

SUSTAINABILITY REPORT (2023) (ESG Report)



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SUSTAINABILITY REPORT (2 0 2 3)

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Declaration

Notice

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

Report name

“Sustainability Report” is the name of the annual corporate social responsibility (“CSR”) report produced by Industrial Bank. This name reflects a combination of the Bank's corporate governance philosophy of sustainable development and CSR commitment. Meanwhile, the environmental, social, and governance (“ESG”) factors have been taken into account in the preparation of this year's report, also known as the “ESG report.”

Reporting period

The reporting period is from January 1, 2023 to December 31, 2023. Part of the contents has spanned beyond this time frame.

Reporting cycle

This report is released annually.

Reporting scope

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

Designations

“Industrial Bank (‘CIB’),” “the Company” and “the Bank” used in this report all refer to Industrial Bank Co., Ltd.

Basis for report preparation

This report is prepared in accordance with the Guidelines for Financial Institutions Environment Information Disclosure issued by the People's Bank of China, the Guidelines on Corporate Governance of Banking and Insurance Institutions and the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by former China Banking and Insurance Regulatory Commission, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in August 2023), the Guidelines No.1 of Shanghai Stock Exchange for Self-regulation of Listed Companies: Standard Operation, the Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibility, and the Notice on Further Improving the Poverty Alleviation Information Disclosure of Listed Companies issued by the Shanghai Stock Exchange, and the Guidelines for Corporate Social Responsibility of China's Banking Financial Institutions released by China Banking Association. This report is also prepared in reference to the following documents:

- ▶ UN Sustainable Development Goals (SDGs)
- ▶ Principles for Responsible Banking (PRB) released by the United Nations Environment Programme
- ▶ IFRS Sustainability Disclosure Standard 1 - General Requirements for Sustainability-related Financial Disclosures (IFRS S1)
- ▶ IFRS Sustainability Disclosure Standard 2 - Climate-related Disclosures (IFRS S2)
- ▶ GRI Standards of the Global Sustainability Standards Board (GSSB)
- ▶ Guidance on Social Responsibility (GB/T36000-2015), Guidance on Social Responsibility Reporting (GB/T 36001-2015), and Guidance on Classifying Social Responsibility Performance (GB/T 36002-2015) released by the Standardization Administration of China

- ▶ ISO Guidance on Social Responsibility (ISO 26000)
- ▶ The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0) released by the Chinese Academy of Social Sciences

Data in the report

The financial data in this report partly originated from the Company's 2023 financial report and partly from previous years. There are no material changes in the data acquisition and calculation methods. Unless otherwise stated, the currency data in the report are in RMB.

Report availability

This report is released in electronic form. The electronic version is available in the ESG Column of the Company's website: www.cib.com.cn.

Priority of the language

This report is released in both Chinese and English. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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Chairman's Statement

2023 marked the beginning of the comprehensive implementation of the spirit of the 20th National Congress of the Communist Party of China and the Bank's 35th anniversary. With unwavering determination and a great vision, we achieved significant milestones in our high-quality growth journey. Our total assets surpassed RMB 10 trillion, our corporate customer base exceeded 1.4 million, our retail customer base surpassed 100 million, and our MSCI ESG rating rose from A to AA. We were also honored with the "Bank of the Year" for China 2023 by The Banker once again, solidifying our continuous progress. As a highly influential institution connecting thousands of industries and millions of households, we deeply understand the weight of our responsibility. We will continue to diligently study and implement the spirit of the Central Financial Work Conference, comprehensively fulfilling our sustainable development mission.

Enhancing Ideological Understanding and Perfecting Corporate Governance. Industrial Bank is dedicated to the in-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We profoundly understand General Secretary Xi Jinping's important expositions on financial work and firmly grasp the primary task of high-quality development, actively explore the path for localized implementation of ESG principles at the corporate governance level, fully integrate ESG management into our corporate strategy, major decisions, and daily operations, as well as actively participate in international exchanges and cooperation, serving as one of the first Chinese recipients of the "Partnership for Early Awareness of Sustainability-disclosure Today (P4EAST)" certificate from the International Sustainability Standards Board (ISSB). Through these efforts, we strive to provide stronger leadership and guarantee for sustainable development.

Accelerating Transformation and Promoting Strategic Implementation. Aligned with national strategies such as green development, common prosperity, and technological innovation, Industrial Bank continuously enhances its "Three Core Brands" of green bank, wealth bank, and investment bank. With green financing maintaining rapid growth, our wealth management scale remained second in the industry, and our non-financial corporate debt financing tool underwriting scale jumped to the top of the market. Adapting to economic development trends, we are accelerating our advancement into the "Five New Growth Tracks," with some indicators maintaining high growth rates, placing us at the forefront of joint-stock commercial banks. We emphasize our distinctive operational advantages and strive to excel in the "Five Major Initiatives" of sci-tech finance, green finance, inclusive finance, pension finance, and digital finance, continuously promoting the in-depth implementation of the spirit of the Central Financial Work Conference. We're leading the way in

digital transformation by building "standardized, enterprise-level" systems. We've completed the architecture design and released the first enterprise-wide data dictionary. Our Enterprise-level User Experience Standardization Design Specification was recognized by the People's Bank of China as the industry's first-ever standard. Additionally, our Enterprise-Level Digital Intelligent Anti-Fraud Platform won the Fintech Development Award (Second Prize) of the People's Bank of China, and we've been awarded for IT innovation in the financial industry for two years in a row.

Serving the Real Economy and Strengthening the Foundation for Development. Guided by the principle that "the prosperity of the economy leads to the prosperity of finance, and the strength of the economy leads to the strength of finance," Industrial Bank resolutely fulfills its responsibility as a domestically systemically important bank. We have accelerated credit extension and optimized credit structure, resulting in outstanding loans exceeding RMB 5 trillion by year-end. Notably, loans to private enterprises, inclusive loans for micro and small enterprises, sci-tech innovation finance loans, agricultural loans, green loans, and medium and long-term loans to the manufacturing industry all grew faster than the overall loan growth rate. This demonstrates our precise and effective support for key areas and weak links in the real economy. Simultaneously, we proactively reduce costs for the real economy, with the domestic RMB loan interest rate dropping by 33 basis points year-on-year. This has effectively promoted economic recovery and improvement, earning us widespread trust and recognition from our customers.

Strengthening Mission and Fulfilling Social Responsibility. Recognizing the political and public nature of financial work, Industrial Bank strives for a balance between functionality and profitability of finance. We uphold the principle of finance serving the people, launching complaint governance campaigns to effectively protect the legitimate rights and interests of financial consumers. We uphold the principle of making finance convenient for the people, actively optimizing our business network, accelerating the adaptation of our services for the elderly, and building 287 smart business outlets and 2,085 "CIB Cares" public welfare stations. We strive to serve the people and be their close confidant. We uphold the principle of making finance benefit the people, providing targeted financial assistance services in villages for many years. We have accumulated 74 linked assistance points, dispatched 52 cadres, and simultaneously promoted education and knowledge assistance, continuously extending the reach of financial services. We uphold the principle of making finance helpful for the people, establishing the Industrial Bank Charity Foundation and improving the "poverty alleviation and assistance, donation to support education, and disaster relief" charity mechanism. In the past ten years of the

new era, our external donations reached RMB 515 million, further deepening the concept of finance for good.

Upholding a People-Oriented Approach and Enhancing Employee Well-being. Recognizing that our people are the key to long-term success, Industrial Bank continuously strengthens its talent development, enhances employee education and training, and vigorously promotes the excellent traditional culture. This culture emphasizes honesty, trustworthiness, seeking ethical profitability, prudence and caution, upholding principles and innovation, and abiding by laws and regulations. We constantly enhance the purity, professionalism, and competitiveness of our team. To expedite and streamline communication channels between headquarters and branches, we enhance the “Voice of CIB” platform, establish the “Five Tiger Mountain” forum, and build an online home for employees, thereby ensuring that seeking input from the grassroots level is implemented effectively. We are deeply committed to excellence and innovation. Our reformed salary system rewards performance and achievement, allowing everyone to excel and contribute. We have expanded career paths and opportunities for growth, ensuring that hard work is recognized and rewarded.

2024 marks a significant year for both China and Industrial Bank: the 75th anniversary of the founding of New China and the 36th anniversary of the Bank's establishment. Standing at this historic juncture, we remain committed to financial development with Chinese characteristics. We are dedicated to high-quality growth, balancing scale, quality, and efficiency, while prioritizing economic, social, and environmental benefits. Through this balanced approach, we will contribute greater CIB strength to the rejuvenation of the Chinese nation through Chinese-style modernization.

Lyu Jiajin
CIB Chairman



President's Statement

In 2023, under the leadership of the Party Committee and the Board of Directors, the management team of Industrial Bank deeply studied and implemented the spirit of the Central Financial Work Conference. We have integrated the concept of sustainable development into all aspects of our business operations, resonating with the development of the economy and society, and aligning with the pursuit of a better life for the people. We have achieved a series of remarkable results in promoting our own development, serving national strategies, supporting the real economy, and strengthening risk management.

Prioritizing Development and Creating Greater Social Value. Our business scale grew steadily, with total assets exceeding RMB 10 trillion, both deposits and loans surpassing RMB 5 trillion, and deposit balance and loan growth ranking among the top joint-stock commercial banks. Industrial Bank has achieved significant progress in customer development, with corporate clients exceeding 1.4 million, retail clients exceeding 100 million, and institutional clients exceeding 3,300. Our market position continued to rise, once again earning the “Bank of the Year” for China 2023 from The Banker and becoming one of the first domestic listed banks to receive an ESG rating of AA from MSCI. These achievements have laid a more solid material foundation for fulfilling our social responsibility. Besides, through financial means, we have unleashed the vitality of labor, knowledge, technology, management, and capital, fully tapped into the sources of social wealth creation, and created long-term value for all stakeholders, including customers, shareholders, employees, and all relevant parties.

Empowering Major Strategic Implementation with “Three Core Brands.” Our green finance services fueled “dual carbon” goals, promoting a low-carbon, green economy. The balance of green financing grew by 16.14% compared to the end of the previous year, reaching RMB 1.89 trillion. The balance of green loans grew by 26.99% compared to the beginning of the year, reaching RMB 809 billion. These projects save an estimated 9.52 million tons of coal, 22.92 million tons of carbon emissions, and 10.55 million tons of water annually. We used high-quality development of wealth management to promote common prosperity, meeting people's aspirations for a better life. Our group retail AUM increased by 15.42% compared to the beginning of the year, reaching RMB 4.79 trillion. CIB Wealth Management's AUM increased by 8.18% compared to the beginning of the year, reaching RMB 2.26 trillion. We've ranked No. 1 in PY Standard's Comprehensive Wealth Management Capability Ranking for 24 consecutive quarters. We used investment banking to promote the development

of direct financing, accelerating the transformation and upgrading of industries. Our underwriting scale of non-financial corporate debt financing tools exceeded RMB 730 billion, reclaiming the market top spot. Our overseas bond underwriting remained No. 1 among Chinese joint-stock commercial banks, and mergers and acquisitions, syndicated loans, private equity, capital markets, and asset transfer businesses all maintained strong momentum.

Expanding Inclusive Finance and Empowering the Real Economy. Industrial Bank has prioritized making financial services more accessible, comprehensive, and targeted, playing a greater role in serving small and micro businesses, sci-tech innovation, and rural revitalization. We have diversified inclusive finance products and accelerated digital transformation, allowing more small and micro businesses to benefit from inclusive financial services. The balance of loans to small and micro businesses grew by 23.95% compared to the beginning of the year, reaching RMB 501 billion, with a 16.9% client rise to 231,900 accounts. We have strengthened the synergy between commercial banking, investment banking, and private banking services to support sci-tech innovation. Loans for this sector increased by 31.88% compared to the beginning of the year, reaching RMB 453.2 billion, with a 34.33% client rise to 69,400 accounts. Focusing on four key areas of wholesale markets, financial envoys, digital villages, and specialized industries, we have boosted capital flow and extended modern financial services to rural areas, with the balance of agricultural loans increased by 21.59% compared to the beginning of the year, reaching RMB 664.8 billion.

Preventing and Resolving Financial Risks and Building a Strong Financial Fortress. Industrial Bank has actively promoted the healthy development of the real estate industry and the transformation and development of local government financing platforms. We have established special risk disposal agile teams to steadily resolve risks in key areas, promoted the transformation and development of credit card business, and deployed a hundred-day campaign. Some key risk indicators have shown signs of improvement, with the non-performing asset ratio of the whole bank dropping to 1.07%, and the provision coverage ratio rising to 245.21%. Asset quality and risk resistance are now stronger. We have continuously improved the quality and efficiency of special asset management, disposed of more than RMB 100 billion of special assets throughout the year, and recovered RMB 28.439 billion in cash, of which RMB 14.222 billion was recovered from written-off bad

debts, setting a new high in recent years. We foster a culture of “rigorous governance and compliant operations,” strengthening internal control and compliance management, improving new risk control mechanisms for networks, information, data, models, and algorithms, so as to effectively protect the legitimate rights and interests of financial consumers, and make due contributions to enhancing financial consumer confidence, preventing and resolving financial risks, maintaining national stability, and promoting social harmony.

In the coming year, we remain dedicated to sustainable development and strengthening our capacity for high-quality growth. We will embrace opportunities, proactively address challenges, and build a value-driven bank worthy of the trust placed in us by all stakeholders.

Chen Xinjian
CIB Vice Chairman and President





Sun Xiongpeng
Director, Vice president



Zhang Guoming
Supervisor



Zhang Min
Vice president



Zhang Ting
Vice president



Zeng Xiaoyang
Vice president

About Industrial Bank

Industrial Bank Co., Ltd. (hereinafter “Industrial Bank,” “CIB,” “the Bank,” or “We/Us/Our”), established in 1988 in Fuzhou City, Fujian Province, the forefront of China's reform and opening up, has emerged as a leading financial institution in China. Listed on the Shanghai Stock Exchange since 2007, Industrial Bank is recognized as a systemically important bank and the 10th designated operator of digital RMB nationwide. Consistently ranked among the top 20 in The Banker's Top 1000 World Banks and the top 200 in the Fortune Global 500, Industrial Bank also holds the highest ESG rating (AA) in the domestic banking industry for five consecutive years, according to MSCI.

Since its establishment, Industrial Bank has carried the mission of “exploring paths for financial reform and contributing to economic development.” Guided by the principles and practices of General Secretary Xi Jinping during his tenure in Fujian, and embodying the “fight and win” spirit of Fujianese merchants, Industrial Bank has aligned its development with national trends, resonating with the Chinese economy and the pursuit of a better life for the people. Upholding a customer-centric approach, Industrial Bank has embraced marketization and differentiation, adapting to trends, innovating boldly, and leading the development of new businesses such as interbank finance, green finance, investment banking, and asset management. It has established a modern comprehensive financial services system spanning domestic and overseas markets, integrating online and offline channels, and covering trust, financial leasing, funds, futures, asset management, consumer finance, wealth management, digital finance, research, and consulting. Through its continuous value creation for customers, Industrial Bank has achieved consistent high-quality development.



Corporate Governance

Building a Value-driven Bank and Steadfastly Advancing High-Quality Development

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Strengthening Party Leadership and Leading High-Quality Development with High-Quality Party Building

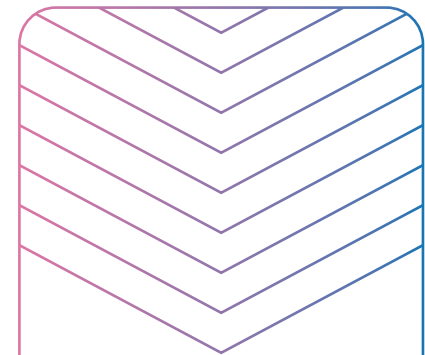
Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank has diligently studied and implemented the spirit of the 20th National Congress of the Communist Party of China (CPC), deeply conveyed and implemented the spirit of the Central Financial Work Conference, as well as firmly grasped the overall requirement of “studying thought, strengthening Party character, emphasizing practice, and making new contributions,” prioritizing thematic education as a major political task. We emphasize integrating theoretical learning with practical application, synchronize investigation and

rectification, and comprehensively promote the implementation of various key measures. We have deeply implemented the “deepen learning, strive for excellence, dare to be the first, and strive for effectiveness” campaign, further solidifying political construction, deepening ideological construction, standardizing organizational construction, tightening discipline and work style, and giving full play to the leading role of Party building. Grassroots Party building work has achieved new results, continuously propelling the Bank’s work to new levels, achieving new results, and demonstrating new achievements.

Carrying out Thematic Education, Transforming the Power of Ideas into the Driving Force for Practice

The Bank has undertaken the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era with high standards and quality. We have strengthened organizational leadership, coordinated and promoted the initiative effectively, and prioritized theoretical learning as a foundation, investigation and research as a guiding principle, and development promotion as a measure of success. By focusing on problem-solving, we have inspired our cadre team to actively engage in the main battlefield of practical work, such as serving the real economy, driving digital transformation, and preventing and resolving financial risks, with an enterprising, proactive, and determined attitude.

- We have identified **12** areas for improvement and proposed **38** corresponding measures, ensuring the thorough implementation of the inspection and rectification process.
- We have convened a Party Committee meeting (expanded) to convey and study the spirit of the Central Financial Work Conference and research and deploy preliminary implementation opinions. The headquarters Party Committee formulated and issued an Action Plan for Seriously Studying, Publicizing, and Implementing the Spirit of the Central Financial Work Conference. Building on the solid foundation of the “Five Major Initiatives” of sci-tech finance, green finance, inclusive finance, pension finance, and digital finance, the plan further expands the scope and depth of the “Five New Growth Tracks.”
- We have held **5** thematic education leadership group meetings and **12** central group study sessions.
- We have conducted **7** thematic study sessions, formed **355** youth theoretical study groups, and carried out **9** thematic education lectures, reaching over **30,000** Party members within and outside the Bank.
- We have organized the formulation of **672** research topics across the Bank, conducted **1,698** research activities, produced **694** research reports, and resolved **2,564** problems.
- The “6543” working mechanism, developed through exploration, was recognized as one of the “Top 100 Cases” in the 6th Fujian Provincial Institutional Mechanism Innovation Outstanding Case Collection and Selection Activity.



The Bank has delivered keynote speeches at the Fujian Provincial Thematic Education Work Promotion Meeting and the symposium of some first-batch thematic education units. The guiding groups of the Central Committee and the Fujian Provincial Committee visited the Bank for observation and guidance, highly affirming our work results.

Adhering to Party Building Leadership, Innovating Mechanisms to Promote the Integration of Party Building and Business



Strengthening Party Building Assessment, Appreciating the Increasingly Obvious Leading Role of “Strong Party Building and Strong Business”

We have achieved



assessment content



The Party building assessment was adjusted to include five major sections: political construction, ideological construction, organizational construction, work style and discipline construction, and mass and group construction; the system construction is integrated within these sections.



Party Committee constituent departments



The departments newly added for performing assessment are the Party Committee Office, the Science and Technology Management Department, and the Data Management Department.



assessment objects



The scope of assessment objects was expanded to include Party organizations such as the Headquarters Party (General) Branch, the Party School Party Committee, and the Credit Card Center Party Committee.

● We have systematically reviewed and streamlined the basic and prescribed work indicators, reducing the number of branch assessment indicators from 116 to 66, with a focus on leading indicators and the leadership of spiritual incentives, aligning the assessment with the goal of leading high-quality development through high-quality Party building.

● We have optimized the Party building assessment system by adding 84 “leading” indicators, improving its alignment with the business assessment.

Special
Topic 2

Building a Robust Sustainable Development Strategy and Management

Guided by our founding principles and missions and the important messages from President Xi Jinping during his tenure in Fujian, Industrial Bank remains committed to a fundamental strategy defined by “rigorous governance, expert-led operations, and technology-driven growth.” With “outstanding service capability, distinctive business and management practices, and prominent market presence and brand image” as its development goals, CIB pursues a vision of becoming “A First-Class Bank, A Long-Flourishing CIB.” Leveraging its strengths in innovation and perseverance, CIB, according to the overall requirements of quality-driven development and value-based bank construction, strives to become a mainstream banking group with clear strategic goals, distinct business features, outstanding professional capabilities, leading technological innovation, and strong comprehensive strength, thus continuously enhancing its core competitiveness.

CIB demonstrates unwavering commitment to its strategic blueprint, consistently strengthening its “Three Core Brands” : green bank, wealth bank, and investment bank. Proactively embracing the digital era, CIB accelerates digital transformation. In 2022, CIB proposed a two-pronged approach: “consolidating core business while expanding into new growth tracks.” This approach accelerates the development of “Five New Growth Tracks,” i.e., sci-tech finance, inclusive finance, energy finance, automotive finance, and park finance, so as to expedite the construction of a “Digital CIB.” The “Three Core Brands,” “Five New Growth Tracks,” and “Digital CIB” align closely with the “Five Major Initiatives,” i.e., sci-tech finance, green finance, inclusive finance, pension finance, and digital finance, outlined at the Central Financial Work Conference, demonstrating CIB’s strategic foresight. At Industrial Bank, we continue to include sustainability in our development strategy and corporate governance.

Specifically, this commitment is reflected in CIB’s initiatives to stimulate organizational vitality through institutional and mechanism reforms, strengthen talent cultivation, steadily implement its strategic plan, collaborate with a wide range of stakeholders, align with China’s economic development, and contribute to the improvement of people’s well-being.



Strategies for Sustainable Development

Persistent Efforts: Adhering to the "1234" Strategy

Following the transformation direction of "asset-light, capital-light, and high-efficiency"

Focusing on the key areas of "commercial banking + investment banking"

Enhancing the core capabilities to excel in settlement, investment, and transaction banking

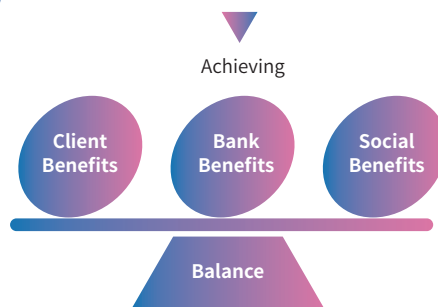
Prioritizing the high-value areas, including key branches, industries, clients, and products

Differentiated Development: Polishing Our "Three Core Brands"

We will adapt to circumstances, capitalize on opportunities, and pursue differentiated development to continuously enrich strategic depth. This involves establishing and refining the "Three Core Brands": green bank, wealth bank, and investment bank.

Green Bank

Pioneering sustainable development models and leveraging our strength in comprehensive operations, we will integrate green practices across all operations, support green transformation in traditional and emerging green industries, and develop a green asset portfolio of the Bank, achieving a balance between client benefits, bank benefits, and social benefits.



Wealth Bank

Synergizing wealth management, asset management, and investment banking, we will leverage our traditional strengths in investment banking and interbank business to empower our wealth management sector. Internally, we will develop a comprehensive range of asset management products within the group. Externally, we will carefully select high-quality products from the entire market and build an investment ecosystem, offering comprehensive asset allocation solutions to retail, corporate, and interbank clients.

The Bank aims to elevate its market reputation from

"Buy wealth management products, go to Industrial Bank"

to

"Need wealth management, turn to Industrial Bank."

Investment Bank

Advance the strategy of "Commercial Banking + Investment Banking 2.0"

Expand product offerings and strengthen the "four coordinating mechanisms" of investment research, underwriting, lending, and private equity capabilities

Accelerate the investment ecosystem building, providing clients with a broader range of "Commercial Banking + Investment Banking" comprehensive financial services

Forward-Looking Approach: Focusing on “Five New Growth Tracks”

We will keep developing and optimizing products, focusing on serving clients in the “Five New Growth Tracks” : inclusive finance, sci-tech finance, energy finance, automotive finance, and park finance. This effort aligns with the “Five Major Initiatives” and is carried out in an integrated manner.

Inclusive Finance

Sci-tech Finance





Energy Finance

Automotive Finance

Park finance

Embracing I: Building a “Digital CIB”

We will keep optimizing technology systems and mechanisms, investing in technology, implementing a technology talent development plan, promoting new digital talent certification, and fostering a technology-oriented culture.

We will keep implementing a “**standardized and enterprise-wide**” approach to digital transformation.

The completion of the “Five Enterprise Framework Projects”



The promotion of “Five Standardizations”

- Process
- Data
- Modeling
- Development
- Operations

The review

Products	Processes
Systems	Institutions

Drive integrated development and management



We have established a dedicated digital operations department to explore new operational models and enhance the digital ecosystem. This includes strengthening overall planning and coordination of the digital operation system, focusing on building an enterprise-level operational system to ensure



and continuously promoting operational standardization.

We will keep enhancing mobile banking and the “Five Online Services” to create an integrated CIB digital banking system encompassing “1 (mobile banking) + 5 dedicated online platforms (CIB Inclusive Finance, CIB Keeper, CIB Life, Qian Shopkeeper, and Bank-Bank Platform) + N (various scenario-based ecosystems).”

1

+

5

+

N

Mobile Banking

CIB Inclusive Finance
CIB Keeper
CIB Life
Qian Shopkeeper
Bank-Bank Platform

Various Scenario-based Ecosystems

We will keep utilizing technology to develop and integrate into various ecosystems, promoting the integration of Digital CIB and the real economy.

Energizing Our Workforce: Strengthening Talent Development

Energizing Talent

- We will promote talent exchange programs, encourage inter-departmental and inter-regional mobility, and enhance the transmission of strategies and operational tactics, as well as professional skills.
- The Bank will promote a competitive talent utilization mechanism, breaking down age and identity barriers, fully tapping into the potential of cadres, and enhancing their practical abilities, guided by strategic execution and business development.
- The focus will be placed on the selection and cultivation of reserve talents, with comprehensive optimization of the recruitment structure, making campus recruitment the primary channel for talent acquisition.
- Improvement of the graduate rotation training mechanism, which emphasizes “comprehensive training, dedicated mentorship, and continuous guidance,” will contribute to the development of a talent echelon adapted to strategic transformation.

Building a Young Cadre Echelon

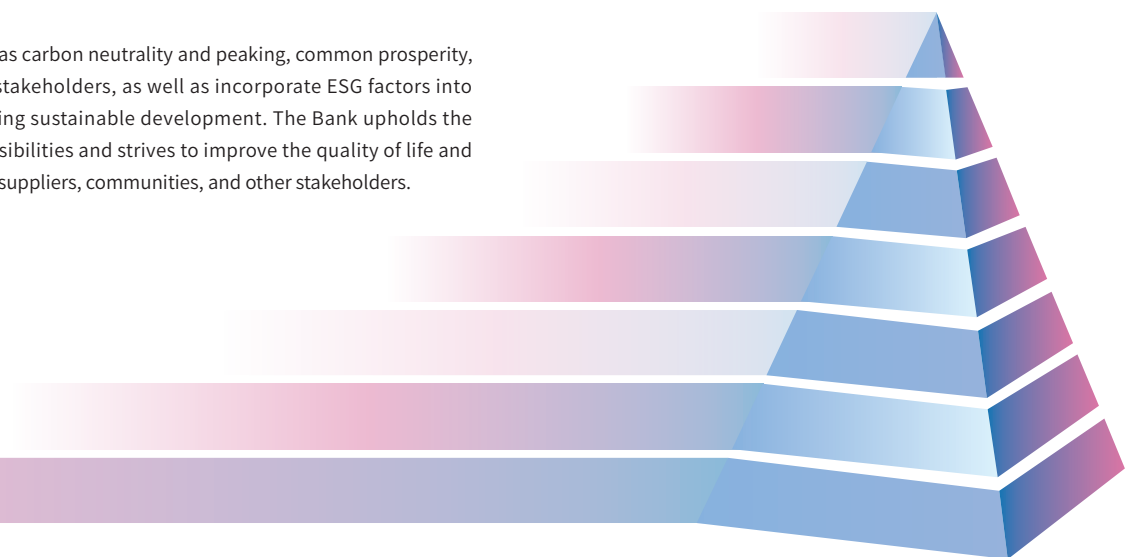
- We will expand career development and promotion channels for cadres, establish a reserve pool for high-level young cadres, and establish “Hong Hu” and “Kun Peng” reserve pools for mid-level cadres.
- Efforts will be made to rejuvenate the cadre ranks and emphasize the identification and assessment of cadres through key projects.

Building a Professional Workforce

- We will systematically promote team building, fostering the development of “seven types” of talent: digital, composite, specialized, high-end, comprehensive, international, and craftsman. The Bank will introduce professional sequence management measures, deepen the “5+N” training system construction with a focus on strategic implementation, and coordinate and link various practical training activities.
- With the focus placed on transformation and development direction, we will enhance the professional capabilities of the workforce to support strategy execution, vigorously implement the “10,000 Technology Talent Plan” and the “10,000 Green Finance Talent Plan,” and strengthen the development of the wealth management team.

Adhering to Sustainable Development

We will embrace national priorities, align with national goals such as carbon neutrality and peaking, common prosperity, and technological innovation, pay attention to the rights of all stakeholders, as well as incorporate ESG factors into development and operation strategies in the process of promoting sustainable development. The Bank upholds the principle of “ethical profitability” while fulfilling its social responsibilities and strives to improve the quality of life and sustainable development capabilities of its employees, consumers, suppliers, communities, and other stakeholders.



Sustainable Development Management

2023 ESG Performance & Highlights

Multiple Breakthroughs in ESG Rating

MSCI ESG Rating Upgraded to AA

Becoming one of the first banks in China to achieve an AA rating in the MSCI ESG ratings

Also the only bank in China to maintain the highest ESG rating in the banking industry **5** for consecutive years

Achieved global leadership in **57%** of ESG indicators, a **300%** increase from last year / Among them, the corporate governance index score has risen to the top **5%** of the global banking industry

Leading ESG Performance (As of December 31, 2023)

S&P CSA	Highest Score Among Domestic Peers
ChinaBond ESG	8 points (Highest Score Among Domestic Peers)
China Securities ESG	AA(3/127)
Wind-ESG	A(1/67)
Sino-Securities ESG	A(1/42)
China Banking and Insurance News ESG	AAA(2/142)

Moving Forward, Flexible and Innovative Work Approach

- 6** cross-departmental and cross-institutional joint working groups operate in sync
- A team of **166** group ESG contacts has been established
- The Group's Environmental Information Disclosure Report Template (**Version 1.0**) has been compiled and issued
- 41** annual ESG tasks have been broken down and implemented, with simultaneous progress made in policy, system, process, and product development, achieving a task completion rate of **93%**
- The Group's ESG Policy has been compiled and issued
- The participation rate of the "CIB All Learning" ESG knowledge online challenge exceeded **85%** across the Group
- The ESG performance management platform has completed automation or subscription for **75** data indicators

3 "First" Practices Leading the Industry's ESG Innovation

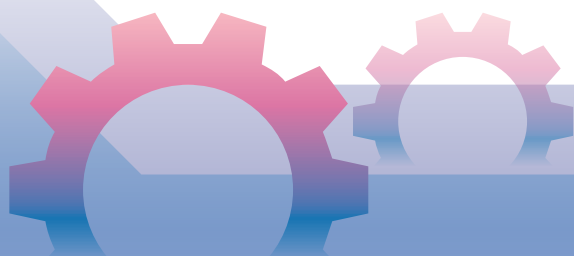
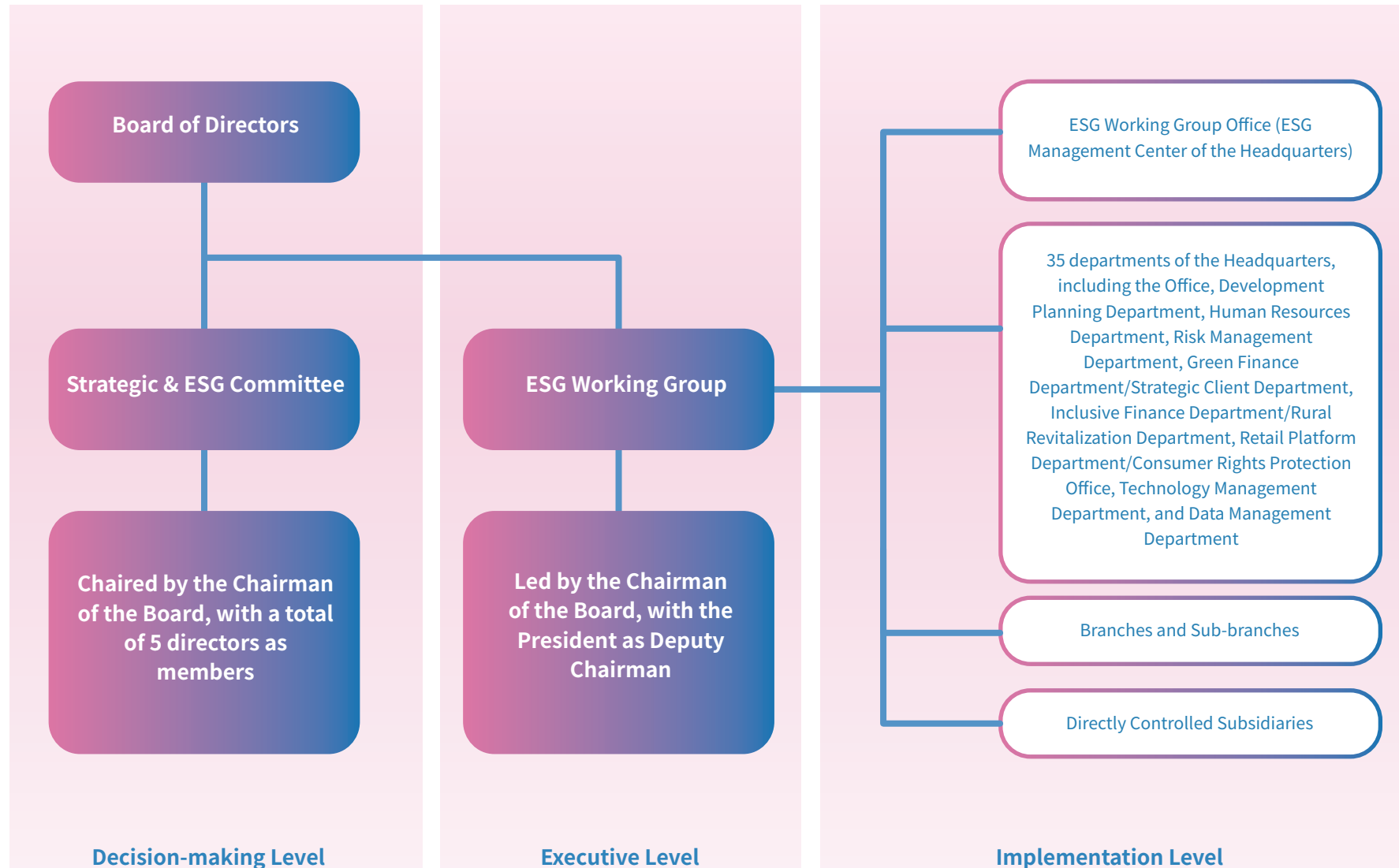
- Becoming **one of the first Chinese recipients of the "Partnership for Early Awareness of Sustainability-disclosure Today (P4EAST)"** certificate from the International Sustainability Standards Board (ISSB)
- The first joint-stock** commercial bank to be elected as a member of the ESG Special Committee of China Association for Public Companies
- One of the first signatories to the UN Principles for Responsible Banking**, actively compiling China's first PRB report

Market Influence Continues to Expand

- ESG English press releases published in **410** overseas media outlets, including The Wall Street Journal, Yahoo, and PR Newswire, have accumulated **530** million reads
- Awarded **16** ESG awards by Xinhua Net, People's Daily, China Media Group, China Association for Public Companies, Forbes, Sina Finance, and Wind

ESG Management Framework and Execution Procedures

The Board of Directors of the Bank holds the ultimate responsibility for ESG matters, including the development of strategic plans, major policies, and fundamental systems. The Board has established a Strategy & ESG Committee, comprising 5 directors, including a Chairman who is also the Chairman of the Board. This committee provides oversight on key ESG aspects such as green finance, inclusive finance, ESG and climate-related risks, consumer protection, human capital development, privacy and data protection, ESG performance management, and information disclosure. Senior management of the Bank regularly reports to the Board on these matters, and the Board issues directives to the management and relevant departments, aiming to enhance the Bank's ESG management capabilities. The Bank's ESG Working Group, led by the Chairman of the Board and with the President serving as the Deputy Leader, is responsible for coordinating and implementing all ESG-related management and execution work. The Working Group operates under the auspices of the ESG Management Center, which is affiliated with the Board Office of the headquarters.



ESG Supervision and Evaluation Mechanisms

The Bank continuously strengthens the diversity and independence of the Board of Directors, enhances the expertise and scientific rigor of the specialized committees, and improves their supervision and evaluation of sustainability-related issues. The Bank is committed to developing and implementing comprehensive ESG policies, systems, mechanisms, and processes, including an effective ESG audit and supervision mechanism. ESG policies are integrated into employee performance evaluation systems, with clear reward and penalty mechanisms established to enhance the Bank's overall governance capabilities.

ESG Policies and Strategic Planning

In 2023, the Board of Directors formulated and issued the ESG Policy of Industrial Bank Co., Ltd., serving as the guiding principle and direction for the Bank's sustainable development. The ESG evaluation system is used as a benchmark and implementation tool to enhance operational management, transforming ESG management requirements into behavioral norms and operational models. This fosters the development of a distinctive "Industrial Bank" ESG management system that supports high-quality development and value enhancement. The Bank evaluated the implementation of its five-year (2021-2025) strategic development plan, adjusting and optimizing certain indicators, including ESG-related ones. The Industrial Bank ESG Management System Construction Key Points in 2023 was formulated and issued, covering strategic development priorities such as customer base optimization, enhanced customer service, green finance asset development, innovative green banking products, rural finance, consumer protection, and data security.

Climate Risk Supervision and Management

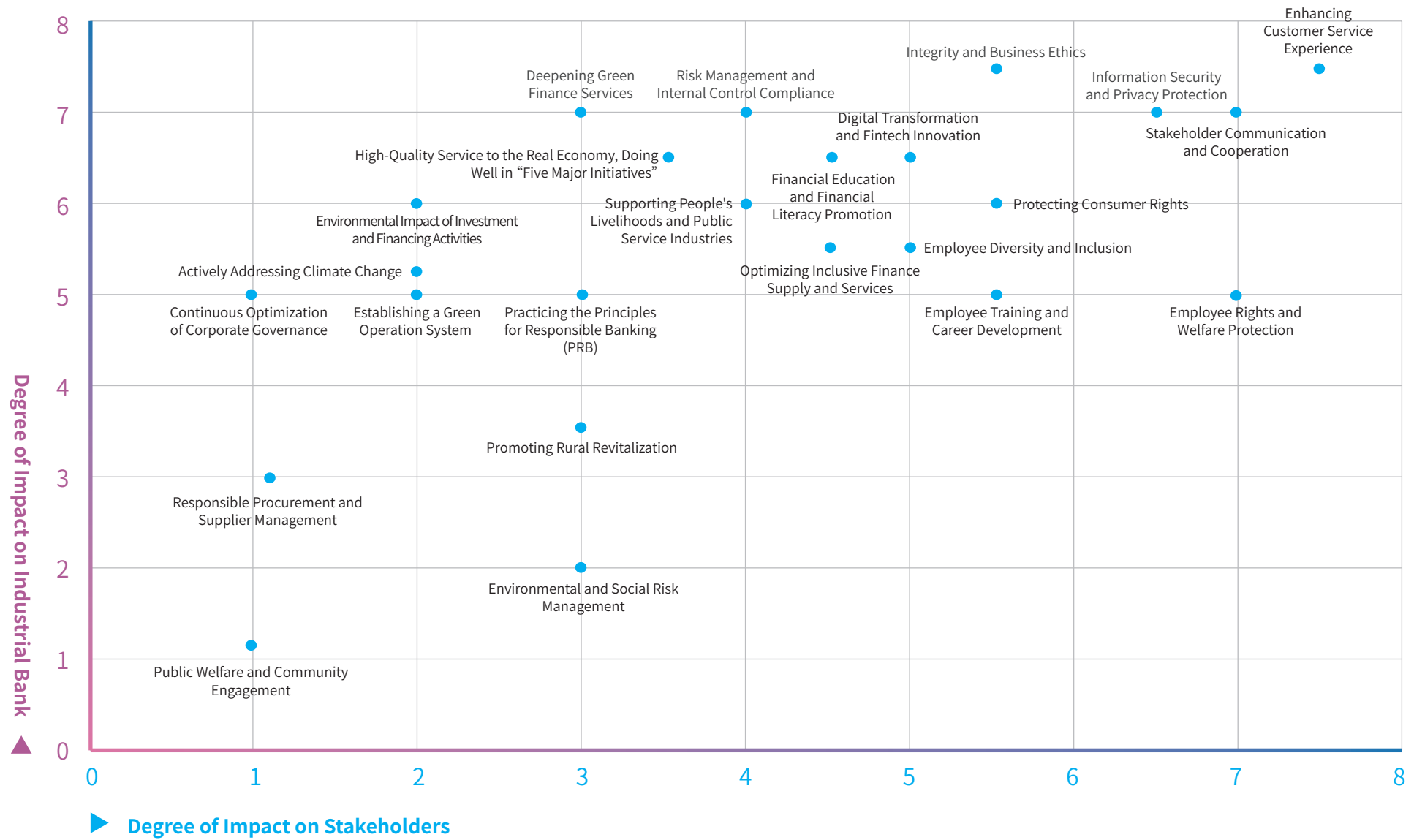
Enhancing the capacity to address climate change. The Bank should prioritize accelerating the development of climate risk management processes and tools, strengthening the identification, assessment, calculation, management, and application of carbon assets, strictly implementing the "Climate Neutral Now" commitment, establishing a comprehensive "Net Zero Emissions" management mechanism, and advancing the Bank's Group-wide operational "carbon neutrality" roadmap.

— Excerpt from the ESG Policy of Industrial Bank Co., Ltd.

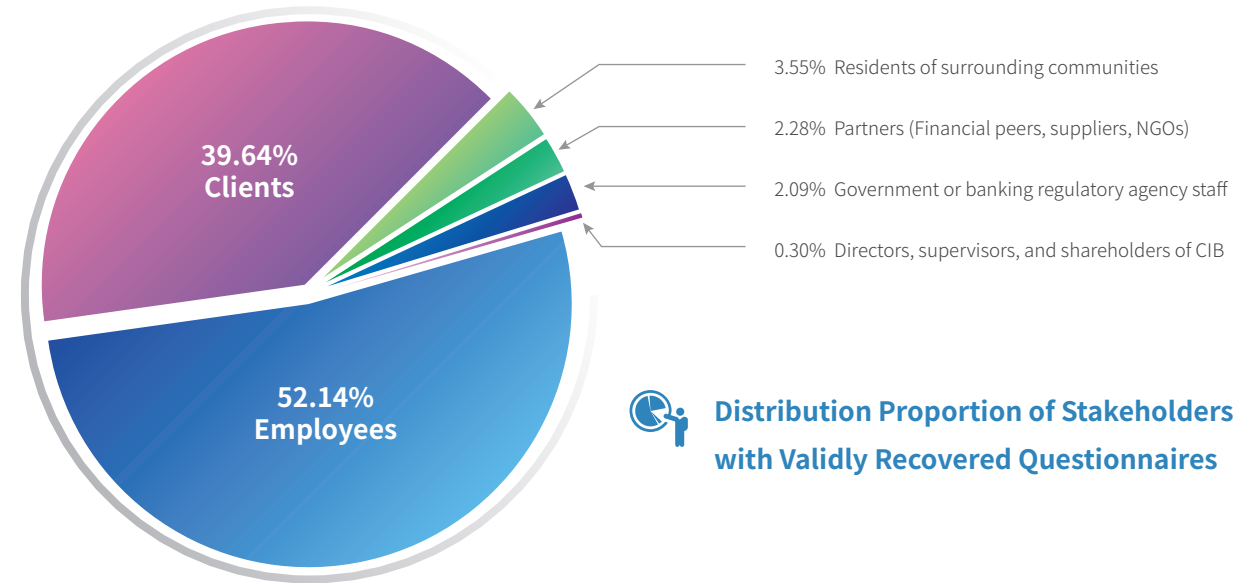
Board Level: The Risk Management and Consumer Protection Committee, established under the Board of Directors, is responsible for formulating risk strategies and fundamental risk management policies, including climate risks. The Committee integrates climate risk management mechanisms within the ESG Policy and oversees the implementation and effectiveness of the strategies and policies.

Senior Management Level: ESG and climate risk management are incorporated into the Bank's comprehensive risk management system, strictly adhering to the Comprehensive Risk Management Reporting Measures. The responsibilities of the Headquarters Risk Management Committee regarding ESG and climate risk management are clearly defined, including regular reporting on ESG and climate risks to senior management and the Board of Directors, and adjusting and improving credit and investment policies accordingly. The Bank continuously conducts risk and opportunity assessments related to climate change, integrating them with the existing risk management framework. Regular analysis and evaluation are carried out to develop appropriate countermeasures. Active research and exploration of climate risk stress tests are conducted, and the findings are proactively disclosed. The Green Bank Strategy Promotion Working Group is established to be responsible for implementing the Green Bank Strategy, formulating development plans and operational plans for green finance business, organizing and promoting their implementation, and conducting follow-up, supervision, and evaluation.

Materiality Analysis



Based on the United Nations Sustainable Development Goals (SDGs), internationally recognized social responsibility standards, the characteristics of the financial industry, and the Bank's own ESG practices, the Bank has identified six primary stakeholder groups: government and banking regulatory officials, directors, supervisors, and shareholders of the Bank, customers of the Bank, employees of the Bank, residents in the vicinity of the Bank, and partners (financial peers, suppliers, NGOs). To understand stakeholders' concerns and expectations and internalize them as drivers for improvement, the Bank regularly conducts ESG key issue research and employs a materiality analysis through stakeholder surveys. This ensures the Bank adequately addresses and responds to the key concerns of its stakeholders.



Distribution Proportion of Stakeholders with Validly Recovered Questionnaires

Identification

Based on the results of the 2023 stakeholder survey, in conjunction with banking industry policies and hotspots, the Bank's major strategies, and internationally recognized sustainability standards and guidelines, the Bank has identified and revised **24** ESG issues.

Assessment

To understand the primary issues of concern to stakeholders, the Bank distributed questionnaires to the six major stakeholder groups, asking them to score the importance of various ESG issues. In 2023, the stakeholder survey focused on distributing and effectively collecting questionnaires from customers, directors, supervisors, investors, and other relevant stakeholders. A total of **7,889** questionnaires were collected.







Screening















Based on the importance of the ESG issues to stakeholders and to the Bank, as determined by the survey, a materiality matrix is constructed to identify key issues that have a significant impact on the Bank's operations and development.

Management

Using the materiality matrix, a list is generated outlining the level of stakeholder concern for each issue in 2023. Referencing the GRI Standards, the corresponding management policies and mechanisms are fully explained. The Bank is committed to actively managing and disclosing information regarding these issues.

Focus Areas and Progress

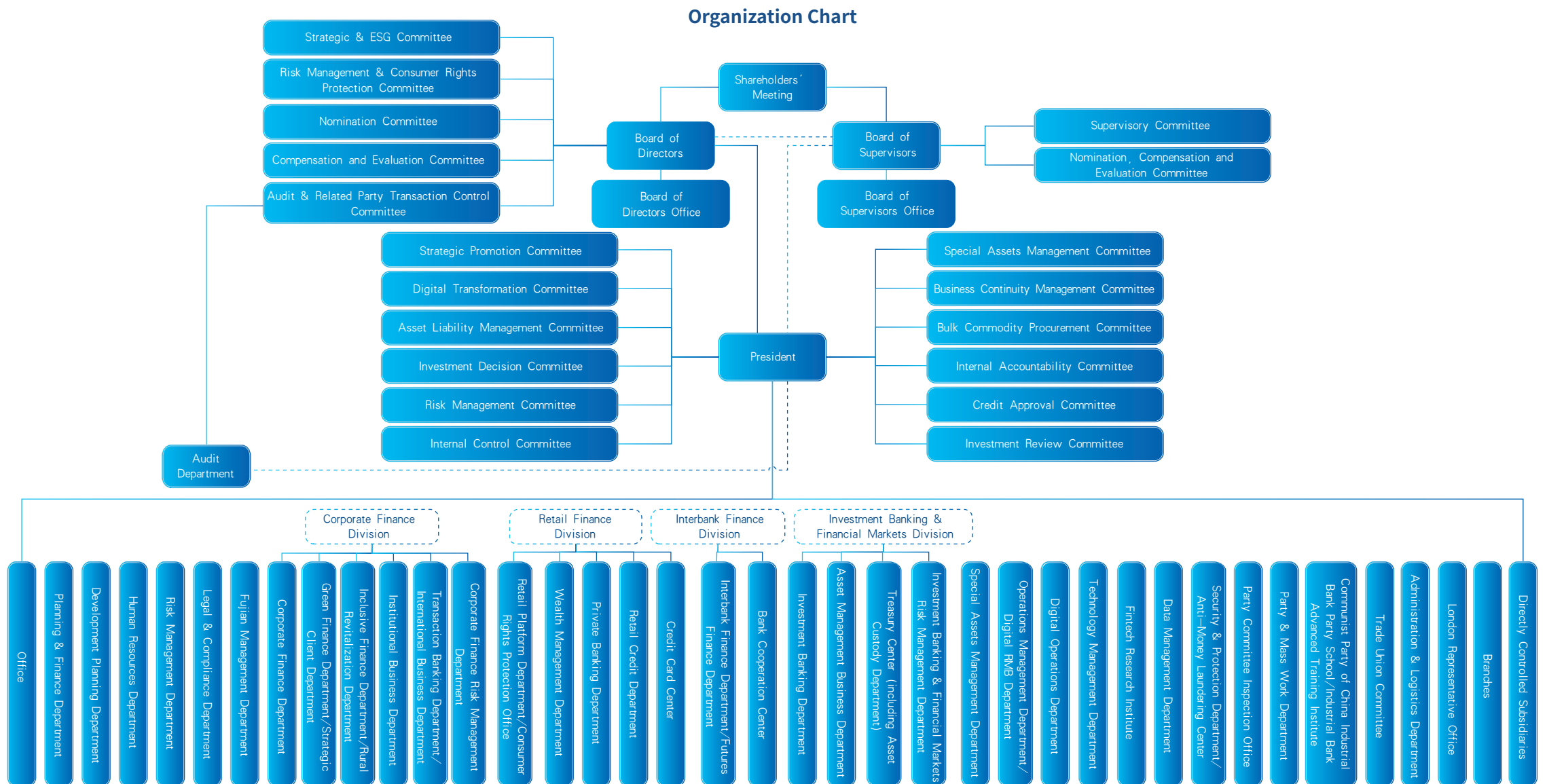
Area	Progress in 2023	SDGs
<p>Building a Value-driven Bank for Shareholders</p>	<ul style="list-style-type: none"> Group assets totaled RMB 10,158.326 billion, achieving an operating income of RMB 210.831 billion and net profit attributable to shareholders of the parent company of RMB 77.116 billion. Non-performing loan ratio was 1.07%, down 0.02% year-on-year. 528 training sessions were conducted on anti-corruption and anti-bribery policies, reaching 204,000 individuals. Data security investments reached RMB 120 million, with the risk control platform blocking over 11 million high-risk transactions throughout the year. Enterprise-level intelligent anti-fraud platform received the second prize in the Financial Technology Development Award from the People's Bank of China. No incidents of regulatory penalties due to customer information leakage or failure to comply with personal information protection requirements. MSCI ESG rating upgraded to AA, maintaining the highest rating in the domestic banking industry for five consecutive years. 	<ul style="list-style-type: none">  16. PEACE, JUSTICE AND STRONG INSTITUTION  17. PARTNERSHIPS FOR THE GOALS
<p>Serving the Economy and Society for the Country</p>	<ul style="list-style-type: none"> Loans in the “five new growth tracks” all achieved double-digit growth compared to the beginning of the year, aligning with economic transformation: By the end of 2023, loans in the “five new growth tracks” of sci-tech finance, inclusive finance, energy finance, automotive finance, and park finance have increased by 92.3%, 67.68%, 54.81%, 56.16%, and 63.65% respectively over the past two years (compared to the end of 2021). Interest rate on domestic RMB loans decreased by 33 basis points year-on-year. Green finance financing balance reached RMB 1,892.872 billion, up 16.14% year-on-year. Compound annual growth rate of inclusive finance in the past three years was 35%. Loan balance to private enterprises reached RMB 1,305.698 billion, up 16.72% year-on-year. Met customers’ diversified pension service needs. By the end of 2023, the Bank had opened over 4.246 million individual pension accounts. Group’s investment in information technology totaled RMB 8.398 billion, an increase of 1.78% year-on-year. Released the first enterprise-level data dictionary, establishing 28,000 enterprise-level data dictionary standards. Enterprise-level User Experience Standardization Design Specification was recognized by the People's Bank of China as the industry's first published standard. Underwriting scale of non-financial corporate debt financing tool exceeded RMB 730 billion, returning to the top position in the market. Underwriting scale of overseas bonds maintained the top position among Chinese-funded joint-stock commercial banks. Outstanding loans of institutions in Fujian Province totaled RMB 1,520.891 billion, an increase of 3.95% from the beginning of the year. 	<ul style="list-style-type: none">  1. NO POVERTY  8. DECENT WORK AND ECONOMIC GROWTH  9. INDUSTRY INNOVATION AND INFRASTRUCTURE  11. SUSTAINABLE CITIES AND COMMUNITIES

Area	Progress in 2023	SDGs
<h3>Enhancing Service Experience for Customers</h3>	<ul style="list-style-type: none"> Retail AUM increased by 16.62% year-on-year to RMB 3.93 trillion. Assets under management at CIB Wealth Management increased by 8.18% year-on-year to RMB 2.26 trillion. Comprehensive wealth management capabilities ranked first in PY Standard's Comprehensive Wealth Management Capability Ranking for 24 consecutive quarters. Employee participation rate in consumer rights protection training reached 100%. Customer satisfaction with the 95561-customer service hotline reached 99.94%. The number of customers reached by public financial knowledge popularization programs totaled 210,449,200, with a total of 13,661 public financial knowledge popularization activities conducted. 	 12. RESPONSIBLE CONSUMPTION AND PRODUCTION  17. PARTNERSHIPS FOR THE GOALS
<h3>Protecting the Environment for a Beautiful China</h3>	<ul style="list-style-type: none"> Incorporated the ESG performance of borrowers into credit rating assessments, optimizing the review strategy for fossil fuels. Green finance has cumulatively served 77,502 enterprises. Green loans led to a reduction of 22,922,800 tons of carbon dioxide emissions annually, a saving of 9,517,300 tons of standard coal, and a water saving of 10,545,200 tons. Added RMB 24.992 billion in green bond investments, with a total stock of RMB 44.415 billion. Issued RMB 233.2 billion in ESG wealth management and green wealth management products at CIB Wealth Management, including RMB 79.5 billion in green wealth management products. Combined balance of green leasing, green trust, and green funds totaled RMB 99 billion. The Bank has 6 buildings with green building labels among its owned properties. 	 6. CLEAN WATER AND SANITATION  7. AFFORDABLE AND CLEAN ENERGY  13. CLIMATE ACTION  14. LIFE BELOW WATER  15. LIFE ON LAND
<h3>Creating a Better Future for the Community</h3>	<ul style="list-style-type: none"> Intelligent debt collection industry upgrade at the Bank: Intelligent robots (AI) handled 95% of cases, an increase of 63% compared to 2022, equivalent to saving approximately 1,300 manpower. Built 287 smart outlets. Established 2,085 "CIB Cares" public welfare stations. External donations totaled RMB 52,386,100 during the year. Provided long-term stationed financial support services for poverty alleviation and rural revitalization, with a cumulative total of 74 paired support points and 52 dispatched cadres. Employee volunteer activities totaled 79,879 person-times. Volunteer activities totaled 82,071 hours. 	 1. NO POVERTY  2. ZERO HUNGER  3. GOOD HEALTH AND WELL-BEING  10. REDUCED INEQUALITIES
<h3>Growing Together for Employees</h3>	<ul style="list-style-type: none"> Employee satisfaction score was 95.22 points (out of 100), with a 70% participation rate in the employee satisfaction survey. Conducted a bank-wide digital competency exam for employees, covering 34 subjects, with nearly 110,000 participants, a year-on-year increase of 144%. Average training time per employee was 210.7 hours, an increase of 3.7 hours year-on-year. "Voice of CIB" platform received over 15,500 employee posts, over 95,000 comments, and 42,000 daily readers, with cumulative readership exceeding 42,950,000 person-times. 	 4. QUALITY EDUCATION  5. GENDER EQUALITY  10. REDUCED INEQUALITIES

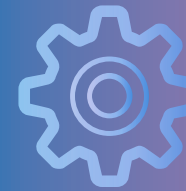
Enhancing Governance Effectiveness and Steadily Creating Value

The Bank continuously improves its corporate governance mechanism, which emphasizes “the core leadership role of the Party Committee, strategic decision-making by the Board of Directors, implementation by senior management, and supervision under law by the Board of Supervisors.” The Bank adheres to the principle of enhancing internal operational efficiency through standardized, professional, and scientific management, earnestly safeguarding the interests of stakeholders and diligently preventing various financial risks.

