

# SUSTAINABILITY 2 24 REPORT (ESG Report)



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# Introduction

In 2024, the three major domestic stock exchanges and the Ministry of Finance successively issued guidelines and standards on corporate sustainability information disclosure, to facilitate enterprises to practice the concept of sustainable development, better take part in global economic, trade and investment activities, enhance international competitiveness, and promote high-quality development. Industrial Bank, as the first commercial bank in China to develop green finance, has been rated as the "Advanced Organization in Green Bank Evaluation" by China Banking Association for five consecutive times. It is also the only bank that has received the highest MSCI ESG rating in the domestic banking industry for six consecutive years. The Bank has actively aligned with international standards and domestic regulatory requirements, explored innovative sustainability information disclosure practices, and published high-level sustainability reports for many years in a row.

In this report, based on past disclosure practices, the Bank focuses on new regulations on sustainability disclosure, serving the key areas of national strategies, and the Bank's special ESG practices, striving to show its sustainability practices and achievements to stakeholders in a comprehensive, detailed, objective and accurate manner as well as the achievements in pursuing sustainable development with Chinese-style ESG.

This report consists of five sections: Governance, Development, Environment, Service, and Social. In terms of the disclosure of governance information related to sustainable development, the Governance section focuses on the improvement of the corporate governance structure and the development of the ESG management system. It elaborates on how the Bank promoted the implementation of the sustainability concept through strategic planning and policy support and continuously strengthened the risk, compliance and internal control management capabilities. The Development section revolves around serving the real economy and supporting national strategies and showcases the Bank's innovative practices and achievements in developing the "five priorities" of the financial sector, supporting the development of new quality productive forces, and promoting high-standard opening up. In terms of environmental information disclosure, the Environment section introduces the Bank's active exploration and achievements in integrating ESG into business operations, tackling climate change, protecting biodiversity, and pursuing green operations. In terms of social information disclosure, the Service section adopts a customer-centered perspective to showcase the Bank's achievements and measures in protecting consumer rights and interests, building a "Digital Industrial Bank", improving the experience of retail customers, expanding pension finance, and protecting data security and privacy. The Social section centers on employee growth, inclusive finance, rural revitalization and public welfare, demonstrating the Bank's social responsibility as a corporate citizen.

### **Declaration**

#### Important 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 contained herein.

#### Report title

The report title "Sustainability Report" reflects the corporate governance philosophy of sustainable development of Industrial Bank. Meanwhile, since the environmental, social, and governance ("ESG") factors have been taken into account in the preparation of this annual report, this report is also known as the "Environmental, Social and Governance Report (ESG Report)".

#### Reporting period

The reporting period is from January 1, 2024 to December 31, 2024. Some contents extended 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.

#### Preparation basis

This report is prepared in accordance with the Corporate Sustainability Disclosure Standards—Basic Standards (for Trial Implementation) by the Ministry of Finance, Guidelines for Financial Institutions Environment Information Disclosure by the People's Bank of China, Corporate Governance Standards for Banking or Insurance Institutions and Opinions on Strengthening the Social Responsibility of Banking Financial Institutions by the former China Banking and Insurance Regulatory Commission, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (April 2024 Revision), Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), and Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Compilation of Sustainable Development Reports by the Shanghai Stock Exchange, and Guidelines on the Corporate Social Responsibility of Banking Institutions of China by China Banking Association. This report is also prepared with reference to the following documents:

- ► Sustainable Development Goals (SDGs) by the United Nations
- Principles for Responsible Banking (PRB) by the United Nations Environment Programme

- ▶ IFRS Sustainability Disclosure Standard S1—General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- ► IFRS Sustainability Disclosure Standard S2—Climate-related Disclosure (IFRS S2)
- ▶ GRI Sustainability Reporting Standards (GRI Standards) by the Global Sustainability Standards Board (GSSB)
- ▶ Guidance on Social Responsibility (GB/T 36000-2015), Guidance on Social Responsibility Reporting (GB/T 36001-2015), and Guidance on Classifying Social Responsibility Performance (GB/T 36002-2015) by National Standardization Administration
- Social Responsibility Guideline (ISO 26000) by the International Organization for Standardization (ISO)
- ▶ Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0) by Chinese Academy of Social Sciences

#### Report data

The financial data in this report partly originate from the Company's 2024 financial report and partly from previous years. There are no material changes in data acquisition and calculation methods. Unless otherwise stated, the currency data in the report are in RMB.

#### Report access

This report is released in electronic form, which is available in the "ESG" column of the Company's website (www.cib.com.cn).

#### Language priority

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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# **Message from the Chairman**

The year 2024 was the warmest year on record globally since meteorological records were available. Global warming has led to rising sea levels, the submersion of some islands, an increase in typhoons and hurricanes, intersecting floods and droughts, and the loss of biodiversity, all of which have severely damaged the Earth—our shared home. Protecting our only shared home is a matter for all humanity, including the Chinese people, and every one of us. At the plenary session of the 23rd St. Petersburg International Economic Forum, Chinese President Xi Jinping remarked that sustainable development was an inevitable outcome of the development of social productivity and scientific and technological advancements; sustainable development answered the common calls of most countries in the world and was the "golden key" to solving global problems. For years, to meet the fundamental requirements of high-quality development, China has followed global trends, proceeded from its national conditions, and demonstrated its sense of responsibility as a major country, forging a path of sustainable development with Chinese characteristics by "prioritizing China's national conditions while proactively drawing on others' experiences and highlighting our own characteristics".



In particular, since last year, the CPC Central Committee and the State Council, ministries and state-level commissions, and local governments and their functional departments have formulated sustainability-related macro policies, regulatory rules, and disclosure requirements in their respective domains. The Central Government underscores the importance of the Beautiful China initiative for building a great country and rejuvenating the nation and has made systematic plans and decisions to accelerate the green transformation of the economy and society in all respects. The Ministry of Finance officially issued the Corporate Sustainability Disclosure Standards – Basic Standards, demanding all enterprises to disclose broader and higher-quality sustainability information in accordance with these standards in the future. The Shanghai, Shenzhen, and Beijing Stock Exchanges have issued their respective guidelines for the sustainability reports of listed companies. China has essentially formed a unified national sustainability disclosure standards system at three levels: basic standards, specific standards, and application guidance. These policies, rules, and requirements send out a clear signal to promote corporate sustainability and provide a favourable policy and market environment for the vigorous development of ESG. In 2024, over 40% of A-share listed companies published their ESG-related disclosure reports, a record high, and the disclosure rate in the banking industry reached 100%.

Over the years, we have been working relentlessly to improve our ESG performance. We were China's first commercial bank to explore green finance. We have been rated as an Advanced Organization in Green Bank Evaluation by the China Banking Association for five consecutive times and stand as the only domestic bank to have received the highest ESG rating from MSCI for six consecutive years. In the face of the new requirements of this new era and new journey, we are aware of the opportunities and the long way ahead. In 2024, in the pursuit of sustainable development, we improved the top-level design in this regard, comprehensively upgraded the ESG management system, and advanced key ESG tasks as part of our development strategy, continuing to promote our sustainable development with ESG practices with Chinese characteristics.

We have established an industry-leading sustainability decision-making and management mechanism. A modern corporate governance mechanism is an important guarantee for corporate sustainability. At Industrial Bank, the Board of Directors decides on sustainability-related strategies, plans, major policies, and basic systems, and bears the ultimate responsibility for sustainability management. The Strategy and ESG Committee has been established under it. The two have together deliberated on and approved the Administrative Measures for the Sustainable Development of Industrial Bank Co., Ltd., which serves as the programmatic document for our sustainability management. A four-module ESG management system has been built, covering "Strategy", "Execution", "Performance", and "Communication". A system of key ESG issues covering nine directions in three dimensions has been developed, and ESG management has been fully integrated into corporate strategies, major decisions, daily operations, and employee behaviour.

We consider ESG practices with Chinese characteristics an important tool to achieve sustainable development and actively explore their implementation path. We effectively facilitate the coordinated development of the "five priorities" of the financial

sector (i.e., technology finance, green finance, inclusive finance, pension finance and digital finance) through the hub of ESG practices. We promote innovation-driven development, provide financial services for technology enterprises throughout their lifecycle, and support technological innovation to drive economic growth. Our portfolio of green finance products and services has been diversified. We are developing transition finance to promote the low-carbon transformation of high-energy-consuming and high-emissions industries, laying a distinct green foundation for economic growth. We continue to increase financial support for private, micro and small enterprises, and self-employed individuals, actively promote rural revitalization in all respects, and extend financial services to a wider group of financial consumers. We actively adapt to the aging society and enhance the well-being of the elderly population. We are accelerating the digital transformation, improving our digital operation capabilities, and enhancing the convenience and competitiveness of our financial services. We also place great emphasis on employee development. We have improved the talent management and training system that covers all development stages and levels and established sound mechanisms for data security and privacy protection, providing strong talent support for the development of the "five priorities" of the financial sector and the Bank's high-quality development.

Looking ahead, we are confident that we can do better. While continuing to promote sustainable development and ensure high-quality development through ESG practices with Chinese characteristics, we will measure the financial impact of sustainability risks and opportunities and gradually establish a sound objective and comprehensive value assessment and verification system to raise public awareness of the value of sustainability. At the same time, we will actively participate in the exploration of theories and practices regarding sustainability with Chinese characteristics and the formulation of international rules, and share China's theories and practices with the rest of the world, thus amplifying China's voice on the global stage.

The year 2025 is the final year for completing the 14th Five-Year Plan and the planning year for the 15th Five-Year Plan, a historic juncture connecting the past and the future. Standing at this new historical starting point, we will safeguard the "country's most fundamental interests" and serve economic growth through ESG practices with Chinese characteristics, promote harmony between human and nature, and uphold social fairness and justice. We will unswervingly follow the path of sustainable development, lay a solid foundation for a good start of the 15th Five-Year Plan period, and make an important contribution to Chinese modernization.

Lyu Jiajin CIB Chairman





# **Message from the President**

In 2024, we acted faithfully on the political and people-centric nature of financial work and made sound judgments on the domestic and international economic landscape and the development trends of the banking industry. We actively embraced the national drive of comprehensively deepening reform and embedded the sustainable development philosophy into our business operations, striving to create a value bank with unique characteristics, generate more value for our customers, shareholders, employees, and society with high-quality financial services, and support high-quality economic and social development.



We worked to build a value bank with clear development goals. Following the business logic of commercial banks, we thoroughly analysed the relationship between scale, structure, profitability, and quality, and identified five key features of a value bank: strong profitability, in-depth cooperation with customers, low risks and costs, a balanced business structure, and distinct operating characteristics. We continuously enhanced our capabilities in strategy execution, customer service, investment trading, comprehensive risk control, and management propulsion to advance our high-quality development. Through internal review and continuous improvement, we have set clearer strategic goals and taken firmer steps in business transformation. In the course of serving Chinese modernization, we have joined hands with numerous enterprises and households towards a better future.

We deepened strategy execution to strengthen business resilience. With an accurate grasp of the cyclical changes in the industry, we remain committed to the "1234" strategy (referring to one transformation direction, two growth engines, three capabilities, and four priorities), effectively addressing the challenges of "low interest rates and low interest margins" with a "light capital, light asset" approach. We have incorporated ESG management into our strategic development planning and built a market-leading ESG management and decision-making mechanism. In 2024, our net interest margin was 1.82%, down 11 basis points year-on-year but still good compared to peer banks, maintaining strong operational resilience. By the yearend, the Group's total assets reached RMB10.51 trillion, up 3.44% from the end of the previous year; operating income was RMB212.226 billion, up 0.66% year-on-year; and net profit attributable to the parent company was RMB77.205 billion, up 0.12% year-on-year.

We vigorously developed the "five priorities" of the financial sector to fulfil our social responsibility. Remaining true to our positioning as a mainstream bank, we centred on the core of the real economy's transformation, refined the "region + industry" strategy, and leveraged our differentiated advantages. We coordinated efforts to develop the "five priorities" of the financial sector – technology finance, green finance, inclusive finance, pension finance and digital finance, polish the "three business cards" of green banking, wealth management banking and investment banking, and deploy presence in the "five new arenas", namely technology finance, inclusive finance, energy finance, auto finance and park finance, and build a Digital Industrial Bank, increasing the development value of the economy, society, and environment. By the yearend, the balances of our loans for technology finance, green finance, and inclusive finance increased by 20.68%, 19.64%, and 10.97%, respectively, from the end of the previous year, all exceeding the overall loan growth rate. We combine a global perspective with a local focus, actively serving high-standard opening up and the Belt and Road Initiative. We provide customers with one-stop ESG services featuring "intelligence plus financing". We are the only domestic bank that has received the highest ESG rating from MSCI for six years in a row.

We ensured the bottom line of security to sustain operations. Adhering to the principle of "preferring to give up profit rather than risk", we fully seized opportunities from incremental policies, prudently resolved risks in key areas, and maintained the overall stability of the asset quality. We enhanced the forward-looking management of emerging risks and accelerated the digital transformation of risk management to build a strong shield against risks. We developed a list of customers as an early warning mechanism against credit risks to reduce the adverse impact on profitability and have fully integrated the ESG risk assessment system into the business credit process to enhance the resilience of value creation. As at the end of the reporting period, our

non-performing loan ratio was 1.07%, unchanged from the end of the previous year, and the provision coverage ratio was 237.78%, within a reasonable range, demonstrating sound risk offset ability.

We upheld the mission of "finance for the people" to deliver more considerate services. We effectively implemented coordination mechanisms for financing micro and small enterprises and explored new models of rural financial services with financial specialists as "friends", the Internet of Things as "hands", and satellites as "eyes". By the end of 2024, the inclusive loan balance for micro and small enterprises exceeded RMB550 billion, serving over 250,000 such customers, and the agriculture-related loan balance calculated as per the new criteria exceeded RMB530 billion. We continued to develop the "CIB Cares" public welfare service stations, with over 2,000 outlets offering philanthropic, inclusive, and regular services for the general public. We accelerated the aging-friendly outlet renovation and conducted over 2,100 cultural and entertaining activities suitable for the elderly within the year, attracting more than 110,000 participants.

We cultivated a family-like workplace culture to stimulate organizational vitality. We have built a diverse, fair, and positive corporate culture and a clean, cordial, efficient, and inclusive workplace. We have established a sound employee support and service system, kept exploring new sustainable charitable models, responded to and met customers' CSR needs, and built more and better charitable platforms and channels. Making good use of the "Voice of CIB" platform, we listened to employees' needs and concerns, pooled their wisdom, strengthened democratic oversight, and implemented democratic management, with the cumulative views exceeding 8.057 million on the platform, effectively solving the most pressing difficulties of high concern to the employees.

We believe that when bamboo forests funded by our green loans begin to sequester carbon, when small business owners use "CIB Fast Loan" to renovate their shops, when rural children enter schools through our financial assistance project, and when elderly people smile in the Anyu School—these ordinary, real-life changes are the genuine reflection of our principle of "integrating righteousness with profit", and the most genuine, touching demonstration of what we stand for as a value bank.

Looking ahead, we will always advocate "finance for good" and promote sustainable development. We will make persistent efforts to build a value bank recognised by the market, explore the path of ESG development with Chinese characteristics, and drive the coordinated and sustainable development of the economy, society, and environment with financial services. We will strive to achieve our own development and generate social value at the same time, and break new ground in the pursuit of high-quality development.

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. ("Industrial Bank", "CIB", "the Bank," or "we" hereinafter) was founded in 1988 in Fuzhou, Fujian Province, a forefront city of China's reform and opening up. In 2007, the Bank was listed on the Shanghai Stock Exchange. In 2024, the Bank ranked 16th among the "Top 1000 World Banks" by The Banker in terms of tier 1 capital, won the "Bank of the Year Award in China for 2023" by The Banker, ranked 232nd in the Global 500 in Fortune, and won the "National May 1 Labor Certificate" from All-China Federation of Trade Unions. Its MSCI ESG rating was upgraded from AA to AAA. It is the only bank that has received the highest MSCI ESG rating in the domestic banking industry for six consecutive years, the first domestic bank included in the S&P Global's Sustainability Yearbook 2024 (China Edition), and the only joint-stock commercial bank included in the "China ESG Influence List" in Fortune for two consecutive years.

As a pioneer in ESG practice in the domestic banking industry, Industrial Bank has been practicing the concept of sustainable development for 20 years. In 2004, Industrial Bank introduced the International Finance Corporation (IFC), an international strategic investor, took the lead in launching energy efficiency financing products in China, and began to pursue green finance. Then, the Bank became a global founding member of the UN Principles for Responsible Banking (PRB) and the first bank in China to sign the UN Principles for Immediate Implementation of Carbon Neutrality. With the advanced sustainable development concept, ESG management system and practices, the Bank has set an ESG benchmark in the domestic banking industry.

Industrial Bank has adhered to the political and people-oriented nature of financial work, continuously strengthened the development of the ESG governance structure

and management system, explored the win-win development of economic, social and environmental benefits, and pursued ESG practices that align with international standards and have Chinese characteristics. The Bank has actively integrated into and served the new development pattern and transformed the "country's most fundamental interests" into the "top priority of the Bank". Staying committed to the goal of "building China into a financial powerhouse", the Bank has made coordinated efforts to promote the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance, polish the "three business cards" of green bank, wealth bank and investment bank, and develop the "five new arenas" of technology finance, inclusive finance, energy finance, auto finance and park finance, making new strides in high-quality development while fostering new quality productive forces and serving Chinese modernization.

In the new era, Industrial Bank has intensified efforts to support the real economy with green finance and bolster the green transformation and upgrading of traditional industries and the development of green emerging industries in a coordinated way. By leveraging its connection with various industries, the Bank has focused on weak areas of financial services such as rural revitalization, common prosperity, and inclusive small and micro customers. It has comprehensively promoted the development of the ESG management system, taken the lead in building an ESG management center in the industry, and built an industry-leading ESG decision-making and management mechanism. Embarking on the new journey of the new era, Industrial Bank will continue to work with all parties to promote the in-depth implementation of ESG practices.

# Strengthening the Guidance of F

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# Strengthening the Guidance of Party Building and Promoting the Deep Integration of Party Building and Business management

Party building is essential to the prosperity of an enterprise. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Industrial Bank has thoroughly implemented the guiding principles of the Third Plenary Session of the 20th CPC Central Committee, the Central Economic Work Conference, the Central Financial Work Conference and General Secretary Xi Jinping's important remarks on financial work and important instructions made during his inspection tour to Fujian, made bank-wide efforts to advance the campaign of "deepening learning, striving for excellence, daring to be the first, and striving for effectiveness through solid work", and worked hard to form a high-quality Party building work pattern with "strong political awareness, strong guidance, excellent organizational function, good Party building results, and healthy political environment of integrity". Guided by first-class Party building, Industrial Bank has striven to build a first-class bank, made bank-wide efforts to foster cohesion and execution, persistently developed a value bank, and gone all out to open up new prospects for high-quality development.

#### **Enhancing political and organizational functions**

The Bank continued to enhance the political and organizational functions of Party organizations, strengthened the role of Party building in guiding central tasks, promoted the comprehensive progress and development of community-level Party organizations in various fields, and advanced the deep integration of Party building and business management by reinforcing the foundation, facilitating integration, and promoting development. The Bank regarded the Party building assessment results as a prerequisite for the performance evaluation of Party members and leading officials and utilized the assessment results to promote community-level Party building, so as to give play to the supervision, driving and supporting role of outstanding Party members, enhance the principal role of community-level Party organizations, and promote the high-quality development of the Bank.



Refining the Party building assessment mechanism

**Building a standard** 

system for Party

building

The Bank issued the Measures of Party Building Assessment and Evaluation of Industrial Bank (Trial) and the 2024 Party Building Assessment Plan, refined the Party building assessment mechanism, regarded the Party building assessment results as a prerequisite for the performance evaluation of Party members and leading officials, and utilized the assessment results to promote community-level Party building, so as to strengthen the role of Party building in guiding central tasks.

The Bank built a digital Party building system, which became a "smart driver" at the Head Office level, a "management promoter" at the Party committee level, and a "work assistant" for Party workers.

The Bank compiled the Collection of Standardized Operation Guidelines for Party Building of Industrial Bank ( "Regulations and Rules" Volume and "Operation Procedures" Volume), which embedded the standardization requirements and templates into each module of the digital Party building system, to provide reference for the work of community-level Party branches.

The Bank strengthened the standardized management of Party organizations, issued the Notice on Promoting the Standardized Development of Party Branches, Reminders on Strengthening Party Member Education Management and Completing Party Discipline Learning and Education, Notice on Standardizing the Attendance and Observation of the Party Committee Theory Learning Central Group Meetings, Guiding Opinions on Strengthening the Development of Sub-Branch Leadership, Notice on Regulating the Management of Network Behavior of Party Members and Officials and other notices. It also strictly implemented the "Three Meetings and One Lecture" system, dual-identity organization activity mechanism, Party activity meeting, heart-to-heart talk system, Party member management, Party organization setting and other basic rules.



Establishing a Party building activity system

The Bank held five special reading classes on the guiding principles of the Central Financial Work Conference, distributed the Selected Excerpts from Xi Jinping's Remarks on Financial Work to all Party members, compiled the 2023 Annual Report on Party Building, continued to implement the "Red Partner" and "Financial Commissioner" systems, carried out a campaign centering around the identity, responsibility, commitment and performance of Party members, and held 394 thematic practice activities themed on "Bringing Red Finance to Village Enterprises and Serving the Five Priorities".



Establishing a Party building training system The Bank implemented the "Aofeng Lecture" program and offered five lectures and launched 185 new courses in the "Party Building Zone" of the "CIB Knowledge" APP, with 1,131,300 learners. It innovated the "6543" working mechanism<sup>1</sup>, which was included in the list of the fifth batch of excellent innovative Party building cases of state-owned enterprises and published in the Study on the Ideological and Political Work managed by the Publicity Department of the CPC Central Committee.



Establishing a Party building honor system The Bank refined the rules on commendation and labor competitions. It selected 99 "CIB Craftsmen" and 30 "Young Technology Experts" and organized a commendation meeting for the 36th anniversary of the Bank. The Head Office won the "National May 1 Labor Certificate".



¹ The "6543" working mechanism features simultaneous actions in six aspects, a five-pronged collaboration approach, four investigations, and three excellences. Specifically, the Bank consolidated responsibilities through simultaneous actions in six aspects, which involve simultaneously conveying, studying and implementing the guiding principles from the important remarks and instructions of General Secretary Xi Jinping, establishing working mechanisms, promoting remediation, guiding peer competitions, strengthening guidance and supervision, and propelling the formulation of rules and regulations, to work together and form synergy. The Bank adopted a five-pronged collaboration approach to form theoretical guidance. It improved the traceable, demonstrating, thematic, immersive and practical learning mechanism to form synergy from multiple aspects and stimulate learning interest. The Bank engaged with communities through four investigations. Party members and leading officials promoted the fine work style of "going into communities to communicate the Party's lines and policies, carrying out research and studies, addressing people's complaints, and conducting field work" on a yearly basis. They conducted investigations on at least four themes, namely Party building, business management, risk prevention and control, and technological innovation. The Bank promoted development through the "three excellences". It kept in mind General Secretary Xi Jinping's important instructions to develop "outstanding service capabilities, distinct business and management features, and prominent market and brand image", focused on promoting the "five priorities", and continued to advance high-quality development



#### **Cultivating financial culture with Chinese characteristics**

Financial culture with Chinese characteristics is essential to promoting high-quality financial development and building China into a financial powerhouse. The Bank actively cultivated and carried forward financial culture with Chinese characteristics, adhered to the principle of educating people and promoting business with culture, and effectively solidified the essence of culture. It insisted on integrating the "five dos and five don' ts" <sup>2</sup> requirements into the "Tri-Transformation" (standardization of management, systematization of marketing and digitalization of operation) and the "Three Community-Level Improvement" (community-level employee management, basic policy development and basic management improvement) campaigns as well as various links such as product R&D, customer service and marketing, to effectively enhance the restraint and guidance on employees' thoughts and behaviors.

The Bank empowered financial development in the new era with the fine traditional Chinese culture, further developed common value in the financial sector, formed the code of conduct, and fostered new industrial practices, striving to enhance the cultural "soft power" in the financial sector and protect the root and soul of the modern financial system with Chinese characteristics.

# Doing a good job in cultural planning

The Bank set forth plans for six key tasks under the theme of "Cultivating Financial Culture and Building China into a Financial Powerhouse" and launched theme month activities such as "Cultural Talk", "Cultural Gathering" and "Cultural Tour", so that the financial culture with Chinese characteristics could be effectively implemented across the Bank and yield tangible results.

The Bank implemented the "Aofeng Lecture" program to communicate the decisions and plans of the CPC Central Committee and the work requirements of the CPC Fujian Provincial Committee, established an idea exchange platform, carried out five lectures, and released seven cloud lecture videos, covering a total of 16,000 people and conveying the mission of serving the country and the people through finance to officials and employees.

# Deepening cultural cultivation

The Bank organized a commendation meeting for its 36th anniversary, compiled and published special issues on the "Labor Day" and "CIB Craftsmen", and offered 12 updates on the good practices of "CIB Craftsmen" and "Young Technology Talents", to foster a professional atmosphere of dedication and pursuit of excellence.

The Bank created the "CIB News Sharing" column on the "Industrial Bank People" WeChat official account, which featured more than 600 ideas and calligraphy and painting works, to actively promote freeing up the mind, capacity improvement, work style change, and work implementation. Leading officials at all levels actively participated in relevant activities, attended 47 symposiums and interviews, and published 15 signed articles.

The Bank integrated the "five dos and five don' ts" requirements into the "Tri-Transformation" (standardization of management, systematization of marketing and digitalization of operation) and the "Three Community-Level Improvement" (community-level employee management, basic policy development and basic management improvement) campaigns as well as various links such as product R&D, customer service and marketing, to effectively enhance the restraint and guidance on employees' thoughts and behaviors.

# Deepening cultural practices

The Bank created bulletin boards in Jiangbin Park to promote Party building culture, set up a zone in the Bank's History Museum to publicize cultures with Chinese characteristics, produced special posters and exhibited them through the Bank's WeChat and Weibo accounts, website, screen devices, and mobile APPs for 220,000 times, and opened up 604 community-level cultural promotion channels.

The Bank carried out 340 "Cultural Talk" exchange activities and 533 activities under the theme of "Tracing Footprints and Going into Communities". It also worked with Fujian Artists Association and Fujian Calligraphers Association to carry out a cultural activity themed "Happiness and Good Luck Are around You" to foster a strong cultural atmosphere.

The Bank launched the "Cultural Gathering" and "Cultural Tour" theme month activities, collecting a total of 116 excellent works. The video "A Cultural Tour in Fuzhou" shot by the Head Office and Fuzhou Branch was included in the list of excellent micro videos in the banking and insurance industry in Fujian.

<sup>&</sup>lt;sup>2</sup> The "five dos and five don'ts" involve being honest and trustworthy without crossing the bottom line; seeking interest without compromising moral principles and avoiding being profit-driven; staying prudent and cautious in work rather than seeking quick success and instant benefits; upholding fundamental principles and breaking new ground and avoiding being distracted from the intended purpose; complying with laws and regulations and avoiding malpractices.

### 2021 Sustainability Report (2024) (ESG Report) 🧼



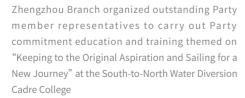




# The Bank pursued compliant management and rigorous scholarship to promote thoughts and culture across the board

In 2024, the Bank revised the learning policy of the Party Committee Theory Learning Central Group, regulated the attendance and observation of the Central Group, issued theoretical learning references on a monthly basis, established a leading group for ideological work at the Head Office level, and launched learning zones on the official websites of the Head Office and branches to ensure firm leadership in ideological work. In 2024, the Bank held the first "CIB Youth" Cultural and Art Festival. The Industrial Bank People magazine published a total of six issues, with a circulation of 24,000 copies. The "Industrial Bank People" official account released 123 articles, with nearly 500,000 views. Besides, branches utilized local Party building learning resources to actively carry out ideological and cultural learning activities in a bid to effectively cement the ideological foundation.







Chongqing Branch jointly organized the "Excellent Industrial Bank and Chongqing" leadership and execution improvement training with the Party School of Chongqing Municipal Committee of the Communist Party of China (Chongqing Academy of Governance)



Quanzhou Branch jointly held the official capacity improvement training class with the Revolutionary Heritage Education Base of Jinggangshan Municipal Committee of the Communist Party of China



Changchun Branch held the "CIB Voyage" middle-level official training at Jilin Yang Jingyu Executive Leadership Academy



# Strictly enforcing the integrity discipline of the Party

The Bank earnestly implemented the major decisions and plans of the Party Central Committee on improving Party conduct, building integrity and combating corruption, continued to promote specific, precise and routine political supervision, strengthened inspection and remediation supervision, stepped up routine supervision of the "key few" and key areas, carried out special supervision on outstanding issues, conducted in-depth centralized remediation of misconduct and corruption directly affecting people's lives, continuously enhanced community-level supervision, and upheld strict principles and applied strict measures to improve Party conduct, enforce Party discipline, and combat corruption, to ensure that the officials do not dare to be, are not able to be, and do not want to be corrupt. The Bank adopted a zero-tolerance policy for any form of corruption and bribery. It published the Anti-Corruption Policy on its official website. It also clearly stated in the Industrial Bank Employee Compliance Manual, Thirteen Prohibitions on Employee Behaviors of Industrial Bank and the list of major negative behaviors for important positions that employees are prohibited from soliciting or accepting bribes, accepting any kickbacks or fees in violation of national regulations, offering bribes, or participating in benefit transfer, insider trading or other activities.

For details on the Bank's code of business ethics and progress of preventing financial crimes, please refer to Section 1.3 "Integrity and Compliant Operation" of this report.



Party discipline learning and education

Regarding strengthening Party discipline as a routine task, the Bank continued to consolidate the gains of Party discipline learning and education, highlighted key contents and key targets, insisted on integrating Party discipline learning and education into daily work and conducting regular supervision, and continuously transformed the gains into a powerful driving force for promoting high-quality development.

# Getting a head start and promoting Party discipline learning in a coordinated way

The Bank held a bank-wide kick-off and deployment meeting, established a task force, and issued the implementation plan. Based on the actual situation, it identified **33** tasks in **11** aspects and set up a three-level collaboration mechanism for the Head Office, branches and sub-branches. A total of **425** reports on Party discipline learning and education were published, and **913** articles such as regulation interpretation were released. During important forums and meetings within the Bank such as the "Wuhushan Forum" and the "Aofeng Lecture", the Bank carried out Party discipline education and compiled interpretation materials on disciplinary regulations, typical cases of violations of discipline and law, and integrity risk warnings. It also launched the "Clean CIB" cultural publicity month activity to integrate discipline education into the development of clean CIB culture.

# Making good use of live examples and strengthening discipline through warning and education

The Bank produced 33 external warning case courses, organized senior Party members and leading officials of the Head Office to watch the warning and educational film "Ruler", and visited the Fujian Party Conduct and Integrity Building Education Base. It produced the warning and educational film "Lost in Family Affection" and organized Party members, officials and personnel in important positions to watch the film. Party organizations at all levels of the Bank carried out warning and education 7,710 times.

# Fostering greater inner motivation and increasing awareness of Party discipline

The Bank organized **four** Party discipline special learning sessions for the Party Committee Theory Learning Central Group of the Head Office, **three** Party discipline learning and education reading classes, and **one** Party lecture on discipline. It recorded a total of **402** Party discipline learning sessions, **2,472** party lectures, and **542** heart-to-heart talks. The Bank also launched the Party discipline learning and education zone on the "CIB Knowledge" platform, offering **125** courses and benefiting over **740,000** learners throughout the year.

# Taking a combination of measures and integrating learning and practice to observe discipline

The Bank organized employees to study the guiding principles of the Third Plenary Session of the 20th CPC Central Committee and General Secretary Xi Jinping's important remarks made during his inspection to Fujian. Leaders at all levels went into communities to communicate the guiding principles of the Third Plenary Session 1,354 times. 126 senior leading officials participated in training on the guiding principles of the Third Plenary Session, and 12,598 middle-level and lower-level leaders participated in the training.

#### Integrity discipline supervision

The Bank continued to strengthen integrity discipline supervision, comprehensively utilized the four forms of discipline compliance supervision, strictly abode by rules, discipline and laws, firmly and prudently investigated and handled cases of violations of discipline and law, and continuously strengthened self-building. It implemented plans, put ideas into practice, systematized fragments, institutionalized experience, and improved the effectiveness of policies, thereby providing strong support for high-quality development. The Bank stepped up integrity risk supervision with respect to the "key few" and key areas, properly integrated integrity risk prevention into internal governance, developed the inspection and remediation supervision system, strengthened big data and technological means to assist in case handling, continuously refined the supervision mechanism and supervision policy system, strengthened the comprehensive business training of discipline inspection officials, and enhanced their duty performance.

#### Supervision of Party members and officials

The Bank formulated implementation opinions to further strengthen the dynamic monitoring, early warning and disposal of integrity risk of Party members and officials. It laid down the management policy on responding to opinions on Party conduct and integrity building to strictly control opinion response. For newly promoted officials, the Bank held exams on integrity building laws and regulations and pre-appointment talks to strengthen their compliance awareness. It timely interviewed top leaders of directly managed institutions and consolidated the primary responsibility of secretaries of Party committees for governing Party organizations and the Bank.

# Supervision of overseas institutions

The Bank improved the organization framework of overseas integrity risk prevention and control and appointed integrity officers and integrity supervisors at Hong Kong Branch. It also refined the integrity risk prevention and control mechanism of overseas institutions, carried out relevant special risk investigations, and prevented cross-border corruption risk.





# GOVERNANCE

Consolidating the Governance Foundation and Leading Robust Enterprise Development

- 16 / Feature 1: Comprehensively Deepening Reform and Stimulating the Momentum of Sustainable Development
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# Comprehensively Deepening Reform and Stimulating the Momentum of Sustainable Development

The wave of reform is sweeping over. The Third Plenary Session of the 20th CPC Central Committee reviewed and approved the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization, which set forth important plans for deepening reform of the financial system and clarifying the new tasks and requirements for deepening a new round of reform and innovation in the financial sector and promoting high-quality development. Industrial Bank has actively embraced the national drive of comprehensively deepening reform and transformed the "country's most fundamental interests" into the "top priority of the Bank" in line with major plans of the Third Plenary Session of the 20th CPC Central Committee. Taking serving Chinese modernization as the fundamental starting point, the Bank has focused on such key areas as digital, green and international development to deepen reforms in various fields of front, middle and back offices.



#### Deepening the reform of systems and mechanisms

In 2024, the Bank thoroughly studied and implemented the guiding principles of the 20th CPC National Congress as well as the Second and Third Plenary Sessions of the 20th CPC Central Committee. In line with relevant plans of the Central Economic Work Conference and the Central Financial Work Conference, the Bank conducted extensive investigations and studies, carried out multiple rounds of discussions, and formulated the Guiding Opinions on Further Comprehensively Deepening Reform and Striving to Promote High-quality Development. Centering on solidification, improvement and exploration, the Bank steadily implemented key reform measures to promote effective changes in the organizational structure, division of responsibilities, policies, rules, systems, processes, products and other aspects.





#### Solidifying existing reform achievements

The Bank comprehensively summarized past reform achievements and experience to solidify and form effective practices at the institutional level and further consolidate reform results:

- The Bank continued to cement the customer-centric business system, further refined the hierarchical and classified management of all customer groups, enhanced professional product service capabilities, and improved the consumer protection system and mechanism.
- Focusing on retail business, the Bank improved the retail operation system, standardized the customer marketing service process, adjusted and improved the retail operations management organizational structure of branches, and enhanced key capabilities such as upward customer transmission, continuous companionship, and business coordination.

#### Improving system reform in various fields

The Bank systematically evaluated the institutional barriers in operations management, identified weak links of reform, and took measures for improvement:

- Regarding businesses, the Bank focused on refining the technology finance organizational system, strategic coordination of international business, and the top-level decision-making system of wealth and asset management business.
- Regarding technology, risk, operation and other fields, the Bank advanced the improvement of technology systems and mechanisms and strengthened the overall coordination and centralized promotion of digital transformation across the Bank. It studied the reform of the risk management system and explored and refined the risk management function structure and management mechanism of the Head Office and branches. It improved the digital operation system and mechanism, continued to build and refine the "1+5+N" Digital Industrial Bank system<sup>3</sup>, and strengthened the integrated operation of online and offline businesses.

#### Exploring the reform of the new-type operation system

In line with the objectives and requirements of high-quality transformation and development, the Bank explored the reform of new-type operation systems and mechanisms:

- The Bank explored how to establish the remote operating system and mechanism for basic customer groups, promoted the transformation of the customer service center to the remote operating center, and refined the collaborative operating mechanism of the Head Office, branches and sub-branches to improve the operating quality and efficiency of basic customer groups.
- The Bank improved the upgraded operating system for strategic key customer groups, promoted the upgraded operation of strategic customer groups in key regional branches, expanded the scope of direct operation trials for private banking customers, and improved the professional and comprehensive services for key customer groups.
- The Bank innovated the cross-departmental and cross-line integrated operation models, built a scenario-based ecological integration team, and promoted integrated operations in related fields.

The Bank built a "3+N+X" risk control model system<sup>4</sup> featuring multi-source integration, multi-model combination and multi-level collaboration, unified the risk control bottom line of the online financing products of "Xingsu Loan", achieved model standardization, componentization and parameterization, adapted to "industry + region" differentiated management, and improved model deployment efficiency. This project won the third prize in the national final of the 2024 "Data Elements ×" Competition for financial services. The Bank was the only award winner among joint-stock banks.



<sup>&</sup>lt;sup>3</sup> "1" refers to mobile banking of Industrial Bank; "5" refers to the five major platforms, namely Industrial Inclusion, Industrial Steward, Industrial Living, Qianda Money Manager, and Bank-to-Bank Platform; and "N" refers to N scenario-based ecosystems.

<sup>&</sup>lt;sup>4</sup> The system has three sets of general model strategies, covers N industries, and sets X industry thresholds. It was the first inclusive finance digital risk control solution featuring "multi-source integration, multi-model combination, and multi-level collaboration" in terms of data, model and application. It effectively helped the Bank reduce cost and improve efficiency, lowered corporate financing costs, and enhanced corporate financing efficiency.

#### 12345

#### Steadily improving operating quality \_

In 2024, based on the basic operating logic of commercial banks, the Bank focused on the present while planning for the future and proposed to build a value bank with market recognition and Industrial Bank characteristics. It continued to improve the five core capabilities of "strategy execution, customer service, investment trading, comprehensive risk control, and management propulsion", regarded strong profitability, deep customer cooperation, low risk cost, balanced business structure, and distinctive business characteristics as the "five characteristics" of a value bank, and leveraged high-quality financial services to boost the high-quality development of the economy and society.

# Improving strategy implementation capabilities

- **V** 
  - Strengthening liabilities
- Enhancing assets

# Improving customer service capabilities

- **/**
- Promoting system-based retail operations
- **/** 
  - Deepening the hierarchical and classified management of corporate banking customers
  - Strengthening the refined management of interbank customers

# Improving comprehensive risk control capabilities

- Continuing to implement comprehensive risk management
- Firmly promoting risk resolution in key areas

# promotion capabilities

Improving management

- Efficiently empowering business development with digital transformation
- Reducing the burden on community-level operations and achieving more effective empowerment through "Tri-Transformation" and "Three Community-Level Improvement"
- Comprehensively deepening the reform of front, middle and back offices
  - Continuously strengthening the building of talent teams

# Improving investment transaction capabilities

- Promoting the integrated development of "research-decision-making-execution"
- Propelling the integrated development of "large investment banking, large asset management and large wealth management"

For details on the Bank's strategy implementation and business analysis, please refer to <u>Chapter 3</u> "<u>Management Discussion and Analysis</u>" of the Bank's 2024 Annual Report.

[19]



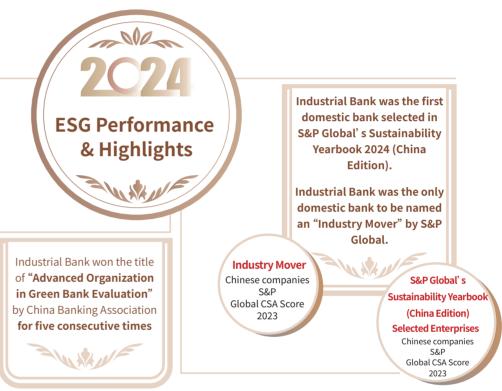


# **Deepening ESG Management and Promoting** Sustainable Value Creation

In the context of global sustainable development, environmental, social and governance ("ESG") factors have become key factors in promoting the sustainable development of enterprises and society. As a pioneer in ESG, Industrial Bank has actively responded to the carbon peaking and carbon neutrality strategy and the missions of common prosperity and technological innovation of the times, stuck to the political and people-oriented nature of financial work, and adhered to "integrating righteousness with profit" and "seeking profit through righteousness". It has made coordinated efforts to promote ESG work, the implementation of the new development concept, the "five priorities" of the financial sector, the exploration of the development path of ESG with Chinese characteristics, and the creation of a value bank. It has contributed to building China into a financial powerhouse, promoted the coordinated and sustainable development of the economy, society and environment with financial power, and worked hand in hand with all parties to create a better future.







