pathways for employees

The Company embraces the philosophy of “expert management” and adheres to the principle of “being grounded in the present, oriented toward the future and appropriately forward-looking”. Guided by “digital and intelligent, green, international, comprehensive and ecosystem-based” development, the Company continued to develop a diverse talent pool and improve its talent development and certification process consisting of qualification review, training and development, assessment and certification, and continuing education. The Company systematically enhanced the digital and intelligent capabilities of all employees, actively expanded and improved its international talent pool, and steadily strengthened the cultivation of a professional talent pool for the “Five Priorities” of the financial sector. Focused on developing interdisciplinary talent pools combining “technology + business + data” and “industry + finance” capabilities, the Company accelerated the concentration of talent resources in key areas and priority regions.

The Company has established a dual-track career development model covering development pathways of management and professional expertise. In accordance with the *Management Measures for Professional Technical Career Path*, the Company has established professional technical career paths across six areas, namely technology, risk, treasury, products, marketing and operations support, providing employees with clear and sustainable professional career paths. Meanwhile, the Company expanded career development pathways and strengthened the exchange and development of management talent within the Group. The Company continued to enhance the development of outstanding talent pools, including the “Honghu”, “Kunpeng” and “Hongyan” talent pools, and regularly carried out cross-regional, cross-functional and cross-position exchanges between northern and southern regions, eastern and western regions, and between the Head Office and branches/subsidiaries, thereby advancing talent development in a systematic manner.

4.6.2.2 Refining the employee training framework

During the reporting period, the Company fully implemented the *Outline of the Plan for Building a Leading Country in Education (2024-2035)*, advanced the *Outline on Education and Training Plan for the Management Personnel of Industrial Bank (2023-2027)* in an orderly manner, and issued the *2026 Implementation Scheme for the Head Office Training Plan*. Closely aligned with the Company’s *Outline of the 2026-2030 Development Strategy Plan* and its goals of building the “five major characteristics” and “five major capabilities” of a value bank, the Company adhered to the people-oriented principle of “tailored education in response to individual needs”, pressed ahead with the “5+N” training framework, and strengthened the development of its talent pool through AI technologies, thereby cultivating high-caliber talent with greater efficiency.

In terms of talent development, the Company has established a full-lifecycle training framework covering all employees and tailored to different categories to address the development needs of employees across different positions and levels. **For all employees,** the Company regularly organizes online learning activities under the "CIB Learning" initiative to study the guiding principles set out at important meetings of the Company. It has launched 11 thematic courses to enhance employees' understanding of and ability to implement the Company's strategies. **Focusing on the "key few" among bank leaders at all levels,** the Company leveraged high-quality Party and government training resources from institutions including the Party School of the CPC Central Committee and the Party School of the CPC Fujian Provincial Committee to organize two sessions of a rotational training program on Party building for senior executives (principal positions). Centered on systematic political education, the program deepened participants' understanding of the Party's innovative theories, guided them in establishing a correct view of governance performance, and comprehensively enhanced their theoretical knowledge, Party spirit and overall capacity to perform their duties. **For professional talent,** the Company provided training across core business lines including corporate banking, retail banking, interbank business, financial markets, and risk-oriented operations, and deepened the integration of training with business needs through diverse methods such as thematic instruction, practical training, case-based learning, on-site training and job rotation. During the reporting period, the Company held the "Xinglian Power" competition, which involved 17 Head Office departments and 43 tier-one branches with total participation exceeding 2,200 person-times. The competition featured six tracks, solicited 26 research topics and 417 practical projects, and generated more than 380 practical outcomes in total. **For new employees,** the Company held two sessions of the "Qinglan Feiyang" development program, adopting an end-to-end development approach encompassing "targeted support, experience sharing and results application" to help high-potential employees across the Group in progressing from role competency to interdisciplinary talent development. Meanwhile, the Company initiated the development of a standardized training curriculum for new employees, mapped out their career development paths, and established dedicated learning maps to systematically enhance new employees' on-the-job practical capabilities and job adaptability.