Corporate Governance Structure



The Bank has established a scientific and comprehensive corporate governance structure, with clear division of responsibilities, checks and balances, and organic coordination among the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and senior management, collectively enhancing governance effectiveness. The Board of Directors has five specialized committees: the Strategy & ESG Committee, the Risk Management and Consumer Protection Committee, the Audit and Related Party Transactions Control Committee, the Nomination Committee, and the Remuneration and Assessment Committee. These committees are responsible for deliberating on important proposals and issues concerning environmental, social, and governance (ESG) matters. Except for the Strategy & ESG Committee, the other four committees are chaired by independent directors.



Category

Strategy & ESG Committee

Operations

Chairman: Lyu Jiajin

Meetings: 4

Average attendance: 100%

Deliberated Proposals

"2022 Annual Report of the Board of Directors," "2022 Annual Report of the President," "2022 Annual Report of the Board's Strategy & ESG Committee," "2022 Annual Corporate Governance Self-Assessment Report," "2022 Sustainability Report," "2022 Profit Distribution Proposal," "2022 Capital Management Report and 2023 Capital Management Plan," "2022 Capital Adequacy Ratio Report," "Proposal on Issuing Capital Bonds," "Proposal on Medium-Term Capital Management Plan (2023-2025)," "Proposal on Amending the 'Group Consolidated Management Measures'," "Proposal on Determining the 2023 Bad Debt Write-Off Quota," "Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (First Batch in 2023)," "Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (First Batch in 2023)," "Proposal on Carrying Out the Comprehensive Renovation Project of Shanghai Zhangjiang Computer Room," "Proposal on Nanjing Branch Purchasing Office Premises for Xuzhou Sub-branch Headquarters," "Proposal on Formulating 2023 Recovery Plan," "Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Second Batch in 2023)," "Proposal on Writing

Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Second Batch in 2023)," "Proposal on Harbin Branch Purchasing Office Premises for Headquarters," "Proposal on Formulating the ESG Policy," "2023-2027 Capital Management Plan," "Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Third Batch in 2023)," "Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Third Batch in 2023)," "Proposal on Increasing the 2023 Bank-Wide Bad Debt Write-Off Quota," "Proposal on Applying for 2023 Resource Pool Equipment Purchase Budget," "Proposal on Building a Fintech Industrial Park in Fuzhou Binhai New City," "Proposal on Zhengzhou Branch Purchasing Office Premises for Headquarters," "2024 Branch Development Plan," "Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Fourth Batch in 2023)," "Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Fourth Batch in 2023)," totaling 31 proposals.



Category

Risk Management and Consumer Protection Committee

Operations

Chairman: Ben Shenglin

Meetings: 4

Average attendance: 100%

Deliberated Proposals

“2022 Annual Report of the Board's Risk Management and Consumer Protection Committee,” “2022 Liability Quality Management Report,” “Fourth Quarter 2022 Comprehensive Risk Management Status Assessment Report,” “Report on the 2023 Group Risk Appetite Implementation Plan,” “Report on the 2023 Country Risk Classification and Risk Limit Plan,” “Report on the 2022 Internal Capital Adequacy Assessment Process (ICAAP),” “Report on the 2022 Expected Credit Loss Model Post-implementation Validation and Independent External Third-party Comprehensive Validation,” “Proposal for the Formulation of the ‘Expected Credit Loss Model Validation Management Measures’ ,” “Report on the 2022 Expected Credit Loss Method Implementation Results and Validation,” “Report on the 2023 First Quarter Expected Credit Loss Model Parameter Update,” “Report on the 2022 Anti-Money Laundering Compliance Management,” “2023 Consumer Protection Work Plan,” “2022 Consumer Protection Internal Assessment Report,” “Proposal on Determining the 2023 Bad Debt Write-Off Quota,” “Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (First Batch in 2023),” “Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (First Batch in 2023),” “First Quarter 2023 Comprehensive Risk Management Status Assessment Report,” “Proposal on Amending the ‘Country Risk Management Measures’ ,” “Proposal on Formulating ‘Measures for Classified Management of Financial Asset Risks’ ,” “Report on the 2023 First Half Expected Credit Loss Model Update and Validation,”

“Proposal on Amending the ‘Measures for the Administration of Consumer Rights and Interests Protection Work’ ,” “Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Second Batch in 2023),” “Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Second Batch in 2023),” “Second Quarter 2023 Comprehensive Risk Management Status Assessment Report,” “Proposal on Formulating the ‘Collateral Management Measures’ ,” “Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Third Batch in 2023),” “Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Third Batch in 2023),” “Proposal on Increasing the 2023 Bank-Wide Bad Debt Write-Off Quota,” “Third Quarter 2023 Comprehensive Risk Management Status Assessment Report,” “Report on the Development, Validation, and Application for Launch of the Retail Internal Ratings Based (IRB) Default Risk Exposure Pooling Model (2023 Edition),” “Report on the 2023 Second Half Expected Credit Loss Model Update and Validation,” “Consumer Protection Work Special Audit Report,” “Report on the 2023 Consumer Protection Work,” “Proposal on Writing Off Bad Debts Exceeding RMB 300 Million per Transaction (Fourth Batch in 2023),” “Proposal on Writing Off Bad Debts Between RMB 100 Million and RMB 300 Million per Transaction (Fourth Batch in 2023),” totaling 35 proposals.

Category	Nomination Committee	
Operations	Chairman: Qi Yuan Meetings: 6 Average attendance: 100%	
Deliberated Proposals	“Proposal on Nominating Candidates for Some Directors of the Tenth Board of Directors,” “2022 Annual Report of the Board’s Nomination Committee,” “Proposal on Nominating Mr. Zhang Xuewen as a Candidate for Independent Director of the Tenth Board of Directors,” “Proposal on Appointing Mr. Chen Xinjian as President,” “Proposal on Nominating Mr. Chen Xinjian as a Candidate for Director of the Tenth	Board of Directors,” “Proposal on Appointing Mr. Zeng Xiaoyang as Vice President,” “Proposal on Electing Mr. Chen Xinjian as Vice Chairman of the Tenth Board of Directors,” “Proposal on Adjusting the Composition of Committees under the Board of Directors,” totaling 8 proposals.
Category	Remuneration and Assessment Committee	
Operations	Chairman: Xu Lin Meetings: 2 Average attendance: 100%	
Deliberated Proposals	“2022 Annual Report of the Board’s Remuneration and Assessment Committee,” “2022 Evaluation Report on Directors’ Performance of Duties,” “2022 Remuneration Plan for Senior Management,” “Proposal on Formulating the ‘Measures for the Management of Performance-Based Remuneration Recovery and Recoupment’ ,” totaling 4 proposals.	
Category	Audit and Related Party Transactions Control Committee	
Operations	Chairman: Zhang Xuewen Meetings: 7 Average attendance: 100%	
Deliberated Proposals	“2023 Annual Internal Audit Project Plan,” “2022 Annual Internal Audit Work Report,” “Proposal on Granting Related Party Transaction Limits to Xingye Trust Series and Other Related Parties,” “2022 Annual Report of the Board’s Audit and Related Party Transactions Control Committee,” “2022 Annual Report and Summary,” “2022 Annual Financial Statements and 2023 Annual Budget Plan,” “Proposal on Engaging Accounting Firms for 2023,” “Special Report on the Deposit and Actual Use of Funds Raised in 2022,” “2022 Related Party Transactions Report,” “Report on the Rectification and Accountability for On-site Inspection by the China Banking and Insurance Regulatory Commission in 2022,” “2022 Internal Control Evaluation	Report,” “Special Audit Report on Related Party Transactions,” “First Quarter 2023 Report,” “Proposal on Granting Related Party Transaction Limits to Fujian Port Group Co., Ltd. and Its Affiliates,” “2023 Semi-Annual Report and Summary,” “Report on the Implementation of Rectification for Internal Control Deficiencies Identified by KPMG in 2022,” “Report on the Internal Audit Work in the First Half of 2023,” “Third Quarter 2023 Report,” “Proposal on Granting Related Party Transaction Limits to Fujian Financial Investment Co., Ltd. and Its Affiliates,” totaling 19 proposals

Composition and Operation of the Board of Directors

The Bank strictly adheres to the Articles of Association of Industrial Bank Co., Ltd. in nominating and appointing members of the Board of Directors. Directors are elected or replaced by the Shareholders' Meeting for a three-year term and can be re-elected upon the expiration of their terms. The Nomination Committee will timely propose candidates for directors to the Board. In case of temporary addition of a director, the Board will propose a candidate and recommend the Shareholders' Meeting to elect or replace the director.

The Bank values the professional knowledge and skills of directors, including expertise in law, economics, finance, accounting, ESG, and other relevant work experience that facilitates the fulfillment of directorial responsibilities; and familiarity with laws and regulations related to commercial banking operations and management. The Bank strives to establish a diverse Board composition in terms of expertise, geographic location, gender, nationality, and profession, to promote broader perspectives during decision-making and to enhance the scientific and targeted nature of decisions. During the reporting period, the Bank had a total of 12 directors, including 5 independent directors and 2 female directors; the average tenure of directors was 1.59 years.

Name	Position	Gender	Date of Birth	Tenure	Professional Background
Lyu Jiajin	Chairman	Male	1968.09	2021.07.26—2024.06.10	Finance (Banking)
Chen Xinjian	Vice Chairman	Male	1967.10	2023.10.11--2024.06.10	Finance (Banking)
	President			2023.10.11--2024.06.10	
	Chief Supervisor			2022.05.06--2023.07.18	
Chen Yichao	Director	Male	1950.11	2015.07.01—2024.06.10	Corporate Financial Affairs
Qiao Lijian	Director	Female	1973.02	2023.08.30—2024.06.10	Actuarial Science, Corporate Financial Affairs, Finance (Insurance)
Xiao Hong	Director	Male	1972.10	2021.07.30—2024.06.10	Corporate Financial Affairs, Finance (Banking)
Chen Gongxian	Director	Male	1968.12	2024.01.31—2024.06.10	Economics, Auditing
Sun Xiongpeng	Director	Male	1967.04	2021.07.30—2024.06.10	Finance (Banking)
	Vice President			2016.08.25—2024.06.10	
Ben Shenglin	Independent Director	Male	1966.01	2021.07.30—2024.06.10	Finance (Banking)
Xu Lin	Independent Director	Male	1962.06	2021.07.30—2024.06.10	Finance, ESG
Wang Hongmei	Independent Director	Female	1961.06	2022.01.25—2024.06.10	Technology, ESG
Qi Yuan	Independent Director	Male	1974.03	2022.03.10—2024.06.10	Finance, Technology
Zhang Xuewen	Independent Director	Male	1962.11	2023.09.25—2024.06.10	Corporate Financial Affairs, Accounting

Note: Detailed resumes and information of the Bank's independent directors are available on the Bank's official website under "Communication with Independent Directors and External Supervisors."

Independence of the Board of Directors

In strict accordance with the Administrative Measures for Independent Directors of Listed Companies, by the end of 2023, the number of other companies where the Bank's independent directors concurrently served as independent directors was less than two for each director. If a director or the enterprise where they are employed has a related party relationship with the Bank, they must disclose the nature and extent of the relationship to the Board of Directors and the Board of Supervisors. The Bank follows the related party director recusal procedures, requiring recusal of directors or their related parties, if necessary, to ensure that all decisions are made in the best interests of stakeholders.

Capacity Building of the Board of Directors

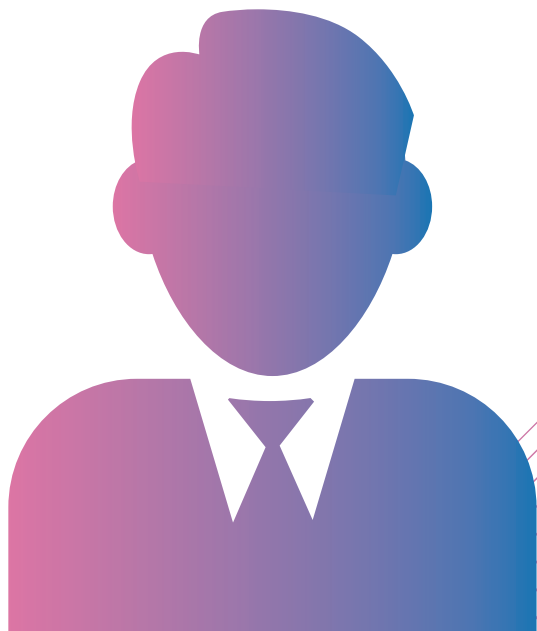
During the reporting period, the Bank organized a total of 5 training sessions for members of the Board of Directors, with 14 director participations and an average training time of 12 hours per director annually. The training covered three themes: macroeconomic situation, fiscal and financial policy analysis, and reform of the independent director system.

During the reporting period, the Bank organized a total of 5 special research trips for members of the Board of Directors, including visits to Hohhot Branch, Chengdu Branch, and Lhasa Branch to investigate the implementation of branch strategies and business operations, thematic research on credit cards, and special research on data governance. The Audit and Related Party Transactions Control Committee of the Board of Directors also held exchange meetings with internal audit and finance departments, enhancing daily communication between directors and senior management and their understanding of the Bank's operations and management.

Independence of the Board of Directors

The Bank formulated the Measures for Evaluating the Performance of Directors and the Operational Rules for Calculating the Time Spent on Directors and Supervisors' Performance of Duties. The Bank continuously refines the dimensions and content of director performance evaluation, detailing the requirements for evaluating the performance of different types of directors. The Bank regularly summarizes and reviews the annual performance of each director, culminating in a performance evaluation report on all directors from the Board, which promotes the diligent and faithful fulfillment of their responsibilities.

For details on "Board meetings held during the reporting period" and "Directors' performance of duties," please refer to: the Industrial Bank 2023 Annual Report.



Executive Remuneration Policy

The remuneration of the Bank's executives strictly adheres to the plan reviewed and approved by the relevant authorities and deliberated and approved by the corporate governance procedures. It is linked to the assessment results of the Bank's operating performance. By establishing a comprehensive evaluation system that includes quantitative indicators such as profitability, asset quality, solvency, and business growth, as well as qualitative indicators such as serving high-quality development (including support for economic and social development, major project construction, targeted poverty alleviation, and rural revitalization), and development of green finance (including the construction of green finance systems, brand building, and business development), the Bank combines short-term and long-term incentives, strengthens the accountability of executives, promotes the improvement of operational management, and fosters the sustainable and healthy development of the Bank.

In 2023, to improve the incentive and constraint mechanism for performance-based remuneration and fully leverage its guiding role in the Bank's operations and management, the Bank revised the Measures for the Assessment and Payment of Deferred Performance-based Remuneration for Senior Management of Industrial Bank and Performance-Based Remuneration Clawback Management Measures at Industrial Bank. Senior management and employees who have a direct or significant impact on the Bank's operating risks are subject to a deferred payment of 40% or more of their performance-based remuneration for a period of no less than 3 years. The proportion of deferred performance-based remuneration for key senior management personnel is 50%. In cases of illegal, irregular, or disciplinary violations, or when extraordinary risk exposures occur within the scope of responsibilities, the Bank will recoup the corresponding performance-based remuneration in accordance with regulatory policies and relevant company regulations, based on the severity of the circumstances, so as to ensure that remuneration levels are consistent with risk-adjusted performance.

Safeguarding Investor Rights and Interests

To adapt to new regulatory requirements, and further standardize and strengthen investor relations management, the Bank revised the Industrial Bank Investor Relations Management Measures in 2023. The new Measures clarify the scope of investor relations management, enriching the content and methods of investor relations management.

Comprehensive Evaluation System for Executive Remuneration Assessment

Indicator	Category	Indicator Items
Financial Indicators	Quantitative Indicators	Profitability, asset quality, solvency, and business growth, with point deductions for significant adverse events and violations of rules and disciplines
Serving High-Quality Development	Qualitative Indicators	Support for economic and social development, major project construction, targeted poverty alleviation, rural revitalization, inclusive finance, technology development, etc.
Supporting Green Finance Development	Qualitative Indicators	Construction of green finance systems, service development performance, etc.

Note: For details on "Shareholding Changes and Remuneration of Current and Former Directors, Supervisors, and Senior Management during the Reporting Period," please refer to: the Industrial Bank 2023 Annual Report.

Improving the Regular Communication System and Safeguarding the Rights and Interests of Minority Shareholders

The Bank attaches great importance to the protection and value transmission for minority shareholders. Through a system of prioritizing rules and ensuring their implementation, engaging senior management, and fostering collaboration among departments for regular and consistent communication, the Bank has built a multi-channel, multi-platform, and multi-level investor information exchange system.

In 2023, the Bank successively organized “2022 Annual Performance Briefing,” “2023 First Quarter Performance Briefing,” “2022 Annual General Meeting of Shareholders,” “2023 Mid-year Performance Briefing,” “2023 Third Quarter Performance Teleconference,” and multiple roadshow visits and investor open days. Senior management actively participated in these events, engaging in candid face-to-face communication with investors, earning widespread market recognition and trust.

In 2023, the Bank actively participated in the online group reception day for listed companies in the Fujian jurisdiction, engaging in extensive communication with minority investors regarding the Bank’s operational status, risk management, and dividend plans. In response to the Shanghai Stock Exchange’s “I am a Shareholder” event, the Bank invited minority investors to visit and investigate the listed company “Industrial Bank.” During the event, investors learned about the Bank’s 35 years of development history and achievements through a visit to the Bank’s history museum. Investor questions were thoroughly addressed.



On February 14, 2023, Mr. Lyu Jiajin, Party Secretary and Chairman of the Bank, participated in the Bank’s series of research visits to characteristic branches in key regions.

Building Communication Bridges and Conveying the Philosophy of Long-term Value Investing

Beyond regular communication events, the Bank, for the first time, led investors on visits to branches. This thematic exchange approach provided insights into how the headquarters’ strategies are implemented at the branch level. Events were held in Shanghai and Hangzhou as part of the “Key Regions + Characteristic Branches” series of research visits. Shanghai Branch showcased Industrial Bank’s achievements in serving the new economy, effectively enhancing the understanding of domestic and foreign institutions regarding the Bank’s approach of prioritizing research, leveraging expertise, and achieving efficient headquarters-branch collaboration in customer service, as well as new changes brought about by deepening strategic implications and promoting system and mechanism reforms. Hangzhou Branch and Nanjing Branch demonstrated their accomplishments in implementing the headquarters’ strategy of “consolidating core business while expanding into new growth tracks” while utilizing the “Commercial Bank + Investment Bank” strategy to achieve positive results in green finance, sci-tech finance, park finance, and supporting local government transformation and development. These visits deepened investors’ understanding of Industrial Bank’s integration into regional economic development, its utilization of specialized advantages, and its service to new economic customer groups.

Expanding Capital Market Information Feedback Channels and Enhancing Two-Way Communication Efficiency

Through regular and ad hoc reports, including “Investor Relations Weekly Report,” “Monthly Capital Market Information Report for Directors and Supervisors,” “Significant Information Report,” “Capital Market Q&A Handbook,” “Share Price Performance Analysis,” and “Shareholder Change Analysis,” the Bank has established a more effective two-way information interaction mechanism between the capital market and the listed company. During the reporting period, the Bank continued to leverage various channels such as telephone, email, SSE e-interaction platform, brokerage strategy meetings, and research receptions to strengthen investor communication, address questions, and clarify doubts. By actively participating in and hosting domestic and foreign brokerage conferences, the Bank effectively enhanced foreign investors’ understanding of China’s economic development prospects, bank risk mitigation measures, and bank transformation and development achievements. The Bank continuously optimizes, updates, and improves the Investor Relations section of its official website, ensuring the accuracy and timeliness of the information and data provided.



Received the “**Investor Relations Tianma Award**” (14th Tianma Award hosted by Securities Times)



Received the “**Best Investor Relations Team**” award (4th Elite Secretary to the Board hosted by CaiLianShe)



Received the “**Best Practice of Listed Companies**’ 2022 Annual Report Performance Briefing” (2022 Annual Report Performance Briefing Best and Excellent Practices event hosted by the China Association for Public Companies)

Strengthening Risk Management and Adhering to Stable Development

Risk Management Organizational Structure

The Bank continuously strengthens its risk management organizational structure, with the Board of Directors assuming ultimate responsibility for comprehensive risk management. This includes establishing risk culture, formulating risk management strategies, setting risk appetite and ensuring the establishment of risk limits, approving major risk management policies and procedures, and reviewing comprehensive risk management reports. The Risk Management and Consumer Protection Committee under the Board of Directors, in accordance with the Bank's Articles of Association, focuses on reviewing and inspecting senior management's responsibilities, authorities, and reporting related to risk management, and regularly reports to the Board. The Board of Supervisors is primarily responsible for supervising and inspecting the performance of duties of the Board of Directors and senior management in risk management and urging rectification of any issues identified. Senior management is responsible for implementing comprehensive risk management, executing the resolutions of the Board of Directors, clarifying the division of responsibilities for comprehensive risk management among functional departments, business departments, and other departments, establishing clear implementation and accountability mechanisms, ensuring the effective communication and implementation of risk management strategies, risk appetite, and risk limits, as well as establishing a robust management information system and data quality control mechanism.



Risk Management System Development

Industrial Bank has formulated a development strategy that emphasizes both business operations and risk management. We have established a pre-event, in-process, and post-event risk control system centered around risk asset management. This system includes robust risk management regulations and operating procedures for all businesses, as well as a comprehensive risk accountability and penalty mechanism. Our comprehensive risk management system encompasses credit risk, market risk, liquidity risk, operational risk, country risk, bank book interest rate risk, reputation risk, strategic risk, information technology risk, money laundering risk, and climate risk, among others. We ensure clear, concise, and effective management of all these risks. In Industrial Bank's daily risk management operations, we have built a comprehensive, three-dimensional, and dynamic risk prevention and control system. Business departments (institutions) are the first line of defense, bearing direct responsibility for risk management. The second line of defense is the Risk Management Department, responsible for developing policies and procedures and monitoring and managing risks. The Internal Audit Department constitutes the third line of defense, responsible for auditing the performance of both the Business Departments and the Risk Management Department. These three lines of defense, each with its defined roles, work together to achieve risk management objectives.

Based on our own conditions and the external environment, we have developed a clear risk management strategy and set risk appetites annually, clearly defining the requirements for setting, transmitting, executing, monitoring, reporting, evaluating, and adjusting risk appetite. Adjustments are made to risk appetite based on changes in business scale, complexity, and risk profile. In 2023, the Group's subsidiaries made substantial progress in risk management, market risk exposure control and limit management, country risk management, off-balance-sheet business risk management, risk management assessment, and risk reserve management, resulting in a more refined and effective risk management system.

Strengthening Group Risk Management

Conduct risk profile screening and limit management for subsidiaries to guide them in optimizing their business structures and improving risk control mechanisms.

Strengthening Market Risk Exposure Control and Limit Management

Continue to promote the establishment of a sound market risk management mechanism, such as optimizing and refining market risk appetite, and improving the market risk early warning and emergency management mechanism.

Strengthening Country Risk Management

Adopt a "selective support" approach to reduce the Group's country risk exposure and solidify country risk limit management. Strengthen risk monitoring and early warning.

Conduct country risk stress tests and promote the development of system management functions related to country risk.

Establish a country risk working group to enhance emergency response capabilities and revise the Bank's country risk management measures in accordance with regulatory requirements.



Risk Management Culture Development

We have implemented a risk "whistleblower" system, requiring all institutions and risk-related staff to report any tricky, sensitive, or difficult-to-intervene risk issues and hidden dangers found in risk management work to the headquarters in a timely manner. We reward institutions and individuals for timely reporting with bonus points in the year-end performance appraisal and grant compliance awards. For failures to report in a timely manner that result in adverse consequences, we will deduct points from the performance appraisal, issue verbal warnings, record violations, and take accountability measures as appropriate.

By the end of the reporting period, our online risk control learning platform "Xing Feng Xiang" had developed over 160 video micro-courses, with over 2.19 million participants. It integrates different lines of work, connects the front, middle, and back offices, and effectively encourages staff to combine learning content with their actual work, improving the risk prevention and control capabilities of all staff. The program has yielded tangible results, with a total of 429 application and promotion reports generated, 308 innovative and efficient results implemented, and 82 key risk and difficult topics selected for transformation and implementation across the Bank, promoting efficient business development. "Xing Feng Xiang" was awarded the "Worker Pioneer" honorary title by the Provincial Federation of Trade Unions in 2023 for its efforts in promoting intelligent risk control and digital transformation within the Bank. It also received the title of "2023 Best Practice Project in Talent Echelon Development" from Shanghai Jiao Tong University Education Group and the 2023 China Enterprise Benchmark Learning Platform Organizing Committee.

Emerging Risk Identification and Response

Emerging Risk	Risk Description	Impact	Action Plan
 <p>Climate Change Risk</p>	<p>Climate change has become a source of financial risk. In terms of physical risk, extreme weather events and natural disasters may disrupt or damage the Bank's or customers' business operations or equipment. In terms of transition risk, the Bank's asset portfolio may face uncertainties due to policy changes, technological innovations, and energy structure adjustments during the economic and social transition to a low-carbon economy.</p>	<p>Climate-related risks may transform into financial risks through multiple channels, potentially having a substantial impact on the Bank's financial or strategic aspects, including impairment of the useful life of fixed assets and intangible assets, increased loan portfolio default risk, impairment of financing target assets and lease receivables, and impact on the projected cash flow of loan projects.</p>	<p>See pages 75-78 of this report for details.</p>
 <p>Data Security Risk</p>	<p>With the continuous development of financial technology and the ongoing upgrades in digital transformation, the Banks' customer and related transaction information is more vulnerable to risks, such as: over-collection or improper handling of sensitive data and personal information, theft or tampering by hackers.</p>	<p>If a major data security incident occurs, especially in violation of the Data Security Law, the Personal Information Protection Law, and the requirements of financial regulators, it will lead to a series of serious consequences such as regulatory accountability, reputational risk, customer churn, economic losses, and stagnation of business innovation.</p>	<p>See pages 41-53 of this report for details.</p>
 <p>Cyber Fraud Risk</p>	<p>As the trend of networking and contextualization of banking products and services intensifies, criminals may use methods such as Trojans, phishing links, and telecommunications fraud to defraud banks and customers for illicit gains, resulting in financial losses for both customers and banks.</p>	<p>Fraud risks encountered by bank customers may be transferred to banks, ultimately manifesting as financial and reputational losses for banks themselves. Large-scale fraud incidents can not only cause significant economic losses to banks but also have serious societal impacts.</p>	<p>See pages 125-126 of this report for details.</p>

Strengthening the Foundation for Compliance and Promoting Sustainable Development

At Industrial Bank, we adhere to the principle of “prioritizing compliance while pursuing business growth” and take the implementation of “Rule-of-Law CIB” as the main line, continuously improving the long-term mechanism for risk and compliance/internal control management. Both the Bank and its subsidiaries strictly comply with national laws and regulations, as well as the compliance requirements of regulatory authorities. We focus on management in key business areas to provide a solid guarantee for high-quality business development.



Governance Construction Related to Compliance and Internal Control

The Board of Directors is responsible for reviewing and approving the Bank's compliance policies, supervising their implementation, and regularly researching and evaluating the soundness, rationality, and effectiveness of internal controls. The senior management supervises the internal control of compliance risks, implements anti-money laundering and counter-terrorism financing requirements, and urges the timely rectification of problems in business decisions, risk management, and internal control.



Compliance System Development

We have issued and implemented the Employee Compliance Manual of Industrial Bank, Management Measures for Employee Abnormal Transaction Behavior of Industrial Bank, Thirteen Prohibitions for Employee Conduct of Industrial Bank, Management Measures for Case Prevention Work of Industrial Bank, Management Measures for Outsourced Personnel Risk of Industrial Bank, Specification Guidelines for Employee Full Lifecycle Management Work of Industrial Bank, and other system documents to further improve the compliance and internal control management system.



Compliance Culture Development

In 2023, in conjunction with the five-year plan for “Rule-of-Law CIB,” we launched the “Year of Rule-of-Law Capacity Enhancement” activity across the Group. We continue to promote a culture of “rigorous governance and compliant operations,” adhere to building an enterprise-level compliance risk control system, integrate rule-of-law construction into the overall digital transformation and development, proactively explore practical paths for integrating legal implementation with digital transformation and development in the digital age, and enhance the Group's ability to deepen reforms, promote development, resolve conflicts, and respond to risks using legal thinking and methods.



In 2023, we included the cultivation of a rule-of-law culture as one of the key tasks of the Group's “Year of Rule-of-Law Capacity Enhancement” activity. We emphasize that compliance is the shared responsibility of all employees. Through legal and compliance training for all staff, we continuously strengthen the compliance performance of business units and enhance the compliance and internal control management capabilities of grassroots leaders. We continue to carry out compliance promotion and warning education activities at all levels to build a compliance concept of “Together We Comply, Together We Thrive” and enhance the awareness of “Know the Law, Live the Law, Grow with the Law” among all employees.

In 2023, we published a total of **36** special topics on compliance and internal control management and Rule-of-Law CIB news on the WeChat official account at the headquarters level. We launched the “Compliance Lecture Hall” at the headquarters, as well as “Compliance and Internal Control” and “Legal Affairs” professional entry-level learning maps on the “CIB Knowledge” mobile learning platform, with **88,000** participants. We promoted branches and subsidiaries to hold over **390** “Compliance Talks by the Top Leader,” over **1,200** “Taking Compliance to the Frontline,” and over **1,300** compliance training sessions, and issued over **260** compliance risk alerts.

Letters and Visits, Reporting, and Handling

In June 2022, we revised the Management Measures for Letters and Visits Work of Industrial Bank. These measures clearly specify the procedures and time limits for handling three types of letters and visits - suggestions, accusations, and appeals. They stipulate timely responses and replies to visitors' demands and provide designated locations, phone numbers, and email addresses for receiving letters and visits. Strict confidentiality of visitor information is enforced, prohibiting disclosure to the accused individuals or units. We also implement a recusal system for individuals with direct interests in the reported matters or the visitors, and publish the Policy Disclosure on Whistleblower Protection on our official website.

Anti-Money Laundering Management

In 2023, we conscientiously implemented the decisions and deployments of the Party Central Committee and the State Council. In accordance with the requirements of anti-money laundering laws and regulations, we proactively responded to changes in the internal and external anti-money laundering landscape and comprehensively deepened the reform of the anti-money laundering system and mechanism. We established the Anti-Money Laundering Center and decided to transfer the monitoring and analysis of suspicious transactions from branches to the headquarters for "centralized and professional handling," striving to promote a centralized model for suspicious transaction monitoring at the headquarters level. We further promoted the digital transformation of anti-money laundering work, pushed for the online processing of customer due diligence, high-risk customer control, and other processes, and explored the application of new technologies such as artificial intelligence, knowledge graphs, and large language models in areas like fund monitoring. We also built and put into operation a digital anti-money laundering inspection platform.

Deepening digital transformation of anti-money laundering	Formulated a "Five Ones" plan for the construction of a digital anti-money laundering system, promoting the systematic upgrading of data, indicators, models, graphs, and management applications.
Continuously optimizing the functionality of the anti-money laundering system	Optimized 975 system optimization requirements and 11 money laundering risk monitoring models, involving 64 early warning monitoring rules and 8 multi-subject case networking standards.
Optimizing the anti-money laundering data quality management system	Built a "Beacon Tower" early warning mechanism for data quality to improve the effectiveness and timeliness of source governance. We organized data quality inspections and source governance for anti-money laundering, resulting in a 66.84% year-on-year decrease in the monthly supplementary recording volume by the end of 2023 compared to the beginning of the year.
Strengthening the review of business systems and the assessment of money laundering risks in new products and businesses.	Embedded anti-money laundering internal control and compliance requirements in 57 business systems and conducted money laundering risk assessments for 6 new products and businesses.
Use of self-assessment results	Applied self-assessment results comprehensively, reviewed money laundering risk vulnerabilities and weak links in control and promoted management improvement through problem rectification. The completion rate of rectification reached over 80% in 2023.

 We organized **1,014** anti-money laundering publicity events in 2023,  reaching an audience of **8,719,997** person-times.

 We conducted **1,292** anti-money laundering training sessions with **170,438** participants. 

Anti-Corruption and Anti-Bribery Management

At Industrial Bank, we earnestly implement the major decisions and deployments of the Party Central Committee regarding Party conduct and clean governance, and anti-corruption efforts. We consistently strengthen political supervision, rectify improper work styles, and combat corruption with a strict tone, measures, and atmosphere, promoting the integrated advancement of not daring to be corrupt, not being able to be corrupt, and not wanting to be corrupt, thereby providing a strong guarantee for the Bank's high-quality development.

Adhering to principles, grasping policies, and focusing on results, we comprehensively utilize the "four forms," strictly investigate and handle violations of discipline and law in accordance with regulations, disciplines, and laws, and strengthen the high-pressure stance against corruption.


We improve the accountability list for comprehensive and strict Party governance, establish the "knowing, supervising, and urging" working mechanism and the important situation consultation mechanism, strengthen the application of consultation results, consolidate and develop a sound political ecology, move the focus forward, and amplify the effectiveness of supervision.

We strengthen discipline education for young cadres, reserve cadres, newly promoted cadres, and those in important positions. We organize a variety of enriching and engaging clean culture publicity activities, continuously promote the "Clean CIB" culture construction, and guide employees to solidify the ideological foundation of "not wanting to be corrupt."

We strengthen the use of big data and technological means to continuously improve the quality and effectiveness of supervision.

We continuously carry out system reviews, formulate a list of corruption risk prevention and control measures in key areas, issue "Double Ten Measures" for corruption risk prevention and control in procurement, and comprehensively promote special governance of corruption risks in the procurement field.

We strengthen the supervision of the "key few" and further regulate the operation and constraints of key powers.



Zero-tolerance Policy

At Industrial Bank, we have a zero-tolerance policy towards any form of corruption and bribery. We have published our Anti-Corruption Policy on the Bank's official website. The Employee Compliance Manual of Industrial Bank, Thirteen Prohibitions for Employee Conduct of Industrial Bank, and the list of major negative behaviors in important positions clearly state that employees are prohibited from soliciting or accepting bribes, accepting rebates, commissions, or other forms of illegal income, as well as engaging in bribery, profit transfer, or insider trading.

In 2023

we conducted a total of **528** training sessions on anti-corruption and anti-bribery policies, covering **204,000** person-times, achieving a **100%** coverage rate.



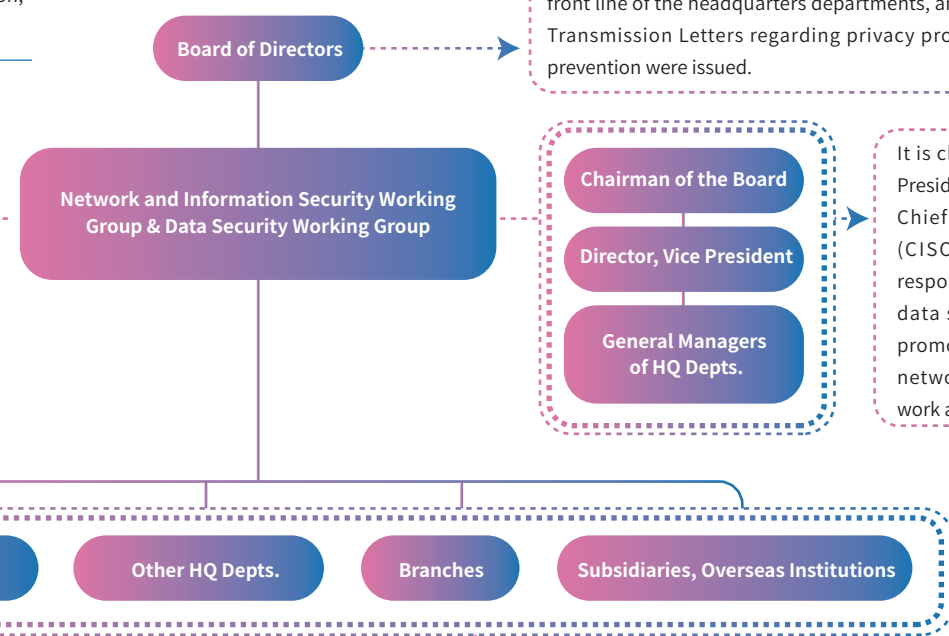
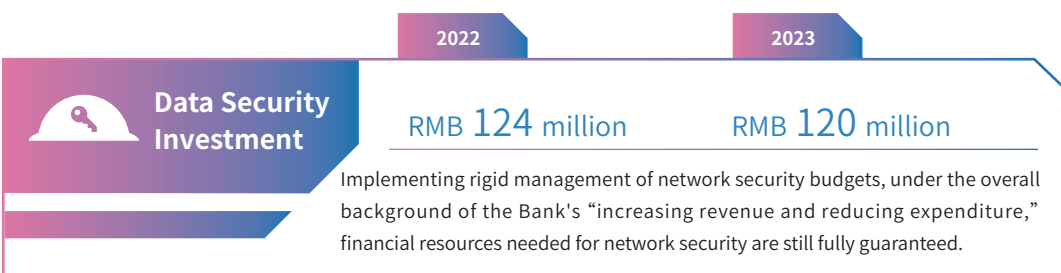
Preventing Technology Risks and Ensuring Information Security

At Industrial Bank, we have established the information security work philosophy of “global, comprehensive, and all-staff,” and adhere to the information security work guidelines of “compliance, professionalism, and collaboration,” building a top-down information security governance system.

- Responsible for reviewing and approving the Bank’s network and data security strategy, plan, and major decisions, organizing the handling of major network security and data security incidents.
- The working group holds a meeting each year to review and deploy the Bank’s network and data security work.

Currently, there are a total of **139** full-time information security personnel in the Bank, of whom **35** hold internationally recognized professional qualifications in network security and information security, such as CISSP/CISA/CCSP.

There are 5 specialized functional departments, i.e., the management of security, security technology, security operations, cyber attack and defense, and data security, responsible for the specific promotion and implementation of information security work.



The Bank has appointed **2** doctors with a background in technology management as directors. The Board of Directors effectively coordinates and supervises information security work, holding a special meeting each year to review the Bank’s personal information protection report. In 2023, a special investigation on data management and data security was conducted at the front line of the headquarters departments, and **3** Board of Directors Opinion Transmission Letters regarding privacy protection and data security risk prevention were issued.

It is clear that the Director and Vice President fulfills the responsibilities of Chief Information Security Officer (CISO), overseeing departments responsible for network security and data security, and responsible for promoting the implementation of all network security and data security work across the Bank.

- The implementation of information security work is included in the comprehensive performance evaluation system of all units in the Bank; for units that experience serious information security incidents, deferred payment and recovery of compensation will be implemented for their senior managers.
- Similar to the headquarters, all subsidiaries and branches establish network security and data security coordinating bodies led by the main person in charge of the unit to coordinate and promote network and information security work within the unit. All subsidiaries and overseas institutions formulate their overall information security strategy, management system, and technical standards according to local laws and regulations and regulatory requirements, combined with their own business realities, and independently fulfill information security responsibilities.
- Each subsidiary, branch, and department of the headquarters has a Business Security Owner position, held by middle-level management personnel, who are responsible for daily communication with the network security and data security functional departments of the headquarters, organizing the implementation of key network and information security work and tasks deployed by the headquarters.

To ensure that network and information security work effectively supports the high-quality development of the Bank's business, we revised and obtained the Chairman's approval for the Network and Information Security Policy of Industrial Bank in 2022. This policy standardizes the principles for network and information security work in all institutions across the Bank, effectively enhancing the Bank's overall network and information security awareness and prevention capabilities. We have established a comprehensive information security system covering physical security, network boundary control, network zoning and isolation, terminal access, malicious code prevention,

information system security development, API security, external data collaboration, privacy protection, penetration testing, vulnerability management, information technology outsourcing management, information technology supply chain security, information security incident response, and employee code of conduct. We have over 60 information security systems and standard specifications, and have established and continuously implemented security measures at the management, technical, and operational levels to effectively ensure the stable operation of the Bank's networks and information systems, and to protect customer information security.

Security Measures	Implementation Status
<p>Information System Intrinsic Security</p>	<ul style="list-style-type: none"> ● We insist on the principle of “simultaneous planning, simultaneous construction, and simultaneous use” for information security measures during the construction process of information systems. We have established 25 security development systems and standard specifications covering the full lifecycle of information system requirements, design, coding, testing, launch, and maintenance. ● We equip each information system construction and modification with a dedicated security architect to guide and review the implementation of security standards and specifications. We have built security development support platforms, including a code security testing platform, a vulnerability patch management system, Interactive Application Security Testing (IAST) tools, and a secure development management platform, to prevent or reduce the occurrence of vulnerabilities in information systems at the source. ● We conduct annual network security awareness and secure development skills training specifically for information system development personnel. In 2023, we held “Bank-wide Secure Development Special Training” and “Security Architect Professional Skills Training,” covering a total of 8,884 person-times
<p>Sensitive Data Protection</p>	<ul style="list-style-type: none"> ● We have deployed and operated mobile storage device control and real-time monitoring and blocking capabilities for sensitive data in outbound emails across the Bank. ● We have deepened the application of cryptographic algorithm technology in the field of information systems to enhance the confidentiality and integrity protection of important data in information systems during transmission and storage.
<p>Cyberattack Defense in Depth System</p>	<ul style="list-style-type: none"> ● We have built a technical protection and operation system covering the entire Bank, encompassing web application protection, web page anti-tampering, malicious code protection, host security protection, attack traceability, anti-virus, container cloud security protection, and other areas. This system is capable of pre-event prevention, in-process detection and protection, and post-event analysis and traceability.
<p>24/7 Threat Monitoring and Handling</p>	<ul style="list-style-type: none"> ● We have built and operated a security situation awareness platform, conducting uninterrupted network attack monitoring and handling throughout the year. In 2023, we detected over 31.58 million high-risk network attack attempts, with a high-risk real-time blocking rate of 99.9%.

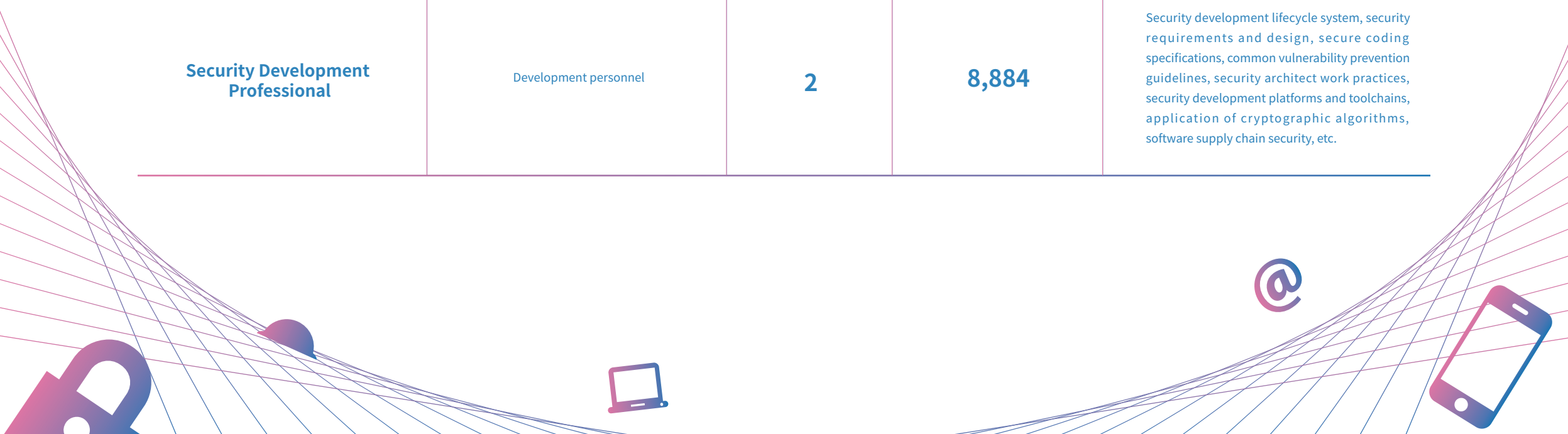
Security Measures	Implementation Status
<p>Penetration Testing</p>	<ul style="list-style-type: none"> ● We organize leading domestic enterprises in the field of network attack and defense to conduct multiple rounds of network security penetration and vulnerability detection from both the internet and intranet to fully uncover deep-level security vulnerabilities in the Bank's network and information systems. ● Through clear systems and strict process control, we ensure that every information system must undergo penetration testing and retesting, and all issues must be rectified before the system can go live. We conduct regular re-inspection penetration tests for existing information systems every year.
<p>Internal Red Team vs. Blue Team Exercise</p>	<ul style="list-style-type: none"> ● We have independently cultivated an internal network security blue team and continue to test and improve the effectiveness of our security system through independent vulnerability mining and internal red team vs. blue team exercises.
<p>Social Engineering Exercises</p>	<ul style="list-style-type: none"> ● We organize annual phishing email tests covering employees of all units across the Bank. The exercise content includes viewing email content, clicking links or scanning QR codes, and uploading personal information, to practically train employees' ability to identify harmful emails and verify the effectiveness of related emergency response processes. ● In 2023, the headquarters organized special inspections and tests on social engineering attacks and near-source attacks for 30 branches and subsidiaries. Inspection personnel used methods such as detouring, tailgating, and impersonating identities to practically test whether employees could timely inquire about, stop, and report suspicious strangers appearing in internal office areas. ● For employees found to have weak security awareness in phishing email tests and special social engineering inspections, in addition to targeted security awareness training, we strictly hold them accountable according to the Bank's accountability management system. The accountability results are directly linked to the employee's monthly/annual performance and subsequent promotion opportunities.
<p>Internal and External Audits</p>	<ul style="list-style-type: none"> ● We have fully introduced and implemented the ISO 27001 information security management system. We invite external third-party institutions to conduct verification and review of the Bank's ISO 27001 security management system certification every year. ● We invite external independent evaluation agencies to conduct network and information security risk assessments for the Bank's key information systems every year. ● Independent audit institutions conduct IT internal control audits, including information security control measures, every year. ● The internal audit department independently conducts thematic audits on information technology risks and network security every year. In 2023, the Bank's Audit Department conducted a total of 5 audits related to the information security management system, including a special audit on information technology risk management of some subsidiaries within the Group, a special audit on information technology outsourcing risk management, a special audit on online banking technology risks, and a comprehensive business audit of the Hong Kong Branch.

Conducting Cyber and Information Security Training

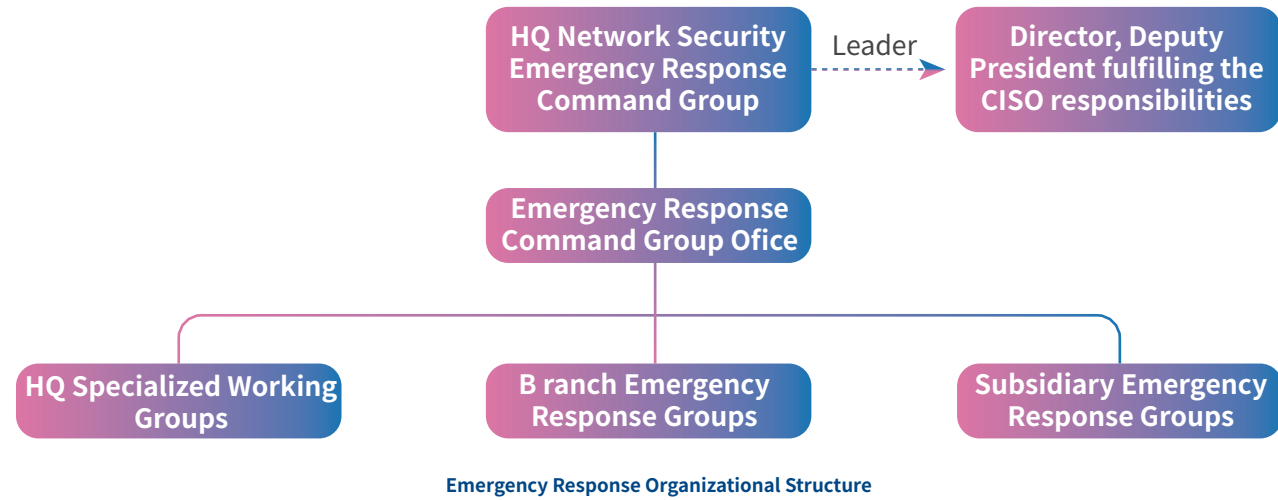
At Industrial Bank, we have created a long-term mechanism for “CIB Security” information security promotion and training to continuously enhance the information security awareness and capabilities of all employees. In 2023, we continued to promote the “CIB Security” themed activities and continuously

disseminated information security knowledge and compliance requirements to employees through computer screensavers, internal chat software, and learning platforms to cultivate an information security culture system where “Everyone Accountable, Everyone Empowered.”

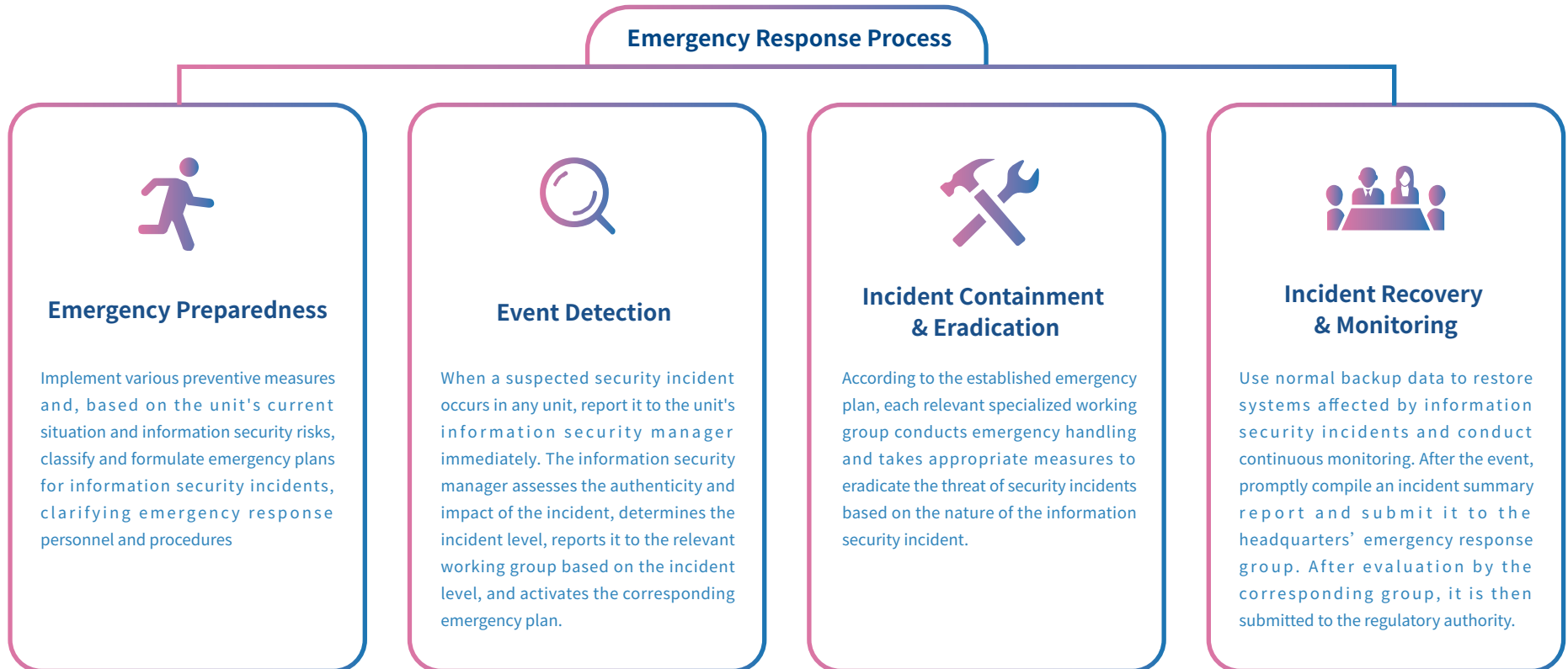
Training Type	Training Audience	Number of Training Sessions	Number of Participants	Training Content
Information Security General Training	All internal employees and dispatched personnel	274	209,981	Interpretation of network security laws and regulations, personal information protection, social engineering attack prevention, account and password security, phishing email identification and prevention, data security, security compliance requirements, etc.
	New employees		799	
Security Professional Skills Training	Security personnel	45	1,120	Offensive and defensive skills, interpretation of network security laws and regulations, use of network security equipment, security monitoring and analysis technology, etc.
Security Development Professional	Development personnel	2	8,884	Security development lifecycle system, security requirements and design, secure coding specifications, common vulnerability prevention guidelines, security architect work practices, security development platforms and toolchains, application of cryptographic algorithms, software supply chain security, etc.



Cybersecurity Incident Response Mechanism



To ensure the effective handling of information security incidents, Industrial Bank has formulated and issued the Industrial Bank Information Security Incident Emergency Response Regulations to standardize the procedures for handling information security incidents:



Emergency Preparedness

Implement various preventive measures and, based on the unit's current situation and information security risks, classify and formulate emergency plans for information security incidents, clarifying emergency response personnel and procedures

Event Detection

When a suspected security incident occurs in any unit, report it to the unit's information security manager immediately. The information security manager assesses the authenticity and impact of the incident, determines the incident level, reports it to the relevant working group based on the incident level, and activates the corresponding emergency plan.

Incident Containment & Eradication

According to the established emergency plan, each relevant specialized working group conducts emergency handling and takes appropriate measures to eradicate the threat of security incidents based on the nature of the information security incident.

Incident Recovery & Monitoring

Use normal backup data to restore systems affected by information security incidents and conduct continuous monitoring. After the event, promptly compile an incident summary report and submit it to the headquarters' emergency response group. After evaluation by the corresponding group, it is then submitted to the regulatory authority.