Industrial Bank maintained a leading position in various mainstream ESG ratings such as Wind, China Securities, ChinaBond, Sino-Securities, CCXGF, and China Financial Media Corporation





ChinaBond ESG Comprehensive Evaluation

8.0









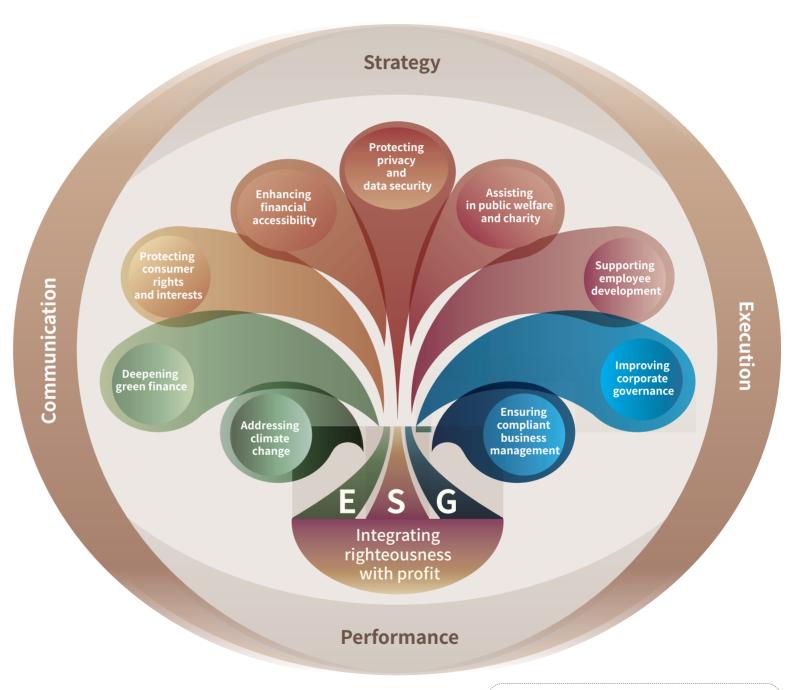
[20]



#### ESG policy and strategic planning ——

The Bank has established a sustainable corporate governance philosophy, incorporated the ESG concept into the strategic development plan, actively explored the ESG localization "roadmap" from the perspective of corporate governance, deeply promoted the development of the ESG management system, and integrated ESG into operations management in all aspects. In 2024, the Bank formulated the Management Measures for Sustainable Development of Industrial Bank for the first time with the approval of the Board of Directors. It established an industry-leading ESG decision-making and management mechanism, and comprehensively built a "closed-loop" management system with CIB characteristics that encompassed four management models of strategy, execution, performance, and communication. The management system served as the policy basis for carrying out various sustainable development management tasks and provided strong support for promoting the integrated development of ESG and operations management.

The Bank has established a "3-dimensional, 9-directional" ESG indicator system. Based on the principle of "integrating righteousness with profit", the system was extended to include the three dimensions of environmental, social and governance and nine sustainable development priorities, which were further divided into 20 key topics covering development priorities such as customer service enhancement, development of green finance assets, innovation of green banking products, and inclusive finance, with a total of 656 indicators. The Bank has effectively transformed the ESG indicator system into a management tool, so as to fully integrate ESG into the Company's strategy, major decisions, daily operations and employee behavior. Meanwhile, based on the ESG indicator system, the Bank has increased the number of disclosed indicators and enriched the disclosed information year by year. It has also taken the initiative to disclose its ESG progress and results to stakeholders to promote the continuous improvement of internal governance capabilities. For example, in this report, the Bank took the initiative to disclose detailed information on 33 indicators including the ESG risk management policy, debt collection policy, consumer rights protection review, privacy and data security supervision, and employee complaints and reports.



"Closed-loop" management system

[21]





#### **ESG** governance structure

Adhering to the concept of sustainable development, the Bank has established a Group-wide ESG management structure featuring top-down coordination across the decision-making, management, and execution levels of the Head Office, branches and subsidiaries. Through this structure, the Bank promoted the integrated development of ESG and operations management, ensured that each topic was decided on by the Board of Directors, planned by the management level, and implemented by the execution level, and advanced the integrated development of ESG and operations management.

At the decision-making level, the Board of Directors is responsible for determining the overall strategy, major policies, and fundamental systems related to sustainable development and ESG, and assumes ultimate responsibility for ESG management. A "Strategy and ESG Committee" has been established under the Board, chaired by the Chairman, with directors possessing ESG expertise included in the Board to build an industry-leading ESG decision-making mechanism.

During the reporting period, the Board reviewed or was briefed on topics such as the sustainable development management measures, the welfare management measures of Industrial Bank, consumer protection, personal information protection, and the clawback of performance-based remuneration, thereby promoting the overall enhancement of ESG management across the Bank.

Bank's senior management is responsible for coordinating all aspects of ESG development, including goals, policies, plans, and initiatives. An ESG Steering Committee has been established as the direct leadership body for ESG management, with the Chairman serving as the head, the President as the deputy head, and members from 41 departments at the Head Office. This structure ensures the comprehensive integration of ESG management with the Group's strategic deployment, extending its reach to 45 domestic and overseas branches and nine subsidiaries.







#### Industrial Bank held the 2024 ESG work leading group meeting

In October 2024, the Bank held the 2024 ESG work leading group meeting. The Chairman, the President and the heads of 19 Head Office departments attended the meeting. They had a full discussion on the value connotation, situation changes, external challenges and system development of ESG work, listened to the reports on the overall situation of the Bank's ESG work and green finance, climate risk management, consumer rights protection, human resources development and other work, consolidated ESG management responsibilities across the Bank, enhanced coordination and cooperation, and jointly improved the development of the ESG management system.



[22]



#### **ESG** governance framework

#### **Board of Directors**

The Board of Directors is responsible for determining the overall strategy, major policies, and fundamental systems related to sustainable development and ESG, and assumes ultimate responsibility for ESG management.

#### **Strategy and ESG Committee**

The Strategy and ESG Committee is chaired by the Chairman, with directors possessing ESG expertise included in the Board to build an industry-leading ESG decision-making mechanism.

During the reporting period, the Board and the Strategy and ESG Committee reviewed topics such as the sustainable development management measures, the welfare management measures of Industrial Bank, consumer protection, personal information protection, and the clawback of performance-based remuneration, thereby promoting the overall enhancement of ESG management across the Bank.

#### **Senior management**

The Bank's senior management is responsible for coordinating all aspects of ESG development, including goals, policies, plans, and initiatives.



Management level

Decision-making level

Establishing

#### **ESG** work leading group

An ESG work leading group has been established as the direct leadership body for ESG management, with the Chairman serving as the head, the President as the deputy head, and members from 41 departments of the Head Office. This structure ensures the comprehensive integration of ESG management with the Group's strategic deployment.

The Green Bank Strategy Promotion Working Group, the Consumer Protection Work Leading Group, the Inclusive Finance Leading Group, the Network and Information Security Leadership Group, the Pension Finance Leadership Group, the Leading Group for Anti-Money Laundering Work and other leading groups for key ESG issues perform their duties and work together to systematically promote various key ESG issues.



**Execution level** 

45 domestic and overseas branches and nine subsidiaries

### ESG materiality analysis \_\_\_

Based on the concerns of stakeholders and the work of the previous year, the Bank carried out the identification, evaluation and screening of ESG topics, identified topics that were important to the Bank and stakeholders, and disclosed and responded to them in the report.

#### Step 1: Topic analysis and identification

In accordance with policies and industry trends, sustainability report guidelines, and concerns of ESG rating agencies, the Bank reviewed ESG topics and created a topic library.

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#### Step 2: Topic assessment and research

The Bank conducted a questionnaire survey for stakeholders, invited stakeholder representatives to assess the impact of the topics, invited international experts to assess their financial materiality, and asked international experts to review and confirm the assessment results.

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#### **Step 3: Integration of materiality results**

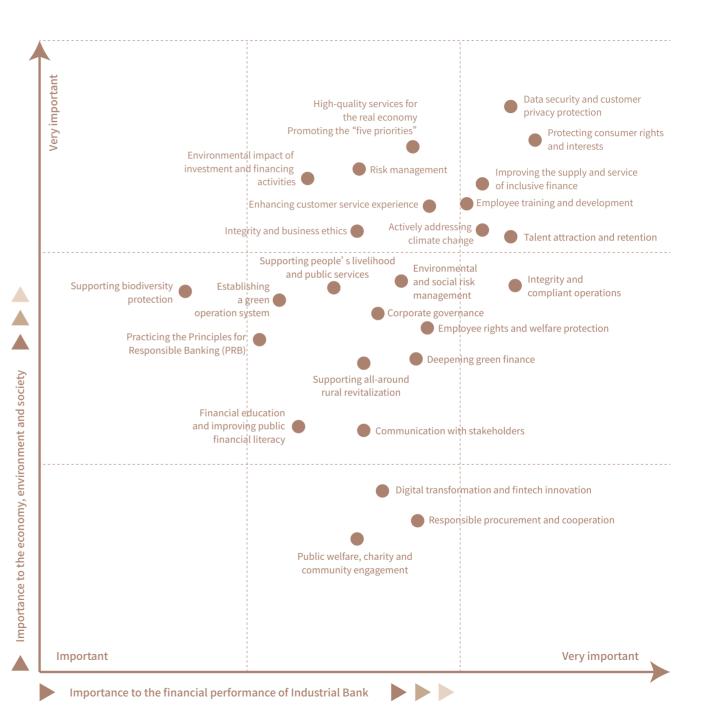
Based on the assessment data obtained in the previous step, the Bank integrated the impact and financial materiality results to determine the material topics of the year and their priorities.

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#### Step 4: Inclusion in disclosure

Guided by the analysis results, the Bank conducted targeted disclosure and practice improvement.







# 1.1 Improving the governance system

Industrial Bank has continued to improve the corporate governance mechanism of "leadership of the Party Committee, strategic decision-making by the Board of Directors, implementation by the Senior Management, and supervision by the Board of Supervisors in accordance with the law". It has enhanced internal operational efficiency through standardized, professional and scientific management, improved the quality and efficiency of the duty performance of the Board of Directors, continuously deepened communication and exchanges with investors, improved the quality and transparency of information disclosure, effectively protected the rights and interests of stakeholders, prevented various financial risks, and promoted high-quality development with high-efficiency governance.

#### Corporate governance structure \_\_\_\_\_

The Bank has established a well-conceived and sound corporate governance structure. The Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management have well-defined responsibilities, counterbalance each other, and are greatly connected. The basic corporate governance policy is comprehensive and systematic, and the operation of corporate governance at all levels is standardized.

The Board of Directors is the decision-making organ of the Bank, with standardized operations and sound decision-making. As at the end of the reporting period, the Board of Directors consists of 10 directors (and another three proposed directors that are subject to approval of directorship qualification), including seven non-executive directors (including four independent non-executive directors) and three executive directors. With respect to director appointment, the Bank has comprehensively considered the Company's future business development needs and diversified selection criteria, including the professional background structure, proportion of female members, country and region structure, and age structure, etc. The Bank has continuously improved the composition of the Board of Directors, providing an important foundation for the sound and efficient decision-making of the Board of Directors. The Board of Directors has effectively played the decision-making role in planning development strategies, formulating business plans, deepening system and mechanism reforms, strengthening capital management, reinforcing internal risk control, and promoting digital transformation, continuously improved its decision-making and transmission mechanism, and enhanced its operational efficiency.

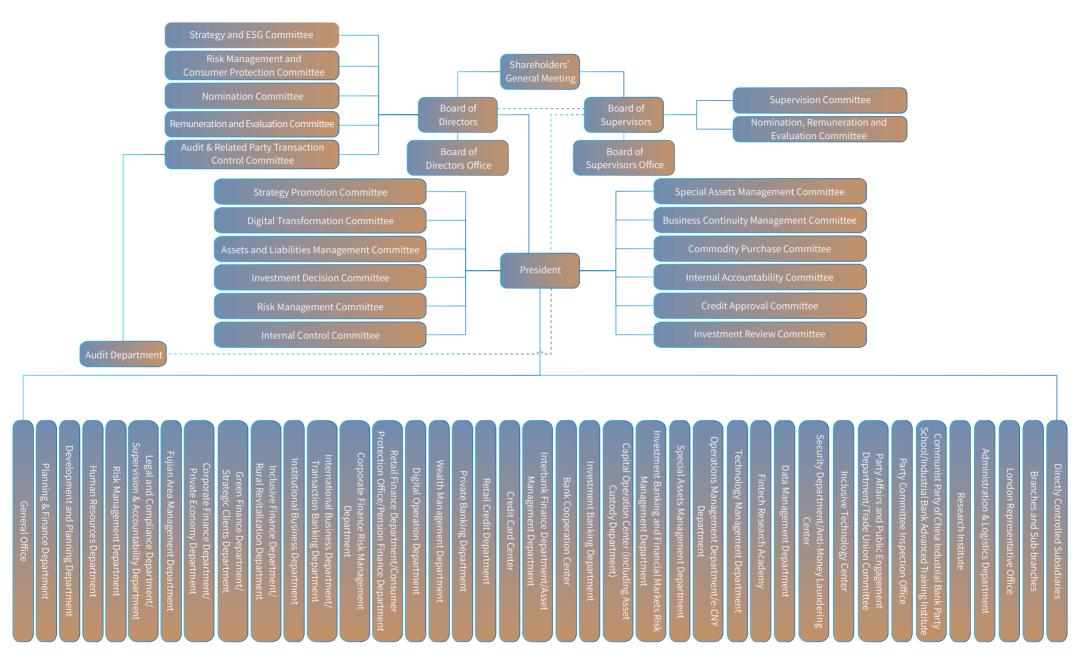
The Board of Supervisors is the supervisory organ of the Bank. As at the end of the reporting period, the Board of Supervisors of the Bank had five supervisors. namely one shareholder supervisor, two employee supervisors, and two external supervisors. The Board of Supervisors has conscientiously performed its supervisory duties, actively carried out special surveys and audit investigations, guided internal audit work, and communicated with external auditors on a regular basis. It has supervised the Bank's development strategy, financial activities, business decision-making, risk management, internal control, corporate governance, related party transactions, and the duty performance of the Board of Directors and the Senior Management in accordance with the law. Under the Board of Supervisors, two special committees were established, namely the Supervision Committee and the Nomination, Remuneration and Evaluation Committee., which are chaired by external supervisors.

The Senior Management is the executive organ of the Bank. It is accountable to the Board of Directors. As at the end of the reporting period, the six senior management members of the Company consisted of one president and five vice presidents (including one proposed vice president subject to approval of president-ship qualification). 12 committees were established under the senior management, namely the Strategy Promotion Committee, the Digital Transformation Committee, the Assets and Liabilities Management Committee, the Investment Decision Committee, the Risk Management Committee, the Internal Control Committee, the Special Assets Operation and Management Committee, the Business Continuity Management Committee, the Commodity Purchase Committee, the Internal Accountability Committee, the Credit Approval Committee, and the Investment Review Committee.



[25]





[26]

#### Composition and operation of the Board of Directors \_

The Bank nominates, appoints and removes members of the Board of Directors in strict compliance with the Articles of Association of Industrial Bank Co., Ltd. Directors are elected or replaced by the Shareholders' General Meeting for a three-year term and can be re-elected upon the expiration of their term of office. The Nomination Committee of the Board of Directors will timely propose candidates for directors to the Board of Directors. In case of temporary addition of a director, the Board of Directors will propose a candidate and recommend the Shareholders' General Meeting for director election or replacement.

#### **Special committees of the Board of Directors**

There are five special committees under the Board of Directors, namely the Strategy and ESG Committee, the Risk Management and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee, and the Remuneration and Evaluation Committee. Among them, the Risk Management and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee, and the Remuneration and

Evaluation Committee are chaired by independent non-executive directors, and the majority of the committee members are independent non-executive directors. All members of the Audit and Related Party Transaction Control Committee are non-executive directors with expertise and work experience in financial affairs, auditing, accounting or law. The Remuneration and Evaluation Committee includes members with expertise in financial affairs.

Committees under the Board of Directors	List of members	Chairman	Number of independent directors	Expertise and work experience of members
Strategy and ESG Committee	Lyu Jiajin, Chen Xinjian, Sun Xiongpeng, Xu Lin, and Wang Hongmei	Chairman Lyu Jiajin	2	All members have expertise or work experience necessary for duty performance
Risk Management and Consumer Protection Committee	Ben Shenglin, Zhu Kun, and Chen Gongxian	Ben Shenglin	1; independent directors account for no less than one-third of the total members	Ben Shenglin has experience in assessing and managing various risks
Audit and Related Party Transaction Control Committee	Zhang Xuewen, Qiao Lijian, Xu Lin, and Wang Hongmei	Zhang Xuewen	3; independent directors are in the majority	Zhang Xuewen has expertise in accounting, Qiao Lijian has expertise in financial affairs, and Xu Lin and Wang Hongmei have expertise in ESG
Nomination Committee	Ben Shenglin and Wang Hongmei	Wang Hongmei	2; both are independent directors	Both members have expertise or work experience necessary for duty performance
Remuneration and Evaluation Committee	Xu Lin and Zhang Xuewen	Xu Lin	2; both are independent directors	Both members have expertise or work experience necessary for duty performance

[27]



With respect to director appointment, the Bank has comprehensively considered its future business development needs and diversified selection criteria, including the expertise structure, proportion of female members, country and region structure, and age structure, etc. The Bank has continuously improved the composition of the Board of Directors, providing an important foundation for the sound and efficient decision-making of the Board of Directors.

#### Members of the Board of Directors (as at the end of the reporting period)

Name	Position	Gender	Expertise
Lyu Jiajin	Chairman, Executive Director	Male	Finance (banking)
Chen Xinjian	Vice Chairman, Executive Director, President	Male	Finance (banking)
Qiao Lijian	Non-executive Director	Female	Finance, financial affairs
Zhu Kun	Non-executive Director	Male	Finance, risk control
Chen Gongxian	Non-executive Director	Male	Economics, auditing
Sun Xiongpeng	Executive Director, Vice President	Male	Finance (banking)
Ben Shenglin	Independent Non-executive Director	Male	Finance (banking)
Xu Lin	Independent Non-executive Director	Male	Finance, ESG
Wang Hongmei	Independent Non-executive Director	Female	Technology, ESG
Zhang Xuewen	Independent Non-executive Director	Male	Finance (banking)
Huang Hanchun	Proposed Non-executive Director	Male	Public finance, accounting
Zhang Wei	Proposed Non-executive Director	Male	Financial affairs, auditing
Zhu Yuhong	Proposed Independent Non-executive Director	Female	Finance, technology

Expertise diversity

In 2024, the Bank further improved the expertise, experience, age and gender composition of the new Board of Directors while maintaining the stability of core members. The Board members have expertise in finance, accounting, ESG, risk control, information technology, Fintech, public welfare, charity and other fields, enabling the Board of Directors to make sound and targeted decisions and laying a solid foundation for the sound operation of corporate governance.

**Gender diversity** 

The number of female directors (including one proposed independent non-executive director) of the Board of Directors increased to three in 2024, accounting for 23.08% of all directors. Among them, one female director has experience in charity.



#### **Capacity building of the Board of Directors**

Focusing on key areas, the Board of Directors has selected topics and conducted surveys, training and special exchanges to offer directors a deeper insight into the Bank's operations management and improve the quality and efficiency of decision-making. At the same time, to enhance directors' enthusiasm for duty performance, the Bank has clearly stipulated in the measures for evaluating directors' performance that the evaluation of directors' performance shall include directors' participation in inspections, surveys and training activities organized by the Board of Directors or regulatory authorities.

During the reporting period, the Bank organized six training sessions for the members of the Board of Directors, with an average training time of 15 hours per director. Specifically, the Board of Directors organized all directors, supervisors and senior management members to participate in the special training on the new Company Law and new regulations on shareholding of directors, supervisors and senior management members, guided the Bank to grasp policy trends and strengthen communication with regulators, promoted the revision of the Articles of Association and relevant supporting policies, and continuously improved corporate governance.

The Bank organized members of the Board of Directors to carry out seven special surveys. Specifically, the Board members visited Urumqi Branch, Yinchuan Branch, Fuzhou Branch and other branches to investigate their strategy implementation and business development; special surveys were launched with respect to green finance and consumer rights protection, efforts in serving the private economy, and other issues; and symposiums were held for the Audit and Related Party Transaction Control Committee under the Board of Directors and the internal audit and finance departments to comprehensively increase the daily information communication between directors and senior management members and enhance their understanding of the Bank's operations management.

#### 2024 training and surveys for the Board of Directors

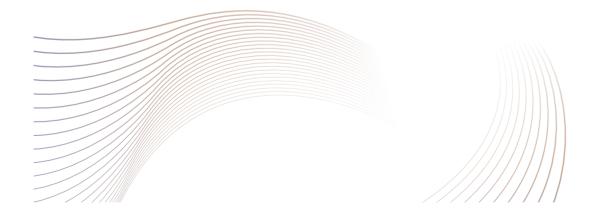
Time	Theme
February 2, 2024	Survey on Yinchuan Branch
March 8, 2024	Second special tutorial of the training class on the guiding principles of the Central Financial Work Conference (Host: Supervisor Zhu Qing)
May 29, 2024	Survey on financial chain marketing, special bond business and Fuzhou Branch
July 13, 2024	Survey on Urumqi Branch
August 21, 2024	Special training on the new Company Law and new regulations on shareholding of directors, supervisors and senior management members
October 17-18, 2024	Survey on green finance, consumer rights protection and Hangzhou Branch
October 29, 2024	Survey on Kunming Branch
November 18, 2024	Survey on the audit of Haikou Branch by the Audit and Related Party Transaction Control Committee of the Board of Directors
December 20-21, 2024	Special survey on Quanzhou Branch's efforts in serving the private economy



#### Performance evaluation of the Board of Directors

The Bank formulated the Measures for Evaluating the Performance of Directors and the Operational Rules for Calculating the Duty Performance Time of Directors and Supervisors, continuously refined the dimensions and contents of director performance evaluation, detailed the requirements for evaluating the performance of different types of directors, regularly summarized and reviewed the annual performance of directors, and prepared the performance evaluation report of the Board of Directors on all directors, to promote the faithful and diligent duty performance of directors. In 2024, the Bank convened eight Board meetings and 22 Board committee meetings, with a 100% attendance rate of directors and committee members.

Based on the principles of objectivity, independence and prudence, independent directors gave full play to their professional advantages and rich experience, and offered advice and suggestions actively from the perspective of protecting the interests of investors and stakeholders. Independent directors expressed their independent opinions on a number of major issues, such as periodic financial reports, annual profit distribution plan, engagement of an accounting firm, nomination of directors and senior management members, remuneration plan for senior management members, and material related party transactions in an objective and fair attitude. They also placed a particular focus on strategic planning, cost control, consolidation management, risk management, audit and remediation, internal control and other matters, so as to promote the normal operation of related matters under the effective supervision and management of the Board of Directors, and the relevant procedures and contents were legal and conformed to the regulations. Serving as the chairman and member of the committees under the Board of Directors respectively, each independent director paid close attention to the normalization of operation and procedural legality of the Board of Directors and the committees under the Board of Directors, and assisted the Board of Directors in making sound decisions to effectively improve the quality and efficiency of decisions made by the Board of Directors.



Governance DEVELOPMENT ENVIRONMENT SERVICE SOCIAL



#### **Composition and operation of the Board of Supervisors**

The Bank has continuously improved the structure and operation mechanism of the Board of Supervisors. During the reporting period, the Bank completed the election of the 9th Board of Supervisors. The supervisors have expertise in finance, financial affairs, taxation, economics, and accounting, with a more diversified professional structure and enhanced quality and efficiency of supervision. In 2024, the Bank continued to carry out special supervision, conducted special audits based on internal audit, and effectively played the role of risk prevention and control in key areas. The administrative body of the Board of Supervisors summarized the opinions of previous meetings, prepared the business management proposal of the Board of Supervisors, and fed back to the Management and the Bank to strengthen the effective implementation of supervision opinions. In 2024, the Board of Supervisors convened seven meetings, and the committees under the Board of Supervisors convened three meetings, with an attendance rate of 100% of supervisors and committee members.

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#### Members of the Board of Supervisors (as at the end of the reporting period)

Name	Position	Gender	Expertise
Zhang Guoming	Employee Supervisor	Male	Finance (banking)
Yu Zusheng	Shareholder Supervisor	Male	Financial affairs, accounting
Lin Shu	Employee Supervisor	Male	Finance (banking)
Zhu Qing	External Supervisor	Male	Public finance, taxation
Sun Zheng	External Supervisor	Male	Financial affairs, accounting

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#### **Capacity building of the Board of Supervisors**

The Bank focuses on improving the professional capabilities of supervisors for duty performance. In 2024, the Bank held special training on the new Company Law and new regulations on shareholding of directors, supervisors and senior management members to improve the professional capabilities of supervisors for duty performance. It invited supervisors to attend or sit in on 11 meetings of the Board of Directors, the Board of Supervisors, the Shareholders' Meeting and the senior management and bank-wide work meetings, to strengthen supervision of the duty performance of the Board of Directors and senior management. It organized supervisors to participate in special surveys on green finance, consumer rights protection, and branches' efforts in serving the private economy, to offer them deeper insights to the Company's operations management in key areas.

#### 2024 training and surveys for the Board of Supervisors

Time	Theme
March 8, 2024	Second special tutorial of the training class on the guiding principles of the Central Financial Work Conference (Host: Supervisor Zhu Qing)
May 29, 2024	Survey on financial chain marketing, special bond business and Fuzhou Branch
August 21, 2024	Special training on the new Company Law and new regulations on shareholding of directors, supervisors and senior management members
October 17-18, 2024	Survey on green finance, consumer rights protection and Hangzhou Branch
December 20-21, 2024	Special survey on Quanzhou Branch's efforts in serving the private economy

#### Performance evaluation of the Board of Supervisors

The Bank has formulated the Measures for Evaluating the Performance of Supervisors, continuously refined the dimensions and contents of supervisor performance evaluation, detailed the requirements for evaluating the performance of different types of supervisors, regularly summarized and reviewed the annual performance of supervisors, and prepared the performance evaluation report of the Board of Supervisors on all directors, supervisors and senior management members, to promote their faithful and diligent duty performance.

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#### Remuneration of senior management members \_\_\_\_

The Bank continues to improve the performance evaluation system for executive directors and senior management members. The remuneration of the Bank's senior management is paid in strict accordance with plans reviewed and approved by the competent authorities and through the Company's corporate governance procedures, and is directly linked to the results of business performance evaluations.

### Sustainability-linked remuneration

The Bank actively explores the mechanism of linking remuneration with sustainability and incorporates sustainability indicators and the evaluation mechanism into performance evaluation. While establishing quantitative indicators such as profitability, asset quality, solvency, and operating growth, the Bank has developed a comprehensive evaluation system of qualitative indicators such as serving high-quality development and green finance (including the development of green finance policies, brand building, and business development), combined short-term and long-term incentives, and strengthened the performance responsibilities of senior management members, to promote the sustainable development of the Bank.

#### Deferred payment of performance-based remuneration

The Bank formulated the Measures for the Assessment and Payment of Deferred Performance-based Remuneration for Senior Management Members of Industrial Bank. For senior management and employees who have a direct or significant impact on the Company's operational risk, no less than 40% of their performance-based remuneration is subject to deferred payment, with a deferral period of no less than three years.

#### Clawback mechanism of performance-based remuneration

The Bank formulated the Measures for the Clawback and Deduction of Performance-based Remuneration of Industrial Bank. In cases of violations of laws, regulations, or disciplinary rules, or where there is abnormal risk exposure within the scope of responsibilities, the Bank may, in accordance with regulatory policies and internal rules, claw back or withhold the corresponding portion of performance-based remuneration based on the severity of the situation to ensure that the remuneration is consistent with the risk-adjusted performance.

#### Protecting the rights and interests of investors

The Bank attaches great importance to protecting and conveying value to investors, especially minority investors. It continues to improve the investor communication system, safeguards the interests of all types of investors, and maintains ongoing communication in the capital market, and effectively conveys investment value by building a multi-channel, multi-platform, and multi-level investor information exchange system.



The Bank held the 2023 Annual Results Briefing on March 29, 2024

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The Chairman, the President and the Management participated in four results briefings. Independent directors attended the briefings in accordance with regulations, faced the market and listened to opinions. Their pragmatic, efficient and sincere attitude was widely praised by the market. In 2024, the Bank successively held the 2023 Annual Results Briefing, 2024 Q1 Results Briefing, 2023 Annual General Meeting, 2024 Interim Results Briefing, and 2024 Q3 Results Teleconference through "on-site interaction + webcast" and "Chinese communication + English simultaneous interpretation", to comprehensively show the business highlights in multiple dimensions and convey investment value. In the form of media coverage, brokerage research reports, short videos, and visual summaries, the Bank provided investors with multidimensional insights into its annual reports and results briefings in a timely manner. In active response to the "I am a Shareholder" event held by the Shanghai Stock Exchange in 2024, the Bank held the "I am a Shareholder—Visiting Industrial Bank" event to organize individual investors to visit the Bank's History Museum, where they could learn about the Bank's development history, business characteristics, and differentiated advantages over a span of 36 years. The Bank also actively responded to the concerns of individual investors.

#### Showcasing the advantages of differentiated management and vividly telling the story of Industrial Bank

The Bank held the "Key Regions + Characteristic Branches" research activity. Through thematic exchanges, the activity offered investors insights into how the Head Office' strategies were implemented in branches. Branches fully demonstrated to investors the regional strategic position, advantageous industries, and strategic emerging industries, the systematic integration of the "five priorities" with the Bank' s "three business cards", "five new arenas", "Digital Industrial Bank" and other strategies, and the Bank' s achievements in effectively promoting various businesses by fully leveraging the competitive advantages of "comprehensive, professional, and collaborative services", allowing investors to more intuitively and concretely see the effective implementation of the Bank' s strategies, the development of professional talent teams, and the Bank's competitive advantages in the industry.

#### Enhancing market communication accuracy and two-way communication efficiency

During the reporting period, the Bank continued to strengthen investor communication and responded to their concerns through various channels such as telephone, email, SSE E-interactive Platform, brokerage strategy meetings, and research receptions. It actively participated in and hosted broker exchange conferences at home and abroad, and the Management went to Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, Singapore, and the Middle East for 37 domestic and overseas roadshows. Through multi-level and wide-ranging communication, it told the CIB story and deepened market recognition. It continuously conducted activities and exchanges in response to the concerns of the capital market, highlighting key points and priorities. It continuously improved the "Investor Relations" section on the official website and timely updated publicly disclosed information and data. Through periodic and non-periodical reports such as the Investor Relations Weekly Report, the Investor Relations Work Briefing, the Capital Market Q&A Handbook, the Stock Price Performance Analysis, and the Shareholder Change Analysis, the Bank promptly reported market information and investor communication to directors, supervisors, and the Management. The Bank invited mainstream market analysts to have face-to-face communication with the Management, so as to examine its internal operations from an external perspective, better understand the concerns of the capital market, improve the quality and efficiency of operations management, and foster positive interaction between the capital market and operations management.

In 2024, the Bank's market recognition continued to rise, with significant increases in holdings from ETF funds, insurance funds, foreign investment, etc. The stock price rebounded by 39.54% from its low point, with a 21.16% increase in the past three years, outperforming the market.



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# 1.2 Comprehensive risk management

Industrial Bank has thoroughly implemented the guiding principles of the Central Financial Work Conference, continuously strengthened its comprehensive risk management capabilities, firmly promoted risk prevention and mitigation, accelerated the digital transformation of risk management, ensured stable asset quality and controllable risks, and facilitated high-quality development of the Bank.

#### Risk management structure \_\_\_

The Bank has continued to improve its risk management organizational structure. The Board of Directors assumes the ultimate responsibility for comprehensive risk management. It is responsible for developing risk culture, formulating risk management strategies, setting risk preferences and risk limits, approving major risk management policies and procedures, and reviewing comprehensive risk management reports. The Risk Management and Consumer Protection Committee of the Board of Directors is responsible for approving and examining the responsibilities, authority and reports of the senior management regarding risks in accordance with the Articles of Association and reporting to the Board of Directors on a regular basis. During the reporting period, the Risk Management and Consumer Protection Committee convened six meetings. During the meetings, it reviewed and approved the Proposal on Amending the Comprehensive Risk Management Policy, the 2024 Q2 Comprehensive Risk Management Assessment Report, the Proposal on Applying for the Standard Approach for Operational Risk Capital Measurement to Calculate Internal Loss Multipliers, the Report on 2024 IT Risk Management Work and other proposals and listened to reports on liquidity management and stress testing.

The Board of Supervisors of the Bank is mainly responsible for supervising and inspecting the performance of the Board of Directors and the senior management in risk management and urging remediation. The senior management is responsible for conducting comprehensive risk management, implementing the resolutions of the Board of Directors, defining the division of responsibilities of comprehensive risk management functional departments, business departments and other departments in risk management, formulating a clear implementation and accountability mechanism, ensuring that risk management strategies, risk preferences and risk limits are fully communicated and effectively implemented, and establishing a complete management information system and data quality control mechanism.



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#### Improving the risk management system

In line with the requirements of "improving the system, clarifying responsibilities, and consolidating responsibilities", the Bank has continued to improve the comprehensive risk management system, steadily promoted the reform of the risk management system and mechanism, and clarified the reform goals and plans for strengthening the performance of comprehensive risk management based on regulatory requirements, processes and responsibilities.

#### Revising the comprehensive risk management policy

The Bank has incorporated counterparty credit risk, large exposure, off-balance sheet business, climate risk, data security risk, mobile application risk, and consumer rights protection review into the comprehensive risk management system, clarified the leading responsible departments for various risks, and strengthened the promotion, supervision and warning of risk management.



#### Improving the risk preference management system

The Bank has improved the risk preference indicator system, added country risk and IT risk indicators, and unified the standards for concentration-related indicators. It has strengthened the risk preference management of subsidiaries, stepped up the standardized development of the risk preference system, and conducted supervision on abnormal risk preference indicators of certain subsidiaries.



#### Continuously strengthening climate risk management

The Bank has strengthened climate change research and improved its climate risk management system. It has gradually explored the inclusion of climate risk in the Group-wide risk management structure to promote sustainable and sound development.





The Bank has continued to strengthen refined authorization management and conducted differentiated authorization with focus on "key branches, key industries, key customers, and key products". For key industries, the Bank has increased differentiated authorization support for key green finance fields such as PV power generation and wind power generation. For key products, the Bank has increased authorization support for project loans that serve the real economy, green finance and transition finance business, and syndicated loans.



#### Risk monitoring and early warning

The Bank has established a credit risk early warning customer list management mechanism. It has regularly conducted comprehensive inspections of potential risk customers across the Bank, identified the bottom line of potential risks, and classified potential risk customers into the three lists of "high-risk customers", "observation customers" and "large-amount risk customers" according to the severity of the risk. Specifically, the Bank has worked to prevent "observation customers" from downgrading to non-performing customers, disposed of "high-risk customers" in a forward-looking manner, and strengthened Head Office supervision of "large-amount risk customers". It has also promoted forward-looking risk resolution through additional provisions, strengthened assessments, and biweekly reports on large-amount risks, playing an important role in controlling asset quality.



The Bank has strengthened the support of risk control measures in all links and enhanced the pre-loan risk verification capabilities through digital tools such as customer panoramic view, risk information scanning, and customer public opinion monitoring. It has also improved post-loan control measures by enriching post-loan supervision rules and organizing special supervision.



The Bank has worked to build an automated and intelligent early warning system. By developing automatic early warning rules, manually issuing early warnings, automatic notifications, approval/credit control, rapid investigation of early warnings and other means, the Bank has used early warning information in customer access, approval, lifecycle management, compliance accountability and other links.





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The Bank has actively cooperated in external regulatory inspections on asset custody, anti-money laundering, consumer rights protection, service charges, etc. and conducted internal special audit supervision and inspection in such areas as account fund supervision, interbank specialized operation, and market risk system and mechanism. Meanwhile, the Bank has conducted comprehensive risk management evaluation of subsidiaries and domestic and overseas branches on a semi-annual and annual basis to continuously improve refined and professional management capabilities and ensure the effective implementation of risk management policies at all levels of institutions.

In 2024, the Bank continued to conduct comprehensive risk management evaluation of domestic branches, covering 44 domestic branches. The evaluation mainly consisted of asset quality evaluation and process management evaluation, covering key areas such as the development of the risk management system and mechanism, risk management execution, compliance and internal control management, risk measurement management, digital transformation of risk management, and internal audit evaluation.



### Proactive governance of emerging risks \_\_\_\_\_

The Bank has conducted more proactive risk governance in emerging areas, improved the identification and management processes of emerging risks based on analysis and identification of business areas, conducted emerging risk assessments on the businesses of each subsidiary, fully assessed potential impacts, and actively taken countermeasures. It has actively used risk management tools to proactively identify potential risks and hidden dangers, assessed risk impacts, integrated multi-dimensional information, continuously observed dynamic changes, established the risk early warning mechanism, refined the emergency plan, and continuously improved risk response capabilities.



Emerging risk fields	Risk type	Risk description	Countermeasures		
Fraud and default risks in online transactions	Economy	Fraud risk refers to the act of defrauding the public and private property owner through remote and non-contact means using telecommunications network technology, for the purpose of illegal possession. Telecom and online fraud continue to grow, with diversified means and intelligent technologies, posing serious threats to the fund security of banking customers and social stability.	To combat telecom and online fraud, the Bank has continued to strengthen technical countermeasures, refined rule models and risk control systems, accurately identified and intercepted suspicious and abnormal transactions in real time, and improved risk prevention and control capabilities.  For details on the Bank's progress in addressing fraud risk, please refer to Section 1.3 "Anti-fraud Management" of this report.		
Country risk	International situation	At present, the international political and economic situation is complex, global economic growth is slowing down, and emerging economies are disturbed by many external factors. Some countries face unstable politics and high debt risk. In addition, the spillover effects of geopolitical conflicts continue to intensify, further complicating global country risk.	The Bank has continued to track changes in key countries and regions around the world, attached great importance to country risk management, incorporated country risk management into the comprehensive risk management system, set country risk limits based on country classification, the Company's cross-border business development strategy and risk appetite, and implemented classification management for each country risk level.  The Bank has prudently conducted country risk-related businesses. Currently, its country risk exposure is mainly concentrated in countries and regions with low and relatively low country risk. It has continued to promote digital country risk management and strengthened collaboration with internal and external think tanks to enhance its country risk management capabilities and efficiency. It has continued to pay attention to financial market fluctuations and geopolitical events in the countries or regions where the counterparties are located, dynamically adjusted country risk classifications and limits, prudently assessed business conditions, and actively prevented country risk.		

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Emerging risk fields	Risk type	Risk description	Countermeasures
Climate change risk	Environment	Climate-related risk refers to the negative impacts that climate change may have on enterprises, which are divided into climate-related physical risk and climate-related transition risk, including: asset damage and default risks caused by extreme weather events (such as floods and droughts); asset revaluation or stranding risks in carbon-intensive industries caused by low-carbon transition policies; market demand change risk caused by the acceleration of climate-related technology substitution; enterprise cost pressure transmission risk brought about by the promotion of the carbon pricing mechanism; and customer credit risk as a result of supply chain disruptions or rising environmental compliance costs.	The Bank has included climate risk-related requirements in its 2024 credit policy, focused on key industries and key regions, and actively guided credit resources to business areas with low energy consumption, low emission, low pollution, high efficiency and good market prospects. It has regularly conducted climate risk stress testing to evaluate its capability to manage transition risks under the goals of carbon peaking and carbon neutrality, while exploring physical risk stress testing.  For details on the Bank's progress in addressing climate risk, please refer to Section 3.1 "Climate Change Response" of this report.
Money laundering, terrorist financing and other related risks	Economy	With the growth of foreign-related economy, the scale of cross-border capital flows continues to expand, and banks face various money laundering and terrorist financing risks. Criminals may use bank accounts to illegally transfer and conceal funds, conceal the source and destination of funds through complex transactions, or use bank services to provide financial support for terrorist activities, posing reputational and legal risks to banks.	The Bank has formulated a comprehensive management policy, strictly implemented the "Know Your Customer" policy, prohibited transactions of anonymous accounts and shell banks, and retained customer information and transaction records. Through business process embedding, digital system monitoring and other means, it has strengthened inspection and supervision, created an intelligent management platform, and improved prevention effectiveness.  For details on the Bank's progress in addressing money laundering and terrorist financing risks, please refer to Section 1.3 "Preventing Financial Crimes" of this report.
Technological ethical risk	Technology	The R&D and application of new technologies such as AI models may expose banks to various technological ethical risks, including: algorithm bias and unfairness; privacy and data security risks; poor interpretability, hallucinations and other problems in AI technologies such as LLMs; and challenges such as complicity and lack of transparency of LLMs.	The Bank has implemented the principles of safety and controllability, independent control, compliance and prudence, established a model evaluation system, formulated a new technology risk internal control inspection plan, and strengthened safety assessment and risk control.  For details on the Bank's progress in addressing technological ethical risk, please refer to Section 4.1 "Digital Industrial Bank Empowered by Technology" of this report.

#### Product risk management \_\_\_\_\_

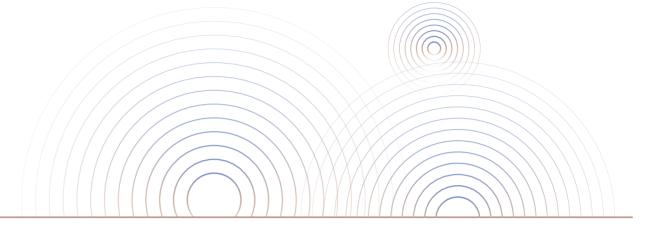
The Bank has incorporated risk standards into product and service development, conducted unified management of product access through the product management platform, and continued to implement risk review of new products to ensure that the overall product design is reasonable and the risks are controllable. In 2024, the Bank comprehensively reviewed the background necessity, characteristics and advantages, market prospects, and risk prevention measures of 16 new products created in the year. It further reviewed and detailed various key risk points and risk control requirements in different business areas and developed a general risk control table for 28 types of products, covering 263 key risk points and risk control measures, which set the standard for strengthening risk access management of new products.



The Bank has continued to implement the "5+N"  $^5$  training system and conveyed the concept of sound risk culture across the Bank. In 2024, the Bank carried out 20 targeted risk management training projects, with a total of 2,605 participants in the risk line. It carried out 8 training projects for all Bank employees, with a training coverage rate of 100%.

The Bank focused on strengthening the development of the risk management team. By reviewing the knowledge and skills necessary for professional positions at the junior, intermediate, senior and expert levels, it re-examined the examination and certification outlines for talents at all levels. In 2024, the Bank carried out two risk sequence evaluation and appointment activities. In light of the learning requirements of different personnel, it prepared six versions of the Advanced Approaches Essentials Handbook. It held two rounds of large-scale on-site training, covering the Risk Management Department of all tier-1 and tier-2 branches, chief responsible persons of and persons in charge of risks at tier-2 branches, and heads of sub-branches.