In terms of certification support and application of training outcomes, the Company continued to strengthen the collection, sharing and use of employee certification data to promote the transformation of professional certificates from "individual credentials" into "talent data assets". Using the Xingzhi app, the Company collected information on employees' external professional certificates and established a dynamic management mechanism, making talent data resources available across the organization and enabling human resources departments at all levels to access and use relevant data as needed. This provided a solid data foundation for the Company to accurately identify and effectively select talent and develop professional talent pools. During the reporting period, the Xingzhi app recorded a cumulative total of 53.7 thousand third-party professional certificates held by employees. Meanwhile, the Company selected five types of recognized external professional certificates, including the CFA Certificate in ESG Investing, CDCS and CSDG, for pilot implementation. It established dedicated incentive mechanisms for talent in key areas, motivated employees to pursue self-directed learning and professional advancement, and continuously enhanced certification rates and professional competitiveness for key positions. The Company selected its first group of employees to take the examination for the CFA Certificate in ESG Investing and achieved a pass rate of 89.02%, above the global average. The first group of certified employees applied ESG investment methodologies across multiple business scenarios, including cross-border financing, credit approval and comprehensive customer services. Meanwhile, the Company worked with its IT function to develop a “position-capability-certification” mapping framework, enabling more precise alignment between certification standards and capability requirements of different positions and advancing the application of certification results in talent allocation, personnel development and talent pipeline building.

4.6.3 Employee care

With a focus on employees’ long-term development and well-being, the Company safeguards their physical and mental health and fosters a harmonious, inclusive and sustainable workplace. The Company carries out various employee care initiatives every year, including birthday greetings, holiday care, the “five mandatory visits” (on occasions of happiness, bereavement, illness, hardship and disasters), annual health check-ups, and employee recuperation programs, ensuring that care and support reach every employee in a timely manner. Meanwhile, the Company ensures that employees enjoy various types of leave, including annual leave, only-child caregiver leave, childcare leave, marriage leave, bereavement leave, paternity leave, prenatal examination leave and maternity leave.

Caring for employee health. The Company attaches great importance to employees’ physical and mental health and provides regular health check-ups. Across the Group, 21 institutions have established employee cultural and sports centers, while primary-level labor unions have established “Shared Employee Homes” and organized a variety of cultural and sports activities enjoyed by employees. It organizes interest-based group activities, with more than 10 employee interest groups currently established at the Fujian and Shanghai headquarters, covering basketball, badminton, table tennis, tennis, football, pickleball, swimming, calligraphy and painting, among others.

Supporting female employees. The Company places great emphasis on care and support for female employees as well as their personal growth, and fosters an inclusive, equal and supportive workplace environment. The Company established “Caring Mother’s Rooms” and organized dedicated care activities for female employees on International Women’s Day, including handicraft DIY activities, health care initiatives and female employee team-building activities, to enhance their sense of happiness and belonging.

Continuously deepening and expanding a multi-level employee representative conference system across the Group. During the reporting period, the Company convened three sessions of employee representative **conference**, where it reviewed and approved proposals concerning employees’ vital interests, including the *Proposal on Revising the Violation Accountability Management Measures of Industrial Bank*, the *Proposal on Revising the Credit Accountability Management Measures of Industrial Bank*, and the *Rules for Employee Onboarding, Offboarding and Retirement of Industrial Bank*. These efforts helped safeguard employees’ rights to information and supervision, while protecting their legitimate rights and interests.

Establishing the “Xing Voice” platform. Through the “Xing Voice” platform, the Company provides employees with channels to communicate and provide feedback, listens to their concerns, gathers their ideas and suggestions, and strengthens democratic oversight and practices democratic management. By leveraging digital, routine and efficient mechanisms, the Company has strengthened communication between employees and the management, significantly shortened response times, and effectively addressed urgent issues and concerns of greatest importance to employees. As at the end of the reporting period, the platform accumulated 36.3 thousand posts and more than 221 thousand comments, with cumulative views exceeding 117.57 million.