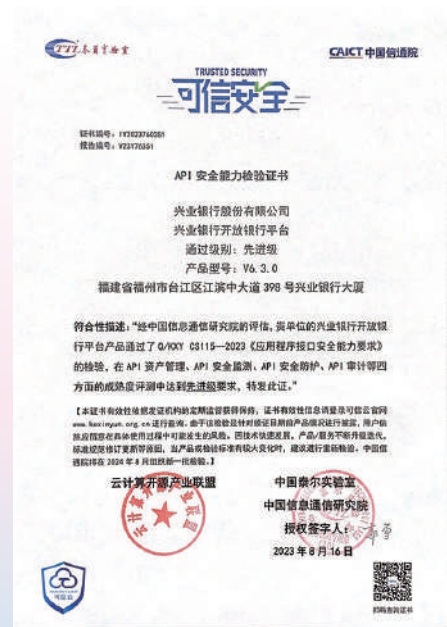
To ensure the stable operation of the Bank's information systems, the Bank has formulated and issued eight relevant management systems, including the Industrial Bank Information Security Incident Emergency Response Regulations and the Personal Customer Data Leakage Incident Emergency Response Plan, and conducts emergency drills on a regular basis. To strengthen the emergency response mechanisms for major cybersecurity incidents at all levels of institutions, the Bank has established a cybersecurity emergency response team led by the person directly responsible for cybersecurity and corresponding specialized working groups, with the collaboration of various departments and branches/sub-branches. This team has developed a "peacetime-wartime integration" cybersecurity protection plan, aiming to comprehensively perceive cybersecurity posture and continuously carry out various security operations.

Based on clearly defined information security incident response processes, the Bank has formulated emergency response plans covering various security incidents, including denial of service, data leakage, network attacks, and internet phishing applications. The Bank also conducts drills regularly and collaborates with external professional institutions to establish monitoring and early warning mechanisms for cybersecurity threats and data leakage incidents. In 2023, the Bank organized two emergency drills across the Bank, namely internet phishing incident emergency drill and personal customer information leakage emergency drill, and incorporated the drill results of each unit into the information security assessment of all levels of institutions.

Drill Content	Completion Time	Drill Results
 <p>Internet Phishing Incident Emergency Drill (simulating emergency response to internet identity theft)</p>	November 13, 2023	
 <p>Personal Customer Information Leakage Emergency Drill (simulating emergency response in the scenario of internal customer information leakage)</p>	November 23, 2023	
 <p>Core Business System Disaster Recovery Switchover Drill (simulating emergency measures for switching core business systems to a remote data center in the event of a major disaster)</p>	September 10, 2023	
 <p>Disaster Recovery Drills for Network and Application Systems at All Levels of Branches/Sub-branches (519 drills conducted cumulatively)</p>	/	 <p>All 519 drills met expectations</p>

Information Security External Certification

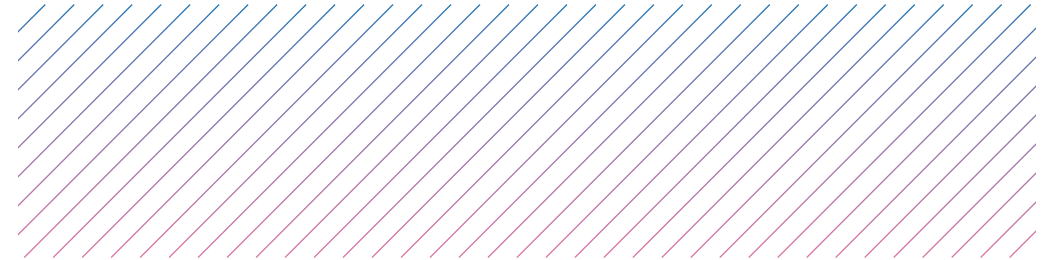
External Certification Type	Coverage	Remarks
International ISO 27001 Information Security Management Standard and Management System CNAS/CNAS Dual Certification	Over 90% of the headquarters' information systems	The Bank's data center and credit card center operate over 90% of the headquarters' information systems, which have obtained ISO 27001 information security management system certification. Industrial Consumer Finance Co., Ltd. and Industrial Bank Digital Financial Services Co., Ltd., two subsidiaries, have also obtained this certification.
Financial Technology Product Certification	All mobile internet APPs	The certification evaluation covers the general security protection capabilities of mobile internet APPs, such as identity authentication security, data security, and software permission control, as well as the compliance of the entire lifecycle of personal information, including collection, transmission, storage, and use.
Advanced Level Certification for API Security Management and API Security Capability Maturity from the China Academy of Information and Communications Technology	Open banking platform	The first bank in China to obtain the advanced level (highest level) certification for this type of assessment.



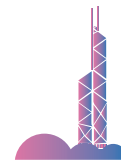
Personal Information Security and Privacy Protection

Industrial Bank strictly abides by the Personal Information Protection Law of the People's Republic of China, fully respects the rights of individuals, formulates and implements security requirements covering the entire lifecycle of personal information, and strictly adheres to the principles of purpose limitation, openness and transparency, informed consent, minimization, secure processing, and subject participation in personal information protection.

Industrial Bank attaches great importance to protecting customer privacy, resolutely implements relevant laws, regulations, and regulatory requirements such as the Personal Information Protection Law of the People's Republic of China, and in accordance with relevant national laws, regulations, and regulatory standards, has formulated relevant management systems such as the Management Measures for Personal Information Protection of Industrial Bank and the Management Measures for Data Security of Industrial Bank, published the Privacy Policy Key Points of Industrial Bank Co., Ltd. on its official website and updates it on an annual basis, integrated customer privacy protection requirements throughout the entire lifecycle of personal information processing, and taken effective measures to fully protect the rights of Industrial Bank customers.



Each subsidiary and overseas institution of the Bank has formulated institutional privacy policies, internal management systems, and process mechanisms, strictly collects, processes, and uses personal information in accordance with legal and regulatory requirements and agreements between institutions and individuals, strictly restricts internal employees' access to personal information as actually needed, and strictly prevents the abuse of personal information.



As the Bank's only overseas institution currently providing external services, the Hong Kong branch has formulated the Industrial Bank Hong Kong Branch Privacy Ordinance and Personal Data Protection Management Measures in accordance with the Personal Data (Privacy) Ordinance of Hong Kong, appointed a dedicated Data Protection Officer to be responsible for handling matters related to obtaining and correcting personal data or any matters related to personal data.



In 2023, the Bank did not experience any incidents of being punished by regulators due to customer information leakage or failure to fulfill relevant work requirements for personal information protection.



Industrial Bank's Privacy and Data Protection Commitment



We are committed to promptly notifying data subjects of policy changes or data breaches.



We are committed to implementing leading data protection standards.



We are committed to obtaining user data in a lawful and transparent manner and obtaining the explicit consent of data subjects when necessary.



We are committed to collecting and processing user data only for the stated purpose.



We are committed to requiring third parties with whom we share data to comply with our policies.

Measures	Actual Implementation
<p>Privacy Policy</p>	<ul style="list-style-type: none"> The Bank has formulated and issued the Privacy Policy Key Points of Industrial Bank Co., Ltd., which clearly states that the products and services of all business lines of the Bank and its subsidiaries strictly adhere to the principles of purpose limitation, openness and transparency, informed consent, minimization, secure processing, and subject participation in personal information processing. A personal information protection officer email address (pii_protection@cib.com.cn) has been established to publicly collect and receive suggestions, opinions, complaints, and violation reports from the entire society regarding the Bank's privacy protection work. As the Bank's only overseas institution currently providing external services, the Hong Kong branch has formulated the Industrial Bank Hong Kong Branch Privacy Ordinance and Personal Data Protection Management Measures in accordance with the Personal Data (Privacy) Ordinance of Hong Kong, appointed a dedicated Data Protection Officer, formulated and publicly displayed its Privacy Policy Statement on the branch's website, detailing the types of personal data held, the main purpose of using personal data, and its privacy policies and practices. Details can be found on the branch's website: http://www.cibhk.com/hk/home.html.
<p>Management Structure</p>	<ul style="list-style-type: none"> The Bank's Board of Directors is responsible for supervising the Bank's privacy protection work, annually reviewing the Bank's personal information protection work report, and providing opinions on privacy protection work¹. The Network and Information Security Working Group and the Data Security Working Group are responsible for the overall deployment of specific privacy protection work. The implementation of personal information protection work and the occurrence of any incidents that violate privacy are included in the network and information security assessment and evaluation of all units of the Bank, as well as the consumer rights protection work evaluation, directly affecting the comprehensive performance evaluation scores of each unit.
<p>Commissioning external consultants to provide consulting services</p>	<ul style="list-style-type: none"> EY Global Limited has been commissioned to provide professional consulting services on privacy protection.
<p>Employee Management</p>	<ul style="list-style-type: none"> “Strictly prohibit stealing, unauthorized disclosure, buying and selling customer information” is included in the Thirteen Prohibitions for Employee Conduct of Industrial Bank, which all employees study and sign upon joining the Bank. At the same time, all dispatched personnel and external partners who may come into contact with customer information, as well as their staff, are required to sign confidentiality agreements as soon as possible. Training: Compiled and printed the Typical Cases of Infringement of Personal Information Rights, providing in-depth and simple explanations of 13 external incidents of infringement of personal information rights from four dimensions: violation facts, violation consequences, warning significance, and relevant legal requirements. A total of 65,000 copies have been distributed to all employees and dispatched personnel within the jurisdiction, achieving 100% coverage. Targeted thematic training on personal information protection has been conducted for employees in key positions such as retail lines. To implement the personal information protection policy, the Bank has included risky behaviors such as employees' violation of customer personal information processing in the Bank's violation accountability and comprehensive assessment deduction items, and strictly punishes violations.
<p>Personal Information Protection Impact Assessment</p>	<ul style="list-style-type: none"> The Bank adheres to the concept of Privacy by Design and has established a Privacy Impact Assessment mechanism². All activities involving customer personal information processing, such as business product design/changes, information system construction/changes, data entrusted processing, data cross-border transfer, data external provision, and automated decision-making, must undergo a pre-implementation personal information protection impact assessment and obtain expert review and approval from the responsible person of the unit before they can be implemented.

1 In 2023, the Board of Directors proposed to make full use of technical means to focus on strengthening the protection of personal privacy of the Bank's customers, to further strengthen data security management and prevent major security risks such as data leakage, and to pay close attention to technological risks and effectively guarantee the security of information systems and other relevant guiding opinions.

2 The assessment content mainly includes: the satisfaction of customer's right to informed consent, data retention period and response mechanism for customer data deletion rights, information security capability assessment of relevant external third parties, data usage, transmission and data cross-border transfer (if any) security compliance, etc.

Industrial Bank's customers have the following personal information subject rights:

Customer Rights	Protection Measures
<p>Right to be Informed and Right to Choose</p>	<ul style="list-style-type: none"> ● Before customers access mobile apps or use or handle businesses involving the collection and processing of personal information, the Bank informs customers and obtains their explicit consent through privacy policies or signed authorization letters. ● The formulation of the Bank's privacy policies and authorization letters uses uniform templates across the Bank and undergoes strict review and approval processes before official release to ensure the compliance and completeness of the content. ● In special scenarios involving the processing of personal sensitive information, entrusting external third parties for processing, and cross-border data transmission, the Bank separately informs customers in the authorization letter and obtains their separate consent.
<p>Right to Access, Copy, Correct, and Update</p>	<ul style="list-style-type: none"> ● After identity verification, customers can access copies of their personal information registered with the Bank through online channels such as the Bank's official website www.cib.com.cn and mobile banking, as well as personal information necessary for business operations such as transaction records. ● The Bank has also established standardized response procedures and mechanisms at the counter to meet customer needs in this regard. ● When customers discover that their personal information is inaccurate or incomplete, they can request the Bank to modify it at the counter or correct and update it themselves through online channels.
<p>Right to Erasure</p>	<ul style="list-style-type: none"> ● Customers can cancel their previously registered online banking customer accounts through mobile banking "Me" channel - "Settings" - click on "Avatar" - "Cancel Customer Account" or through personal online banking "Service Management" - "Cancel Customer Account" (cancellation will take effect immediately), but the Bank will not simultaneously cancel the customer's bank card or account. Customers can cancel their bank cards or accounts through mobile banking "Me" channel - "My Business" - "My Card Wallet" or through the Bank's branches. ● Customers can request the deletion of their personal information through the Bank's branches, customer service hotline (95561), mobile banking "CIB Customer Service," official website "Online Customer Service" and other channels. The Bank will process customer requests within 15 days after verifying their identity. ● The Bank's personal information retention period is the shortest time necessary to achieve the processing purpose. After the retention period expires, the Bank will promptly delete customer personal information or anonymize it in accordance with the provisions of the privacy policy. ● After customers delete some personal information, the Bank will no longer process the deleted personal information. However, the customer's decision to delete personal information will not affect the previous processing of personal information based on their consent.
<p>Right to Withdraw Consent</p>	<ul style="list-style-type: none"> ● All of the Bank's online channels and counters provide the function for customers to withdraw their consent. After customers change the scope of their authorized consent or withdraw their consent, the Bank will no longer process their corresponding personal information. ● The customer's decision to change the scope of their authorized consent or withdraw their consent will not affect the previous processing of personal information based on their consent.
<p>Right to Report and Complain</p>	<ul style="list-style-type: none"> ● The Bank provides channels such as the customer service hotline 95561, the official website www.cib.com.cn "Online Customer Service," Industrial Bank Mobile Banking APP "CIB Customer Service," and the Bank's personal information protection officer email address: PII_Protection@cib.com.cn to receive customer reports and complaints. ● The Bank will respond within 15 days after verifying the customer's identity.

The Bank fully protects the privacy and data security of its customers through internal and external control measures such as strengthening employee access control, reinforcing third-party data exchange management, conducting APP privacy compliance inspections, and establishing a personal information security incident emergency response mechanism.



Strictly Limiting Access to Customer Information

Comprehensive technical measures such as data access permission management, personal information de-identification, and data desensitization are adopted. All queries and use of the Bank's personal information must meet the requirements of justification, approval, and traceability, ensuring that all employees of the Bank can only access the minimum scope of personal information that meets their actual work needs.



Strengthening Third-Party Data Exchange Management

On the premise of obtaining customer consent, the Bank signs strict confidentiality agreements with third parties when providing customer personal information to them, requires them to process personal information in strict accordance with the confidentiality and security measures required by the Bank, and requires them not to use the shared personal information for other purposes. At the same time, a supplier security access mechanism has been established to organize pre-data security due diligence investigations and in-process data security cooperation period evaluations. The Bank will not lease, sell, or provide customer personal information to third parties for purposes other than completing transactions/services, unless otherwise stipulated by laws and regulations.



Mobile APP Privacy Compliance Inspection

The Bank has established a regular mobile APP privacy compliance inspection mechanism. In 2023, **44** privacy compliance inspections covering **100%** of the Bank's APPs and mini-programs were conducted to continuously ensure the legality of privacy policy text, the compliance of obtaining customer authorization consent mechanisms, and the standardization of applying for customer mobile device privacy permissions.



Personal Information Security Incident Emergency Response

In the event of a personal information security incident, the Bank will handle it in accordance with **the Industrial Bank Personal Customer Data Leakage Incident Emergency Response Plan as soon as possible** and, if necessary, notify affected individuals through website announcements, push notifications on instant messaging platforms, telephone notifications, and other means to protect personal rights to the greatest extent possible.

DEVELOPMENT

Innovation-driven Development for the Real Economy

- 48** **Special Report 1:** Organically Integrating the “Five Major Initiatives” and Accelerating the Layout of the “Five New Growth Tracks”
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Organically Integrating the “Five Major Initiatives” and Accelerating the Layout of the “Five New Growth Tracks”

The “Five Major Initiatives” of sci-tech finance, green finance, inclusive finance, pension finance, and digital finance are practical needs for building a strong nation in science and technology, promoting green and low-carbon development, promoting common prosperity, actively responding to population aging, and building a digital China. They are also important starting points for the high-quality development of the Bank. We have always regarded serving the real economy as the starting point and goal of our business, and have always closely integrated financial services with central decision-making deployments, national development strategies, and regional economic structures. This is not only the requirement of the times for the financial industry, but also the basic foundation for supporting sustainable development.

As early as 2022, we began to enter the “Five New Growth Tracks” of inclusive finance, sci-tech finance, energy finance, automotive finance, and park finance, and further organically integrated them with the “Five Major Initiatives” proposed by the Central Financial Work Conference in 2023. In the new growth tracks, loans for sci-tech finance, inclusive finance, energy finance, automotive finance, and park finance in the past two years (compared with the end of 2021) increased by 92.3%, 67.68%, 54.81%, 56.16%, and 63.65% respectively, significantly higher than the overall loan growth rate.

Sci-Tech Finance: Accelerating the Improvement of the Service System



- We have established a differentiated credit evaluation system, improved business management and risk control capabilities, and stimulated the vitality of sci-tech financial services.
- We have continued to improve the customer system and product system of sci-tech finance, and provided diversified financial services throughout the entire life cycle of businesses.
- We focus on ecological synergy and build an investment circle of friends.

By the end of 2023:

- Cooperative sci-tech financial customers **69,400**
- ↑ an increase of **34.33%** over the end of the previous year
- Sci-tech loan balance **RMB 453.212 billion**
- ↑ an increase of **31.88%** over the end of the previous year

Energy Finance: Accelerating Green and Low-carbon Transformation

We give consideration to new energy, traditional energy, and petrochemical industries, and support the development of hydropower, photovoltaic, wind power, and other new energy sources while promoting the transformation and development of traditional energy.

We actively serve customers and promote low-carbon transformation of the social environment, achieving significant social and environmental benefits.

We have deeply cultivated subdivided tracks in the energy and chemical industries, steadily developed coal, thermal power, and other traditional energy financial businesses, and actively seized development opportunities in the new energy and chemical new material industries.

We provide investment banking, commercial banking, integrated public and private banking, and digital finance products and services to deepen customer cooperation relationships.

We strive to build five ecosystems, including a new energy equipment manufacturing industry chain ecosystem, a centralized power station ecosystem, an industrial and commercial distributed power station ecosystem, a household photovoltaic ecosystem, and a “zero-carbon + park” ecosystem, to achieve both economic and social benefits.

By the end of 2023:

Number of energy finance customers 45,000

↑ an increase of 7,128 over the end of the previous year.

Balance of financing for corporate customers in energy finance RMB 736.277 billion

↑ an increase of 10.69% over the end of the previous year.

Among them, the balance of loans that meet the People's Bank of China's green loan standards and support green transformation is

RMB 173.258 billion,
an increase of 27.11% over the end of the previous year.

Inclusive Finance: Accelerating Digital Empowerment

We enrich the supply of inclusive products, accelerate digital transformation, continuously improve the professionalism of inclusive financial services for small and micro enterprises (SMEs), and fully support the high-quality development of the real economy.

We leverage our product advantages to increase credit extension in key areas and support the business development of SMEs in the manufacturing industry.

We accelerate the digital transformation of inclusive finance, and focus on two main lines: “product onlineization” and “scenario digitalization,” to achieve the onlineization of offline products through big data applications and process optimization.

We build the CIB's characteristic rural revitalization financial service model around four dimensions: professional wholesale markets, financial envoys, digital villages, and serving local characteristic industries.

By the end of 2023:

Inclusive SMEs loan balance RMB 500.965 billion

↑ an increase of 23.95% over the end of the previous year.

Number of inclusive SMEs loan customers 231,900

↑ an increase of 16.90% over the end of the previous year.

Park Finance: Accelerating Services for Industrial Development

Adhering to the development concept of “taking parks as the carrier and industries as the foothold,” we insist on taking park finance as the main battlefield for serving the real economy, vigorously promote the integrated development of industry, city, and people's livelihood, and contribute financial strength to the clustered, green, and digital development of industrial parks. In terms of park finance support,

we actively help local governments empower and integrate industries, assist regional investment promotion activities through products such as industrial funds and innovation and entrepreneurship bonds, and provide comprehensive retail services for employees in the park.

In terms of park ecosystem support, we independently developed the “Park Ecosystem Service Platform” to provide full-process, online solutions for the daily office operations of various entities in the park.

By the end of 2023:

Number of park finance customers 393,460

↑ an increase of 3.64% year-on-year over the end of the previous year.

Financing scale of park finance RMB 2,059.913 billion

↑ an increase of 16.58% year-on-year over the end of the previous year.

Automotive Finance: Accelerating the Promotion of Ecological Operations

We focus on the major customer needs in the four major scenarios of the automotive ecosystem: “car manufacturing,” “car buying,” “car using,” and “car replacing,” and promote the layout of relevant financial businesses.

In the construction of the “car manufacturing” scenario, we continuously improve our comprehensive business service capabilities and strengthen overall cooperation with key vehicle and parts customer groups.

In the construction of the “car buying” scenario, we rely on process optimization and digital upgrades to provide customized products and exclusive services for the terminal sales of many electric vehicle companies.

In the construction of the “car using” and “car replacing” scenarios, we have successfully entered the new fields of travel and used cars with innovative models and established and deeply bound cooperative relationships with leading companies in the industry.

By the end of 2023:

Corporate banking end automotive finance customers 48,700

↑ an increase of 16.96% over the end of the previous year.

Balance of financing for corporate customers in automotive finance

RMB 364.944 billion

an increase of 12.48% over the end of the previous year.

Developing New Quality Productive Forces and Cultivating Industrial Momentum

Developing new quality productive forces is an inherent requirement and an important focus of promoting high-quality development. The Bank issued the 2023 Credit Extension Policy of Industrial Bank and the Notice on Issuing ESG-related Credit Policies of Industrial Bank, clarifying that it will continue to adapt to the major trends of high-quality development, digital transformation, and green development, and provide a strong driving force and support for high-quality development.

Crafting Effective Strategies for Medium- and Long-term Manufacturing Loans

We actively implement the work arrangements of the National Development and Reform Commission, coordinate to solve business-related problems, and continuously promote the implementation of projects. In terms of policy support, we have taken the initiative to research and release detailed policies and marketing strategies to accelerate the implementation of projects.

By the end of 2023

the Bank has accumulatively invested in **152** medium- and long-term manufacturing projects with a total amount of **RMB 15.4 billion**.

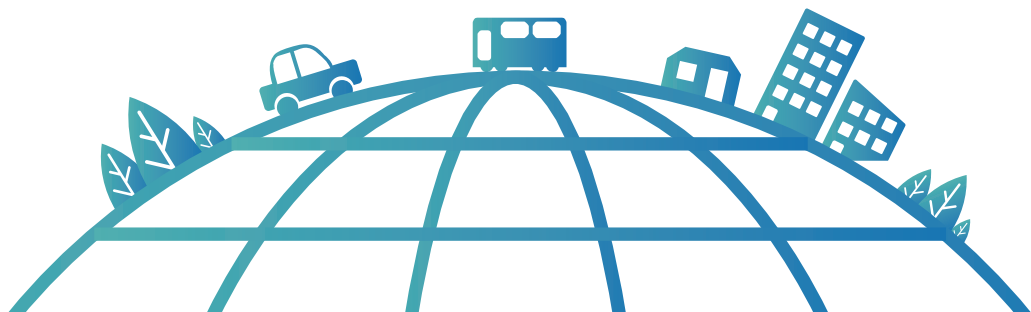


Case study

Industrial Plant Mortgage Loans Help Stabilize the Development of Zhejiang's Private Economy

Dongmeng Group Co., Ltd. (东蒙集团有限公司) is one of the earliest private manufacturers of high-end suits in Wenzhou City. In order to improve the company's competitiveness and expand the upstream industrial chain of garment production, Dongmeng Group plans to invest RMB 250 million to build a modern garment production base. Combining the characteristics of industrial real estate and private enterprises in Zhejiang Province, Hangzhou Branch launched an optimized version of "Industrial Plant Loan" to provide enterprises with industrial plant mortgage loans of RMB 160 million, effectively meeting the fixed asset investment needs of private enterprises.

By the end of 2023, Hangzhou Branch had 212 industrial plant loan customers with a loan balance of RMB 6.26 billion. Hangzhou Branch has used various advantageous online and offline products to improve quality and efficiency, and helped private enterprises in Zhejiang achieve high-quality development. It has been awarded the "Top 10 Most Satisfactory Banks for Private Enterprises" in Zhejiang Province for four consecutive years.



Vigorously Supporting the Development of Strategic Emerging Industries

We continue to promote the transformation of traditional industries towards high-end, intelligent, and green development, and help improve the modernization of industrial and supply chains. We research the low-carbon transformation paths of key industries such as transportation and construction, improve the quality and effectiveness of transformation finance research, and expand the application scenarios and functions of carbon accounts. At the same time, we focus on the entire new energy industrial chain, strengthen industry research, and promote professional empowerment. Through differentiated industry policies, we promote the development of the new energy business in an orderly manner, and provide customers with a group-based, multi-level, and comprehensive financial product and service system through multi-dimensional services such as “investment banking + commercial banking,” “on-balance sheet + off-balance sheet,” “online + offline,” and “domestic + overseas.”



Case study

Landing the Market's First “Green + Sci-Tech” REITs

In May 2023, the Bank successfully assisted Shanghai Energy Technology Development Co., Ltd. (上海能源科技发展有限公司) in issuing the first green and sci-tech double-labeled REITs in the interbank market, with an issuance scale of RMB 2.112 billion. The raised funds will be used for the construction of green wind power projects in Shanxi Province and Shaanxi Province. After the completion of the project, it is expected to reduce carbon dioxide emissions by 372,700 tons per year, and reduce emissions of other pollutants such as sulfur dioxide, nitrogen oxides, and smoke dust by 46.62 tons, 70.16 tons, and 10.16 tons respectively, replacing 139,200 tons of standard coal. This bond has good reference significance for revitalizing green assets and promoting the formation of a virtuous cycle of stock assets and new investments.



Innovation-driven “Tech Style” Development

As China's economic growth model rapidly shifts from the old triangle cycle of “real estate-local government-finance” to the new triangle cycle of “technology-industry-finance” in the modern economy, the Bank quickly established a “tech style” credit control model at the end of 2021 to achieve the goal of proactive credit granting to customers and online processing of the entire business process. We continue to strengthen the construction and application of digital means such as data, systems, and models, upgrading from “tech style” 1.0 to 5.0.



CIB Shenzhen Branch and DJI Join Forces to Launch "CIB Speedy Loan (Exclusive for DJI Agricultural Drone)" to Empower Modern Agricultural Development

In 2023, _____

the Bank approved projects with a total amount of over RMB **1** trillion through “tech style” and invested in **9,615** customers.

By the end of 2023, _____

the “tech style” investment balance was RMB **263.64** billion, an increase of RMB **63.148** billion or **31.50%** over the end of the previous year.



“Tech Style” 3.0

Launched in June 2023, by the end of the year, **44** branches have completed more than **4,700** model approvals.

“Tech Style” 4.0

Breaking through the 3.0 general model, it created a dedicated park model, completing the first batch credit granting model for parks, from program design and strategy model development to the implementation of systematic approval.

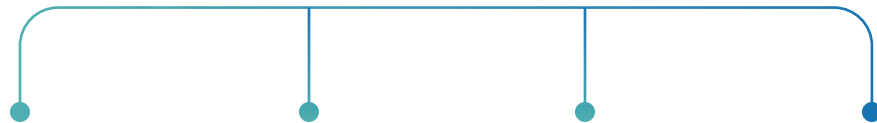
“Tech Style” 5.0

Launched in November 2023, it supports full-process operations such as online contract signing and online withdrawals by customers, and has been piloted in Shenyang and Suzhou branches.

The Bank’s “Tech Style” model has been highly praised both inside and outside the Bank.



At the Headquarters Level



First Prize of Fujian Financial Innovation Project in 2022

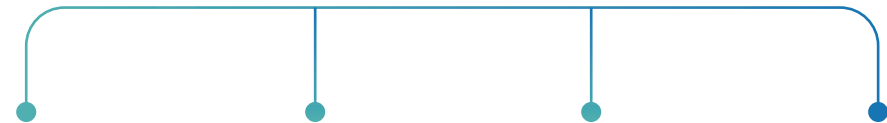
Second Prize of CIB Outstanding Contribution Award in 2022

First Prize of CIB Innovation Marathon Competition in 2022

Most Popular First Prize of CIB Synergy Power Practical Competition in 2022



At the Branch Level



Tianjin's “Golden Idea” Award for the Most Popular Financial Service to Key Industrial Chains in 2022

Changsha Financial Innovation Achievement Award in 2022

Suzhou Free Trade Zone Award for Financial Services to the Real Economy Innovation in 2022

Second Prize of Shanghai Financial Innovation Award in 2021-2022



Serving Regional Development Strategies and Promoting Coordinated Development



The Bank closely focuses on regional development strategies, integrates and optimizes its own resource endowment, and continues to increase support for a series of major regional strategies, including coordinated development of Beijing-Tianjin-Hebei, development of the Yangtze River Economic Belt, construction of the Guangdong-Hong Kong-Macao Greater Bay Area, integrated development of the Yangtze River Delta, and ecological protection and high-quality development of the Yellow River Basin, to empower regional high-quality development. At the same time, we give full play to our geographical advantages, continue to improve our comprehensive financial service capabilities to Taiwan, explore new models of financial services to Taiwan, and create a diversified financial service system, contributing greater CIB strength to Fujian's exploration of a new path for cross-strait integrated development and the construction of a pilot zone for cross-strait integrated development.

Supporting Coordinated Development of Beijing-Tianjin-Hebei

Case study

Shijiazhuang Branch Deepens Commercial and Investment Banking Linkage, Supporting Green Development in Xiong' an New Area with Both "Financing + Wisdom Integration"

According to the construction needs of Xiong' an New Area, we provide green financial services such as pre-project loans, project loans, and working capital loans to Xiong' an Group and its subsidiaries, with an open credit line of RMB 20 billion. We actively participate in Xiongan Group's bond underwriting and investment business with an investment amount of RMB 200 million, and support the new area's first green "carbon neutral" asset securitization, investing in Sinopec Green Source Geothermal Energy Project.

The headquarters and branch working groups visited Xiongan Group many times to provide Xiong' an with service plans such as Baiyangdian governance, declaration of a green financial reform experimental zone, and realization of ecological value products. We dispatched business backbones with rich experience in investment banking and green finance to participate in the preparation of Xiong' an Green Exchange. We worked with the Reform and Development Bureau, the Environmental Protection Bureau, and Xiongan Group to explore and promote carbon sink financing for Xiong' an's "Millennium Show Forest," revitalizing the new area's forestry assets and tapping into economic benefits. We accelerated the promotion of credit cooperation with Three Gorges Group Xiongan Company for green finance projects such as urban and rural water supply and drainage.

Supporting the Development of the Yangtze River Economic Belt

Case study

Wuhan Branch Serves Infrastructure Construction, Escorting Regional Economic Stability and Long-term Progress

The Bank led the underwriting of Hubei Provincial Road and Bridge Group Co., Ltd.'s (湖北省路桥集团有限公司) second tranche of medium-term notes (mixed sci-tech notes) in 2023, with an amount of RMB 160 million, a term of 2+1 years, and a coupon rate of 4.5%. This is the market's first batch of mixed sci-tech notes. The issuer, Hubei Provincial Road and Bridge Group Co., Ltd., is a national high-tech enterprise with 70 years of experience in the construction of highways, complex bridges and tunnels, and municipal engineering. Many of its construction technologies are at the forefront of China and the world, and it has accumulatively obtained 38 authorized invention patents, 104 utility model patents, and 2 software copyrights. This batch of mixed sci-tech notes effectively reduces the company's financing costs and optimizes its financing structure by pledging 135 patent rights enjoyed by Hubei Provincial Road and Bridge Group. It also revitalizes the company's intangible assets and broadens its financing channels.

Supporting the Construction of the Guangdong-Hong Kong-Macao Greater Bay Area

Case study

Guangzhou Branch Supports the Construction of Key Semiconductor Projects in the Guangdong-Hong Kong-Macao Greater Bay Area

The semiconductor project of CanSemi Technology Inc. (粤芯半导体技术股份有限公司) is the first 12-inch chip factory in China to adopt a virtual IDM operation strategy. It has been listed as a key construction project in Guangdong Province. Guangzhou Branch supports the development of the semiconductor industry in the Greater Bay Area and provides loan support for the construction of phases 1 and 3 of the CanSemi project. In 2023, the Bank accumulatively issued RMB 200 million in loans to the third phase of the CanSemi project. The CanSemi project can fill the supply gap of automotive-grade and industrial-grade chips in China, improve the "chip shortage" situation in Guangdong Province and Guangzhou City, and is an important measure for enterprises to master advanced technologies and cope with fierce market competition. It will promote the strong rise of the semiconductor industry in the Guangdong-Hong Kong-Macao Greater Bay Area.

Supporting the Integrated Development of the Yangtze River Delta

Case study Shanghai Branch Assists Enterprises in Mergers and Acquisitions

Facing the merger and acquisition needs of Y, a large professional gas company manufacturing enterprise, Shanghai Branch cooperated with Hangzhou Municipal Foreign Exchange Administration, Hangzhou Municipal Bureau of Industry and Commerce, and Hangzhou Municipal Tax Bureau to assist customers in completing FDI capital increase registration, industrial and commercial changes, tax declarations, and other related work. CIB as the lead bank and agent bank, China CITIC Bank as the joint lead bank, and Bank of Nanjing as the participating bank, jointly completed the largest market-oriented M&A transaction in China in recent years, with a total syndicated loan amount of RMB 4.65 billion and CIB's share being RMB 2.9295 billion. This is also a beneficial practice of cross-regional cooperation among financial institutions in implementing the national strategy of integrated development of the Yangtze River Delta.



Supporting Ecological Protection and High-Quality Development of the Yellow River Basin

Case study Jinan Branch Continues to Support the Yellow River Grand Protection

Shandong Province is the only area where the Yellow River meets the sea in the Yellow River Basin. It is the main battlefield for downstream ecological protection and flood prevention and disaster mitigation. It has unique advantages in kinetic energy conversion, opening up, and cultural inheritance, and has huge potential for ecological protection and high-quality development. In 2022, Jinan Branch formulated and released the "Financial Service Plan for Ecological Protection and High-Quality Development of the Yellow River Basin," increasing support for green, low-carbon, and environmental protection projects and customers in Shandong Province. By the end of December 2023, the green loan balance of Jinan Branch exceeded RMB 38.5 billion, an increase of RMB 7 billion compared to the beginning of the year.

Supporting the Development of the Western Region

Case study Guiyang Branch Supports the Construction of the Comprehensive Reform Pilot Zone for the Development of the Western Region

In order to serve the construction of the Comprehensive Reform Pilot Zone for the Development of the Western Region in Guizhou Province, inject new momentum into the upgrading of traditional industries, and support strategic emerging industries, Guiyang Branch provided an 850-million-yuan project loan to high-quality private electronic special material manufacturing companies in Guizhou Province. This loan was specifically used for the first-phase construction of its integrated project with an annual output of 300,000 tons of battery-grade iron phosphate in Weng'an County, providing strong financial support for its development.



Promoting Cross-Strait Integration

Case study Zhangzhou Branch Promotes Zhangzhou-Taiwan Integration with Favorable Policies

Zhangzhou Branch actively implements policies such as capital project facilitation and trade foreign exchange receipt and payment facilitation for high-quality enterprises, expanding the space for concessions to Taiwanese compatriots and enterprises through measures such as preferential financing pricing and preferential rates. In the past two years, it has handled various facilitated capital project businesses and trade foreign exchange receipts and payments of nearly USD 200 million for Taiwan-funded enterprises in the jurisdiction, and exempted more than RMB 4 million in handling fees for foreign-related businesses. We promote integration through communication, accurately connect with the financing needs of Taiwanese compatriots and enterprises, launch products such as "Taiwanese Entrepreneur Startup Loan" and "Taiwanese Entrepreneur CIB Loan," and rely on the "Taiwan Financial Service Zone-Zhangzhou Special Zone" of the financial service cloud platform to provide Taiwanese compatriots and enterprises with the latest policy information, financing application channels, and a showcase of peer financial products, so as to streamline credit access, eliminate financing obstacles, and foster a strong sense of growth potential.

Special Topic 2

Rooted in Fujian, Serving as the Financial Backbone

The Bank adheres to the principle of being rooted in and serving Fujian Province, leveraging its role as the leading force and pioneer in the financial industry of Fujian Province. We strive to infuse more financial vitality into the construction of a new Fujian, making greater contributions to writing the Fujian chapter of Chinese modernization. In 2023, focusing on the grand blueprint of the new Fujian and significant requirements such as “Four Greater,” we have innovatively developed the “Jinjiang experience” and, with greater efforts and more concrete measures, effectively promoted the improvement of services for the private economy, wholeheartedly serving as the financial backbone and pioneer for the strategy of a strong private economy province in the new era of Fujian. Simultaneously, we have continued to develop green finance, support the development of SMEs, assist enterprises in technological upgrades, serve rural revitalization, and strive to make greater contributions to the comprehensive advancement of high-quality development in Fujian.

Indicator	2023	Year-on-Year Growth (%)
Outstanding loan balance in Fujian (RMB 100mn)	15,208.91	3.95
Outstanding loan balance to private enterprises in Fujian (RMB 100mn)	2,300.89	25.88%
On- and off-balance sheet green financing balance in Fujian (RMB 100mn)	1,657.88	22.45
Of which: outstanding green loan balance (RMB 100mn)	815.98	21.09
“Tech Loan” accumulated investment in Fujian (RMB 100mn)	56.25	6.11
Of which: investment in the current year (RMB 100mn)	26.01	43.75%
Number of supported enterprises	498	13.18
Accumulated investment in Fujian's technological upgrading project financing program (RMB 100mn)	80.19	72.08
Of which: investment in the current year (RMB 100mn)	33.59	18.90
Number of supported enterprises	135	55.17

Support the Growth and Expansion of Private Enterprises

In 2023, the Bank issued the Action Plan for Industrial Bank to Serve Fujian's New Era Strong Private Economy Strategy. Focusing on enhancing the endogenous driving force of serving the private economy, improving the accessibility of financing for private enterprises, and reducing the comprehensive cost of market entities in the private economy, the plan outlines 26 measures. These include improving the operating system, implementing due diligence exemption, increasing resource allocation, creating specialized products, optimizing credit enhancement models, increasing the proportion of first-time borrowers, improving the convenience of credit services, implementing a "tiered cultivation plan," enhancing digital financing levels, expanding the coverage of "tech style" services, building a multi-level sci-tech financial service system, serving the international market development of private enterprises, serving the healthy development of individual businesses, promoting active consumption of private economic market entities, and providing good financial services for private entrepreneurs. Together, these measures form a concerted effort to serve the high-quality development of the private economy in Fujian.

By the end of 2023, _____

the Bank established collaborations with

- ➔ 98% of the top 100 private enterprises in Fujian,
- ➔ 97% of the top 100 innovative private enterprises in Fujian, and
- ➔ 100% with the top 50 private manufacturing enterprises in Fujian.

We have been consecutively recognized as
 the "Bank with Outstanding Contributions in Serving Private Enterprises and SMEs"
 for four years.

&

We have been awarded the title of
 "Five-Star Banking Institution Serving Fujian's Economy"
 for two years in a row.



Case study

Development and Launch of a Satellite Remote Sensing Application Platform

By introducing satellite remote sensing "new data" and combining it with industry and other multi-party data, we have explored the effective identification of crop types, planting areas, growth conditions, etc., establishing crop planting profiles, and gradually improving the crop asset assessment and risk early warning mechanism. This provides technological support for accurate credit granting in the planting industry and effectively solves the problems of difficult development, loan approval, and post-loan management in agricultural and green credit, making banks "dare to lend" and customers "willing to borrow." By the end of December 2023, it had secured 10 customers and outlined more than 6,278 mu of tea gardens, involving loans of RMB 48.58 million. At the same time, satellite remote sensing technology has been applied to agricultural planting, forestry carbon sinks, and new energy power station scenarios, winning the first prize in the 2023 Digital China Innovation Contest and many other awards.



Empowering Green and Low-Carbon Economic Development

Fujian is the first pilot zone for ecological civilization in China, and green development is a brilliant hallmark of Fujian. As a pioneer in green finance, the Bank gives full play to its advantages in green finance, strives to promote the “High Aesthetics” of Fujian’s ecological environment and the “High Quality” of economic development, collaboratively serves “carbon reduction, pollution reduction, green expansion, and growth,” and accelerates the green development of Fujian’s economy.

Case study Expanding the Application Scenarios of “Digital Currency + Carbon Sinks”

Fuzhou Branch conducted the “Enjoy Digital Currency and Explore the Future of Carbon” activity at the 2023 Fuzhou International Fisheries Expo (FIFE). We actively disseminated knowledge about digital renminbi and issued carbon sink donation certificates to citizens who participated in the digital renminbi experience activities. Citizens were invited to exchange for marine carbon sinks through the “Industrial Bank Digital Renminbi Account” and donate 1,000 tons to the official 2023 FIFE to achieve carbon neutrality for the conference, encouraging the public to transform low-carbon awareness into practical actions and jointly contribute to the dual carbon goals.

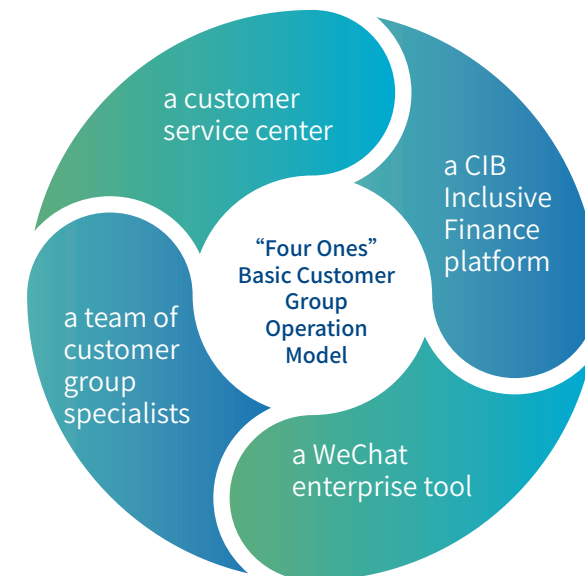


Supporting the Development of SMEs

In 2023, the Bank issued the Guiding Opinions on the Construction of Industrial Bank’s SME Customer Operation System in Fujian Province, actively establishing a “six-specialized” service model in Fujian Province: specialized teams, specialized assessments, specialized products, specialized authorization, specialized approval, and specialized non-performing loan tolerance. We have implemented factory-style marketing operations and stepped management, forming an endogenous driving force of daring to lend, being willing to lend, being able to lend, and knowing how to lend in credit services, striving to expand the “reservoir” of various businesses.

Case study Exploring and Forming a “Four Ones” Basic Customer Group Operation Model

We have expanded the customer scale by relying on a model of coordinated operation among a CIB Inclusive Finance platform, a WeChat enterprise tool, a team of customer group specialists, and a customer service center. By the end of December 2023, the balance of online inclusive financing for SMEs at the provincial branch reached RMB 8.961 billion, an increase of RMB 5.723 billion from the beginning of the year, representing a growth rate of 176.76%. The balance of online financing for retail reached RMB 35.227 billion, an increase of RMB 6.496 billion from the beginning of the year, representing a growth rate of 18.44%.



Empowering Enterprises in Technological Upgrades

We have strengthened the combined use of “pre-project loans + provincial technological upgrading financing program + regional technological upgrading loans,” promoting private enterprises to accelerate technological upgrading. We have cumulatively served 135 enterprises through the technological upgrading financing support program, with a total amount of RMB 8.019 billion, ranking first in Fujian Province in terms of the number of enterprises served and investment amount. Among them, 122 private enterprises were served, accounting for over 90%.



Serving Rural Revitalization

Innovating Mechanisms and Extending Service Reach

We have established an interactive mechanism between industry experts from sci-tech commissioners (“tech commissioners”) and financial service specialists for tech commissioners. Leveraging the professional knowledge of tech commissioners, we have expanded the coverage of rural revitalization financial services and improved the rural revitalization credit evaluation system. In terms of financial support, the Bank not only provides personalized financial services for tech commissioners but also created a “Tech Commissioner Financial Service Project,” providing credit loans of up to RMB 3 million for the daily operating needs of enterprises led, established, or served by tech commissioners. By the end of 2023, the Tech Commissioner Financial Service Project had cumulatively issued loans of RMB 1.105 billion, serving 188 enterprises recommended by tech commissioners.

Simultaneously, we have opened a “Tech Commissioner Financial Service Zone” and a “Tech Commissioner Expert Studio” on Fujian’s “Financial Services Cloud” platform, launched related corporate banking and retail credit products in the special zone, and had tech commissioner financial service specialists reach out to customers individually, improving service efficiency.



Introduce “CIB Fishery Loan” to Sea Cucumber Farmers

Innovating Products and Empowering Grain Production and Supply Stability

We have created the “CIB Grain Loan” exclusive service plan to provide preferential loans of up to RMB 5 million credit lines for various entities within Fujian Province engaged in grain planting, production, circulation, and service in various links. Through measures such as sand table tracking management, consolidation of responsibility division, and strengthening long-term cooperation between county-level branches and county-level agricultural and rural departments, we have improved the service coverage of grain-related operating entities in villages and townships, contributing to the stable production and supply of grain in Fujian Province.

In 2023, _____
 the Bank cumulatively issued
 loans of RMB **1.268 billion**
 to **169** grain production enterprises
 and large-scale grain growers.



Innovating Cross-Border Services and Promoting Economic Globalization



Establishment of the Southeast Asia Research Institute

Expanding International Footprint



In March 2023, the Industrial Bank Southeast Asia Research Institute was officially unveiled in Hong Kong, closely following the trend of customer internationalization and renminbi internationalization, providing research support for the Group's expansion of financial services to Southeast Asia and other regions. In the future, the Southeast Asia Research Institute will fully leverage Hong Kong's advantages as an international financial center, international trade center, and international shipping center to continuously empower the steady progress of the Group's international operations and support the establishment and business expansion of overseas institutions.



In April 2023, the Industrial Bank London Representative Office held an inauguration ceremony in London, marking a new step in the Bank's internationalization strategy, laying a solid foundation for the next step in establishing a London branch and further expanding the international market. The Bank will give full play to the communication and liaison functions of the London Representative Office, conduct in-depth research on market conditions, legal systems, and financial regulatory rules in the UK and Europe, and steadily promote the establishment of branches in the UK in strict accordance with UK regulatory requirements and procedures. In the future, the Bank will actively integrate into the global financial market, deepen Sino-British green finance cooperation, continuously explore new areas such as ESG and sustainable investment, strengthen the linkage between domestic and foreign businesses, and provide comprehensive and diversified cross-border financial services for "going global" customers and the "Belt and Road" construction.



Supporting the “Belt and Road” Initiative

Standing at the new starting point of the 10th anniversary of the “Belt and Road” Initiative, facing the new opportunity of ASEAN becoming China’s largest trading partner, the Bank actively seizes strategic opportunities such as the “Belt and Road,” renminbi internationalization, and free trade zones, fully leveraging the advantages of group operations, building an international, diversified, and online integrated financial product system, forming a unique and multi-dimensional cross-border business product system.



Case study

Providing Dual-Currency Financing in Renminbi and US Dollars for China Telecom’s Philippine PTO Project

In 2023, the Bank successfully participated in China Telecom’s Philippine PTO project. This project is China’s first full-service communications operation project with overseas greenfield investment, and it is also the world’s largest communications greenfield project in recent years, invested, constructed, and operated by Chinese operators. It is conducive to driving the entire communications industry chain to “go global” and achieve “soft connectivity” of rules and standards, realizing a higher level of domestic and international dual circulation; the project involves dual-currency financing in Chinese yuan and US dollars, which is conducive to promoting the construction of trade and investment relations based on renminbi with countries participating in the “Belt and Road” construction.

Serving the National “Stabilizing Foreign Trade” Policy

The Bank actively implements various measures related to financial support for foreign trade issued by the state and Fujian Province, focuses on the financial service needs of import and export foreign trade enterprises, strengthens the scheduling and investment of the Bank’s foreign trade financial resources, and vigorously supports foreign trade enterprises to grow bigger, stronger, and better.



Case study

Implementing a Fully Online Export Trade Financing Business under Railway Bills of Lading

A certain company is a specialized and sophisticated SME and high-tech enterprise, mainly engaged in manufacturing electronic components and lighting fixtures, primarily exporting to countries along the “Belt and Road” through China-Europe Railway Express. The Bank, based on the company’s actual business needs to use China-Europe Railway Express for transportation of its export products, held multiple discussions with the company, promoting the landing of a fully online export trade financing business under railway bills of lading. By strengthening the risk assessment of the credit subject and using railway bills of lading as evidence of the authenticity of the trade background, the Bank, under the premise of effective risk control, solved the difficulties of cross-border settlement and trade financing for the company under railway bills of lading. At the same time, combined with the “SME Cross-border Financing” product, through the fully online service mode of “online application, risk judgment, self-service withdrawal,” it helped the company solve financing problems in a full-chain online manner without leaving the office.

Strengthening Credit Support

For export-oriented foreign trade SMEs, the Bank developed a series of “SME Cross-border Financing” products, providing services such as trade financing and exchange rate hedging to SMEs through fully online credit approval processes.

Facilitating Settlement Convenience

We continue to enrich the business scenarios of the international business online platform – CIB Keeper (Single Certificate Access), providing customers with various services in business scenarios, including international settlement, trade financing, fund transactions, and global fund management, enabling enterprises to enjoy convenient, fast, and comprehensive online cross-border business experience anytime, anywhere.

Supporting Enterprises to “Go Global”

The Bank takes customer needs as its starting point, sorts out the processes of traditional businesses, uses digital means to reshape traditional financing product processes, and carries out corresponding transformations of systems and functions, further improving the level of convenience in cross-border financing businesses.

<p>Achieving a Fully Online Mode for the Entire Process of Import Bill Advance Business</p>	<p>By connecting multiple internal business systems, we have achieved online handling of the entire business process, significantly improving lending efficiency and customer experience.</p>
<p>Launching the “SME Cross-border Financing” Credit Insurance Version</p>	<p>By introducing the “Credit Insurance Easy” product guarantee from China Export & Credit Insurance Corporation, we have obtained customer policy and claim/compensation information from China Export & Credit Insurance Corporation through the customs “single window,” enabling customers to apply for credit insurance financing in the context of export credit insurance, further improving the financing convenience for SMEs, and fully meeting the “short-term, urgent, fast, and frequent” funding needs of SMEs.</p>
<p>Achieving Full Online Processing of Customs Duty Guarantee Letter</p>	<p>By connecting and integrating platforms such as corporate online banking, supply chain finance platforms, fiscal-taxation-customs-treasury-commercial bank systems, and customs systems, we have promoted the full online processing of customs duty guarantee letters, achieving cost reduction and efficiency improvement for customers’ business handling.</p>



Case study

Supporting Envision Energy Corporation's International Syndicate Project

In 2023, the Bank participated in Envision Energy Corporation's international syndicate project. This international syndicate is the first green syndicate loan in the Asian market to receive “dual certification” from Sustainalytics (an internationally renowned ESG rating agency), incorporating a Green Finance Framework and Sustainability-Linked Loan, effectively helping local enterprises “go global.”

Expanding Cross-border Financial Services

The Bank completed the integration and upgrade project of five cross-border fund pool systems with “integration” as the main goal, providing multinational enterprise groups with multi-scenario services for freely switching between domestic, overseas, cross-border, intra-regional, and extra-regional fund transfers on a single platform. At the same time, we have continuously enriched cross-border and local centralized payments in major countries worldwide, achieving fully automated processing of global orders and payment instructions from enterprises; comprehensively and deeply participated in CIPS cross-border renminbi product innovation; in addition to the originally launched CISD cross-border remittance, import letter of credit, and payment lens functions, new innovative products such as account reconciliation and CIPS bond straight-through service were launched in 2023.

Supporting Financial Innovation in Free Trade Zones

The Bank has established a free trade zone cross-border fund pool by breaking regional customer group restrictions, leveraging the policy advantages of the free trade zone, and adopting a linked business model.



We opened up a path for Wuhan branch customers to return funds from their Nasdaq listing overseas through the Shanghai Free Trade Zone cross-border two-way renminbi fund pool, creating a new marketing model for domestic branches to jointly land free trade zone fund pool businesses.



The headquarters and Shanghai branch conducted multiple joint presentations to popularize the policy advantages of the two major cross-border fund pools in the free trade zone to various branches.

Promoting Digital Inclusive Finance and Serving SMEs

In 2023, the Bank continuously raised its political standing, comprehensively strengthened and improved financial services for SMEs, continuously increased credit extension in key areas of inclusive finance such as SMEs, and positioned inclusive finance as one of the “Five New Growth Tracks” for the Bank’s business transformation and development, promoting the rapid development of inclusive finance businesses.

By the end of 2023,

the balance of inclusive SME loans reached RMB **501** billion, an increase of RMB **96.8** billion from the beginning of the year,

ranking among the top joint-stock banks of the same type for two consecutive years in terms of the scale and increment of corporate inclusive SME loans.

Continuously Strengthening Digital Empowerment

Promoting Product Online Migration. Based on the Bank’s relatively large stock of offline mortgage loans, we implemented online transformation of offline products through big data application and process optimization, improving business efficiency and releasing the production capacity of front-line business personnel. In response to the situation where offline personal mortgage loans account for over 90% of the personal business loan business in the Bank, we have actively created and launched “CIB Speedy Loan (Exclusive for Asset Mortgage)” (personal version), and continuously optimized and upgraded the program based on problems discovered during the promotion process, achieving online processes such as online application, signing, approval, and loan disbursement; to stabilize bank-enterprise cooperation and alleviate pressure on loan transfers, we have fully promoted the creation and development of the “CIB Speedy Loan (Exclusive for No Principal Repayment Extension)” product, creating a new process of “whitelist screening + customer online application + automated online approval + automatic no principal repayment extension over the counter,” realizing “online, mobile, and immediate” handling of no principal repayment extensions. By the end of 2023, the balances of the above two products increased by RMB 2.9 billion and RMB 5.8 billion, respectively, compared to the beginning of the year.

Achieving Scenario Digitalization. In accordance with the work arrangement of “one chain, one policy, one batch,” we have deeply explored typical supply chain scenarios, continuously enriched the dimensions of external scenario ecological data, carried out data docking for over 40 scenario projects, standardized business authorization and scenario ecological docking processes, promoted the landing of typical enterprise-level scenario financing cases such as CIB Speedy Loan (Exclusive for Ginlong), CIB Speedy Loan (Exclusive for DJI Agricultural Machinery), CIB Speedy Loan (Exclusive for XCMG Personal Mortgage), and CIB Speedy Loan (Exclusive for Huawei Distributor).



By the end of 2023,

the balance of the “CIB Speedy Loan” scenario financing business totaled RMB **41.073** billion, an increase of RMB **15.427** billion compared to the beginning of the year. Among them, the balance of the corporate banking “CIB Speedy Loan” scenario financing business totaled RMB **28.763** billion, an increase of RMB **8.437** billion from the beginning of the year; the balance of the retail “CIB Speedy Loan” scenario financing business totaled RMB **12.31** billion, an increase of RMB **6.99** billion from the beginning of the year.



Case study Bio-Asset Digital Supervision Platform Accurately Solves Enterprise Pain Points

The Bank built a “Bio-Asset Digital Supervision Platform,” utilizing “Internet of Things + AI” to achieve 24/7 unmanned intelligent supervision through intelligent ear tags and other Internet of Things devices installed on living organisms, cameras inside breeding farms, supplemented by AI image recognition. It realizes the functions of remote asset supervision, online inventory, and anomaly warning for living organisms.