The Bank has also implemented a risk "whistleblower" system, requiring all institutions and risk-related personnel to report any issues that are tricky, sensitive or require a non-direct approach and hidden dangers found in risk management to the Head Office in a timely manner. The Bank rewards institutions and individuals for timely reporting with bonus points in the year-end performance appraisal and grants compliance awards. For failures to report in a timely manner that result in adverse consequences, the Bank deducts points in the performance appraisal, issues verbal warnings, records violations, and takes accountability measures as appropriate.



#### **Key risk training**

The Bank held the "Training Class on Preparing for Inspections on and Publicizing Advanced Capital Measurement Approaches" and offered job-transfer training to communicate the concept of the advanced capital measurement approaches throughout the Bank. More than 50,000 people learned the advanced approaches via online and offline channels, and 13,000 people took the unified examination, with an overall pass rate of 89%. The Bank's workforce substantially deepened their knowledge of the advanced approaches.

The Bank launched the 2023-2024 "'Xing Feng Xiang' Comprehensive Competition and Training Program for Risk Management" and continued to deepen the integration and innovation of risk management by studying innovative topics, promoting existing topics, and advancing universal learning, so as to propel comprehensive risk empowerment.

The Bank held the training class on international business practices and risk prevention and control, providing on-site training on topics such as import and export business practices and risk control, sanctions compliance, and analysis of the latest cases of the International Chamber of Commerce.



### 1.3 Integrity and compliant operations

Industrial Bank adheres to the philosophy of "prioritizing compliance while pursuing business growth", continues to deepen the Group's compliant operations concept, focuses on the implementation of "law-based Industrial Bank", and continuously improves the long-term mechanism for risk, compliance and internal control management. The Bank and its subsidiaries strictly abide by national laws and regulations and the compliance requirements of regulatory authorities and focus on the management of key business areas, providing strong support for high-quality business development.

#### Strengthening compliance governance \_\_\_\_

The Board of Directors of the Bank is responsible for reviewing and approving the Bank's compliance policies, supervising their implementation, and conducting regular research and evaluation on the soundness, rationality and effectiveness of internal control. The senior management supervises the internal control of compliance risk, implements relevant requirements for anti-money laundering and anti-terrorist financing, and urges timely remediation of problems in business decision-making, risk management and internal control. In December 2024, the Bank prepared the 2024 Annual Compliance and Internal Control Management Work Report and presented it at the fifth meeting of the 11th Board of Directors.



#### Code of business ethics \_\_\_\_\_

The Bank has clearly stipulated in the Industrial Bank Employee Compliance Manual, the Thirteen Prohibitions on Employee Behaviors of Industrial Bank, the List of Major Negative Behaviors for Important Positions, the Administrative Measures for Abnormal Employee Behavior of Industrial Bank and other policy documents that employees are strictly prohibited from engaging in illegal behaviors and behaviors that violate business ethics. The Bank has also continuously strengthened employee compliance promotion, warning and training on ethical standards, enhanced employees' compliance awareness, and defined the bottom line of business ethics.

Strengthening the management of key personnel The Bank has strengthened the implementation of the Code of Professional Ethics for Directors, Supervisors and Senior Management Members of Industrial Bank Co., Ltd. to strictly regulate the professional ethics of directors, supervisors and senior management members. During the reporting period, the Bank compiled the Basic Management Work Manual for Heads of Community-level Operating Institutions and the List of Major Negative Behaviors for Important Positions to define prohibited behaviors and provide basic guidance and regulatory requirements for the professional behavior of employees in various positions.

Investigating abnormal employee behavior

The Bank has combined online and offline methods to continuously investigate abnormal employee behavior, promoted various institutions within the jurisdiction to strengthen the management of abnormal employee behavior, and taken strict measures against violators. The Bank has adopted the model of "comprehensive risk investigation + special governance + long-term mechanism development" to carry out special work on employee abnormal behavior compliance governance. Based on major concerns of regulators and business priorities, the Bank has reviewed the key risk points of abnormal employee behavior.

Employee behavior internal control assessment

The Bank has incorporated employee behavior management into the Bank-wide compliance and internal control assessment, linked compliance performance with the compliance and internal control assessment, and effectively carried out the assessment for institutions at all levels. It has continued to strengthen the accountability management of abnormal employee behavior, defined the red line and bottom line, enhanced the initiative and proactiveness of violation accountability, and given full play to the deterrent effect of accountability on employees' serious violations and misconduct.

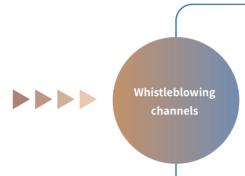
Consultation and audit of business ethics standards

The Human Resources Department and the Legal and Compliance Department of the Bank, as the main management departments for abnormal employee behavior, provide professional support for all employees in consulting and understanding matters related to business ethics in their daily work, continuously carry out compliance promotion, warning and education throughout employees' life cycle, and promote professional ethics and values of honesty and uprightness. The Audit Department of the Bank implements continuous audit supervision on abnormal employee behavior through daily supervision and institutional audit projects.

#### Whistleblowing mechanism \_\_\_\_\_

The Bank has formulated the Administrative Measures for Whistleblowing of Industrial Bank, the Work Procedures of Industrial Bank for Disciplinary Inspection Institutions to Handle Reports and Accusations, the Industrial Bank Employee Compliance Manual and other policies, which provide detailed and comprehensive regulations for whistleblowing supervision and disciplinary inspection and supervision departments to ensure unimpeded whistleblowing channels, standardize whistleblowing procedures, and protect the legitimate rights and interests of whistleblowers.

#### Whistleblowing channels and handling procedures



The Bank's institutions at all levels have set up whistleblowing venues, telephones, emails and other channels to make it more convenient for whistleblowers to give feedback, opinions and suggestions, make complaints, and propose demands and handle complaints and reports in a timely manner.

Whistleblowing hotline of the Head Office: 0591-87839338

Whistleblowing email: xyyhbgs@cib.com.cn



The Bank handles public complaints and reports in strict accordance with relevant regulations such as the Administrative Measures for Whistleblowing of Industrial Bank and the Work Procedures of Industrial Bank for Disciplinary Inspection Institutions to Handle Reports and Accusations. It handles complaints and reports as per the management authority, clearly defines the handling time limit and handling method, and promptly gives feedback.

#### Whistleblower protection



The Bank strictly maintains the confidentiality of whistleblower information and prohibits any disclosure of such information to the individuals or entities being reported. It strictly implements the avoidance system for individuals who have direct interests in the reported matters or whistleblowers, puts whistleblowing materials under classified management, strictly implements confidentiality requirements, and seriously handles those who violate the confidentiality provisions as per regulations and disciplinary rules. Any retaliatory actions against whistleblowers will be dealt with seriously and held accountable in accordance with relevant laws, regulations, and disciplinary rules.







#### Preventing financial crimes \_\_\_

The Bank earnestly implements regulatory requirements and actively fulfills its anti-money laundering and anti-terrorist financing obligations. It has formulated anti-money laundering and counter-terrorist financing policies and rules applicable across the Bank to effectively mitigate related risks. Meanwhile, in active response to the requirements of the CPC Central Committee and the State Council on combating cross-border gambling and telecom and online fraud, the Bank has built a coordinated, proactive, multilayered, and highly efficient anti-fraud risk prevention and control system, leaving no blind spots and effectively safeguarding the security of customers' assets by building a safe bank.

and publicity

#### **Anti-money laundering**

The Bank has established a leading group for anti-money laundering work covering the Head Office, branches, and sub-branches. In light of changes in the newly revised Anti-Money Laundering Law of the People's Republic of China and other regulatory laws and policies, and the Bank's weak links, the Bank has formulated a remediation list and tracked the implementation thereof, simultaneously revised its important anti-money laundering policies, worked to improve the anti-money laundering assessment system of branches, and enhanced money laundering risk management. At the same time, the Bank has continued to promote the digital transformation of anti-money laundering work and improved the functions and user experience of the anti-money laundering system.

#### Deepening business embedding Through business policy review, business money laundering risk monitoring, and anti-money laundering inspection and supervision of high-risk businesses, the Bank has embedded the full-process management requirements of advance prevention, in-process control, and post-event monitoring of anti-money laundering in the business management process and business innovation process. Digital system monitoring The Bank has released the knowledge graph for anti-money laundering and anti-fraud and developed isolated control functions. It has developed an anti-money laundering digital inspection platform, launched the centralized query function of control information and the closed-loop mechanism of monitoring and due diligence control throughout the process, and continued to promote the data governance of customers, accounts, and transactions of large-amount and suspicious anti-money laundering reports. Money laundering risk prevention and control The Bank has built a money laundering risk identification and assessment system from the three dimensions of institutions, businesses (products and channels) and customers and regularly assessed money laundering risk across the Bank. It has formulated indicators, methods, processes and standards for assessing the money laundering risk of new businesses and analyzed risk loopholes and weak links in businesses. Strengthening centralized The Bank carried out centralized anti-money laundering monitoring and analysis for 11 branches including Fuzhou Branch and disposal Zhengzhou Branch, continued to strengthen the submission management of key suspicious transaction reports, and increased the number of key suspicious transaction reports submitted and the case registration rate. **Carrying out training**

The Bank carried out over 1,000 anti-money laundering training sessions throughout the year, with more than 170,000

participants. It also conducted anti-money laundering publicity for the public, covering more than six million people.



#### **Anti-terrorist financing**

As per anti-money laundering and anti-terrorist financing policies and laws, the Bank strictly prohibits the opening of anonymous accounts and direct or indirect transactions with any shell bank, fully incorporates anti-money laundering requirements into customer business handling, routine employee training and other processes, and strictly implements the requirements of monitoring the terrorist list and freezing terrorist assets, to jointly prevent terrorist financing risk.

#### **Customer countermeasures**

When customers open accounts and conduct new transactions, the Bank strictly implements the "Know Your Customer" (KYC) policy. When customers engage in illegal transactions that lead to escalated risks, the Bank will conduct corresponding due diligence and take follow-up control measures based on their risk level.

#### **Anti-fraud management**

The Bank has established a governance framework consisting of "three lines of defense" for fraud risk management and clarified the division of responsibilities of the senior management, the first line of defense, the second line of defense, and the third line of defense. It has established a leading group for fraud risk work, which is responsible for coordinating fraud risk management efforts and ensuring the smooth operation of the fraud risk management system. The Bank has incorporated fraud risk into the comprehensive risk management system and regarded fraud risk as one of the sub-risks

of operational risk for risk management. It has incorporated fraud risk into the assessment and evaluation of the IT risk management of branches to enhance the quality and efficiency of branches in addressing fraud risk.

During the reporting period, the Bank received 451 commendations from anti-fraud centers across the country, including 12 provincial commendations.

#### Fraud risk assessment

- The Bank carried out new product creation review, formulated the New Product (New Business) Fraud Risk Assessment Form, and conducted a comprehensive assessment of products from five aspects including customer identification, user rights, identity authentication, user behavior monitoring, and legal compliance.
- The Bank conducted a retrospective investigation of involved accounts, analyzed various new frauds reported by regulatory authorities, and timely conducted assessments and took relevant fraud risk prevention measures if risk points were identified in the Bank's products or businesses.
- The Bank conducted a comprehensive review of fraud risk for existing products, evaluated the implementation of fraud risk control measures for products in the past year, and put forward opinions and suggestions on subsequent risk management.

#### **Customer rights protection**

- The Bank ensured smooth complaint channels, established a  $7 \times 24$  online emergency complaint handling mechanism, and improved the online complaint resolution and control functions.
- The Bank carried out more than **8**,000 regular online and offline publicity activities and **4** centralized publicity activities. It held an anti-fraud short video competition and selected **11** excellent works for exhibition.

#### Improving digital risk control

- The Bank continued to dynamically improve fraud-related rule models, conducted retrospective investigations on involved accounts, analyzed new forms of crime, added and improved anti-fraud rules, scoring models, AI models, etc., and effectively enhanced the accuracy of models.
- The Bank added 180 new key business scenarios for various business fields, involving 1,993 rules. It facilitated anti-fraud efforts in credit application and transactions in inclusive finance, credit card business, and consumer finance business. It also released 2 AI models and 252 rules.
- The Bank improved 866 system functions of the anti-fraud platform.
- The risk control platform blocked **9,580,100** high-risk transactions throughout the year.

#### Strengthening joint prevention and control

- The Bank worked closely with regulatory authorities and institutions, integrated into the financial anti-fraud integrated platform, completed the full migration of the "checking, stopping and freezing" functions of the risk event management platform, and improved the online joint disposal of fraud-related risk accounts.
- The Bank implemented the requirements for joint punishment of telecom and online fraud as well as related crimes, promoted the transformation of related systems such as the unified investigation and control platform and the domestic and foreign currency core system, and realized the automated disposal of financial punishment targets.



#### **Conducting audit supervision**

In accordance with regulatory and internal requirements, the Bank organizes regular audit inspections related to business ethics to ensure all branches and subsidiaries within the Group are covered over a three-year cycle.

#### Special audit on consumer rights protection

The Bank conducts audit inspections on work related to consumer

rights protection on a yearly basis and reports the inspection

results to the Risk Management and Consumer Protection

Committee of the Board of Directors. In 2024, the Bank focused on

inspecting the development of the consumer protection

management system and mechanism, complaint management and

other work, and tracked and supervised problem remediation on a

quarterly basis. It continued to urge responsible institutions to

implement remediation and institutions involved to strengthen

consumer protection review, strengthened the system control and

regular supervision mechanism of the sales compliance of agency

sales products, and improved the quality and efficiency of the

Bank's consumer rights protection work.

promoting sustainable development.

#### Special audit on anti-money laundering



#### Special audit on abnormal employee behavior



The Bank conducts anti-money laundering audits every year. In 2024, the Bank carried out special audits on the implementation of anti-money laundering policies based on institutional audits, with focus on the Bank's anti-money laundering basic management. the performance of the three core obligations (customer identification, screening and reporting of large-amount and suspicious transactions, and customer identity information and transaction record preservation), and system development.

The Bank discloses illegal acts such as favoritism, corruption and dishonesty through on-site audit inspections. In 2024, the Bank conducted leave/comprehensive business audits on four subsidiaries, 18 tier-1 branches and eight tier-2 institutions, with focus on financial expenses and abnormal employee behavior. The Bank also strengthened the constraints on employee behavior through daily supervision, used the "Golden Shield" audit case prevention platform and audit analysis system to move major risk warning thresholds forward, continuously and dynamically identified abnormal behaviors such as improper fund transactions between employees and customers, third parties or employees themselves, and timely identified potential risks.



#### Special audit on remuneration and performance evaluation



risk

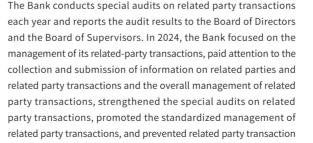
#### Special audit on related party transactions



#### Audit related to information security



The Bank conducts special audits on the development and implementation of the performance evaluation and remuneration mechanism each year and reports the audit results to the Board of Directors and the Board of Supervisors. The Bank conducts audit inspections on the development and implementation of the remuneration system, the management of the performance evaluation process and the application of results, with focus on the compliance of the payment of performance-based remuneration and the implementation of the deferred payment policy, so as to ensure the incentive and constraint role of remuneration in



Please refer to Section 4.4 "Data Security and Privacy Protection" of this report.



## DEVELOPMENT

Focusing on Innovation Breakthroughs and Serving the Real Economy for a Shared Future

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## **Giving Play to Its Advantages in Differentiated Operations and Effectively Promoting the Development of the "Five** Priorities" of the Financial Sector

Promoting the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance is essential to advancing the high-quality development of the real economy through financial services. Industrial Bank has thoroughly implemented the guiding principles of the Central Financial Work Conference and the Guiding Opinions of the National Financial Regulatory Administration for the Banking and Insurance Industries to Effectively Support the "Five Priorities" of the Financial Sector, transformed the "country' s most fundamental interests" into the "top priority of the Bank", given full play to its advantages in differentiated operations, taken ESG as an effective connector to promote the coordinated development of the "five priorities" of the financial sector, integrated the efforts to promote the "five priorities" of the financial sector with the initiatives to polish the "three business cards", expand into the "five new arenas", and build "Digital Industrial Bank", actively created ESG practices with Chinese characteristics, shouldered the responsibility of serving national strategies in the interest of the people and the country, and promoted high-quality financial development. Meanwhile, the Bank has provided high-quality products and services to high-quality customer groups and used high-quality customer groups to drive the optimization and adjustment of the Bank's customer structure, asset structure and liability structure. It has continuously deepened the implementation of the "region + industry" strategy, sharpened its edges in commercial banking and investment banking, and promoted the integration of corporate banking and retail banking businesses, comprehensively enhancing its capabilities in serving industries and accelerating the expansion into new segments.

#### Implementing strategic planning and defining strategic priorities

In 2024, the Bank issued the Action Plan on Promoting the "Five Priorities" of the Financial Sector, clarifying the work ideas on the business priorities, strategic planning and organizational promotion in technology finance, green finance, inclusive finance, pension finance, and digital finance.

#### **Development priorities**

#### Strategic planning

Strengthening **technology finance** and striving to become a leading bank in technology finance

ocusing on the virtuous cycle of "technology-industry-finance", the Bank strengthened the business development of high-quality customers, built a characteristic product and service system for technology finance, improved service efficiency through a data-driven approach, established a differentiated technology ecosystem, comprehensively enhanced the service capabilities of technology finance, and helped develop new quality productive forces.

- The Bank strengthened technology finance based on its strengths
- The Bank built the "1+20+150" business management system for technology finance<sup>6</sup>
- The Bank improved the "six major" supports for technology finance<sup>7</sup>

Optimizing **green finance** and striving to become a first-class comprehensive service provider in green finance

The Bank thoroughly implemented the concept of green development, accelerated the development of the green finance business, improved and upgraded green finance products, promoted the digital transformation of green finance, and contributed to the building of a Beautiful China.

- The Bank leveraged its strengths to optimize green finance
- The Bank continuously improved the green finance service system

Driving **inclusive finance** business with solid efforts and striving to play a key role in inclusive finance business

The Bank improved its capabilities to serve small and micro customers, developed advantageous products in inclusive finance, focused on "putting products online and digitalizing scenarios", steadily enhanced its "Industrial Inclusion" platform by innovating inclusive finance scenarios and products, and improved financial services for rural revitalization.

- The Bank leveraged its strengths to drive inclusive finance with solid efforts
- The Bank continuously improved the inclusive finance service system

Deepening **pension finance** and striving to reshape the pension finance service system

In active response to the national strategy for addressing population aging, the Bank leveraged its strengths to deepen pension finance, released the "365" Action Plan of Industrial Bank for Pension Finance<sup>8</sup>, developed pension finance business, reshaped the pension finance service system, explored new models of pension industry finance, and innovated the development model of pension finance with digital means.

- The Bank leveraged its strengths to deepen pension finance
- The Bank promoted the coordinated development of the three key areas, namely pension finance, pension service finance, and pension industry finance

Promoting **digital finance**, unswervingly advancing digital transformation, and serving and integrating into the development of the digital economy

The Bank adhered to the strategy of "Reinvigorating the Bank through Technology", took serving the real economy as its fundamental purpose, integrated "Digital Industrial Bank" with digital finance, and facilitated digital industrialization and industrial digitalization.

- The Bank consolidated the information technology foundation
- The Bank improved digital operation
- The Bank empowered financial services for higher quality and efficiency

<sup>8</sup> The "365" Action Plan for Pension Finance involves further deepening presence in the three key areas of pension finance, pension service finance, and pension industry finance, actively building the six-pronged retail customer service system covering accounts, strategies, rights, outlets, teams, and platforms, and comprehensively creating a blueprint for the pension industry featuring group collaboration, innovation and flexibility, development concept, efficiency and convenience, and consistent efforts.

<sup>&</sup>lt;sup>6</sup> The "1+20+150" business management system for technology finance involves establishing a leading group for technology finance work at the Head Office level and designating 20 key technology finance branches and 150 sub-branches focusing on technology finance and forming a dedicated technology finance team at the branch level.

<sup>&</sup>lt;sup>7</sup> The "six major" supports for technology finance include the systems of "ecosystem partners, professional research, products and services, risk strategies, assessment and evaluation, and technological support".

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#### Pursuing innovation, taking practical actions and contributing financial strength

The Bank has improved supporting mechanisms in terms of top-level design, organizational structure, financial management, risk management, and team building, allocated more financial resources and talent resources to key areas of the "five priorities", improved relevant credit policies and authorization management, stepped up

risk empowerment, included the "five priorities" in the assessment system, comprehensively enhanced the intrinsic driving force for development, deepened, detailed and refined the "five priorities" across the Bank, and increased the development value of the economy, society, and environment.

#### Pursuing innovation and quality in industrial development through technology finance

Centering on the virtuous cycle of "technology-industry-finance", the Bank has strengthened technology finance based on its strengths. It built the "1+20+150" business management system for technology finance, improved the "six major" supports for technology finance, and comprehensively enhanced the service capabilities of technology finance to empower the development of new quality productive forces.

#### Progress of the Bank's technology finance work

- The Bank collaborated with **324,500** technology finance customers, an increase of **14.15**% from the end of the previous year
- The financing balance of technology finance was RMB 1.74 trillion, an increase of 17.82% from the end of the previous year
- The balance of technology finance loans was RMB 968,916 million, an increase of 20.68% from the end of the previous year; the NPL ratio was 0.77%, lower than the average level of corporate banking loans, indicating the asset quality was kept at a sound level
- The Bank covered **68.5**%, **64.8**% and **43.5**% of national technological innovation & demonstration enterprises, single champions in manufacturing, and specialized and sophisticated technology enterprises producing unique and novel products known as "little giants", respectively, an increase of **1.9**%, **4.1**% and **0.6**% from the beginning of the year
- During the reporting period, RMB1.11 trillion of credit was approved and RMB393,036 million was granted through the technology flow evaluation model, with a balance of RMB255,854 million

Note: The above data are all as at the end of 2024.

#### Strengthening technology finance based on its own strengths

With a "green + technology" approach, the Bank built a green product system and scaled up technology finance services. It served 29,605 technology finance customers, with a financing balance of RMB670.5 billion, an increase of 12.80% from the end of the previous year.

With an "investment banking + technology" approach, the Bank built a whole-lifecycle investment banking product and service system dominated by debt, equity and alternative investment, serving 1,520 technology finance customers and recording RMB571,146 million in outstanding FPA (finance product aggregate) in large investment banking businesses, an increase of 43.76% from the end of the previous year.

With a "park + technology" approach, the Bank fostered new quality productive forces and established a technology finance ecosystem chain in the park scenario, serving 127,300 technology finance customers, with a financing balance of RMB924 billion, an increase of 18.47% from the end of the previous year.

With an "energy + technology" approach, the Bank increased support for strategic emerging fields such as new energy, energy conservation and environmental protection, and empowered the transformation and upgrading of the traditional energy industry, serving 31,000 technology finance customers, with a financing balance of RMB492,449 million, an increase of 27.95% from the end of the previous year.

With an "auto + technology" approach, the Bank promoted the high-end and intelligent upgrading of the auto industry, strengthened cooperation with mainstream auto enterprises, and continuously extended the coverage of financial services, serving 13,000 technology finance customers, with a financing balance of RMB224.83 billion, an increase of 10.29% from the end of the previous year.

#### Building the "1+20+150" business management system for technology finance

At the Head Office level, a leading group for technology finance work was established. At the branch level, 20 key technology finance branches and 150 sub-branches focusing on technology finance were designated, forming a dedicated technology finance team.

The Bank deepened the implementation of the "region + industry" strategy. Focusing on new quality productive forces, it planned business related to technology enterprises based on the resource endowments of various regions and actively served leading enterprises in strategic emerging industries and the specialized and sophisticated technology enterprises producing unique and novel products.

In 2024, the Bank awarded licenses to the first batch of 50 sub-branches focusing on technology finance and equipped them with specialized technology finance personnel to further promote the high-standard and high-quality development of technology finance.

#### Improving the "six major" supports for technology finance

Ecosystem partners: With the policy chain, innovation chain, capital chain, industrial chain, and talent chain at the core, the Bank successfully connected with more than 30,000 ecosystem partners including governments, universities, parks, investment institutions, law firms, associations, and service agencies, held more than 60 special campaigns, and established the reputation of the campaign brand "Progressing with Industrial Bank".

Professional research: Leveraging its advantages of integrating research, business and risks, the Bank enhanced the understanding of the technology industry, continuously strengthened the collaboration of CIB Research and business departments and risk management departments, and developed the "comprehensive knowledge of industries", "full understanding of customers" and "effective control over risks". More than 50 special reports on the technology industry, regional technology industry overviews, and evaluation reports on the technology industries of key regions were released on a cumulative basis.

Products and services: The Bank gave play to its advantages in the "commercial banking + investment banking" model, connected with the technology finance ecosystem, and formed a "1+4+N" product and service system<sup>9</sup>, providing comprehensive financial support for tech enterprises that covered the whole lifecycle, featured all-element development, and laid equal emphasis on direct and indirect financing, and empowering the development of technology finance with differentiated service advantages.

Risk review: Based on the characteristics of tech enterprises including light assets, heavy R&D investment and high growth, the Bank continuously upgraded the technology flow evaluation model to version 5.0, developed an enterprise profile focused on the technological strength of the enterprises, and increased the introduction of differentiated support policies for key customers in the tech sector.

Assessment and evaluation: The Bank added technology finance assessment indicators, allocated additional financial resources to drive the transformation of sub-branches towards technology finance-focused ones and promote related businesses, and guided the building of satisfactory assets in key technology finance fields such as strategic emerging industries across the Bank.

**Technological support:** The Bank provided support for the collaboration between the Head Office and branches to serve technology finance customers through the use of scenario ecosystem platforms and digital tools.

#### Conducting in-depth special surveys on technology finance

The Bank conducted systematic surveys at the Head Office, branch and sub-branch levels. The Head Office collaborated with key technology finance branches to visit over 100 ecosystem partners to conduct on-site surveys on technology finance, released the Special Survey Report on High-standard Development of Technology Finance, and launched technology finance survey activities based on sub-branches.

The Bank carried out special surveys on the development of the exclusive product system for technology finance and conducted internal and external surveys based on its characteristic products.



Nanxiang Sub-branch of Industrial Bank in Shanghai received the license to operate as a sub-branch focusing on technology finance

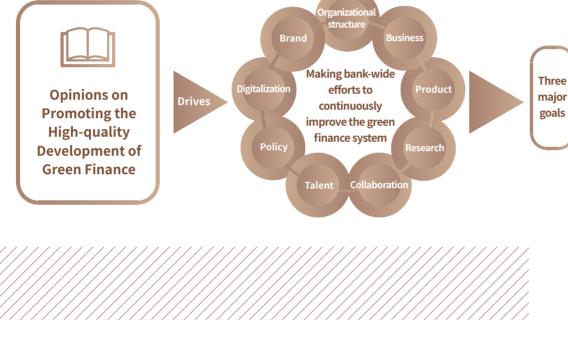


Shenzhen Branch of Industrial Bank held a salon event for new quality entrepreneurs in technology finance

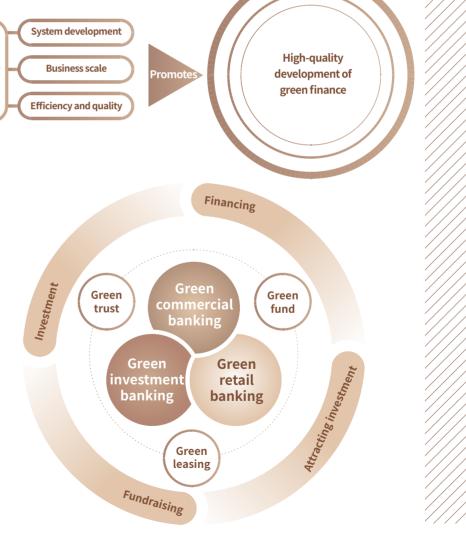
<sup>&</sup>lt;sup>9</sup> The "1+4+N" product and service system consists of one basic product manual, four characteristic product tools, and N exclusive product series.

### Serving the building of a Beautiful China through green finance

In 2024, the Bank issued the Opinions on Promoting the High-quality Development of Green Finance, clarifying the three major goals of system development, business scale, and efficiency and quality with respect to green finance. Based on its realities, the Bank continuously improved its organizational structure, business, product, research, collaboration, talent, policy, digitalization, brand and other systems related to green finance and propelled the high-quality development of green finance.



In 2024, under the theme of "Pursuing Green Development and Serving the Building of a Beautiful China", the Bank comprehensively upgraded its green finance product and service system. The system centered on the financial service logic of "financing, investment, fundraising, and attracting investment", took "green commercial banking + green investment banking + green retail banking" as the core, and was supplemented by "green leasing + green trust + green fund". It focused on the frontier fields of the green industry and fully satisfied the new needs of green financing and intelligence.





#### Progress of the Bank's green finance work

- The Bank collaborated with **71,800** green finance customers, an increase of **23.14**% from the end of the previous year
- The financing balance of green finance was RMB**2.19** trillion, an increase of **15.88**% from the end of the previous year
- ➤ The balance of green loans totaled RMB**967,931** million, an increase of **19.64**% from the end of the previous year; the NPL ratio of green loans was **0.41**%, lower than the average level of corporate banking loans, indicating sound asset quality
- The "Carbon Peaking and Carbon Neutrality Platform" opened "carbon accounts" for 16,800 corporate customers and 2,457,300 retail customers
- The Bank's innovative "Carbon Peaking and Carbon Neutrality Platform" won the 5th "IFF Global Green Finance Award Innovation Award" of the International Finance Forum (IFF)

Note: The above data are all as at the end of 2024.



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#### Leveraging its strengths to optimize green finance

With an "investment banking + green" approach, the Bank built a green investment banking service system and scaled up green finance services. It served 479 green finance customers and recorded RMB156,266 million in outstanding FPA (finance product aggregate) in large investment banking businesses.

With a "park + green" approach, the Bank drove the deeper and sounder development of park finance ecosystem, providing "intelligence + financing" services for the construction of low-carbon and zero-carbon parks, and promoting the green transformation and upgrading of industries. It served 24,597 green finance customers, with a financing balance of RMB 700,567 million, an increase of 26.02% from the end of the previous year.

With an "energy + green" approach, the Bank increased support for areas including clean and renewable energy and clean utilization of coal, empowering the low-carbon transformation of the energy structure. It served 22,309 green finance customers, with a financing balance of RMB479.9 billion, an increase of 22.64% from the end of the previous year.

With an "auto + green" approach, the Bank established a financial service system for the transition to new energy vehicles, and increased green finance services particularly for the mainstream new energy vehicle manufacturers, competitive self-owned auto brands accelerating the transition to new energy vehicles, and supporting auto parts manufacturers at home. It served 1,917 green finance customers, with a financing balance of RMB183,216 million, an increase of 18.3% from the end of the previous year.

#### Steadily advancing group-wide green transition

The Bank incorporated green finance indicators into the business operation and assessment system of the Group. Aiming to coordinate efforts in carbon reduction, pollution control, ecosystem enhancement, and sustainable growth, the Bank continued to deepen the supply-side structural reform of green finance and formed a comprehensive and diversified green finance service system covering green credit, green bond, green trust, green leasing, green funds, and green wealth management.

As at the end of 2024, the balance of green personal business loans of the Bank stood at RMB2,467 million according to the standards and definition of the People's Bank of China, up RMB1,148 million from the beginning of the year; the balance of supply chain finance under green scenarios reached RMB75,337 million; the balance of green leasing business was RMB79.8 billion; the balance of green trust assets totaled RMB17.1 billion; and the outstanding balance of green fund business reached RMB20.7 billion. During the reporting period, the scale of green investment banking business reached RMB156,266 million; CIB Wealth Management issued a total of RMB220.3 billion in ESG and green wealth management products; and total green bond investments amounted to RMB21,924 million for the year.



#### Developing specialized products for carbon peaking and carbon neutrality services

The Bank comprehensively enhanced its carbon finance product and service capabilities. It innovated and launched a variety of carbon finance products and services based on carbon accounts, providing customers with innovative services such as Carbon Peaking and Carbon Neutrality Steward and ESG comprehensive services.

The Bank optimized its ESG service solutions for customers and created an ESG service ecosystem that offered one-stop ESG services for pooling intelligence and financing.

Leveraging its "Carbon Peaking and Carbon Neutrality Platform", the Bank built three key modules including corporate carbon accounts, retail customer carbon accounts, and group-level operational carbon management, comprehensively enhancing its carbon finance product and service capabilities. It continued to enrich application scenarios for carbon accounts of corporate customers, launched a variety of innovative carbon finance products based on carbon accounts, including carbon emission reduction-linked products, and offered financial services such as carbon asset pledges.

#### **Expanding key industry-specific solutions**

The Bank prepared the Special Research Report on the Green and Low-carbon Transformation of Green Finance Banks based on the visits and inspections to key enterprises in 2024, which offered deep insights into the specific needs of the power, steel, power batteries and chemical sectors in green transformation.

The Bank focused on key areas and regions that drove carbon reduction and pollution control for synergistic efficiency, continuously innovated its service models, increased investments in green assets, and leveraged its leading role. As at the end of 2024, the green financing balance in the carbon reduction sector increased by 19.40% to RMB1.27 trillion, while the green financing balance in the pollution control sector grew by 16.15% to RMB487,251 million.



Zhangzhou Branch of Industrial Bank supported the restoration of Wutian Mountain to protect the ecological environment and support green development



Tianjin Branch of Industrial Bank supported Tianjin Port Group in dredging inland rivers to improve the quality of the ecological environment



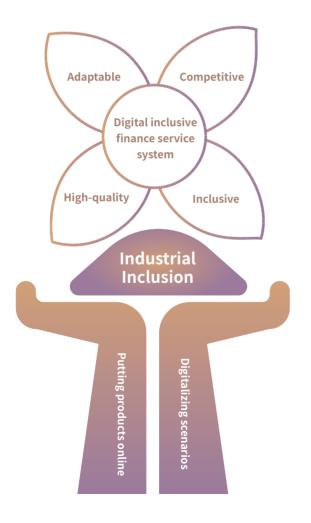


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#### Benefiting enterprises and merchants through inclusive finance

The Bank has actively implemented the Implementation Opinions of the State Council on Promoting the High-Quality Development of Inclusive Finance, made consistent efforts to build a high-level inclusive finance system, and gone all out to develop the 211 program for inclusive finance. Specifically, focusing on "putting products online" and "digitalizing scenarios", the Bank has redoubled efforts to develop the "Industrial Inclusion" brand, improved basic service capabilities, and built a high-quality, adaptable, competitive, and inclusive digital inclusive finance service system, to achieve high-quality development of inclusive finance business and effectively ease financing delays and difficulties faced by small and micro enterprises. In the meantime, the Bank has explored differentiated paths, provided financial support for rural revitalization, effectively increased social value, and assumed corporate responsibility.



#### Progress of the Bank's inclusive finance work

- The balance of inclusive loans to small and micro enterprises reached RMB**555**,932 million, representing an increase of **10.97**% from the end of the previous year, with an NPL ratio of **1.09**%. Specifically, corporate inclusive loans increased by RMB**39**,972 million from the end of the previous year, and retail inclusive loans increased by RMB**14**,995 million from the end of the previous year.
- The growth rate of inclusive finance loans was 10.97%, 5.22 percentage points higher than the average growth rate of loans of the Bank. Inclusive loans accounted for 10.60% of the total loan balance of the Bank, an increase of 0.50 percentage points from the beginning of the year.
- The balance of loans to small and micro enterprises was RMB1,871,025 million, an increase of RMB305,825 million or 19.54% from the end of the previous year. The number of small and micro enterprise loan customers was 271,500, an increase of 25,100 or 10.16% from the end of the previous year.
- The weighted average pricing of newly issued inclusive loans was 3.53%, the weighted average interest rate of loans to small and micro enterprises was 3.81% in 2024, and the financing cost continued to decline.
- As at the end of 2024, the balance of agriculture-related loans under the new statistical standards<sup>10</sup> was RMB**539**,**467** million, an increase of **11.55**% from the end of the previous year; the balance of inclusive agriculture-related loans was RMB**69**,**419** million, an increase of **23.78**% from the end of the previous year.

Note: The above data are all as at the end of 2024.

 $<sup>^{10}</sup>$  This adjustment follows the revised classification standards for rural and urban areas in agriculture-related loans







#### Developing a new model of digital inclusive services

Adhering to the concept of "open, sharing, connecting everything", the Bank comprehensively accelerated digital transformation and developed a new model of digital inclusive services. It enhanced the "Industrial Inclusion" platform and adopted the model of "standardized and scenario-based operation + key branches" to provide micro, small and medium-sized enterprises with a full range of "financial + non-financial" services. As at the end of 2024, the "Industrial Inclusion" platform registered 384,500 users, an increase of 206,300 users from the end of the previous year. Since its launch, the platform has facilitated a total financing amount of RMB395,502 million.

#### Creating a distinctive business model for rural revitalization

Focusing on specific scenarios such as specialized markets, financial service commissioners, technology-enabled rural revitalization demonstration projects, national geographical indications, and urban-rural integrated development, the Bank has developed a financial service model for rural revitalization with the characteristics of Industrial Bank.

The Bank has explored a service framework that uses financial service commissioners as "friends", the Internet of Things (IoT) as "hands", and satellites as "eyes", to bridge the "last mile" of financial services for rural areas, thereby effectively empowering rural revitalization.

#### Improving the inclusive finance product system

The Bank continuously enriched the "Xingsu Loan" product system, pushed the products online, and gradually built an online financing product system of "Xingsu Loan", consisting of "Xingsu Loan (exclusive for tax loans)", "Xingsu Loan (exclusive for asset pledge)", "Xingsu Loan (exclusive for black gold private banking customers)", etc., to further improve the availability and accessibility of inclusive loans for small and micro enterprises.

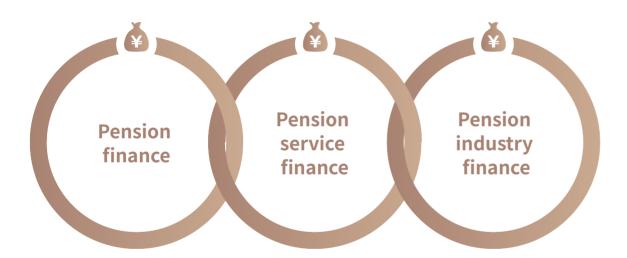
The Bank considered the transaction modes and settlement characteristics of the industrial chains and supply chains in various regions, focused on core corporate customers and key industries, and explored new scenarios and new business forms. Through scenario integration and data introduction, it collected trading data such as capital flows, material flows and information flows, painted precise customer profiles, actively met the differentiated financial needs of small and micro enterprises on the chain, and continuously improved the alignment between capital supply and economic activities.

The Bank upgraded the "Industrial Plant Loan" to address the financing needs of physical enterprises for the purchase and construction of plants. It promoted the "Lianlian Loan" for small and micro enterprises to effectively reduce the financial costs of enterprises. As at the end of 2024, the balance of products such as the "Industrial Plant Loan", "Lianlian Loan", "Xingsu Loan (exclusive for credit enhancement)", and "R&D Loan for Tech Enterprises" exceeded RMB 73 billion, strongly supporting the development of small and micro enterprises.

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#### Exploring the blue ocean of the silver economy through pension finance \_

In active response to the national strategy for addressing population aging, the Bank has leveraged its strengths to deepen pension finance business and released the "365" Action Plan of Industrial Bank for Pension finance to promote the coordinated development of the three major segments of pension finance, i.e., pension fund finance, pension service finance, and pension industry finance, so as to promote pension finance.



#### Progress of the Bank's pension finance work

- The Bank opened **6,274,500** individual pension accounts, ranking among the top in the industry
- The accounts of customers aged 50 and above numbered **27,103,600**, an increase of **12.03**% from the end of the previous year
- The total balance of financing serving the pension industry reached RMB104,703 million, an increase of 10.56% compared to the end of the previous year
- The Bank established **85** "Anyu Life" pension financial service centers nationwide, aiming to build a "professional pension financial bank"

Note: The above data are all as at the end of 2024.





#### Vigorously developing pension finance

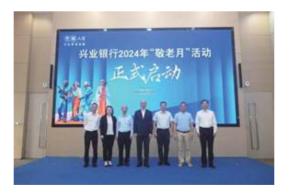
In terms of pension finance, Industrial Bank has focused on social security cards, compensation & benefit-like annuity business, personal pensions and other businesses to promote the development of pension finance business. As at the end of 2024, a total of 29 tier-1 branches cooperated with local human resources and social security departments in 20 provinces, cities and autonomous regions to issue financial social security cards and opened a total of 6,274,500 personal pension accounts, ranking at the forefront of the industry.

#### Comprehensively improving pension service finance

The Bank has increased efforts to innovate wealth management products for pension finance and develop the service system, actively introduced exclusive commercial pension insurance products, facilitated the development of pillar 3 pension insurance, and provided customers with service trust tools such as family service trust, family trust, and premium trust.

The Bank has continued to push forward the upgrading of outlets catering to the needs of elderly customers, developed "Anyu Life" model outlets for elderly care services across the country, built pension financial service centers in comprehensive sub-branches in core urban areas, and established pension financial service stations in community sub-branches. Relying on the pension financial service centers and service stations, the Bank has integrated the service culture of loving and respecting the elderly into the daily services of outlets.

The Bank carried out the "Senior Citizens' Month" activity nationwide for the tenth consecutive year and organized health knowledge lectures, legal knowledge lectures, talent competitions, tours, visits and other activities suitable for the elderly. A total of 2,100 theme activities were carried out throughout the year, covering 114,900 people.



In October 2024, the Bank launched the 2024 "Senior Citizens' Month" activity and awarded plaques to the first batch of "Anyu Life" pension financial service centers



#### Fully supporting pension industry finance

The Bank reviewed the financial standards for pension industry finance, issued the Guidelines on the Industry Marketing of Elderly Care Institutions of Industrial Bank, identified the priorities in the elderly care industry, and responded to the demand for elderly care services from an industrial perspective. In 2024, the Bank launched a variety of projects. It released the "pension finance + green loan + green building performance liability insurance" service plan tailored to the A medical and health care center project and developed the health care center project in collaboration with B, a state-owned enterprise managed by Guangxi Zhuang Autonomous Region.