4.7 Advancing public welfare and charitable programs

The Company upheld the principle of “promoting goodness through finance” and adhered to the principle of “focusing on the central task and serving the overall national interests”. It remained aligned with major national strategies and key tasks, focusing on four priority areas: rural revitalization, educational support, assistance to vulnerable groups, and disaster relief. Guided by the mission of the CIB Charity Foundation in Fujian Province, which is “promoting common prosperity and building a harmonious society”, the Company directed charitable resources toward public sectors concerning people’s well-being and areas of weakness. At the same time, it encouraged employees to participate in public welfare and volunteer programs. During the reporting period, the Company carried out 17 charitable projects.

In support of rural revitalization, the Company implemented the “Supporting Students in Need and Students with Disabilities to Fulfill Their College Dreams” program, providing tuition assistance to college students with disabilities from 23 formerly impoverished counties in Fujian Province, as well as college students who are children of low-income families with disabilities, to consolidate the achievements in poverty alleviation. In Sichuan, the Company upgraded bathrooms, dishwashing sinks, laundry facilities and sports fields at rural schools. In Zhouning County, Ningde, the Company renovated cultural corridors and developed public cultural spaces, including public reading rooms and community rest areas. In Xing'an League, Inner Mongolia, the Company installed streetlights along major village roads to improve travel safety for local residents. In Dongba Township, Beijing, the Company upgraded fitness facilities in 11 local communities to improve the quality of life for local residents.

In the area of educational assistance, the Company provided financial support to students in need, recognized outstanding students, and promoted students' holistic development, so as to advance educational equity. The Company launched the "Caring for National Borders, Love for Frontier Regions: Quality Education Enhancement Program" in Yunnan, Guangxi and Inner Mongolia, established five "CIB AI Dream Centers", and introduced AI-powered education elements to provide a systematic solution for improving quality education in border areas through "renovating traditional classrooms + providing comprehensive quality education courses + empowering teachers and education administrators". In Fujian Province, the Company implemented the "Dream-Building Program", helping disadvantaged young people overcome challenges that emerge during their growth, acquire vocational skills, achieve stable employment and improve their life prospects through a four-in-one development system integrating "academic education + skills training + employment support + follow-up assistance". The Company also established scholarships in schools across Rizhao, Shandong Province, Longyan, Fujian Province, Xuzhou and Huai'an, Jiangsu Province, and other regions to support students facing financial difficulties.

In the area of support for people in need, the Company focused on the immediate needs of the elderly, children and people with serious illnesses, providing assistance to children with congenital conditions from financially disadvantaged families and older people facing financial hardship. Through concrete actions, the Company contributed to the well-being of people in need and brought care and support to vulnerable groups.

[Case 7] Launching the "CIB AI Dream Center" program

In the first year of the 15th Five-Year Plan period, the CIB Charity Foundation in Fujian Province, guided by its "CIB Charity" brand, continued to deepen its engagement in educational public welfare, support rural revitalization and contribute to coordinated regional development. Following the successful establishment of 10 CIB Dream Centers in Xinjiang and Xizang, in 2026, the foundation once again partnered with the Adream Foundation to launch the "CIB AI Dream Center" program at five schools. By empowering quality education through technology and supporting children in border areas with care and compassion, the program continued to write a new chapter in warm and inclusive quality education.

The project adopts a three-in-one public welfare education service model integrating “hardware + curriculum + training”. In terms of hardware, advanced facilities including tablets, books and multimedia equipment were provided to schools to create interactive learning environments. In terms of curriculum, AI tools and experiential learning activities were introduced to help students in border areas enhance their core competency and broaden their horizons. In terms of training, the project focuses on empowering local education systems by developing tailored training programs for education professionals in different roles, enhancing teachers’ professional capabilities in teaching and learning, expanding education administrators’ strategic perspectives for decision-making, supporting teachers in becoming “lifelong dream practitioners with compassion, professionalism and innovation”, and helping education administrators become “leaders in advancing quality education development in local communities”, thereby helping drive educational development in border regions.