Fujian Yinding Agricultural Technology Co., Ltd. (福建银顶农业科技有限公司) is mainly engaged in pig breeding and sales. In 2023, due to the expansion of its business scale, the company’s own working capital was insufficient, causing great concern to the business owner. After learning about the company’s difficulties, the Bank tailored a “live pig mortgage + digital bio-asset supervision” financial service plan for the company, remotely connecting to the company’s on-site cameras through an edge box deployed at the customer’s site, and relying on the AI visual inventory algorithm to achieve inventory and real-time monitoring of collateral, successfully granting a loan of RMB 5 million to the company.

Deepening the Implementation of “Stability on Six Fronts and Security in Six Areas”

Promoting a Further Decline in Customer Financing Costs. The interest rate on new inclusive SME loans decreased by 27 basis points from the beginning of the year, placing it at a relatively low interest rate level among joint-stock banks of the same type.

Strictly Implementing Various Regulatory Requirements such as “Seven No's” and “Four Disclosures.” From September 2021 to December 31, 2023, we cumulatively exempted a total of RMB 1.13 billion in fees for account opening, account management, transfers, and other items for 540,000 SMEs and individual industrial and commercial customer accounts.

Implementing the People's Bank of China's Requirements on Supporting Financial Institutions to Carry Out Phased Interest Rate Reductions on Inclusive SME Loans. We have cumulatively reduced interest rates by RMB 1.002 billion for nearly 650,000 inclusive SME loans to 200,000 borrowers.



Case study

Urumqi Branch Provides Enthusiastic and Efficient Service, Focusing on SMEs to Promote Development

Xinjiang Zhongweifurun Trade Co., Ltd. (新疆中伟福润贸易有限公司) is an enterprise that sells metal materials, hardware, electromechanical products, etc., and provides comprehensive services such as business information consulting and loading and unloading services, establishing good cooperative relationships with many large and medium-sized enterprises in Xinjiang. However, in 2022, due to the impact of the external environment, the company's operations once faced difficulties, with tight working capital, urgently needing funds to maintain normal operations. The company tried to consult with multiple banks on financing matters but failed to obtain loans due to various reasons. After learning about the company's funding needs, the account manager of our Urumqi branch immediately conducted on-site visits to understand the company's actual operating conditions and recommended the “CIB Speedy Loan” product to the customer, guiding the company step-by-step on how to operate on their mobile phone, successfully issuing a credit loan of RMB 2 million, solving the company's funding gap caused by the substantial increase in business volume. In April 2023, the company delivered a banner printed with “Enthusiastic and Efficient Service, Focusing on SMEs to Promote Development” to the Inclusive Finance Department (Rural Revitalization Department) of the Urumqi branch, thanking it for providing high-quality and convenient financial services, actively solving funding problems for small enterprises, and empowering the development of SMEs.



Xinjiang Zhongweifurun Trade Co., Ltd. presenting a banner to Industrial Bank Urumqi Branch

Continuously Expanding Financial Service Coverage

We have continuously expanded the breadth and depth of inclusive financial services, strengthened business layout in remote/ethnic minority areas, helped alleviate the difficulties of financing for SMEs in these areas, and vigorously expanded credit loans and first-time loan services.

In 2023, we increased inclusive financial loan investments in areas with insufficient financial services, such as Tibet, Qinghai, Ningxia, Gansu, and Xinjiang, with total new inclusive loans of nearly RMB 6.3 billion, benefiting nearly 2,100 SME loan customers in these areas. We served over 500 first-time SME loan customers throughout the year.

ENVIRONMENT

Embracing Green Transformation and Building a Shared Beautiful World

- 66** ESG and Climate Risk Analysis and Countermeasures
- 70** Biodiversity Conservation
- 72** Comprehensive Implementation of the Dual Carbon Strategy and Orderly Advancement of Transition Finance
- 74** Innovative Green Finance
- 79** Towards Comprehensive ESG Risk Management: Achieving Full Integration in Credit Granting Processes
- 83** Green and Low-Carbon Operations: A Synergistic Approach to Ecological Development
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The Bank references the Recommendations of the Task Force on Climate-related Financial Disclosures, takes scientific measures to monitor and assess the impact of climate risks on the financial system, continues to explore climate risk management tools and models, strives to enhance climate risk management capabilities, and ensures the sustainable development of its businesses.





ESG and Climate Risk Analysis and Countermeasures



The Bank integrates ESG and climate risk management into its comprehensive risk management system, revises the Measures for Comprehensive Risk Management Reporting, clarifies the responsibilities of the Headquarters Risk Management Committee for ESG and climate risk management, includes ESG and climate risks in the scope of reporting to senior management and the Board of Directors, and explores the integration of ESG and climate risk factors into consideration during the risk appetite formulation process.

The Bank, referring to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), closely monitors the relevant impacts of climate risks, proactively conducts risk and opportunity assessments related to climate change, integrates them with the current risk management framework, and periodically analyzes, evaluates, and formulates corresponding countermeasures.



Analysis of Risks Posed to the Bank by Climate Change

Category	Item	Potential Impact on the Bank's Operations	Risk Mitigation Measures
Transition Risk	 <p>Policy and Regulatory Risk</p>	<ul style="list-style-type: none"> ● Issuance of relevant policy documents by the state and regulatory agencies may have an uncertain impact on the Bank's existing business, potentially leading to the loss of some business and affecting the Bank's revenue. ● Restrictive access to certain high-carbon industries may lead to the withdrawal of some customers, affecting the Bank's revenue. 	<ul style="list-style-type: none"> ● For relevant policy documents issued by the state, the Bank has issued corresponding management measures and provided employee training, ensuring the Bank's revenue through active business transformation. ● The Bank will cooperate with customers to carry out low-carbon and green transformation, achieving collaborative development with customers by matching them with appropriate green and low-carbon transformation loans.
	 <p>Technological Risk</p>	<ul style="list-style-type: none"> ● Research and development of climate-related products and technologies will increase the Bank's R&D investment, and if the R&D investment far exceeds expectations, it may increase the Bank's operating costs, affecting the Bank's benefits. ● Iteration of developed products or inaccurate models may lead to the Bank's products failing to meet expectations, additionally increasing the Bank's costs. 	<ul style="list-style-type: none"> ● Conduct research in advance for related products, gradually upgrade and improve the system based on the Bank's original accumulated experience, and reduce additional development costs during the operation and management period through methods such as remote collaboration and multi-department joint development. ● Conduct sufficient research before applying new products, fully expose product shortcomings through pilot applications, and promote the product throughout the Bank after improvement to reduce application risks.
	 <p>Market Risk</p>	<ul style="list-style-type: none"> ● Partner enterprises may reduce or even terminate cooperation with the Bank due to declining ESG ratings, affecting bank-enterprise relationships and the Bank's revenue. ● Failure to respond promptly to market concerns about climate indicators may lead to fluctuations in the Bank's stock price. 	<ul style="list-style-type: none"> ● Use practical cases to make enterprises aware of the importance of sustainable development and assist enterprises in improving the construction of their ESG systems. ● Improve the relevant authority of the Board of Directors and subordinate functional institutions, strengthen internal data collection, actively fulfill disclosure obligations, and fully safeguard investors' right to know through information disclosure.
	 <p>Reputational Risk</p>	<p>Climate risk events may negatively impact the Bank's reputation.</p>	<p>Ensure the professionalism of the Bank's ESG review, fully disclose risks, and prepare relevant contingency plans to ensure full disclosure and explanation of the situation, avoiding negative impacts on the Bank's reputation.</p>




Category	Item	Potential Impact on the Bank's Operations	Risk Mitigation Measures
Physical Risks	 <p>Immediate and Short-Term Risks</p>	<ul style="list-style-type: none"> ● Sudden extreme weather may lead to extreme weather conditions, causing damage to the Bank's outlets, equipment, and even personal injury to employees. ● Sudden extreme weather may lead to damage or loss of the Bank's collateral, affecting the Bank's credit security and further increasing the Bank's operating costs. ● Sudden extreme weather may cause the interruption of normal production and operation activities of cooperating customers, or even equipment and personnel losses, leading to operational abnormalities and termination of repayment, affecting the Bank's asset security and project revenue. 	<ul style="list-style-type: none"> ● Prepare emergency plans for sudden extreme weather, research response strategies in advance, and make proper arrangements for risk prevention and control. ● Back up the Bank's core systems for disasters, improve the Bank's daily equipment maintenance and inspection, and take appropriate disaster prevention measures to ensure data security and continuous operation of the Bank. ● Arrange annual physical examinations for bank employees, improve the employee accident injury relief system, and ensure employees' health rights as much as possible. ● Actively promote the impact of climate risks to cooperating customers, make them fully aware of the adverse impact of climate risks on their production and operation activities, and urge them to prepare risk prevention and control plans in advance.
	 <p>Long-Term Risks</p>	<ul style="list-style-type: none"> ● Abnormal temperature changes and prolonged abnormally high or low temperatures may lead to increased energy consumption, increasing operating costs. ● Abnormal temperature changes may significantly increase the probability of employee illness, putting pressure on the Bank's daily operations. ● Water shortages and drought may increase the risk of fire, thereby increasing the Bank's operational risk control costs. ● Rising sea levels may lead to increased salinization and the risk of seawater intrusion, potentially increasing the Bank's daily maintenance costs for outlets. ● The spread of large-scale infectious diseases may lead to the risk of bank operation interruption. 	<ul style="list-style-type: none"> ● Actively conduct disaster prevention drills and establish relevant management plans for potential long-term extreme climate events to ensure the Bank's operational security during such events. ● Strengthen communication and collaboration with external regulatory agencies and research institutions, quantify the impact of climate risks on the Bank's operations based on regulatory requirements and research results from external institutions, and better formulate relevant operating policies. ● Pay close attention to employees' physical and mental health, organize regular employee physical examinations, improve employees' personal medical insurance, and improve preventive and response measures and emergency operation plans for outbreaks of infectious diseases.

Climate Risk Stress Test

Climate change risks not only affect the operations of financial institutions themselves, but also affect the loan quality and profits of banks through a series of transmission channels, which will affect the stability of the financial system in severe cases, including the impact of climate change on other conventional risk categories, such as credit risk, market risk, and operational risk, during the process of economic and social low-carbon transformation.

Since 2021, the Bank has regularly conducted climate risk stress tests to assess its ability to cope with transition risks in achieving the “dual carbon” goals, and proactively disclosed the results of climate risk stress tests. In 2023, the Bank continued to promote climate risk stress testing work, conducting tests on eight high-carbon industries: electricity, steel, building materials, non-ferrous metal smelting, petrochemicals, chemicals, aviation, and papermaking. The test sets three stress scenarios: mild, moderate, and severe, with the end of 2022 as the base period and a test period until 2030, quantitatively assessing the impact of rising carbon emission costs on the repayment ability of high-carbon industry customers, and then analyzing the impact on credit asset quality and capital adequacy levels. The test results show that if the above-mentioned high-carbon industry customers do not undergo low-carbon transformation, their repayment ability will decline to varying degrees under stress scenarios, but the overall risk is controllable. Under the severe stress scenario, the Bank's capital adequacy ratio will decrease by about 0.34 percentage points by the end of 2030, and the capital adequacy indicators meet regulatory requirements under various stress scenarios.

Analysis of Opportunities Brought to the Bank by Climate Risks

Item	Analysis of Opportunities Brought to the Bank
 <p>Resource Use Efficiency</p>	<ul style="list-style-type: none"> ● Full online migration of internal approval processes, reducing internal paper usage. ● Full electronic account opening, electronic trading, and receipt services. ● Use of renewable energy generation to reduce carbon emissions. ● Planning to build distributed photovoltaic and other facilities to achieve eco-friendliness.
 <p>Market</p>	<ul style="list-style-type: none"> ● Increase the issuance volume of the Bank's green bonds. ● Provide further financing support for new energy and industry chain enterprises. ● Issue green consumption loans. ● Enhance the depth and breadth of ESG cooperation with enterprises, further optimizing bank-enterprise cooperation. ● Participate in public construction or services by providing green products or services and expanding market influence.
 <p>Brand</p>	<ul style="list-style-type: none"> ● Actively participate in external sustainable development-related competitions, strive for honors, and promote green and low-carbon culture. ● Increase the proportion of green assets to comply with global trends and reduce asset allocation risks. ● Share the concept of sustainable development with investment and financing targets, promoting the low-carbon transformation of investment and financing targets.



Biodiversity Conservation

The Bank actively takes measures to protect biodiversity, strictly abides by the ecological protection red line, prevents damage to the ecological systems of important habitats, legally protected areas, and ecologically fragile areas, and actively supports customers and projects that are biodiversity-friendly, such as nature conservation and ecological restoration. For industries with high biodiversity risks, such as agriculture, forestry, animal husbandry, fishery, mining, oil and natural gas extraction, infrastructure, and building materials, the Bank attaches great importance to biodiversity risk management, actively supports eco-friendly customers, strictly controls support for customers with high environmental, social, and governance risks, and reduces negative impacts on ecological systems and biodiversity.

Innovating Biodiversity Financial Products

To implement the “Four Ones” project of financial support for wetland construction and biodiversity conservation, we closely integrate green finance reform and innovation with ecological restoration and biodiversity conservation, create a model for green finance to empower ecological protection and restoration, enhance ecological carbon sink capacity, and protect biodiversity. The Bank strengthens ideological exchanges with regulators, ministries, element markets, authoritative institutions, etc., focuses on policy orientation and customer needs, organizes relevant departments of the headquarters, branches, and subsidiaries to carry out innovation in green finance products and services, creates nationally renowned cases, and drives the Bank's asset building and brand construction.



Case study

Lanzhou Branch Lands Gansu's First Wetland Park Biodiversity Conservation and Wetland Carbon Sink Business

Gansu Lanzhou Qinwangchuan National Wetland Park is located in the south of Lanzhou New Area, Gansu Province, with a total area of 315.77 hectares. The wetland park has recorded 127 species of plants belonging to 87 genera and 35 families; 86 species of animals, including 58 species of birds, 14 species of beasts, 2 species of amphibians, and 7 species of fish.

By innovating the Methodology for Carbon Sink Accounting for Inland (Salt Marsh) Wetland Ecological Restoration Projects (V01), we conducted carbon sink accounting for the Qinwangchuan National Wetland Park in Lanzhou New Area. The calculated carbon emission reduction for the 5-year accounting period (2021-2025) is 3,885.08 tons of carbon dioxide equivalent, taking the lead in innovating the realization of ecological asset value through an innovative pledge financing model that uses the future income rights of carbon emission reductions verified by the wetland carbon sink as collateral, providing financing of RMB 100,000 to Lanzhou New Area Oasis Ecological Landscaping Construction Co., Ltd. (兰州新区绿洲生态园林建设有限公司).

Engaging in Biodiversity Communication and Cooperation

2021

In 2021, during the 15th **Conference of the Parties to the Convention on Biological Diversity (COP 15)**, the Bank signed the **Joint Declaration on Support for Biodiversity Conservation by Banking and Financial Institutions**. As one of the 13 co-founding institutions of the “**Partnership of Biodiversity and Finance**” (PBF), the Bank, along with the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the World Resources Institute (WRI), the World Bank, the Asian Infrastructure Investment Bank (AIIB), the Paulson Institute, the World Wide Fund for Nature (WWF), and other organizations, issued **the Global Joint Initiative on the Partnership of Biodiversity and Finance**. This initiative aimed to effectively promote the mainstreaming of biodiversity conservation by financial institutions and stakeholders, fostering the achievement of ecological protection and sustainable use of natural resources.

January
2023

During the second phase of COP15 in January 2023, the China Banking Association released **the Research on Carbon Finance Products and Services by Banking and Financial Institutions**. This research, led by the Bank, involved **30** banking and financial institutions and was the result of the Carbon Financial Products Topic. It was a key project of the Dual Carbon Expert Working Group of the China Banking Association.

June
2023

On June 12, 2023, the Bank participated in the “**Technical Seminar on Financial Support for Biodiversity Conservation**.” We shared our experiences in supporting biodiversity conservation through finance.

July
2023

In July 2023, the Bank participated in the first Executive Council Meeting of the **PBF** in 2023, where we discussed future work plans, expansion of council members, and other important agendas.



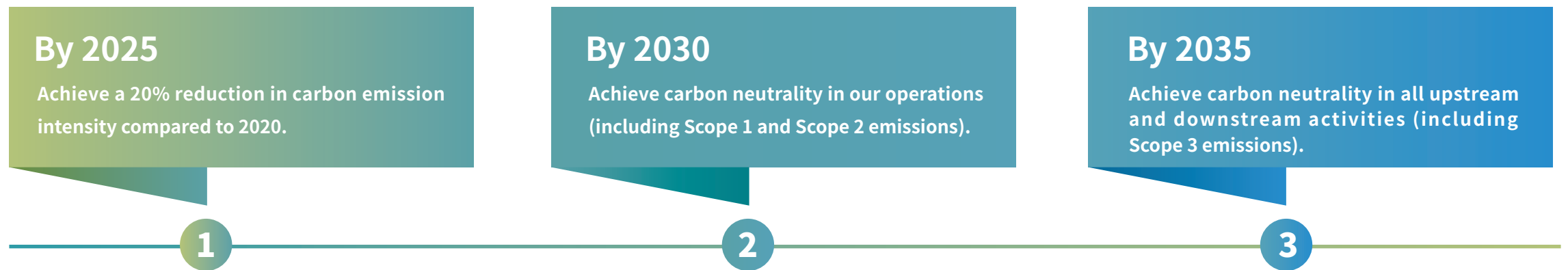
Comprehensive Implementation of the Dual Carbon Strategy and Orderly Advancement of Transition Finance

Industrial Bank is fully committed to responding to and implementing the national “30·60” goals. We were the first in the Chinese banking industry to adopt the “Climate Neutral Now” initiative of the UN Framework Convention on Climate Change. We scientifically planned and formulated carbon neutrality goals and phased timelines and implemented carbon reduction initiatives in our operations.

Simultaneously, leveraging our “Commercial Banking + Investment Banking” advantages, we comprehensively deployed carbon finance business, focusing on key areas such as clean energy, energy conservation, environmental protection, and carbon reduction technologies. We are fully committed to supporting the green and low-carbon transformation of China's economy and society.

Scientific Planning and Steady Progress in Implementing Carbon Neutrality Goals

In 2022, through carbon inventory, carbon verification, and other specialized work, the Bank developed carbon neutrality goals and phased timelines based on a comprehensive understanding of our carbon footprint. The goals are:



In 2023, based on the carbon neutrality timeline, we issued the Notice on the Release of Bank-wide Carbon Reduction Goals and the Notice on Carrying out Carbon Inventory Work from January to August 2023 and Implementing Carbon Reduction Tasks. We formulated and released annual carbon reduction work tasks for branches and sub-branches, providing implementation pathways for energy conservation and emission reduction. This promoted the implementation of carbon neutrality goals. Furthermore, to strengthen the systematic and intelligent management of bank-wide carbon emission data, we developed and

launched the Group Carbon Inventory System. This system enabled online management of carbon emission data collection, reporting, conversion, report generation, and large-screen display. It facilitated intelligent data entry and systematic storage, providing data support for green operation management decisions. We also organized online and offline training for branches/sub-branches and subsidiaries on the Carbon Inventory System operation, distributing system manuals to deepen their understanding of system functions and improve their carbon inventory capabilities.

Deepening the Application of Carbon Finance Tools

In November 2023, the National Development and Reform Commission and other departments issued the Opinions on Accelerating the Establishment of a Product Carbon Footprint Management System. This document explicitly stated the support for financial institutions like banks to use carbon footprint accounting results as an essential basis for green finance products.

To closely align with national policy directions, support the green transformation of the real economy, and encourage enterprises to continuously reduce carbon emissions, we actively innovated service models and designed carbon footprint-linked loans. Based on an enterprise's carbon emissions, a loan's interest rate baseline is set. If the enterprise effectively reduces carbon emissions within a specific timeframe, reaching predetermined levels, it receives financial support through various methods, including reduced loan interest rates.



Case study

Ningde Branch Implements Fujian Province's First Product Carbon Footprint-Linked Loan

Fujian Yuneng Electric Complete Equipment Co., Ltd. (福建裕能电力成套设备有限公司), specializing in smart grid product manufacturing, established a full-process carbon verification mechanism covering raw material procurement, production, finished product packaging, and transportation. They obtained the "Product Carbon Footprint Verification Report" and the "Product Carbon Footprint Certificate" from the China Quality Certification Centre for their main products in 2022.

Ningde Branch recommended a product carbon footprint-linked loan to support smart grid product manufacturing, which received positive feedback from the company. On December 7, 2023, they successfully implemented Fujian Province's first product carbon footprint-linked loan.

Continuous Promotion of Carbon Emission Transformation

The Bank has been deeply engaged in the field of green finance, accelerating the transformation and upgrading of high energy-consuming industries. We have further supported wind, solar, and water industries, encouraging the development of energy storage businesses to consolidate our leading position in green finance. We have supported the low-carbon transformation of high-carbon industries. For example, in the coal-fired power industry, we have relaxed access requirements for single-unit installed capacity, coal consumption, and equipment utilization hours for "three renovations and one linkage" businesses. In the chemical and coal chemical industries, we have exempted financing for projects meeting our green loan criteria or carbon reduction priorities from shareholder background restrictions. We have actively practiced green and low-carbon requirements, strengthening risk control for high-energy-consuming industries such as thermal power, coal, steel, oil refining, aluminum, and copper. For instance, in the steel industry, we have raised green finance technical standards and requirements, making the "completion of ultra-low emission transformation and coal reduction and substitution" as access conditions for moderately cooperative customers.

In 2023, 33 branches implemented a total of 291 sustainability-linked loans, including carbon reduction loans, with a total financing amount of RMB 8.725 billion. By the end of 2023, 15 branches had cumulatively implemented 41 national carbon emission allowance pledge financing businesses, with financing exceeding RMB 730 million.



Case study

Taiyuan Branch Implements a Coking Enterprise Upgrading Project

In 2023, Taiyuan Branch implemented a 2,000,000 tons/year coking technology transformation project loan of RMB 252 million for Lingshi County Zhongmei Jiuxin Coking Co., Ltd. (灵石县中煤九鑫焦化有限责任公司). This project included dismantling the original 4×72-hole 4.3-meter coke ovens and building 2×68-hole JNDX3-6.78-13 type single-chamber regenerative coke oven systems with supporting dry quenching systems.

After the project is completed and put into production, the annual total energy consumption will be reduced by 40,000 tons of standard coal, the unit product energy consumption will be reduced by 29.18 kg of standard coal, the annual particulate matter emissions will be reduced by 33.22 tons, the annual sulfur dioxide emissions will be reduced by 40.21 tons, and the annual nitrogen oxide emissions will be reduced by 223.92 tons. The unit product energy consumption will reach 105.95 kg of standard coal per ton, which is better than the industry benchmark level of 110 kg of standard coal per ton, achieving good economic and environmental benefits.



Innovative Green Finance

The Bank highly values green finance development and firmly implements the major decisions and deployments of the CPC Central Committee regarding ecological civilization construction. We regard “green” as the foundation of the Group’s business development. We continuously improve the green finance governance system, strengthen top-level design, create a diversified green finance product and service system, and focus on key areas and regions. We also increase efforts in providing green finance support services to the real economy, contributing to the high-quality, green, and low-carbon development of the economy and society.

We strive to build a market-leading “Green Bank Group.” Based on the principle of being more proactive, we clearly define the major green finance business targets for 2023, optimize the Group’s green finance product system, and optimize institutional mechanisms. We strengthen policy support, enhance professional capabilities, promote green operations, enhance green finance publicity, and continuously promote the digital transformation of green finance. In terms of guiding the Group’s green business, **on June 9, 2023, we issued the Notice on Issuing Green Finance Marketing Service Guidelines (2023)**, which clarifies the main directions of annual green finance services, including basic requirements, basic goals, key areas, and key products.

By the end of 2023: _____

the balance of green financing provided

by the Bank to customers reached RMB **1.89** trillion,

↑ a year-on-year increase of **16.14%** compared to the end of last year. ↑

Green Loans

By the end of 2023, _____

the balance of our PBoC-classified green loans reached RMB **809.019** billion,

↑ a year-on-year increase of **26.99%** compared to the end of last year. ↑

Key areas included clean energy, water resources, and solid waste treatment.

In 2023, the amount of carbon reduction loans supported by carbon reduction support tools was RMB **25.161** billion.

Environmental Performance Indicators of Green Projects Supported by Green Loans	
Indicator	2023
Annual standard coal savings (Unit: 10,000 tons)	951.73
Annual CO ₂ emission reductions (Unit:10,000 tons)	2,292.28
Annual water savings (Unit:10,000 tons)	1,054.52
Annual NOx emission reductions (Unit:10,000 tons)	7.81
Annual SO ₂ emission reductions (Unit:10,000 tons)	19.73
Annual COD emission reductions (Unit:10,000 tons)	23.07
Annual ammonia nitrogen emission reductions (Unit:10,000 tons)	1.34

Case study Suzhou Branch's Sustainable Development Financial Services Solution

In 2023, Suzhou Branch, in collaboration with CIB Research, provided a sustainable development financial services solution to Oriental Energy (东华能源), a listed company in the domestic petrochemical field. With the continuous improvement of China's "1+N" policy system for carbon peaking and carbon neutrality, high-energy-consuming and high-emission projects strictly implement capacity replacement with equivalent or reduced capacity. Capacity control is implemented in coal-fired power, petrochemical, and coal chemical industries. As a key area for energy conservation and emission reduction, the chemical industry needs to make full use of various carbon reduction methods to cope with the significant changes in industrial structure, raw material structure, and energy structure under the pressure of carbon reduction.

After multiple rounds of communication with the company,

the Bank's customer managers + green finance product managers + CIB Research analysts

jointly established an ESG management service team

to assist the company in

determining low-carbon transformation directions, building an ESG management framework, and sorting out the company's internal ESG-related indicators and management systems.

This allowed the company to understand its ESG management performance,

receive suggestions for improvement,

and obtain financial services that comply with ESG management models.

Case study Shenzhen Branch Implements a Sustainability-Linked Loan Based on International Principles

In September 2023, to support Honor Device Co., Ltd.'s (荣耀终端有限公司) business development in the field of ESG/SDGs sustainable development, the Bank's Shenzhen Branch provided its first sustainability-linked loan. This loan was the first one implemented by the branch based on international principles and represented an innovative initiative to support companies' sustainable development. **This case was awarded the Green Finance Product Innovation Award by the Shenzhen Green Finance Association.**

Involves

- an independent third-party institution conducting a comprehensive evaluation
- and demonstration of the loan's key performance indicators (KPIs),
- validation of the sustainability performance targets (SPTs),
- loan characteristics,
- information disclosure,
- and verification of five core elements.

Based on

Honor's sustainable development strategy and industry characteristics,

sustainability performance indicators were designed from two aspects: environmental protection (Environment dimension) and technology for good (Social dimension).

Designing Sustainability Performance Indicators

The loan interest rate is linked to the borrower's ESG indicators to encourage the company to achieve preset sustainable development goals and better fulfill its environmental and social responsibilities.

This loan followed the Sustainability-Linked Loan Principles released by the Asia Pacific Loan Market Associatio

Green Inclusive Finance

We vigorously support green inclusive finance for new energy businesses. We consider new energy and electric vehicles as two important new growth drivers, helping private enterprises seize opportunities in the wave of green development.

We fully leverage our advantages as a leader in green finance, increase green finance product innovation, and provide private enterprises with services such as “environmental protection loans,” “solar loans,” “water-saving loans,” “carbon asset pledge loans,” “discharge right pledge loans,” and “forest right mortgage loans.” By introducing fiscal risk-sharing mechanisms, we provide low-cost credit enhancement measures for private SMEs. We have cumulatively implemented 180 “environmental protection loan” businesses, providing financing of over RMB 10 billion to enterprises.

By the end of 2023,

the balance of financing in the new energy industry reached RMB **133.4** billion, benefiting **1,555** private enterprises. The balance of financing for electric vehicle manufacturing reached RMB **67.2** billion, benefiting **202** enterprises.

Green Investment Banking

We have established a relatively complete investment banking product system, including various bonds, private equity, M&A financing, syndicated loans, capital market products, and asset securitization. We integrate ESG concepts into investment banking businesses and promptly understand clients’ reputations, business content, financial status, management capabilities, and compliance status during due diligence to ensure controllable risks. We prudently participate in environmentally sensitive industries.

We consistently adhere to innovation-driven strategies. In the bond market, faced with serious homogeneity and fierce competition, we continuously expand financing channels for green entities through green bond product innovation and meet the differentiated financing needs of green projects.

Throughout 2023,

the Bank underwrote green non-financial enterprise debt financing instruments

totaling RMB **21.806** billion,

including

the market's first carbon asset transformation bond,

the first “green + sci-tech” REITs,

and the first green yen-denominated foreign bond.



Case study China's First Carbon Asset Transformation Bond

On February 15, 2023, the 23 Huaguang Environment SCP004 (Carbon Asset Transformation), led by Industrial Bank, was successfully issued in the interbank market. The issuance scale was RMB 200 million, making it the first carbon asset transformation bond in China.

This bond adopts fixed interest rate + floating interest rate issuance, where the floating interest rate is linked to the yield of carbon emission allowances (CEA). All funds raised are used for natural gas combined heat and power projects. Based on independent assessments by third-party institutions, this combined heat and power project is expected to achieve annual energy savings of 220,400 tons of standard coal and reduce carbon dioxide emissions by 967,300 tons. This bond provides valuable experience for the combination of the carbon market and bonds.

Asset Management

By the end of 2023, the combined balance of green leasing, green trusts, and green funds at the Bank reached RMB 99 billion, a year-on-year increase of 16.89% compared to the end of last year.

Green Trusts

By the end of 2023, the balance of green trusts at our subsidiary Industrial

Trust reached RMB 12.6 billion.

In 2023, under the guidance of the national “dual carbon” strategy and the “Group-wide Green” transformation development, green trusts leveraged the advantages of the Group's comprehensive operations, constructing green assets in the field of “pollution reduction and carbon reduction” and making innovative attempts in the field of green benchmark products.

We established the “CIB Trust - ESG Responsible Investment Collective Fund Trust Plan,” incorporating the ESG score of the investment target into the investment decision-making factors. The investment strategy is clearly defined in the project due diligence report as follows:

1. “This trust product will use the CSI ESG Index and the FTSE Russell's ESG Scores as a reference for ESG securities screening.”
2. The stock investment strategy clearly states that “This trust product focuses on investing in listed companies with ESG responsible investment themes. It selects ESG responsible investment theme stocks for key investment through a combination of qualitative and quantitative analysis.”

Green Leasing

By the end of 2023, green leasing at our subsidiary CIB Financial Leasing achieved a delivery of RMB 39.8 billion, accounting for 56% of the total delivery, the highest in history.

The balance of green leasing business reached RMB 68.6 billion, accounting for 52%, an increase of RMB 10.5 billion compared to the beginning of the year.

We implemented the first “sustainability-linked” financial leasing business in the financial leasing industry. We provided RMB 500 million to support green industrial upgrading for customers in the papermaking industry. Different interest rate discounts are set based on the completion status of energy conservation and emission reduction indicators, helping customers effectively enhance their green transformation momentum and reduce financial costs.

Green Funds

By the end of 2023, the balance of green funds at our subsidiary CIB Fund reached RMB 17.815 billion. We are committed to incorporating green investment into the investment decision-making process of the fund and configuring green fund products into the wealth management of a wide range of investors. At the system level, various green systems and notices were issued successively.

Wealth Management

We focus on the three core needs of wealth management customers: liquidity, stability, and profitability. We form a comprehensive and multi-level ESG product system that includes “short-term + medium-to-long-term,” “pure debt + project + multi-strategy,” “fixed income + hybrid,” and “open + closed” products. Considering the overall low-risk preference of wealth management customers, CIB Wealth Management focuses on the fixed income field, deploying a diversified range of fixed income ESG products, including debt-biased hybrid, project, medium-to-long-term fixed income, shortest holding period, and short-term debt products. In addition, we actively create multi-asset and multi-strategy equity products, continuously enriching the ESG product offering to meet customers’ diverse needs.

In 2023,
the issuance of CIB Wealth Management's ESG and green wealth management products reached RMB 233.2 billion, of which green wealth management product issuance was RMB 79.5 billion.

Blue Finance

The Bank attaches great importance to and vigorously supports the sustainable development of the marine economy.

In 2020, we joined the “Sustainable Blue Economy Finance Initiative” (SBEFI) of the UN Environment Programme Finance Initiative (UNEP FI), becoming the first Chinese signatory institution and member.

Since 2021, the Bank has successively released the Green Finance Typical Cases (Blue Finance Special Issue) and the Industrial Bank Blue Finance Service Solutions, clarifying the concepts and boundaries of the blue economy and blue finance, enriching the blue connotations of green finance. We proposed key regions, industries, customers, and products for our blue finance services, effectively promoting our progress in serving the blue economy.

Starting in 2022, we annually publish the Industrial Bank Sustainable Blue Finance Report, including the 2021 Report and the 2022 Report, on our official website, following the reporting requirements outlined in the UNEP FI's SBEFI. The report aims to showcase our efforts in innovating financial products and services to support the sustainable development of the marine economy and marine industry.

Based on the headquarters’ requirements for blue finance, major coastal branches attach great importance to and vigorously support business cooperation in the marine economy. Combining local plans, they have formulated regional blue finance service solutions and actively expanded cooperation in key areas such as marine industries, clean energy, marine transportation, seawater desalination, marine fisheries, and marine ecological protection, adding new momentum to regional marine economic development and implementing several typical cases.



Case study

Zhangzhou Branch Implements the Nation's First Offshore Blue Bond Issued by a Non-Financial Local State-Owned Enterprise

In October 2023, Zhangzhou Branch implemented the nation's first offshore blue bond issued by a non-financial local state-owned enterprise, with an issuance amount of USD 500 million. The Bank underwrote RMB 249 million with a term of 34 months. The funds raised are primarily used for green and blue projects, including supporting green buildings, renewable energy, and sustainable water and wastewater management, actively contributing to the development of Zhangzhou's blue and green economy.

Project Environmental and Social Risk Management Upgrade and Optimization

The Bank fully draws on the internationally recognized environmental and social risk management framework and fully “localizes” it. We have achieved comprehensive improvements in corporate governance, risk management, business processes, and technological systems, incorporating concerns and responses to social and environmental issues, such as climate change, into our overall development strategy. We have integrated environmental and social risk management models into the business management system. We have successfully completed a three-stage leap from prioritizing shareholder interests to considering the

interests of all stakeholders, and then to advocating for the unity and harmony of the environment, society, and economy, and the Bank's sustainable development. With the social responsibility practice concept of ethical profitability, we gradually integrate social responsibility and sustainable development concepts into our business management practices. We have gradually built a social responsibility management system that suits business transformation and innovation, embarking on a path of “from green to gold” with CIB characteristics. This allows us to serve the real economy from a new strategic height.

Towards Comprehensive ESG Risk Management: Achieving Full Integration in Credit Granting Processes

The Bank proactively adapts to ESG development trends, enhancing our environmental and social risk management capabilities. We have issued relevant documents clearly requiring the earnest implementation of green credit policies. All industries are required to meet relevant national environmental protection standards. We actively guide credit resources towards business areas that comply with ESG requirements and feature low energy consumption, low emissions, low pollution, high efficiency, and favorable market prospects.



ESG Risk Management Integration

The Bank fully applies the ESG-related risk assessment system to the credit granting process in the three major business lines: corporate finance, retail finance, and interbank finance. Based on relevant risk assessment standards, customers are classified into four categories: A, B, C, and D. Differentiated management strategies are adopted and incorporated into various stages of the credit granting process, including due diligence, risk review, contract signing, loan issuance, and ongoing management.

Further Optimization of Fossil Energy Industry Review Strategy

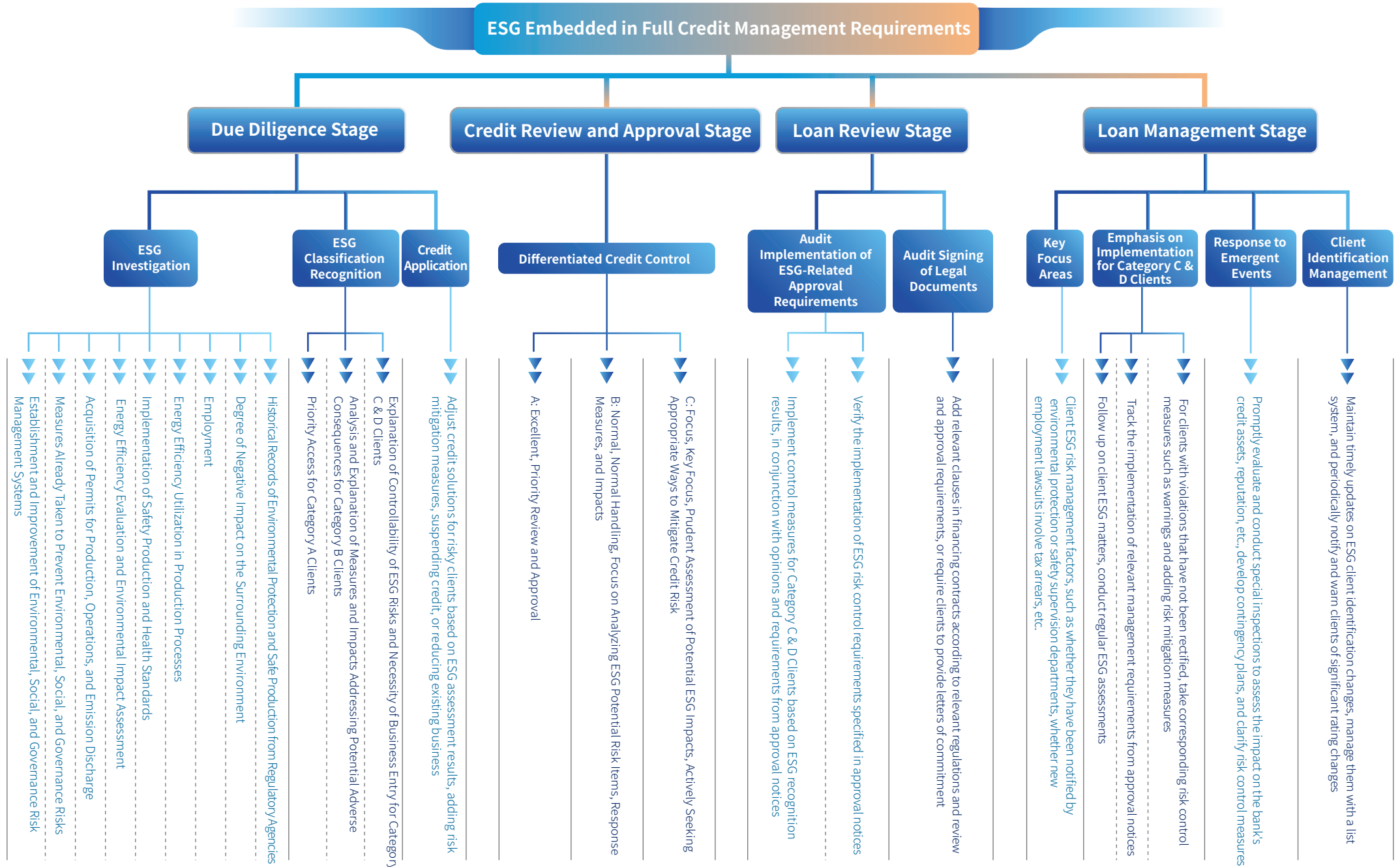
In 2023, to consolidate the Bank's leading position in ESG, we further optimized the review strategy for the fossil fuel industry, issuing the Notice on Optimizing Fossil Energy Review Strategy and Continuously Deepening the Implementation of ESG Concepts. Based on the principles of strengthening total volume management and promoting structural adjustments, this notice established a review strategy for the fossil fuel industry, clarifying that new credit granted to the fossil fuel industry is limited to advantageous regions, green finance, and low-carbon transition finance. It also established green development indicators as baseline requirements for credit access and risk review, strengthening the influence of green practices in the fossil fuel industry. We have optimized the credit granting process, incorporating carbon pricing and carbon performance into the credit management process. This means that an enterprise's carbon reduction achievements during the credit period are used as an important reference for the next round's credit line amount, credit utilization, or interest rate pricing. This guides credit resources towards entities and projects with significant carbon reduction effects, achieving a link between credit strategy and carbon reduction benefits.

Exploring the Inclusion of ESG Performance of Borrowers in Credit Rating Criteria

The Bank's internal rating model indicator design comprehensively evaluates customers' various aspects of operations and risk status, while also considering ESG-related factors. For example, the "quality control system" indicator in the qualitative evaluation of corporate management and operations considers the environmental benefits of the enterprise's operations, including whether it has obtained the "China Environmental Labeling" certification. The "internal control management" indicator evaluates the enterprise's internal control, including whether the enterprise governance structure is sound and whether a sound financial system has been established. This reflects the consideration of the enterprise's ESG performance in its operations and management.



ESG Risk Due Diligence Mechanism, Risk Review and Approval Mechanism, and ESG Post-Loan Management Mechanism



Based on the industry and regional characteristics of the client, targeted due diligence is conducted in accordance with ESG-related content, strengthening the collection and verification of the client's basic information and data to ensure its authenticity, completeness, and effectiveness. Special risk prevention and control measures and contingency plans are formulated, including but not limited to: time-limited rectification of violations and irregularities, signing special commitment letters, adjusting credit granting plans, increasing capital contribution ratios, adding risk mitigation measures, suspending new credit grants, and compressing existing businesses.

The implementation of ESG-related approval requirements and the signing of legal documents are reviewed. Based on the ESG classification results and the requirements of the approval opinion notice, control measures for Category C and D clients are implemented, the implementation of environmental, social, and governance risk control requirements in the approval opinion notice are verified, etc.



Differential credit control is implemented.

For Category A clients, credit applications for green, low-carbon, and circular economy projects are reviewed and approved on a priority basis in terms of time or process.

For Category B clients, focus is placed on analyzing and evaluating potential ESG risk events, response measures, and impacts.

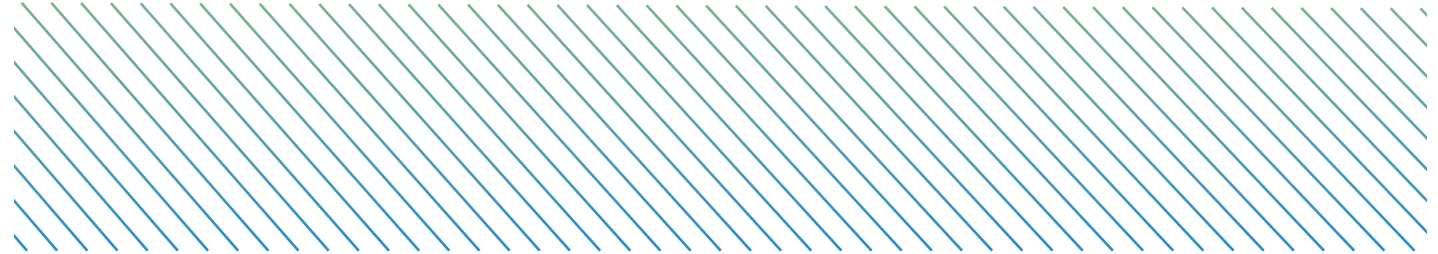
For Category C clients, focus is placed on prudently assessing potential ESG risk events, response measures, and impacts, and appropriate methods are actively sought to mitigate credit risks, including the various risk mitigation measures mentioned above.

For Category D clients, in principle, no new clients will be accepted, and existing clients will be gradually phased out.

In addition to conducting ongoing risk management of clients in accordance with the Bank's regulations, we also monitor and track clients' ESG risks. For Category C and D clients, ESG assessments are conducted regularly, the implementation of relevant management requirements in the approval opinion notice is tracked, and progress in changes in clients' ESG matters is followed up on. These are reflected in the ongoing management report. For clients who engage in violations and irregularities and do not actively rectify them, corresponding risk control measures such as warnings, additional risk mitigation procedures, and credit limit control will be taken.

Optimization of ESG Control in Key Industries

In 2023, the Bank continued to strengthen the integration of credit policies with ESG, issuing the 2023 Credit Extension Policy of Industrial Bank. This policy explicitly requires all industries to comply with relevant national environmental protection standards, optimizing and refining credit approval management for high-energy-consuming and high-emission industries.



Dynamic Optimization of High-Carbon Industry Control

Promote the “brown to green” transformation of the asset structure in high-carbon industries and implement ESG-oriented guidance in all aspects of credit granting. In 2023, we issued the Notice on Further Optimizing High-Carbon Industry Control Measures and Improving Digital Control Levels. For nine controlled industries, including coal, coal power, coal chemical, and petrochemical industries, we optimized control indicators, integrated system control, emphasized the link between risk control and green transformation increases and decreases, and correspondingly ensured energy security requirements to optimize control strategies for key regions and industries for price stabilization and supply assurance.

Refined Risk Management in Traditional High-Energy-Consuming Industries

We have a deep understanding of the policy implications of “establishing before breaking” in economic low-carbon transformation. We adhere to the principle of balancing business development with risk prevention and control, directing credit resources towards high-quality entities in energy security and supply, industrial upgrading and transformation, and green and low-carbon, new energy and green electricity production to meet the reasonable financing needs of basic production enterprises. For group core production entities that undertake green transformation tasks and whose low-carbon transformation projects meet the Bank’s policy requirements for moderate cooperation, we can appropriately relax the subject review requirements on the premise of good risk isolation to provide credit support to the enterprise for green transformation and upgrading.

Continued Strict Control of Industries with Excess Capacity

In accordance with the principles of “controlling increments, optimizing stock, and adjusting structure,” we pay attention to the differentiation of enterprises within the industry and maintain the “dual excellence” strategy of advantageous regions and high-quality leading enterprises.

Adhering to the Bottom Line of Environmental Protection Compliance

Increase scrutiny of environmental violation information for industries, projects, and enterprises that pose significant ecological hazards. We especially pay attention to the constraints of major protection and governance efforts in key areas such as the Yellow River and Yangtze River basins on high water-consuming and heavily polluting industries and enterprises to prevent potential risks. We do not participate in projects that do not meet national policy and regulatory requirements or environmental protection standards or have incomplete approval procedures. We strictly prohibit lending and bond issuance to construction projects that have not gone through legal procedures.

ESG Training System Construction

The Bank comprehensively strengthens specialized ESG training, continuously improves the normalized ESG training mechanism, deepens the construction of the ESG training system, and promotes the comprehensive understanding, proactive implementation, and value creation of ESG throughout the Bank. We aim to create an ESG training system with CIB characteristics. By the end of 2023, the Bank-wide coverage rate of basic ESG training reached 85.48%. We developed general and specialized ESG courses,

establishing a dedicated ESG training course library. We formed a comprehensive training plan covering senior, middle, and grassroots levels, paving a learning path from practice to theory and back to practice. We leverage our professional research advantages, focus on transformation priorities, prepare to establish a Group-wide ESG professional talent pool, and build a talent team with high professional quality and strong service capabilities.



Green and Low-Carbon Operations: A Synergistic Approach to Ecological Development

To fulfill our commitment to “Climate Neutral Now,” practice sustainable development concepts, and actively promote the construction of a bank-wide green operation system, we have carried out energy conservation, emission reduction, and carbon reduction work from aspects such as green office, green building, green procurement, green travel, and green training.

Establishing a Green Environmental Management System

We have actively improved the green operation management system. This year, we established the Green Operation Working Leadership Group, led by the head of the Headquarters Administration and Logistics Department, with heads of various divisions as members. We focus on green office, green travel, green procurement, green building, and other aspects, comprehensively arranging and supervising carbon reduction work in institutions at all levels and comprehensively improving the green operation management level.

At the same time, to continuously improve the green operation management system, we issued the Industrial Bank Business and Office Space Renovation Management Measures (Revised in February 2023), the Industrial Bank Office Space Usage Management Measures, and the Industrial Bank Vehicle Usage Management Measures (Revised in March 2023). These documents propose new requirements for business and office space usage and green renovation standards, as well as official vehicle usage standards. They complement the Bank's management system constraints in green building and green travel, forming the institutional basis for bank-wide green operation work together with the Industrial Bank Green Office Management Measures and the Notice on Further Promoting Green Procurement Management in Industrial Bank.

We organized nearly 3,000 institutions across the Bank to complete carbon inventory work for the full year of 2022 and 2023, clarifying the Bank-wide carbon emission status. In 2023, our total greenhouse gas emissions (Scope 1 and Scope 2) were 259,000 tons, basically on par with the previous year. Based on the 2022 carbon inventory results, we issued the Notice on the Release of Bank-Wide Carbon Reduction Goals and released the 2023 annual carbon reduction tasks for all institutions. We also issued the Notice on Carrying out Carbon Inventory Work in 2023 and Implementing Carbon Reduction Tasks, providing implementation pathways for energy conservation, emission reduction, and carbon reduction for all institutions.

We have established the Dual Carbon Management Platform Construction Special Working Group, completing the development of the Bank's carbon inventory system. This system achieves online management of the entire process of carbon emission data collection, reporting, conversion, report generation, and large-screen display, providing data support for all institutions to formulate emission reduction decisions. Simultaneously, through the interconnection of the Carbon Inventory System and the Intelligent Ledger System, carbon emission and energy consumption indicators can be pushed online, improving data reporting efficiency.

Promoting Energy Conservation, Emission Reduction, and Carbon Reduction

Green Office



Energy Consumption Management System

Fuzhou headquarters implemented an energy consumption management and anomaly alarm system, monitoring building water and electricity meter data in real-time, promptly obtaining fault information for handling, effectively preventing water and electricity leakage, and implementing energy conservation and consumption reduction in the building.



Eliminating "Always-On Lights"

The office area of the headquarters building implements a 1.5-hour lights-off period during lunch breaks. Two unified lighting shutdowns are implemented in the evening after work, at 7 pm and 10 pm, to eliminate "always-on lights." Lighting in public areas has fixed switching times; for example, parking lot lights and B2 lane lights are only turned on for half an hour during peak commuting hours, with only emergency lighting turned on during other periods. Office equipment such as computers and photocopiers are set to power-saving modes and are required to be powered off after work, achieving energy conservation and consumption reduction.



Air Conditioning Control

The headquarters building's air conditioning system is centrally controlled during weekdays. For overnight and weekend overtime work, employees need to specifically request air conditioning for their areas. To save energy, the chillers adjust their water temperature (within a range of 7-10°C) based on the outdoor temperature, and the cooling tower fans run at variable speeds based on the returning water temperature. The air conditioning is set to maintain a comfortable range of no lower than 26°C in summer and no higher than 20°C in winter. To encourage responsible temperature control, signs are placed on each air conditioning panel, reminding employees to adjust the temperature accordingly.



Water Conservation

All water-using appliances in Fuzhou and Shanghai headquarters buildings adopt energy-saving appliances and are affixed with energy-saving labels. The Jiangbin Building in Fuzhou has a rainwater and condensate collection system that collects and disinfects wastewater for irrigation and landscape water replenishment, recovering approximately 430 tons of water annually.



Waste Disposal

We promote garbage classification by setting up garbage classification signs in prominent locations within the building, placing classified garbage bins and hazardous waste recycling boxes, and striving to achieve reduction at source and classified disposal. All discarded electronic information products at headquarters are handed over to waste recycling companies for harmless treatment, meeting green and environmentally friendly requirements.



Paper Saving

We promote paperless office practices, encouraging employees to fully utilize office systems, employee travel management systems, financial management systems, paperless meeting systems, etc., for document circulation, trip booking, and expense reimbursement, thereby reducing the consumption of paper documents and physical receipts. To reduce paper use and our carbon footprint, we have set our computers to default to double-sided and black-and-white printing. We also purchase copy paper with UPM Responsible Fiber certification. As a result, our office paper usage decreased by 652.80 tons in 2023 compared to 2022.



Online Meetings

We fully utilize teleconferencing and video conferencing systems for remote communication and exchanges, reducing travel for meetings and training. In 2023, the headquarters, branches, and subsidiaries held a total of 61,696 video conferences.



Shared Spaces

Shared workstations and offices are provided for short-term business trips and project team members, reducing workstation vacancy and improving space utilization. In 2023, a total of 80 shared workstations and 4 shared offices were added to the Fuzhou headquarters.

Green Travel



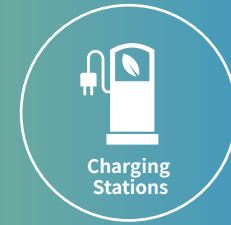
Official Vehicles

The Bank has adopted new standards for acquiring and allocating vehicles, prioritizing domestic electric vehicles for all purposes (including newly purchased and scrapped and replaced), including official vehicles, business support vehicles, ATM maintenance vehicles, and leased cars. **In 2023, the Bank scrapped 200 gasoline-powered vehicles and purchased 38 electric vehicles.**



Commuting Vehicles

Fuzhou and Shanghai headquarters provide commuter shuttle buses and metro station shuttle buses, encouraging employees to use public transportation for low-carbon commuting. **In 2023, a total of 27 shuttle bus routes were provided in both locations, transporting employees for approximately 680,000 person-times. All shuttle buses in Fuzhou are electric ones.**



Charging Stations

The Bank has installed electric vehicle charging stations at its headquarters and major branch buildings to make it easier for employees to use electric cars. **By the end of 2023, there were 156 charging stations across 21 buildings in the headquarters and top-level branches.**



Travel System

The Bank has added a train ticket booking feature to its employee travel management system, allowing for centralized settlement of all train tickets across the Group, simplifying the reimbursement process. **This year, the system processed RMB 7.6 million in train ticket purchases, covering approximately 27,000 trips.**

Environmental Protection Investment



Employee Commuter Shuttle Service (RMB 10k)

Shanghai Zhangjiang Park and Fuzhou Jiangbin Park

1,010.68 1,140.14



2022

2023



Bank-wide Electric Vehicle Purchases (RMB 10k)

204.51 1,271.81

204.51



2022

2023



Green Buildings

New/newly purchased buildings strictly adhere to green building standards. The Bank's Fuzhou Operations Center project, Fuzhou Binhai Fintech Industrial Park, and Guizhou Gui'an New Area Data Center under construction are strictly designed and constructed in accordance with star-rated green building and green data center standards. The newly purchased Xuzhou Branch's new building meets the two-star green building standard.

By the end of 2023, among CIB's self-owned properties, a total of 6 buildings have obtained green building certifications, as detailed below:

Institution Name	Building Name	Certificate	Award Date
Hui'an Branch	Huizhou Rongcan Center	LEED Platinum Pre-certification	2016
Hefei Branch	Blocks C1-C9, Hefei Expressway Binhu Times Square	Two-Star Green Building Design Label	2017
Huai'an Branch	Huai'an Financial Center CBD Phase I	Two-Star Green Building Design Label	2019
Yancheng Branch	Blocks 12-14, 17 and 18, Yancheng Financial City Phase II Project	Two-Star Green Building Design Label	2020
Fuzhou Headquarters	Fuzhou Jiangbin Industrial Bank Building	Two-Star Green Building Label	2021
Xuzhou Branch	Huaihai Economic Zone Financial Service Center	Two-Star Green Building	2023

Green Outlets



In 2023, the Langya Road Sub-branch of Industrial Bank achieved carbon neutrality at the operational level through the purchase of carbon sinks, becoming the first carbon-neutral outlet in the Banking industry in Anhui Province. Langya Road Sub-branch deeply practices the concept of low-carbon and environmental protection. In terms of decoration style, it makes full use of natural light and ventilation to reduce energy consumption. In terms of equipment configuration, the outlet is equipped with energy-saving and environmentally friendly equipment, such as LED lighting and energy-saving air conditioners, to further save energy and reduce emissions. In terms of environmental protection publicity, a special zone for green finance publicity and education is set up to publicize national dual-carbon finance policies, relevant work of Chuzhou City's climate investment and financing pilot city, and Industrial Bank's achievements in dual-carbon finance in Chuzhou region, thereby improving customer's awareness of environmental protection, and advocating a green lifestyle.