The Bank not only explored diversified financing support for different types of elderly care enterprises, but also leveraged its advantages as a domestic pioneer in green finance to provide green momentum for the development of the elderly care industry.



In December 2024, Nanchang Branch of Industrial Bank and Nanchang Senior University jointly held the 2024 Anyu Life Club Competition





## Consolidating the digital foundation of enterprises through digital finance

The Bank has adhered to the strategy of "Reinvigorating the Bank through Technology", taken serving the real economy as its fundamental purpose, adopted an "enterprise-level and standardized" methodology, and integrated "Digital Industrial Bank" with digital finance. It has consolidated the information technology foundation, improved the digital operation level, promoted higher quality and efficiency of financial services, driven the development of the "five priorities" of the financial sector, and facilitated digital industrialization and industrial digitalization.

#### Progress of the Bank's digital finance work

- In line with the strategy of "channeling computing resources from the east to the west", the Bank planned the computing power in Shanghai, Fuzhou and Guizhou. There were nearly 13,000 computing power servers across the Bank. The construction of the Gui' an Data Center commenced in 2024.
- The number of active mobile banking customers reached 62,788,500, representing an 11.97% increase from the beginning of the year. Corporate WeChat services
- covered **9.68** million customers, with total remote service interactions reaching **67.11** million.

The Bank upgraded its e-CNY product system, opened more than 10 million Industrial Bank wallets in total, and signed contracts to serve 120 small and medium-sized banks.

Note: The above data are all as at the end of 2024.

#### Consolidating the information technology foundation

The Bank pressed ahead with the reform of the science and technology institutions and mechanisms and strengthened the unified management of science and technology. It focused on the introduction of high-level talents in key fields such as AI and cloud native, strengthened the integration of business and technology, built a training system for technology application-oriented talents, and fostered a cultural atmosphere for all employees to learn, use and understand technology.

The Bank hosted the "Xinghuo Technology Forum", attracting more than 20,000 participants and providing new ideas and solutions for the virtuous cycle of "technology-industry-finance".

The Bank strengthened the governance of the enterprise-level architecture, advanced the pilot project of the collaboration between the Head Office and branches on enterprise architecture, released nearly 80 enterprise-level architecture component capabilities, started to develop the distributed core system, advanced the upgrading and transformation of old architectural systems, and accelerated the building of new systems or components under the enterprise-level architecture.

#### Improving digital operation

Through organizational reforms, the architecture of a digital operation system initially took shape. Based on the centralized digital operation capabilities of the Head Office, the Bank built a digital marketing middle office. Taking mobile banking and the five major platforms as the main channels, the Bank achieved intelligent and efficient online operation centering on the data-driven strategy.

#### **Empowering financial services for higher quality and efficiency**

The Bank supported the development of technology finance, focused on parks where technology enterprises gather, extended its reach to enterprises and employees in the parks, and built an "online + offline" interconnected closed-loop ecosystem for park finance. During the reporting period, the park ecological service system was used in 728 parks across the country, with a total of 2.1 million logins.

The Bank supported the development of green finance. Through the integration of digital and intelligent operation and green development, the Bank drove the green and low-carbon transition of key industries. It independently developed the "Carbon Peaking and Carbon Neutrality Platform", opening "carbon accounts" for 16,800 corporate customers and 2,457,300 retail customers. Based on the corporate carbon accounts, it further launched carbon reduction-linked and carbon asset-pledged projects, providing effective support for carbon finance innovation and carbon asset trading.

The Bank supported the development of inclusive finance. Relying on the "Smart Market System", the Bank built a variety of service models for governments, businesses and consumers. During the reporting period, the Smart Market System was implemented in 173 professional markets, connecting to 400 agricultural product wholesale markets and recording over RMB22 billion in outstanding financing across all scenarios.

The Bank supported the development of pension finance. It built the pension finance section and personal pension section in mobile banking into the main channels to provide customers with online services, serving 8,433,700 customers in the year. It kept online elderly-friendly service channels unimpeded, with the "Anyu Edition" of mobile banking and the customer service hotline 95561 serving 2,715,400 customers in the year, helping elderly consumers bridge the digital divide.





# Taking Root in Fujian and Advancing High-quality Development on All Fronts

Rooted and headquartered in Fujian, Industrial Bank has resolutely shouldered the important political responsibility for serving Fujian. Since the establishment of the Fujian Area Management Department, the Bank has continuously released the momentum of institutional reform by improving the top-level design, coordinated efforts to promote the operation and development of tier-1 branches in Fujian Province, actively promoted the innovation and development of fintech, empowered industrial transformation and upgrading, and effectively played the key role in financial services in Fujian.

Indicator	2024	Year-on-year growth (%)
Balance of various loans to institutions in Fujian Province (RMB 100 million)	15,352.74	0.95
Balance of loans to private enterprises in Fujian Province (RMB100 million)	3,664.01	16.14
Balance of green financing both on and off the balance sheet in Fujian Province (RMB 100 million)	1,843.73	11.21
Including: Balance of green loans (RMB 100 million)	1,023.38	25.42
Total "Science and Technology Loans" granted in Fujian Province (RMB 100 million)	82.75	47.11
Including: Loans granted in 2024 (RMB 100 million)	26.49	1.85
Number of enterprises supported	623	25.10
Total investment in financing support for techno logy transformation projects in Fujian Province (RMB 100 million)	102.43	27.73
Number of enterprises supported	188	39.26

#### Developing and strengthening specialty industries

The Bank has always regarded Fujian as the first priority for the development of key areas, actively integrated into the development of digital economy, green economy, marine economy, and cultural tourism economy, and striven to make greater contributions to the accelerated development of a modern economic system in Fujian Province.

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The Bank actively integrated itself into and served the strategy of strengthening the province through science and technology. In 2024, the balance of digital economy loans of branches in Fujian Province reached RMB**70**,638 million, an increase of RMB**3**,972 million from the beginning of the year. Specifically, the balance of digital industrialization loans was RMB**19**,994 million, and industrial digitalization loans reached RMB**57**,074 million.

- In September 2024, the Bank signed a strategic cooperation agreement with Fujian Science & Technology Innovation Laboratory for Optoelectronic Information of China, one of the first four provincial innovation laboratories in Fujian Province. The two parties will work together to explore new paths and models for the development of new quality productive forces of financial services and deepen cooperation in sci-tech incubation projects, establishment of advances application funds, joint development of the technology finance innovation center, targeted technology finance services, and joint development of expert think tanks. They will promote the precise application of more original and disruptive innovative advances, bring the advances from laboratories to production lines, and transform technologies into new quality productive forces.
- In November 2024, the Bank, the Office of the Financial Committee of the CPC Fujian Provincial Committee and the Office of People's Government of Fujian Province in Beijing jointly held the Fujian Capital and Industry Matchmaking Conference with the theme of "Gathering Financial Capital to Empower the Real Economy". Special matchmaking meetings were held for six key industrial chains, including new-generation information technology, new energy, new materials, consumer goods, biomedicine, and high-end equipment. Nearly 200 financial institutions and investment institutions from across the country and 120 enterprises from Fujian Province attended the meetings, and 15 projects were signed on site.

The Bank formulated financial service plans for energy conservation and intensive and efficient use of energy in Fujian Province and the integrated development of "green + inclusive" to increase its support for green industries. As at the end of 2024, the financing scale of the Bank's green finance in Fujian Province was RMB 184,373 million, an increase of RMB 18,585 million from the beginning of the year. The Bank was rated as "excellent" in the Fujian Green Bank Evaluation for three years straight (2021-2023).

Fuzhou Branch, in collaboration with Green Finance (Fuzhou) Investment Management Co., Ltd. and other third-party institutions, established the first green carbon neutrality fund in Fuzhou, with a total scale of RMB **1** billion. The funds were mainly invested in relevant fields in the Green Industry Guidance Catalogue, providing low-cost financing support. It sought to drive the acceleration of new quality productive forces with green product innovation and lay a green foundation for high-quality development.

The Bank actively innovated carbon finance products and services. In 2024, it pioneered green businesses such as the first loan linked with dual control over the volume and intensity of carbon emissions by key emission enterprises in Fujian Province, the "net zero emission" operation loan for urban public transportation, and the green new energy mining truck equipment renewal and transformation loan, setting a good example for green finance innovation in Fujian Province.



In 2024, the Bank issued the Financial Service Plan of Industrial Bank for Marine Economy in Fujian Province, focusing on financial services for key parks, key enterprises, and key research institutions. As at the end of 2024, the financing scale of the Bank's marine economy in Fujian Province was RMB**40**,**594** million, an increase of RMB**7.67** billion from the beginning of the year.

Xiamen Branch actively supported shipping companies to go global. In July 2024, the branch issued the first batch of cross-border direct green ship advance payment guarantees for shipbuilding enterprises in Xiamen, which were used for the new 5,500-vehicle LNG dual-fuel vehicle roll-on/roll-off shipbuilding project of Xiamen Shipbuilding Industry Co., Ltd., supporting the enterprise in the subsequent delivery of ships to overseas customers.



Ningde Branch provided M&A loans of RMB 100 million for Ningde Tourism Development Group Co., Ltd., to support the Dajing tourism project of Dongchong Peninsula Scenic Area in Xiapu. The branch implemented the first green electric ship financing business in Fujian Province for Ningde Lanhai Tourism Development Co., Ltd., with a credit amount of RMB 42 million, contributing financial strength to developing the electric ship industry demonstration base in Fujian Province and accelerating the high-quality development of marine tourism.





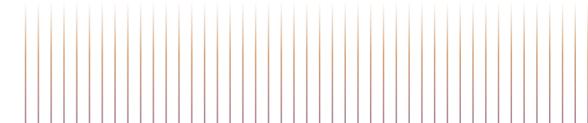


The Bank implemented the Implementation Opinions on Financial Support for the High-quality Development of Fujian's Cultural Tourism Economy issued by the NFRA Fujian Local Office and other four departments and formulated differentiated comprehensive financial service plans with focus on key cultural tourism projects, cultural tourism equipment manufacturing and its industrial chains in Fujian Province as well as key customer groups in related industries such as food, accommodation and travel. As at the end of 2024, the balance of cultural tourism economy loans in Fujian Province was RMB 57,765 million, an increase of RMB 4,726 million from the beginning of the year.

Zhangzhou Branch actively supported the development of the Zhangzhou Base for China National Women's Volleyball Team. It innovatively introduced the "green credit + green and low-carbon building + cultural tourism" service model. It provided green project loans of RMB800 million for Zhangzhou Baixiang Real Estate Co., Ltd., the project company, for the construction of the Tengfei Area of the base, helping create a new landmark for urban cultural tourism and promoting the in-depth integrated development of culture, tourism and sports.



The Bank innovatively rolled out the Industrial Bank Mazu Card mainly characterized by the golden statue of Mazu and chibi-style Mazu, implying peace and harmony. This product promoted the inheritance and innovation of the Mazu culture and helped develop the Mazu culture into a business card of Fujian for global exchanges.



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#### Facilitating enterprise transformation and upgrading

As Fujian Province moves faster to promote new industrialization and foster new quality productive forces based on local conditions, the Bank bravely plays the key role in finance, fosters new quality productive forces, continuously improves financial supply, fully promotes the high-end, intelligent and green development of Fujian's manufacturing sector, provides support for the international development of enterprises, and revitalizes traditional industries.

## Promoting high-end development

The Bank has seized policy opportunities, improved resource allocation, and provided loans for large-scale equipment renewal for enterprises across the country (including Fujian Province) to boost the high-end development of the manufacturing sector. Located at Quanzhou Xingu Nan' an Park, L Company is the only R&D and manufacturing enterprise in the industrial film BOPP synthetic paper segment in Fujian Province. Quanzhou Branch, considering the company's innovative planning on photoelectric reflective film and coating film, provided tailored services for the company. The branch offered a total of RMB300 million in credit to the company to address its financing difficulties in the early stage of project construction. It also reserved a special credit line for project technical transformation to support the company's further expansion into high-end industrial fields.



## Accelerating intelligent development

In April 2024, the PBOC set up a re-lending program for sci-tech innovation and technological transformation to encourage and guide financial institutions to provide credit support for technology-based small and medium-sized enterprises and technological transformation and equipment renewal projects in key areas. Located in Xiamen, D Company is a professional full-scenario smart traffic solution provider. Learning that D Company was selected as a candidate for the sci-tech innovation re-lending program, Xiamen Branch contacted the company and sought further cooperation. The branch utilized low-cost credit funds to help the company reduce financing costs, assisted the company in expanding its technological advantages in full-scenario smart traffic, and provided more solutions for the development of a smart city.



## Advancing comprehensive green development

With the support of customized exclusive financing solutions, Ningde Branch approved a credit line of RMB 500 million for Q Company, an automobile manufacturer and issued a loan of RMB 70 million for equipment renewal and transformation projects, effectively helping the company reduce financing costs and accelerate the global expansion of Fujian's manufacturing sector.

## Boosting international development

Zhangzhou Branch leveraged the advantages in domestic and overseas coordination, made good use of domestic and overseas markets and resources, innovated cross-border financial products, and channeled overseas financial resources to enterprises. S Company engages mainly in food additives and exports its products to Southeast Asia and other places. The rapid expansion of domestic and overseas markets has led to a continuous increase in corporate financing needs. In response, Zhangzhou Branch adopted the "overseas IRS (interest rate swap) + domestic CCS (cross-currency swap)" model to provide domestic guarantee for direct overseas loan. Specifically, Zhangzhou Branch issued a financing standby letter of credit with Hong Kong Branch of Industrial Bank as the beneficiary, and Hong Kong Branch issued a loan of HKD9.9 million to the company, which was directly transferred to the company's foreign debt special account opened in Zhangzhou Branch. The branch also guided the company to lock in exchange rates through currency swaps to help the company hedge exchange rate risk and effectively reduce financing costs and exchange costs.





#### Serving small and micro private enterprises

As a state-owned financial enterprise in Fujian Province, the Bank has actively implemented the strategy of strengthening the province through private economy in the new era, continued to deepen the implementation of the service system for Fujian merchants with concrete actions, channeled more financial resources towards the private economy, and jointly provided sustained momentum for the high-quality economic development of Fujian Province.

As at the end of 2024 -

the Bank established partnerships with **100**% of the top 50 private manufacturing enterprises in Fujian Province

**99**% of the top 100 private enterprises in Fujian Province

**97**% of the top 100 private innovative enterprises in Fujian Province



Creating more opportunities for industrial development

With focus on new quality productive forces and bottlenecks in key areas, the Bank has built a technology finance service system and provided whole-lifecycle financial services for private enterprises in Fujian Province. For startups, the Bank has offered risk sharing loans to solve the problems of light assets and guarantee difficulties faced by technology enterprises. For mature enterprises, the Bank has offered such financing services as project loans, M&A loans, and sci-tech innovation bills and supported the development of enterprises with multi-level equity, loan, debt and insurance services.



#### Empowering the new development of small and medium-sized enterprises

The Bank continuously improved the mechanism for special teams, special assessments, special products, special authorization, special approval, and special NPL tolerance. It set up special teams for micro, small and medium-sized customers in 9 branches in Fujian Province, which brought together 110 specialists for corporate banking customers and more than 180 managers for micro, small and medium-sized customers, to fully meet the needs of and serve micro, small and medium-sized enterprises. It effectively implemented the special loan policy for micro, small and medium-sized private enterprises in Fujian Province for quality and efficiency improvement. The branches in Fujian Province issued a total of 413 special loans amounting to RMB1,943 million, benefiting 260 micro, small and medium-sized private enterprises and 29 self-employed businesses.







By building the "Xingcheng Shijia" service system, the Bank provides private entrepreneurs with one-stop family wealth protection and inheritance, customized financial management, capital markets, family trusts and other services. The Bank explores practices to achieve common prosperity. By establishing the charity foundation, it explores with entrepreneurs and does a good job in charitable trusts and other businesses, contributing to better wealth distribution and common prosperity.







Improving the quality and efficiency of financial services to support the strategy of strengthening the province through private economy in the new era

In April 2024, the Bank and the Fujian Provincial Federation of Industry and Commerce jointly held an event themed "Improving the Quality and Efficiency of Financial Services to Support the Strategy of Strengthening the Province through Private Economy in the New Era" in Fuzhou. The event was attended by heads of provincial Fujian chambers of commerce from different places and outstanding Fujian entrepreneurs. The attendees signed strategic cooperation agreements and made discussions. During the event, Fujian chambers of commerce in Beijing, Guangdong, Jiangsu, Hunan, Hebei, Ningxia and other places and 14 private enterprises in Fujian Province signed strategic cooperation agreements with the local branches of the Bank, effectively injecting new financial momentum into the high-quality development of Fujian's private economy.



Holding the Matchmaking Meeting for Providing Financial Services to Serve the Strategy of Strengthening the Province through Private Economy in the New Era

On June 18, 2024, the Bank hosted the Matchmaking Meeting for Providing Financial Services to Serve the Strategy of Strengthening the Province through Private Economy in the New Era during the 22nd China Straits Innovation and Projects Fair. At the matchmaking meeting, Industrial Bank President Chen Xinjian read out the Initiative on Providing Financial Services to Serve the Strategy of Strengthening the Province through Private Economy in the New Era on behalf of the financial institutions across Fujian Province. He advocated that financial institutions across the province should thoroughly implement the requirements of the Central Financial Work Conference and the Financial Work Conference of CPC Fujian Provincial Committee, inherit, carry forward, innovate and develop the "Jinjiang Experience", deeply implement the strategy of strengthening the province through private economy in the new era, continuously improve service quality and efficiency, and break new ground in private economy. During the meeting, the Bank also actively built a service mechanism integrating governments, chambers of commerce (associations), banks, insurers and enterprises, to work with all sectors of society to build a financing ecosystem in which relevant parties are confident, willing and able to lend with higher efficiency.

#### Supporting all-around rural revitalization \_\_\_\_\_\_

The Bank formulated the Notice of Industrial Bank on Moving Faster to Set a Fujian Model for Rural Revitalization, guiding branches in Fujian Province to increase support for rural revitalization and actively supporting key areas such as agricultural guarantee, credit, and insurance, financial support for food security, leading agricultural enterprise industrial chain, and local specialty industries. As at the end of 2024, the balance of agriculture-related loans in Fujian Province was RMB99,821 million, an increase of RMB5.22 billion from the beginning of the year; the balance of inclusive agriculture-related loans in Fujian Province was RMB13,702 million, an increase of RMB1,338 million from the beginning of the year.

As at the end of 2024

the balance of agriculture-related loans in Fujian Province

was RMB**99,821 million** 

an increase of RMB**5.22 billion** 

from the beginning of the year

The balance of inclusive agriculture-related loans in Fujian

Province was RMB**13,702** million an increase of RMB**1,338** million

from the beginning of the year.



Helping Dehua County in Quanzhou to build a county-level industrial cluster with a scale of over RMB100 billion

Dehua County in Quanzhou is home to more than 4,000 ceramic enterprises. It is the largest production and export base for craft ceramics in China that produces over 80% of the country's ceramic tea sets. In recent years, ceramic e-commerce has flourished in Dehua, and increased orders for ceramic products and continuous process R&D require a steady stream of capital investments. However, since ceramics cannot be used as collateral, solving the capital needs of ceramic enterprises has become a challenge. In June 2024, Dehua Sub-branch of Industrial Bank in Quanzhou officially opened. In addition to short-distance financial services, the sub-branch tailored an exclusive customer cluster service solution for Dehua ceramic enterprises based on their operating rules—Industrial Bank Ceramic Loan. The sub-branch provided a credit of up to RMB5 million without mortgage for micro, small and medium-sized enterprises and self-employed businesses in the local ceramic industry, thereby supporting the transformation and upgrading of Dehua County's ceramic industry and the cultivation of a ceramic industrial cluster with a scale of over RMB100 billion.





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#### Deepening Fujian-Taiwan financial cooperation

The Bank has actively implemented the Action Plan on Supporting the Development of a Demonstration Zone for Cross-Strait Integrated Development, issued service standards of key institutions for serving Taiwan compatriots and enterprises, built the first comprehensive payment service point for Taiwan compatriots and enterprises in Fujian Province, and signed strategic cooperation agreements with the Taiwan compatriots investment enterprise associations in Quanzhou and Ningde respectively to continuously enhance the regional capabilities in serving Taiwan.

#### **Establishing specialized institutions**

In July 2024, licensed by NFRA Xiamen Local Office, Xinglin Sub-branch and Dongqu Sub-branch of Industrial Bank in Xiamen officially became "key banking and insurance institutions serving Taiwan compatriots and enterprises". As at the end of 2024, the Bank had 17 key institutions serving Taiwan in Fujian Province. Among them, six sub-branches were licensed by regulators.

As at the end of 2024

the Bank had **17** key institutions serving Taiwan in Fujian Province
Among them, **6** sub-branches were licensed by regulators.



#### **Providing good services for Taiwan compatriots**

- The Bank upgraded the functions of UnionPay debit card mobile activation machines and added document verification and face recognition functions to continuously improve the account opening service experience of Taiwan compatriots. It also provided the "Xing Fu E Card" for Taiwan compatriots who had lived in the Chinese mainland for a long time so that they could enjoy a rich variety of services and rights.
- The Bank organized **special reward activities** for Taiwan compatriots who handled payment and settlement, wealth management, personal loans and other businesses.
- Under the guidance of regulatory authorities, Xiamen Branch launched and implemented the first business for **Taiwan compatriots to purchase investment products** in China in China and actively piloted the cross-border RMB wealth management business for Taiwan compatriots in Fujian.





## 2.1 Accelerating the development of new quality productive forces

As the new round of scientific and technological revolution and industrial transformation integrate, new quality productive forces are gradually becoming the key driving force for economic development. Industrial Bank has actively transformed the "country' s most fundamental interests" into the "top priority of the Bank". Based on the national industrial layout and regional sci-tech innovation resource endowment, it has moved faster to develop a financial service system that is compatible with the development of new quality productive forces, served sci-tech innovation and the building of a modern industrial system, and promoted the virtuous cycle of "technology-industry-finance".



## Promoting the application of the "technology flow" credit evaluation system

The Bank has continued to promote the application of the "technology flow" credit evaluation approach. Based on multiple dimensions including business capabilities, industry attributes, R&D investment, enterprise qualifications, credit records, and cooperation with the Bank and supported by data, models and systems, the Bank focuses on examining the number and quality of enterprises' intellectual property rights, the intensity of invention patents, the strength of the scientific research team, sci-tech qualifications, sci-tech innovation awards, and other sci-tech innovation capabilities, to evaluate the operating stability of technology enterprises, convert their "soft power" into "hard currency" for financing, and solve the problems of light assets, lack of traditional collateral, and lack of R&D funding faced by enterprises.

As at the end of 2024

the Bank's "technology flow" credit evaluation system

was iterated to version **5.0** 

with actual credit funds of RMB393,036 million

strongly supporting the development of technology enterprises.



### Providing low-interest special loan funds with the "technology flow" evaluation system

Located in Zhangzhou City, Fujian Dianjing Technology Co., Ltd. is a national high-tech enterprise that mainly offers smart solutions based on big data. The company has been listed on the "New Third Board". Zhangzhou Branch tailored an exclusive financing plan to meet the financing needs of the company. The branch utilized the "Science and Technology Loan" to lower the loan threshold, the "technology flow" evaluation system to increase the pass rate, and the policy on loan interest subsidies for specialized and sophisticated technology enterprises producing unique and novel products, so as to lower the loan costs of the company. In February 2024, the Bank allocated RMB20 million of low-interest special funds to ease the burden of the company and accelerate its development.



### Serving high-quality technology enterprises through "digital order financing" and the "technology flow" evaluation system

Qingdao Zhongbao Plastic Industry Co., Ltd. is a high-tech enterprise dedicated to the R&D, production and sales of high-performance new materials. Its products include modified plastics, fully biodegradable plastics, high-performance composite materials, and other products with independent intellectual property rights. The company has been designated as a national-level specialized and sophisticated technology enterprise producing unique and novel products known as a "little giant". In 2024, the company received large orders. However, it is not easy for a sci-tech innovation enterprise with light assets to obtain traditional credit support from banking institutions. After learning about the actual situation of the company, Qingdao Branch designed a financing plan featuring "digital order financing" and the "technology flow" evaluation system for the company based on its characteristics. The branch evaluated the company using the "technology flow" evaluation system. Based on the company's technical and product advantages, the branch utilized the "digital order financing" model to approve a loan limit of RMB60 million for the company. Subsequently, the branch provided credit loans amounting to 70% of the amount of orders signed between the company and other parties and used the digital order ERP system to check orders, logistics orders, invoices, and fund returns online, further realizing online order financing.



#### Supporting the development of emerging industries \_\_\_

Strategic emerging industries are the new pillars and new arenas leading future development, representing the way forward for a new round of scientific and technological revolution and industrial transformation. The Bank has continued to establish a new credit evaluation system suitable for technology enterprises, increased credit support for emerging industries, and enhanced the "new" power of financial services.



#### **New-generation information technology**

UCloud, a national high-tech and provincial-level specialized and sophisticated technology enterprise producing unique and novel products, mainly provides a variety of big data services including cloud databases, data transmission, data warehouses, data analysis, and AI knowledge bases. In October 2024, Shanghai Branch provided UCloud with a credit of RMB100 million, RMB50 million of which was intellectual property pledge financing loan. The funds will be used for the company's daily operation, including R&D and equipment procurement and renewal, to achieve the transformation from "soft" to "hard". Specifically, the funds will help revitalize "soft" assets such as intellectual property rights and support "hard" servers and AI computing power investment, enabling the company to enter the fast lane of development.



ΑI

W Company, a Wuhan-based technology enterprise, specializes in intelligent visual technology solutions. The company has developed the airborne optoelectronic pod Al detection, recognition, and tracking image processing modules, vehicle-mounted image processing modules, image compression chips, intelligent video analysis systems, and other embedded image processing products based on intelligent vision, which are widely used in emergency rescue, power inspection and other industries. To address the company's funding needs in the product development stage, Wuhan Branch provided the company with an exclusive product—R&D Loan for Tech Enterprises. The special R&D loan funds solved the company's R&D funding difficulties.



#### Semiconductor

In Wuxi, Jiangsu Province, a semiconductor encapsulation equipment manufacturer with a history of less than three years is accelerating the development of new-generation technologies. Wuxi Branch innovatively launched an exclusive product named "R&D Loan for Tech Enterprises". The branch broke through the limitations of corporate financial indicators and asset strength and provided credit of RMB7 million based on R&D investment, effectively addressing the urgent need of the company in technology R&D.





#### **Biomedicine**

Green Valley Pharmaceuticals is one of the earliest innovative pharmaceutical companies in Shanghai to specialize in the R&D and production of carbohydrate-based drugs. To improve the production capacity of GV-971 and a series of carbohydrate-based drugs and meet the drug needs of more patients, Green Valley Pharmaceuticals planned to invest RMB370 million to build China's first global carbohydrate-based production base for drug export. In 2024, Shanghai Branch provided the company with an industrial plant loan of RMB240 million, effectively meeting the company's fixed asset investment needs. Shanghai Branch continued to operate in the local biomedical industry. It successively provided loans and industrial plant loans for Desano's Henan project, BeiGene's Zhangjiang R&D Center and other projects, strongly supporting the development of Shanghai's

biomedical industry.



New energy

H Company is an energy storage company located in Longyan, Fujian. As the market becomes mature and the costs of lithium battery continue to decline, the company actively deploys the lithium battery new material industrial chain, intensifies efforts to promote product and technological innovation, and improves equipment investment. In 2024, based on the equipment purchase cycle of the company, Longyan Branch approved a mediumand long-term green project loan of RMB80 million and provided a personalized repayment and interest payment method to meet the company' funding needs for renewing and transforming lithium battery energy storage system equipment and help the company foster new quality productive forces and create excellent equipment products with high energy storage.





#### **Industrial automation**

L Company, a company that specializes in industrial automation, is a leading domestic provider of automation and information technology solutions. Its main businesses include industrial automation, transportation automation, and electromechanical solutions. In 2024, Hong Kong Branch helped the company complete the US stock privatization project as the lead arranger, bookkeeper, and lender. In this project, Hong Kong Branch fully utilized its rich project experience and advantages in domestic and overseas coordination built up over the years, to provide the company with a full range of financial services throughout the process. After the company delisted, Hong Kong Branch actively collaborated with domestic branches to continue to provide domestic and overseas comprehensive commercial banking services for the company's subsequent business development. The branch provided the company with routine agency salary payment, working capital financing, settlement and cross-border financing services to support its long-term and healthy development.

## 2.2 Serving the development of key regions

In active response to major national strategies for the regional development, Industrial Bank has deepened the "region + industry" strategy. Based on its financial business capabilities and leading financial services, the Bank has actively contributed to the integrated development of key regions of the country. With focus on key strategic regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the central and western regions, the

Bank has continued to improve the quality and efficiency of financial services for the real economy and coordinated regional development and provided targeted high-quality financial services to support the coordinated development of regional economy, environment and society.



#### Supporting the coordinated development of the Beijing-Tianjin-Hebei region



#### Tianjin Branch helped Zhangjiakou to develop infrastructure for the big data industry

As digital economy flourishes, Zhangjiakou City in Hebei Province is speeding up the development of infrastructure for the big data industry. The city has emerged as an important data center and computing power service base in the Beijing-Tianjin-Hebei region. Tianjin Branch implemented the "region + industry" strategy, actively responded to the needs of the local government and industrial development for the infrastructure of the big data industry, and focused on providing loans for key infrastructure projects in Zhangjiakou. In 2024, the branch provided loans for multiple important data center projects in Zhangjiakou, strongly supporting the improvement of the big data industry ecosystem in the Beijing-Tianjin-Hebei region.

Hoyinn Data (Huailai) Science and Technology Industrial Park: Tianjin Branch provided financial support for the project to help build a leading domestic large-scale data center cluster so as to meet the growing demand for computing power in the Beijing-Tianjin-Hebei region.





Baode Shuba Digital Industry (Hebei) Co., Ltd.: Tianjin Branch supported the company in developing a localized server production line in Zhangjiakou City through project loans, filling the gap in the big data equipment manufacturing industry and further enhancing the overall competitiveness of Zhangjiakou's big data industry.

#### Supporting the integrated development of the Yangtze River Delta



### Hangzhou Branch launched a project loan for dual-use public infrastructure that could accommodate emergency needs

The intelligent logistics equipment IoT industrialization project invested by Shanghai Fineex Logistics Co., Ltd. in Zhejiang Province is a major project in Zhejiang Province, a key project in Hangzhou City, and the most important investment attraction project in Lin' an District. In 2024, Hangzhou Branch issued a syndicated loan of RMB120 million for the project, which was the first project loan for dual-use public infrastructure that could accommodate emergency needs.

Hangzhou Branch and the company have established ties for a long time. After learning that the company was selecting the project site in Lin' an, branch staff members accompanied the company to many locations for inspections. After learning about the financing needs of the project, Hangzhou Branch actively followed up and formulated a project service plan. It also worked with financial peers to provide business support for customers, took the lead in laying down financing plans, and promoted syndicated loans. As the project progressed, Lin' an Sub-branch took the lead in organizing syndication meetings many times to solve financing difficulties and coordinate various banks to reach an agreement. In project loan issuance, the sub-branch took the initiative to draft the agreement and handle mortgage and other work. The syndicated loan was successfully launched, effectively meeting the project's funding needs.

Supporting the development of the

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## Guangdong-Hong Kong-Macao Greater Bay Area



Guangzhou Branch promoted the financial connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area

To enhance the connectivity of the financial market in the Guangdong-Hong Kong-Macao Greater Bay Area and promote the integrated development of regional economy, Guangzhou Branch actively piloted the "cross-border wealth management connect" business. Since the implementation of the "cross-border wealth management connect 2.0" policy in 2024, Guangzhou Branch has, based on regional characteristics and the geographical advantages of the Greater Bay Area, worked to innovate cross-border wealth management business. The branch has established partnerships with Hong Kong Branch of Industrial Bank, Chong Hing Bank and Macao Development Bank in "cross-border wealth management connect", with a total of 451 accounts opened (including 449 accounts under the Southbound service and 2 accounts under the Northbound service), an increase of 443 accounts over the previous year. While strictly implementing regulatory requirements, Guangzhou Branch has orderly improved its digital service capabilities and continued to meet the diversified asset allocation needs of residents in the Greater Bay Area.

#### Supporting the development of central and western regions



Deepening cooperation in energy projects to facilitate the coordinated economic development in the western region

JinkoSolar, a leading company in the photovoltaic industry, has focused on cross-regional development in recent years. To meet the company's project construction needs in multiple provinces and cities in the central and western regions, Shanghai Branch, in response to the Bank's east-west collaborative development strategy, engaged with branches in western China to coordinate businesses nationwide through various means such as differentiated authorization, providing innovative cooperation paths for the company and injecting new momentum into the economic development of the western region.

In the second phase of the 20GW project of Qinghai JinkoSolar Co., Ltd., Shanghai Branch worked with Xining Branch to provide an exposure credit of RMB1.5 billion, and RMB300 million was issued. The branches achieved cost reduction and efficiency improvement by utilizing local advantages.



In the intelligent production line project of the integrated large base of JinkoSolar (Shanxi) with an annual capacity of 28GW wafers and high-efficiency battery pieces, Shanghai Branch and Taiyuan Branch provided an exposure credit of RMB1.44 billion, and RMB333 million was issued. The project is expected to achieve an annual photovoltaic battery capacity of 28GW. By adopting the "region + industry" strategy, Shanghai Branch considered the local situations and actively empowered the company by utilizing the characteristics and advantages of the region. It promoted reasonable risk sharing and optimal resource allocation, helped the photovoltaic industry to improve quality and efficiency, and injected strong impetus into the economic development of the western region, thereby advancing the coordinated economic development of the region.

#### Supporting the revitalization of northeast China



#### Promoting the "Cornerstone Plan" and supporting the development of major regional projects

The Sishanling iron ore mime of Benxi Longxin Mining Industry Co., Ltd. is the largest registered single iron ore mine in China, with a resource reserve of 2,484 million tons. The mining and dressing scale in the first phase reached 15 million tons per year. The project is among the first batch of key projects included in the "Cornerstone Plan" of the country. In August 2023, Shenyang Branch took the lead in issuing a syndicated loan of RMB3.5 billion for the project. The total capital demand of the project was RMB5,813 million, and self-owned funds amounted to RMB2,313 million. As at the end of 2024, RMB2,693 million of the syndicated loan was issued. The balance of the syndicated loan issued by the Bank was RMB1 billion, accounting for 37.13%. As at the end of 2024, 88% of the construction of the Sishanling iron ore development project had been completed, and 7.5 million tons of the iron ore mined and dressed in the first phase entered the production stage. After project completion, the company will become the world's largest green and intelligent mining enterprise using the large-diameter, deep-hole, open-field delayed filling method for mining. The project is of great significance to improving the iron ore self-sufficiency rate of iron and steel enterprises in northeast China, ensuring the security of national iron ore resources, promoting the revitalization of northeast China, and advancing the transformation and upgrading of traditional industries.





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## 2.3 Advancing high-level opening up

Adhering to an international development strategy, Industrial Bank has actively integrated into China's high-level opening-up, continued to expand its global business layout, continuously improved its global comprehensive financial service capabilities, assisted

Chinese enterprises in going global, brought in global customers, provided integrated comprehensive financial services for global customers, and promoted cross-border exchanges between domestic high-quality enterprises and international investors.

#### Improving cross-border financial services \_\_\_\_\_

The Bank has continuously enhanced its cross-border financial service capabilities, improved the cross-border financial service system, and enabled enterprises to play a bigger role in the global industrial chain and value chain.

## Using cross-border financing to boost the development of small and micro enterprises

The Bank used cross-border financing and other products to help small and micro enterprises obtain funds and stimulate new development momentum on an ongoing basis. In August 2024, Hong Kong Branch issued the "Inclusive Sci-tech Innovation Enterprise" social responsibility USD-denominated bonds, with a scale of USD500 million and a term of three years. The funds raised will be used for eligible projects of "indirectly creating jobs through loans to small and micro enterprises".

#### Serving global fund management

The Bank improved the cross-border treasury services for Chinese multinational conglomerates seeking global expansion. It ranked first among domestic commercial banks for four consecutive years by the number of group customers sharing direct connection in global fund management. It introduced the innovative treasury management model of "CIPS (Cross-Border Interbank Payment System) + Treasury" and launched the bank-to-bank direct connection model to provide customers with different options through lower-cost global fund management service and help enterprises initiate a diversified global fund management service model.

#### Improving the cross-border service journey

The Bank launched the international business online service platform (version 4.0). It upgraded customer journey to integrate cross-border financial services with non-financial services. The Bank made a comprehensive upgrade in five aspects, namely concept, experience, service, capability, and scenario. Based on its cross-border fund pool system, the Bank developed a high-quality online cross-border service platform to provide enterprises with comprehensive cross-border financial service solutions.

In response to the foreign exchange facilitation policy of the State Administration of Foreign Exchange, the Bank helped improve the quality and efficiency of trade balance facilitation policies for high-quality enterprises, launched a product for corporate banking customers for direct transfer of inward remittance, and supported the automated processing of cross-border domestic and foreign currencies and domestic inward remittance in foreign currencies under trade in goods and trade in services, to streamline the transfer process, improve process efficiency, and enhance customer experience.

The Bank comprehensively upgraded international business functions to cover more cross-border scenarios. It smoothly connected and integrated the customer systems and the bank systems to provide customers with financial and non-financial services. The number of active customers steadily increased, with a natural growth rate of 25.6% in 2024.

The Bank actively promoted the multilateral central bank digital currency bridge project to reach the minimum viable product stage, becoming the first participant among domestic joint-stock banks. Based on the currency bridge project, the Bank realized inter-bank fund transfer and cross-border fund transactions in trade in goods and trade in service scenarios in Chengdu, Suzhou, Dalian and other places. It enabled the access of partner banks to the currency bridge through the Bank, effectively extending the coverage of e-CNY services and upholding the people-oriented nature of e-CNY.

#### **Innovating cross-border e-commerce services**

The Bank issued the Cross-border E-commerce Financial Service Solution 2.0 and actively built local cross-border e-commerce ecosystem scenarios. It launched the electronic letters of guarantee for tax payment in cross-border e-commerce retail imports, further promoting the facilitation of cross-border e-commerce retail imports and facilitating the payment of customs duties for cross-border e-commerce enterprises. It added the "Transparent Cross-border Transactions" function segment to the Cross-border E-commerce section of Industrial Steward (EasyTrade) and a number of non-financial services to update enterprises on industry trends and development prospects and help enterprises conduct cross-border business professionally and efficiently.



#### Addressing the settlement problem of enterprise through direct transfer of inward remittance

T Company, a Shenzhen-based small and micro enterprise engaging in international freight forwarding, mainly operates the air freight and shipping business. With the rapid development of cross-border e-commerce, EasySpeed faces challenges in fund turnover efficiency. To meet the timeliness requirements for collection and payment in cross-border fund settlement, the Bank innovatively



launched a product for shipping enterprises for direct transfer of inward remittance, to streamline the business process and realize intelligent system review and automatic transfer. The time for a single transfer was shortened from three hours to 20 seconds, greatly reducing the business processing time and accurately solving the pain points of freight enterprises with relatively fixed counterparties that require fast fund turnover, especially in the collection of ocean freight.



### Improving the cross-border online system to promote efficient cross-border settlement

Shipping is an indispensable part of global trade and plays an important role in international trade and economic growth. In 2024, Qingdao Branch launched the shipping finance segment and rolled out the function of domestic ocean freight payment in foreign currencies, making it possible to automatically verify the authenticity of invoices through the tax system and extract remittance elements. The whole process is handled online. It has solved the pain points of freight forwarders, shipping agents, shipping companies and other transportation enterprises in high-frequency, small-amount foreign exchange payment, such as burdensome information filling and long processes. For shipping customers, it can greatly enhance the efficiency of ocean freight payment and significantly improve customer experience.

#### Supporting the development of the Belt and Road Initiative

2024 marks the 10th anniversary of the Belt and Road Initiative. Standing at a new starting point and facing new opportunities, the Bank has focused on customers benefiting from connectivity in infrastructure and trade, kept up with the regional needs under the Belt and Road Initiative, and increased support for countries and key projects along the Belt and Road by utilizing innovative financing products such as international syndicates and export buyer's credit.



### Independently granting loans to the Auto Parts City project of China State Construction in Maldives

The Auto Parts City project of China State Construction in Maldives, a project included in the achievement list of the "Belt and Road" Forum for International Cooperation signed by the heads of China and Maldives, has great significance in promoting green transformation and building "small and beautiful" projects for improving people's wellbeing. In 2024, the Bank independently granted loans to the project. It was the Bank's first export buyer's credit financing business supported by the "double 95" insurance of China Export & Credit Insurance Corporation, marking the Bank's active attempt to contribute to high-quality Belt and Road development, give play to the role of China as a financial powerhouse, and seek win-win cooperation.



### Helping enterprises go global

The Bank has laid a good foundation for overseas business, given play to the role of Hong Kong Branch as a beachhead, established ties with lead banks in major overseas projects, improved the duration management methods of overseas due diligence, and continuously enhanced the ability of domestic branches to participate in overseas projects. The Bank has also flexibly utilized products such as international syndicates and export buyer's credit to strengthen cooperation with export and credit insurance companies and adopt multiple measures to help enterprises go global.



Suzhou Branch solved financing problems for enterprises seeking global expansion and helped them explore international markets

Aligning closely with the overseas development of enterprises seeking global expansion, Suzhou Branch provided the overseas affiliates of these enterprises with easier access to financing. Through cross-border direct loans, the branch provided loan funds totaling RMB301 million to the NRA accounts (non-resident accounts) of these overseas affiliates. While effectively solving the difficulty of overseas financing, the branch enabled enterprises to enjoy preferential interest rates for domestic RMB financing and helped enterprises reduce costs and increase efficiency.