On August 15, 2023, Xiamen Jinhai Sub-branch officially opened. By entrusting Xiamen Property Rights Exchange Center (厦门产权交易中心) to calculate and apply marine fishery carbon sinks to offset the carbon emissions of the outlet's operation in the next year, Jinhai Sub-branch achieved carbon neutrality in advance for its operation and also became the first "blue carbon carbon-neutral" financial outlet in Xiamen City.



On November 29, 2023, the Huzhou Anji Green Sub-branch of Industrial Bank officially opened. From renovation to furnishings, the sub-branch extensively uses environmentally friendly, green, and renewable materials. Notably, for decoration, it innovatively utilizes Anji's distinctive bamboo materials, eco-friendly bamboo boards, wheat straw boards, etc., achieving low-carbon and environmental protection based on recyclability. The sub-branch's lighting system implements intelligent control, automatically adjusting indoor brightness according to outdoor light intensity. The office area corridors incorporate sound and light sensor controls, effectively realizing energy saving and consumption reduction. The office area emphasizes attention to detail, focusing on reducing consumption from the source. They actively promote green office practices, minimizing the use of paper, ink, and other materials. Furthermore, they advocate for low-carbon commuting, evidenced by the installation of electric vehicle charging stations in the underground parking lot. All these efforts aim to minimize their carbon footprint.



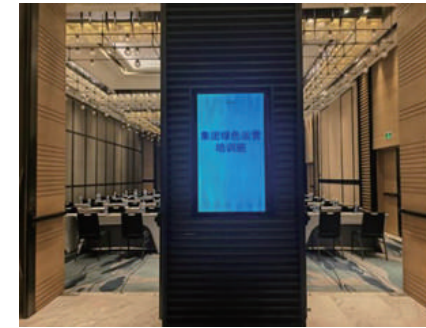
The outlet of Qingdao Branch has undergone two upgrades and transformations and is now a new "green outlet." The construction of each area of the outlet uses pollution-free and environmentally friendly materials that meet national environmental protection standards; intelligent operation and electronic library greatly reduce the use of paper; necessary daily office supplies, such as office paper, paper cups, and promotional bags, are all made of easily degradable recycled paper; electric vehicle charging stations are set up in front of the outlet, which greatly facilitates customers' green travel. In 2023, Qingdao Branch signed an agreement with Qingdao Linyuan Seedling Co., Ltd. (青岛市林源苗圃有限公司) to purchase 500 tons of carbon sink emission reduction to offset the estimated greenhouse gases generated by the outlet's own operating activities from January 1, 2021 to December 31, 2023, becoming the first carbon-neutral financial outlet in the city, achieving carbon neutrality in advance.



Green Operation Training

The Bank designed and produced the online course “Introduction to Bank-wide Green Operations” around the Bank-wide “10,000 Talent Plan for Green Finance,” popularizing national dual-carbon requirements, analyzing the Bank’s energy conservation, emission reduction and carbon reduction work ideas, and strengthening the awareness of energy conservation and environmental protection of all employees. The course was published on the Group’s internal learning website, with **2,657** learners annually.

The Bank organized group green operation offline training courses, inviting experts from Renmin University of China and SinoCarbon Innovation & Investment Co., Ltd. to popularize knowledge such as domestic and foreign financial institutions’ low-carbon path selection and energy conservation and emission reduction cases for special persons in charge of green operation at all levels, laying a talent foundation for “all-green” transformation.



Participation in Green Public Welfare

For Employees

- On March 25, 2023, the Bank participated in the “Earth Hour” lights-out campaign for the 13th consecutive year, organizing all levels of institutions to turn off the lighting of the advertising billboards on the top of the office building, the landscape lighting of the office building, the lighting of the road advertising billboards, and the lighting of the office space for one hour, calling for green offices and low-carbon life, and advocating the concept of sustainable development.
- The Ningbo Branch of Industrial Bank has established a Qinglan Environmental Protection Volunteer Team to carry out a public service activity called “Cleaning Mountains and Beaches,” involving picking up trash. The team has organized over 100 people to participate in the activity, contributing almost 1,000 hours of service and collecting over 1,300 kilograms of trash. Through these small actions, they are promoting green environmental protection and sustainable development.



For Customers

On November 30, 2023, the Cross-Strait Modern Agriculture Expo and Cross-Strait Flower Expo officially opened. To practice the concept of green development and help achieve the goal of “zero carbon” activities, the Zhangzhou Branch of Industrial Bank purchased 160 tons of forestry carbon sinks and donated them to this Agricultural Expo and Flower Expo, actively fulfilling its social responsibilities.





Strengthening International Cooperation and Jointly Promoting Green Development

Strengthening International Cooperation

The Bank continues to strengthen green finance cooperation by relying on the professional research institution CIB Research. On June 5, 2023, World Environment Day, the Bank, China Energy Research Society, and International Finance Corporation (IFC) of the World Bank Group jointly held the “2023 Dual Carbon Finance Forum” in Beijing and awarded the first batch of “Green Pioneer Partners” of Industrial Bank. At this forum, CIB Research, a member institution of Industrial Bank, jointly released a number of important research results with partners such as China Banking Association, Natural Resources Defense Council, World Resources Institute, Climate Bonds Initiative, and China Bond Research and Development Center, covering the zero-carbon transformation and development of the Banking industry, green finance support for forestry and forestry carbon sink mechanisms and innovation models, climate risk and investment and financing financial supervision and policy research, important tools for commercial banks’ climate risk management, China’s sustainable bond development, etc. providing multi-party wisdom to promote the achievement of dual carbon goals.

CIB Research signed strategic cooperation agreements with well-known institutions at home and abroad. Among them, a strategic cooperation agreement was signed with the Energy Research Society and joined the Energy Research Society as a member unit; a strategic cooperation agreement was signed with the Electric Power Planning & Engineering Institute, and joint research was carried out on the multi-market coupling mechanism (electricity-carbon-certificate) in the energy field; a research strategic cooperation agreement was signed with China Carbon Emission Registration and Clearing Co., Ltd., and joint research will be carried out on dual-carbon policy research and carbon market and carbon finance issues; and a contract was signed with the Environmental Defense Fund for the fourth consecutive year for the Climate Innovators project. Through cooperation with mainstream green finance institutions, CIB Research continues to enhance the Bank’s professional research capabilities and market influence.

Research Results

Research Results	Cooperating Unit
Transformation and Innovation: Green Development and Green Finance Blue Book	People's Daily Press
China Sustainable Bond Market Report (Chinese and English Versions)	Climate Bonds Initiative (CBI), etc.
Zero-carbon Transformation and Development of the Banking Industry under the "Dual Carbon" Goal	China Banking Association
Seeking Common Ground While Reserving Differences, Still Water Runs Deep - 2023 ESG Development White Paper of China's Capital Market"	21st Century Business Herald, 21st Century Capital Research Institute
Research on Green Finance Supporting Forestry Carbon Sink Mechanism and Model Innovation	Natural Resources Defense Council
Climate Risk and Investment & Financing Financial Supervision and Policy Research	Natural Resources Defense Council
Scientific Carbon Targets - An Important Tool for Commercial Banks' Climate Risk Management	World Resources Institute
Research on Green Finance Supporting Renewable Energy Development	Energy Foundation



SERVICE

Prioritizing Customer Needs: A Commitment to Ethical Profitability

- 92** **Special Report 1:** Charting a Course for “Digital CIB”: Navigating the Digital Blue Ocean
- 98** Customer-Centric Approach to Enhance Customer Service Experience
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- 118** Expanding Public Financial Literacy Education: Multi-Channel and Multi-Format Approach to Enhance Coverage

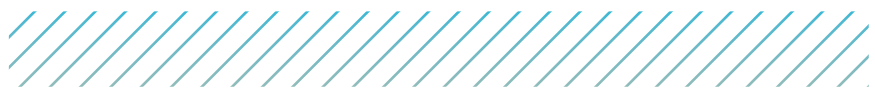


Charting a Course for “Digital CIB”: Navigating the Digital Blue Ocean







Currently, in the face of continuous iteration and upgrading of various emerging technologies, commercial banks are entering a critical period of digital transformation. Industrial Bank closely focuses on the “1234” Strategy, with the vision of “building the ability to connect everything and creating the best ecosystem-empowered bank,” integrating digital transformation throughout, continuously increasing investment in financial technology, from top-level strategy to ecological structure to infrastructure, promoting the organic integration of bank management concepts and digital business logic. The Bank is committed to an “enterprise-level and standardized” approach to digital transformation. We aim to achieve efficiency through effective management and drive innovation. Our strategy involves a holistic approach to building our “brand, products, systems, and regulations,” ensuring a controlled and focused growth in our digital journey. We’re moving beyond the initial foundation-building stage to create a strong and stable digital foundation. Our ambition is to write a successful CIB chapter in the story of this rapidly evolving field.





The Bank has established a technological architecture covering “one committee, three departments, one institute, and one company,” including: Digital Transformation Committee, Technology Management Department, Data Management Department, Security Department, Fintech Research Institute, and CIB Fintech Services (Shanghai) Co., Ltd., and formulated and released the Industrial Bank Digital Transformation Guiding Opinions (2022 Edition) and the 2022 Industrial Bank Digital Transformation Key Work during the year, focusing on promoting the construction of key digital transformation projects and promoting the transformation and upgrading of technological capabilities. At the same time, a digital operation department was established around the construction of a digital operation system to enhance the digital awareness of various departments and improve the digital management and service capabilities of the middle and back offices.



During the reporting period,





-  the Group's IT investment was RMB 8.398 billion,
-  a year-on-year increase of 1.78%,
-  an increase of 72.73% compared to three years ago,
-  accounting for 3.98% of the Bank's operating income.

By the end of the reporting period,

-  the Bank had 7,828 sci-tech personnel,
-  an increase of 16.85% from the end of last year
-  and an increase of 235.82% compared to three years ago,
-  accounting for 13.91% of the total number of employees.

Research and Innovation in Key Areas

Promote the large-scale application of AI technology and explore large language model pilots.

Case	Project Content
 <p>Data Modeling and Intelligent Service</p>	<p>Launched in June 2023, it uniformly manages AI resources, model assets, and other full-link enterprise-level AI basic services, promoting safe and orderly management and reuse of AI assets and empowering business scenarios such as customer acquisition marketing, product services, operation management, and risk control.</p>
 <p>Graph Computing Service</p>	<p>Launched in June 2023, it meets the needs of rapid development and optimization of association relationship characteristics, rules, and models within the Bank and is applied in five major scenarios such as enterprise-level anti-fraud and anti-money laundering, building an association network based on multi-dimensional data such as natural persons, accounts, mobile phones, addresses, and transactions.</p>
 <p>Smart Wealth Manager System</p>	<p>Launched in July 2023, it provides intelligent asset inspection, asset allocation, personalized recommendations, portfolio simulation back-testing, and other capabilities to meet customers' comprehensive, personalized, and customized requirements for wealth management.</p>
 <p>Large Language Model Technology Research and Application</p>	<ul style="list-style-type: none"> ● With the goal of reducing costs and increasing efficiency, the first batch of large language models' business scenario empowerment was formed, including intelligent generation of anti-money laundering reports, which can increase report writing efficiency by 3 times; ● intelligent Q&A of product knowledge base in corporate finance line, docking with "Smart CIB" service app to achieve an answer accuracy rate of 90%; ● intelligent research report analysis and summary of the wealth management subsidiary, which is expected to increase efficiency by 810 person-months per year; ● intelligent corpus labeling of intelligent customer service in the retail line, which is expected to increase efficiency by 108 person-months per year; ● intelligent document assistance in the Bank-wide office field, which is expected to reduce the burden of 50,000 manual text materials on the front line; and research and development code auxiliary generation, which is expected to improve coding efficiency by 20%.

Launch Metaverse innovative application system.

Based on the industry's advanced Metaverse technology engine, integrating virtual reality software and hardware technology,

the Bank has initially completed

the construction of a Metaverse basic management platform

and six major digital space scene constructions,

opening up

a new model of Metaverse financial services exploration.

An NFT digital collection capability platform and service channels were built to empower the development of the cultural tourism economy. **9** digital collection scenarios, including Shenzhen Branch's "Beautiful Dapeng," were launched, involving **26** activity batches and a total of **14,875** digital collections.

Deepen the innovative application of the Internet of Things, satellite remote sensing, blockchain, and other technologies.



The Bank has promoted the construction of a biological asset supervision platform



A total of **6** branches have accessed **3** ranches, with **9,894** heads of biological assets under supervision, and the loan balance is RMB **118.2** million.



The Bank has promoted the application of satellite remote sensing technology in scenarios such as staple crop, cash crop monitoring, forestry carbon sink, and new energy monitoring.



The construction of CIB Chain blockchain underlying framework for inter-bank collaboration and the development of node clients have been completed, providing external customers with one-stop blockchain access services and expanding innovative applications in scenarios such as digital collections, inter-bank finance, and electronic evidence deposit.



In June 2023, the blockchain-based electronic contract signing system was launched, breaking through the last mile of the digital gap in electronic contract signing and digital evidence deposit applications.



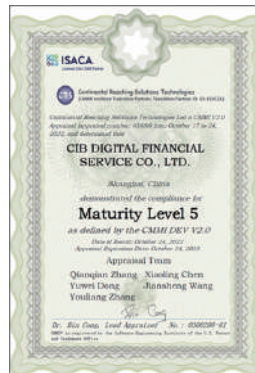
The Bank has actively participated in the construction of blockchain alliances with external cooperation institutions such as third-party supply chain platforms and piloted the combined application of digital RMB and blockchain.

Carry out pre-research on cutting-edge technologies such as vector database and DB4AI.

- ▶ We lead and organize the research topic of key capabilities of the OpenGauss database of the Fintech Alliance and participate in research topics such as database resource pooling and open database capabilities.
- ▶ We interpret the OpenGauss database kernel code and study the development trend of vector database technology.
- ▶ We promote the construction of the financial version of the OpenGauss database as the main initiator.

In terms of software research and development capabilities

In terms of software research and development capabilities, CIB Fintech, the main software system research and development unit of Industrial Bank, won the CMMI5 certification issued by the Software Engineering Institute of Carnegie Mellon University. This certification covers more than 80% of the Bank-wide software system construction work, which also marks CIB as the first national joint-stock bank in China to pass CMMI5 (version 2.0) certification.



CMMI5 Certification

In terms of software testing capabilities

In terms of software testing capabilities, the Bank's wholly-owned subsidiary CIB Fintech won the TMMi5 certification issued by the international non-profit organization TMMi Foundation and is the first Chinese joint-stock bank to pass the TMMi5 certification with full marks and won the TMMi Best Practice Award issued by the TMMi Foundation. This certification covers more than 80% of the Bank-wide software system testing work.



TMMi5 Certification

Case study Research on AI and LLM

Since the beginning of 2023, we have been rapidly carrying out research on large language model (LLM) technology, researching and evaluating over 10 mainstream LLMs. We have started building an enterprise-level LLM platform. The aim is to build CIB's own financial LLM, create an LLM production factory and an application marketplace, and quickly empower business scenarios. Based on open-source LLMs, we have independently developed 6 types of digital assistants, putting us ahead of our peers.

Intelligent Wealth Assistant: Providing pre-investment, during-investment, and post-investment wealth services, covering long-tail and high-value customer groups.

Intelligent Code Assistant: Collaborating with CIB Fintech for pilot implementation, with over 500 R&D personnel participating, to help improve R&D efficiency.

Intelligent Knowledge Q&A Assistant: Piloted in corporate financing, with an accuracy rate exceeding 92%.

Anti-Money Laundering Intelligent Report Assistant: Piloted in 4 branches, increasing writing efficiency by three times.

Intelligent Investment Research Assistant: Empowering over 100 people in the wealth management sub-investment research team, generating summaries of 18 types of research reports from 16 external institutions.

Intelligent Copywriting Assistant: Achieving text generation, expansion, and polishing. It will be open to all staff across the Bank after the office system upgrade in 2024.

Case study Intelligent Human-Machine Dialogue Service Innovation Research

We are researching and developing an AI-powered wealth advisor that operates 24/7 online, providing investment guidance and support before, during, and after investments. This "human + AI" approach combines wealth advisor expertise with AI capabilities, aiming to increase both monthly active users and assets under management. "Little CIB" Intelligent Trading Robot provides intelligent price quotes for bond iDeal channels to interbank trading counterparties. It has been integrated with the quantitative system, offering services for initial contact, product inquiries, and automated quotes in the secondary market.

Case study Intelligent Asset Allocation

We utilize asset analysis to identify a customer's financial assets, evaluating their liquidity, profitability, volatility, and diversification. These parameters are then used to create an automated portfolio adjustment model. We use feature analysis and an interest model based on holdings to build the model, enabling precise customer profiling. We use data mining and multivariate regression models to formulate the asset allocation problem as a mixed-integer programming problem. This approach allows for flexible optimization based on business requirements by simply adjusting the objectives and constraints. We use a massively parallel processing (MPP) architecture for distributed computing, providing simulated back-testing and asset allocation suggestions.



Virtual Bank

Case study Building Metaverse Spatial Scenarios

Metaverse Construction:

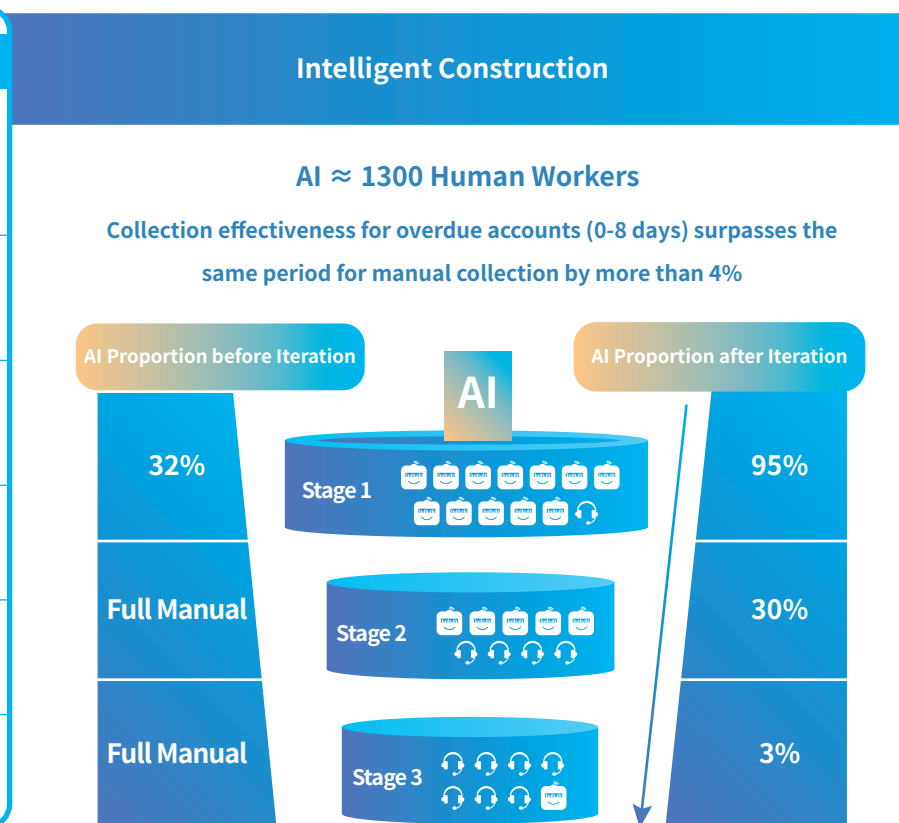
- We aim to develop digital twin capabilities, mastering the fundamentals of digital modeling, material mapping, and rendering.
- To reduce development costs and increase efficiency, we use generative AI to capture 360-degree panoramic views, quickly building metaverse spatial scenarios and saving on resource purchase costs.
- We are exploring new interactive models for the future internet by researching XR hardware and software technologies, including Pico VR headsets, the Unity3D engine, and 3D digital human broadcasting, building a foundation for future technological capabilities.

Case study

Advancing Intelligent Debt Collection

In 2023, the Bank's Credit Card Center focused on building an intelligent debt collection system. Following the principles of "digitization, intelligence, and standardization," we achieved an intelligent debt collection industry upgrade in the first stage of M1 debt collection. **The proportion of cases handled by intelligent robots rose to 95%, a 63% increase compared to 2022.** We are expanding the application of robotic debt collection by developing intelligent debt collection scenarios for the second stage of M1 and for small-balance accounts in M2. Leveraging the high efficiency, standardization, stable scale, and rapid expansion of intelligent debt collection, we aim to address the drawbacks of traditional debt collection, which is overly reliant on human labor, lacks intelligence, and has an inconsistent process. We seek to enhance the debt collection process with efficiency and innovation, from functionality to scenarios, making it visible, manageable, and traceable.

2022	
Call Scope	30% of accounts in the first stage of the campaign (small amounts)
Lines	770
Number Resources	286
Script Versions	41
Tag Construction	-
Feature Optimization	-



2023	
95% of accounts in the first stage of the campaign (all amount segments)	Call Scope
1,043	Lines
996	Number Resources
80	Script Versions
Customer-level tags (81 in total)	Tag Construction
Real-time filtering, T-day follow-up, differentiated strategy configuration for different overdue days, parameterization settings, path expansion, AI-powered optimization of lost contact labels, dynamic customer segmentation	Feature Optimization



Smarter Intelligence

Lines expanded to

1,043

Number pool increased to

996

Enriching scripts and SMS messages to empower intelligent collection

Interactive Scenarios

Supports
100,000+
interactions

Corpus Expansion

Rapidly added
20,000+

Semantic Recognition

48
Item 100+
Item

Script Iteration

43
Set 80
Set

Interaction Rounds

Average
3.01

Call Duration

Average
88 seconds

Feature Iteration More Advanced

Real-time Repayment Filtering

Solving Pain Points

Real-time filtering of calls to customers who have already repaid

Reducing Costs & Increasing Efficiency

Reducing Complaints

Filtering 17,500 repaid customers per day

T-day follow-up, continuous reach

10%

T-day follow-up reach rate increased compared to single reach rate

ASR Accuracy

NLP Accuracy

Both above 95%

Broader Application Scope

Overdue Days Handled

Handling customers in the collection stage with

0-8 days of overdue

Coverage Scope

95% of accounts in the M1 stage

Full 60-day small-amount collection for M1-M2 stages

Diversified Scenarios





Customer-Centric Approach to Enhance Customer Service Experience

In response to the impact of financial technology on consumer demand and behavior, Industrial Bank actively carries out the scientific layouts of outlets and adjusts the type, specialized services, etc., of existing branches. At the same time, mobile banking is continuously upgraded and iterated to bring customers a more intelligent and convenient service experience.

Optimizing Specialized Outlets Construction

Indicator	2023
Number of Smart Outlets	287
Number of Community Sub-branches (including small and micro sub-branches)	847
Number of Outlets in Rural and County Areas ⁴	258
Number of Self-Service Terminals in Rural Areas (including ATMs, POS machines, smart counters, etc.)	5,184
Number of "CIB Cares" Public Welfare Stations	2,085
Number of Outlets Providing Extended Services	778
Number of Outlets with Barrier-Free Access	1,528
Number of Outlets with Caring Counters	1,454

⁴ For the definition of rural and county areas, please refer to the 2022 Administrative Divisions Code of the People's Republic of China issued by the Ministry of Civil Affairs in 2023.

Smart Outlets

In recent years, the Bank has actively explored the differentiated Outlet construction path of “intelligence, community, and standardization,” comprehensively accelerated the pace of construction and upgrading of smart outlets, broken the limitations of time and space, and provided customers with a new experience of multi-scenario and uninterrupted points and more humanistic financial services.

By the end of 2023,
the Bank had built **287** smart outlets.



Community Sub-branches

Since the Bank launched the construction of community banks in 2013, the types of business handled by community sub-branches have gradually evolved from deposits and the sale of the Bank's wealth management products in 2013-2014 to the vigorous development of credit business in 2015-2016, and then to the full bloom of funds, insurance, brokerage house collective wealth management, trust, credit cards, etc., from 2017 to the present.

“CIB Cares” Public Welfare Stations

The Bank has launched a characteristic brand of public welfare service – “CIB Cares” Public Welfare Stations in more than 2,000 outlets across the country, relying on outlets within its jurisdiction to provide more than 40 comprehensive convenient public welfare services for the public. At present, Industrial Bank's convenient public welfare service has been upgraded to launch an online reservation function. Customers can choose the nearest outlet and make an appointment for convenient service through the “CIB Cares” Public Welfare Station reservation applet without leaving home. At the same time, branches of the Bank in various places actively promote the docking of intelligent machines and equipment with government affairs systems, helping the masses independently handle matters such as enterprise registration, social security, housing provident fund, and real estate certificates, realizing the organic integration of the Bank's intelligent electronic services and convenient government affairs services.



Specialized Outlets in Rural and County Areas

The Bank has strengthened its layout in county areas and built characteristic outlets. For example, the construction of Fuzhou Yongtai Sub-branch filled the gap of institutions in Yongtai County, and actively practiced the dual carbon strategy, entrusting the Strait Resources and Environment Exchange Center to subscribe for Yongtai “Fu Carbon,” offsetting the carbon emissions of the outlet's operation in the following year, becoming the first “Fu Carbon Carbon Neutral Outlet” in Fujian Province. On the opening day of Yongtai Sub-branch, the “Outlet Carbon Neutral Proposal” was released on site, contributing to the promotion of “carbon peaking” and “carbon neutrality.”



Expanding Service Channels in Remote Areas/Ethnic Minority Areas

The Bank actively deploys outlets in remote and ethnic minority areas, such as Lhasa Branch, which takes root in Tibet, continuously innovates products and service methods, continues to increase the supply of inclusive small and micro finance, and establishes the first Inclusive Finance Center in the autonomous region based on the “credit factory” model, integrating business consultation, data collection, business acceptance, credit approval and issuance, achieving the goal of “make information travel more, so people have to run errands less.” In 2023, Lhasa Branch innovated the repayment and renewal methods, comprehensively accelerated the implementation of “government procurement loans,” “agricultural wholesale loans,” “renewable loans,” and “revolving loans” businesses. Weakly guaranteed new inclusive small and micro products such as owner guarantee, accounts receivable pledge, machinery and equipment pledge, and movable property pledge have achieved remarkable results, further promoting the access of people in remote and ethnic minority areas to financial services.



Expanding “Happy Life” Pension Finance Services

Expanding Pension Security Pillar Business

As one of the first commercial banks to obtain the qualification to open personal pension business, the Bank now provides customers with full-process personal pension services from account opening, capital deposit, and product investment to collection through online and offline channels such as mobile banking, online banking, and outlets, and continues to optimize customer experience in terms of enriching product supply and innovating channel services, aiming to meet the diversified pension service needs of customers.

By the end of 2023, the Bank has accumulated more than **4.246 million** personal pension accounts.



Providing Diversified Pension Products and Quality Pension Services

To meet the diversified needs of different customer groups for retirement planning and wealth management, the Bank adheres to the principle of “selecting high-quality products and stocking up on goods,” relying on the Group’s comprehensive wealth management capabilities, increasing the introduction of high-quality pension products, continuing to increase product innovation, and selecting pension products with stability, long-term, and inclusiveness to achieve full coverage of investment categories.

The Bank continues to strengthen the integrated operation of online and offline pension finance. In addition to the full-process service of offline exclusive account managers, it also uses the mobile banking APP as a medium to set up a personal pension special zone, leading the industry in launching personalized functions such as personal pension investment suggestions and regular deposits, supporting customers to flexibly choose investment portfolios and set exclusive deposit plans, and continuously optimize pension financial services from meeting actual needs and improving service experience. At the same time, the Bank relies on the five online platforms of CIB Inclusive Finance, CIB Keeper, CIB Life, Qian Shopkeeper, and Bank-Bank Platform, which are interconnected to enrich pension ecological scenarios and provide rich pension financial and non-financial tools such as investment suggestions, tax optimization calculators, and pension information to meet different customer groups’ diversified needs for retirement planning, tax saving calculation, and policy interpretation.

Caring for Elderly Customers

In view of the fact that elderly customers are vulnerable to illegal infringement or encounter legal disputes, the Bank provides a series of free legal counsel services, including 24/7 telephone consultation, legal document risk reminding, litigation services, and other helpful legal services. In addition, in view of the fact that elderly customers are vulnerable to telecommunications fraud or bank card duplication, the Bank especially provides personal deposit fund loss insurance. If their account funds are lost due to harmful acts such as card duplication and fraud, the Bank can provide up to RMB 60,000 in compensation according to the actual loss.

The Bank has also carried out the “Respect for the Elderly Month” activities for nine consecutive years, linking up with streets, communities, and local universities for the elderly, organizing more than 100 elderly friendship activities such as reading, climbing, and singing, so that elderly customers can have something to enjoy in their old age; the Bank actively carries out anti-fraud activities in the field of pension, **holding more than 150 public welfare lectures, with more than 7,000 participants**, effectively solving the problems of information islands, digital divides, and fraud faced by elderly customers in financial services, and has been widely praised by the society; the Bank also provides targeted assistance and door-to-door services for the community’s elderly in need through volunteer activities, further extending the social service functions of the outlets.





A Robust System for Consumer Protection: Safeguarding Customer Rights and Interests

Improving the Top-Level Design of Financial Consumer Protection

By optimizing the organizational structure and the relevant responsibilities of “Two Boards and One Management,” the Bank integrates the work requirements of consumer rights and interests protection into the business development strategy, corporate culture construction, and ESG management, incorporates them into all areas of its own operation and management, and builds a win-win situation for the Bank and consumers.

In 2023, the Board of Directors, the Board of Supervisors, and the senior management continued to strengthen the effectiveness of consumer protection performance and increased the deliberation and research efforts on consumer protection work (including product and service review, complaint handling, etc.). The Board of Directors and the Risk Management and Consumer Rights and Interests Protection Committee of the Board of Directors deliberated or heard consumer protection annual work reports, annual work plans, internal evaluation reports, special audit reports on consumer protection, amendments to the Measures for the Administration of Consumer Rights and Interests Protection Work, read the relevant consumer protection interviews of regulatory authorities, complaint situation reports, regulatory evaluations, and corresponding rectification reports. At the same time, the scope of meetings of the Board of Directors, the Board of Supervisors, and its subordinate committees on consumer protection was broadened, focusing on improving the concept of consumer protection services, analyzing the deep-seated reasons for consumer protection complaints, reducing the number of consumer protection complaints, and improving user experience. Through the Board of Directors Opinion Transmission Letter and the Management Opinion Letter of the Board of Supervisors, the management was promoted to promote implementation and execution.

<p>Board of Directors</p>	<p>The Board of Directors of the Bank assumes the ultimate responsibility for consumer rights and interests protection work (including but not limited to complaint management, consumer protection review, and consumer education and publicity), is responsible for researching and formulating the strategy, policies, and goals of the Bank's consumer rights and interests protection work, regularly listening to reports on consumer rights and interests protection work, and guiding, supervising, and evaluating consumer rights and interests protection work.</p>
<p>Board of Directors Risk Management and Consumer Rights and Interests Protection Committee</p>	<p>The Risk Management and Consumer Rights and Interests Protection Committee, a subordinate committee of the Board of Directors, cooperates with the Board of Directors to carry out special work on consumer rights and interests protection, discusses and decides on relevant matters, studies major consumer protection issues, guides and supervises the establishment and improvement of the management system for consumer protection work, regularly deliberates and studies consumer protection-related reports, assists in guiding, supervising, and evaluating consumer protection work, supervises and urges the implementation of rectification of relevant problems, and makes recommendations to the Board of Directors.</p>
<p>Board of Supervisors</p>	<p>It is responsible for inspecting and supervising consumer protection work, supervising and inspecting the performance of duties of the Board of Directors and senior management in terms of consumer protection, and supervising rectification.</p>
<p>Management</p>	<p>The Bank's management has set up a Leading Group for Consumer Rights and Interests Protection Services, which is responsible for managing and promoting the Bank's consumer rights and interests protection work, establishing a consumer protection management working mechanism, formulating basic management systems, overall plans and annual plans, and organizing their implementation. The group is headed by the Executive Vice President in charge of the headquarters, and its members are from 28 departments of the Bank, covering all business lines related to consumer protection work.</p>

Product and Service Review

The Bank strictly implements the risk management and internal control measures for consumer protection review, supervises and evaluates the consumer protection review of all levels of institutions in the Bank, pays attention to the implementation of “reviewing everything that should be reviewed,” and the quality and effectiveness of the Bank-wide consumer protection review work.

Governance Structure

The Bank is committed to building and improving the mechanism for consumer protection review of products and services. By building a review and governance structure covering the Board of Directors and management, formulating relevant systems and norms, carrying out consumer protection product risk assessment and review, strictly regulating the review requirements before products are put on the market, and safeguarding customer rights and interests.

Governance Structure	Reporting Path
<p>Board of Directors Risk Management and Consumer Rights and Interests Protection Committee</p> <p>Board of Supervisors</p> <p>Headquarters Risk Management Committee</p>	<p>Relevant information, such as the quality of consumer protection review, is submitted to the Headquarters Risk Management Committee, the Risk Management and Consumer Rights and Interests Protection Committee of the Board of Directors, and the Board of Supervisors for deliberation as a key concern in the comprehensive risk management report.</p>
<p>Headquarters Internal Control Committee</p>	<p>Consumer protection review management suggestions are formulated in combination with complaints related to products and services and submitted to the headquarters Internal Control Committee meeting for deliberation, emphasizing the importance of preventing consumer protection review risks at the source.</p>

In 2023, the Board of Directors and its subordinate committees of the Bank held regular meetings to deliberate and hear the 2023 Annual Consumer Rights and Interests Protection Work Plan of Industrial Bank Co., Ltd., the Work Report on the 2023 Annual Consumer Rights and Interests Protection of Industrial Bank Co., Ltd., and the Proposal on Amending the “Measures for the Administration of Consumer Rights and Interests Protection Work.”

Working Mechanism Review

The Bank continues to improve the working mechanism of consumer protection review and requires all branches to carry out consumer protection review before the official release, execution, or implementation of business products and services provided to consumers, policies, systems, business rules, charging and pricing, agreement terms, marketing and publicity texts, etc. in the aspects of design and development, pricing management, agreement formulation, marketing and publicity, identify and prompt potential risks that may infringe on the rights and interests of consumers, and put forward clear and specific review opinions. In particular, the Bank conducts consumer protection reviews when launching new products and services or when the terms of existing products and services that involve consumer interests undergo major changes. At the same time, the “Product and Service Management” assessment indicator is set in the branch's consumer protection internal evaluation plan, and the implementation of “reviewing everything that should be reviewed,” coverage, and quality of consumer protection review are assessed and evaluated quarterly.

In 2023, CIB completed a total of **14,075** consumer protection reviews
Y-o-Y growth of **57.5%**

The Bank also formulates requirements for the consumer protection review management system according to the characteristics, process, and requirements of consumer protection review work, carries out the construction of the consumer protection review management system, and after completion, we will realize online operation of consumer protection review, while integrating multiple functions such as review, inspection, supervision, and risk warning.

Customer Satisfaction Survey

In 2023, the Bank mainly carried out the following three types of customer satisfaction survey work.



After-call Satisfaction Survey

After-call Satisfaction Survey - mainly investigates customer satisfaction with the services of customer service representatives, continues to be carried out for customers who call 95561, the survey rate is about **2.3%** of the call volume, and the customer satisfaction rate is **99.94%**.



Intelligent Robot Satisfaction

Intelligent Robot Satisfaction - mainly investigates customer satisfaction with the overall services of the customer service center and customer satisfaction with the services of customer service representatives.

In 2023, a total of **25,732** customers were called out, with a reach rate of **43.23%**, a survey completion rate of **51.66%**, a satisfaction rate of **90.41%** with the overall service of the customer service center, and a satisfaction rate of **98.6%** with the service of customer service representatives.



Consumer Protection Service Satisfaction Survey

Consumer Protection Service Satisfaction Survey - mainly investigates customer satisfaction with the consumer protection services of business halls, consumer protection services of lobby managers, consumer protection services of counter staff, consumer protection services of wealth management managers, consumer protection services of self-service channels (mobile banking, online banking, ATMs, etc.) and complaint handling, with a total of **32,302** participants in this survey.

The public's satisfaction evaluation of the Bank's consumer rights and interests protection is **9.52** points (out of 10), and the customer service satisfaction evaluation is **9.46** points (out of 10).



Customer Complaint Management

Complaint Management Objectives

The Bank thoroughly implements the development thought of “people-centered,” firmly establishes the business philosophy of “Sincere Service, Consumer Protection First,” continues to unblock consumer complaint channels, grasps the refined management of complaints, consolidates the responsibility of business departments for complaints, accelerates the intelligent upgrade of the complaint system, and actively promotes the rectification of complaint problems.



Management Structure

<p>Board of Directors</p>	<p>Regularly hear reports on complaint governance-related work, including complaint management work plans and summary analyses, understand the effectiveness of complaint governance, and guide the direction of complaint governance; listen to analysis reports on complaints from regulatory channels on a quarterly basis, understand the overall situation of customer complaints, key areas and key issues involved in complaints, and supervise the implementation of rectification; through the “Opinion Transmission Letter” of the Board of Directors, further strengthen the publicity and guidance on product design, sales services, dispute resolution plans, etc. at all levels of the Bank, and promote the management to implement and execute.</p>
<p>Management</p>	<p>The Bank’s Leading Group for Consumer Rights and Interests Protection Services put forward the requirement of “addressing both the symptoms and root causes, prioritizing addressing the symptoms, and focusing on addressing the root causes” for complaint management work. By organizing bank-wide special meetings on consumer rights and interests protection work and special meetings on complaint governance work, guiding and deploying bank-wide complaint management work, conducting special analysis and discussion on complaints from the whole bank, especially those from key business sectors such as credit cards, credit, and wealth management, promoting full-process control and traceability rectification of complaints, effectively resolving consumer demands, and safeguarding the legitimate rights and interests of consumers.</p>
<p>Headquarters and First-Level Branch Consumer Protection Departments</p>	<p>The Bank has established Consumer Rights and Interests Protection Offices and full-time positions at the headquarters and branches, which are responsible for organizing and implementing the Bank’s customer complaint management and supervision work, unifying the Bank’s customer complaint handling norms, being responsible for the full-process management and tracking and monitoring of customer complaints, coordinating and supervising all institutions to properly handle various consumer complaints; regularly carrying out consumer complaint statistics and analysis to assist in the discovery and traceability rectification of customer service problems; promoting the diversification of dispute resolution for customer complaints, and encouraging all institutions to resolve consumer contradictions and disputes through mediation and other means.</p>

Complaint Management Working Mechanism

Committed to a customer-centric approach, the Bank consistently prioritizes meticulous complaint management, solidifying the accountability of entities responsible for handling complaints. During the complaint handling process, we delve into the root causes of complaints, strive to comprehend consumer demands, and proactively drive the rectification of issues raised.



“Hundred-Day Campaign” for Complaint Governance

In 2023, the Bank initiated a “Hundred-Day Campaign” to enhance complaint governance. Measures included strengthening the Bank’s consumer protection teams, refining complaint management mechanisms, focusing on resolving complaints related to key businesses, ensuring smooth complaint channels, establishing preemptive mechanisms for complaint-prone businesses, and conducting “one-on-one” meetings with heads of institutions.

Sound Complaint Management System

The Bank has formulated regulations such as the Implementation Rules for Consumer Complaint Management and the Consumer Rights Protection and Major Consumer Complaint Emergency Response Plan to establish a comprehensive system encompassing various dimensions of complaint management and multi-faceted dispute resolution.

Enhanced Complaint Handling

The Bank has standardized the entire process of complaint handling, aimed at increasing responsiveness and efficiency. Local branches have been encouraged to utilize various resolution methods, including establishing financial dispute mediation centers to leverage third-party mediation for addressing customer disputes.

Complaint Analysis and Monitoring

Regular analysis, monitoring, and reporting of consumer complaints across all channels are conducted. This focuses on dissecting prominent and typical complaint issues and their underlying causes, identifying shortcomings in the complaint management and handling process, and outlining actionable steps. For concentrated, prominent, or typical business-related issues, measures such as issuing Consumer Protection Complaint Warning Letters to relevant institutions are implemented to urge institutions to effectively manage complaints.

Tracing, Rectification, and Promotion

The Bank reinforces the principal responsibility of entities involved in complaint management, implementing a system where the “person-in-charge” takes accountability. This includes establishing mechanisms for “one-on-one” meetings with heads of underperforming institutions and providing focused support to institutions grappling with prominent issues. The Bank prioritizes addressing the root causes of complaints, continuously perfecting the control mechanisms for consumer protection throughout the business process to prevent the “release” of flawed products or services. We tackle complaint-prone businesses with focus, encouraging collaboration amongst institutions and promptly communicating to discuss solutions for complex issues. The Bank strengthens business guidance for branches, standardizes process management, and reinforces compliant operations.

Digital Empowerment of Complaint Management

The Bank actively promotes the intelligent development of its complaint management system, increasing resource allocation to implement features like customer complaint label dashboards, complaint data dashboards, complaint indicator warnings, and AI tagging.

Protection of Complainants

The Bank supports consumers in lodging legitimate complaints and proactively addresses them. The Bank emphasizes the responsibility to protect individuals who file complaints or reports, strictly prohibiting any retaliatory actions against them. This is underscored during training sessions for complaint management personnel throughout the Bank.

Complaint Management Working Rules

Customer-Centricity

Approaching complaint management from the perspective of consumer experience, we delve into the root causes of consumer complaints, intensify complaint handling and problem rectification efforts, and strive to resolve issues at their source.

First-Contact Accountability System

The institution or individual who first interacts with the consumer, irrespective of whether the issue falls under their purview, is expected to actively participate in the resolution process based on the principle of “resolving conflicts on the frontline and at the earliest opportunity,” facilitating a one-stop resolution for the complaint.

Accountability at All Levels

All institutions are obligated to actively and appropriately handle the consumer complaints they receive, regardless of whether it is their direct responsibility. They must not shirk responsibility, refuse to address the complaint, or give consumers the runaround.

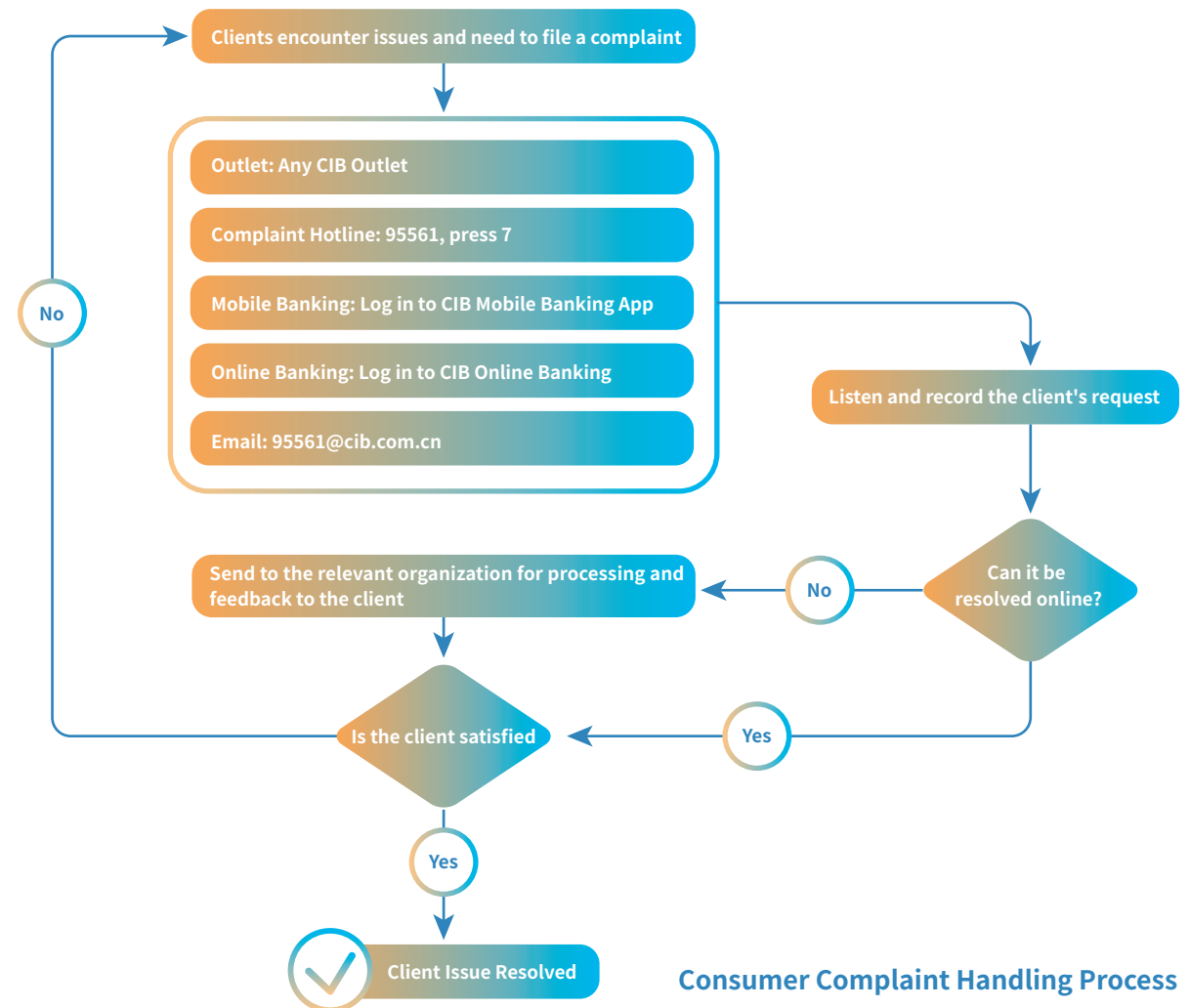
Efficient Handling

The Bank maintains a high level of sensitivity to consumer complaints, ensuring prompt responses and timely appeasement when complaint indications surface. The goal is to increase the rate of first-contact resolution.

Complaint Handling Process

The Bank continuously refines its complaint handling process, promptly updating online and offline channels for customer complaints, along with the corresponding handling procedures, based on real-world situations. This ensures “implementation and response” to customer complaints. The Bank has comprehensively publicized “Consumer Complaint Channels and Handling Procedures” through its official website, mobile banking app, WeChat official account, and physical outlets, clearly defining complaint handling timeframes to guarantee smooth complaint channels for consumers.

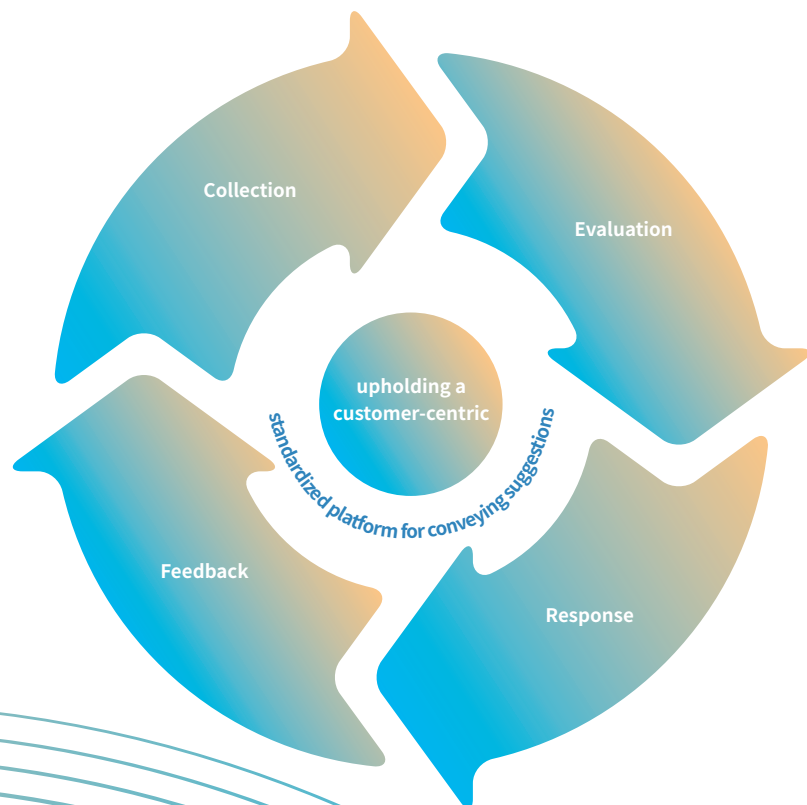
The Bank provides uninterrupted 24/7 manual customer service to ensure efficient complaint acceptance. We have established online customer service teams to handle customer inquiries, queries, transactions, grievances, and complaints through various electronic channels, including the Bank's mobile banking app, CIB Life app, WeChat official account, and personal online banking. We strive for immediate online responses and on-the-spot resolution for simple requests.



Consumer Complaint Handling Process

Measures to Reduce Complaints

Apart from methods like complaint analysis and satisfaction surveys, the Bank implements several key initiatives to enhance customer experience by deepening customer communication and actively listening to their opinions. For instance, the Customer Service Center, upholding a customer-centric approach, diligently builds a standardized platform for conveying suggestions. This platform forms a closed-loop management cycle of collection, evaluation, response, and feedback, enabling timely feedback on prevalent issues in customer service. It provides decision-making support for business management departments in improving customer experience.



Consumer Complaint Status

In 2023,

the Bank received **356,498** complaints across all channels, a decrease of **122,210** compared to the same period last year, representing a **25.53%** year-on-year decline in complaint volume.

The average daily complaint volume per outlet was **0.48**, resulting in a complaint rate of **0.35%**. The completion rate for handling customer complaints reached **99.73%**, while the satisfaction rate for customer complaint handling stood at **99.78%**.

An average of **3.52** complaints per thousand individual clients. A decrease of **32.53%** year-on-year.

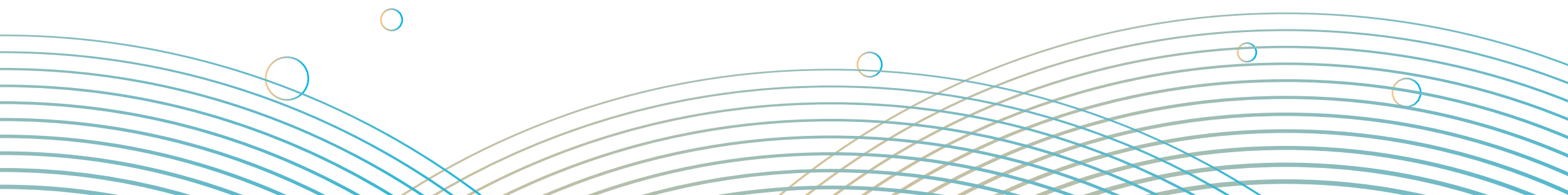
An average of **171.06** complaints per outlet. A decrease of **26.89%** year-on-year.

Regional Distribution of Consumer Complaints

Top 5 provinces/municipalities with the highest complaint volume	Complaints (Cases)	Proportion (%)
Shanghai	41,447	11.63
Guangdong	33,558	9.41
Shandong	28,739	8.06
Fujian	25,797	7.24
Henan	20,964	5.88

Consumer Complaint Channels

Distribution of consumer complaints by service channel	Complaints (Cases)	Proportion (%)
Front-End Business Channels	140,142	39.31
- Electronic Channels	107,724	30.22
- Branch Counters	30,352	8.51
- Other Channels (ATMs, Third-Party Channels, etc.)	2,066	0.58
Middle and Back-End Business Channels	216,356	60.69



Consumer Complaint Business Areas

Breakdown of consumer complaints by business area	Complaints (Cases)	Proportion (%)
Credit Card Business	303,096	85.02
Debit Card-Related Business	22,069	6.19
Loan Business Complaints	18,519	5.19
Bank's Own and Agency Wealth Management	4,687	1.32
Payment and Settlement Business	916	0.26
RMB Savings Business and RMB Management	580	0.16
Other Businesses (Foreign Exchange, Precious Metals, Personal Financial Information, etc.)	6,631	1.86

Reasons for Consumer Complaints

Categorization of consumer complaints by reason	Complaints (Cases)	Proportion (%)
Due to Debt Collection Methods	191,933	53.84
Due to Financial Institution Management Systems, Business Rules, and Processes	120,990	33.94
Due to Marketing Methods	32,567	9.13
Due to Service Attitude and Quality	4,486	1.26
Due to Service Facilities, Equipment, and Business Systems	3,323	0.93
Due to Consumer Fund Security	1,136	0.32
Due to Pricing and Fees	810	0.23
Due to Product Returns	652	0.18
Due to Other Reasons (Contract Terms, Consumer Information Security, Information Disclosure, Right to Choose, etc.)	601	0.17

Debt Collection Policy

Debt Collection System

The Bank places significant emphasis on debt collection management, strictly adhering to relevant laws and regulations regarding debt collection, as well as guidelines such as the Guiding Opinions on Credit Card Collection Work (Trial) issued by the China Banking Association. Based on the Bank's operational realities, we have formulated and revised internal systems, including the Retail Credit Post-Loan Management Measures and the Retail Credit Business Outsourced Collection Management Measures during the reporting period, in accordance with the latest regulatory policies and business development trends. These were published through official channels, including the Bank's website.

Debt Collection Management Procedures and Review Mechanisms

The Bank has established standardized collection procedures, clearly defining departmental responsibilities and fundamental collection guidelines. We strictly manage collection agencies and refine requirements for collection personnel management, incorporating provisions related to personal information protection and consumer rights protection. Furthermore, we conduct ongoing supervision and management of collection practices, leveraging methods such as pre-collection training, in-process monitoring, and post-collection penalties to ensure the accountability of entities involved in collection activities. We strengthen the standardized control over outsourced collection agencies and collection behaviors, enhancing collection quality and preventing improper collection practices. The Bank audits and inspects internal and external collection activities on a monthly basis, continuously enhancing the regulatory constraints on both internal and external collection operations to achieve compliant operations across all business aspects and ensure legal and compliant collection practices. The Bank also includes debt collection status in its annual consumer protection audits to effectively safeguard the legitimate rights and interests of consumers.

Collection Methods and Repayment Reminders

The Bank's collection methods primarily comprise telephone collection (using risk-based voice robots or human agents), SMS collection, letter collection (physical or electronic), field collection, and legal collection. These methods can be employed simultaneously or interchangeably, and outsourced collection may be utilized based on the specific situation.

In particular, the Bank's digital collection approach, guided by the service philosophy of "digitalization, intelligence, and standardization," establishes an automated collection model based on "intelligent strategies + intelligent voice robots." For early delinquency and cooperative installment reminders, this model leverages detailed customer stratification and optimized user segmentation to implement more targeted collection activities. Relying on big data, we refine customer labels and implement precise measures to provide differentiated repayment reminder services that are humane, standardized, service-oriented, and effective.

Personalized Repayment Plans

The Bank continuously refines and expands channels for consultation with customers, offering personalized repayment plans to those who are willing to repay but face difficulties. Simultaneously, we persistently strengthen the monitoring and analysis of repayment data. In the context of the new regulatory asset classification regulations, we further integrate data manifestations such as customer delinquency periods, outstanding amounts, and installment periods to promptly adjust and calibrate the criteria for cooperative repayment and financial relief. While maintaining consistency in relief standards across channels, this effectively enhances the scientific and reasonable nature of cooperative repayment strategies.

Fair Marketing and Advertising Policies and Procedures

The Bank has established a Fair Marketing and Advertising Policy, mandating that advertising campaigns conducted by institutions at all levels must adhere to the fundamental principles of legal compliance, ethical conduct, honesty and trustworthiness, and fair adaptation. Marketing activities should follow the principles of honest contracting, information protection, adequate disclosure, complaint handling, and professional conduct of personnel. We disseminate these principles through relevant education and training to ensure all employees are well-versed in the Bank's Fair Marketing and Advertising Policy and uphold it.

The Bank also formulated the Measures for Consumer Rights Protection in Financial Marketing and Publicity Conduct, stipulating that financial marketing and publicity content must undergo a consumer rights protection review before reaching consumers. We include relevant marketing and publicity conduct in the scope of internal supervision and accountability mechanisms for consumer rights protection, incorporating the oversight and management of financial

marketing and publicity into consumer rights protection assessments. These management measures apply to all marketing-related employees, departments, and domestic branches/sub-branches, with subsidiaries expected to follow suit.

Furthermore, the Bank carries out routine monitoring and inspection of financial marketing and publicity conduct through methods such as reporting on advertising and new media operation status, monitoring the content of marketing SMS messages, conducting post-consumer protection review evaluations, issuing consumer protection complaint letters, and implementing third-party monitoring of consumer protection service quality at outlets. We strive to eliminate situations where consumers are coerced or indirectly compelled to accept products or services, fully respecting their right to information and independent choice.

Product and Service Information Disclosure

The Bank has established a mechanism for information disclosure related to products and services. We have formulated management measures outlining the principles, categories, scope, and channels for information disclosure related to consumer protection across the Bank. These measures require all business departments, throughout the pre-sale, sale, and after-sale stages, to adhere to the principles of truthfulness, accuracy, completeness, and timeliness in disclosing information. Consumer protection information disclosure requirements are embedded within product and service regulations, employing methods conducive to consumer comprehension and acceptance when disclosing information. We ensure that the disclosed content encompasses the nature, risks, fees, and key contractual clauses of products and services.

We disclose updates on consumer protection work, including internal training, education, and publicity efforts, to the public through channels like annual reports, official websites, and mobile banking. We publish consumer complaint data and relevant analysis reports, disclosing data such as the annual number of complaints, categories of business-related complaints, and regional distribution of complaints to ensure **information transparency and openness**.

We **publicize the Bank's customer complaint methods** through channels such as branches, the homepage of the official website, mobile clients, WeChat official accounts, the primary menu of customer service hotlines, and customer agreements.

When providing products or services using standard clauses, the Bank prominently **highlights** sections of significant interest to consumers using methods like bold font, italics, or mandatory pop-up windows, prompting consumers to pay attention to these sections.

Compliance Management of Partner Institutions

The Bank integrates consumer protection requirements into the management system and entire process for partner institutions, effectively incorporating consumer protection standards during the entire life cycle of partner institution management, including onboarding, ongoing operation, and exit. In 2023, the Bank introduced the Notice on Further Implementing and Enforcing the Consumer Rights Protection Partner Institution List Management Mechanism. This document standardizes the management of consumer protection lists for partner institutions, mandating the inclusion of consumer protection factors throughout the partner institution management process. We establish entry

and exit criteria for partner institutions concerning cooperative matters involving consumer rights, encompassing areas such as personal information protection, information disclosure, financial marketing and publicity conduct, consumer complaints, collaboration with internet platforms, and service pricing. We strengthen the ongoing management of partner institutions, clearly defining the responsibilities and obligations of both parties regarding consumer rights protection within the partnership agreement.

Customer Fund Security

Throughout 2023, the Bank continued to enhance its capacity to prevent and control fraud risks, further elevating its level of identification, assessment, and mitigation of fraud risks.

The Bank's enterprise-level anti-fraud platform received

second prize in the 2022 People's Bank of China Financial Technology Development Awards.

Indicator	2023
Total number of online financial transactions monitored by the risk control platform (Unit: 100 Million)	125.9
Blocked high-risk transactions (Unit: 10,000)	1,107.95
Monetary value involved in blocked transactions (RMB 100mn)	1,851.24
Total number of security personnel	5,452
Percentage of security personnel who have received formal training and its application (%)	100
Number of times security personnel received training or drills related to operations	8,418



Improving the Organizational Structure of Fraud Risk Management

The Bank has established a three-line defense governance framework for fraud risk management, clearly defining the responsibilities of senior management, the first line of defense, the second line of defense, and the third line of defense.

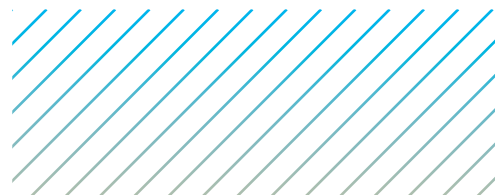
We have established a fraud risk working leadership group headed by the relevant bank executives, responsible for overseeing fraud risk management and clarifying the responsibilities of each institution to ensure the smooth functioning of the fraud risk management system.

We have integrated fraud risk into the Bank's comprehensive risk management system, treating it as a subcategory of operational risk. The Headquarters Security Department/Anti-Money Laundering Center, serving as the first line of defense for operational risk management and the second line of defense for fraud risk management, spearheads fraud risk management efforts across the Bank.



Improving Management Policies and Systems

The Bank issued the Fraud Risk Management Measures, outlining the fraud risk management responsibilities and procedures for various institutions. We released the Fraud Risk Assessment Guidelines to standardize the assessment of fraud risks in new products (new businesses), marketing campaigns, and existing products. We formulated the Fraud Risk Handling Process Management Rules, encompassing aspects like account investigation, customer complaint investigations, and account control and release. We also established the Anti-Fraud Risk Control Model Management Rules, covering the entire life cycle of models, including demand, initiation, development, updates, and retirement.



Enhancing the Enterprise-level Digital Intelligent Anti-fraud Platform

The Bank has optimized its anti-fraud platform in aspects like interface enhancement, rule management, functionality upgrades, and performance improvements to enhance system usability.

The platform integrates with **87** business channels across the Bank, providing seamless fraud risk monitoring services for eight business channels, including the "Five Major Platforms" and "Five Major Projects," effectively safeguarding business operations.

We have launched **488** rules to aid products like consumer finance, inclusive finance, CIB Fast Loan, and credit cards in preventing fraud risks related to credit funds.



Employee Training on Consumer Rights Protection

Full Coverage: Enhancing Consumer Protection Awareness

The Bank highly prioritizes elevating consumer rights protection awareness among all employees. Each year, we formulate and distribute an annual consumer protection and service training work plan across the Bank. We strive to enhance the quality and effectiveness of consumer protection throughout the business operation process through a long-term training mechanism characterized by “extending beyond institutions,” “reinforcing internal efforts,” “online + offline,” and “traditional + live streaming” approaches. In 2023, the headquarters utilized the online “CIB Knowledge” platform and offline training sessions to conduct a total of 32 consumer protection-related training sessions, comprehensively covering groups such as senior management personnel, consumer protection personnel, frontline business personnel, and newly recruited personnel across all branches and subsidiaries.



Promoting New Regulations: Strengthen Consumer Protection Mechanisms

We have provided training to personnel from branches, subsidiaries, and headquarters, focusing on the eleven working mechanisms for financial consumer protection, the eight behavioral norms for safeguarding rights, and other aspects. These sessions interpreted the content and characteristics of the new regulations.



Elevating Perspective: Conducting Comprehensive Consumer Protection Education for All Employees

We utilized the online “CIB Knowledge” learning platform to launch the “CIB All Learning” consumer protection-themed training, achieving a 99.47% pass rate in the training test, with an average score of 96.71.



Training Through Competitions: Organizing “Fifty Red Lines” Relearning Activities

We organized a consumer protection complaint management competition among member units of consumer protection service leadership groups of branches, subsidiaries, and headquarters within China. We required institutions to engage in year-round relearning and subsequent summarization of the “Fifty Red Lines of Industrial Bank.”

Channel Expansion: Diversifying Training Methods

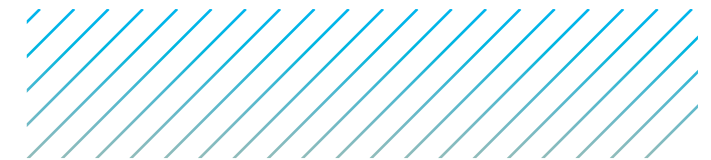
To cater to the work scenarios and common needs of employees dealing with retail customers, the Bank offers multi-channel and multi-category courses both online and offline to enhance training effectiveness and continuously strengthen consumer protection norms in business operations.

Online: Leveraging the internal “CIB Knowledge” training platform, we have launched standardized and specialized consumer protection training courses, incorporating online challenge tests, “Tencent Meeting” sessions, and “live interactive” lecture formats to promptly update frontline customer service personnel's knowledge of consumer protection in a convenient and flexible manner.

Offline: We have conducted multiple consumer protection training sessions at branch and departmental levels, reinforcing frontline outlet personnel's systematic grasp of policies, systems, complaint-handling techniques, and compliance-based sales concepts. Sub-branches also utilize morning and evening meetings for self-directed learning, solidifying the foundation of consumer protection work among frontline business personnel.

Targeted Empowerment: Enhancing Consumer Protection Capabilities

We increase the frequency and intensity of training based on employee roles, focusing on key areas and weaknesses in consumer protection and continuously enhancing the precision and effectiveness of training. **In 2023, we conducted a total of 32 consumer protection-themed training sessions, encompassing topics such as consumer rights protection, complaint management, and consumer protection reviews. These sessions covered all personnel in consumer protection and marketing positions across branches, subsidiaries, and headquarters.**



Target Audience	Training Objectives	Training Outcomes
Senior Management	Enhancing Consumer Protection Execution Capabilities	<ul style="list-style-type: none"> Organized training sessions for retail branch managers. Offered consumer protection-themed training for branch retail managers. Conducted training sessions for senior personnel in departments belonging to the headquarters consumer protection service leadership group.
Consumer Protection Personnel	Strengthening Consumer Protection Implementation Capabilities	<ul style="list-style-type: none"> Conducted training on the interpretation of the new Measures for the Administration of Consumer Rights Protection by Banking and Insurance Institutions for consumer protection-related personnel across branches, subsidiaries, and the headquarters. Conducted two specialized training sessions on consumer protection reviews for key business areas, new products, and new services. Conducted three training sessions related to complaint control, including but not limited to standardized procedures for complaint response, operating procedures for the complaint management system, and complaint handling procedures for 12378 one-click transfer work orders. Organized specialized training for enhancing consumer protection effectiveness, focusing on guidance regarding consumer protection assessments and aspects closely related to marketing and publicity, such as standardized marketing language and key points for risk disclosure. We emphasize collaboration, requiring consumer protection personnel at institutions to supervise business departments in implementing centralized business consumer protection management requirements, particularly in areas like the traceability of sales conduct, product suitability management, and consumer protection management of external partner institutions.
Frontline Business Personnel	Reinforcing Awareness of Compliance with Consumer Protection Regulations	<ul style="list-style-type: none"> Conducted consumer protection-themed training for frontline staff at community sub-branches through “live streaming” on the internal “CIB Knowledge” learning platform, providing guidance on consumer protection norms related to sales conduct and complaint handling techniques. Conducted specialized training on consumer protection case analysis and outlet monitoring guidance for institutions across the Bank through video presentations, with sub-branch management personnel participating.
Newly Recruited Personnel	Enhancing Awareness of Compliance with Consumer Protection Regulations	<ul style="list-style-type: none"> Integrated specialized training on consumer protection into the Group's new employee training program, incorporating mandatory consumer protection courses into job qualification examinations.

Specialization: Focusing on Business Areas

To effectively standardize complaint handling rules and procedures and enhance employee awareness of consumer protection risks and their ability to address them, the Bank conducted multiple consumer protection training sessions in 2023, focusing on important business areas like credit cards, wealth management sales, and retail credit, as well as crucial aspects like marketing and publicity and personal information protection.



Complaint-Prone Areas

Conducted frequent and multi-channel training for frontline customer service representatives in integrated business positions, inviting specialized internal lecturers to provide guidance.

Higher-Risk Businesses

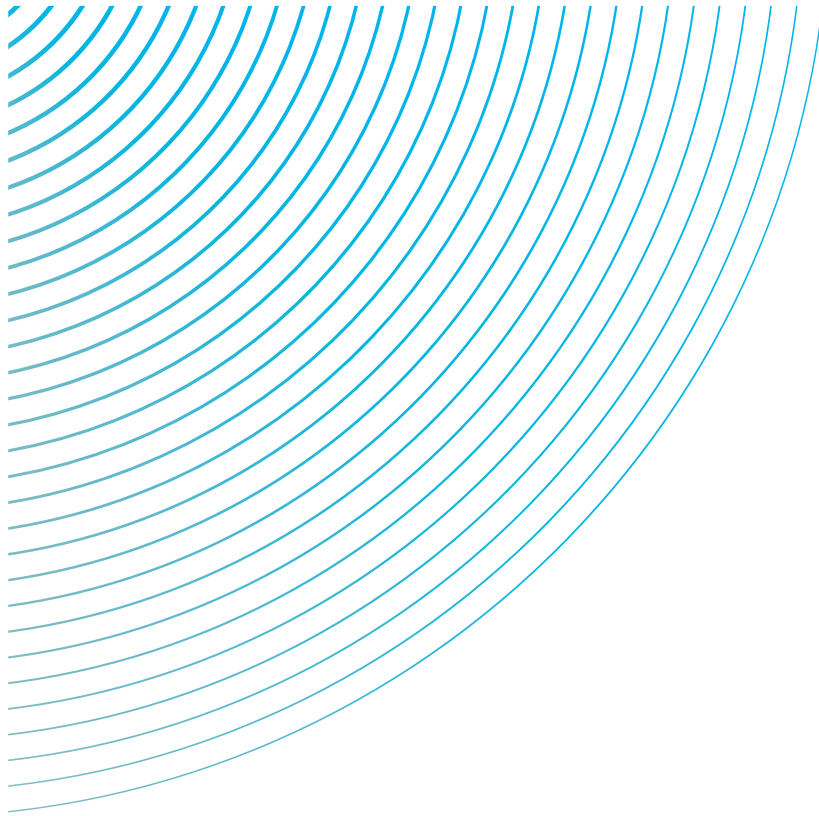
- Conducted specialized online training on consumer protection and sales compliance, focusing on employee conduct management, case prevention and control, and product risk interpretation to instill compliance and consumer protection concepts in personnel involved in these businesses.
- Conducted thematic training on daily complaint handling and consumer protection compliance considerations in wealth management-related businesses, emphasizing service compliance procedures like “dual recording.”
- Carried out the 2023 Network and Information Security Inspection, focusing on specialized training on personal information protection for personnel in institutions with inadequate scoring, deepening employee understanding and application of data security.
- Organized online training sessions on personal information protection for the retail banking sector, raising employee awareness of the “red lines” concerning personal information security.

Personal Loan Repayment and Debt Collection

- The Credit Card Center conducted eight consumer protection-related training sessions, focusing on aspects like installment business, cooperative repayment, and more. These sessions covered topics like key points and case sharing for handling installment business complaints, consumer complaint management rules for credit cards, and effectively enhancing complaint resolution through cooperative repayment.
- We require all collection personnel to participate in regular training, effectively strengthening their awareness of compliant collection practices: The Retail Credit Department produced “5+N” video courses for online learning based on the Industrial Bank Retail Credit Post-Loan Management Measures and the Industrial Bank Retail Credit Business Outsourced Collection Management Measures. The Credit Card Center strengthens the accountability of entities involved in collection activities through methods such as pre-collection training, in-process monitoring, and post-collection penalties, reinforcing standardized control over outsourced collection agencies and collection behaviors to prevent improper collection practices.

Financial Marketing and Publicity

To standardize marketing and publicity language, we conducted multiple training sessions for all employees, including specialized training on the Measures for the Administration of Consumer Rights Protection by Banking and Insurance Institutions and training on consumer protection reviews. These sessions focused on promoting aspects closely related to marketing and publicity, such as standardized marketing language and key points for risk disclosure, and presented relevant precautions and typical cases involving consumer rights protection. The training covered nearly 10,000 consumer protection management personnel, service line personnel, and outlet employees across branches, subsidiaries, and headquarters.



Expanding Public Financial Literacy Education: Multi-Channel and Multi-Format Approach to Enhance Coverage

To protect the rights and interests of financial consumers, Industrial Bank actively fulfills its social responsibility. During the reporting period, we developed and released the 2023 Consumer Rights Protection Education and Publicity Plan of Industrial Bank, outlining key priorities in this regard for the year. In addition to ongoing educational initiatives, we focused on topics such as personal information protection, preventing telecom fraud, basic financial literacy, counterfeit currency identification, and vigilance against illegal

fundraising. We tailored our efforts towards vulnerable groups like the elderly, youth, and new citizens, who may have limited access to financial knowledge, through an “online + offline,” “multi-dimensional,” and “multi-tiered” approach. Furthermore, we strengthened financial education outreach in rural, remote, and ethnic minority areas to effectively disseminate financial knowledge and empower financial consumers.

2023



Approximately
RMB **22.3745** million
invested in public financial literacy promotion



A total of **13,661** online
and offline educational
and promotional activities



Activities reached approximately
210 million consumers



Distribution of
12.1334 million pieces of
educational materials



A total of **4,301** reports
in various media outlets

Leveraging Diverse Resources for Regular Educational Initiatives

We consistently collaborate with local government departments, public security and judicial bodies, educational institutions, and other organizations to enhance vertical penetration and horizontal communication in our educational campaigns. This collaborative model fosters interconnected information, shared resources, and collaborative outcomes,

establishing a comprehensive education and publicity system. We actively explore a “regulatory guidance, external collaboration, internal drive” model, consistently engaging consumers with practical content and solidifying the mechanisms for regular financial literacy and consumer education.

Creating Educational Bases in Collaboration with External Institutions

In partnership with external educational institutions, we establish systematic, specialized, and regular financial education demonstration bases to expand the reach of financial literacy.

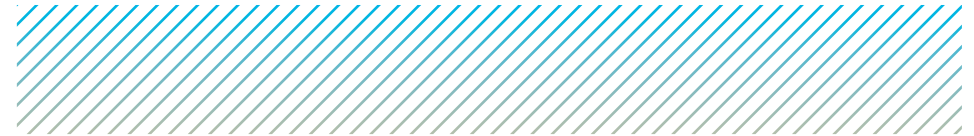
<p>Xiamen Branch</p>	<p>Established Xiamen's first “Campus Financial Education Base” in collaboration with Xiamen University. Featuring designated areas for education and publicity, electronic interaction, and library reading, this base provides an immersive learning experience for students.</p>
<p>Fuzhou Branch</p>	<p>Co-founded a Senior Citizen Financial Education Base with Fujian Senior University, organizing targeted educational activities for older financial consumers.</p>
<p>Guangzhou Branch</p>	<p>Collaborated with the University for the Elderly to establish the “Continuing Education Cooperation Base” with branches spanning Guangzhou's Yuexiu, Tianhe, Haizhu, and Baiyun districts. This initiative boasts over two million online followers, 200,000 members, and over 40,000 offline students, marking a new chapter in regular financial education for senior citizens.</p>



Xiamen Branch disseminates financial knowledge to students and faculty through the “Campus Financial Education Base.

Collaborating with Government Departments to Disseminate Risk Warnings

Leveraging professional expertise, we collaborate with government entities to maximize outreach effectiveness.



Headquarters

Jointly established a Police-Bank Joint Prevention and Control Platform with the Fujian Provincial Public Security Department and the Communications Administration, creating an anti-fraud “ecosystem” that facilitates 48-hour protective payment suspension, real-time transaction monitoring and early warning, and robust protection of financial consumer assets.



Police-Bank Joint Prevention and Control Platform

Nanjing Branch

Hosted a live-streamed financial literacy seminar with local regulatory agencies, the Housing Security and Housing Bureau, and other government departments, assisting new urban residents in recognizing and avoiding common financial traps in scenarios like housing rentals, reaching over 130,000 online viewers.



Live Stream of the Nanjing Branch Financial Literacy Seminar

Enhancing Community Engagement for Face-to-Face Financial Literacy Dissemination

We proactively encourage employee outreach, organizing “edutainment” campaigns in rural areas, communities, campuses, enterprises, and commercial districts. This direct, customer-centric approach makes financial literacy outreach more relevant, engaging, and impactful.



Scene from the “Following the Footprints of Red Culture, Enhancing Public Financial Literacy” Event

<p>Headquarters</p>	<p>Partnered with the Shanghai Financial Consumer Dispute Mediation Center and the Shanghai Branch to hold the “Following the Footprints of Red Culture, Enhancing Public Financial Literacy” event. This initiative engaged consumers in expert seminars, risk prevention workshops, interactive quizzes, tours of the site of the 1st National Congress of the Communist Party of China, and lectures at “Shude Forum,” promoting financial literacy and a deeper understanding of Party history through a “Party building + finance” educational journey.</p>
	<p>Organized a series of diverse, senior-centric activities in partnership with Fujian Senior University, including financial consumer protection-themed art exhibitions, educational broadcasts, “Daily Learning Sessions,” and “Learning Check-in Points,” to enhance financial literacy among older adults.</p>
<p>Headquarters Customer Service Center</p>	<p>Organized a series of offline consumer rights protection education and publicity activities themed “Improving Financial Literacy, Creating a Better ‘Prosperous’ Life.” These activities involved setting up financial knowledge consultation booths, organizing interactive games, distributing brochures, and conducting “Financial Consumer Protection Micro-Classes” to communicate risk warnings.</p>
<p>Taiyuan Branch</p>	<p>Collaborated with local financial regulatory bodies, public security, neighborhood committees, and SF Express for a “Knowledge Delivery” campaign, utilizing couriers to deliver financial knowledge to homes, reaching nearly 150,000 residents across 19 communities.</p>
<p>Shanghai Branch</p>	<p>Established a “Blue Vest” financial literacy team, engaging with communities to bring financial knowledge directly to citizens.</p>
<p>Fuzhou Branch</p>	<p>Hosted a Financial Knowledge Carnival with the Fujian Provincial Consumer Rights Protection Service Center for Banking and Insurance Industry, Minjiang University, and the Huafu Securities National Investor Education Base. Financial literacy was seamlessly integrated into interactive games such as “Jump Jump Jump,” “Flight Chess,” “Simulated Convenience Store,” “Frisbee Counter-Strike,” and “Coffee Making” to make learning engaging while raising awareness about financial basics and risk prevention.</p>

Targeted Education for Specific Demographics

Targeted Consumer Protection for Senior Citizens, Bridging the “Digital Divide”

We prioritize the financial needs of senior citizens, integrating financial education with age-friendly services through various initiatives tailored to their specific needs.



Disseminating Risk Warnings to Senior Financial Consumers Through a Themed Art Exhibition



We partnered with Fujian Senior University to host a themed art exhibition. This event encouraged senior citizens to express financial consumer protection stories through various art forms like landscape, freehand brushwork, and flower-and-bird painting, delivering risk warnings effectively.



We published the Financial Services Handbook for Senior Customers, covering the eight fundamental rights of financial consumers, basic financial literacy, and age-friendly services across various channels, ensuring the protection of their financial rights.



We leveraged external resources to offer specialized services catering to the daily financial needs and consumption patterns of senior citizens, including 24/7 legal counsel, account insurance, and happy-life workshops.



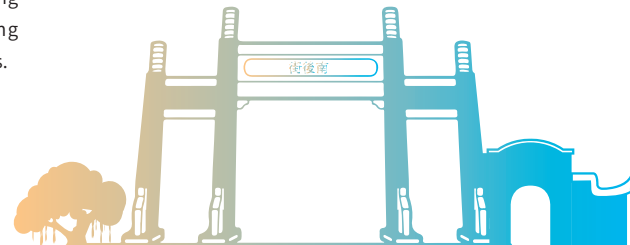
We conducted public seminars tailored for senior citizens on topics such as “Inheritance,” “Consumer Rights,” “Housing Rental and Sale,” and “Senior Citizen Financial Management,” strengthening their anti-fraud awareness and ability.

Proactive Consumer Protection for Youth, Ensuring their “First Lesson in Financial Consumer Protection”

We organize targeted educational activities for students and young adults, actively collaborating with local education authorities and schools. Engaging formats like campus debates, interactive quizzes, and broadcast competitions deliver vivid, interactive, and effective financial education, enhancing risk prevention awareness among youth.

Headquarters

Senior management of the Bank delivered a dedicated consumer protection lecture to students at Fujian Minjiang University, explaining consumer rights and highlighting financial risk prevention strategies relevant to their daily lives.



Wuhan Branch

We explored and developed a series of offline financial practice activities for teenagers, integrating interactive games like “Banknote Counting” and “Trading Market” to guide young people in developing sound consumption and value perspectives.

Zhangzhou Branch

We seized opportunities like “Back-to-School Season” and “Teachers’ Day” to address common illicit financial activities on campuses, focusing on illegal student loans and account trafficking. We conducted “First Lesson in Financial Consumer Protection” for 740,000 students across 119 primary and secondary schools, universities, and colleges in Zhangzhou, fostering rational borrowing habits among youth.



Comprehensive Consumer Protection for New Citizens, Empowering Their Access to Financial Services

We are committed to financial literacy education for new urban residents. We have conducted outreach activities in over 100 villages, townships, and construction sites, bringing informative and accessible financial knowledge to tens of thousands of farmers, migrant workers, and other groups. We aim to ignite their passion for learning, understanding, and utilizing financial tools. We also collaborate with township governments through initiatives like rural outreach programs, providing focused education to farmers and individuals experiencing poverty.

Considerate Consumer Protection for Individuals with Disabilities, Ensuring Access to Financial Knowledge

We are dedicated to providing financial literacy and consumer education for people with disabilities. Through sign language interpretation, stage performances, and courtesies counters, we proactively deliver financial knowledge to individuals with disabilities, sharing financial “warmth.”



Zhengzhou Branch's “Special Love for Special You” Educational Activity



Case study

Kunming Branch Provides Warm-Hearted Services and Financial Literacy Education for New Citizens

Kunming Branch, in collaboration with Yunnan Baiyao, Traditional Chinese Medicine (TCM) clinics, and other institutions, offered a range of services to new urban residents, including blood pressure and blood glucose monitoring, health consultations, TCM diagnoses, and free prescriptions. Concurrently, we emphasized the importance of guarding against various illicit financial activities.

Zhengzhou Branch

Organized a “Financial Literacy Class” for deaf-mute children at a local special education school, extending financial knowledge to the “silent world.”

Shenzhen Branch

Visited the Association for the Blind, helping visually impaired individuals hear the language of “finance,” become financially literate, and make informed financial decisions.

Hangzhou Branch

Partnered with a disability service center to provide financial literacy education for community members with disabilities, organizing bank visits and introducing banking services.

Wuhan Branch

Provided warmth and support to the “Wings of Love” disability organization, listening to their challenges and addressing their concerns regarding financial services. We also introduced our accessible services for people with disabilities.

Extensive Consumer Protection, Bringing Financial Education to Ethnic Minority Communities

We integrate the historical and cultural characteristics of ethnic minorities, offering financial literacy classes in their languages, developing targeted educational materials, and establishing dedicated financial education bases to raise awareness about financial risks and enhance consumer protection.

Case study

Ningde Branch Launches the “Mountains and Seas” Consumer Protection Initiative

Combining She ethnic customs and cultural context, Ningde Branch launched the “Mountains and Seas” Consumer Protection Initiative, innovatively establishing “Trending Destinations” for financial literacy along local tourist routes, using the natural scenery as a medium to broaden financial literacy outreach. Hohhot Branch developed and distributed brochures in Mongolian, sharing case studies and exposing financial scams through the local language to empower ethnic minorities in risk prevention.



Ningde Branch’s “Mountains and Seas” Consumer Protection Initiative

Expanding Platforms, Innovating Educational Content



We proactively expand consumer education channels and content, embracing creative “cross-field collaborations” for financial literacy. We consistently enhance the “Consumer Protection Zone” on our official website, mobile banking app, WeChat mini-program, and official WeChat account. We utilize various media channels to deliver novel, high-quality, multi-level educational content and continuously optimize our service loop to build an online publicity “matrix,” creating a comprehensive and multi-faceted promotional environment.

Empowering Traditional Culture, Organizing Distinctive Activities



Xi'an Branch: Consumer Protection Event for the Traditional Storytelling and Opera Culture of Northern Shaanxi.

Xi'an Branch

Using the cultural characteristics of Northern Shaanxi as a carrier and combining cultural promotion and financial education, it adapts financial knowledge into short storytelling segments and conveys the knowledge through storytelling opera.

Taiyuan Branch

Walking into the intangible cultural heritage village of Liujiabao, it effectively promotes financial knowledge through intangible cultural heritage lion dance, anti-fraud catchphrases, three-and-half-line comedy, national style fan dance, and other methods.

Nanping Branch

Combining traditional paper-cutting art, it launches folk-themed paper-cut posters for financial consumer rights protection education promotion.

Qingdao Branch

Combining consumer rights protection and financial knowledge with popular square dance songs among the elderly, it conveys financial knowledge through original consumer protection square dances.

Innovative "Object-Based Storytelling" for Enhanced Outreach Effectiveness

Shenzhen Branch

Shenzhen Branch set up a "Consumer Protection Charging Station" and developed various creative products, integrating financial knowledge into everyday consumer goods.

Ningde Branch

Ningde Branch designed and produced original merchandise such as refrigerator magnets, coasters, mobile phone holders, eco-friendly bags, keychains, pillows, and postcards, using cartoon characters to convey financial literacy, which were distributed free of charge.

Chongqing Branch

Chongqing Branch turned delicious and fragrant fruits into "spokespersons," introducing creative promotional slogans to communicate risk warnings to financial consumers.



Shenzhen Branch Business Outlet "Financial Consumer Protection Charging Station"

Integrating Online Channels for Synergistic Impact

We continuously accelerate digital transformation, effectively enabling consumer rights protection with financial technology to accelerate financial consumer education.

Case study Leveraging the Mobile Banking "Circle"

We launched "CIB Talk," an integrated information platform within the mobile banking "circle," merging educational content from the Group's "Education Base" and "Investor Education Park," and consistently publishing financial knowledge posts and risk warning graphics like "The Rights and Interests Encyclopedia" and "Red Finance Cloud Tour Strategy," building a comprehensive financial education ecosystem.

Case study Joint Themed Promotion with External "Xiaohongshu" Platform

Leveraging platforms like "National Business Daily" and "Life Frontier" on Xiaohongshu, we launched a themed campaign around "Rejecting Illegal Agency Rights Protection," reminding platform subscribers to protect personal information and avoid harm from illegal financial activities.

Expanding Offline Channels to Create "Learning Spaces"

We consistently maintain "CIB Cares" public welfare stations in over 2,000 outlets nationwide, providing diverse public welfare and convenience services. We also promote the establishment of "Workers' Stations" in Fujian Province, partnering with the Fujian Provincial Federation of Trade Unions to launch a special service initiative for outdoor workers. These stations offer amenities like rest areas, free drinking water, meals, haircuts, tailoring, mobile phone film application, dental checkups, and TCM diagnoses. "Workers' Stations" also serve as new outposts for financial literacy education, hosting public seminars, book distributions, and other activities to empower outdoor workers with financial knowledge and risk awareness.



SOCIAL



Deepening Expert-led Operations and Dedicated to the Public Good

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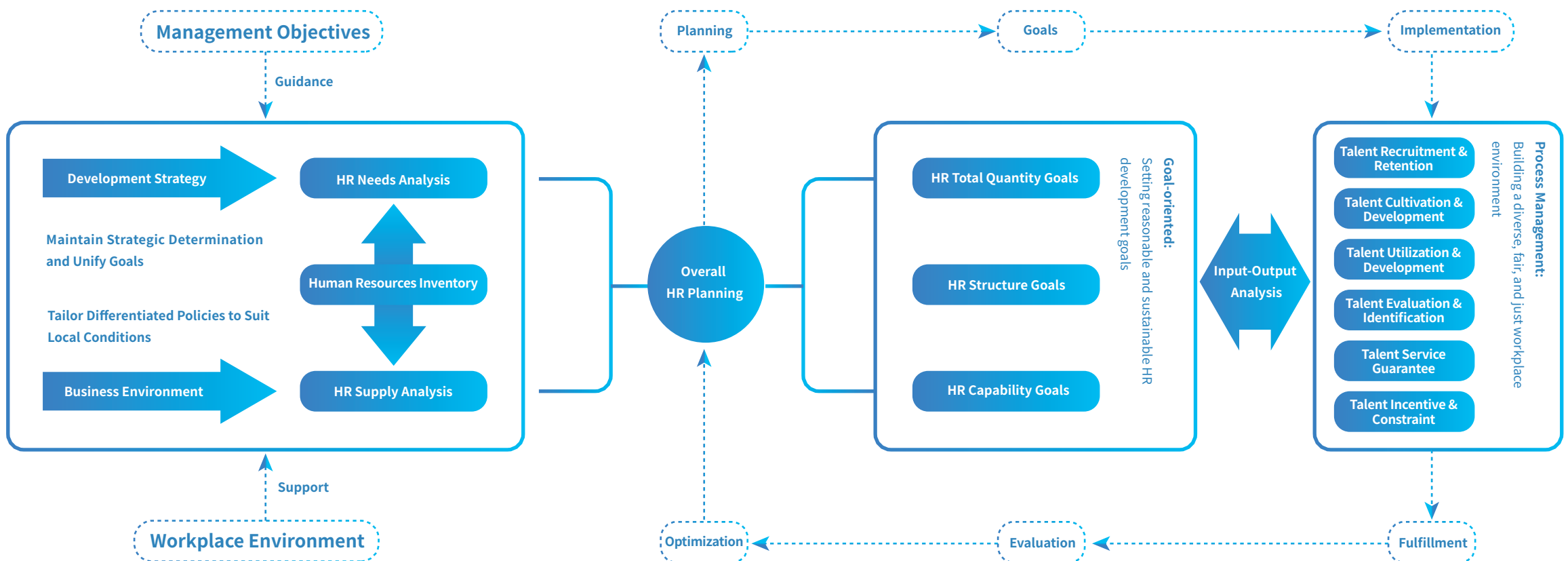
Unleashing Workforce Potential Through Talent Pipeline Development Strategy

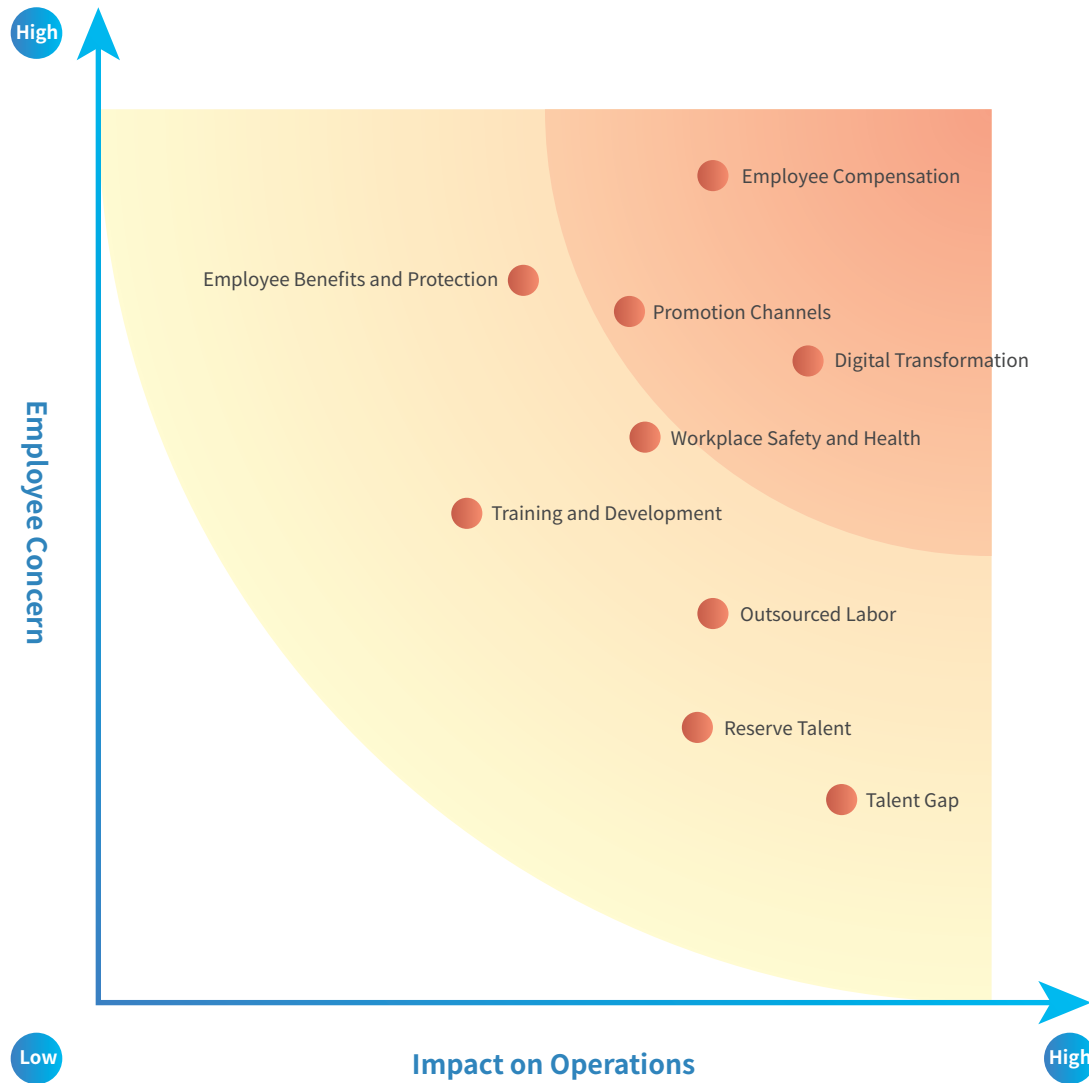
A Scientific HR Management System

We focus on our overall strategic development plan and key business development needs, combining them with an assessment of our current workforce to develop a comprehensive human resources plan. This plan aligns with our overarching development strategy and adapts to the operating environment, creating a closed-loop management model that

prioritizes planning, goal-orientation, implementation follow-up, regular evaluation, and dynamic optimization. Guided by the Industrial Bank “14th Five-Year Plan” for Talent Development, we outline workforce targets for size, structure, and capabilities, proposing talent development strategies, initiatives, and key talent implementation plans.

HR Management System Framework





We view digital transformation in human resource management as a crucial tool for risk prevention and problem-solving. By digitizing the entire human resource management process, we refine business operations and enhance technological support for talent recruitment and retention, development and utilization, evaluation and incentives, and service and support. This approach diversifies communication channels, enhances risk screening methods, implements personal information protection requirements for employees, and continuously enhances the value and precision of human resource management. Through human resource data analysis, we reinforce data governance, construct a human resource data asset, and develop applications for data dashboards, talent profiling, and indicator monitoring. This enables a comprehensive, multi-faceted, real-time, and dynamic display and monitoring of human resource management indicators across branches, enabling timely assessment of human resource issues faced by the Bank and its employees during development, and formulation of targeted solutions. This process enhances our ability to address various risks for sustainable development.



We analyze and evaluate the impact of human resource management on employee concerns and operational efficiency, mapping the 2023 human resource management risk landscape. We select key issues as focal points for human resource risk prevention and develop corresponding measures and contingency plans to ensure proactive risk management within human resources.

Comprehensive Support for Employee Development

We have long prioritized employee development, recognizing human resources as our most valuable asset. We firmly believe that a high-quality, highly competent workforce is our most treasured asset. We are dedicated to supporting our employees' growth and self-improvement, striving to create a fair, just, diverse, and harmonious corporate culture. We provide a simple, supportive working environment, allowing employees to focus on their growth and development, maintain their passion and creativity, and feel cared for and valued. We firmly believe that our unwavering commitment to employee growth propels long-term sustainable development and creates value for our customers and society.

Our efforts in this regard are concentrated on five key areas:




Diverse and equitable principles and systems



Abundant training and development opportunities



Robust recruitment and retention mechanisms



Competitive compensation and supportive benefits package



Simple, harmonious, healthy, and friendly work environment

Diversity and Equitable Principles and Systems

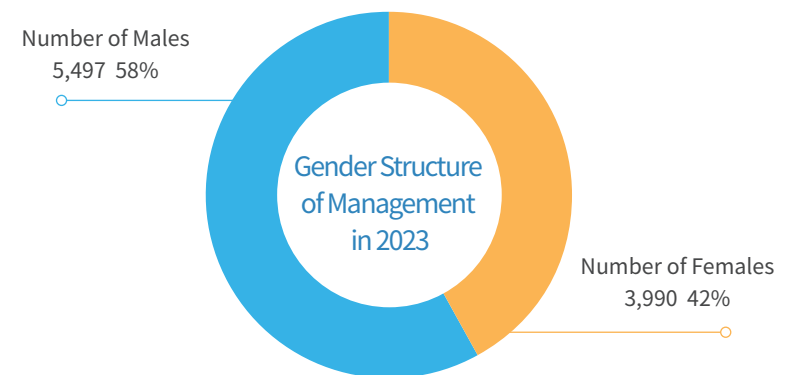
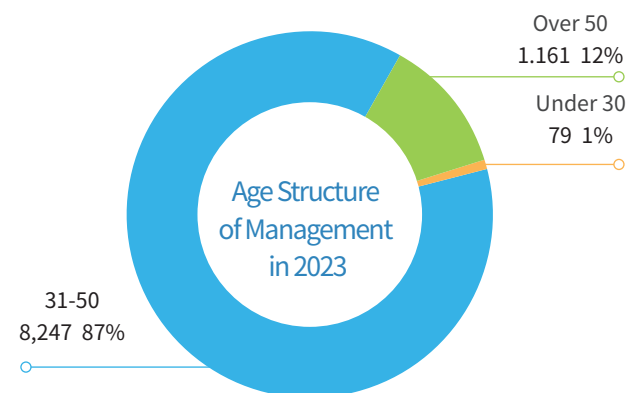
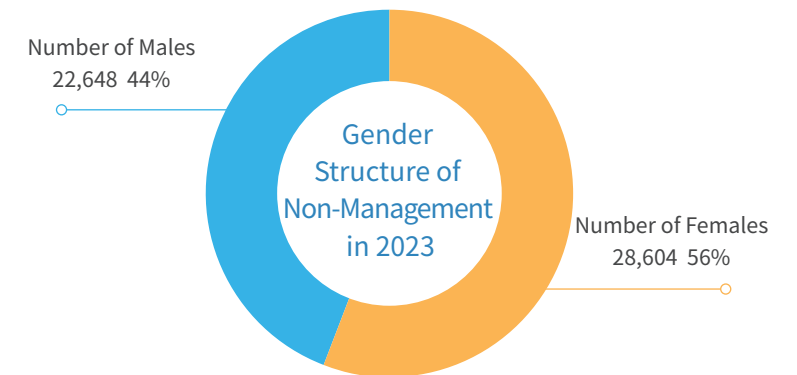
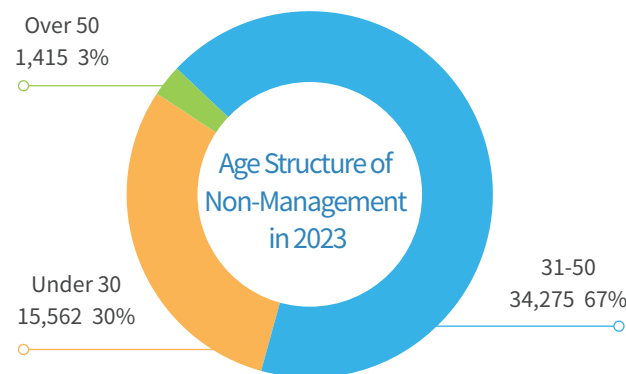
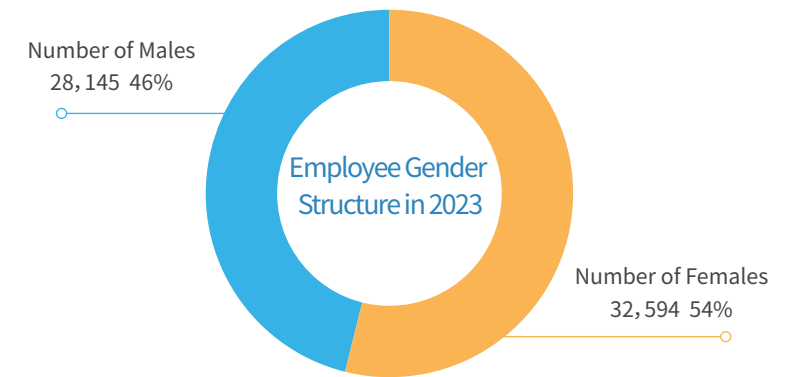
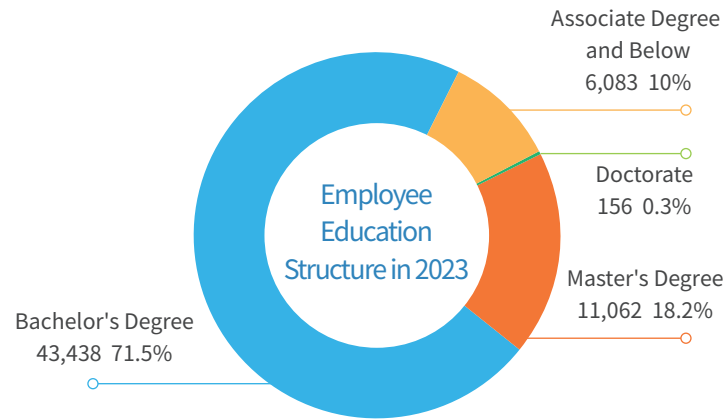
As a global commercial bank, we serve clients spanning various industries and regions, with employees from diverse backgrounds, creating a multi-faceted environment of specialized roles and work cultures. We uphold the principles of diversity and inclusion in our recruitment and hiring processes, providing equal opportunities to all qualified candidates and eliminating discrimination based on gender, age, ethnicity, family status, religion, sexual orientation, social background, or origin. This approach ensures equality of opportunity and respects the aspirations and preferences of every employee, supporting them in achieving their career goals and personal ambitions.

Harmonious Diversity, Inclusive Employment Principles

We recognize, accept, and value individual differences. Our employees' diverse perspectives and experiences enable us to better understand customer needs, engage in timely business innovation, and achieve successful business development.

We leverage internal systems to collect and manage employee diversity data, fully respecting individuals of different ages, races, genders, nationalities, and physical abilities. We uphold fairness and transparency, prohibiting discrimination in all forms and for any reason. We protect the legal rights of female employees, oppose all forms of child labor and forced labor, and strive to create suitable working conditions for qualified individuals with disabilities to the extent possible within the framework of applicable laws. We maintain a global talent acquisition mechanism, prioritizing the recruitment of local talent for our overseas branches, implementing an international talent development program, and promoting active exchange between domestic and international personnel. **We conduct special recruitment campaigns for Southeast Asian and Taiwanese employees, onboarding 8 Southeast Asian and 9 Taiwanese employees in 2023**, enhancing our international talent pool.

By the end of 2023, the Bank's personnel structure is as follows:



◎ A Fair and Just Employment System: Attracting Talent from Near and Far ◎

We consistently implement fair and transparent employment mechanisms, aligning with the talent standards of the new era to create an equitable and just environment for talent selection and appointment. We adhere to the principle of meritocracy, embedding equality throughout employee career development. We continuously enhance talent acquisition and development mechanisms, solidify appropriate guidelines for selection and appointment, scientifically formulate

performance evaluation metrics, and refine the compensation and benefits system. We proactively build career advancement pathways for employees, normalize cadre rotation and job exchanges, and diligently foster a fair and inclusive human resource ecosystem.

◎ Grievance Reporting: Ensuring Everyone Has a Voice ◎

We are dedicated to providing diverse communication channels for employees.

- First, we establish clear channels through internal websites, email, and other platforms to facilitate information exchange, communication, and sharing.
- Second, we encourage employee interaction through internal discussions, team-building activities, and project collaborations to foster experience and knowledge sharing. In recent years, we have promoted flexible and agile organizational structures, enriching the modes of communication and collaboration among employees.
- Third, we value public supervision, adhering to a people-centric approach and upholding the Party's mass line. We listen to employee voices, address their concerns, and diligently investigate complaints received via phone calls, letters, and emails, strictly adhering to confidentiality protocols and controlling access to sensitive information. In 2023, all visits received (including letters, calls, and mails) were processed in accordance with relevant regulations.
- Fourth, we meticulously designed employee grievance and feedback platforms, launching the innovative “Voice of CIB” platform for employee suggestions, recommendations, and democratic management. This platform offers employees barrier-free access to participating in democratic management and supervision. We actively promote systematic employee behavior management, establishing a dedicated platform and distributing nearly 120,000 questionnaires in 2023 to comprehensively understand employee thoughts, lives, and work dynamics.
- Fifth, we reinforce the investigation and handling of employee grievances. By formulating the Industrial Bank Complaint Handling Management Measures, we ensure timely assignment and processing by designated institutions and strictly investigate and address violations and misconduct reported by employees according to procedures.

By the end of 2023,



employees had shared **6,141** business cases through various communication channels, effectively driving business innovation and knowledge dissemination.



The “Voice of CIB” platform had accumulated over **15,500** employee posts and more than **95,000** comments, with a daily readership of **42,000** and a cumulative readership exceeding **42.95** million. We received and addressed **1,167** employee suggestions, adopting **758** of them, achieving a **65%** adoption rate and demonstrating our commitment to protecting employee rights and interests.

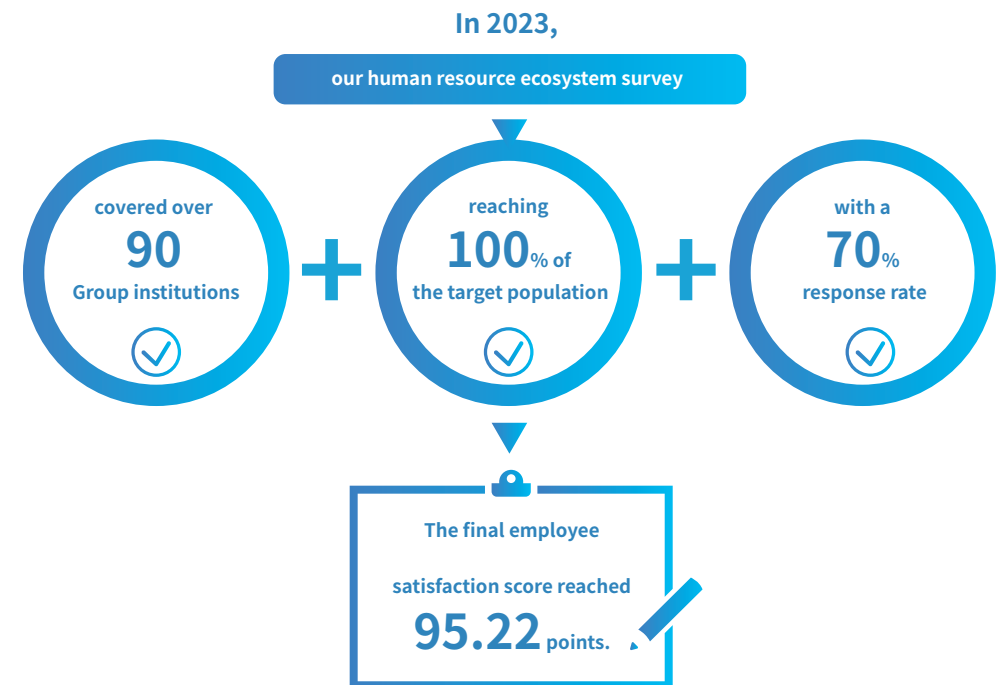
A Shared Responsibility: Building a Supervision Model Based on Collective Participation

We implement pre-appointment announcements for cadres, “one report, two reviews” for performance evaluations, and human resource ecosystem surveys to ensure transparency in employee complaint and supervision channels, safeguarding their right to information and oversight. During the pre-appointment announcement period for cadres, we welcome employee feedback, perspectives, and suggestions through various channels. We diligently analyze, assess, and address employee complaints and reported issues, formulating work plans, providing timely responses to employee concerns, and accepting their oversight. Through the “one report, two reviews” process, we assess employee and cadre approval of newly appointed cadres across branches, collect feedback on talent selection and appointment processes, and gather extensive suggestions from employees and cadres. We organize online and offline human resource ecosystem surveys to gauge employee satisfaction and analyze the state of human resources across institutions, encouraging participants to share their perspectives and attentively listen to “differing voices.”



A Harmonious and Inclusive Environment: Cultivating a Universally Praised Employment Experience

We progressively explore and establish an effective human resource ecosystem evaluation system. Through annual online human resource ecosystem surveys, we encourage employees and cadres to anonymously evaluate their overall satisfaction with human resource management, leadership performance, and mid-level cadre performance. This provides insights into employee satisfaction with corporate culture, work environment, promotion opportunities, compensation, and benefits across various branches and levels. Through in-depth analysis and comparisons, we prioritize underperforming institutions, disclosing survey results and identified issues, and proposing effective recommendations and improvement measures to enhance employee satisfaction.



Abundant Training and Development Opportunities

Ensuring Employee Professionalism, Supporting Certifications, Degrees, and Licenses

We prioritize employee growth, encouraging all employees to progress from “one specialty, multiple skills” learning to “one specialty, multiple certifications.”

In 2023, we organized over ten large-scale bank-wide examinations, encompassing job grade, technical track, and specialized certification categories.

These included certification exams for investment banking, technology, and green finance talents to strengthen key talent pipelines;

professional exams and approver exams to fulfill job qualification requirements; and digital competency exams to enhance digital literacy across the workforce.

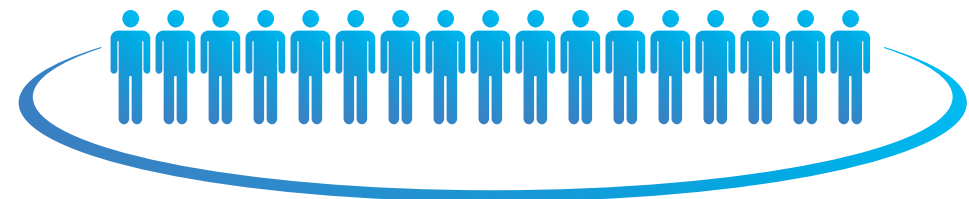
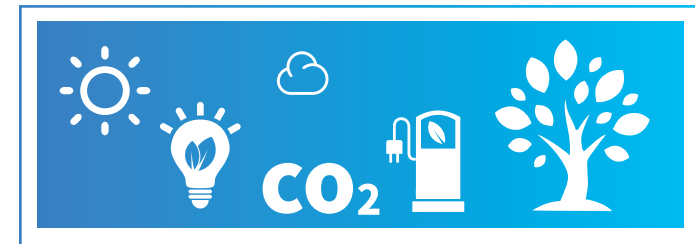
Covering 34 subjects with nearly 110,000 employee participations, a year-on-year increase of 144%, we achieved a new historical high.