Suzhou Branch held an event themed "Setting Sail for a Better Future"

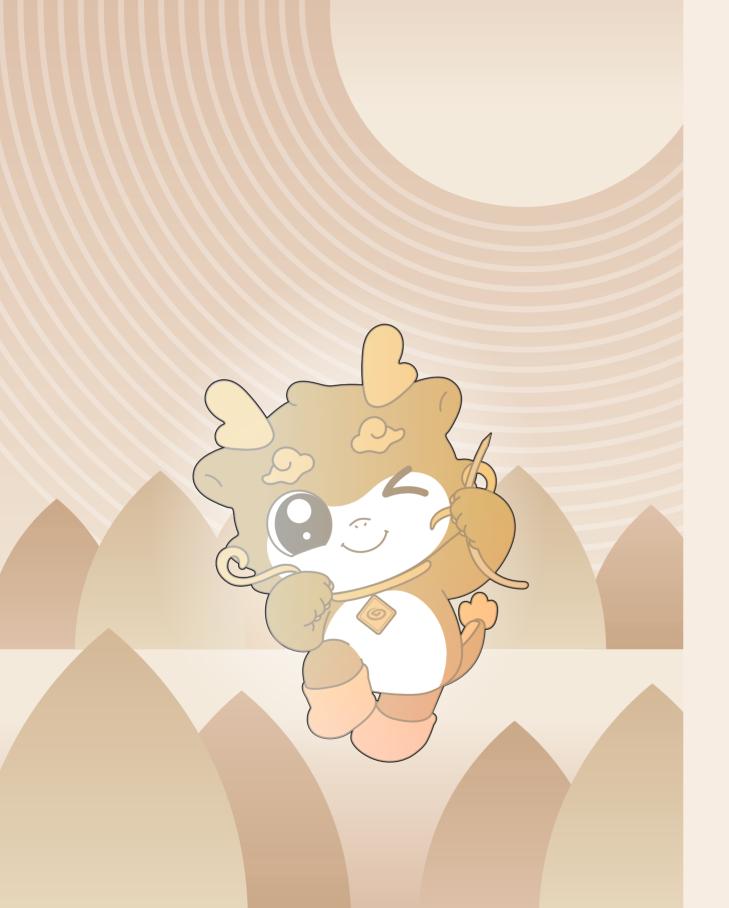


#### "Zero-contact" digital finance facilitated enterprises' global development

R Company is mainly engaged in supply chain management services, new energy vehicle sales, and goods import and export business. It is a national-level specialized and sophisticated technology enterprise producing unique and novel products known as a "little giant". In 2024, the company needed to remit the initial investment funds for an overseas R&D center project. Shiyan Branch, after conducting business investigation and evaluation, recommended that the company submit an application for overseas direct investment foreign exchange registration business through the "Industrial Steward (EasyTrade)" system. The

system enabled the company to submit image materials online and quickly complete information registration. This move made the capital project foreign exchange registration service accessible throughout the process and removed communication barriers between the Bank and enterprises.

"Instead of going to outlets, I can handle the business at home within 10 minutes. It's really convenient!" The efficient digital service was praised by the head of the company.



# ENVIRONMENT

Environment Adhering to Green Development and Jointly Building an Ecological Home

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# Focusing on Green Transition and Jointly Promoting Sustainable Investment and Financing Business

Amid the intensification of global climate change and the further advancement towards China's carbon peaking and carbon neutrality goals, the green and low-carbon transition across the society has become a major force driving high-quality development and the modernization featuring harmony between humanity and the nature. The transition has raised the bar for industrial restructuring, energy system upgrading, and technological innovation breakthroughs, while creating new scenarios for financial institutions to play their role in resource allocation. As a pioneer in green finance and ESG, Industrial Bank has actively practiced the sustainable development concept of "integrating righteousness with profit", proactively embedded environmental, social and governance factors into the entire credit process, strengthened the full-process management of investment and financing, such as due diligence, compliance review, approval management, contract terms, fund disbursement management, and post-lending (post-investment) management, comprehensively improved its ESG risk management capabilities, and contributed to the sustainable development of the economy, society and environment through multi-dimensional strategies and innovative practices.



### **ESG Risk Management (ESRM) Integration**

The Bank has continued to improve its ESG credit policies and fully applied the ESG-related risk assessment system to the credit process of the three major business lines of corporate banking, retail banking, and interbank banking. In line with relevant risk assessment standards, the Bank has divided customers into four categories: A, B, C, and D. The Bank has adopted differentiated management strategies for its investment and financing credit business and integrated various phases such as due diligence, risk review, contract signing, fund disbursement, and post-lending management.

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## 2024

# 2023

# 2022

2021

- The Bank formulated and issued the Notice on Incorporating ESG into the Credit Process on a Trial Basis for the first time, embedded ESG-related management requirements into certain high-carbon emission industries on a trial basis, and established customer ESG negative list indicators as ESG evaluation considerations.
- The Bank developed an ESG embedded credit process plan for corporate banking customers and issued ESG related credit policies. It established an ESG indicator scoring system to fully evaluate customers' environmental, social and governance performance.
- The Bank comprehensively implemented the ESG embedded credit process plan for corporate banking, retail banking, and interbank banking, embedded ESG into the credit customer credit process, and clarified the requirements of each process such as due diligence, risk review, contract signing, fund disbursement, and duration management, etc.
- The Bank formulated an ESG evaluation implementation manual for corporate banking customers in thermal power generation and cogeneration industries, improved specific scoring standards and rules, and promoted refined ESG management in the two industries. It also improved the fossil energy review strategy, clarified that new credit to the fossil energy industry was limited to advantageous regions, green finance, and low-carbon transition finance, and used green development indicators as the mininum requirements for credit access and risk review.
- The Bank strengthened guidance on the development of relevant assets in the carbon market, guided the development of assets in carbon-intensive sectors to energy conservation, carbon reduction, pollution reduction, and consumption reduction in line with ESG requirements, formulated the Notice on Promoting Transition and Carbon Reduction and Improving Relevant Industry Strategies in the Carbon Trading Market, put forward strategic suggestions on energy conservation and carbon reduction transformation, renewal of energy-consuming equipment and other businesses in coal-fired power, cement, steel and electrolytic aluminum sectors, and promoted "green + industry" integration.
- The Bank formulated the Notice on Standardizing the Unified Credit Management of Transition Finance Business in the Entire Process, clarifying the identification and cooperation strategies of transition finance business and standardizing the operations in each process of transition finance business before credit extension, including due diligence, credit review, and duration management. Specifically, in the credit review process, ESG evaluation indicators shall be considered to analyze the impact of the transition finance plan on the environmental, social and corporate governance of financing enterprises after its implementation.



#### ESG due diligence

The Bank has developed an ESG embedded credit process plan for corporate banking customers. In the due diligence phase, the Bank conducts targeted due diligence in accordance with ESG-related content based on the characteristics of the customer's industry and region, with focus on strengthening the collection and verification of basic information and data related to the customer's ESG performance. 39 indicators have been established, including energy consumption, water resource utilization, greenhouse gas emissions, corporate environmental credit evaluation, environmental administrative penalties, supplier management, customer complaints, employee social security data, solvency, information disclosure, and negative news, to ensure the authenticity, completeness and effectiveness of information.

### Contents of ESG due diligence

- Formulation and improvement of environmental, social and governance risk management policies
- Measures taken to prevent environmental, social and governance risks
- Relevant production, operation, pollution discharge and other licenses
- Energy conservation assessment review and environmental impact assessment
- Implementation of workplace safety and health and hygiene standards
- Production process and energy efficiency utilization
- Labor employment
- Negative impact on the surrounding environment
- Historical records of environmental protection and workplace safety of regulatory authorities

### **ESG** risks accessment and Credit approval

Based on relevant risk assessment standards, the Bank has divided customers into four categories, namely A, B, C, and D, and implemented differentiated credit control for each category of customers.

### **ESG-based differentiated credit control over customers**

### Category A customers

The Bank prioritizes the review and approval of credit applications for supporting green, low-carbon and circular economy in terms of time or process.

### Category **B** customers

The Bank pays special attention to, analyzes and evaluates potential ESG risk issues, countermeasures and their impacts.

### Category C customers

The Bank pays special attention to and prudently evaluates potential ESG risk issues, countermeasures and their impacts, and actively seeks appropriate ways to mitigate credit risk, including the aforementioned risk mitigation measures.

### Category D customers

In principle, new customers shall not be involved, and existing customers shall be promptly reduced and removed. In the loan review process, the Bank shall review the implementation of ESG-related approval requirements and the signing of legal documents.

#### Loan review

The Bank strictly reviews the implementation of ESG-related approval requirements and the signing of legal documents. It has specified in the loan issuance prerequisites in the approval notice that "if it is verified and confirmed that the applicant's production and operation qualifications, environmental protection, safety, etc. comply with relevant national regulations and all procedures are complete and effective, the applicant shall not be classified as an enterprise with outdated production facilities that should be closed down".

### Specific measures for loan review

- According to the approval notice, control measures must be enforced for Category C and D customers, such as remediation of legal violations, capital contribution in place, and capital injection.
- The Bank verifies the implementation of environmental, social, and governance risk control measures specified in the approval notice.
- In strict accordance with relevant policies and review & approval requirements, supplementary clauses are added to financing contracts, or customers are required to issue corresponding letters of commitment.

### **Post-lending management**

In addition to implementing the post-lending risk management requirements of customers, the Bank requires institutions at all levels to properly carry out customer ESG risk monitoring and tracking management. ESG assessments for Category C and D customers are performed regularly to track the implementation of relevant management requirements in the approval notice and monitor changes in the customers' ESG practices. These findings are reflected in the post-lending management reports. Take the thermal power industry as an example. The Bank has incorporated carbon pricing and carbon performance into the credit management process and used the carbon reduction results of enterprises during the post-lending period as an important reference for their next round of exposure limits, limit activation or interest rate pricing. For customers who have committed violations and fail to take corrective actions, the Bank will adopt risk control measures such as issuing warnings, increasing risk mitigants, and controlling credit limits.

### ESG control of key industries

In 2024, the Bank further responded to the overarching trends of high-quality development, digital transformation, and green development, developed the "five priorities" with new concepts, new momentum, and new tools, implemented a differentiated credit policy of "guarantee, control and reduction", focused on key industries and key regions, guided credit resources to business areas with low energy consumption, low emission, low pollution, high efficiency and good market prospects that meet relevant ESG requirements, and further refined risk policies, to better serve business development.

### Leveraging first-mover advantages in green finance to achieve the international carbon peaking and carbon neutrality goals

The Bank enriched and improved the green finance product and service system, focused on key areas of carbon reduction and pollution control such as clean energy, energy conservation and environmental protection, and carbon emission reduction technologies, accelerated the development of green assets, increased coverage, continuously advanced the low-carbon transition of asset portfolios and biodiversity protection, and mitigated environmentally sensitive risk exposure. Seizing the business opportunities in carbon finance, the Bank focused on "trading + market making" and targeted "carbon rights + carbon sinks" to improve the comprehensive carbon finance service system. The Bank explored investment projects for the sustainable development of the marine economy, accelerated the innovation of financial products in the marine industry, and promoted the effective coordination between supply and demand in key regions of the blue economy.

### Strictly controlling industries with overcapacity

In line with the principle of "controlling increases in production capacity, improving existing production facilities, and adjusting the structure", the Bank paid attention to the differentiation of enterprises in the industry, adhered to the strategy of advantageous regions and high-quality leading enterprises, and strictly controlled new credit supplies to carbon-intensive and high-risk industries.

### Controlling risks in traditional high-energy-consuming industries

With a deep understanding of the policy of "establishing the new before breaking the old" in the low-carbon transition of the economy, the Bank paid equal attention to business development and risk prevention and control, allocated credit resources to high-quality entities that supported energy security, industrial upgrading and transformation and green and low-carbon development, and new energy green electricity production, and satisfied the reasonable financing needs of basic production enterprises. For the core production entities of the Group that undertook green transition tasks and whose low-carbon transition projects met the Bank's policy requirements for moderate cooperation, the Bank moderately reduced the review requirements for entities under the premise of risk isolation and satisfied the credit fund needs of enterprises for green transition and upgrading.

### Strictly adhering to the bottom line of compliance and risk

The Bank increased prudent attention to illegal environmental information on industries, projects and enterprises with great ecological hazards, especially the restraining effect of large-scale protection and governance in key regions such as the Yellow River Basin and the Yangtze River Basin on industries and enterprises with high water consumption and heavy pollution, prevented potential risks, and tapped opportunities for developing green finance. The Bank did not intervene in projects that failed to comply with national policies, regulatory requirements, or environmental protection standards or projects with incomplete approval procedures. The Bank did not issue loans or bonds for construction projects without going through legal procedures.



In 2024, the Bank developed the seventh edition of the Notice on Adjusting and Optimizing Control Requirements for Carbon-Intensive Industries. For nine key high-risk sectors, including coal, coal power, coal chemical, and petrochemical industries, the Bank continued to improve its control strategies and steadily advanced the approach of "reducing high risks and promoting green transition", ensuring the optimization and stability of the carbon-intensive asset structure while strictly controlling new credit supplies to carbon-intensive and high-risk industries.

### Control strategies for carbon-intensive and high-risk industries

In addition to green finance, transition finance, and supply guarantee businesses, the Bank continues to strictly control the outstanding exposure to high-risk customers within the jurisdiction, and no additional amount shall be added compared to the control base at the beginning of the year.

The Bank requires to incorporate the presentation and analysis of the green development and low-carbon transition of enterprises into the compliance analysis section of the due diligence report, including: energy consumption and carbon emission data of loan applicants or projects; changes in energy consumption and carbon emission during the previous credit period and industry benchmarks; technical routes and equipment processes of loan applicants or projects, whether they belong to the restricted and eliminated categories in the industrial restructuring catalog, and whether they meet other industry standards and requirements.

The Bank properly determines the credit plan based on the classification of carbon-intensive customers. For high-risk customers, the determined exposure shall not exceed the outstanding exposure in the control base period (data at the beginning of the year) in principle. For green, transition and qualified supply guarantee businesses carried out by high-risk customers, special limits shall be determined and managed separately.

The Bank continues to track changes in enterprises' core operating information such as financial indicators, operating indicators, carbon emission indicators, and energy consumption indicators, dynamically adjusts the list of carbon-intensive and high-risk customers, and adjusts the control strategies accordingly.

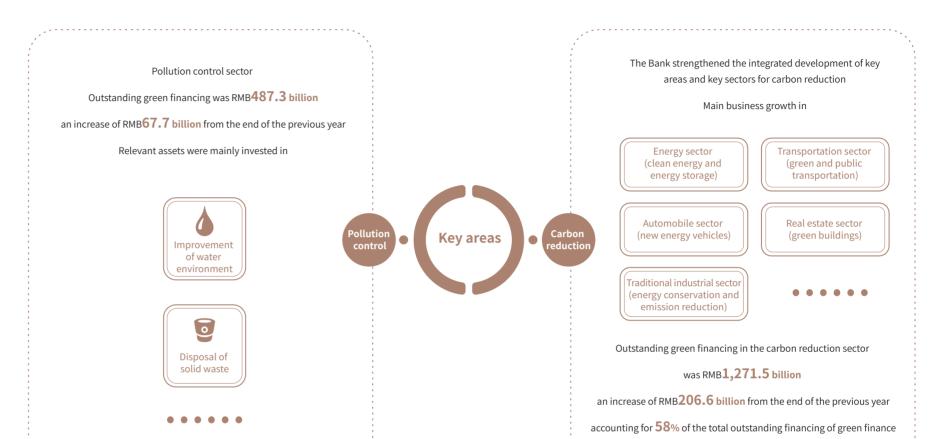


### Strengthening the control over carbon-intensive and high-risk customers and suspending the credit application of A Company

A Company is mainly engaged in the production and sales of petrochemical products in the oil refining industry, which is classified as a carbon-intensive industry. During the review and approval process, the Bank found that the newly built production facilities of A Company no longer complied with relevant national and local industrial policies. The National Environmental Protection Inspection Team had required the company to demolish and transform the facilities. Therefore, the company had potential environmental and social risks. Besides, the company failed to conduct proper internal management and faced risk in weakening of financial indicators. After comprehensive evaluation, the Bank rejected its business application.

# Advancing carbon reduction and pollution control in a coordinated way

The Bank has continuously advanced the comprehensive green transition of businesses, focused on key areas and regions that drive carbon reduction and pollution control for synergistic efficiency, continuously innovated its service models, increased investments in green assets, and kept adjusting and improving its business structure.





Nine green finance reform and innovation pilot zones

A total investment of

RMB 1.65 trillion

since contract signing

The financing scale of green finance
in Fujian Province
was RMB184,373 million
an increase of 11.21% from
the beginning of the year

The financing balance of green finance of branches along the Yangtze River Basin was RMB 921.5 billion an increase of RMB 101.7 billion from the beginning of the year

The financing balance of green finance of branches along the Yellow River Basin was RMB409 billion an increase of RMB66.1 billion from the beginning of the year

The financing balance of green finance of branches involved in the development of the Western Wind-Solar Megafarm was RMB 186.3 billion an increase of RMB 35 billion from the beginning of the year

with significant adjustment in the business structure

The disclosure framework stipulated in the Shar Stock Exchange (SSE) Sustainability Reporting G

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### 3.1 Climate change response

Industrial Bank actively responds to and makes efforts towards the goals of realizing carbon peaking by 2030 and carbon neutrality by 2060. As a pioneer in China's banking sector, it is among the first to adopt the Climate Neutral Now Initiative of the United Nations Framework Convention on Climate Change. The Bank proactively identifies and assesses climate risk, establishes climate risk management processes and develops relevant tools, strengthens the identification, assessment, calculation, management and application of carbon assets, and effectively embeds climate-related factors into the comprehensive risk management process.

#### Governance

The Bank has incorporated climate risk into the comprehensive risk management system and continuously improved the governance mechanism of climate risk. The management regularly reports important matters such as ESG and climate-related risks to the Board of Directors. The Board of Directors forms a communication letter to convey related opinions and suggestions to the management and relevant management departments of the Head Office, thereby driving the enhancement of climate risk management.

**Board of Directors** 

The Risk Management and Consumer Protection Committee under the Board of Directors of the Bank is responsible for formulating strategies and basic policies on management of risks including climate risk, clarifying the climate risk management mechanism in the Bank's ESG Policy, and supervising and inspecting the implementation of strategies and policies. The Board of Directors reviews the Bank's climate risk-related issues, determines and gradually builds an "identification-measurement-application" framework to deal with climate-related risks, actively responds to the impact of climate risk, and gradually promotes the application of climate risk management in specific businesses. The Strategy and ESG Committee is responsible for deciding on various strategic plans for sustainable development and ESG and incorporating ESG into the five-year development strategic plan. The plan also highlights the important role of climate risk management in the overall strategy.

Managemen

The Bank integrates ESG and climate risk management into its comprehensive risk management system, clearly defines the responsibilities of the Risk Management Committee of the Head Office regarding climate risk management, regularly reports ESG and climate risks to the management and the Board of Directors, and adjusts and improves credit and investment policies. The management of the Bank regularly reports important matters such as ESG and climate-related risks to the Board of Directors and conveys the opinions and suggestions of the Board of Directors via the communication letter to the management and relevant management departments of the Head Office, thereby driving the enhancement of climate risk management.

Executives

The Risk Management Department, as the leading department responsible for climate risk of the Bank, continues to conduct risk and opportunity assessments related to climate change, integrates the assessments into the existing risk management framework, conducts regular analyses and assessments to formulate appropriate response strategies, actively studies and explores climate risk stress testing, and cooperates in disclosing the results of climate risk stress testing.

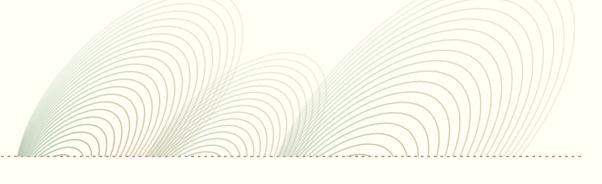
### **Strategy and management**

Industrial Bank has scientifically planned and established its carbon neutrality goals and a phased roadmap and systematically carried out carbon emission reduction actions. Meanwhile, leveraging its advantages in the "commercial banking + investment banking" model, the Bank has made comprehensive planning for carbon finance business, focused on key areas of carbon reduction and pollution control such as clean energy, energy conservation and environmental protection, and carbon emission reduction technologies, and fully advanced the country' s transition towards green and low-carbon socio-economic development.



The Bank has actively implemented the new development philosophy, steadily promoted the comprehensive green transition of the Group's businesses, effectively supported the goals of carbon peaking and carbon neutrality, advanced green finance, and served the building of a Beautiful China. In 2024, the Bank issued the Action Plan on Promoting the "Five Priorities" of the Financial Sector, the Opinions on Promoting the High-quality Development of Green Finance and other policy documents, proposing the development goal of optimizing green finance business and becoming a first-class comprehensive service provider in green finance and the work measures to accelerate the development of green finance business, improve and upgrade green finance products, and promote the digital transformation of green finance. These documents also determined the three major goals of system development, business scale, and efficiency and quality, calling for efforts to continuously improve green finance infrastructure, environmental information disclosure, risk management, green finance products and services, and policy support systems and gradually form a market-leading green finance service system by 2027.

For details on the Bank's progress in green finance, please refer to <u>Section 3.2 "Developing Green Finance"</u> of this report.



#### Climate-related risk analysis

In addition to the operation of financial institutions, climate change risk also affects the quality of bank loans and profits through a series of transmission channels. In serious cases, it will affect the stability of the financial system, including the impact of climate change on traditional risk categories in the low-carbon transition of the economy and society.

Since 2021, the Bank has carried out periodic climate-related risk analysis to assess its resilience to transition risks under the goals of carbon peaking and carbon neutrality, voluntarily disclosed the results, and explored physical climate-related risk analysis In 2024, the Bank further expanded the industry coverage of the stress testing to include the upstream coal industry, in addition to the eight major carbon-intensive industries of power, steel, building materials, petrochemicals, chemicals, papermaking, aviation, and non-ferrous metal smelting. Meanwhile, by enriching stress scenarios and taking into account factors such as carbon emission pricing and energy consumption levels, the Bank assessed the impact on the repayment capacity of customers in carbon-intensive industries and analyzed subsequent effects on the quality of credit assets and capital adequacy. The stress testing was designed with three levels: mild, moderate, and severe, using the end of 2023 as the baseline, with the testing duration extending to 2030. Results indicate that if customers in the carbon-intensive industries fail to carry out low-carbon transition, their repayment capacities will decline to varying degrees under the stress scenarios, but the overall risk remains controllable. Under the severe scenario, by the end of 2030, the Bank's capital adequacy ratio is projected to decline by approximately 0.44 percentage points, yet the capital adequacy indicators remain compliant with regulatory requirements across all scenarios.

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### Including climate risk in the credit policy

In 2024, the Bank included requirements related to climate risk management in its credit policy, calling for efforts to properly carry out climate risk management, earnestly implement the Bank's green credit policy requirements, continuously improve the ability and level of climate risk management of loans, focus on key industries and key regions, and actively guide credit resources to business areas with low energy consumption, low emission, low pollution, high efficiency and good market prospects. Meanwhile, the Bank strengthened communication and coordination with enterprises and competent government departments, paid close attention to controlling the total energy consumption and energy consumption intensity in the region, continued to track the pilot projects of ecological environment source prevention and control of energy-intensive projects with high emissions and environmental impact assessment of carbon emissions in key industries, analyzed the impact of carbon trading prices on customer assets, liabilities, profits, losses, etc., timely assessed customer climate risk, made plans in advance, and adjusted the credit structure in a steady and orderly manner.

### Conducting comprehensive carbon audits across the Bank

Relying on its self-developed "Carbon Peaking and Carbon Neutrality Platform", the Bank conducts comprehensive carbon audits across the Bank through collecting, analyzing, and calculating carbon emissions data from various institutions. By identifying key emission sources, it guides institutions at all levels to implement energy-saving and carbon-reducing measures, aiming to cut unnecessary energy expenditures. This not only reduces operational costs at the branch level but also strengthens the green operation and carbon management system capabilities across the Bank.



### **Exploring carbon accounting for investment and financing activities**

The Bank actively conducts research on carbon accounting for investment and financing. It regards carbon emission accounting for investment and financing activities as an important basis for the Bank to prevent climate risk and an important foundation for achieving the low-carbon transition of investment and financing. Through carbon accounting for investment and financing, the Bank understands the carbon emissions of assets, gradually improves its asset structure, steadily reduces the carbon intensity of asset portfolios, develops and innovates green finance products and services, and allocates more financial resources to low-carbon assets. In 2024, the Bank launched comprehensive carbon accounting for investment and financing. As per the Technical Guidelines for Carbon Accounting of Financial Institutions (Trial) of the PBOC and other relevant standards and based on the RMB loans to corporate customers across the domestic industry as at the end of 2023, the Bank completed the data collection, verification and preliminary accounting of carbon accounting for investment and financing by the end of February 2025.



The Bank closely monitors the impacts related to climate risk and proactively conducts assessments of both the risks and opportunities brought by climate change. These assessments are integrated into the existing risk management framework and are regularly analyzed and assessed to formulate appropriate response strategies. In 2024, in accordance with regulatory requirements, the Bank submitted the Climate Risk Statistics Report of Industrial Bank to the regulatory authorities.

Disclosure

Framework

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Category	Factor	Potential impact	Countermeasure
Risk	Physical risks: Emergency extreme disasters such as typhoons, floods, droughts, and extreme high temperatures, as well as gradual evolution of climate patterns such as sea level rise and precipitation changes.	Emergency climate disasters can directly lead to property losses, such as damage to plants and equipment, production stagnation, etc., thereby increasing the loan default risk of banks. Prolonged climate change may also deteriorate production conditions in industries such as agriculture and fisheries, causing operation difficulties to relevant enterprises and affecting the quality of banks' credit assets.	Establish a climate risk assessment system and include physic risks in the comprehensive risk management framework; assess t potential impact of climate change on loan portfolios through stre testing and develop countermeasures in advance.
	Transition risk: Losses and risks caused by policy, legal and market changes during the economic transition towards low-carbon and sustainable development, such as environmental regulations and policies on carbon tax, emission limit, etc. issued by governments, as well as the application of new alternative technologies.	Due to policy restrictions and cost increases, traditional carbon-intensive industries (such as coal, oil and gas) have depreciated assets and increased business operating risks, leading to default risk on bank loans to related industries. Consumers' growing demand for low-carbon products and services causes the carbon-intensive product market to shrink, and the income of relevant enterprises decreases, affecting the credit recovery of banks. During the low-carbon transition, some enterprises may go bankrupt due to their inability to adapt to technological changes, causing banks' NPL ratio to increase.	Adjust business and credit strategies in a timely mannor incorporate climate factors when establishing the risk frameword and determining capital allocation, strictly restrict and assess trisks of loans to carbon-intensive industries, and increase support for low-carbon, environmental protection and other emerging industries; strengthen guidance and support for enterprise low-carbon transition, provide relevant financial products a services, and reduce transition risk; promote information disclosurand transparency, and enhance the trust of investors and topublic.
Opportunity	Green finance business opportunities: The transition of carbon-intensive industries and the development of low-carbon industries will generate relevant demands for transition finance. Banks can innovate and enrich green finance products to tap more opportunities in emerging markets and take the lead in the market.	Banks can increase business income by expanding and innovating products and services related to green finance and transition finance and assisting customers in green transition. Depositors and investors with enhanced environmental awareness may increase support for green finance business, which is conducive to the issuance of green/ESG-related themed products.	Work harder to innovate green finance products, development diversified green investment and financing products, and provifinancing support for key areas such as renewable ener projects, green transportation, and energy transition; issue green bonds to raise funds for the development of green project innovate carbon finance business and continuously improve to carbon finance product and service system; upgrade and promother Bank's "Carbon Peaking and Carbon Neutrality Platform".
	Efficiency improvement of energy and resource: The digital transformation of the businesses of banks and renewable energy bring new opportunities for green operation.	Green operation measures such as transforming energy-saving equipment, upgrading energy management systems, and using renewable energy can reduce energy consumption and resource waste, which can effectively reduce operating costs and improve the economic benefits of banks in the long run.	Improving energy management in offices: Improve ener utilization; gradually introduce photovoltaic power and n energy electric vehicles; fully implement digital transformati and continue to explore the development of a financial serv system compatible with the digital economy; work together promote green operation in green office, green travel, greactivities, green consumption, and green construction.

Indicators and goals

Based on a comprehensive understanding of the current status of carbon emissions, the Bank set carbon neutrality goals and created a phased roadmap:

2025

Reduce the carbon emission intensity (Scope 1 and Scope 2) in operations by 20% compared to 2020

2030

Achieve carbon emission neutrality in operating activities (Scope 1 and Scope

Achieve carbon neutrality in upstream and downstream activities across the Bank (Scope 1, Scope 2 and Scope 3 Note)

Note: Scope 3 includes categories such as business travel, employee commuting, waste disposal, transportation and distribution (upstream and downstream) and excludes carbon emissions from investment and financing

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Based on the carbon neutrality roadmap, the Bank practiced green and low-carbon operations focusing on green office, green travel, green procurement, green buildings, and green culture. In 2024, the Bank issued the Notice on Promoting the Bank's Green Operation and Comprehensive Carbon Audits in the First Half of 2024 to gain a full picture of carbon emissions and set annual carbon emission reduction tasks for institutions at all levels. It released the Measures and Standards for Green Operation that covered 42 energy conservation and emission reduction strategies in 16 categories, providing reference for the formulation and implementation of energy conservation and emission reduction work plans for various institutions and promoting the implementation of carbon neutrality goals. To improve the effectiveness of green operation and carbon emission reduction, the Bank actively explored carbon emission reduction evaluation indicators, strengthened green operation management and guidance, and effectively promoted the implementation of carbon neutrality goals.

**Key indicator** 

Management goa

2024 progress

Carbon emission intensity (Scope 1 and Scope 2)

By 2025—Reduce the carbon emission intensity (Scope 1 and Scope 2) by 20% compared to 2020

In 2024, the Group's carbon emission intensity (Scope 1 and Scope 2) was **3.68** tons/person, a decrease of **14.81**% from 2020; carbon emissions per unit of total assets was **2.40** tons/RMB**100** million, a decrease of **26.61**% from 2020.

Carbon emissions (including Scope 1 and Scope 2 carbon emissions)

By 2030—Achieve carbon neutrality in operating activities (including Scope 1 and Scope 2 carbon emissions)

In 2024, the Group's total greenhouse gas emissions (Scope 1 and Scope 2) were **252,580.58** tons, down **2.55**% from the previous year. As at the end of 2024, the Bank had **11** carbon-neutral outlets and **4** green sub-branches.

Carbon emissions in upstream and downstream activities across the Bank (including Scope 3<sup>11</sup> carbon emissions)

By 2035—Achieve carbon neutrality in upstream and downstream activities across the Bank (including Scope 3 carbon emissions)

Please refer to Section 3.4 "Practicing Green Operation" of this report. In 2024, the green projects supported by green loans achieved an annual carbon dioxide emission reduction of **25,244,100** tons.

Scope 3 emissions herein include categories such as business travel, employee commuting, waste disposal, transportation and distribution (upstream and downstream) and exclude carbon emissions from investment and financing.



### 3.2 Developing green finance

As an active practitioner of green finance, Industrial Bank has upheld the goals of carbon peaking and carbon neutrality, thoroughly implemented the new development philosophy, regarded green finance as an important development direction, continued to promote and participate in green finance innovation, guided the green and low-carbon transition of industrial and energy structures, and continued to take the initiative in serving green development and achieving the goals of carbon peaking and carbon neutrality. In 2024, the Bank upgraded the green finance product and service system consisting of diversified group-wide financial products, specialized services for carbon peaking and carbon neutrality, and tailored solutions for key industries, to promote the innovation and upgrading of green finance services and maintain the steady growth of green finance business.

### Improving and upgrading the product system \_

In 2024, under the theme of "Pursuing Green Development and Serving the Building of a Beautiful China", Industrial Bank comprehensively upgraded its green finance product and service system. The system centered on the financial service logic of "financing, investment, fundraising, and attracting investment", took "green commercial banking + green investment banking + green retail banking" as the core, and was supplemented by "green leasing + green trust + green fund". It focused on the most cutting-edge fields of the green industry and satisfied the new needs of green financing and intelligence. The Bank actively built a three-tier product and service system consisting of diversified group-wide financial products, specialized services for carbon peaking and carbon neutrality, and tailored solutions for key industries.

As at the end of 2024

the number of the Bank's green finance customers reached 71,800, up 23.14%

from the end of the previous year

The number of deep green customers

(customers whose main business scope complies with the Green Industry Guidance Catalog)

increased by 26.06% to 65,700 from the end of the previous year.

#### **Green commercial banking**

As at the end of 2024 —

according to the standards and definition of the People's Bank of China, the Bank's green loan balance stood at RMB**967,931 million**, up **19.64**% from the end of the previous year.

Specifically, clean energy, the water resources industry, solid waste treatment, etc. were key areas.

The Bank established strategic cooperative relationships with all of the **9** domestic green finance reform and innovation pilot zones

and signed strategic cooperation agreements with the governments in more than **20** areas designated for climate investment & financing and carbon peaking pilot projects.

### Environmental performance of green projects supported by green loans

Indicator	2024
Annual standard coal saving (10,000 tons)	1,049.72
Annual CO2 emission reduction (10,000 tons)	2,524.41
Annual water saving (10,000 tons)	1,086.19
Annual NOX emission reduction (10,000 tons)	30.09
Annual SO2 emission reduction (10,000 tons)	42.74
Annual COD emission reduction (10,000 tons)	20.94
Annual ammonia nitrogen emission reduction (10,000 tons)	1.08

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The Bank continued to carry out business innovation in sustainability-related financial products and launched a number of first-ever innovative products in 2024. Specifically, the Bank launched the first pollution rights pledge loans in Xinjiang and Shaanxi, the first carbon footprint-linked loans in Jilin and Shanxi, the Bank's first coal mine gas methodology CCER (China Certified Emission Reduction) development loan after the relaunch of CCER, the Bank's first EOD (Eco-environment-oriented Development) equity financing project, and the Bank's first loan linked to green power certificates; Chengdu Branch launched the country's first water rights pledge loan; Wuhan Branch launched the Bank's first loan linked to the National Carbon Market Commitment Fulfillment Certificate; Kunming Branch launched the Bank's first shale gas mining rights loan; Suzhou Branch launched the Bank's first EOD equity investment project; and Dalian Branch launched the first loan linked to distributed photovoltaic and sustainable development in the national carbon peaking pilot area.



### Protecting mangroves and exploring the new blue ocean of blue carbon finance

"Blue carbon" means marine carbon sink, or the sequestration of carbon dioxide in the marine ecosystem. It is an important way to achieve carbon neutrality through carbon sink enhancement. In October 2024, at the 2024 China Marine Economy Expo, Shenzhen Branch signed a contract with Shenzhen Blue Carbon Jiahua Technology Co., Ltd. for blue carbon finance innovation cooperation. The branch launched the country's first carbon sink pledge financial business for mangrove protection, with the purposes of addressing climate change and protecting biodiversity. The carbon sinks total more than 3,800 tons. The funds will be used to support the protection and restoration of mangroves, so as to realize a complete closed loop from development and confirmation of permits to trading and application, motivate enterprises to participate in mangrove protection and carbon sink development, promote the effective utilization and value appreciation of carbon sink resources, and drive the transformation of ecological resources into ecological capital and ecological dividends. The project received widespread attention from all walks of life and won the "2024 Blue Finance Product and Service Innovation Award" by the Shenzhen Green Finance Association.



### Launching the first pollution rights pledge loan in Xinjiang

In 2024, Urumqi Branch issued a loan of RMB30.37 million to S Steel Company in Xinjiang Uygur Autonomous Region with pollution rights as collateral. It is the first pollution rights pledge loan in Xinjiang. The company applied to the Bank for a loan with the pollution rights obtained through payment (confirmed in the form of pollution permits) as collateral, thereby monetizing pollution rights indicators. The loan not only helped the company revitalize environmental rights assets and ease financial pressure in operations, but also marked a beneficial attempt to deepen green finance innovation. It helped expand the trading attributes and financial attributes of pollution rights and allowed more enterprises to benefit from green development.

#### Green investment banking

Leveraging its strength in the "commercial banking + investment banking" model, the Bank has actively taken part in the development of the green bond market. By improving internal resource allocation, it has provided low-cost funding support for green bonds in terms of internal fund transfer pricing. It has also actively explored green bond market making business to provide more liquidity for the green bond market and reduce the financing costs of green bond issuers. In 2024, the Bank underwrote green bonds of RMB20,713 million, continuing to rank among the top joint-stock banks. The Bank launched a number of innovative projects, including the first climate-friendly green bond, the first green bonds labeled as climate bonds, and the first inter-bank green office building quasi-REITs (real estate investment trust) in the country. The Bank has also continued to strengthen its green bond investments, with a total investment of RMB21,924 million in green bonds throughout 2024.



### Guangzhou Branch helped issue the first climate-friendly green bond in China

In July 2024, the "2024 First Tranche Green Medium-term Notes of Guangdong Energy Leasing Co., Ltd." was successfully issued, with the Bank serving as the lead underwriter. It is the first climate-friendly green bond in China, with a registered amount of RMB1 billion, a first issuance amount of RMB300 million, a maturity of three years, and a coupon rate of 2.25%. All of the funds raised were used in green energy projects, including six photovoltaic power generation projects, two wind power generation projects, and four natural gas power generation projects in Guangdong Province, and the investment projects involved were all included in the Nansha Climate Investment and Financing Project Library of Guangzhou. Based on calculations, the green industry projects financed by the bond funds can reduce the emissions of carbon dioxide, sulfur dioxide, nitrogen oxide and particulate matters by 14,996,700 tons, 7,400 tons, 11,900 tons and 1,500 tons, respectively and save 7,102,100 tons of standard coal on an annual basis, with significant environmental benefits.

#### **Green retail banking**

In response to the Opinions on Promoting the High-quality Development of Service Consumption, the Bank has continued to deepen the seamless connection between finance and green consumption scenarios, providing consumers with more convenient and efficient green finance services and helping consumers practice the concept of eco-friendly living. Industrial Consumer Finance formulated the Green Consumer Finance Business and Customer Identification Guidelines to identify green consumer finance business, green consumption and sustainable financial customers at the front end. It has built a full-process intelligent risk control system in the loan process, fully considered ESG impacts from customer portraits to approval decisions, and improved the approval process for green consumption loan customers, to enhance service efficiency and customer experience.

#### **Green leasing**

Industrial Financial Leasing, a subsidiary of the Bank, regards green leasing as important strategic positioning and the ultimate goal of differentiated development. Focusing on new energy, green upgrading of traditional industries, and pollution prevention and control, the subsidiary has promoted the comprehensive green transition of financial leasing business and helped reduce carbon and control pollution. As at the end of 2024, the scale of green leasing business reached RMB79.8 billion, and investments in green projects accounted for about two-fifths of the total investments of Industrial Financial Leasing.



### Launching the first carbon emission rights pledge business in the financial leasing industry

In 2024, Industrial Financial Leasing launched the first carbon emission rights pledge business in the financial leasing industry, providing RMB180 million of "direct lease + leaseback" financial support for a private papermaking company. The 7,500 tons of carbon emission rights owned by the company were used as collateral and registered on www.zhongdengwang.org.cn. The subsidiary revitalized the company's existing carbon emission rights assets, alleviated its financing pressure, and enhanced its motivation to take part in the efforts for carbon peaking and carbon neutrality, winning recognition from the company. As the first attempt of the financial leasing industry in carbon emission rights pledge, this business enriched the financial products and trading methods related to carbon emission rights and enhanced the liquidity of the carbon market.

#### Green trust

As at the end of 2024, the balance of green trust of the Bank's subsidiary Industrial Trust stood at RMB17.1 billion. In 2024, Industrial Trust continued to serve the two key green areas of carbon reduction and pollution control, with green finance business amounting to about RMB8 billion, continuously polishing the Group's business card as a green bank.



### Industrial Trust launched the green asset-backed securities project for personal auto mortgage loans

In 2024, Industrial Trust launched the "CAAFC 2024 Second Tranche Green Asset-backed Securities for Personal Auto Mortgage Loans", with a scale of RMB2.15 billion. All vehicles corresponding to the underlying assets are new energy vehicles, and the raised funds will be used to issue new energy vehicle loans. According to calculations by professional institutions, the projects corresponding to the underlying assets of the asset-backed securities are expected to achieve a carbon dioxide emission reduction of approximately 80,461.65 tons and an energy saving of approximately 34,780.54 tons of standard coal per year compared with traditional fuel vehicles. The funds raised from this tranche of asset-backed securities will be invested in new energy vehicle projects, which are expected to achieve a synergistic carbon dioxide emission reduction of approximately 23,693.13 tons and an energy saving of approximately 10,241.65 tons of standard coal per year compared with traditional fuel vehicles.



#### **Green fund**

CIB Wealth Management, a subsidiary of the Bank, pays great attention to and actively participates in ESG and green investment market. By innovating product strategies and forms, the subsidiary actively creates equity products with multiple assets and multiple strategies and continuously enriches the ESG and green product system. As at the end of 2024, the cumulative issuance of ESG and green wealth management products by CIB Wealth Management was RMB220.3 billion, maintaining a leading position in the market. Meanwhile, CIB Wealth Management explores the application of relevant strategies for ESG integration and provides investors with diversified choices for participating in ESG investment through the application of screening strategies, integration strategies, corporate participation, shareholder actions, thematic investment strategies, etc.

CIB Fund, a subsidiary of the Bank, is the second manager in the public offering industry to create a green bond-themed fund. The "CIB Green Pure Bond One-year Regularly Open Bond Securities Investment Fund" managed by CIB Fund invested no less than 80% of its non-cash fund assets in bonds that align with the green investment concept. This product operated steadily, and the proportion of green corporate bonds held was continuously increased in 2024, thereby effectively supporting the green financing needs of enterprises. CIB Fund has also made great efforts to develop equity index funds. It has been approved to integrate ESG elements into programs such as "SSE 180 ETF" and "CSI A500 Enhanced Index", which will help further promote the concept of green investment to the market and the public.

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### Boosting the green and low-carbon transition of energy

Taking into account new energy, traditional energy, petrochemicals and other sectors, the Bank has supported the development of new energy such as hydropower, photovoltaics and wind power while promoting the transition and development of traditional energy. As at the end of 2024, the balance of corporate financing of energy finance stood at RMB846,784 million, an increase of 15.01% over the end of the previous year, of which the financing balance of technology finance and green finance customers accounted for 56%.



Traditional energy fields

The Bank dispatched its staff to Hohhot Branch, Taiyuan Branch and Xi' an Branch to visit local natural resources administrations and traditional energy enterprises, gain a better understanding of the business environment of coal enterprises, continued to pay attention to the structural opportunities of the government's transfer of new mining rights, and issued the Notice on Promoting the Standardized Development of Coal Mining Rights Transfer Fee Loan Business.

The Bank visited a number of leading enterprises in chemical new materials, worked out the Research Report on Refining-Chemical Integration Enterprises, the Research Report on High-end Chemical Industry, and the Analysis Methodology of High-end Chemical Industry, and increased credit support for the international business of the refining-chemical integration industry based on the trend of the high-end chemical industry.



The Bank improved the risk control plan for new energy industries, conducted targeted investigations on high-risk areas and the Group' s large-scale credit risks, and built a stress testing model for large-scale customers of new energy power stations in key areas. It implemented access management for automobile dealership brands, conducted investigations on existing power battery business when appropriate, and conducted prior assessment and risk control.

In line with the needs of building a supply chain ecosystem for core enterprises, the Bank innovatively launched electronic creditor's rights certificate financing business and cooperated with H Photovoltaic Component Company to implement a project, with a financing amount of RMB800 million.



### Guiyang Branch launched the first distributed photovoltaic project loan

In April 2024, Guiyang Branch successfully launched its first distributed photovoltaic project loan through online approval, with a loan amount of RMB4.63 million and a term of 10 years, for developing the 1.593MW distributed photovoltaic project at Wanda Plaza, Zhongshan District, Liupanshui. The project is expected to generate 38.93 million kWh of clean electricity during its operation cycle. Compared with conventional coal-fired thermal power, it can save 11,900 tons of standard coal and reduce the emissions of carbon dioxide, sulfur oxide and nitrogen oxide by 31,700 tons, 241 tons and 82 tons respectively on a yearly basis. With obvious effects of energy conservation, emission reduction and environmental protection, this business model will become an important approach for Guiyang Branch to promote distributed photovoltaic business.



Distributed photovoltaic project at Wanda Plaza, Zhongshan District, Liupanshui





As a pioneer in green finance, the Bank, based on its own positioning and competitiveness, has actively supported the development of national and regional carbon trading markets and innovatively launched diversified, professional and refined comprehensive carbon finance services based on enterprise demands for carbon assets, carbon sinks and carbon transactions, so as to provide high-quality financial supply for the comprehensive green transition of the economy and society and the building of a beautiful China and offer strong support for peaking and neutralizing carbon emissions. During the reporting period, the Bank implemented 23 carbon asset pledge financing projects that involved RMB2,543 million in total to provide strong support for enterprises' low-carbon transition through diversified financial tools and deliver both economic and environmental benefits.



### Innovating carbon emission allowance mortgage and pledge financing to help enterprises improve carbon resource allocation

The Bank, in collaboration with the national carbon emission permit registration institution (China Carbon Emissions Registration and Clearing Co., Ltd.), developed the "ChinaCRC-Industrial Bank National Carbon Market Carbon Emission Allowance Spot Mortgage & Pledge Price Index" to reflect the overall level and changing trend of the spot mortgage & pledge valuation of carbon emission allowances in the national carbon market, provide diversified and integrated carbon finance services such as carbon asset pledge loans and carbon sink pledge loans, support enterprises in implementing low-carbon transition strategies, and provide pricing basis for carbon finance business. In 2024, Wuhan Branch granted China's first loan linked to the "ChinaCRC-Industrial Bank National Carbon Market Carbon Emission Allowance Spot Mortgage & Pledge Price Index", with an amount of RMB10 million. The financed enterprise was a regionally leading enterprise in Huangshi City using scrap aluminum to produce aluminum profiles and was put on the list of enterprises with carbon emission rights in Hubei Province. The loan can provide financing support to the enterprise specifically for the purchase of carbon allowances, helping it seize the opportunities brought by carbon price fluctuations and maximize asset value through carbon trading in the case of shortage or surplus of carbon allowances.



### Promoting green and low-carbon transition services

The Bank actively strengthened research empowerment. In 2024, it issued the ESG Integrated Service Solution of Industrial Bank and the Carbon Peaking and Carbon Neutrality Steward Service Solution of Industrial Bank, developed a series of carbon peaking and carbon neutrality and ESG consulting products such as ESG information disclosure, ESG strategic consulting, comprehensive carbon audits, carbon peaking and carbon neutrality strategic consulting, energy conservation diagnosis, carbon reduction plan design, and carbon emission digital platform development, actively aligned with customers' carbon consulting and ESG service needs, and conducted in-depth investigations on corporate carbon emission reduction, carbon asset holdings, carbon emissions, ESG performance, etc., to provide enterprises with easier access to financing.

2024



The Bank independently developed the "Carbon Peaking and Carbon Neutrality Platform," opening "carbon accounts" for 16,800 corporate customers and 2,457,300 retail customers.



The project received awards from the People's Bank of China, local governments, the International Finance Forum (IFF), the International Data Corporation (IDC), etc.





**Expanding the**"Carbon Peaking and Carbon Neutrality Platform"



Providing one-stop ESG services for pooling intelligence and financing

- Leveraging its "Carbon Peaking and Carbon Neutrality Platform", the Bank has redoubled efforts to build three key modules including corporate carbon accounts, retail customer carbon accounts, and Group-level operational carbon management.
- The "Carbon Peaking and Carbon Neutrality Platform" has made significant progress in the entry of credible carbon data, carbon emission calculator, carbon emission factor library, carbon assessment model and report, carbon data review function, integration of carbon data onto the blockchain, and intelligent carbon peaking and carbon neutrality Q&A assistant, rendering carbon emission measurement more rational and customer services more convenient.
- As per the PBOC's Standards for the Management of Carbon Accounts of Financial Institutions and Enterprises and guidelines such as the greenhouse gas accounting methods issued by the National Development and Reform Commission and the Ministry of Ecology and Environment, the Bank has accelerated the development of the carbon account system and innovatively rolled out carbon emission reduction linked products, carbon asset pledge and other financial services based on carbon accounts.
- In line with mainstream ESG information disclosure standards at home and abroad, the Bank has provided enterprises with ESG or sustainable development information disclosure support, suggestions on ESG rating improvement, ESG strategic planning and other services, to help enterprises carry out ESG management and development and improve their governance capabilities in sustainable development. In 2024, the Bank assisted J Energy Company in publishing the ESG report and improving ESG rating and simultaneously launched the first loan linked with ESG management performance.
- The Bank has assisted enterprises in carbon peaking and carbon neutrality management and provided them with comprehensive carbon peaking and carbon neutrality solutions such as comprehensive carbon audits, carbon peaking and carbon neutrality strategic planning, carbon peaking and carbon neutrality management system, product carbon footprint management, enterprise energy conservation diagnosis, carbon market performance services, carbon neutrality solutions, and carbon asset development and trading.
- In line with the "three business cards" of green bank, investment bank and wealth bank, the Bank has provided customers with customized ESG financing products, such as ESG/sustainability-linked loans, ESG bonds, ESG transition bonds, ESG wealth management, and other financing support, to help enterprises set a benchmark for green development in the industry.



### Launching the carbon emission-linked loan based on the "Carbon Peaking and Carbon Neutrality Platform"

As an account used to record carbon footprints of social entities, carbon emission allowance boundaries, and carbon reduction contributions, the carbon account is an important tool for achieving the "carbon peaking and carbon neutrality" strategic goals. In June 2024, Fuzhou Branch launched a carbon emission-linked loan based on the "Carbon Peaking and Carbon Neutrality Platform", providing E Steel Products Co., Ltd. with a green loan of RMB96 million. The loan is linked to the carbon emission reduction data, carbon asset holding data, and carbon performance recorded in the company's carbon account, which will effectively help the company improve the entire production process and drive its green transition.



### 3.3 Protecting biodiversity

Industrial Bank has actively contributed to biodiversity protection and protected the natural ecology with financial strength. Since 2021, the Bank has successively signed the Joint Declaration of Banking Financial Institutions Supporting Biodiversity Conservation and the Global Joint Initiative on the Partnership of Biodiversity and Finance. The Bank has identified biodiversity protection as an important part of its sustainable development strategy, strengthened biodiversity protection in credit policies, risk management and control, and other aspects, and actively injected financial strength into ecological balance and global sustainable development.

### Credit requirements for biodiversity protection \_\_\_\_\_\_

The Bank has explicitly incorporated biodiversity protection into the overall credit policy and guided the entire Bank to increase support for key areas and key regions of ecological protection. It has actively supported major biodiversity protection projects, animal and plant resource protection, protection and restoration of rivers, lakes and wetlands, ecological environment restoration of mines, protection and restoration of the national ecological security shield, comprehensive management of key ecological areas, and other ecological protection and restoration projects. It has also continued to enhance the awareness of ecological protection in credit business, ensured that redlines for ecological conservation are not crossed, abided by the bottom line of environmental quality, resource utilization, eco-environmental access list and other requirements, paid close attention to the impact of project construction on ecological environment and biodiversity, continued to promote the low-carbon transition of the Bank's asset portfolios and biodiversity protection, and mitigated environmentally sensitive risk exposure.

### Innovating biodiversity financial products \_\_\_\_\_\_

The Bank has actively implemented the "Four Ones" project for biodiversity protection and thoroughly improved the green finance product system. By issuing EOD (Eco-environment-oriented Development) service plans, it has continuously increased green credit support, innovated green finance products and services, facilitated biodiversity protection through green finance, and promoted the high-quality integrated development of ecological protection and industry.





#### Assisting in launching the first green loan for biodiversity protection with green insurance in China

In November 2024, Industrial Bank launched the first green loan for biodiversity protection with green insurance in China. With the carbon sinks of Guanyin Lake National Wetland Park in Suining, Sichuan Province as collateral, the Bank issued a loan of RMB8 million to N Company in Suining City. The loan funds were mainly used for the greening of the wetland park. This loan innovatively introduced the first commercial wetland biodiversity protection insurance in China to protect the carbon sink collateral. It is the first green loan for biodiversity protection with green insurance in China.



Guanyin Lake National Wetland Park in Suining, Sichuan Province





Project of Yunnan Water Conservancy & Hydropower Investment Co., Ltd. in Hongshiyan Barrier Lake, Niulan River



### Case: Launching the loan linked to sustainable biodiversity protection and green energy power generation

In August 2024, under the guidance and support of PBOC Yunnan Branch, CIB Kunming Branch launched the first loan linked to sustainable biodiversity protection and green energy power generation in Yunnan Province, to support the ecological restoration project of Yunnan Water Conservancy & Hydropower Investment Co., Ltd. in Hongshiyan Barrier Lake, Niulan River, providing solid financial support for project construction.



### Innovatively launching the biodiversity-themed "Panda Base Hehua Credit Card"

In 2024, based on the IP image of Hehua, an adorable panda, the Bank rolled out the "Baibian Panda Base Hehua Credit Card" and the "Palm Hehua Credit Card" with special design. The products not only embody the healing culture popular with the young generation but also motivate more people to contribute to the protection of rare animals. The Bank also launched the "Love 'Industrial Bank' Panda Donation Plan", allowing customers to exchange their CIB credit card points for money according to a certain ratio. The Bank's Credit Card Center regularly donates the money to cooperative institutions according to a certain point exchange ratio, which will be used for research on the protection and breeding of giant pandas and other rare animals, thereby jointly contributing to biodiversity protection.





The Bank rolled out the "Baibian Panda Base Hehua Credit Card"





Attaching great importance to the impact of basin ecology on biodiversity, the Bank has formulated green finance service guidelines on the protection of the eco-environment of the Yangtze River, ecological protection of the Yellow River Basin, and high-quality development. It has encouraged relevant branches to formulate plans for the protection of the eco-environment of the Yangtze River, ecological protection of the Yellow River Basin, and high-quality regional business expansion based on regional conditions and in line with the principle of "regions + key projects", to support the protection of ecological resources such as rivers and lakes in various regions and promote the natural breeding and protection of species.

As at the end of 2024

the financing balance of green finance of branches along the Yangtze River Basin was RMB**921,525 million** 

an increase of RMB **101,735** million from the beginning of the year

The financing balance of green finance of branches along the Yellow River Basin was RMB408,986 million

an increase of RMB 66,082 million from the beginning of the year



### Kunming Branch continues to support the improvement of Yunnan plateau lakes

Yunnan Province is located in the upper reaches of the Yangtze River. The improvement of plateau lakes is related to the water quality of the Yangtze River and constitutes an important part of the Bank's efforts for protecting the eco-environment of the Yangtze River. In recent years, Kunming Branch has specially formulated the Guidelines for Promoting Green Finance Business for Plateau Lake Improvement in Yunnan Province, focusing on and supporting the ecological environment protection and improvement of key regions such as Erhai Lake and Dianchi Lake. As at the end of 2024, Kunming Branch granted loans of nearly RMB10 billion in green finance business to support pollution control, ecological protection, and ecological restoration.





### 3.4 Practicing green operation

As a pioneer of green finance in the low-carbon era, Industrial Bank has actively responded to the call of the state, pursued green and low-carbon development, and kept abreast of the trend of green and low-carbon transition. The Bank has proactively made relevant policies and rules for green operation, comprehensively promoted green services and green office to achieve energy conservation and emission reduction, and actively carried out comprehensive carbon audits to boost high-quality development.

### Improving the environmental management system \_\_\_\_\_\_

The Bank has actively improved the green operation management system, established a leading group for green operation work at the Head Office level, carried out green operation management with focus on green office, green travel, green procurement, green building, etc., made overall plans for, guided and supervised institutions at all levels to carry out carbon emission reduction, and comprehensively improved green operation management.

#### **Green travel**

The Bank revised the management measures for the allocation of official vehicles, improved the green and low-carbon management of official vehicles, and prioritized domestic new energy vehicles when allocating new official vehicles.

The Bank encouraged employees to choose commuter buses or new energy vehicles and used new energy vehicles as commuter buses.

The Bank revised relevant measures for commodity procurement management, supplier management, and bid evaluation expert management, updated the bank-wide centralized framework procurement commodity catalog, and further consolidated the foundation of the green procurement policy.

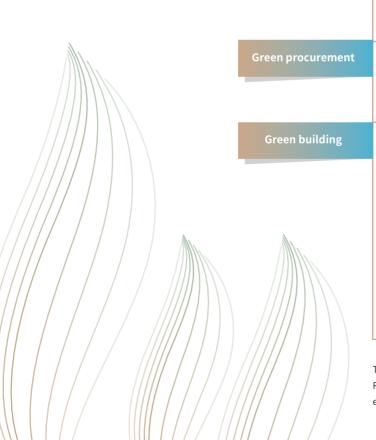
The Bank revised the management measures for office premise leasing and decoration to regulate the leasing, purchase, construction and decoration of office premises.

The Bank required that newly built/purchased/leased buildings should strictly follow the standards for green buildings and green data centers.

The Bank published the office space decoration standardization manual, stipulating the green material selection standards, energy-saving facilities and equipment standards, and green decoration process standards. It steadily promoted and strictly implemented these standards in decoration.

The Fuzhou Fintech Industrial Park project under construction has a designed photovoltaic power generation system on the roof of the building (with an effective photovoltaic area of 3,500 square meters). The photovoltaic panels are equipped with high-efficiency, long-life, and environmentally friendly cell crystalline silicon modules. The equipment capacity is 520 kilowatts, and the annual power generation is about 570,000 kWh. The project is expected to reduce carbon emissions by 330 tons per year, meeting the renewable energy requirements for 3-star green buildings in the Assessment Standard for Green Building (GB/T 50378-2019).

The Bank has strictly abided by the provisions of the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and other laws and regulations. In 2024, no major environmental emergencies, major administrative penalties or criminal incidents occurred.



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#### **Green office**

As at the end of 2024, among the Bank's self-owned properties, a total of seven buildings obtained green building certifications. In addition, when leasing new office premises and data centers, the Bank prioritized those meeting the green building standards. Branches including Xiamen Branch, Wuhan Branch and Zhengzhou Branch completed the transformation of the air conditioning systems on certain office floors of their buildings. Specifically, Zhengzhou Branch installed a terminal intelligent start-stop control system. Xiamen Branch and Wuhan Branch renewed pipelines and valve components to ensure the energy-saving and safe operation of air conditioning systems. In 2024, the self-owned office properties of the Bank's headquarters in Jiangbin Building in Fuzhou obtained the ISO 14001:2015 (GB/T 24001-2016) certification for environmental management systems and the ISO 50001:2018 (GB/T 23331-2020) certification for energy management systems.

### Eliminating "always-on lights"

- In the office area of the headquarters building, lighting is shut off during lunch breaks and at 7 pm and 10 pm after work, to eliminate "always-on lights".
- There is fixed time for turning on and shutting off lighting in public areas.
  Underground parking lot lights and lane lights are only turned on during peak commuting hours, with only emergency lighting turned on during other periods.
- Office equipment such as computers and photocopiers are set to the power-saving mode and are required to be powered off after work, thereby achieving energy conservation and consumption reduction.

### Air conditioning control

- The air conditioning system in the headquarters building is under centralized control on weekdays. For overtime work at night or on weekend, employees need to request air conditioning for their areas.
- Chillers flexibly adjust water temperature based on the outdoor temperature, and cooling tower fans run at variable speeds based on the return water temperature.
- The terminal temperature is set to no lower than 26° C in summer and no higher than 20°C in winter.
- Signs are placed on each air conditioning panel, reminding employees to properly adjust the temperature.

#### Paper saving

- The Bank promotes paperless office practices, encouraging employees to utilize online platforms for document circulation, trip booking, and expense reimbursement, thereby reducing the consumption of paper documents and physical receipts.
- Computers are set by default to "duplex printing" and "black-and-white printing" modes.
- The Bank purchases copy paper with UPM Responsible Fiber certification to reduce carbon emissions.
- In 2024, office paper consumption decreased by 70.95 tons from 2023.

### Online meetings

- The Bank fully utilizes teleconferencing and video conferencing systems for remote communication and exchanges, reducing travel for meetings and training.
- In 2024, the Head Office, branches and subsidiaries held a total of 89,210 video conferences.

### **Shared space**

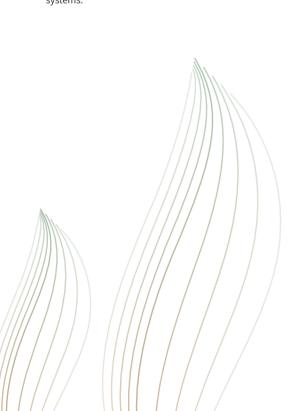
The Bank provides shared workplace and offices for short-term business trips and project team members, reducing workplace vacancy and improving space utilization.

### Office premises

- The Bank has formulated the configuration standards for office premises across the Bank to standardize the use of office premises and achieve standardized management.
- The Bank integrates and allocates office space resources and sublets or utilizes idle areas to maximize the utilization of property resources.

#### Vehicles

- In principle, domestic new energy vehicles are preferred when allocating new vehicles (including newly purchased and scrapped and replaced vehicles). Throughout 2024, a total of 114 fuel vehicles were scrapped and 81 new energy vehicles were purchased.
- Fuzhou and Shanghai headquarters provide commuter buses and metro shuttle buses, encouraging employees to use public transportation for low-carbon commuting. In 2024, approximately 268,100 employees used these transportation modes.
- The Bank has installed new energy charging piles at the headquarters buildings of the Head Office and branches to facilitate green business travel and green commuting.



#### **Green outlets**

The Bank has actively promoted all business outlets to participate in the assessment of carbon-neutral outlets and green sub-branches. As at the end of 2024, the Bank had 11 carbon-neutral outlets and four green sub-branches.

#### **Kunming Branch**

Qujing Branch and Kunming Dianchi Resort Sub-branch within the jurisdiction of Kunming Branch avoided electricity carbon emissions by purchasing green power certificates and purchased "Ning'er Carbon Inclusive" to offset the remaining carbon emissions, achieving carbon neutrality in operation and obtaining carbon neutrality certification from professional institutions.





**Qingdao Branch** 

The newly leased office premises of Qingdao Xinduxin Sub-branch and Qingdao Haier Cloud Valley Technology Sub-branch of Qingdao Branch use green and low-carbon building materials with environmental protection certification.

Chengdu Branch

The four office premises of Qingbaijiang Sub-branch, Wenjiang Yazhouwan Community Sub-branch, Mianyang Jiefang Street Community Sub-branch, and Yibin Laiyin River Community Sub-branch use green building materials and products recognized by the Center of Science and Technology & Industrialization Development of the Ministry of Housing and Urban-Rural Development, and the use rate of energy-saving lamps reaches 100%.





### **Foshan Branch**

Jihua Sub-branch and Sanshui Sub-branch within the jurisdiction of Foshan Branch used green and low-carbon building materials such as environmentally friendly paint, biological latex paint, gypsum board ceiling and artificial marble in decoration.

**Shantou Branch** 

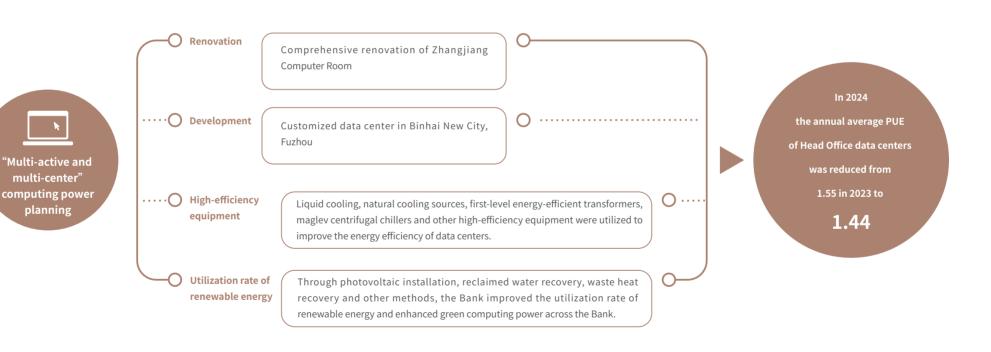
Shantou Branch, Shantou Chenghai Sub-branch, and Shantou Guanlan Haoting Community Sub-branch use green and environmentally friendly building materials such as log products, plywood, microcement, and biological latex paint.



#### Green data centers

The Bank attaches great importance to the environmental impact of data centers throughout their lifecycle. In line with the "multi-active and multi-center" computing power planning, the Bank has redoubled efforts for energy conservation and carbon reduction.

In 2024, the Bank launched projects to comprehensively renovate the Zhangjiang Computer Room and build a customized data center in Binhai New City, Fuzhou. Liquid cooling, natural cooling sources, first-level energy-efficient transformers, maglev centrifugal chillers and other high-efficiency equipment were utilized to improve the energy efficiency of data centers. Through photovoltaic installation, reclaimed water recovery, waste heat recovery and other methods, the Bank improved the utilization rate of renewable energy and enhanced green computing power across the Bank. In 2024, the annual average PUE<sup>12</sup> of Head Office data centers was reduced from 1.55 in 2023 to 1.44<sup>13</sup>.



<sup>&</sup>lt;sup>12</sup> PUE: Power Usage Effectiveness. It is the ratio of all energy consumed by data centers to the energy consumed by the IT load, which is used to evaluate the energy efficiency of data centers.

<sup>&</sup>lt;sup>13</sup> The statistical scope of the average PUE of Head Office data centers in 2024 includes the Aofeng Data Center in Fuzhou and the Pujiang Data Center in Shanghai (in 2024, the equipment of Zhangjiang Computer Room was moved to Pujiang Computer Room due to renovation).



The Bank's Gui' an Data Center under construction adopts a variety of advanced green and energy conservation technologies, including advanced refrigeration technologies such as liquid cooling, natural cooling sources, ventilation walls, and maglev phase change, as well as distributed power supply, HVDC (high voltage direct current transmission), miniature bus, and first-level energy-efficient transformers, significantly improving energy efficiency. It fully utilizes renewable energy through rainwater recycling and waste heat recovery to reduce carbon emissions. Its office area is also strictly designed and developed in accordance with the standards for 2-star green buildings. Through the above energy conservation measures, Gui' an Data Center is expected to achieve an annual average PUE of no more than 1.2. The center plans to apply for recognition as a national green data center after it is put into operation in 2027.



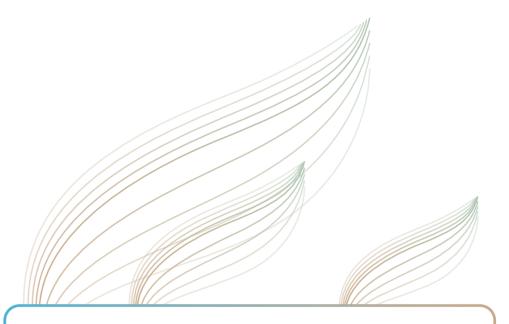
### Promoting energy conservation and emission reduction \_\_\_\_\_

As per the principle of "direct carbon reduction over carbon offset elimination", the Bank has comprehensively implemented energy conservation and carbon reduction, actively promoted green office, built green data centers, strengthened the development of green outlets, advocated green transportation, and stayed committed to building an eco-friendly bank.

### **Energy use**

The Group's energy use mainly involves electricity use, natural gas use, and official vehicle fuel consumption in operations (including data computer rooms) and office work. The Group's energy use in 2024 is as follows:

Indicator	2024
Total direct energy consumption (tons of standard coal)	5,092.18
Total indirect energy consumption (tons of standard coal)	59,184.14
Total energy consumption within the organization (tons of standard coal)	64,276.33
Decrease from the previous year (%)	2.06
Total energy consumption per unit of total assets (tons of standard coal/RMB hundred million)	0.61
Decrease from the previous year (%)	5.34
Total power generation of solar photovoltaic facilities <sup>14</sup> (MWh)	155.63



The Bank has broken down energy conservation targets into executable, time-limited tasks to ensure that there are clear key tasks and quantitative indicators in energy conservation and carbon reduction each year. It has continuously improved and expanded energy conservation and emission reduction measures to fully promote carbon emission reduction:

Through monitoring and analysis of energy consumption data, the Bank has continued to tap the potential for energy conservation and emission reduction.

The Bank has actively transformed and upgraded energy equipment and facilities such as lighting systems, air conditioning systems, and elevators to enhance energy efficiency.

The Bank has steadily increased the proportion of new energy vehicles to reduce fuel consumption.

<sup>&</sup>lt;sup>14</sup> The headquarters of Lhasa Branch and Huzhou Branch and Huzhou Changxing Green Sub-branch have installed solar photovoltaic facilities. The data herein is the sum of the power generation of photovoltaic facilities of all branches and sub-branches in 2024.



#### Water resource use

The Group mainly relies on municipal water supply. All water appliances in the Group's headquarters buildings in Fuzhou and Shanghai are energy-saving appliances with energy-saving labels. The basement of Jiangbin Building in Fuzhou is equipped with a rainwater and condensate water collection system to collect and disinfect wastewater for green plant irrigation and landscape water replenishment, recycling about 430 tons of water each year. In 2024, the total office water consumption of the Group was 1,902,400 tons, and the office water consumption per unit of total assets was 18.10 tons/RMB100 million.

The Bank has incorporated water resource management into important stages of green operation to improve water use efficiency through water-saving measures:

All water appliances in the Group's headquarters buildings in Fuzhou and Shanghai are energy-saving appliances with energy-saving labels.

The basement of Jiangbin Building in Fuzhou is equipped with a rainwater and condensate water collection system to collect and disinfect wastewater for green plant irrigation and landscape water replenishment, recycling about 430 tons of water each year.

#### **Pollutant emissions**

The air pollutants generated by the Group are mainly sulfur dioxide, nitrogen oxide and other waste gas emissions caused by the use of natural gas and official vehicles. In the employee canteen at the headquarters buildings, the cooking fumes are discharged after being treated by the gathering and exhaust system and fume purification equipment. The fume purification equipment and the gathering and exhaust system operate normally and are regularly maintained.

The Group's drained water includes domestic sewage and rainwater. The Group's wastewater is discharged as per national pollutant emission standards.

### Waste disposal

The Group's waste can be divided into hazardous waste and non-hazardous waste. Hazardous waste includes discarded fluorescent tubes, used batteries, discarded toner cartridges, and discarded ink cartridges. Non-hazardous waste includes office supplies (paper, sign pens and paper clips), electronic information products (computers, monitors and printers), and kitchen waste.

The Bank has actively promoted waste sorting. It has put up waste sorting signs at conspicuous locations in buildings and placed classified waste bins and hazardous waste recycling bins, striving to reduce waste at the source and sort waste. All discarded electronic information products of the Bank's headquarters are subject to harmless treatment by suppliers with waste recycling qualifications to ensure compliance with green and environmental protection requirements. Waste electronic equipment and ATM assets generated by branches are also subject to unified compliant disposal by suppliers with renewable resource recycling qualifications in strict accordance with relevant regulations.

### Supporting circular economy

The Bank has promoted resource conservation and utilization in line with the concept of circular economy. In 2024, the Group's waste recycling rate was 68%. Specific resource conservation measures are as follows:

The Bank actively recycled office furniture and evaluated, renovated and rearranged old office furniture to reduce resource waste. It disassembled and classified unusable furniture and recycled recyclable materials.

The Bank properly arranged furniture in the newly renovated office space to improve space utilization.

The Bank issued the Notice of Industrial Bank on Further Promoting Green Procurement Management, proposing to prioritize products and services that are conducive to resource conservation and have the least impact on the environment, reduce items that are difficult to dispose of or harmful to the ecosystem, and step up the recycling and reuse of purchased items.

The Bank reduced the use of disposable items. It encouraged employees to bring their own environmentally friendly tableware and water cups and dine in the canteen. In 2024, the Bank canceled the meal delivery service for buildings in Fuzhou, which is estimated to reduce the use of about 30,000 disposable lunch boxes and disposable chopsticks each year.

Through green operation training and multiple publicity methods, the Bank has enhanced employees' awareness of environmental protection and fostered an enabling green atmosphere. In line with the "Tens of Thousands of Green Finance Talent Program", the Bank has designed and developed an online course titled "An Introduction to CIB Green Operation", which has recorded a total of 9,078 learners since its release on the Group's internal learning website. The course aims to popularize the national carbon peaking and carbon neutrality policy to employees, interpret the Bank's approaches to energy conservation, emission reduction and carbon reduction, and enhance employees' awareness of energy conservation and environmental protection.

Conveying green and environmental protection concepts \_

The Bank has also actively participated in environmental initiatives such as the Earth Hour, encouraging institutions at all levels to organize thematic environmental campaigns. Through concrete actions, it has promoted environmental awareness and advocated for a green and low-carbon lifestyle among the public and consumers. It has also worked together with stakeholders to advance green and low-carbon transition.

### Participating in the Earth Hour lights-out event

On March 30, 2024, the Bank participated in the Earth Hour lights-out event for the 14th consecutive year. It organized institutions at all levels to turn off billboard lighting on the rooftops of office buildings, landscape lighting of office buildings, billboard lighting on roads, and office space lighting for one hour, advocating for green office and low-carbon life and promoting the concept of sustainable development. In 2024, the lights-out event covered office space of 1.55 million square meters, accounting for 43% of the total area of the Bank's business office outlets. The lights-out event also covered the landscape lighting in 960 office buildings.

### Supporting the "Happy Home—Planting a Tree of Hope" program

The Bank has launched an ongoing tree planting service for debit card customers, enabling them to convert their points into cash donations. In the name of the customers, the Bank makes donations to the China Green Foundation, exchanging every RMB10 for planting one tree. The foundation is responsible for organizing the forestry and other relevant authorities in the project area to carry out the "Happy Home—Planting a Tree of Hope" program. As at the end of 2024, the Bank made a total of 1,700 donations, and the donation points were converted into cash donations of RMB21,200.





Launching the public welfare tree planting activity themed "Protecting the Greenness in the Vibrant Spring"

On March 12, 2024, the Bank organized Party member volunteers in Fuzhou to participate in a public welfare tree planting activity themed "Protecting the Greenness in the Vibrant Spring". The activity brought together employees and their families, with an aim to educate the children on the significance of afforestation and encourage generations of people to plant trees and go green.





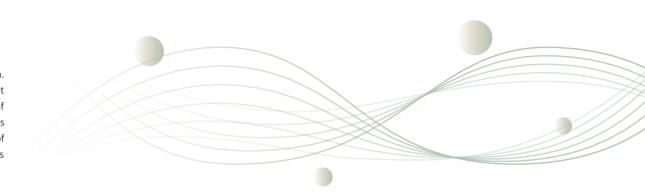
Launching the tree planting activity themed
"Planting in Spring and Going Green with
Industrial Bank"

On March 12, 2024, CIB Wealth Management, a subsidiary of the Bank, organized its employees to carry out a tree planting activity themed "Planting in Spring and Going Green with Industrial Bank", during which 50 saplings were planted in the "CIB Wealth Forest" in Changle, Fuzhou. Over the past two years, the total number of trees in the "CIB Wealth Forest" has reached 110.



### 3.5 Strengthening green cooperation

Leveraging its own resources and green finance business advantages, the Bank has continued to strengthen green cooperation. With focus on international industry associations and non-governmental organizations such as GIP (Green Investment Principles for the Belt and Road), Sustainable Blue Economy Finance Initiative, Global Joint Initiative on the Partnership of Biodiversity and Finance, and Pilot Programme of China-UK Climate and Environmental Information Disclosure, the Bank has pursued green practices, learned about international green finance standards and best practices, grasped the new situation of green development, and promoted international exchanges on green finance achievements and international business cooperation in sustainable finance.



### Taking part in the formulation of green finance standards and conducting research projects

In 2024, the Bank continued to take part in the formulation and revision of various international, national, local and industry green finance-related standards and participated in seminars in key areas; took the lead or participated in major domestic and international exchange and cooperation platforms such as the Green Finance Committee of China Society for Finance and Banking, Green Investment Principles for the Belt and Road (GIP), China-UK Green Finance Taskforce and China-Singapore Green Finance Taskforce; organized and carried out research projects in green finance innovation, transition finance, carbon finance, ESG, and fintech, expanded the Bank's professional influence, and promoted bank-government cooperation.

### International standards

The Bank participated in the drafting and formulation of the Sustainable Finance—Basic Concepts and Key Initiatives (ISO/TR 32220: 2021).

As a drafter in the financial sector, the Bank participated in the drafting of the following standards:

- Guidance on Energy Performance Contracting (GB/T 24915-2020)
- Assessment Standard for Green Building (GB/T 50378-2019)
- Guidance for Taxonomy and Assessment of Energy Efficiency Financing Projects (GB/T 39236-2020)

### National standards

As a member institution of the Working Group on Green Finance Standards, the Bank participated in the drafting of the following standards:

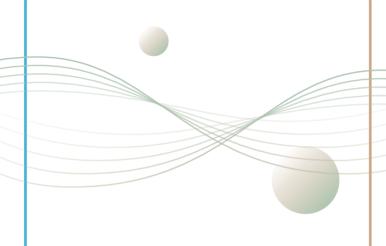
- Financial Industry Standard—Guidelines on Environmental Information Disclosure for Financial Institutions (JR/T 0227—2021)
- Environmental Equity Financing Tool (JR/T 0228—2021)

The Bank will also participate in the drafting of national standards such as the ESG Rating Standards, the Green Leasing Standards, the Green Project Database Industry Standards, and the Commercial Bank Climate and Environmental Stress Testing Standards.



Industrial Bank released a green finance theme report at the 2024 Annual Meeting of the Green Finance Committee

Industrial Bank, as the deputy secretary-general institution of the Green Finance Committee of China Society for Finance and Banking, led the Green Finance Innovation Research Group and organized more than 40 institutions to conduct research. They released the Green Finance Innovation Research Report 2022-2023, the Green Finance Innovation Research Report 2024 and other research reports, which were highly praised by multiple parties after publication.



CASE

Industrial Bank held a seminar on green financial innovation under the voluntary carbon market

Industrial Bank, as the co-leader of the Third Working Group (Working Group on Product Innovation) of the Green Investment Principles (GIP) for the Belt and Road, held a seminar on green financial innovation under the voluntary carbon market, offering valuable insights and practical cases for promoting the development of green finance products and addressing climate change challenges and continuing to build a deeply connected and interactive green finance exchange and cooperation ecological network.



### CIB Research strengthened cooperation in green finance research

CIB Research cooperated with People's Daily Press to publish the Innovation and Practice: Transition Finance and Green Finance Blue Book, a publication on green finance; published the China Sustainable Debt State of the Market Report 2023 in collaboration with the Climate Bonds Initiative (CBI), both domestically and overseas; and worked with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to release the China Sustainable Finance Products and Markets, a project report, both domestically and overseas. CIB Research also adopted the P4EAST of the Sustainability Disclosure Standards of the International Sustainability Standards Board (ISSB), continuously enhancing its market influence in green finance.



### Enhancing green finance cooperation and exchanges

Event name	Initiated by	Main content
Symposium on Serving the Building of a Beautiful China through Green Finance	Four institutions, including the PBOC and the Ministry of Ecology and Environment	Industrial Bank reported on green finance business and work experience
Symposium on Promoting the "Five Priorities" of the Financial Sector	PBOC	Industrial Bank reported on its experience and practices in advancing green finance
Workshop on Financial Support for the Green and Low-carbon Transition of the Iron and Steel Industry	CIB Research and Shandong Iron and Steel Industry Association	The workshop explored the policies, standards, innovation and practices regarding transition finance support for the green and low-carbon transition of the iron and steel industry
Hebei Scrap Iron and Steel and Short Process Electric Furnace Steel Industry Alliance Founding Meeting and Industrial Chain Collaborative Development Matchmaking Meeting	HBIS Group Shijiazhuang Iron and Steel Co., Ltd. and China Metallurgical Information and Standardization Institute	The meeting promoted financial practices for the transition of the iron and steel industry and follow-up service approaches and sought to build a good cooperative relationship between governments, banks and enterprises
Beautiful China Tour—Special Event on Comprehensive ESG Services	Industrial Bank and CIB Research	Industrial Bank and CIB Research had in-depth discussions with nearly 50 technology enterprises on the sustainable development path of technology enterprises
Serving the Building of a Beautiful China—Industrial Bank Green Finance Product System Release Conference	Industrial Bank and Xinhuanet	The conference brought together industry experts and representatives from HBIS Group, Sheng Hong Holding Group and other enterprises





### Helping technology enterprises achieve green transition through the "Beautiful China Tour" event

In November 2024, the "Beautiful China Tour—Special Event on Comprehensive ESG Services" co-organized by Suzhou Enterprise Sustainable Development Federation, Suzhou Branch, and CIB Research was successfully held, which brought together nearly 50 technology enterprises from Suzhou. The event explored the sustainable development path of technology enterprises and offered enterprises an insight into new regulations and practice trends of sustainable development. The event also purchased five tons of carbon emission reduction that meet the Verified Carbon Standard (VCS), to offset carbon emissions from this event.

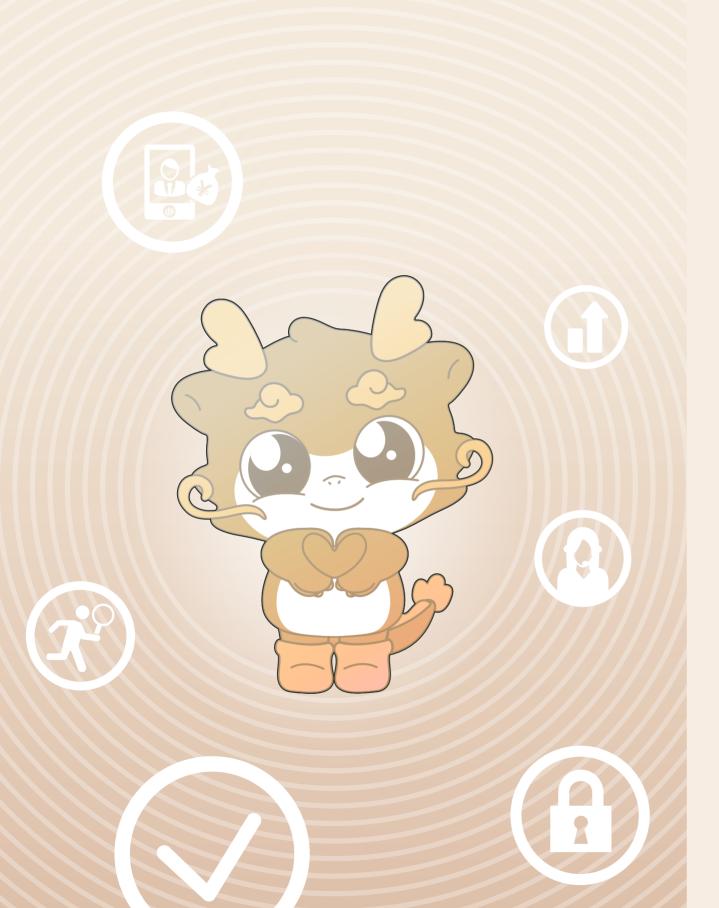




### Holding the Workshop on Financial Support for the Green and Low-carbon Transition of the Iron and Steel Industry

In November 2024, CIB Research and Shandong Iron and Steel Industry Association held the Workshop on Financial Support for the Green and Low-carbon Transition of the Iron and Steel Industry. With focus on the green and low-carbon transition of the iron and steel industry, the workshop revolved around two major topics, namely industry and finance, and went deep into the transition path and transition plan of iron and steel enterprises, standards and practices of transition finance, and transition finance tools. With the support of the World Resources Institute and the Institute of Finance and Sustainability, the workshop brought together more than 100 representatives from over 50 institutions including industry authorities, financial regulatory authorities, industry associations, iron and steel enterprises, banking and financial institutions, and international organizations.





# **SERVICE**

Adhering to the customer-first philosophy, delivering warm and caring financial services

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# Upholding the principle of finance for the people, continuously enhancing the consumer protection system



Financial consumer protection is a cornerstone for banks to fulfil corporate responsibility and achieve sustainable development. CIB continuously improves its top-level design and strengthens employee training on consumer protection to enhance its capacity to safeguard consumer rights and interests. The Bank has optimized its debt collection policies, legal and risk compliance reviews of products and services, and consumer protection assessments. During financial marketing and promotional activities, the Bank prioritizes fairness and compliance, strengthens consumer protection information disclosure, increases transparency, improves the complaint management mechanism, and conducts regular customer satisfaction surveys. CIB also safeguards data security and personal privacy. At the same time, it actively promotes financial education to improve consumers' financial literacy and facilitate communication and cooperation among stakeholders.