We encourage all employees to actively participate in external education, learning, and certification exams, promoting professional knowledge optimization and comprehensive skill enhancement and providing legal and compliant financial support.

Our support covers mainstream and industry-recognized qualifications such as the Chartered Financial Analyst (CFA) and Certified Public Accountant (CPA) certifications.

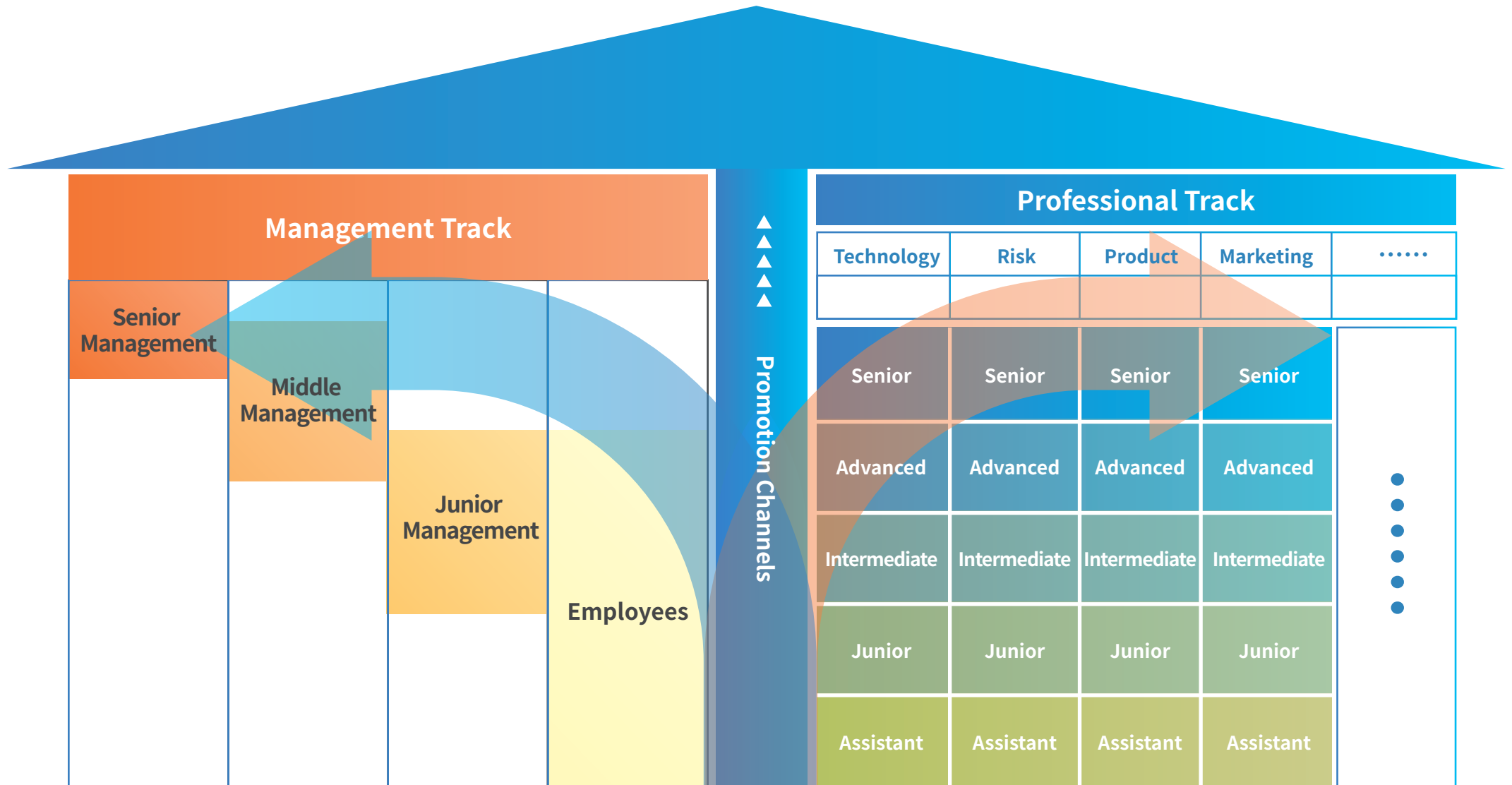
Integrating Green and Low-Carbon Practices, Promoting Energy-Saving and Environmentally Friendly Training

To strengthen Group-wide green operations, we conducted a Green Operations Training program to enhance the capabilities of key personnel. The training focused on carbon peak and carbon neutrality targets for the Banking industry, low-carbon development pathways, case studies of energy conservation and emission reduction initiatives, and the operation of the Group's carbon accounting system, etc.



Standardizing Professional Tracks, Expanding Employee Promotion Channels

We continuously refine professional and technical tracks, widening talent development avenues and stimulating innovation through dual-track development for both management and professional tracks. We integrate job promotion, performance management, compensation and benefits, and evaluation mechanisms to provide talent with more flexible, diverse, and dynamic career paths, along with stable income expectations, guaranteeing workforce stability and a sense of security.



Robust Recruitment and Retention Mechanisms

We consistently direct talent towards key businesses and regions, addressing talent shortages and expanding the talent pool for green finance, investment banking, wealth management, and technology.

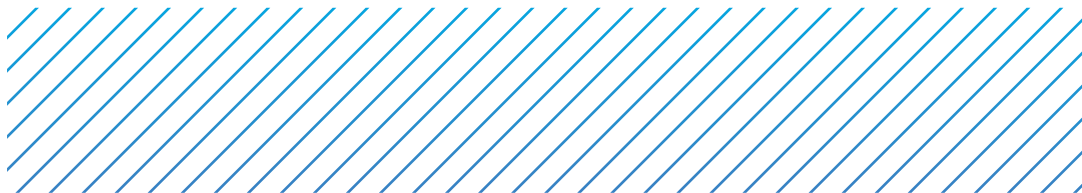
Our efforts to enhance our employer brand recognition and influence have earned us a spot among the Top 100 Best Employers in China for 2023.

In 2023, we did not undergo any major mergers or layoffs.

Targeted Recruitment to Address Talent Gaps

We continuously strengthen talent pipeline development, comprehensively optimize recruitment structure, and actively introduce fresh talent to support talent pipeline construction. We achieve this through Group-wide initiatives such as the “CIB Journey, Shine & Bright” 2024 campus recruitment program, the “Cygnets Plan” internship program, the “Digital CIB Technology Challenge,” and the Postdoctoral Recruitment project. We maintain a talent acquisition model prioritizing campus recruitment supplemented by social recruitment.

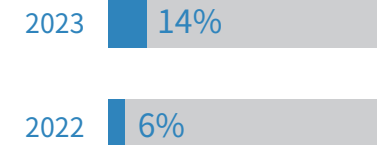
We solidify talent support for strategic transformation, adhering to the principle of internal talent conversion as the primary approach, supplemented by external recruitment. We are committed to advancing the “10,000 Talent Plan” for technology and green finance, strengthening the recruitment of high-end talent, and making breakthroughs in key positions.



By the end of 2023,

our technology talent pool had expanded to **7,828**,

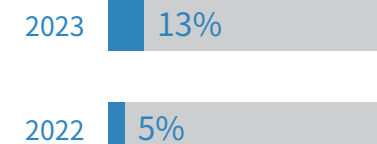
representing approximately **14%** of the Group's total workforce, an increase of **8%** from 2022,



with **16** newly recruited leading talents.

Our green finance talent pool had grown to **7,151**,

accounting for about **13%** of the total workforce, marking an **8%** increase compared to 2022.



Planned Talent Exchange to Enhance Talent Capabilities

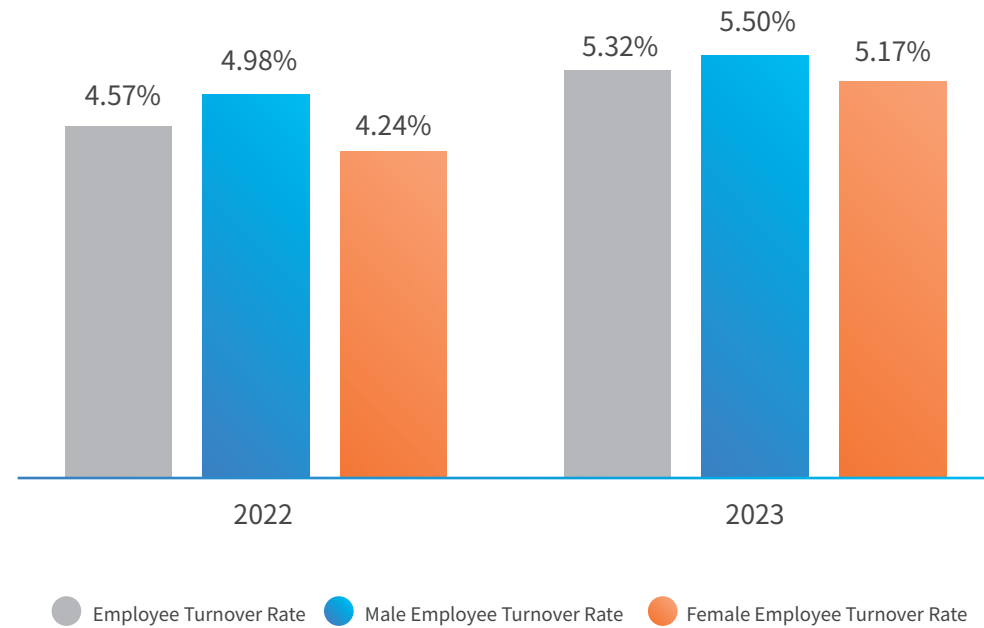
We strive to provide an excellent platform for talent development. In recent years, we have implemented a series of key projects to incentivize talent development in response to the new landscape of digital transformation.

First, we facilitate high-level cadre exchanges and appointments to promote Group-wide cadre integration and development. Since 2023, we have completed **35 headquarters-branch cadre exchanges, 8 parent-subsidiary exchanges, 13 east-west exchanges, and 11 north-south exchanges.**

Second, we have established the “**Hong Hu & Kun Peng Talent Pool**” for mid-level reserve cadres to further empower mid-level management in playing a pivotal role. **The first batch in 2022 saw 165 individuals inducted into the talent pool, while the second batch in 2023 inducted 54, with a total of 37 individuals from both batches undergoing exchange appointments in headquarters departments, subsidiaries, and branches in 2023.**

Third, we explore talent exchange mechanisms with other industry players to broaden talent development pathways. **In 2023, we selected 3 outstanding cadres for exchange appointments at Haixia Bank of Fujian.**

Employee Turnover Rate in Recent Years



Targeted Optimization of Cadre Teams to Enhance Team Vitality

We adhere to the principles of matching integrity with role and talent with task, consistently promoting cadre rejuvenation. First, we continuously improve system and mechanism building, resolutely breaking free from seniority-based, fault-finding, and accommodating mindsets. We boldly appoint and utilize outstanding young cadres who demonstrate strong political integrity, high potential, remarkable achievements, and the ability to lead innovative initiatives. Second, we normalize talent pool development, establishing a comprehensive reserve cadre talent pool covering all institutions, levels, and channels. We have established talent pools for high-level young cadres, high-level cadres across age groups, and comprehensive management in subsidiaries, discovering a large number of outstanding cadres.

Proactive Workplace Environment Development to Enhance a Sense of Belonging

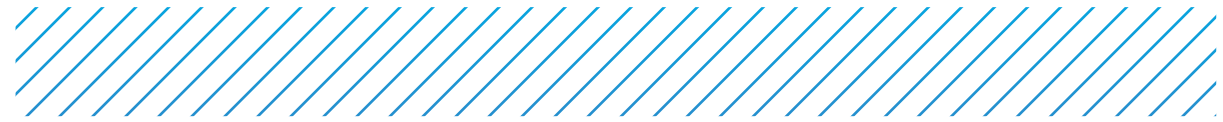
The environment is a crucial factor in talent attraction and a decisive element in talent competition. We prioritize “talent satisfaction” as a key metric, holistically promoting workplace environment development to meticulously create a supportive talent ecosystem. We offer diverse talent retention initiatives, cultivating a corporate culture and atmosphere that values and retains talent. We comprehensively address factors like respect and care, concern and support, material rewards, and spiritual encouragement, combining career retention, environment retention, emotional retention, and salary retention to achieve a stable and competent workforce.



Planned Talent Pipeline Development to Enhance Sustainability Capacity

We formulated and issued **the Management Measures for Professional and Technical Tracks of Industrial Bank**, establishing a comprehensive talent echelon management and cultivation system covering all stages of development and levels of talent. Aligning with career development goals that emphasize steady growth for new employees, continuous development for managers, and leadership for decision-makers, we formulate and implement diverse individual career development plans. We actively build talent channels, broaden employee development pathways, and accelerate the development of seven talent types: **digital, multi-skilled, specialized, high-end, integrated, international, and artisan.**

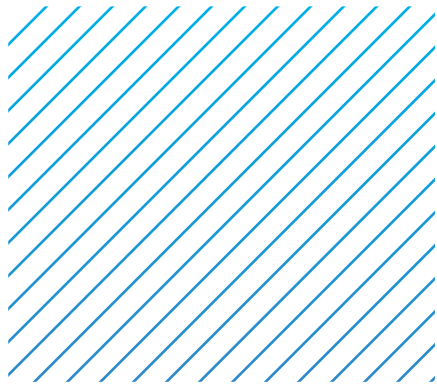
We prioritize the cultivation and utilization of new campus recruits, diligently developing a team of highly qualified management trainees with a strong foundation. We adhere to the principles of **“comprehensive training, dedicated mentorship, and continuous guidance,”** focusing not only on professional knowledge and skill development but also on nurturing ethical conduct and professional habits. We implement headquarters-branch collaboration, arranging rotations for new employees in front-line roles and providing them with specialized training in major project teams to strengthen their career development foundation. During this cultivation process, we actively foster an environment conducive to the well-rounded development of management trainees, assigning dedicated mentors to oversee the implementation of each stage’s development goals. We reinforce continuous monitoring of the training process, utilizing mentoring, feedback, and improvement mechanisms, incorporating relevant job experiences to facilitate comprehensive skill enhancement for employees.



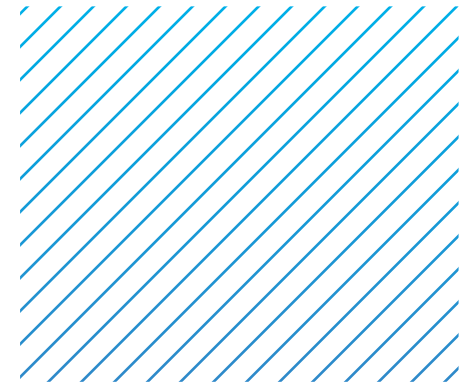
Talent Programs and Talent Pool Projects

No.	Project Name	No.	Project Name
1	10,000 Talent Plan for Sci-Tech	2	10,000 Talent Plan for Green Finance
3	Middle and Back-End Leading Development Plan	4	Industry Expert Plan
5	Strategic Key Talent Doubling Plan	6	Comprehensive Management Talent Training Plan
7	International Talent Cultivation Plan	8	“Artisan-type Talent” Professional Skill Enhancement Plan
9	East-West Talent Exchange Plan	10	“Greater Bay Area” Talent Exchange Plan
11	Overseas Talent Exchange Plan	12	Attract Talent to Fujian Plan
13	Aid-Tibet Talent Plan	14	High-Level Back-up Talent Pool Project
15	Kun Peng Talent Pool Project	16	Hong Hu Talent Pool Project

Competitive Compensation and Supportive Benefits Package



Our goal is to create a scientific, fair, and reasonable employee performance evaluation mechanism, fostering a simple, healthy, and dynamic work environment and providing competitive compensation to dedicated and contributing employees. We offer all employees a caring and comprehensive benefits package, including comprehensive health insurance for employees and their families. All employees can enjoy a variety of leave options, such as annual leave and family visit leave.



◎ Fair and Equitable Compensation System ◎

We prioritize the establishment of fair and equitable compensation mechanisms. Our salary policies align with corporate governance requirements, consider the Bank's competitiveness and sustainable development, adapt to business performance, and balance short-term and long-term incentives. We value both internal equity and external competitiveness in compensation, ensuring alignment with the Bank's strategic goals and effectively promoting talent attraction and retention. Our employee compensation policies are governed by the Industrial Bank Compensation Management System and other relevant regulations. Our salary structure comprises base salary, performance-based compensation, and benefits. Specifically, performance-based compensation is linked to the overall performance and value contribution of employees to their respective institutions.

We uphold the principle of equal pay for equal work, designing a scientific and diverse performance evaluation system. We fully respect individual employee contributions and efforts, establishing a robust and effective performance evaluation and feedback mechanism. Through a combination of qualitative and quantitative methods, including 360-degree evaluations and

performance discussions, we conduct regular performance evaluations and assessments for all employees, teams, and departments. This approach helps employees gain an accurate understanding of their work performance, abilities, and weaknesses, encourages them to reflect on areas for improvement, and promotes continuous enhancement of performance. We have implemented a dual-track development model encompassing both management and professional tracks, providing inclusive, diverse, and flexible career progression opportunities. We have also established a robust incentive system and honors program. Our highest accolade, the "Outstanding Contribution Award," celebrates exceptional achievements and serves as a powerful symbol of professional excellence. We actively promote these achievements and showcase role models to inspire passion and drive throughout the organization, fostering positive growth and development for employees.

Furthermore, to adapt to the evolving needs of our business transformation, we continuously review and refine our compensation policies. We adjust our compensation structure and resource allocation accordingly based on the talent management requirements of different business stages, market trends, industry best practices, etc.

Compensation Incentive Constraints Mechanism

Our employee compensation adheres to the principle of “distribution according to job value and contribution.” Job value encompasses technical and managerial complexity, risk level, and contribution within the Bank’s system. Employee compensation aligns with their job value and responsibilities. Compensation also balances efficiency and fairness, reasonably managing salary differentials between positions, effectively motivating front-line and grassroots employees, and balancing income distribution between leadership, mid-level cadres, and grassroots employees. The compensation of

employees involved in risk and compliance management is determined by their individual capabilities, performance, and the results of both individual and team performance evaluations. This compensation is independent of the performance of other business lines, ensuring that the salary of employees engaged in risk and compliance is not directly linked to the performance of the business lines they oversee, promoting sound operations and sustainable development.

Equal Pay for Equal Work in Salary Structure

We implement “policy-guided” Group-wide salary management, with all branches adhering to the unified salary philosophy of “pay for the position, salary adjustment based on position change, and performance-based rewards.” The entry-level salaries and salary adjustments for all positions across the Bank and its subsidiaries follow the Bank’s and subsidiaries’ respective compensation management systems. Employee compensation is based on fairness and reasonableness, without differentiation based on gender or other likewise factors. Male and female employees have a 1:1 entry-level salary ratio, ensuring equal pay for equal work. Using the average fixed salary of female employees as the baseline (100%), the average fixed salary of male employees in 2023 was 104% for senior management, 100% for middle management, and 104% for general employees.

Indicator	2021	2022	2023
Average fixed salary ratio of male employees in senior management (%)	106	111	104
Average fixed salary ratio of male employees in middle management (%)	99	100	100
Average fixed salary ratio of general male employees (%)	105	107	104

Note: All data is presented as a ratio to the number of female employees at each job level, which is set as 100%.

Outstanding Contribution Awards

To recognize outstanding achievements, set role models, inspire bank-wide dedication, support our vision of becoming “A First-Class Bank, A Long-Flourishing CIB,” and standardize our employee recognition program, we established **the Industrial Bank Outstanding Contribution Award Management Measures** to acknowledge teams and individuals who have made significant contributions and created substantial economic or social value in areas such as major business

operations, risk control, technological advancement, management enhancement, and the completion of major special projects. This award serves as the highest recognition within our employee commendation system. **2023 marks the third year of the Outstanding Contribution Award, with a total of 17 teams and 5 individuals recognized by the end of 2023.**



Comprehensive and Supportive Benefits

From the perspective of long-term development and employee needs, we provide employees with comprehensive benefits, establishing a competitive welfare system. Our benefits program covers statutory benefits, universal employee benefits, and special employee benefits⁵.

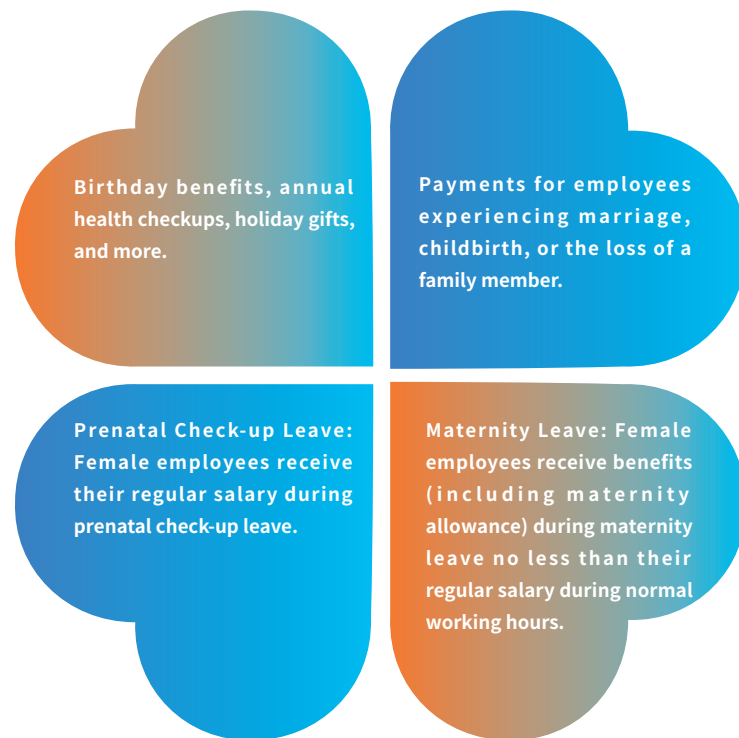
⁵ 5 Nationally Statutory Benefits include basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds. We strictly adhere to all local government regulations in the administration of these benefits. Universal Employee Benefits are available to all employees of the Bank. They include enterprise annuities, supplemental medical insurance, and work-life balance programs. We strive to provide comprehensive medical coverage for our employees, encompassing serious illnesses, outpatient services, and hospitalization, to alleviate the financial burden associated with illness or unexpected health events. Special Employee Benefits are provided to select employees based on specific needs arising from our business operations. This category includes benefits for employees relocating to different regions.

The Bank's employee benefit coverage is as follows:

	Item	2021	2022	2023
Employee Benefits	Nationally Statutory Benefits Coverage (%)	100	100	100
	Universal Employee Benefits Coverage (%)	100	100	100

Considerate Employee Care

To create a sustainable workplace, alleviate employee concerns, address their reasonable needs, and improve their well-being, we offer employees:



Employees receive their regular salary during annual leave, single-child care leave, childcare leave, marriage leave, bereavement leave, and paternity leave.

In 2023, employees utilized over 120,000 instances of various leave types, including annual leave, childcare leave, marriage leave, personal leave, and maternity leave.

Detailed Healthcare Coverage for All Employees

We provide comprehensive medical coverage for employees and their families, encompassing medical insurance, supplementary commercial medical insurance, health checkups, and professional medical consultation to safeguard employee well-being and alleviate financial burdens arising from illnesses or accidents.



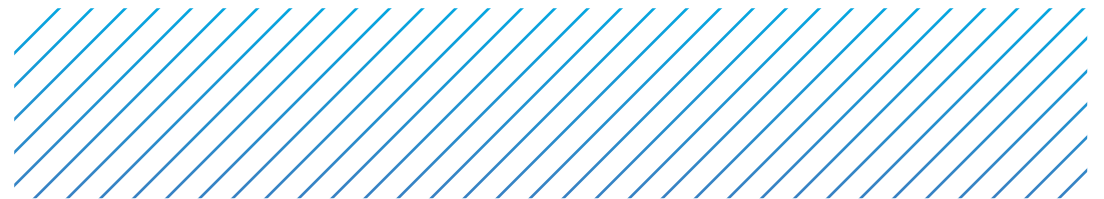
Caring for Retired Employees

We have established dedicated internal departments to provide care and support for retired employees. In addition to social security pension and basic medical insurance, we provide benefits like enterprise annuities, supplementary commercial medical insurance, and annual health checkups. We have also established a five-pronged care and support system for retired employees, addressing their needs during holidays, birthdays, hospitalizations, hardships, and bereavements. We have dedicated full-time and part-time staff responsible for maintaining regular contact with retired employees, ensuring that they still feel the care and love from the CIB family after retirement.

Creating a Healthy Workplace and Ensuring Work-Life Balance for Employees



The Bank has always been committed to the physical and mental well-being and positive development of its employees and strives to create a safe and healthy work environment for them. Our office buildings are equipped with barrier-free infrastructure and fully equipped gyms. We provide shuttle bus services and strive to create a healthy, hygienic, and diverse dining environment. We regularly organize fire drills to enhance employee safety awareness and equip our buildings with AEDs and other medical emergency equipment to respond to emergencies and ensure employee safety. Smoking is strictly prohibited in all office areas. Tea rooms and leisure spaces are provided, offering coffee, tea, and clean drinking water, as well as reading corners and meeting rooms. We aim to create a work environment that combines work with leisure and encourages relaxation and communication, fostering an atmosphere of “happy work, healthy life.”

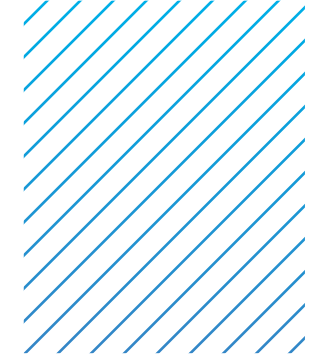


Communication and Participation

We actively promote the establishment of trade unions, encourage employee participation in democratic management, and strengthen the protection of employee rights and interests. In 2023, a total of 4 bank-wide employee representative assemblies were held. Six proposals concerning the vital interests of employees were reviewed, including the Proposal on Amending “the Methods for Managing Risk Funds for Personnel in Credit Business Positions in Industrial Bank Branches,” the Proposal on Amending “the Enterprise Annuities Program of Industrial Bank Co., Ltd.,” and the Proposal on Formulating the “Management Measures for Professional and Technical Tracks of Industrial Bank.” This process ensures that employees have the right to be informed and to supervise and safeguards their rights and interests.

Health and Security

In December 2021, the Bank was approved as one of the first 50 pilot units of the All-China Federation of Trade Unions' "Improving the Quality of Life of Employees" project. We formulated a three-year development plan for "Improving the Quality of Life of Employees Pilot Work" and actively strive to create a "model of happiness" for employees with exemplary demonstration and strong radiation effects.



Enhancing the Quality of Life for Employees

We explore the "Internet + Trade Union" model and build a "1+6 Trade Union Action System."

1

"1" refers to the "Smart CIB" system based on the "Online Employee Home" platform.

+

6

"6" refers to the six major action systems of "Ideological CIB," "Rights and Interests CIB," "Caring CIB," "Capability CIB," "Cultural CIB," and "Responsibility CIB" built on the "Online Employee Home."

This forms a "1+6" employee service work system that integrates online and offline resources, matching demand and supply.

We continue to improve the construction of the "Online Employee Home" platform, developing functions such as venue reservation, walking activities, gym management, online archives, questionnaires, and report management. This enriches the ways in which we serve employees, and various functions have been widely praised by grassroots trade unions.

In 2023, trade unions at all levels across the Bank published a total of 1,429 pieces of information, organized 641 activities, and distributed welfare benefits 331 times. The information and activities received views and comments from over 63,300 members, and the number of welfare recipients exceeded 135,000.

Building on the "CIB Mall," we have developed an "Employee Mall" to continuously improve the level of employee benefits and services. The "Employee Mall" leverages the Bank's advantages of covering 32 provinces, autonomous regions, and municipalities across China to provide employees with high-quality and distinctive goods nationwide.

Focusing on Employee Physical and Mental Health

We regularly organize health check-ups for employees and hold various health lectures, paying attention to both their mental and physical health. In 2023, we collaborated with the Lhasa Branch Trade Union to organize the “Plateau Health Guardian” special care project, providing services such as oxygen tank delivery, home one-button alarm systems, and AED equipment configuration for Lhasa Branch employees. This project received recognition from the All-China Federation of Trade Unions and RMB 550,000 in central government financial support.



Employee Health Checkups

We meticulously develop an annual employee health checkup plan to ensure all employees enjoy high-quality free health checkup services.



Fitness and Exercise Facilities

In 2023, a total of 18 institutions across the Bank established employee sports and cultural centers. In addition, grassroots trade unions across the Bank have partnered with external institutions to build “Shared Employee Homes,” providing local employees with access to various sports and fitness venues, including gyms, badminton, table tennis, basketball, and more.



Employee Sports and Cultural Activities

We organize a variety of employee sports and cultural activities. These include Spring Festival garden parties, online Lantern Festival celebrations, International Women's Day activities, family-themed education activities during Mother's Day, Children's Day, and Father's Day, celebratory activities for CIB's 35th anniversary, online and offline walking activities, CIB Fujian Province Employee Games, and popular activities like spring and autumn outings and movie screenings.

Organizing Sports and Fitness Activities

We organize various fitness competitions and activities to promote a bank-wide fitness philosophy. In 2023, we organized the CIB Fujian Province Employee Games, with over 5,000 participants, achieving both spiritual and sporting success. In August 2023, **a multifunctional employee sports and cultural activity center**, integrating employee amateur exercise, physical and mental health, and cultural exchanges, **was completed**. By the end of the year, over **16,000 employees** had participated in exercise activities. The center provides more convenient and high-quality fitness conditions for employees based in Fuzhou, further enhancing employees' sense of belonging, happiness, and team cohesion, and improving the Bank's soft environment in the Fuzhou area.



Interest Group Activities

Trade unions at all levels across the Bank organize interest groups for activities like basketball, badminton, table tennis, tennis, football, swimming, calligraphy, and painting. These groups hold regular activities and actively participate in sports competitions organized by higher-level trade unions. In 2023, we achieved significant results, including winning the Fujian Financial System “Financial Cup” eight-a-side football tournament and securing second place in the financial system table tennis competition.

Love and Care

Addressing Urgent Employee Needs

We pay close attention to employees' lives, conducting thoughtful birthday greetings, holiday greetings, condolences and support for employees experiencing hardship or disasters, and providing assistance to employees in need. We continue to implement the "Caring for Two Festivals" project, using the "Love Fund," employee-in-hardship support archives, and other means to address employees' concerns and enhance their sense of belonging and identification.

Of these, the Fujian Federation of Trade Unions awarded

6 Fujian Provincial Worker Vanguard titles,
1 Fujian Provincial May Day Labor Medal,
and 20 Fujian Provincial Digital Craftsman titles;

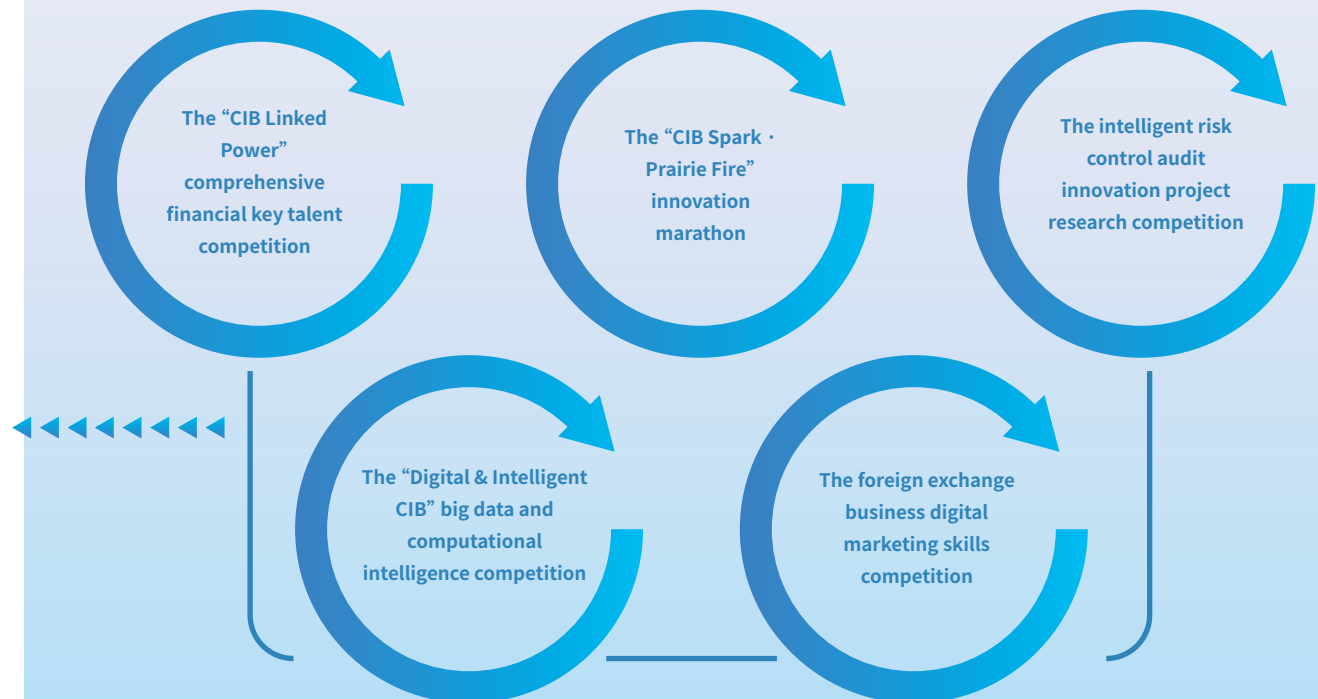
the Communist Youth League Fujian Provincial Committee awarded

1 Fujian Province Outstanding Youth in their Postings
and 3 Fujian Province Youth in their Postings titles.

Emphasizing Practical Work and Conducting Extensive Labor Skill Competitions

In 2023, the Trade Union of the headquarters collaborated with 13 business departments to carry out 12 labor and skill competitions and selected 5 of these projects for application to provincial-level labor and skill competitions.

CIB, the Fujian Federation of Trade Unions, and the Communist Youth League Fujian Provincial Committee jointly organized



Promoting Traditional Culture and Organizing Diverse Festive Classic Activities

In the lead-up to the 2023 Spring Festival, we organized the “Golden Rabbit Offers Auspiciousness, Opening ‘CIB’ to Embrace Fortune” online Spring Festival welcoming event, and held a bank-wide “Lantern Festival Joyful Gathering” online garden party for the Lantern Festival. For International Women’s Day, we organized the “Beautiful CIB, Shining with Your Own Light” series of activities, including DIY non-heritage softwood painting, Korean-style flower arrangement DIY, image aesthetics lectures, women’s health palpation, and women’s group activities. For Mother’s Day, we held the “An Inch of Grass in Spring, Grateful for Maternal Love” online photo exhibition, and for Father’s Day, the “Book Fragrance & Family Tradition, Father’s Love Endures” themed activity. For Children’s Day, we organized the “Ingenious Hands, Inheriting Culture” parent-child eco-printing and eggshell painting DIY activity. For CIB’s 35th anniversary celebration, we held the “Me and My CIB Growing Together” and “My Best Wishes for CIB” online check-in activities. For Mid-Autumn Festival and National Day, we organized the “Embracing Dreams, Running Towards a Better Future” online walking event, and in November, an offline walking event at Fushan Country Park. We also organized movie screenings and spring and autumn outing team building activities for employees and arranged various fitness training sessions and friendly matches for interest groups such as tennis, basketball, table tennis, badminton, and swimming.



Carrying out “Caring for Two Festivals” Project and Employee-in-Hardship Support and Condolence

Trade unions at all levels across the Bank provide support and condolences to employees experiencing hardship. During the 2023 Spring Festival, the Trade Union of the headquarters distributed a total of RMB **649,000** in condolences to **174** employees across the Bank facing difficulties.



Conducting “Five Must-Visit” Condolences: Marriage, Bereavement, Illness, Hardship, Disaster

Trade unions at all levels across the Bank promptly provide condolences or gifts when employees get married, give birth, are hospitalized or suffer from major illnesses, or when they or their immediate family members pass away. In 2023, the Trade Union of the headquarters condoled a total of **218** people and distributed RMB **220,800** in condolences.

Distributing Welfare and Gifts to Trade Union Members

Carefully selected holiday gifts are distributed to all trade union members during traditional festivals. On trade union members’ birthdays, cake vouchers are provided as birthday gifts.



Caring for Female Employees

We actively implement relevant regulations for the protection of female employees. In addition to providing female employees with labor protection supplies and establishing “Loving Mother Cabins” (nursing rooms) to serve breastfeeding female employees, we also carry out various special care activities for female employees, including women’s themed lectures, handicraft workshops, and health care programs during International Women’s Day.

Caring for Employees in Hardship

The Trade Union of the headquarters collaborated with the Lhasa Branch Trade Union to plan the “Plateau Health Guardian” special care project, providing services such as oxygen tank delivery, home one-button alarm systems, and AED equipment configuration for Lhasa Branch employees. The “Plateau Oxygen Supply Health Pack” oxygen tank delivery project received RMB 550,000 in central government financial support for employee in hardship.

Activating Talent Potential and Empowering Employee Growth

Improving the Training System

Indicator	2023
Employee training programs (items)	5,406
Number of employees receiving training (person-times)	772,529
Employee training coverage rate (%)	96.36%
Employee training expenses (RMB 10k)	21,086
Average annual training hours per employee (hours/person)	210.7
Average training time by gender (hours/person)	-
—Average training time for female employees (hours/person)	215
—Average training time for male employees (hours/person)	206
Average training time by employee category (hours/person)	-
—Average training time for senior management (hours/person)	72
—Average training time for middle management (hours/person)	281
—Average training time for general employees (hours/person)	208
Number of registered users on the “CIB Knowledge” mobile learning platform	59,145
Average monthly active users on the “CIB Knowledge” mobile learning platform	52,243

Indicator	2023
Number of courses offered on the “CIB Knowledge” mobile learning platform (sessions)	4,375
Number of live course sessions on the “CIB Knowledge” mobile learning platform (sessions)	2,289
Number of employees participating in training on the “CIB Knowledge” mobile learning platform (person-times)	13,386,025
Average learning time per employee on the “CIB Knowledge” mobile learning platform (hours/person)	34.9
Total online learning time on the “CIB Knowledge” mobile learning platform (hours)	2,067,039.7
Number of participants in ESG-themed training activities	-
—Number of employees participating in ESG special training (person)	4.4
—Number of employees participating in green finance training (person-times)	117,805
—Number of employees participating in inclusive finance training (person-times)	14,212

In 2023, the Bank further established and improved the “5+N” training system and “1+N” responsibility system and established a sound training operation system. We follow the principles of compliance, foresight, systematization, effectiveness, and targeted approach, focusing on key responsibilities and main business. We make every effort to build a comprehensive “university” that satisfies the Bank’s Party Committee and its employees. Industrial Bank **ranked first in the “GYROSCOPE” system of national commercial banks - employee awareness ability ranking; and the “CIB Linked Power” practical competition won the 2023 (19th) China Corporate Training Innovation Achievement Gold Award and Best Learning Project Award.**

◎ Cultivating Employees' Lifelong Employability ◎

We organize a diverse range of training courses for different types of employees to improve their professional abilities and comprehensive business qualities, fostering their lifelong employability.

----- In 2023, -----

we completed the annual course re-inspection plan for subsidiaries and general departments, involving approximately **3,315** courses;

developed **18** professional entry-level learning maps and over **300** courses, basically achieving full coverage of entry-level professional courses;

constructed over **160** courses for risk professional and technical tracks, comprehensive management talent, and craftsman talent development;

and established five virtual academy course areas for “digital technology,” “risk management,” “green finance,” and other themes, publishing over **430** courses.

Training Course	Training Target	Training Content
Onboarding Training	New Hires	Delivered through a combination of “small class + large class” and “online + offline” methods. In 2023, offline training covered 192 new hires at the headquarters, and online live streaming was viewed by 917 people across the Bank, with a total viewing time of 31,916 minutes.
Middle and Junior Management Cadre Development Program	Middle and Junior Management Cadres	Online learning for common skill improvement, offline centralized training for outstanding individuals. Activities were organized based on the phased learning objectives of the training program, including trainee exchanges and co-creation, project report discussions, and “CIB All Learning” knowledge contests.
Senior Reserve Cadre Talent Training Program	Senior Young Reserve Cadres	Further cultivates the Bank's senior young reserve cadres with ideals, abilities, and a sense of responsibility by inviting high-level leaders from within the Bank and experts from outside the Bank to teach. Trainees are also invited to give lectures as experts, and project discussions are used to promote learning application.
Senior Management Cadres	Business Department	Various innovative methods are employed, including “online + offline,” “large class + group work,” “learning + defense,” and “integration of Party building and business.” A total of 35 high-quality video courses were produced through this training, totaling 1,500 minutes.
Leadership Development Program	Cadres and Employees at All Levels	A leadership development program covering cadres and employees at all levels is established, with “Leadership Series Courses” offered. Carefully selected from the nine classic leadership courses of the world's leading DDI training company, these courses cover super-effective communication, task planning and execution, and revitalizing change, guiding managers to grasp the basics, solidify their foundation, and enhance their management abilities.
ESG Training	All Employees	An “ESG Series Training Implementation Plan” is formulated, and an online ESG knowledge challenge is conducted. The focus is on ESG concepts, basic ESG knowledge, the Bank's ESG policies, annual ESG work priorities, and work methods. Training courses and tests are set up in a targeted manner, with over 44,000 participants across the Bank.

Strengthening the Training Instructor Team

We continuously carry out the appointment of internal lecturers and external visiting professors. Through projects like the Group Elite Challenge and demonstration lesson certification,

we have systematically built **20** professional lecturer teams, totaling **1,240** people, including senior and middle management cadres and outstanding business backbones within the Group.

We promote the co-construction of teacher-course matching: we conducted **5** phases of demonstration course certification training programs, totaling **70** courses, and certified **224** internal instructors.



We have also appointed the first batch of **70** external visiting professors.

Collaborating with External Education and Training Institutions

Regarding open education, we engage in in-depth exchanges and cooperation with governments, universities, research institutions, enterprises, and education and training institutions. We strengthen cooperation between banks and universities. **In 2023, our branches/sub-branches and subsidiaries partnered with 13 key universities, including Peking University, Tsinghua University, and Zhejiang University, to conduct 25 training sessions.**

Cooperating with central or local Party schools

In 2023, we collaborated with China Executive Leadership Academy Jinggangshan, Fujian Provincial Party School, and others to conduct joint training.

Cooperating with external training colleges

We jointly conducted online training and certification for our overseas personnel and personnel related to international business with China Business Executives Academy, Dalian. We carefully selected and purchased 11 high-quality courses for international talent and set up a special section on “CIB Knowledge” platform. These courses have been viewed and studied by nearly **7,000** people on “CIB Knowledge” platform, enhancing the overall quality of our overseas cadres and employees.

Cooperating with domestic universities

Our institutions have partnered with renowned universities nationwide to empower employee training.

Beijing Branch

Beijing Branch jointly organized training for middle and senior management with Peking University, organizing activities like discussions and exchanges, as well as visits to enhance systematic learning of cutting-edge knowledge, comprehensively improve employee overall qualities, and promote ideological transformation and rapid all-around development.

Shanghai Branch

Shanghai Branch collaborated with Tsinghua University to hold the Cadre Advanced Research Training Program, further enhancing the comprehensive management and business capabilities of branch cadres, strengthening business exchanges, and effectively promoting the absorption and transformation of training content.

Ningbo Branch

Ningbo Branch jointly organized two sessions of the Senior and Middle Management Research Program with Peking University. Combining the characteristics of senior and middle management positions and their training needs, these sessions aimed to enhance the theoretical literacy, knowledge level, broad perspective, and management capabilities of senior and middle management cadres.

Hangzhou Branch

Hangzhou Branch jointly organized the Senior and Middle Management Research Program with Xi'an Jiaotong University, focusing on leadership enhancement and management level improvement.

Zhengzhou Branch

Zhengzhou Branch collaborated with Peking University, Zhejiang University, and Fudan University, respectively, to conduct the "Yu Xing Excellence" University Research Training Program and the "Yu Xing Engine" Senior and Middle Management Cadre University Research Training Program. These programs focused on innovative thinking, enhancing theoretical levels, business management capabilities, and leadership skills.

Harbin Branch

Harbin Branch jointly conducted two phases of the "Bing Lan Excellence" middle-level leadership enhancement project, one phase of "Bing Lan Voyage" employee etiquette guidance training, and one phase of "Bing Lan Start" public-private joint cross-marketing training with Harbin Institute of Technology. Harbin Branch also partnered with the Shenzhen Research Institute of Renmin University of China to conduct the "CIB Talent Program" training, focusing on strengthening professional leadership and comprehensively improving the leadership, management, and professional capabilities of middle-level cadres.

CIB Wealth Management

CIB Wealth Management collaborated with Peking University and Zhejiang University to conduct the CIB Winning Navigation training for middle and junior management cadres, exploring business development directions, building industry ecosystems, strengthening customer relationships, and promoting win-win development.

Exploring Distinctive Rural Revitalization Finance and Contributing to the Construction of a Strong Agricultural Nation

In 2023, the Bank remained committed to implementing the guidelines set forth by the Central Committee of the Communist Party of China and the State Council regarding Comprehensive Rural Revitalization in 2023. We continued to consolidate and build upon achievements made in poverty alleviation, ensuring a seamless transition towards rural revitalization. We remained dedicated to safeguarding the “agriculture, rural areas, and farmers” foundation and supporting the development of a strong agricultural sector. Throughout the year, we actively explored CIB-specialized and impactful financial service models tailored to the unique needs of rural communities.



As of the end of 2023, our outstanding agricultural loans reached RMB 664.76 billion, representing a year-on-year increase of 21.59% compared to the beginning of the year. Notably, our inclusive agricultural loans grew by 42.63% year-on-year compared to the beginning of the year, reaching RMB 56.084 billion. Our performance in 2023 placed us first among all joint-stock commercial banks in terms of both the total amount and growth of outstanding agricultural loans. Furthermore, our outstanding achievements in inclusive agricultural loan growth earned us commendation from the China Banking and Insurance Regulatory Commission (CBIRC).

Accelerating the Construction of a Full-Scenario Ecosystem for Agricultural Wholesale Markets

Adopting the strategy of “asset structuring + intelligent agricultural wholesale system + public-private integration,” we formulated guidelines for agricultural wholesale business and established a flexible and agile working group to promote business in agricultural wholesale markets. We implemented the construction of scenarios for agricultural wholesale markets. Regarding key agricultural wholesale products, we continued to iterate the “CIB Speedy Loan (Exclusive for Agricultural Wholesale and Farmers’ Market).”

By the end of 2023, the full-scenario financing balance of the Bank's agricultural wholesale business exceeded RMB 15 billion, reaching RMB 15.077 billion, with an increase of RMB 11.497 billion compared to the beginning of the year. Among this, the total balance of asset structuring for market management entities was RMB 9.97 billion, an increase of RMB 8.102 billion compared to the beginning of the year; the total loan balance of the agricultural wholesale market-exclusive product, CIB Speedy Loan (Exclusive for Agricultural Wholesale and Farmers’ Market), was RMB 1.902 billion, an increase of RMB 1.882 billion compared to the beginning of the year.



Exploring the “Financial Envoy +” Business Model

We have explored and established a financial envoy system, constructing a new cooperation mechanism with governments, enterprises, and other organizations, and building a team of financial envoys with high professional quality and strong service capabilities. Through the financial envoy system, combined with key business objectives for rural revitalization, we focus on the service work of financial envoys for government departments, agricultural enterprises, and farmers at the county level and below.



Case study “Financial Envoy + Technology Envoy” Model

In Sanming City, the Bank's financial envoys are deeply embedded in the local community, working closely with the Sanming Science and Technology Bureau. Through this partnership, our teams gain a thorough understanding of the region's key industrial development priorities and the list of enterprises targeted for support. Simultaneously, our technology envoys are conducting comprehensive research into the agricultural landscape, including the current state of agribusinesses, farming households across the agricultural value chain, and other relevant stakeholders. This collaborative effort culminated in a joint conference held on November 28, 2023, where our Sanming branch and the Sanming Science and Technology Bureau hosted government representatives, agricultural businesses, and farmers. The conference provided a platform to showcase a range of tailored financial products designed to channel funds directly to rural communities. This initiative successfully linked our financial and technology envoys with government agencies, farmers, and agricultural enterprises, fostering a robust support network. Notably, the conference facilitated the immediate launch of the “Sanming Science and Technology Envoys Innovation and Entrepreneurship Loan,” a joint initiative between our Sanming branch and the Bureau.

By the close of 2023, our Sanming branch had provided nearly RMB 3 billion in outstanding loans to businesses supported by these technology envoys.



Case study “Financial Envoy + Specialized Market” Model

In Zhejiang province, the Bank has adopted a proactive approach to serving specialized agricultural markets by establishing dedicated teams deeply embedded within these marketplaces. These core teams operate under a structured engagement model, providing on-site services within their assigned markets at least once a week and conducting comprehensive on-site promotional events every month. This consistent and direct engagement enables our teams to develop an in-depth understanding of market dynamics, accurately assess the collective financial needs of merchants, and stay abreast of competitor activities. Furthermore, our teams are committed to promoting financial literacy within these marketplaces. Through their on-site presence, they conduct targeted outreach and educational campaigns under the banner of “Bringing Financial Education to the Market,” ultimately empowering merchants to enhance their income and achieve greater financial success.

By the end of 2023, the financial services offered by our Hangzhou branch extended across 73 specialized markets within its jurisdiction. In total, we have successfully delivered financial support to 796 merchants operating within these markets, reaching an outstanding loan balance of RMB 1.34 billion.

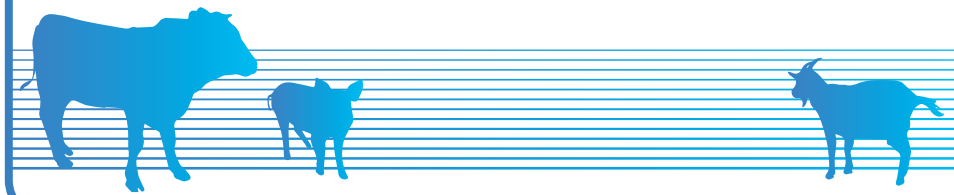
Strengthening Technological Empowerment

We give full play to our advantages in fintech, enabling technology to drive more convenient and efficient sinking of rural financial services into rural areas and extending them to farmers.

Building a Biological Asset Supervision Platform

We utilize technologies like the Internet of Things + AI to credit and monitor living biological assets, solving the past difficulty of financing in the animal husbandry industry. Currently, it covers various biological assets such as dairy cows, beef cattle, breeding sows, and fattening pigs.

By the end of 2023, this business model has facilitated over RMB **1** billion in living asset mortgage loans in Shandong, Jilin, Shanxi, Fujian, Hubei, and other locations.



Applying Satellite Remote Sensing Systems

We combine “Sky Eye” and AI to transform assets such as tea plantations and forests into creditworthy assets, innovating financing methods. This project won the first prize in the 2023 Digital China Innovation Competition.

The project has been launched and put into operation in Anxi County, Quanzhou City, a major Tieguanyin tea-producing area.



By the end of 2023,
it had landed **10** clients, mapped over **6,278** mu of tea gardens,
and achieved nearly RMB **50** million in tea-related scenario loans.

Adhering to Designated Poverty Alleviation

Since 2002, building on the provision of financial assistance to designated poverty alleviation areas, we have continued to select outstanding cadres and employees to be stationed in or appointed to positions in designated poverty alleviation villages. Through the “Financial Aid + Personnel Support” model, we more effectively coordinate resources and efforts from all sectors of society to jointly support the fight against poverty and rural revitalization in designated villages.

By the end of 2023, the Bank had **74** designated poverty alleviation villages and had dispatched **52** stationed (appointed) cadres.

The resident assistance work has received recognition from local governments.



Several stationed (appointed) cadres, including Lin Caijun from Nanchang Branch, Wang Dengchao from Lanzhou Branch, and Zhan Shaoxian from Sanming Branch, were commended as “Outstanding First Secretaries” and “Outstanding Appointed Cadres.”

Case study “Financial Aid + Personnel Support” Model Drives Rural Revitalization via “Combination Punch”

Zhang Fanliang, the first secretary stationed in Xiangxi Village, Songxi County of Nanping City by Industrial Bank, actively coordinated and secured funding for multiple provincial-level projects, including ancient village renovation and ecological restoration, totaling over RMB 10 million. These projects have significantly boosted rural environment improvement and cultural tourism development, helping Xiangxi Village achieve a “combination punch” for rural revitalization, encompassing cultural, ecological, and industrial revitalization.

Jiang Wenjing, the first secretary stationed in Xiuling Village, Datian County of Sanming City by Industrial Bank, actively constructed a “Party Building + Rural Revitalization” model, launching a series of “Red Partners” joint Party building activities. In 2023, the village conducted eight volunteer service activities, including visits to impoverished villagers and promoting ethical customs, and delivered three thematic Party lectures. Furthermore, the village completed infrastructure

projects related to “Red Culture of the Soviet Areas,” totaling RMB 960,000, including improvements to the living environment and the construction of a concrete farm road. These projects have facilitated villagers’ daily lives, increased agricultural production efficiency, and contributed to a dual increase in both village collective and individual income.

Industrial Bank, recognizing the local resources of Lianyun Village, Youxi County of Sanming City, donated RMB 200,000 to renovate the Martyrs’ Cemetery and Memorial Hall, actively developing the village into a red cultural base. From 2020 to 2023, the Bank cumulatively donated RMB 430,000 to build farm roads, expanding reclaimed land while effectively preserving and utilizing the important cultural heritage of the terraced fields. The Bank also implemented a “purchase-for-support” program, selling over 50 tons of terraced rice, generating over RMB 200,000 in revenue for the village.

Case study “Aid for the Needy and Participation in Insurance - Supporting Rural Revitalization” Medical Insurance Donation Project for Third-Category Beneficiaries

In 2023, Industrial Bank launched the “Aid for the Needy and Participation in Insurance - Supporting Rural Revitalization” medical insurance donation project for third-category beneficiaries in Zhangzhou City, Fujian Province. The Bank donated RMB **3,582,200**, specifically for fully subsidizing the personal contributions of low-income households, rural residents susceptible to poverty, and those who have escaped poverty (and are still receiving policy support) to participate in the basic urban and rural residents’ medical insurance. The project also supports the poverty alleviation needs of designated impoverished villages, ensuring that disadvantaged groups receive basic medical services and preventing them from falling back into poverty due to illness.



Contributing to Public Welfare and Sharing the Warmth of Finance

Industrial Bank always adheres to the original aspiration of "finance for the people," proactively undertakes social responsibility, and conveys philanthropic love. In July 2023, to strengthen the unified management of charitable donations within the Group, with the strong support of relevant departments such as the Fujian Provincial Department of Civil Affairs, we successfully established the Fujian CIB Charity Foundation. Relying on the Charity Foundation, we continue to enhance the scientific and standardized management of charitable donations within the Group.

In 2023,
we carried out **168** donation projects
with a total donation amount of RMB
52,386,100.



Nanping Branch: Volunteers in "World Environment Day" Activities



Zhangzhou Branch: "Blood Donation Drive: United in Passion, Together in Love"



Shenzhen Branch: "Learning from the 20th Party Congress, Planting CIB Trees Together" - Volunteer Tree Planting in Honor of Lei Feng



Wuhan Branch: Donation to Support Education

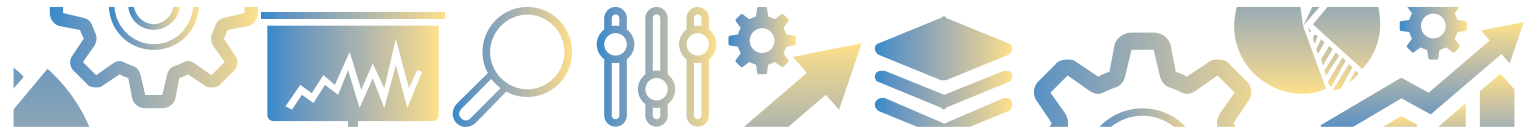


CIB Fund Management: Volunteers' Delivery of School Supplies to Meiyu High School's "Fir Tree Class"



Yinchuan Branch: Donation of Daily Necessities to Sanitation Workers in Yinchuan City

Appendix



ESG Performance Overview

Governance Performance

Indicator	2021	2022	2023
Number of directors	14	11	12
- Number of executive directors	5	3	3
- Number of shareholder directors	4	3	4
- Number of independent non-executive directors	5	5	5
- Number of female directors	0	1	2
- Number of male directors	13	10	10
Board training sessions (sessions)	3	3	5
Board research trips (trips)	7	4	5

Indicator	2021	2022	2023
Average training time per board member (hours)	11	12	12
Anti-corruption, anti-bribery policy training sessions (sessions)	394	504	528
Anti-corruption, anti-bribery policy training coverage (person-times)	4.3	20.12	20.40
Anti-corruption, anti-bribery policy training coverage rate (%)	/	100	100
Group regular IT employees (persons)	3,303	6,699	7,828

Indicator	2021	2022	2023
Group IT investment (RMB 100mn) ⁶	63.64	82.51	83.98
Data security investment (RMB 100mn) ⁷	/	1.24	1.2
Regular employees in dedicated information security positions (persons)	118	118	139
Information security management system audits (times)	/	/	5
Number of all internal employees and dispatched personnel participating in general information security training (person-times)	/	/	209,981
Number of new employees participating in general information security training (person-times)	/	/	799
Number of security personnel participating in professional security skills training (person-times)	/	/	1,120
Number of R&D personnel participating in professional security R&D training (person-times)	/	/	8,884
Cumulative number of network and application system disaster recovery drills conducted by branches/sub-branches at all levels (times)	/	/	519

Indicator	2021	2022	2023
“CIB Knowledge” online compliance thematic training (person-times)	/	/	88,000
Number of compliance-related activities conducted by branches and subsidiaries (times)	/	/	2,890
- “The Top Leader Talks About Compliance” (times)	/	/	390
- “Compliance Goes to the Grassroots” (times)	/	/	1,200
- Compliance training (times)	/	/	1,300
Number of compliance risk alerts issued (articles)	/	/	260
Anti-money laundering training sessions (sessions)	/	/	1,292
Anti-money laundering training coverage (person-times)	/	/	170,438

⁶ Group IT investment refers to the total amount invested by Industrial Bank in building its group’s information technology capabilities during 2023. The calculation of information technology investment follows the guidelines outlined in the Notice on Issuing the Banking and Insurance Information Technology Off-site Supervision Report (2020 Edition) published by the China Banking and Insurance Regulatory Commission in 2021. The scope of this statistic includes the headquarters, 45 branches, and all subsidiaries.

⁷ Data security investment represents the total amount invested by Industrial Bank in data security during 2023. The calculation of data security investment follows the guidelines outlined in the Notice on Issuing the Banking and Insurance Information Technology Off-site Supervision Report (2020 Edition) published by the China Banking and Insurance Regulatory Commission in 2021. The scope of this statistic includes the headquarters, 44 domestic branches, and CIB Fintech Services (Shanghai) Co., Ltd.

Economic Performance

Economic Performance

Indicator	2021	2022	2023
Total assets (RMB' trillion)	8.60	9.27	10.16
Net profit attributable to shareholders of the parent company (RMB 100mn)	826.80	913.77	771.16
Return on total assets (%)	1.02	1.03	0.80
Weighted average return on net assets (%)	13.94	13.85	10.64
Total amount of taxes paid (RMB 100mn)	394.86	410.76	389.03
Non-performing loan balance (RMB 100mn)	487.14	544.88	584.91
Non-performing loan ratio (%)	1.10	1.09	1.07
Provision coverage ratio (%)	268.73	236.44	245.21
Employee salaries and benefits (RMB 100mn)	346.89	381.96	380.65
Pension fund liabilities used for payment plans (RMB 100mn)	25.52	25.65	23.43
Social contribution value per share (RMB)	15.50	16.85	15.10

Supporting the Real Economy

Indicator	2021	2022	2023
Balance of loans to strategic emerging industries (RMB' 00000000)	1,798.50	3,006.07	4,063.14
Balance of loans to SMEs (RMB' 00000000) ⁸	9,457.34	11,963.35	15,652.00
Number of SME loan clients	165,871	212,079	246,484
Balance of loans to private enterprises (RMB 100mn)	9,425.89	11,186.13	13,056.98
Number of private enterprise loan clients	39,596	49,392	54,955
Balance of agricultural-related loans (RMB 100mn) ⁹	4,761.69	5,809.82	6,647.60
Balance of inclusive agricultural-related loans (RMB 100mn)	279.90	408.41	560.84
Balance of loans to new agricultural business entities (RMB 100mn)	311.78	424.11	500.95

⁸ The definition of SMEs is based on the Notice on Issuing the Classification Standards for Small and Medium-Sized Enterprises jointly released by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance in 2011.

⁹ The definition of agricultural loans is based on the Special Statistics System for Agricultural Loans published by the People's Bank of China in 2007.

Indicator	2021	2022	2023
New loans for affordable housing projects during the year (RMB 100mn)	/	/	208.99
Balance of loans for affordable housing projects (RMB 100mn)	864.11	839.98	1,048.97
Number of overseas M&A projects supported (projects)	10	25	33

Environmental Performance

Green Finance

Indicator	2021	2022	2023
Green finance financing balance (RMB 100mn)	13,867.03	16,297.60	18,928.72
Cumulative number of enterprises served by green finance (enterprises)	40,619	60,731	77,502
Cumulative financing provided by green finance (RMB 100mn)	36,753	47,008	61,491

Indicator	2021	2022	2023
Green loan balance (RMB 100mn) ¹⁰	4,539.40	6,370.72	8,090.19
New green loans during the year (RMB 100mn)	1,344.87	1,831.32	1,839.21
Green loan balance - energy conservation and environmental protection industry (RMB 100mn)	/	/	1,733.27
Green loan balance - cleaner production industry (RMB 100mn)	/	/	192.03
Green loan balance - clean energy industry (RMB 100mn)	/	/	1,742.38
Green loan balance - ecological environment industry (RMB 100mn)	/	/	512.43
Green loan balance - green upgrade of infrastructure (RMB 100mn)	/	/	3,899.55
Green loan balance - green services (RMB 100mn)	/	/	10.53

¹⁰ The term “green loans” in this report refers to green loans as defined by the People’s Bank of China.

Environmental Performance of Green Loan Projects

Indicator	2022	2023
Annual standard coal saving achieved by green projects supported by green loans (Unit: 10,000 tons)	546.18	951.73
Annual CO ₂ emissions reduction achieved by green projects supported by green loans (Unit: 10,000 tons)	1,403.36	2,292.28
Annual water saving achieved by green projects supported by green loans (Unit: 10,000 tons)	1,038.48	1,054.52
Annual NO _x emissions reduction achieved by green projects supported by green loans (Unit: 10,000 tons)	4.95	7.81
Annual SO ₂ emissions reduction achieved by green projects supported by green loans (Unit: 10,000 tons)	11.23	19.73
Annual COD emissions reduction achieved by green projects supported by green loans (Unit: 10,000 tons)	18.60	23.07
Annual ammonia nitrogen emissions reduction achieved by green projects supported by green Loans (Unit: 10,000 tons)	1.39	1.34

Green Operations

Indicator	2022	2023
Total greenhouse gas emissions (Scope 1 and Scope 2) (tons) ¹¹	255,560.57	259,177.08
Direct greenhouse gas emissions (Scope 1) (tons)	9,879.72	11,844.84
Indirect greenhouse gas emissions (Scope 2) (tons)	245,680.85	247,332.24
Carbon emission per unit of total assets (tons/RMB 100mn)	2.76	2.55
Total office water consumption (Unit: 10,000 tons) ¹²	174.70	183.02
Total office paper consumption (tons)	3,082.95	2,430.15

¹¹ The greenhouse gas emissions in this report are calculated primarily based on the Methods and Reporting Guide for Greenhouse Gas Emissions Accounting for Public Building Operating Enterprises (Trial) published by the National Development and Reform Commission in 2015, and the Notice on Proper Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment in 2023. The scope of this calculation includes the headquarters, 45 branches, and 11 subsidiaries.

¹² Total office water consumption in this report includes both separately metered tap water usage and shared tap water usage.

Indicator	2022	2023
Total office electricity consumption/purchased electricity (MWh)	343,119.71	373,061.33
Direct energy consumption - total fuel consumption of official vehicles (liters)	2,234,767.12	2,789,299.301
Direct energy consumption - total natural gas consumption (cubic meters)	1,839,573.89	2,412,372.294
Total indirect energy consumption (MWh)	469,311.66	481,588.31
Total energy consumption within the organization (MWh) ¹³	512,564.44	533,978.77
Total energy consumption per unit of total assets (MWh/RMB 100mn)	5.53	5.26
Total hazardous waste (tons) ¹⁴	88.33	101.60
Total non-hazardous waste (tons) ¹⁵	3,285.46	2,500.15
Proportion of video conferences to total meetings (%)	55.20	54.75
Coverage rate of video equipment (%)	70.97	72.75

Indicator	2022	2023
Average PUE ¹⁶ of headquarters data center	1.84	1.55
Percentage of credit card customers using e-statements (%)	99.97	99.97
Paper consumption for new card flyers and envelope packaging (10,000 sheets)	1,725	1,341
Paper saved by e-statements (10,000 sheets)	45,316.8	45,910.7

¹³ Total energy consumption within the organization includes both direct and indirect energy consumption. The calculations are based primarily on fuel consumption data, conversion factors, and formulas provided in the General Rules for Comprehensive Energy Calculation (GB/T2589-2020) issued by the National Standards of the People's Republic of China. This includes natural gas, diesel, gasoline, liquefied petroleum gas, purchased electricity, and purchased heating.

¹⁴ Hazardous waste in this report includes toner cartridges, ink cartridges, fluorescent lamps, and lead-acid batteries.

¹⁵ Non-hazardous waste in this report includes waste paper, discarded electronic information products (computer hosts, monitors, laptops, printers, servers), discarded office supplies (pens, paper clips, staples), and kitchen waste.

¹⁶ The average PUE calculation for the headquarters data center includes the Fuzhou Aofeng Data Center and the Shanghai Zhangjiang Data Center.

Social Performance

Employee Composition

Indicator	2021	2022	2023
Total number of employees	57,428	63,853	60,739
Number of female employees	31,146	33,826	32,594
Proportion of female employees (%)	54.23	52.97	53.66
Proportion of male employees (%)	45.77	47.03	46.34
Proportion of middle and senior management (%)	5.74	5.39	5.74
Proportion of women in middle management (%)	33.66	33.42	33
Proportion of women in senior management (%)	17.62	17.12	18.82
Proportion of employees with bachelor's degree or above (%)	86.54	85.81	89.99
Number of ethnic minority employees	2,187	2,410	2,757
Proportion of ethnic minority employees (%)	3.81	3.77	4.54
Number of employees with disabilities	/	21	24
Proportion of employees with disabilities (%)	/	0.03	0.04

Indicator	2021	2022	2023
Number of foreign employees	214	219	244
Total number of employees in overseas institutions	252	262	302
Total number of management personnel	9,235	9,941	9,487
Total number of management personnel by gender			
—Male	5,250	5,629	5,497
—Female	3,985	4,312	3,990
Total number of management personnel by age			
—Under 30	166	129	79
—31-50	8,107	8,706	8,247
—Over 51	962	1,106	1,161



Indicator	2021	2022	2023
Total number of non-management personnel	48,193	53,912	51,252
Total number of non-management personnel by gender			
—Male	21,032	24,398	22,648
—Female	27,161	29,514	28,604
Total number of non-management personnel by age			
—Under 30	17,726	19,584	15,562
—31-50	29,573	33,211	34,275
—Over 51	894	1,117	1,415
Average age of employees (years)	34.2	34.2	35.2
Average length of service for female employees (years)	6.4	6.1	7.1
Average length of service for male employees (years)	6.6	6.7	7.5

Employee Turnover

Indicator	2021	2022	2023
Number of new employees during the year	8,329	11,362	3,893
—Number of campus recruits	1,484	2,777	820
—Number of socially recruited employees	6,845	8,585	3,073
—Number of new female employees	3,977	4,918	1,773
—Number of new male employees	4,352	6,444	2,120
Employee turnover rate ¹⁷ (%)	5.99	4.57	5.32
—Male employee turnover rate (%)	6.67	4.98	5.50
—Female employee turnover rate (%)	5.44	4.24	5.17
Proportion of internal candidates applying for vacancies (%)	37.25	30.71	58.02
Employee flow rate ¹⁸ (%)	16.52	17.84	9.82

¹⁷ This excludes employees dispatched for credit card operations.

¹⁸ This refers to the proportion of new hires and departing employees compared to the total number of employees (excluding employees dispatched for credit card operations).

Employee Rights

Indicator	2021	2022	2023
Employment contract signing rate (%)	100	100	100
Social insurance coverage rate (%)	100	100	100
Housing provident fund coverage rate (%)	100	100	100
Trade union establishment rate (%)	100	100	100
Percentage of employees covered by collective bargaining agreements (%)	100	100	100
Coverage rate of employee satisfaction survey (%)	/	100	100
Participation rate of employee satisfaction survey (%)	/	70	70
Employee satisfaction score ¹⁹	/	96.36	95.22
Number of people using annual leave, parental leave, marriage leave, personal leave, maternity leave, etc.	/	/	12

¹⁹ The employee satisfaction score is derived from anonymous survey questionnaires collected through mobile terminals during the reporting period, calculated using the Bank's human resources management system. The scope of this statistic includes the headquarters, 44 domestic branches, and all subsidiaries.

Employee Compensation

Indicator	2021	2022	2023
Proportion of employees receiving regular performance and career development appraisals (%)	100	100	100
Proportion of employees receiving management by objectives appraisals (%)	100	100	100
Proportion of employees receiving multi-dimensional performance appraisals (e.g., 360-degree feedback) (%)	100	100	100
Average fixed salary ratio between male and female employees at senior management level	1.06:1	1.11:1	1.04:1
Average fixed salary ratio between male and female employees at middle management level	0.99:1	1:1	1:1
Average fixed salary ratio between male and female employees in general	1.05:1	1.07:1	1.04:1

Employee Training

Indicator	2021	2022	2023
Number of employee training programs	4,917	5,421	5,406
Number of employees receiving training (person-times)	693,916	743,916	772,529
Employee training coverage rate (%)	94.80	95.72	96.36
Average training hours per employee per year (hours)	195	207	210.7
Employee training expenditures (RMB 10k)	17,297	13,434	21,086

Service Channels

Indicator	2021	2022	2023
Number of outlets	2,065	2,046	2,085
Number of outlets in rural and county areas	237	252	258
Number of community sub-branches (including small and micro sub-branches)	829	837	847
Number of smart outlets	216	249	287
Number of outlets providing extended hours service	797	786	778
Number of outlets with barrier-free access ²⁰	1,416	1,455	1,528
Number of outlets with courtesy counter	1,385	1,427	1,454
Number of outlets with “CIB Cares” public welfare stations	2,000	2,046	2,085
Number of self-service terminals (including ATMs, POS machines, smart teller machines) in rural areas	4,483	5,735	5,184

²⁰ Barrier-free access is defined according to the Standards for the Construction of Accessible Environments for Banks published by the China Banking Association in 2018.

Indicator	2021	2022	2023
Number of registered users of “CIB Life” App	2,791.33	3,761.38	4,834.28
Number of active mobile banking customers	4,326.03	4,920.39	5,607.67
Monthly active users of mobile banking	/	/	2,252.62
Number of human resources saved by AI-powered credit card collection robots (person)	/	/	1,300

Consumer Rights Protection

Indicator	2021	2022	2023
Ratio of customer complaint resolution to customer complaints (%) ²¹	143,287	478,708	356,498
95561 customer service hotline satisfaction (%)	/	/	99.73
Total number of online financial transactions monitored by the risk control platform (Unit: 100 million)	99.92	99.91	99.94

²¹ The ratio of completed customer complaint handling volume to customer complaint volume represents the proportion of completed customer complaint handling cases to the total number of customer complaints received during 2023. It is determined based on the Implementation Measures for Financial Consumer Rights Protection published by the People’s Bank of China in 2020, and Industrial Bank’s Implementation Rules for Consumer Complaint Management published in 2020.

Indicator	2021	2022	2023
Total number of online financial transactions monitored by the risk control platform (Unit: 100 million)	44.38	66.37	125.9
Number of high-risk transactions blocked by the risk control platform (Unit: 10,000)	626.56	845.39	1,107.95
Amount involved in transactions blocked by the risk control platform (RMB 100mn)	1,408.85	1,654.19	1,851.24
Employee participation rate in consumer rights protection training (%)	/	/	100
Investment in public financial literacy education (RMB 10k)	1,865.57	2,371.20	2,237.45
Cumulative number of public financial literacy activities	10,463	10,674	13,661
Number of customers reached by public financial literacy programs (10,000 person-times)	8,483	12,791	21,044.92
Number of materials distributed (Unit: 10,000)	2,268.28	320.57	1,213.34
Media Coverage (times)	3,215	655	4,301

Social Public Welfare

Indicator	2021	2022	2023
Annual external donations (RMB 10k)	6,999	8,118	5,238.61
Number of designated poverty alleviation points	68	76	74
Number of resident officials	59	60	52
Number of employee volunteers (person-times)	55,060	79,202	79,879
Employee volunteer hours	60,596	79,963	82,071
Total number of credit card holders donating points (Unit: 10,000)	/	/	11.57
Total love points donated by credit cards (10,000 points)	/	/	476,589.00
Number of healthy lunches redeemed with credit card points	/	/	618,758

Supplier Information

Indicator	2021	2022	2023
Number of social responsibility training sessions for suppliers	/	85	256
Number of suppliers undergoing environmental impact assessments	/	2,354	2,943
Participation rate of external experts in tendering and procurement (%)	/	16.37	33.68

Honors and Awards in 2023 (Part)

Media	Honors and Awards
The Banker (British magazine)	Ranking No. 17 and No. 26 based on Level-1 assets and total assets, respectively, among Top 1,000 World Banks
The Banker (British magazine)	Bank of the Year in China
Forbes (American magazine)	Ranking No. 55 among Global 2000
	2023 Forbes China ESG Innovation Enterprises
Forbes (American magazine)	Ranking No. 208 among Fortune Global 500
	Fortune China ESG Impact List 2023
The Banker (British magazine) & Brand Finance	Ranking No. 29 among Top 500 Most Valuable Banking Brands
Interbrand	Ranking No. 22 of Best China Brands
China Enterprise Confederation/China Enterprise Directors Association	Ranking No.66 among Top 500 Chinese Enterprises
Professional Wealth Management (PWM) Magazine	Best Private Bank for Digital Customer Service (Asia)
Asia Money Magazine	Best Bank for SMEs at the Asiamoney Best Bank Awards
China Fund	Outstanding Private Equity Sales Bank Model Institution

Media	Honors and Awards
www.People.cn	“People’ s Enterprise Social Responsibility Award” Annual Enterprise Award
	“People’ s Enterprise Social Responsibility Recommended Case” - Rural Revitalization
	“CIB Public Welfare Stations” - “People’ s Ingenuity 2021 Annual Service Case” Award
	“CIB Inclusive” - Ingenuity Product Award
www.xinhuanet.com	China Enterprise Social Responsibility Excellent Case Award
	2023 Enterprise ESG Annual Special Case
www.news.cn and China Enterprise Reform and Development Society	Outstanding Corporate ESG Innovation Case
Securities Times (STCN)	Tianji Award for the Bank of High-quality Development 2023 (Best prize in the comprehensive category)
	Tianji Award for Outstanding Bond Underwriting Bank 2023
	Tianji Award for Sci-Tech Innovation Bank 2023
	ESG Top 100 Award

Media	Honors and Awards
China Banking and Insurance News	“CIB Public Welfare Stations Annual Service Innovation Case” - Annual Excellent Case
	“Practicing People’s Finance, Serving New Citizens with New Approaches” - Annual Excellent Case
	“CIB Inclusive - Open Inclusive Financial Service Platform” - Inclusive Finance Practice Case
	“CIB Launches China’s First Online Standardized Carbon Neutral Service Transaction” - Green Finance Innovation Case
	“ESG Technological Innovation Based on CIB’s Dual-Carbon Management Platform” - Technological Empowerment for ESG Development Case
The Banker (British magazine)	The Banker’s Innovation in Digital Banking Awards 2023
21st Century Business Herald	Excellent Listed Company 2023
	2023 Financial Services Excellence Case of the Year
	Green Finance Pioneer Enterprise 2023
	Excellent Commercial Bank 2023
	Rural Revitalization Service Bank 2023

Media	Honors and Awards
21st Century Business Herald	“Digital Empowerment for Green Development: A Case Study of Jointly Achieving the ‘Dual Carbon’ Strategic Goals” – 21st Century Vitality: ESG Green Development Case Studies
	Excellent Integrated Services Bank 2023
	Excellent Private Bank 2023
Caijing Magazine	Green Award for Sustainability
National Business Daily	Best CSR Award for Listed Companies
	“2023 Seventh China Listed Company Brand Value Rankings TOP 100,” Ranked 49th, up 9 positions from 2022.
	Outstanding Wealth Management Bank of the Year Award
	Outstanding Green Finance of the Year Award
The Economic Observer	Outstanding Joint-Stock Commercial Bank of the Year
China Times	Outstanding Private Bank of the Year 2023
Hong Kong Commercial Daily	Most Innovative Financial Institution of the Year
	Best Joint-Stock Commercial Bank of the Year
	Best Green Innovation Bank of the Year

Media	Honors and Awards
www.hexun.com	Best Environmental (E) Responsibility Award
	Best Responsible Investment Bank Award
	Best Green Investment Bank of the Year
	New Citizen Service Model of the Year
	Eight Major Awards: Outstanding Comprehensive Strength Award, Outstanding ESG Industry Model Award, Outstanding Green Carbon Exemplary Institution Award, Outstanding Innovation Contribution Award, etc.
wallstreetcn.com	Outstanding Chinese Bank of the Year
	Outstanding Investment Bank of the Year
	“ESG Governance Pioneer - Corporate Governance Innovation Case”
www.investor.org.cn	Pioneering High-Quality Development Commercial Bank of the Year
	Outstanding Investor Relations (IR) Team of the Year
China National Brand	“2022 My Favorite Chinese Brand”

Media	Honors and Awards
Financial Times	Best High-Quality Development Bank of the Year
NewFortune	“Best ESG Practice Award”
China Banking and Insurance News	“Top 20 ESG Comprehensive Performance in the Banking Industry”
	“Inclusive Finance Model Case in the Banking Industry (2023)”
	“Green Finance Model Case in the Banking Industry (2023)”
China Media Group	“China ESG Listed Company Finance Industry Vanguard 30”
China Association for Public Companies	“Listed Company ESG Best Practice Case”
IFRS Foundation	One of the first Chinese recipients of the “Partnership for Early Awareness of Sustainability-disclosure Today (P4EAST)” certificate from the International Sustainability Standards Board (ISSB)
Sina Finance	“Best Responsible Investment Bank Award”
Zhilian Zhaopin	2023 China’s Top 100 Best Employers



Third Party Authentication

Reporting Basis for Key Data



Ethnic Minority Employee Ratio (%):

This metric refers to the proportion of ethnic minority employees among all employees of Industrial Bank as of December 31, 2023, as disclosed in the Bank's Sustainability Report. Ethnic minority employees are defined as those whose national identity cards indicate a nationality other than Han Chinese, encompassing 55 ethnic minority groups. The total employee count includes headquarters staff and personnel from 45 branches, including labor dispatched workers.



Employee Gender Structure (Male:Female):

The employee gender structure presented in Industrial Bank's Sustainability Report represents the ratio of male employees to female employees as of December 31, 2023. Gender information is derived from employee identity cards. The total employee count includes headquarters staff and personnel from 45 branches, including labor dispatched workers.



Employee Satisfaction Score:

The employee satisfaction score disclosed in Industrial Bank's Sustainability Report is derived from anonymous survey questionnaires collected through mobile terminals during the reporting period. This score is subsequently calculated using the Bank's human resources management system. The scope of this statistic covers headquarters staff, and personnel from 44 domestic branches and all subsidiaries.



Agricultural Loan Balance (RMB 100mn):

Industrial Bank's Sustainability Report discloses the agricultural loan balance as of December 31, 2023. Agricultural loans are defined according to the Special Statistics System for Agricultural Loans issued by the People's Bank of China in 2007. The scope of this statistic covers headquarters and 44 domestic branches.



SME Loan Balance (RMB 100mn):

The SME loan balance presented in Industrial Bank's Sustainability Report represents the outstanding loan amount for SMEs as of December 31, 2023. The definition of SMEs is based on the Notice on Issuing the Classification Standards for Small and Medium-Sized Enterprises jointly released by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance in 2011. The scope of this statistic covers headquarters staff and personnel from 44 domestic branches.



Number of SME Loan Clients (Accounts):

The number of SME loan clients reported in Industrial Bank's Sustainability Report refers to the total number of such clients as of December 31, 2023. The definition of SMEs is based on the Notice on Issuing the Classification Standards for Small and Medium-Sized Enterprises jointly released by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance in 2011. The scope of this statistic covers headquarters and 44 domestic branches.



Inclusive SME Loan Balance (RMB 100mn):

The inclusive SME loan balance disclosed in Industrial Bank's Sustainability Report represents the outstanding loan amount for SMEs with individual credit limits of RMB 10 million or less as of December 31, 2023. The definition of SMEs is based on the Notice on Issuing the Classification Standards for Small and Medium-Sized Enterprises jointly released by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance in 2011. The scope of this statistic covers headquarters and 44 domestic branches.



Number of Inclusive SME Loan Clients (Ten Thousand Accounts):

The number of inclusive SME loan clients reported in Industrial Bank's Sustainability Report refers to the total number of such clients with individual credit limits of RMB 10 million or less as of December 31, 2023. The definition of SMEs is based on the Notice on Issuing the Classification Standards for Small and Medium-Sized Enterprises jointly released by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance in 2011. The scope of this statistic covers headquarters and 44 domestic branches.



Sci-Tech Finance Loan Balance (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the sci-tech finance loan balance for clients engaged in science and technology innovation as of December 31, 2023. Sci-tech finance clients are defined according to the S70 Science and Technology Finance and Investment-Loan Linkage Statistical Monitoring Table found in the Off-site Supervision Report Filing Instructions published by the former China Banking and Insurance Regulatory Commission in 2023. The scope of this statistic covers headquarters and 44 domestic branches.



Number of Outlets in Rural and County Areas:

The number of outlets in rural and county areas presented in Industrial Bank’s Sustainability Report represents the total number of outlets established by the Bank in these areas as of December 31, 2023. The definition of rural and county areas references the 2022 Administrative Division Code of the People’s Republic of China, published by the Ministry of Civil Affairs in 2023. The scope of this statistic covers headquarters and 44 domestic branches.



Number of Outlets with Barrier-free Access:

Industrial Bank’s Sustainability Report discloses the total number of outlets with barrier-free access as of December 31, 2023. Barrier-free access is defined according to the Standards for the Construction of Accessible Environments for Banks published by the China Banking Association in 2018. The scope of this statistic covers headquarters and 44 domestic branches.



Number of Self-Service Terminals (Including ATMs, POS Machines, and Smart Counters) in Rural Areas:

Industrial Bank’s Sustainability Report discloses the total number of self-service terminals, including ATMs, POS machines, and smart counters, deployed by the Bank in rural areas as of December 31, 2023. The definitions of rural areas, ATMs, POS machines, and smart counters are based on the Notice on Revising the Business Statistical Indicators for Rural Payment Service Environment Construction issued by the People’s Bank of China in 2017. The scope of this statistic covers headquarters and 44 domestic branches.



Financial Literacy Outreach Investment Amount (RMB 10k):

Industrial Bank’s Sustainability Report discloses the total amount invested in promoting financial literacy as of December 31, 2023. This statistic is based on the Guiding Opinions on Strengthening Financial Consumer Rights Protection issued by the General Office of the State Council in 2015, the Guiding Opinions on Strengthening the Construction of Consumer Rights Protection Mechanisms by Banking and Insurance Institutions issued by the China Banking and Insurance Regulatory Commission in 2019, the Implementation Measures for Financial Consumer Rights Protection issued by the People’s Bank of China in 2020, and Industrial Bank’s Management Measures for Financial Literacy Promotion and Financial Consumer Education published in 2022. The scope of this statistic covers headquarters and 44 domestic branches.



Ratio of Completed Customer Complaint Handling Volume to Customer Complaint Volume (%):

The ratio of completed customer complaint handling volume to customer complaint volume disclosed in Industrial Bank’s Sustainability Report represents the proportion of completed customer complaint handling cases to the total number of customer complaints received during 2023. This metric is determined based on the Implementation Measures for Financial Consumer Rights Protection issued by the People’s Bank of China in 2020 and Industrial Bank’s Implementation Rules for Consumer Complaint Management published in 2020. The scope of this statistic covers headquarters and 44 domestic branches.



Complaint Volume Decrease Rate Compared to the Previous Year (%):

Industrial Bank’s Sustainability Report discloses the percentage decrease in customer complaint volume compared to the previous year. This metric is calculated by subtracting the total number of customer complaints received in 2022 from the total number of customer complaints received in 2023 and dividing the difference by the total number of complaints received in 2022. This metric is determined based on the Implementation Measures for Financial Consumer Rights Protection issued by the People’s Bank of China in 2020 and Industrial Bank’s Implementation Rules for Consumer Complaint Management published in 2020. The scope of this statistic covers headquarters and 44 domestic branches.



Cumulative Number of Personal Pension Accounts (Ten Thousand Accounts):

The cumulative number of personal pension accounts presented in Industrial Bank’s Sustainability Report represents the total number of dedicated accounts opened by the Bank for individual pension participants in 2023, used for purchasing personal pension products and benefiting from deferred personal tax benefits. The definition of personal pension accounts references the Implementation Measures for Personal Pensions issued by the Ministry of Human Resources and Social Security, the Ministry of Finance, the State Taxation Administration, the former China Banking and Insurance Regulatory Commission, and the China Securities Regulatory Commission in 2022, and the Provisional Measures for the Management of Personal Pension Business by Commercial Banks and Asset Management Companies issued by the former China Banking and Insurance Regulatory Commission in 2022. The scope of this statistic covers headquarters and 44 domestic branches.



Amount of Carbon Emission Reduction Loans Supported by the Carbon Emission Reduction Support Tool (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the total amount of loans approved through the carbon emission reduction support tool in 2023. These loans comply with the requirements of the Notice on Continuing the Implementation of the Carbon Emission Reduction Support Tool issued by the People’s Bank of China in 2023 and have been reviewed by the People’s Bank of China. The carbon emission reduction support tool is defined according to the Notice on Establishing the Carbon Emission Reduction Support Tool issued by the People’s Bank of China in 2021. The scope of this statistic covers headquarters and 44 domestic branches.



Green Finance Financing Balance (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the green finance financing balance as of December 31, 2023. The green finance financing balance is defined according to the Green Finance Business Attribute Recognition Standards published by Industrial Bank in 2022. These standards reference the Green Industry Guidance Catalogue issued by the National Development and Reform Commission in 2019, the Green Finance Statistics System issued by the former China Banking and Insurance Regulatory Commission in 2020, the Special Statistics System for Green Loans issued by the People’s Bank of China in 2019, and the Green Bond Support Project Catalogue jointly issued by the People’s Bank of China, the National Development and Reform Commission, and the China Securities Regulatory Commission in 2021. The scope of this statistic covers headquarters, 45 branches, and all subsidiaries.



Total Greenhouse Gas Emissions (Scope 1 and Scope 2) (Tons of CO2 Equivalent):

Industrial Bank’s Sustainability Report discloses the total greenhouse gas emissions (Scope 1 and Scope 2) for 2023. Greenhouse gas emissions are calculated based on the organizational boundaries and quantification methods outlined in the Methods and Reporting Guide for Greenhouse Gas Emissions Accounting for Public Building Operating Enterprises (Trial) issued by the National Development and Reform Commission in 2015, and the Notice on Proper Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment in 2023. The scope of this statistic covers headquarters, 45 branches, and all subsidiaries.



Group Information Technology Investment Scale (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the total investment in group information technology capability building in 2023. The calculation of information technology investment references the Notice on Issuing the Banking and Insurance Information Technology Off-site Supervision Report (2020 Edition) published by the China Banking and Insurance Regulatory Commission in 2021. The scope of this statistic covers headquarters, 45 branches, and all subsidiaries.



Data Security Investment Scale (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the total investment in data security in 2023. The calculation of data security investment references the Notice on Issuing the Banking and Insurance Information Technology Off-site Supervision Report (2020 Edition) published by the China Banking and Insurance Regulatory Commission in 2021. The scope of this statistic covers headquarters, 44 domestic branches, and CIB Fintech Services (Shanghai) Co., Ltd.



Number of High-Risk Transactions Blocked by the Risk Control Platform (Ten Thousand Transactions):

Industrial Bank’s Sustainability Report discloses the total number of high-risk transactions blocked by the Bank’s risk control platform in 2023. This metric is supervised based on the Anti-Telecom and Online Fraud Law of the People’s Republic of China passed by the National People’s Congress Standing Committee in 2022, and the Management Measures for Fraud Risk of Industrial Bank. The scope of this statistic covers headquarters and 44 domestic branches.



Total Annual External Donation Expenditure (RMB 100mn):

Industrial Bank’s Sustainability Report discloses the total amount of external donation expenditure included in the Bank’s financial statements for 2023. The definition of external donation expenditure references the Charity Law of the People’s Republic of China passed by the National People’s Congress Standing Committee in 2023, and the Announcement on Matters Related to Pre-tax Deduction for Charitable Donations jointly issued by the Ministry of Finance, the State Taxation Administration, and the Ministry of Civil Affairs in 2020. The scope of this statistic covers headquarters and 45 branches.




Number of People Covered by Anti-Corruption and Integrity Training (Ten Thousand Person-Times):

Industrial Bank’s Sustainability Report discloses the total number of people participating in anti-corruption and integrity training in 2023. The relevant requirements for anti-corruption training reference the Implementation Plan for the Five Projects of New Era Clean Culture Construction issued by the Fujian Provincial Commission for Discipline Inspection in 2022 and the Work Plan for Clean Culture Construction of Industrial Bank (2022-2024). The scope of this statistic covers headquarters, 44 domestic branches, and all subsidiaries.



Average Number of Training Hours Received by Each Employee Per Year (Hours):

Industrial Bank’s Sustainability Report discloses the average number of training hours received by each employee per year, based on the requirement of Indicator 404-1 in the Global Reporting Initiative (GRI) “Sustainability Reporting Standards (GRI Standards).” This metric refers to the ratio of total training hours recorded in the Bank’s training management system in 2023 to the total number of employees. The scope of this statistic covers headquarters, 45 branches, and all subsidiaries.



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可持续发展报告独立鉴证报告

安永华明 (2024) 专字第70015672_A01号
兴业银行股份有限公司

兴业银行股份有限公司董事会:

我们接受委托, 对兴业银行股份有限公司 (以下简称“兴业银行”或“贵行”) 编制的《兴业银行股份有限公司 2023 年度可持续发展报告》(简称“《可持续发展报告》”) 中选定的 2023 年度绩效信息发表有限保证鉴证意见。

一、绩效信息

本报告就以下选定的 2023 年度绩效信息实施了有限保证鉴证程序:

- 少数民族员工比例 (%)
- 员工性别结构 (男:女)
- 员工满意度得分
- 涉农贷款余额 (人民币 亿元)
- 小微企业贷款余额 (人民币 亿元)
- 小微企业贷款客户数量 (户)
- 普惠小微贷款余额 (人民币 亿元)
- 普惠小微企业贷款客户数 (万户)
- 科创金融贷款余额 (人民币 亿元)
- 农村及县域地区营业网点数量 (家)
- 设置无障碍通道网点数量 (个)
- 农村地区自助服务终端 (包括 ATM、POS 机、智能柜台等) 数量 (台)
- 公众金融知识普及投入金额 (人民币 万元)
- 客户投诉处理完结量与客户投诉量的比值 (%)
- 投诉量较上年下降比例 (%)
- 累计开立个人养老金账户 (万户)
- 获得碳减排支持工具支持的碳减排贷款金额 (亿元)
- 绿色金融融资余额 (人民币 亿元)
- 温室气体排放总量 (范围 1 和范围 2) (吨 二氧化碳当量)
- 集团信息科技投入规模 (人民币 亿元)
- 数据安全投入规模 (人民币 亿元)
- 风控平台阻断各类高风险交易 (万笔)
- 全年对外捐赠支出 (人民币 万元)
- 反腐倡廉培训覆盖人次 (万人次)
- 每名员工每年接受培训的平均小时数 (小时)

我们的鉴证工作仅限于《可持续发展报告》中选定的 2023 年度的绩效信息, 《可持续发展报告》所披露的其他信息、2022 年及以前年度信息均不在我们的工作范围内。

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可持续发展报告独立鉴证报告

安永华明（2024）专字第70015672_A01号
兴业银行股份有限公司

二、兴业银行选用的标准

贵行编制 2023 年度《可持续发展报告》绩效信息所采用的标准列于本报告附件的关键数据编制基础（以下简称“编制基础”）中。

三、兴业银行的责任

选用适当的编制基础，并按照编制基础的要求编制《可持续发展报告》中的 2023 年度绩效信息是贵行管理层的责任。这种责任包括设计、执行和维护与编制绩效信息相关的内部控制，在编制绩效信息的过程中做出准确的记录和合理的估计，以使该等内容不存在由于舞弊或错误而导致的重大错报。

四、我们的责任

我们的责任是根据我们所执行的程序对《可持续发展报告》中的 2023 年度绩效信息发表有限保证鉴证结论。我们按照国际审计与鉴证准则理事会发布的《国际鉴证业务准则第 3000 号（修订）—历史财务信息审计或审阅以外的鉴证业务》（“ISAE3000”）的规定执行了鉴证工作。ISAE3000 要求我们计划和实施鉴证工作，以对我们是否注意到为了使《可持续发展报告》中的 2023 年度绩效信息依据编制基础进行编制而需要作出重大修改发表结论。鉴证程序的性质、时间和范围的选择基于我们的判断，包括对由于舞弊或错误而导致重大错报风险的评估。我们相信获取的证据充分、适当，为形成有限保证鉴证结论提供了基础。

五、我们的独立性和质量管理

我们遵守国际会计师职业道德准则理事会颁布的国际会计师职业道德守则中对独立性和其他道德的要求。我们的团队具备此次评估认证任务所需的资质和经验。本事务所遵循《国际质量管理准则第 1 号——会计师事务所对执行财务报表审计或审阅、其他鉴证或相关服务业务实施的质量管理》，设计、实施和运行质量管理体系，包括与遵守职业道德要求、专业标准和适用的法律和法规要求相关的书面政策或程序。

六、鉴证工作程序

有限保证鉴证所实施的程序的性质和时间与合理保证鉴证不同，且范围较小。因此，有限保证鉴证业务的保证程度远低于合理保证鉴证。我们没有执行合理保证的其他鉴证中通常实施的程序，因而不发表合理保证鉴证意见。虽然在设计鉴证程序的性质和范围时，我们考虑了管理层相关内部控制的有效性，但我们并非对内部控制进行鉴证。我们的鉴证工作不包括与信息系统中数据汇总或计算相关的控制测试或其他程序。有限保证鉴证程序包括询问负责编制《可持续发展报告》的核心人员，实施分析性复核以及其他适当的程序。



可持续发展报告独立鉴证报告

安永华明（2024）专字第70015672_A01号
兴业银行股份有限公司

我们的工作程序包括：

- 1) 与相关人员进行访谈，了解兴业银行的业务及报告流程；
- 2) 与关键人员进行访谈，了解报告期内绩效信息的收集、核对和报告流程；
- 3) 检查计算标准是否已根据本报告“二、兴业银行选用的标准”中所述的方法准确应用；
- 4) 实施分析程序，并询问管理层以获取针对所识别的重大差异的解释；
- 5) 对基础信息实施抽样检查，以检查数据的准确性；
- 6) 我们认为必要的其他程序。

七、结论

根据我们所实施的鉴证工作，我们未发现可持续发展报告中所选定的 2023 年度绩效信息在所有重大方面存在与编制基础的要求不符合的情况。

八、报告的使用

本鉴证报告仅向贵行董事会出具，而无其他目的。我们不会就本报告的内容向任何其他人士承担任何责任。

安永华明会计师事务所(特殊普通合伙)

安永华明会计师事务所(特殊普通合伙)

中国北京

2024年3月27日



GRI Standards Content Index

Statement of Use

CIB has reported the information cited in this GRI content index for the period from January 1 to December 31, 2023 with reference to the GRI Standards.

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Principles for Responsible Banking (PRB) Index

	Indicator Content	Measures and Page Numbers
<p>Principle 1: Alignment</p>	<p>1.1 The institution’ s primary business model and operations</p>	<p>Introduction and operational status of the Bank’ s primary business model, as detailed in the “About Industrial Bank,” “Building a Robust Sustainable Development Strategy and Management,” “Focus Areas and Progress” sections in the [Governance] chapter of this report, as well as the “ESG Economic Performance” section of the [Appendix].</p>
	<p>1.2 Alignment of the Bank’ s business strategy with social sustainability objectives (Environment)</p>	<p>The Bank refers to the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations Report and takes scientific measures to monitor and assess the impact of climate risks on the financial system. It continuously explores climate-related risk management tools and models to improve its climate risk management capabilities. It incorporates ESG and climate risk management into the comprehensive risk management system, revising the Comprehensive Risk Management Reporting Measures to ensure the sustainable development of its business. See the “Emerging Risk Identification and Response” section in the [Governance] chapter and the “ESG and Climate Risk Analysis and Response Measures” section in the [Environment] chapter of this report for details.</p>
<p>Principle 2: Impact and Target Setting</p>	<p>2.1 The institution’ s primary business impacts on social sustainability, and the sustainable development challenges and opportunities it faces</p>	<ul style="list-style-type: none"> ● The Bank attaches great importance to the development of green finance, resolutely implements the major decision-making deployments of the Party Central Committee on ecological civilization construction, and takes green as the background color for the business development of the entire group, continuously improving the green finance governance system and strengthening top-level design. It has created a diversified green finance product and service system, focusing on key areas and regions to increase green finance support services for the real economy. ● The Bank incorporates ESG and climate risk management into the comprehensive risk management system, revises the Comprehensive Risk Management Reporting Measures, clarifies the ESG and climate risk management responsibilities of the headquarters Risk Management Committee, includes ESG and climate risks in the scope of reporting to senior management and the Board of Directors, and explores incorporating ESG and climate risk factors into consideration in the risk appetite formulation process. <p>See the “ESG and Climate Risk Analysis and Response Measures” and “Innovating Green Finance for New Growth Tracks” sections in the [Environment] chapter for details.</p>

	Indicator Content	Measures and Page Numbers
	<p>2.2 Description of the institution’s targets set to demonstrate progress toward achieving social sustainability objectives</p>	<p>Based on the United Nations Sustainable Development Goals (SDGs), internationally recognized social responsibility standards, the typical characteristics of the financial industry, and the Bank’s ESG work experience, the Bank has identified six major stakeholders: government or banking regulatory staff, the Bank’s directors, supervisors and shareholders, the Bank’s customers, the Bank’s employees, residents of the Bank’s surrounding communities, and partners (financial peers, suppliers, NGOs). To ensure an understanding of stakeholder concerns and expectations and to internalize them as drivers of progress, the Bank regularly conducts ESG materiality assessments and uses stakeholder surveys to analyze the importance of issues to ensure that the Bank fully follows up on and responds to stakeholder priorities. See the “Materiality Analysis” and “Focus Areas and Progress” sections in the [Governance] chapter of this report for details.</p>
	<p>2.3 Measures and plans the institution has put in place to achieve its targets</p>	<p>In 2023, the Board of Directors formulated and issued the ESG Policy of Industrial Bank Co., Ltd. as the guiding principle and direction for the Bank’s sustainable development. It transforms the ESG evaluation system into a reference standard and implementation tool for improving management capabilities, translates ESG management requirements into behavioral habits and work patterns, and creates an ESG management system with “CIB Characteristics.” For details, see the “Building a Robust Sustainable Development Strategy and Management” section in the [Governance] chapter of this report.</p>
<p>Principle 3: Clients and Customers</p>	<p>3.1 Practices that promote responsible relationships between the institution and its clients</p>	<p>The Bank enriches the supply of inclusive products, accelerates digital transformation, continuously improves the professionalism of inclusive financial services for SMEs, and fully supports the high-quality development of the real economy. The Bank leverages its product advantages to increase credit extension in key areas and supports the development of manufacturing SMEs.</p> <p>The Bank cultivates the green finance business field and accelerates the transformation and upgrading of high energy-consuming areas: Further support wind, solar, and hydropower industries, encourage the development of energy storage businesses to consolidate the Bank’s green finance business advantages, and support the low-carbon transformation of high-carbon industries. For details on the practical achievements in 2023, please refer to Special Report 1 in the [Development] chapter and the “Comprehensive Implementation of the Dual Carbon Strategy and Orderly Advancement of Transition Finance” section in the [Environment] chapter.</p>
	<p>3.2 Joint commitment to sustainable practices and sustainability in economic activities with clients</p>	<p>The Bank collaborates with its clients in a responsible manner, encouraging sustainable practices and promoting the development of economic activities. In 2023, the Bank has achieved many results with various parties in green finance, inclusive finance, biodiversity conservation, carbon emission reduction, etc. See the [Environment] chapter of this report for details.</p>

Indicator Content		Measures and Page Numbers
<p>Principle 4: Stakeholders</p>	<p>4.1 Identification and management of stakeholder concerns</p>	<p>Based on the United Nations Sustainable Development Goals (SDGs), internationally recognized social responsibility standards, the typical characteristics of the financial industry, and the Bank’s ESG work experience, the Bank has identified six major stakeholders: government or banking regulatory staff, the Bank’s directors, supervisors and shareholders, the Bank’s customers, the Bank’s employees, residents of the Bank’s surrounding communities, and partners (financial peers, suppliers, NGOs). In 2023, the stakeholder survey focused on distributing and effectively retrieving questionnaires from customers, directors, supervisors, investors, and other related parties, with a total of 7,889 questionnaires recovered. The Bank refers to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), closely monitors the relevant impacts of climate risks, proactively assesses the risks and opportunities of climate change, integrates them with the existing risk management framework, and regularly analyzes, evaluates, and formulates corresponding countermeasures. The Bank attaches great importance to and strongly supports the sustainable development of the marine economy. In 2020, the Bank joined the United Nations Environment Programme Finance Initiative (UNEP FI) “Sustainable Blue Economy Finance Initiative” (SBEFI), becoming the first Chinese signatory institution and member unit. See the “Materiality Analysis,” “Focus Areas and Progress,” and “Blue Finance” sections in the [Governance] chapter of this report for details.</p>
<p>Principle 5: Governance and Culture</p>	<p>5.1 Governance structure, policy framework consistent with the responsible principles of the institution</p>	<p>The Board of Directors of the Bank has five specialized committees: the Strategy and ESG Committee, the Risk Management and Consumer Rights Protection Committee, the Audit and Related Party Transactions Control Committee, the Nomination Committee, and the Remuneration and Assessment Committee, which are responsible for the discussion of the Bank’s major proposals and issues related to environment, society, and governance. The Board of Directors of the Bank decides on the strategic planning, major policies, and basic systems of sustainable development and ESG, assumes the ultimate responsibility for ESG management, and has established the Strategy and ESG Committee, which has 5 directors and 1 chairman, held by the Chairman of the Board. The senior management of the Bank regularly reports to the Board of Directors on important ESG matters such as green finance, inclusive finance, ESG and climate-related risks, consumer rights protection, human capital development, privacy and data protection, ESG performance management, and information disclosure. See the “Corporate Governance Structure” and “ESG Management Framework and Execution Procedures” sections in the [Governance] chapter of this report for details.</p>

	Indicator Content	Measures and Page Numbers
	<p>5.2 Cultivating a responsible banking corporate culture among employees</p>	<p>The Bank is highly focused on supporting employee development, treating human resources as the primary resource and firmly believing that a high-quality, highly qualified talent team is the Bank’s most cherished asset. The Bank makes every effort to help employees grow and continuously improve themselves, striving to provide a fair, just, diverse, and harmonious corporate culture for all employees, providing employees with a simple, well-intentioned work environment that allows employees to focus on growth and development, maintain passion and creativity, and receive care and warmth. The Bank firmly believes that all the solid efforts made for employee growth can actively promote the long-term sustainable and healthy development of the enterprise and create value for the Bank’s customers and the entire society.</p> <p>See the [Social] chapter, Special Report “Unleashing Workforce Potential Through Scientific HR Management System” for details.</p>
	<p>5.3 Develop policies and due diligence for addressing environmental and social risks in the investment portfolio</p>	<p>The Bank actively adapts to the trend of ESG development and enhances its environmental and social risk management level. It has released relevant documents such as the 2023 Credit Extension Policy of Industrial Bank, which clearly requires the conscientious implementation of the Bank’s green credit policy requirements and all industries to comply with relevant national environmental protection standards. The Bank actively guides credit resources toward business fields that meet ESG-related requirements, have low energy consumption, low emissions, low pollution, high efficiency, and good market prospects. See the “Towards Comprehensive ESG Risk Management: Achieving Full Integration in Credit Granting Processes” section in the [Environment] chapter for details.</p>
<p>Principle 6: Transparency and Accountability</p>	<p>6.1 Good practices and progress in the institution’s implementation of the principle of accountability</p>	<p>The Bank regularly evaluates and reviews the Bank’s individual and collective performance in implementing the Principles for Responsible Banking and actively discloses positive and negative impacts. In 2022, the Bank has made significant achievements in developing inclusive finance, optimizing customer service, protecting biodiversity, and innovating green finance. See the [Development] chapter, “Promoting Digital Inclusive Finance and Serving SMEs,” the [Environment] chapter, Special Report 2 in the [Social] chapter, and the [Service] chapter, “Exploring Distinctive Rural Revitalization Finance and Contributing to the Construction of a Strong Agricultural Nation” sections for details.</p>

Indicator Content	Measures and Page Numbers
<p>6.3 Outlook</p>	<p>The Bank will accelerate the process construction and tool development of climate risk management, gradually build an “identification-assessment-response” framework for climate change risks and opportunities; strengthen the identification, assessment, calculation, management, and application of carbon assets, leveraging the “Dual Carbon Management Platform” to strengthen systematic assessment and statistical tool development.</p> <p>The Bank will comprehensively strengthen the Board of Directors’ responsibilities and decision-making authority for ESG matters, effectively implement an ESG audit oversight mechanism, continuously improve ESG policies, regulations, and procedures, and implement a comprehensive ESG training plan. Through these efforts, the Bank will continuously refine and elevate its ESG governance performance. By demonstrating leading ESG practices, the Bank will ensure its strategic alignment with national strategic priorities such as achieving high-quality development, promoting common prosperity, and realizing the “dual carbon” goals. This commitment will ensure that the Bank fulfills its political and public responsibilities within the financial sector.</p>

Definitions

In this report, unless the context otherwise requires, the following terms have the meanings set out below:

Industrial Bank/CIB/the Bank	means	Industrial Bank Co., Ltd.
Group/the Group	means	Industrial Bank Co., Ltd. and its subsidiaries
The Central Bank/PBoC	means	The People’s Bank of China
China Securities Regulatory Commission/CSRC	means	China Securities Regulatory Commission
National Financial Regulatory Administration	means	The National Financial Regulatory Administration of China
Former China Banking and Insurance Regulatory Commission/former CBIRC	means	The former China Banking and Insurance Regulatory Commission
CIB Financial Leasing	means	Industrial Bank Financial Leasing Co., Ltd.
CIB Trust	means	China Industrial International Trust Limited
CIB Fund	means	CIB Fund Management Co., Ltd.
CIB Consumer Finance	means	Industrial Consumer Finance Co., Ltd.
CIB Wealth Management	means	CIB Wealth Management Co., Ltd.
CIB Futures	means	Industrial Futures Co., Ltd.
CIB Research	means	CIB Research Co., Ltd.
CIB Fintech	means	CIB Fintech Services (Shanghai) Co., Ltd.
CIB Asset Management	means	China Industrial Asset Management Co., Ltd.
CIB Inclusive Technology	means	CIB Inclusive Technology (Fujian) Co., Ltd.
CIB International Trust Asset Management	means	China Industrial International Trust Asset Management Co., Ltd.

yuan	means	Chinese yuan/RMB/CNY
“1234” Strategy	means	<ol style="list-style-type: none"> 1. focusing on light assets, light capital, and high efficiency as the main development line. 2. using the “Commercial Banking + Investment Banking” model, adhering to the principles of customer-centricity, with commercial banking as the core and investment banking as a supporting function. 3. continuously enhancing the capabilities of clearing banking, investment banking, and transaction banking. 4. strengthening the strategic role of key branches, key industries, key customers, and key products.
Commercial Bank + Investment Bank 2.0	means	the further development and enhancement of the strategy of “Commercial Banking + Investment Banking,” which includes improvements to, among others, the product system, collaboration mechanisms, risk management models, and evaluation mechanisms.
Three Core Brands	means	green bank, wealth bank, and investment bank.
Five New Growth Tracks	means	sci-tech finance, inclusive finance, energy finance, automotive finance, and park finance.
Five Online Services	means	CIB Inclusive Finance, CIB Keeper, CIB Life, Qian Shopkeeper, and Bank-Bank Platform.
Five Enterprise Framework Projects	means	marketing, wealth management, investment banking, operations, and risk control.
Five Standardizations	means	process, data, modeling, development, and operations.
FPA of Large Investment Bank	means	the integrated investment banking products and services provided by the Bank during the reporting period to meet the diverse financial needs of its clients, which includes: bond underwriting, bond investment, acquisition financing, syndicated loans, capital markets, equity investment and other investment banking products. There is a difference in statistical scope compared with the previously disclosed non-traditional off-balance sheet financing balance.

Reader's Feedback Form

We appreciate your advice and valuable information on our report!



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E-mail: sustainability@cib.com.cn



Answer questions by scanning the QR code with your mobile phone

1. What do you think about the overall quality of Industrial Bank's sustainability report?

Good Not bad Ordinary

2. What's your suggestion on Industrial Bank's corporate governance?

Good Not bad Ordinary

3. What's your opinion on Industrial Bank's economic development, environmental protection, and return to the community?

Good Not bad Ordinary

4. What's your opinion on Industrial Bank's sustainable development?

Good Not bad Ordinary

5. What do you think about Industrial Bank's information disclosure? Is it transparent, integrated, and accurate?

Good Not bad Ordinary

8. What do you think about the report's layout and design?

Good Not bad Ordinary

9. Please give your comments and suggestions on our sustainability report.



Bearing creates value Sharing breeds advance



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