#### Governance -



Disclosure Framework

Strengthening the oversight over consumer protection responsibility fulfillment

- The Bank's Board of Directors continues to improve the quality and effectiveness of decision-making related to the fulfilment of consumer protection responsibilities, while the Board of Supervisors enhances its oversight over consumer protection efforts. The Board of Directors, the Board of Supervisors, and the Board of Directors' Risk Management and Consumer Protection Committee hold regular meetings to review, hear, or read annual consumer protection work plans, consumer protection work reports, internal evaluations of consumer protection, consumer protection regulatory assessment notifications, the Bank's remediation implementation reports, and updates on consumer complaints in the banking sector. These meetings facilitate in-depth analysis of and discussion on key consumer protection issues, ensuring the effective implementation of the Bank's strategic goals and policies in consumer protection.
- In October 2024, members of the Board of Directors actively leveraged their expertise, aligned with regulatory expectations and revolved around key issues of concern to financial consumers by conducting a thematic investigation into consumer protection at Hangzhou Branch. Focusing on four key areas including consumer protection philosophy, implementation of responsibilities and performance evaluation of consumer protection, consumer protection technology empowerment enhancement, and consumer protection risk prediction and prevention, they offered targeted suggestions for improvement to outlets and relevant departments at the community level. The Board of Directors issued formal feedback documents urging the Branch's management to implement these comments and suggestions accordingly.

Enhancing the building of the consumer protection system

- The Bank has actively built a "Broader Consumer Protection" framework. By formulating guidance on the implementation of the "Broader Consumer Protection" approach, the Bank enhances the primary responsibility of top executives of institutions at all levels for consumer protection, and ensures that business departments and operating institutions at all levels fulfill their principal responsibilities in this regard. The Bank has clearly defined the supervisory and management roles of the Consumer Protection Office, the Risk Management Department, the Legal and Compliance Department, and the Audit Department, thereby defining the consumer protection duties of all departments of all institutions across the Bank.
- The Bank has established a sound centralized mechanism for managing business-related consumer protection, and organized multiple departments to jointly revise detailed implementation rules in accordance with the characteristics of their respective business areas. These consumer protection standards have been integrated into all stages of business operation.

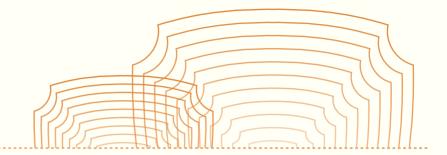
Improving the consumer protection policy system

- The Bank has formulated and revised a total of 21 policies and guidelines related to consumer protection management. For areas with frequent consumer complaints, relevant business policies have been updated to regulate marketing practices, embedding key consumer protection principles such as full disclosure and voluntary choice into marketing and promotional standards.
- The Bank also revised its consumer protection supervision and inspection management policy, clearly outlining 12 key points for supervision and inspection. For frontline practices that are prone to infringing on consumer rights and interests, the Bank introduced practical behavior standards and guidelines such as the Notice of Industrial Bank on Further Strengthening the Normalized Compliance Management of Wealth Management Sales to provide clear direction for branches on the regular operation of suitability management mechanisms in wealth management sales. This helps frontline staff clearly understand what "must be done" and what "must not be done".



#### **Strategy and management**

The Bank is committed to establishing a coordinated "Broader Consumer Protection" working mechanism. Adhering to a holistic approach to addressing both symptoms and root causes with a focus on internal accountability, the Bank strictly enforces consumer protection requirements across all staff. It solidly strengthens behavioral standards related to consumer protection, reinforces product and service management at the source, and fully integrates consumer protection into the Bank's overall performance evaluation and accountability systems. These efforts are driving consumer protection work across the Bank to reach a new level.



#### Enhancing the oversight of product and service reviews

The Bank strictly enforces measures of consumer protection review-related risk management and internal control. It conducts oversight over and post-evaluation of consumer protection reviews across institutions at all levels, with particular attention to the implementation of the "reviewing everything that should be reviewed" principle and the overall quality and effectiveness of consumer protection reviews across the Bank. The Bank continues to strengthen risk management and internal control in consumer protection reviews for products and services. It has revised its comprehensive risk management policies, designating the quality of consumer protection reviews for products and services as a key area of focus in comprehensive risk management reports, and submitted such reports to the Head Office's Risk Management Committee, the Board of Directors' Risk Management and Consumer Protection Committee, and the Board of Supervisors for review, thereby promoting the integration of consumer protection reviews into the Bank's comprehensive risk management system. In addition, based on analysis of complaints related to products and services, the Bank formulates consumer protection review management recommendations and submits them to the Internal Control Committee at the Head Office for deliberation, emphasizing the importance of preventing risks of consumer protection review at the source.

In 2024, the Bank launched the development of its consumer protection review system, which entered pilot operation in August 2024. The system enables fully digitalized consumer protection reviews and is integrated with the retail customer relationship management system to ensure that all marketing messages undergo review before being sent. In addition, consumer protection review status display and system controls have been implemented in the Bank's Tech Document System, Enterprise-Level Operations Platform Content Management Center, and the Marketing Materials Management Module in the "Smart CIB" service app. These integrations ensure that consumer protection review processes are embedded into various business management and mid- & back-end review and approval workflows, enforcing the implementation of consumer protection review requirements through system-based measures. The Bank conducts quarterly supervision and post-evaluation of consumer protection reviews across institutions at all levels, and publishes review status reports to prevent compliance risks at the front end.

In 2024

the number of consumer protection reviews continued to grow

with a total of **21,755** reviews conducted throughout the year

representing a year-on-year increase of **54.6**%

#### **Ensuring fair and compliant marketing**

The Bank implements a fair advertising and marketing policy and conducts daily monitoring and inspections of financial marketing and promotional activities. This is carried out through brand communication and new media operation briefings, monitoring of marketing SMS content, post-evaluation of consumer protection reviews, consumer complaint alerts, and third-party outlet service quality assessments for consumer protection. These measures aim to prevent any form of coercion or disguised coercion in requiring consumers to accept products or services, and to fully respect consumers' rights to be informed and to make independent choices.

To regulate financial marketing and promotional practices in consumer protection across the Bank and to promote sound business development, the Head Office's Consumer Protection Office has formulated the Management Measures of Industrial Bank for Consumer Protection in Financial Marketing and Promotion, stipulating that all financial marketing and promotional contents must undergo consumer protection review before reaching consumers. Such practices are included within the scope of internal supervision and accountability for consumer protection, and the supervision and management of financial marketing and promotion are incorporated into the consumer protection performance evaluation system. The Measures applies to all marketing-related employees, departments, domestic branches and sub-branches, and requires subsidiaries to follow for reference, so as to effectively safeguard consumers' lawful rights and interests.

Each business department of the Bank holds ultimate responsibility for the contents of marketing and promotional communications. Prior to the release of any advertisement, relevant departments are required to review the truthfulness and compliance of the contents in accordance with applicable laws and regulations. The scope of review includes marketing proposals, customer-facing FAQs, campaign webpages, promotional materials, and more. The Bank's Consumer Protection Office is responsible for reviewing the normative aspects of the communications and conducting consumer protection reviews.

#### Standardizing debt collection policies

The Bank strictly complies with laws and regulations related to debt collection management, as well as the Guidelines for Credit Card Collection Work of the China Banking Association (Trial). Considering the Bank's actual operations, and in alignment with the latest regulatory policies and business development, the Bank formulated and revised several policies during the reporting period, including the Industrial Bank Retail Credit Post-Lending Management Measures, the Retail Credit **Business Outsourced Collection Management** Measures, and the Credit Card Collection Business Management Measures of Industrial Bank (Revised in December 2023). These policies were formally released through official channels and standardized collection procedures have been established. Additionally, the Bank includes collection management in its annual consumer protection audit to ensure that the lawful rights and interests of consumers are effectively safeguarded.

#### Regulating debt collection targets

The Bank specifies that debt collection shall be directed only toward parties with repayment obligations in accordance with applicable laws, regulations, and regulatory requirements, such as debtors, guarantors, and joint obligors. It is strictly prohibited to pursue collection from third parties who have no connection to the debt.

# Standardizing the entire loan collection process

- The Bank integrates consumer protection requirements into the full process of personal loan collection. In adherence to the principles of standardization, prudence, and integrity, the Bank ensures full respect for and active protection of consumers' fundamental rights during the collection process, including the right to be informed, the right to be respected, the right to information security, and the right to seek legal remedies.
- The Bank has established a convenient and efficient complaint handling mechanism for personal loan collection and a head office-branch coordinated personal loan consumer protection process. The Head Office has developed and issued a standardized collection guide, setting clear requirements for collection procedures and operational standards. The Bank has organized multiple training sessions on compliance and consumer protection in retail credit collection for employees across the Bank, aiming to enhance compliance awareness among collection personnel and effectively safeguard the lawful rights and interests of financial consumers.

# Providing loan modification options

In its credit card business, the Bank actively offers installment restructuring programs for delinquent customers. During the performance maintenance process, the Bank adopts a user-friendly and multi-channel approach to reminders, aiming to reduce default risks. For customers who are willing to repay but face temporary financial difficulties, the Bank tailors personalized repayment plans and continuously refines its relief standards.

# Strengthening collection management work

- The Bank clarifies the responsibilities of the Head Office and branches in management, improves coordination between them in collection management and execution, and strictly controls collection quality through pre-collection prevention, in-collection management, and post-collection supervision to comprehensively enhance quality management.
- The Bank conducts regular online compliance tests for frontline personnel to effectively improve collectors' compliance awareness and capabilities and reinforce the concept of compliant operations, and simultaneously enhances system building by continuously advancing system iteration and upgrades.
- The Bank strengthens audits and inspections of the collection process, and continuously increases regulatory constraints on both internal and external collection operations to achieve full compliance across all business stages, and ensure lawful and compliant collection.
- The Bank implements and promotes the "Fengqiao model", builds a diversified dispute resolution system, and continuously develops various channels and methods for diversified dispute resolution to improve customer satisfaction, and protect the legitimate rights and interests of consumers.



#### Strengthening customer complaint management

The Bank continues to ensure smooth and accessible channels for consumer complaints, actively responds to consumer concerns, and focuses on refined complaint management. It emphasizes accountability of business entities, accelerates the intelligent upgrade of the complaint handling system, and solidly advances the overall complaint governance work. With the goal of "reducing complaints and enhancing reputation", the Bank focuses on lowering complaints in three major business areas: credit cards, personal loans, and wealth management.

The Bank's Consumer Protection Office regularly conducts comprehensive analyses and monitoring of complaints across all channels of the Bank and issues notices accordingly. By analyzing complaint data, the Bank identifies prominent and typical issues, investigates the root causes, uncovers weaknesses in the complaint management and resolution process, and proposes targeted improvement requirements. For business areas with frequent complaints, the Bank issues Consumer Protection Complaint Warning Letters to relevant institutions to urge them to strengthen complaint control and management.

# Improving the complaint management mechanism

The Bank strengthens the accountability of top leaders of institutions at all levels, and reinforces the primary responsibility of all business departments and branches for consumer protection. The Bank continues to address complaints at their root, following the principle of "addressing both the symptoms and root causes, prioritizing addressing the symptoms, and focusing on addressing the root causes". In the complaint handling process, it conducts in-depth analysis of complaint causes, identifies core issues, and adopts targeted measures to promote rectification. Different levels of complaints are subject to corresponding review mechanisms. The verification of complaint content, decisions, and final outcomes are all reviewed accordingly. The Bank's Audit Department conducts annual special audits on consumer protection to examine aspects such as complaint handling procedures and timeliness of resolution.

# Optimizing the customer complaint handling process

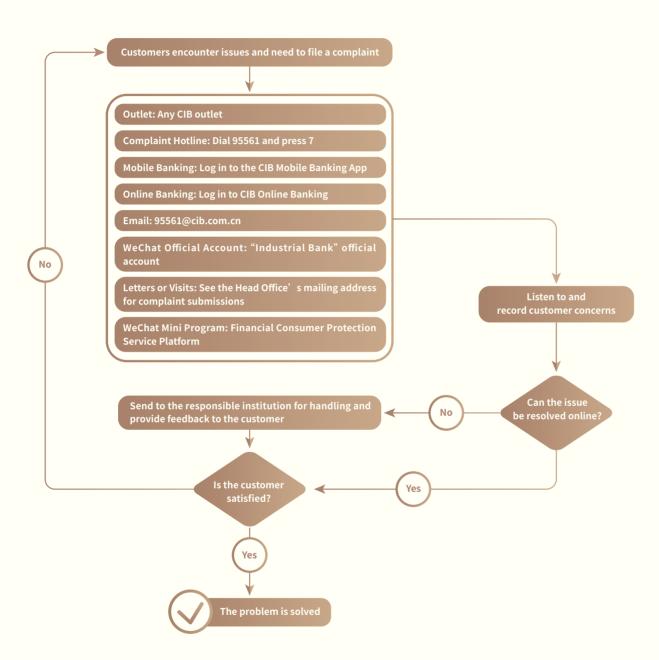
The Bank's customer services are divided into live agent services and online customer services. Live agent services operate on a 24/7 rotating schedule to ensure uninterrupted service and enhance the customer experience. Online customer services are available across multiple digital platforms including the Industrial Bank App, "Industrial Living" App, WeChat official account, and online banking. These channels support customer inquiries, transactions, grievances, and complaints, providing instant responses and immediate resolution for simple requests. The Bank continuously improves its complaint handling process by updating both online and offline complaint channels and procedures based on actual needs, ensuring that "every complaint receives a response, and every issue is addressed". In the year, the Bank adjusted its consumer complaint channels and handling procedures, updated the complaint handling process for the WeChat official account and letters & visits, and clarified aspects such as response timelines and request-for-review procedures.

# Improving complaint resolution efficiency

The Bank requires all responsible institutions to respond promptly and handle consumer complaints proactively and appropriately. In 2024, the Bank handled 225,004 complaints, all of which were addressed by contacting customers within the required timeframes. The annual complaint resolution rate reached 99.95%, with a customer satisfaction rate of 99.01% for follow-up visits after complaint handling. For unresolved cases, the Bank maintained active communication with customers in the resolution process.



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**CIB's Financial Product Complaint Handling Process** 

In 2024

the Bank received a total of **225,004** complaints

representing a decrease of 131,494 complaints down by **36.88**%

The average number of daily complaints per outlet was **0.30** 

with a complaint rate of **0.20**%

Taking into account the Bank's overall business volume, the data in the reporting period is as

----- During the reporting period -----

per 1,000 customers

decrease of

2.04

42.05%

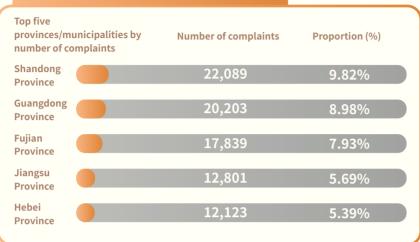
Average number of complaints per outlet decrease of

107.40

37.22%

【112】

#### Regional distribution of consumer complaints



#### Consumer complaint handling channels



#### Analysis of reasons for consumer complaint

Reasons for consumer complaint	Number of complaints	Proportion (%)	
Complaints caused by debt collection forms and methods	91,086	40.48%	
Complaints caused by institutional management systems, business rules, and process	87,547	38.91%	
Complaints caused by marketing forms and methods	36,145	16.06%	
Complaints caused by service attitude and service quality	4,423	1.97%	
Complaints caused by infrastructure, equipment, and business systems of financial institutions	3,016	1.34%	
Complaints caused by concerns over customer fund security	1,272	0.57%	
Complaints caused by pricing and service charges	673	0.30%	
Complaints caused by other reasons including contract terms, customer information security, information disclosure, and the right to make independent choices	498	0.22%	
Complaints caused by product returns	344	0.15%	

#### **Customer satisfaction overview**

In 2024, the Customer Service Center primarily conducted satisfaction surveys through two methods: post-call satisfaction surveys and outbound satisfaction calls via intelligent robots.

#### **Customer satisfaction overview**



# Post-call satisfaction survey

Mainly investigate customer satisfaction with the service of customer service representatives

Ongoing surveys for customers who call 95561

About **2.03**% of the calls surveyed

A customer satisfaction rate of **99.93**%





# Intelligent robot satisfaction

Mainly investigate customers' satisfaction with the overall service of the customer service center and the service of customer service representatives

In 2024

a total of  $58,\!438$  customers were called with a reach rate of 40.51% and a survey completion rate of 49.95%

Satisfaction rate with the overall service of the customer service center was

92.57%

Satisfaction rate with the service of customer service representatives was 98.76%



The Bank places great importance on enhancing consumer protection awareness among all employees. It is committed to establishing a comprehensive consumer protection training system. At the beginning of the year, the Bank developed and released the 2024 Consumer Protection and Service Training Plan, establishing a long-term training mechanism that combines "external outreach+internal reinforcement", integrates both online and offline methods, and uses traditional training formats and live broadcasts. This approach strengthens the consumer protection effectiveness within business processes.

#### **Consumer protection training overview**

As at the end of 2024

The Bank conducted a total of **802** training sessions related to financial consumer protection, including fair marketing training

Employee attendances totaled **212,000** 

covering staff at all levels of the Head Office and branches, including the senior management, employees at consumer protection positions, frontline business personnel, and new hires.

#### Specifically:

- The Head Office organized **42** consumer protection-related training sessions, with an attendance of approximately **68,000**. Branches conducted **760** consumer protection-related training sessions, and the attendances reached about **144,000**.
- The total number of employees required to participate in training was approximately 61,000. Both the training coverage rate and employee participation rate reached 100%, achieving comprehensive and in-depth consumer rights and interests training and effectively reinforcing the foundation for the Bank's consumer protection work.
- Leveraging the "Xingzhi" online learning platform, the Bank released the 2024 "Quan Xing Xue" Consumer Protection Topic to promote the principles of consumer protection special meetings with the "learning through testing" approach. The training pass rate reached **99.32**%, with an average score of **98.45**, covering all regular employees.



Stock Exchange (SSE) Sustain ability Reporting Guid

Governance 
Strategy

Impact, risk and opportunity management

Disclosure Framework

The Bank focuses on key areas of consumer complaints such as credit cards, wealth management product sales, and retail credit, as well as critical domains including marketing and promotional practices and personal information protection. A variety of targeted consumer protection training programs are organized to promote employee compliance with relevant consumer protection regulations.

# Focusing on areas with frequent complaints

- The Bank provides high-frequency, multi-channel training for employees in comprehensive business roles, inviting professional internal trainers for guidance;
- The Retail Credit Department reviews consumer protection compliance cases and organizes training sessions to promote these cases.

### Strengthening risk business control

- The Bank conducts "Compliance and Consumer Protection Talks by the Top Leader" training, focusing on employee behavior management, and firmly establishing the compliance and consumer protection concepts among business-related personnel.
- The Bank conducts special training on daily complaint handling and consumer protection compliance for wealth management-related business, with an emphasis on service compliance processes such as the "dual recording".
- The Bank holds a special training session to interpret the Industrial Bank Personal Information Protection Impact Assessment Implementation Regulations, so as to enhance employees' awareness of the consumer information security compliance.

# Personal loan repayment and debt collection

- Multiple consumer protection-related trainings in installment services, consumer credit, and negotiated repayment have been conducted for employees;
- In managing key business collection cooperative institutions, the Bank has issued the Credit Card Collection Business Management Measures of Industrial Bank (Revised in December 2023), which clearly outlines consumer protection management requirements. It has improved the management mechanism of the cooperative institution list, included outsourced collection agencies in the Head Office's centralized procurement directory, and employed a list-based management system. The Credit Card Center has taken the initiative to strengthen the entire process through measures such as pre-collection professional training, real-time monitoring and tracking in the process, and strict penalties and corrective actions in post-collection. This comprehensive process aims to reinforce the fundamental responsibility of collection businesses, ensuring effective standard constraint of outsourced collection agencies and their operations, while fully preventing improper collection practices. All these efforts effectively prevented improper collection behaviors and safeguarded consumers' legitimate rights and interests.

# Financial Marketing and Promotion

To comprehensively enhance service quality of outlets and standardize marketing language in a targeted manner, the Bank has organized a series of targeted training sessions for all employees. These sessions include special training based on the Regulations on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (Decree of the State Council No. 778). The training closely aligns with the eight core consumer rights and key regulatory requirements, explaining the standardized language guidelines, risk warning points, and typical cases closely related to marketing and promotional activities. These training sessions cover consumer protection management personnel, business line staff members, and outlet employees at the Head Office, branches and subsidiaries, collectively building a strong defense line for safeguarding financial consumer rights and interests.

#### **Conducting financial consumer education**

The Bank adheres to the philosophy of "rooted in quality service and paved by consumer protection," driven by innovation and integration, strengthening collaboration and continuously enriching financial education contents. By actively carrying out diversified financial education activities, the Bank has built a comprehensive and intelligent financial education system and an open and shared financial education channel network, making financial knowledge "easily accessible."

#### In 2024

Investment in public financial literacy activities
About RMB**17,125,000** 

Number of online and offline education and publicity activities 19,997

Number of consumers reached About **210,749,700** 

Educational and publicity materials distributed **34,001,300** 

Media reports at all levels **3,726** 

# Strengthening strategic planning by launching a full-time financial education initiative

In 2024, the Bank launched a bank-wide initiative titled "Enhancing Risk Warnings with a Consumer-Centric Approach – Industrial Bank 2024 Consumer Protection Series Activities" . 10 major activities of special topics on consumer protection were introduced throughout the year, with full coverage of outlets and participation from employees in all regions. The Bank also issued the Notice on the 2024 Financial Literacy and Consumer Education Plan, laying out a strategic framework for year-round financial consumer education and communication. In this manner, It continuously established and refined a long-term, sustainable mechanism for financial education, and ensured regular financial education through concrete actions.

# Integrating various resources to create a strong collaborative communication effect

The Bank actively consolidates various resources to deliver richer and more practical contents to consumers. Special content is published through external media channels such as Study Times, Economic Daily, Consumption Daily, China Consumer News, Tencent News, and the New Fujian App, covering a broad range of platforms, including central, national mainstream media, provincial-level local media, and specialized print media. These efforts maximize the publicity impact across various media tiers, generating a synergistic communication effect. In collaboration with insurance companies, legal advisors, and other external partners, the Bank offers a variety of eldercare-focused services such as legal consultation, retirement planning, and the "Anyu Life" classes. Public welfare activities, including advisory sessions and online "Cloud Class", are organized to serve the elderly community.

# Advancing technology empowerment to usher in a new era of digital-intelligent financial education

The Bank continues to intensify efforts for building its consumer protection zone on the official website, the dedicated consumer protection section within the mobile banking app, and its financial education bases. Leveraging the integrated information platforms such as "Industrial Bank News" (Xingqiushuo), the Bank has created mini-games, online theaters, dynamic comics, and digital avatars in an innovative manner. Various distinctive financial education content, such as "Case Studies on Risks" and "Digital Avatar Classes", have been launched to promote wider outreach of financial education and more efficient dissemination of financial knowledge.

# Segmenting target audiences to achieve refined financial education coverage

Focusing on key regions such as rural areas, remote regions, and ethnic minority communities, and targeting priority groups including the elderly, youth, and new urban residents, the Bank carries out financial education activities in a tiered manner to ensure "no gaps in regions, no omissions among the public" for financial knowledge communication. For example, the Bank released the Financial Services Handbook for Elderly customers to help elderly individuals bridge the digital divide. It also paid school visits around Children's Day to raise the financial risk awareness of younger audiences.



Longyan Branch carries out themed activities for the "Financial Education Promotion Month"



Creative consumer protection-themed merchandise developed by the Bank

# Breaking through outlet limitations to proactively go out and deliver financial education

The Bank actively mobilizes employees to step out of the outlets and deepen the implementation of the "Five Entry" initiative, i.e., bringing financial education into rural areas, communities, campuses, enterprises, and commercial districts. Efforts include forming Financial Education Task Forces and Financial Knowledge Speaker Groups, and launching targeted campaigns such as "Consumer Protection in Counties". These initiatives deliver financial knowledge directly into the everyday lives of consumers, making education more down-to-earth, lively, and popular, realizing wide-reaching through a "surrounding-style" publicity method.



Conducting financial education activities in a nursing home



Xiamen Branch collaborates with Xiamen Evening News to guide youth in exploring its provincial-level financial education demonstration base



Suzhou Branch hosts a Mid-Autumn Festival consumer protection fair in a classical Suzhou-style garden



Changsha Branch partners with the local metro operator to launch a financial education "themed train"

# Strengthening executive leadership to set a model for consumer protection advocacy

Senior executives at the Bank place great importance on the protection of financial consumer rights and interests, consistently taking the lead in promoting consumer protection and serving as role models in financial education. They personally plan, organize, and guide related activity program preparation and actively participate in various financial education activities. For example, the Head Office, in collaboration with Fujian Senior University, organized the activity of "Calligraphy, Painting & Photography Exhibition on Celebrating the 75th Anniversary of the Founding of the People's Republic of China and the 2024 Fujian Financial Education Promotion Month." The Bank's President personally led the team to bring financial knowledge into the university. In addition, a series of campaigns under the theme of "Senior Executives Talk About Consumer Protection" were launched, along with the ongoing publication of themed content titled "Voices of Consumer Protection", jointly contributed by departments at the Head Office and branch leaders. These efforts demonstrate strong leadership in setting direction, building teams, and ensuring effective implementation.

# Building education bases to create a panoramic financial education ecosystem

The Bank actively encourages regional branches to establish systematic, professional, and regular financial education demonstration bases to continuously expand the boundaries of offline financial services. These efforts aim to deliver richer, more practical content to financial consumers. For example, Shenyang Branch established a provincial-level financial education demonstration base under the theme of "Technology and the Future", incorporating cutting-edge tools such as interactive screens and motion-sensing VR to carry out digital-intelligent education activities. Meanwhile, Changchun Branch set up a financial education base for the elderly to offer tailored courses for senior citizens and promote financial literacy targeted at their daily financial service needs.



# Leading by example in consumer protection advocacy, and delivering financial knowledge face-to-face

The Head Office, in collaboration with Fujian Senior University, organized the activity of "Calligraphy, Painting & Photography Exhibition on Celebrating the 75th Anniversary of the Founding of the People's Republic of China and 2024 Fujian Financial Education Promotion Month." The Bank's President personally led the team to bring financial knowledge into the university, delivering financial risk warning tips to the elderly through an engaging, edutainment-based approach.



The Head Office, in collaboration with Fujian Senior University, organized the activity of "Calligraphy, Painting & Photography Exhibition and Financial Education Promotion Month."



#### Integrating various resources to create a synergistic communication effect

Employees from the Head Office collaborated with the Anti-Fraud Center of Hongkou District, Shanghai, and Shanghai Financial Consumer Dispute Mediation Center to bring financial knowledge to the public at the bustling Heping Park through engaging activities such as skits, musical performances, and poetry recitations.





Staff from various consumer protection organizations jointly delivered financial knowledge to consumers



#### Collaborating with peer institutions to deliver risk warnings

Leveraging the unique "night market culture" of Northeast China, Shenyang Branch took the lead in organizing a financial consumer protection-themed "Northeast Night Market" alongside over 50 local financial institutions. By integrating financial literacy with drum and dance performances, night market games, and other lively elements, the event created a vibrant, down-to-earth outdoor setting for large-scale financial education.



On-site view of Shenyang Branch's consumer protection-themed "Northeast Night Market"



# Leveraging media effect to create a promotional matrix

The Head Office has been rotating risk warning pictures across various media channels, including Study Times, Economic Daily, Consumption Daily, China Consumer News, Tencent News, and the New Fujian App, covering a broad range of platforms, including central, national mainstream media, provincial-level local media, and specialized print media, reaching 7,821,400 financial consumers with essential risk alerts.



The Head Office published risk warning content in the state-level Economic Daily

#### 1 2 3 4 5

#### Impact, risk, and opportunity management

Category Potential impact

> Lack of transparency and misleading risk in information: Complex product contract terms, excessive technical jargon, and insufficient explanations from the Bank; overstating benefits and concealing or downplaying risks in promotional materials; unclear disclosure of key product information, such as fee deduction, early redemption restrictions, etc.

purchase products that are unnecessary or

unsuitable for them; engage in forced bundling or

insurance or wealth management products when

applying for loans; or recommend high-risk products

without adequately assessing consumers' risk

tolerance.

Consumers may purchase products that are not suitable for them due to misunderstanding, resulting in financial losses, customer complaints, disputes, and increased attention and penalties from regulatory authorities.

Disclosing product and service information using simple, consumer-friendly language and formats that aid understanding; Providing clear explanations of technical terms and timely, truthfully and accurately disclose risks; ensuring that promotional and sales materials are truthful, accurate, and complete, avoiding exaggeration or false advertising; highlighting and clearly explaining key product information such as risks and benefits.

Countermeasures

Improper sales risk: Sales staff, in order to meet This can lead to consumer rights and interests being performance targets, may induce consumers to compromised, a decrease in customer satisfaction and loyalty, regulatory investigations and penalties, and negative impacts on the Bank's market image and cross-selling, such as requiring the purchase of business development.

Strengthening employee training to enhance compliance awareness and professional skills; establishing a strict sales management system to standardize sales practices; before recommending products, thoroughly assessing consumers' needs and risk tolerance to ensure the products align with their preferences and financial situation.

Unfair contract terms risk: The contract may contain unreasonable exemption clauses or clauses that impose excessive responsibility on the consumer; and the rights and obligations of the Bank and the consumer may not be balanced.

If consumers are not properly compensated when their rights are violated, this may lead to legal disputes, damage consumer trust in the bank, result in regulatory intervention and penalties, and negatively impact the Bank's social image.

Ensuring that contract terms are fair and reasonable during the contract drafting process; conducting legal reviews of the contract terms to avoid any illegal, non-compliant, or unfair provisions; prior to signing the contract, fully explaining the meaning and implications of the terms to consumers; clearly disclosing key information that could impact consumers' major decisions, such as the nature of the product or service, interest rates, returns, fees, rates, major risks, liabilities for breach, exemption clauses, etc.

Category Factor Potential impact Countermeasures

**Opportunities** 

Enhancing customer trust and loyalty: When a bank enjoys a strong reputation for consumer protection and effectively safeguards consumers' rights and interests, customers feel more secure and confident when using the bank's products and services, thereby increasing their trust in the bank.

This trust helps to establish long-term and stable relationships with customers, boosting customer stickiness and loyalty. Customers are more likely to purchase additional products and services from the bank, increasing their overall contribution. Furthermore, it reduces customer churn, minimizes acquisition costs, and improves the bank's operational efficiency.

Establishing a sound internal management system and processes for consumer protection to ensure compliance with regulatory standards. Establishing a sound customer complaint handling mechanism to address customer issues and demands in a timely and effective manner; strengthening customer information security to ensure that customer data is not leaked or misused; conducting regular customer satisfaction surveys to understand customer needs and opinions, continuously improving service quality.

#### Indicators and targets

Key indicators	Management goals	Progress in 2024
Product and service review coverage	The review coverage for new products and services reaches 100%.	The Bank carried out consumer protection reviews for products and services offered to consumers, with a total of <b>21,755</b> consumer protection reviews completed throughout the year, representing a <b>54.6</b> % year-on-year increase. The review process covered nearly all new products and services within the scope of consumer protection reviews.
Consumer protection training coverage	Consumer protection training covers all employees.	The Bank conducted a total of $802$ training sessions on financial consumer protection, including training on fair marketing, with an attendance of approximately $212,000$ . The training coverage and employee participation rates both reached $100\%$ .
Customer complaint volume	The number of customer complaints declines steadily.	The Bank received a total of $225,004$ complaints through all channels during the year, representing a $36.88\%$ decrease compared to the same period of the previous year.

# 4.1 Technology-driven digital Industrial Bank

CIB attaches great strategic importance to technological innovation and actively embraces emerging trends such as artificial intelligence. The Bank is committed to enhancing its digital finance application capabilities while continuously improving the autonomy of its key infrastructures and ensuring the security and reliability of its software and hardware systems. By focusing on key areas of technological research and innovation, the Bank has made significant progress in driving innovation and deepening the integration of technology, innovation and applications. In 2024, the Bank input RMB8.377 billion in information technology, which was kept steady and accounted for 3.95% of its operating income.



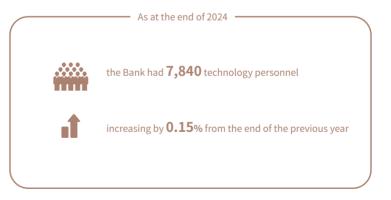
In line with the principles of "comprehensive coordination, centralized management, invigorating vitality, and stimulating motivation", the Bank has actively strengthened its Group-level technology coordination. During the year, it adjusted and refined the organizational structure and the supporting management mechanism of the Digital Transformation Committee, optimized the division of responsibilities within the technology line, and established an organizational structure for the technology line featuring "one committee, three departments, one company, one institute, and one center<sup>15</sup>," to strengthen the coordinated management and unified scheduling of technology.

In 2024, the Bank continued to advance the formulation and implementation of corporate standards. A standardized management system was launched during the year, along with the release of 61 technological corporate technology standards covering six categories, namely architecture design, modeling, development, information security, operations and maintenance, and others. These standards provided strong support for the Bank's digital transformation and business collaboration efforts.



#### **Building a pool of technology talents**

The Bank continues to advance its "Tens of Thousands of Technology Talent Program", aiming to build a technology workforce that is forward-looking in structure, agile and efficient in execution, deeply integrated business and technology, and strong with over ten thousand members. The initiative focuses on accelerating the development of versatile technology professionals with a global vision and innovative capabilities, thereby promoting the smooth implementation of key strategies in the Bank's digital transformation.



<sup>15</sup>The "one committee, three departments, one company, one institute, and one center" refers to the Digital Transformation Committee, the Technology Management Department, the Data Management Department, the Security Department/Anti-Money Laundering Center, CIB FINTECH, Fintech Research Academy, and the Technology Operations and Maintenance Center.

incubating and promoting projects such as "Xing Xiao" er", a bond trading robot, and "Sui Xing Xie", an intelligent generation solution for suspected money



#### Improving training and The Bank has established a comprehensive technology talent role map covering 42 positions in Seven major categories, including architecture, R&D, as well as operations and maintenance. It continues to refine a curriculum framework encompassing 467 courses, aimed at comprehensively deepening the cultivation and transformation of application-oriented technology talent. In 2024, the Bank launched several key training programs, including the 2024 Bank-Wide Digital Transformation Training Program and the 2024-2025 Group Fintech Integration Training Program. The Bank focuses on attracting top-tier talent for 12 key positions in cutting-edge fields such as artificial intelligence, IT planning, and cloud-native High-level tech talent recruitment technologies, driving forward the Bank's active exploration in frontier technologies. **Establishing the "Xinghuo** Over the year, more than 22,000 participants attended the forum, with 27 technological achievements from the Head Office and branches being promoted, Technology Forum" and 1,167 valid questionnaires collected. The effort has become a key driver in enhancing communication channels between the Head Office and branches, building a "talent reservoir" for digital transformation, and sharing the results of technological development. Optimizing talent incentive and The Bank has restructured its technical career path system within the Head Office's technology division to create clear advancement channels for tech constraint mechanisms professionals. A talent evaluation system driven by innovation value, capability, and contributions has been established. The Bank released the Technology Integrity Convention, set role models, and fostered an innovative atmosphere. The "Xing Huo · Liao Yuan" Innovation Promoting an engineer culture Marathon Competition has been included by the Digital China Summit into the Digital China Innovation Contest for three consecutive years, successfully

#### Consolidating the information technology foundation

laundering case files

The Bank comprehensively advances the construction of its technological infrastructure, continuously improves its computing power support system, promotes the intelligent upgrading of its operations and maintenance system, and enhances security compliance and technological advancement, so as to lay a solid foundation for the Bank's innovative business development.

# Accelerating the development of data centers

The Bank has launched the construction of data centers in Gui' an New Area, Shanghai, and Fuzhou, aiming to establish a multi-location, multi-center, multi-active computing power system to meet the computing demands of digital transformation. As at the end of 2024, the availability of the Bank's core business systems remained at 100%, with the availability of critical systems maintained above 99.9998%.

# Accelerating cloud-native development

The Bank actively advances the application of cloud-native technologies and the construction of cloud platforms, with 248 systems deployed in the cloud and over 200 systems connected to the Platform-as-a-Service (PaaS). Efforts have been intensified in planning and building a new-generation cloud platform to support distributed core systems and future business needs. Core cloud-native infrastructure services have been upgraded, incorporating chaos engineering to enhance system risk identification capabilities. An intelligent operations and maintenance (O&M) system has been developed, optimizing IT asset management and intelligent review mechanisms, and leveraging LLMs to provide smart O&M assistants, thereby improving platform O&M efficiency.

# IT transformation and technology stack development

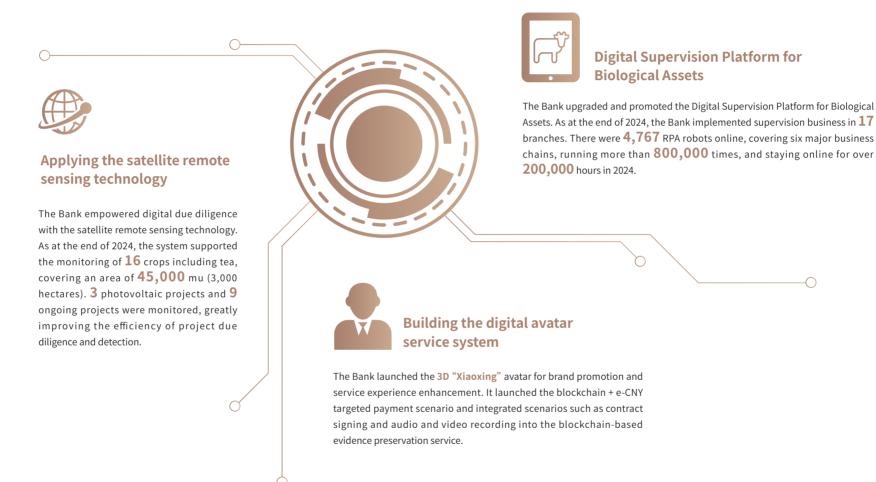
The Bank has transformed the IT systems in an all-around way, formulated existing system renovation plans and steadily implemented the "replace where replacement is due" objective on an annual basis. For three consecutive years (2021–2023), the Bank was recognized as an Outstanding Organization in IT transformation efforts within the financial industry. Eleven of its solutions, including the "IT Development Platform and Container Cloud Platform Solution", were selected as outstanding solutions by the Financial Information Technology Ecological Laboratory.

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#### Integrating multiple emerging technologies

The Bank actively integrates a wide range of emerging technologies to create a new paradigm of financial services. By incorporating technologies such as the IoT, satellite remote sensing, robotic process automation (RPA), digital avatars, and block chain, the Bank continues to strengthen innovation-driven empowerment.



At the same time, the Bank actively responds to the development trends of the AI era by exploring the deep integration of AI technology into banking operations. By deeply embedding AI into various business areas, the Bank has made remarkable results in customer service, wealth management, trading, investment research, and office work. Notably, in areas like investment research and office work, the Corporate Banking Knowledge Q&A Assistant has supported the extraction and retrieval of knowledge from over 600 product-related documents.

and healthcare



Platform, Training Funds Supervision System, University Collaboration System, and

Comprehensive Medical Payment Platform, it aimed to provide industry customers with more comprehensive functions including payment, reconciliation, and regulatory oversight. As at the end of 2024, the Bank served a total of 4,907 corporate banking customers.

#### Technology ethics

The Bank keeps following developments in emerging technologies, studies their underlying principles, analyzes potential risks, and adopts corresponding measures to mitigate and address risks related to information security, data security, compliance, and more.

The Bank has already established corporate standards for the classification of emerging technologies, defining five development phases. During the incubation and pilot phases, the Bank strictly follows secure development systems and software process management requirements, conducts prototype development in R&D testing environments and application in pilot scenarios, with data anonymized and desensitized. In the promotion and maturity phases, product selection is strengthened according to software and hardware product admission management requirements and platform-based management principles to reduce technological risk.

Throughout the research and application of innovative technologies, the Bank adheres to the principles of security and controllability, autonomous control, compliance and prudence. In light of the specific characteristics of emerging technologies, the Bank has reinforced its security assessment and risk control. To effectively address identified risks, especially those associated with models, the Bank has formulated the Industrial Bank Model Management Measures to standardize model development and operations. Building on this, the Bank further developed the Industrial Bank Al Model Management Specifications to provide more detailed requirements for managing AI models. To ensure the secure application of LLMs and provide detailed and feasible LLM application and innovation guide, the Bank plans to complete the Guidelines for the Safe Management of Large AI Models and supporting materials within the year. The Bank also plans to launch LLM security-related training, build a model evaluation system, and construct test datasets for financial applications to ensure the safety of the AI model supply chain. By introducing techniques such as retrieval-augmented generation (RAG) and safety guardrails to prevent input and output risks of LLMs, and establishing internal control inspection plans for new technology risks, the Bank aims to identify and resolve new technology risks in a timely manner.



#### Advancing the development of scenario finance \_\_\_\_\_

Focusing on the execution of the "five priorities" of the financial sector, the Bank continues to enhance its core capabilities in data, technology, ecosystem, scenario, and customer experience. By deeply cultivating more scenarios in areas such as treasury, smart markets, inclusive finance, government affairs, education, and healthcare, the Bank keeps improving its customer service capabilities and contributing to the creation of a value bank.

The Bank launched the industrial park ecological service system 2.0 and introduced an e-CNY hardware wallet badge tailored for park economies, integrating functions such as payment, access control, and attendance check, significantly enhancing user experience and product **Upgrading park** competitiveness. Across the Bank, a total of 728 platforms have been launched, with ecosystem services cumulative transaction volume reaching RMB 1.82 billion, attracting 4,727 corporate banking customers and bringing in an on-balance-sheet loan balance of RMB29.58 billion. The Bank refined and upgraded its treasury management platform to develop Upgrading the treasury industry-specific solutions under the model of "Treasury Management Platform + Industry". management platform As at the end of 2024, the platform served a total of 976 Head Office-level customers. The Bank upgraded the "Smart Wholesale Agricultural Market" system to a comprehensive "Smart Market Platform", realizing a model that combines a public foundational framework with industry-specific customized services. The platform has been successfully implemented across various industry scenarios, including agricultural wholesale, agricultural retail, construction materials, auto parts, textiles, and rural supply and marketing cooperatives. A **Building a smart** total of 173 markets have been put on the platform, with 4,607,800 new acquiring market platform transactions, marking a year-on-year growth of **558.26**%. The Bank deeply integrated e-CNY with the Industrial Bank's Smart Market System, offering payment and settlement tools such as unified QR code scanning and umbrella wallet sub-accounting for smart market customers. The Bank accelerated the planning and resource integration of systems in the education and healthcare scenarios. By continuously iterating platforms such as the Education Cloud **Optimizing education** 

**Expanding digital empowerment channels** 



#### **Digital** empowerment channels



The Bank continued to upgrade and improve the "1+5" online platform. Mobile banking added rich city-specific services and exclusive marketing activities, with **26,640,300** monthly active users, an increase of **18.26**% over the end of the previous year.



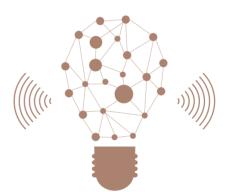
#### **Industrial Steward**

Industrial Steward continued to upgrade its integrated services. The cumulative number of customers increased by 10.56% over the previous year, and the average number of monthly active users (MAU) increased by **15.66**% over the end of the previous year.



#### Qianda Money Manager

The Bank continuously promoted the upgrading of "Qianda Money Manager", striving to develop it into the main platform for wealth management business. The cumulative number of registered users of "Qianda Money Manager" was **20,197,100**, up **9.10**% from the end of the previous



# Industrial Living

"Industrial Living" 3.0 was fully upgraded centering on "stylish living". It introduced non-financial service scenarios such as game and content information to enhance user experience. The number of registered customers reached **55,396,600**, a year-on-year increase of 14.59%.



#### "Industrial Inclusion" platform

The "Industrial Inclusion" platform had **384,500** registered users, facilitating a cumulative financing amount of RMB**395,502** million.



### Bank-to-Bank

The Bank-to-Bank Platform continued to develop data assets to form a panoramic view of peer customers. It launched more than 10,000 fund products. The institutional investment held by the platform amounted to RMB667,994 million, an increase of 81.99% from the end of the previous year.



#### Bank-enterprise connections

The Bank comprehensively upgraded international business functions to cover more cross-border scenarios. It smoothly connected and integrated the customer systems and the bank system to provide customers with financial and non-financial services. The number of active customers steadily increased, with a natural growth rate of **25.6**% in 2024.



# 4.2 Enhancing retail customer experience

CIB remains committed to a customer-centric approach, continuously optimizes its customer operation and service system to comprehensively enhance service capabilities. In 2024, the Bank introduced the Retail Customer Accompanying Service Management Measures, with a focus on customer companionship, enriching service culture, and improving the customer experience. The initiative emphasizes both regular tier-based companionship and special-event companionship, aiming to maintain consistent, effective interaction and provide warm, professional services throughout the entire customer lifecycle with customers at the core. As at the end of 2024, the Bank served 110,159,500 retail customers, an increase of 8,883,100 from the previous year, representing a year-on-year growth of 8.77%.

As at the end of 2024

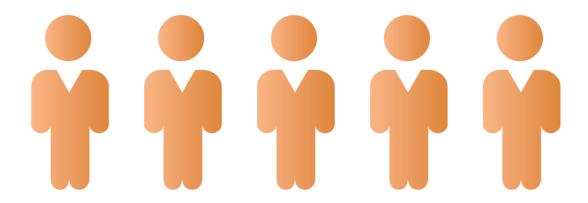
the number of retail customers was **1,110,159,500** 

an increase of **8,883,100** from the end of the previous year

a year-on-year increase of **8.77**%.

#### Optimizing services in the outlet business halls

In 2024, the Bank focused on key regions identified by national rankings, such as the top 10 provinces, top 100 cities, top 100 counties, and top 1,000 towns, and continued to advance its deployment of outlets. By analyzing local economic aggregate and population distribution characteristics, the Bank scientifically planned its outlet network and adjusted the type and specialization of existing outlets. In 2024, the Bank launched three new county-level outlets in rural areas. The number of smart outlets and outlets offering extended service hours increased by 31 and 68 respectively compared to the previous year.



Indicators	2024
Number of outlets in rural and county areas	261
Number of community sub-branches (including small and micro sub-branches)	837
Number of smart outlets	334
Number of outlets offering extended service hours	809
Number of outlets equipped with accessible facilities	1,596
Number of outlets with "care service" windows	1,519
Number of outlets with "CIB Cares" public welfare stations	2,096

#### **Building diversified community sub-branches**

The Bank positions community sub-branches as vital extensions of financial services to local communities and business districts to offer differentiated financial services tailored to specific business scenarios. These sub-branches are categorized into nine main types: general community type, wealth management type, retail loan specialist type, commercial building type, agricultural wholesale market (business district) type, urban-rural integration type, university town type, small and micro (park) sub-branches, and virtual community sub-branches. In 2024, the Bank actively advanced the development of community sub-branches toward lighter, more intensive, and more specialized models. By tailoring community sub-branches to specific business scenarios, leveraging digital empowerment, and enhancing collaboration between middle- and back-office, the Bank expanded business coverage, improved service capabilities, and extended service reach, significantly strengthening the influence of its community sub-branch services.

#### **Promoting intelligent transformation of outlets**

The Bank actively advances the deep integration of "CIB Outlet" and "Digital Industrial Bank" to enhance the intelligent service experience for customers. In 2024, the Bank launched the development of intelligent services in outlet business halls, and completed the building of its first multi-channel big data intelligent recommendation model, which has been deployed across various offline scenarios. At the same time, under algorithmic support, the Bank built a customer information process hub that serves all positions, enabling more accurate and professional services for outlet customers. As at the end of 2024, the initiative was implemented in 1,143 outlets, serving 1.47 million customers across the Bank.



#### Smart outlets bring customers new experience of intelligent and efficient service

In 2024, Chongqing Branch equipped its business departments with online banking experience devices to provide intelligent product recommendations for customers visiting the Branch. Customers can view detailed product information by simply tapping the screen and can easily add the products to Favorites or purchase financial products by scanning a QR code via WeChat Banking or mobile banking. This innovation allows customers to transition from waiting in line at the counter to remotely managing services with just a tap of a finger; from needing to run errands to complete multiple tasks to solving issues in a one-stop, interconnected data environment.



#### Barrier-free services at outlets

To ensure effective implementation of "information accessibility and service availability" at outlets, the Bank adheres to high standards and strict requirements in formulating specifications for special groups. In alignment with the Bank's outlet management policies, aging-friendly renovations must meet criteria for a barrier-free environment, the construction of "CIB Cares" public welfare stations, and priority services for key customers, truly addressing the service needs of elderly customers. As at the end of 2024, all of the Bank's outlets established "CIB Cares" public welfare stations in waiting areas, offering amenities such as courtesy seats, reading glasses, magnifying glasses, electronic blood pressure monitors, first-aid kits, and emergency call buttons. Outlets also set dedicated priority service windows for the elderly and assign staff who speak local dialects to better serve elderly customers.

To extend "information accessibility and service availability" to the last mile, some outlets of the Bank have proactively invited elderly customers to visit and experience services in person, with a focus on addressing the challenges they face in using smart technologies. Through distributing promotional brochures, hosting micro-salons at the outlet business halls, and broadcasting short videos on LED screens, these outlets actively assist elderly customers in solving their questions and concerns. These initiatives help the elderly learn about new developments and technologies, while enhancing their awareness of financial risks and strengthening fraud prevention education.







#### Accessible online services

The Bank actively responds to the Self-Regulatory Guidelines for Accessible Electronic Channel Services in China's Banking Sector issued by the China Banking Association. In the process of providing electronic banking services to individuals with disabilities, the Bank continues to promote the development of mechanisms, resource allocation, product design, service processes and other aspects to provide accessible services.



### The Bank's official website

The Bank provides accessible website browsing assistance tools, including intelligent voice broadcast, plain text reading, page magnification, large subtitles, contrast color schemes, and alignment guides. These features offer more convenient services for the elderly, visually impaired, and people with low vision, enabling them to obtain information and services from the official website in an equal and user-friendly manner.



#### **Mobile Banking**

- The Bank has introduced a voice mode for mobile banking specifically designed for visually impaired users. By leveraging the screen reader function of mobile operating systems, the screen reading mode for mobile banking pages (features) can be activated, making it easier for visually impaired individuals to use mobile banking services. In February 2024, the Bank completed adaptation modifications for the main processes and feature pages of its mobile banking app to ensure compatibility with mobile screen reader functions, further improving usability for visually impaired users.
- The mobile banking app is equipped with "Listen, Speak, and Search" features. It supports voice broadcasting of account balances and transaction alerts, enabling customers to stay informed about account changes in real time. Users can also customize speech speed, volume, and voice tone to meet differentiated needs. Additionally, the app offers voice recognition for assisted input and quick voice-based search functions, enhancing service accessibility for elderly customers.

In 2024, the Bank also completed an age-friendly upgrade of the "Quick Payment Card Binding" feature, introducing large-font displays and optimizing the process and interaction design to better align with the usage habits of elderly customers. Additionally, the homepage of "Anyu Edition" of Industrial Bank App was revamped to support the display of more frequently used features by elderly users (such as personal pension, electronic medical insurance certificate, electronic social security card, points redemption, utility bill payment, quick payment, voice search, and intelligent customer service). A dedicated entrance to the pension financial services section was added, allowing elderly customers to access it with a single tap.



#### Optimizing wealth management services \_\_\_\_\_

Remaining committed to the "people-centered" philosophy, the Bank promotes common prosperity by advancing high-quality development in wealth management, meeting people's aspirations for a better life. As at the end of 2024, the Bank had 8,883,100 new personal customers. The average daily scale of wealth management products by CIB Wealth Management grew by 2.91% year-on-year, maintaining a leading position in the market. As at the end of 2024, CIB Wealth Management ranked first among national wealth management institutions in the "National Bank Wealth Management Competence Ranking" by PY Standard for a total of 28 consecutive quarters. Revenue from new wealth management products increased by 2.60% year-on-year.



# Launching the "11·18 Wealth Management Festival" – a wealth management carnival

In November 2024, CIB, in collaboration with 21 wealth management institutions (including wealth management subsidiaries, fund companies, and insurance firms), jointly hosted the "11·18 Wealth Management Festival". Initiated in 2023, the "11·18 Wealth Management Festival" serves as a key initiative to promote the transformation of wealth management and enhance customer engagement, aiming to improve customer experience, expand the coverage and enhance the satisfaction of wealth management services. During this year's festival, the Bank launched a wide array of engaging activities such as "Gifts for All", "Fun Monopoly", "Weekly Red Packet Rain", and "Simulated Fund Trading Challenge". Leveraging its strong partner network, the Bank offered a selection of wealth products across bank wealth management, funds, and insurance. The Bank's "Oianda Money Manager" Platform rolled out exclusive products as a gesture of appreciation, along with thoughtful benefits such as "Invite Friends to Earn Points", "Six Surprise Rewards". and "Discount Point Redemption" to meet the diverse needs of its customers. The online activities recorded 3.6 million participations and over 380,000 participants; and offline themed salons and enterprise outreach activities were held, covering nearly 220,000 customers.



# 4.3 Expanding pension financial services

As China's population continues to age, the demand for pension financial services has been growing. As at the end of 2023, the Central Financial Work Conference clearly stated that the "five priorities" of the financial sector must be prioritized, with pension finance being explicitly included for the first time. Elderly care is not only a public concern related to the happiness and well-being of families, but also the "country' s most fundamental interests" crucial to the harmonious development and stability of society. Since launching the industry's first comprehensive pension financial service plan "Anyu Life" in 2012, the Bank has adhered to the service philosophy of "Finance for the People", dedicating over a decade to the development of pension finance. In recent years, the Bank has proactively integrated into and supported national strategic plans, actively promoting the coordinated development of three major segments: pension fund finance, pension service finance and pension industry finance, while diligently advancing pension finance.

In 2024, the Bank compiled and published the Pension Finance Development White Paper (2024), offering an in-depth analysis of the current trends and market demands in pension finance. The report provides forward-looking suggestions on the future direction and policy guidance for pension finance in China, aiming to better promote the high-quality development of China's pension finance.

#### Vigorously developing pension fund finance

Revolving around business areas such as social security cards, salary and welfare annuities, and personal pensions, the Bank places an emphasis on advancing the development of the pension fund financial business. As at the end of 2024, a total of 29 tier-1 branches in 20 provinces, cities, and autonomous regions collaborated with local human resources and social security departments to issue financial social security cards. The Bank opened a total of 6,274,500 personal pension accounts, ranking among the top in the industry, with more than 230 types of personal pension products available.

#### Comprehensively enhancing pension service finance \_\_\_\_

CIB strengthens innovation in pension financial wealth products and the building of a service system. The Bank actively introduces exclusive commercial pension insurance products to support the development of the third pillar of the pension insurance, and provides customers with service trust tools such as family service trusts, family trusts, and insurance trusts to enrich the options available for family wealth management. Meanwhile, in response to the investment needs of elderly customers, the Bank continues to launch and introduce new products and expands the supply of elder care financial offerings in a bid to establish a diverse and specialized financial product and service system to meet the varied needs of elderly customers.

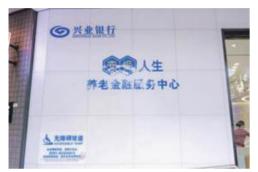
# Developing new wealth management products

The Bank launched its first USD-denominated wealth management product to meet the cross-border asset allocation needs of elderly customers.

#### Enriching the elderly service financial product system

To cater to customers' diverse asset allocation demands, the Bank newly introduced commercial pension fund products. In line with the Notice on Fully Implementing the Personal Pension Scheme, the Bank incorporated index funds into the list of products available for personal pension accounts.

The Bank continues to promote the age-friendly transformation of its outlets by establishing "Anyu Life" elderly care service model outlets across China. In key urban areas, the Bank has set up Pension Financial Service Centers within comprehensive sub-branches, and built Pension Financial Service Stations within community sub-branches. By relying on these centers and stations, the Bank integrates a culture of respect and care for the elderly into its daily outlet services. As at the end of 2024, a total of 85 "Anyu Life" pension financial service centers were launched nationwide.





CIB "Anyu Life" Pension Financial Service Center

At the same time, the Bank actively expands elderly-friendly services, and has organized the nationwide "Elderly Care Month" campaign for 10 consecutive years. A variety of activities tailored to the interests of the elderly were held, including health seminars, legal knowledge workshops, talent contests, and sightseeing tours. During the year, more than 2,100 themed events were conducted, witnessing an attendance of 114,900 in total.

As at the end of 2024
the Bank managed a total of RMB 1.87
trillion in comprehensive financial assets
for customers aged 50 and above,
representing a year-on-year growth of
8.09%



Inauguration Ceremony of the "Anyu Life" Pension Finance Club by Changsha Branch of CIB

#### Making every effort to support pension industry finance

The Bank actively provides financing services to support the development of the pension industry and promotes the growth of health care and senior care. It has established clear financial standards for the pension industry and identified key focus areas to implement in an orderly manner. During the year, the Bank launched several exemplary cases, including a customized service package combining "Pension Finance + Green Loans + Green Building Performance Insurance" for a health care center project, as well as the building of a health center in cooperation with a provincial-level state-owned enterprise in Guangxi. These initiatives aim to meet the growing financial needs of an aging society from an industry perspective.

As of the end of 2024

the Bank served over **40,000** pension industry customers, with financing business exceeding RMB**100** billion

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# 4.4 Data security and privacy protection

CIB adheres to the information security policy of "compliance, professionalism, and cooperation" and has established a top-down information security governance framework. The Bank has established a sound information security system at multiple levels, including governance, management, technology, and operation, to protect the privacy and data security of its customers. The Bank strives to strike a balance between information utilization and security, promoting the long-term development of the digital economy. In 2024, the Bank's data security investment amounted to RMB  $134^{16}$  million, an increase of 11.67%compared to the previous year. Over the past three years, the total investment in data security reached RMB378 million, fully ensuring the financial resources necessary to protect the Bank's data security and privacy protection.



#### Governance

The Bank has established a privacy and data security management organizational structure that covers the Board of Directors, senior management, privacy and data security coordination, and technical protection departments. The Data Security Leadership Group serves as the decision-making and coordination body for privacy and data security, responsible for reviewing and approving major decisions related to privacy and data security across the Bank, and for coordinating the handling of major privacy and data incidents. The Board of Directors and senior management take part in and review the formulation of privacy and data security policies and receive regular updates on privacy and data security matters during the Bank's risk management meetings, Data Security Leadership Group meetings, Data Governance Leadership Group meetings, and Network and Information Security Leadership Group meetings to review and supervise the progress and effectiveness of privacy and data security work.

The Bank continues to improve its privacy and data security policies and systems. During the year, it introduced a series of policies and systems, including the Data Security Policy, the Data Security Risk Management Measures, the Data Security Incident Management Measures, and the Data Security Assessment Standards. Additionally, it issued related management systems such as the Information Security Incident Emergency Response Procedures and the Emergency Response Plan for Personal Customer Data Breach Incidents. These documents standardize the handling process of information security incidents in terms of emergency preparation, incident detection, containment and eradication, recovery, and follow-up.

<sup>&</sup>lt;sup>16</sup>The statistical period is from December 1, 2023 to November 30, 2024.

The Bank has engaged two PhDs with a background in technology management as directors. The Board of Directors effectively coordinates and supervises the implementation of information security work and **Board of** reviews the Bank's personal information protection work report every year. In 2024, it issued two **Directors** communication letters to convey its opinions on preventing network attacks and potential data security risks brought by putting businesses online. Chairman of the Bank serves as the head, and directors and vice presidents serve as deputy heads Chairman Directors and vice presidents perform the duties Responsible for reviewing and approving the Bank's of Chief Information Security Officer (CISO). In **Network and Information Security** network and data security strategies, plans and major charge of the network security and data security **Leadership Group & Data Security Directors and vice presidents** decisions and organizing the handling of major network functional departments, they are responsible for Leadership Group security and data security incidents promoting the implementation of network security and data security work across the Bank. General managers of Head Hold leadership group meetings every year to review and Office departments plan the Bank's network and data security work There are 213 full-time information security personnel in the Bank, 35 of whom hold internationally recognized Network security and data security **Other Head Office** network security and information security professional functional departments qualification certificates such as CISSP, CISA and CCSP.

- There are five professional functional divisions, namely security management, security technology, security operation, network attack and defense, and data security, which are responsible for promoting the implementation of information security work.
- The Bank has incorporated the implementation of information security work into the overall performance evaluation system of all institutions of the Bank. For institutions with serious information security incidents, the performance-based remuneration of their senior management members shall be deferred, recovered or deducted.
- In line with the Head Office's practices, all subsidiaries and branches have set up a network security and data security deliberative and coordinating organization chaired by their principal leaders to promote their network and information security work in a coordinated way. As per local laws, regulations and regulatory requirements and based on their business realities, all subsidiaries and overseas institutions have formulated their overall information security strategy, management policy, and technical standards and specifications and independently performed information security responsibilities.
- All subsidiaries, branches and Head Office departments have established the positions of information security managers and data security managers, which are held by middle-level managers. They are responsible for engaging with the Head Office's network security and data security functional departments on a daily basis and implementing the key network and information security tasks assigned by the Head Office.

#### Strategy and management \_\_\_

The Bank attaches great importance to building a systematic and in-depth defense technology system, with a focus on enhancing proactive and multi-layered security defense capabilities. It is committed to establishing an integrated security operations system and regularly conducts emergency drills to strengthen cybersecurity operations and offensive-defense capabilities, thereby ensuring the effectiveness of information security incident handling.

#### **Proactive information security defense**

#### Standardizing intrinsic security within the information system

- The Bank has established a set of security R&D policies and standardized systems that cover the entire lifecycle of information systems, ranging from requirements, design, coding, testing, deployment to maintenance. Dedicated security architects are assigned to each system's development and modification process to guide and review the implementation of security standards;
- The Bank has built security R&D support platforms, including a secure code scanning platform, a vulnerability patch management system, and a secure R&D management platform, to proactively prevent or reduce vulnerabilities at the source;
- Every information system must undergo penetration testing and retesting, with all identified issues fully resolved before deployment. Additionally, the Bank carries out annual re-penetration tests on existing information systems.

#### **Enhancing protection of sensitive data**

- The Bank has deployed control of mobile storage devices, along with real-time monitoring and blocking capabilities for outbound emails containing sensitive information. Sensitive data detection capabilities are strengthened on office terminals to enhance data protection;
- The Bank deepens the application of cryptographic algorithms within information systems to enhance the confidentiality and integrity protection of critical data in the processes of both transmission and storage;
- Additionally, the Bank promotes the development of a cross-network data transfer system to provide a standardized and efficient channel for the transmission of sensitive data across the Bank.

#### In-depth cyberattack defense system

The Bank has established a technical protection and operational system across the Bank. This system includes web application protection, webpage anti-tampering, malicious code prevention, and host security defense. It is designed with capabilities for proactive prevention, real-time detection and protection, as well as post-incident analysis and traceability.

#### 24/7 threat monitoring and response

The Bank has developed and operated a security situational sensing platform, enabling round-the-clock monitoring and closed-loop handling of cyberattacks throughout the year, enhancing the Bank's cybersecurity situational sensing capabilities.

#### **Real-world penetration testing**

The Bank invites professional cybersecurity offensive and defensive institutions to conduct multiple rounds of penetration testing and vulnerability assessments, thoroughly identifying deep-level security vulnerabilities in its networks and information systems. Additionally, the Bank has developed an internal cybersecurity "blue team", continuously improving the effectiveness of its security system through automatic internal vulnerability discovery and red-blue team exercises.

#### Social engineering drills

- The Bank organized two rounds of phishing email tests targeting all employees, aimed at enhancing their ability to recognize malicious emails and validating the effectiveness of relevant emergency response procedures.
- During the year, the Bank conducted special inspections of social engineering and proximity-based attacks at 25 branches and subsidiaries. During these tests, inspectors used tactics such as diversion, tailgating, and identity impersonation to realistically assess whether employees could promptly question, stop, and report unfamiliar or suspicious individuals appearing within internal office premises.

#### **Third-Party data security management**

- Management Measures, which standardize data security requirements for external data exchange activities as an essential aspect of data security protection. Additionally, the Bank has released supporting documents such as the Supplementary Agreement Template for External Data Sharing, the Data Security Assessment Requirements, and the Industrial Bank Data Security Assessment Report Template, all aimed at enhancing the security and compliance of third-party data interactions and ensuring the security of customer information and financial transaction data.
- The Bank strictly limits the purposes and uses for which authorized third parties handle customer information. Without customers' explicit consent, the Bank will not share customer information with its financial partners, affiliates, or business partners. Moreover, the Bank will not rent, sell, or provide customers' personal and private data to any third party for purposes beyond the scope of the customer's authorization.

#### **Audits of information security system**

- Each year, the Bank engages external third-party organizations to verify and review its ISO27001 security management system certification. External independent assessment agencies are invited annually to conduct cybersecurity and information security risk assessments on critical information systems. In addition, external independent audit firms perform IT control audits each year, which include evaluations of information security control measures.
- The Bank's internal audit department conducts annual compliance audits related to data security management. These audits cover areas such as data security and personal information protection, aiming to reinforce data security management and implementation through effective audit supervision.
- During the year, the Bank conducted special audits on information technology risk management in subsidiaries and 15 tier-1 branches, with a focus on areas such as network and information security, R&D management, and business continuity management. Special audits on technology O&M and business continuity risks were also carried out to evaluate the risk management level of the Bank's technology O&M and business continuity from perspectives such as the business continuity risks of critical information system disaster recovery and the proactive approach to the large-scale application of new technologies. The audit results were reported to the Board of Directors.

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# Information security emergency response

The Bank has established a network security emergency command team supported by specialized task groups, led by the person directly responsible for network security, with collaboration from various departments, branches and sub-branches. A "combined peacetime and wartime" network security protection plan is developed with the goal to have a comprehensive understanding of the network security situation and continuously carry out various security operations. Based on a clear emergency response process for information security incidents, the Bank has developed emergency disposal plans for various security incidents, including denial of service, data breaches, network attacks, and internet counterfeit applications. The Bank conducts regular drills, and actively collaborates with specialized external organizations to establish a monitoring and early warning mechanism for network security threats and data leakage incidents.

The Bank carries out regular proactive vulnerability scans on internal assets using host intrusion detection systems and vulnerability scanning systems. In addition, advanced persistent threat (APT) detection systems are used to analyze network traffic and passively identify asset vulnerabilities. By integrating multiple detection methods, the Bank identifies various vulnerabilities requiring remediation and tracks and resolves them through the vulnerability patch management system to ensure a closed-loop process.

Moreover, the Bank encourages employees to actively report any suspicious activities or accidental breach related to information security. Employees may follow the procedural guidelines provided by the Bank to submit feedback via appropriate complaint channels or anonymous reporting mechanisms. Upon receiving such reports, specialized personnel will investigate and verify the incidents.

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Personal information and privacy protection

The Bank strictly complies with the Personal Information Protection Law of the People's Republic of China, fully respects individual rights and interests, and has established and implemented security requirements covering the entire lifecycle of personal information. It rigorously adheres to the principles of clear purpose, transparency, informed consent, data minimization, secure processing, and data subject participation. In the meantime, the Bank has published the Industrial Bank Privacy Policy Highlights on its official website, updating it annually as needed. The policy embeds customer privacy protection requirements throughout the entire personal information processing lifecycle, and effective measures are taken to fully safeguard the rights and interests of customers.

In 2024, no regulatory penalties were imposed on the Bank due to customer information leaks or failures to comply with personal information protection requirements.

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© Governance - Ø strategy  © Impact, risk and opportunity man  o Indicators and goals	The disclosure framework stipula	Optimizing the privacy governance framework	<ul> <li>The Bank's Board of Directors oversees privacy protection across the Bank and conducts an annual review of the Bank's personal information protection report, and provides guidance of and suggestions on privacy protection;</li> <li>The Network and Information Security Leadership Group is responsible for the overall coordination and deployment of specific privacy protection work;</li> <li>The implementation of personal information protection and the occurrence of any privacy infringement are included in the evaluation of each department's network and information security performance, as well as in the assessment of consumer protection efforts. These evaluations directly impact the comprehensive performance appraisal of each department.</li> </ul>
Disclosur	work stipulated in the Shanghai	Revising and improving privacy protection policies	The Bank has stipulated relevant management policies such as the Management Measures for Personal Information Protection of Industrial Bank and the Management Measures for Data Security of Industrial Bank, and embedded privacy protection requirements throughout the entire lifecycle of personal information processing. The Bank also implements effective measures to fully safeguard the rights and interests of its customers;  Subsidiaries and overseas institutions have also formulated their own privacy policies and strictly comply with legal and regulatory requirements, as well as agreements between the institutions and individuals to collect, process, and use personal information;  Customers can raise questions, provide suggestions, submit complaints, or reports related to privacy protection through various channels, including the Bank's customer service hotline (95561), "Online Customer Service" in the official website, www.cib.com.cn, the "CIB Customer Service" on the CIB Bank mobile banking app, or by contacting the personal information protection officer via email (pii_protection@cib.com.cn).
e Framework		Personal information protection impact assessment	<ul> <li>The Bank upholds the principle of Privacy by Design and has established a personal information protection impact assessment mechanism. The scope of assessment includes the fulfillment of customers' right to informed consent, data retention periods and mechanisms for exercising the right to data deletion, evaluation of the information security capabilities of relevant external third parties, security and compliance in data usage, transmission, and cross-border transfers;</li> <li>All activities involving the processing of customer personal information, such as the design or modification of business products, information system development or changes, data processing by third parties, cross-border data transfers, external data provision, and automated decision-making, must undergo a personal information protection impact assessment in advance. These activities may only proceed upon expert review and approval by responsible people within relevant departments.</li> </ul>
		Regulating the collection, usage and retention of customer information	<ul> <li>The Bank continuously conducts privacy compliance inspections for its internet applications. Over the year, a total of 20 rounds of privacy compliance testing were carried out on the Bank's customer-facing or key internet-based apps and mini-programs. These tests aim to ensure the legality of privacy agreements, the standardization of authorization mechanisms, and the compliance of permission requests;</li> <li>Focusing on customer privacy protection requirements regarding the collection, retention, and deletion of personal information, the Bank mobilizes all employees to carry out privacy compliance risk reviews across existing business, products, and channels and further improve channel-side compliance.</li> </ul>
		Restricting access to customer information	The Bank adopts complete technological measures such as data access management, personal information de-identification, and data desensitization. All access to personal information must meet the requirements of justified purpose, prior approval, and traceability, so as to ensure that all employees can only access the minimum scope of personal information necessary for their specific job responsibilities.

#### Rights provided to consumers regarding the control of their data:

The Bank always adheres to relevant laws, regulations, and regulatory requirements, respects and fully protects customers' rights to control their personal information. These rights include the right to be informed, the right to choose, and the rights to access, copy, correct, and update their personal information, as well as the right to request account cancellation and deletion of personal data.

Customer rights	Protection measures
Rights to be informed and to choose	<ul> <li>Before customers access the mobile app, use services, or engage in business involving the collection and processing of personal information, the Bank informs them through a privacy policy or a consent form, obtains their explicit consent and then collects personal information based on the principle of data minimization.</li> <li>The Bank uses standardized templates for all privacy policies and consent forms, each of which undergoes a rigorous review and approval process before official release to ensure compliance and completeness.</li> <li>In specific scenarios involving the processing of sensitive personal information, engagement of external third parties, or cross-border data transfers, the Bank separately informs customers within the consent form and obtains their individual consent.</li> </ul>
Rights to access, copy, correct, and update data	After identity verification, customers may access copies of their personal information registered with the Bank, as well as transaction records and other business-essential data, through online channels such as the Bank's official website and mobile banking app;  The Bank has established a standardized response mechanism at the counter level for requests to view or copy personal information, ensuring customer needs are met;  If customers find their personal information inaccurate or incomplete, they may request corrections at counters or make updates themselves through online channels.
Right to delete data	<ul> <li>Customers can cancel their previously registered internet finance customer ID via the mobile banking app or through the "Service Management" – "Cancel Customer ID" section in personal online banking. They may also cancel their bank cards or accounts via the mobile banking app or by visiting an outlet of the Bank;</li> <li>Customers may request the deletion of their personal information through the Bank' s outlets, customer service hotline (95561), the "CIB Customer Service" function in the mobile banking app, or the "Online Customer Service" on the Bank's official website. Upon verifying the customer's identity, the Bank will process the request within 15 days;</li> <li>The retention period of personal information is the minimum duration necessary to fulfill the intended purpose of processing. Upon the expiration of this period, the Bank will promptly delete the personal information or anonymize it in accordance with the privacy policy;</li> <li>Once a customer deletes part of their personal information, the Bank will cease processing that information. However, the customer's decision on deleting personal information does not affect any prior processing activities conducted based on their consent.</li> </ul>

#### Conducting comprehensive information security training for all employees

The Bank continues to establish a long-term Bank-wide mechanism for communication, implementation and training. Focusing on areas where employees may have weaker security awareness, the Bank adopts innovative methods to regularly carry out themed campaigns such as "CIB Security". These initiatives aim to continuously enhance all employees' awareness and capabilities in information security, and foster an information security culture system where "Everyone Assumes and Delivers on His/her Responsibilities".

Training type	Training audience	Number of training sessions	Number of participants	Training contents
Information security	All internal employees and dispatched personnel	4.77	198,222 regulatio	Interpretation of network security laws and regulations, personal information protection, social engineering attack prevention, account
general awareness training	New employees	177	2,043	and password security, phishing email identification and prevention, data security, security compliance requirements, etc.
Security professional skills training	Security personnel	115	10,173	Offensive and defensive skills, interpretation of network security laws and regulations, use of network security equipment, security monitoring and analysis technology, etc.
Professional security R&D training	R&D personnel	42	21,388	Security R&D lifecycle system, security requirements and design, secure coding specifications, common vulnerability prevention guidelines, security architect work practices, security R&D platforms and toolchains, application of cryptographic algorithms, software supply chain security, etc.

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Type of external certification	ISO27001 information security management standard and management system CNAS/UKAS dual accreditation	Financial technology product certification	Information Technology Service Standards (ITSS) certification
Coverage	The Bank's Data Center and Credit Card Center are responsible for the operation and maintenance of more than 90% of the information systems, all of which have obtained ISO27001 information security management system certification. Additionally, subsidiaries such as Industrial Consumer Finance Co., Ltd., CIB FINTECH, and China Industrial International Trust Limited have also received this certification.	The Bank has obtained the financial technology product certification with its CIB mobile banking app, CIB Trust app, and CIB Kongshoudao app.  ② 企設科技产品认证证书  ② 企設科技产品认证证书  ② 企政科技产品认证证书  ② 企政科技产品认证证书  ② 企政科技产品认证证书  ② 企政科技产品认证证书  ③ 企政科技产品认证证书  ③ 企政科技产品认证证书  ③ 企政科技产品认证证书  ④ 企政科技产品认证证书  ● 企政科技产品认证证书  ● 企政科技产品认证证书  ● 企政科技产品认证证明  ● 企政社会记证  ● 企政社会记述  ● 企业社会记述  ●	Industrial Bank Co., Ltd.  ITSS  TALLAGANA  FOR THE TAMES THE TABLES HIP  G. N. S. S. F. F. D. O. S. D. STOCKER  WARREL SHAWN SHAWN SHAWN SHAWN  PRINT THE TABLES AND SHAWN SHAWN  PRINT THE TABLES AND SHAWN SHAWN  THE TABLE SHAWN SHAWN  THE TABLE SHAWN SHAWN  THE TABLE SHAWN

#### Management of impacts, risks, and opportunities \_

The Bank has formulated data security risk management measures, established mechanisms for data security risk control and incident response, and issued guidelines for data security assessments. These guidelines clarify the scenarios, processes, and requirements for conducting data security assessments and standardize the Bank's mechanisms for risk identification, measurement, response, monitoring, and reporting at various stages. The Bank classifies data security risks into three levels: high, medium, and low. Each department regularly conducts data security risk assessments. Once a medium- or high-level risk is identified, it must be promptly reported to the

centralized data security management department. Branches at all levels are required to submit regular data security risk reports, and an annual data security risk assessment is organized every year.

In 2024, the Bank completed a data security risk assessment and submitted it to regulatory authorities. Data security risks at key links were identified and rectified accordingly. Data security risk and information technology risk were incorporated into the Bank's comprehensive risk management system.

responsibilities and obligations of both parties, and strengthening

the supervision and management of shared data.

Category	Factor	Potential impact	Countermeasures
	Technical loophole risk: Due to the complicated network architecture, the existence of software vulnerabilities, hardware failures, or delayed system updates may be exploited by hackers.	This may lead to data breaches and system failures, resulting in the loss of customer information and funds, and negatively impacting the Company's reputation and business operations.	Establishing a vulnerability scanning and remediation mechanism, conducting regular detections, and promptly updating software and hardware. Adopting advanced security technologies such as firewalls and intrusion detection systems.
	External attack risk: Cyberattacks such as hacking, phishing, and DDoS attacks are becoming increasingly rampant in the financial sector as a primary target, where hackers use various methods to steal data or disrupt systems.	Bank system services could be interrupted, with data being stolen or tampered with, leading to disrupted customer transactions and threats to fund security, thereby affecting the Bank's normal operations.	Building a cybersecurity protection system, incorporating tools for antivirus, anti-phishing, and anti-ransomware detection, and establishing a defense mechanism against DDoS attacks to enhance network perimeter protection.
Risks	Data processing risk: As business data volumes continue to grow, poor management during data storage, transmission, and usage, such as untimely data backups or insufficient access control, can lead to security risks.	This may cause data loss, corruption, or leakage, affect business decision-making, trigger compliance issues, and result in regulatory penalties.	Strengthening data security management and technical measures, standardizing data handling procedures, enhancing technical safeguards for data, and establishing an off-site disaster recovery center.
	Third-party cooperation risk: When collaborating with third-party organizations, if vendors or partners lack proper security management, it may result in data security issues.	In the event of customer information leakage, the Bank may need to assume joint liability, which could affect business partnerships and damage the Bank's brand image.	Conducting rigorous security assessments prior to cooperation, signing security agreements with clearly defined responsibilities, and enhancing supervision and management of third parties.
	Strengthened regulation: The NFRA has issued regulations such as the Measures for Data Security Management of Banking and Insurance Institutions, which impose strict requirements on data security and provide clear guidance for standardized data management.	Relevant regulatory policies help drive banks to adopt data security management and technical measures to strengthen data security management. They also promote the integration of data security risks into the Bank's comprehensive risk management system, thereby enhancing the Bank's credibility in the area of data security.	Establishing a sound data security management system, and implementing an accountability system for data security. Categorizing and classifying data according to regulatory requirements, and adopting differentiated protection measures accordingly. Conducting regular data security assessments and audits to strengthen oversight over and inspection of data security.
Opportunities	Data sharing: Under the premise of compliance with laws and regulations and ensuring information security, data sharing can promote innovation and optimization in financial services.	It helps banks break down data silos and access more data resources, enhance their understanding of customers and their risk assessment capabilities. It also promotes innovation in financial services, enabling the launch of more personalized and convenient financial products and services, thereby	Establishing data sharing management procedures to clearly define the conditions and processes for data sharing. Employing advanced technologies such as data encryption and access control to ensure the security of shared data during transmission and usage. Signing data security agreements with sharing partners to clarify the

increasing customer satisfaction and loyalty.

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Indicators and targets

Key indicators	Management goals	Progress in 2024
Information security system certification coverage	The information security system certification covers all of the Bank's information systems.	The Bank's Data Center and Credit Card Center are responsible for the operation and maintenance of more than 90% of the information systems, all of which have obtained ISO27001 information security management system certification.
Information security general awareness training coverage	Information security general awareness training covers all employees.	Throughout the year, the Bank conducted 177 sessions of information security general awareness training for all internal employees, dispatched personnel, and new employees, with total attendances exceeding 200,000.
Number of customer information breach incidents	Zero incidents of customer information leakage.	During the reporting period, the Bank did not experience any incidents of customer personal information leakage, nor were there any regulatory penalties imposed due to information leakage or failure to fulfill personal information protection requirements.

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# SOCIAL

Social Commitment Actively Fulfilling Social Responsibility and Embodying the Noble Spirit of Finance

- 142 / Feature: Deepening Expert Management and Empowering Holistic Employee Development
- 153 / 5.1 Improving the talent management system
- 164 / 5.2 Advancing inclusive finance
- 169 / 5.3 Propelling rural revitalization
- 174 / 5.4 Commitment to charitable initiatives and public welfare



# Deepening Expert Management and Empowering Holistic Employee Development

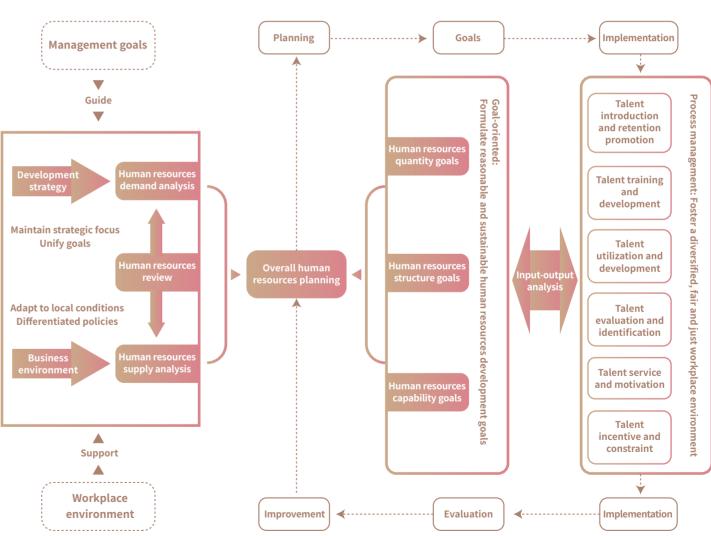
CIB attaches great importance to talent cultivation and employee development, and encourages every employee to find a suitable career development path within the Bank, growing alongside the Bank while continuously realizing their personal value.

# Continuously advancing talent pipeline development strategy

Upholding the philosophy that "talent is the primary resource", the Bank aligns closely with national strategic direction and its own development plans. Taking reform of institutions and mechanisms as a breakthrough point, the Bank is committed to building a talent development system that integrates talent introduction and cultivation, optimizes structure, and enhances efficiency. By implementing a series of initiatives to build a more solid foundation for talent development, the Bank continues to improve institutional systems and strengthens support across key areas such as talent cultivation, deployment, and management. It systematically advances talent echelon development, professional capability building, and the cultivation of digital transformation talents in a bid to develop a contingent of high-caliber professionals and inject strong momentum into the Bank's high-quality development.

Human resources management system framework





### The Bank's talent programs and talent pool initiatives

Tens of Thousands
of Technology
Talent Program

Tens of Thousands
of Green Finance
Talent Program

Tens of Thousands of Wealth Management Talent Program

Middle- and
Back-Office Leading
Development Program

Industry
Expert
Program

Modeling
Talent
Program

International Business Talent Program

Private Banking
Talent Program

8

Investment
Banking Talent
Multiplication Plan

9

Strategic Key Talent
Multiplication
Program

International Talent
Cultivation
Program

Comprehensive
Management Talent
Training Program

East-West Talent
Exchange
Program

"Craftsmanship-oriented Talent" Professional Skill Enhancement Program Overseas
Talent
Exchange Plan

"Greater Bay Area" Talent Exchange Program

Xizang Support Talent Plan

Attracting
Talent to Fujian
Plan

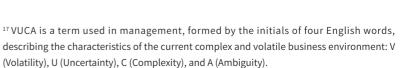
Hongyan Talent
Exchange
Program

Honghu
Talent Pool
Program

Kunpeng Talent Pool Program High-Potential Young and Mid-aged Talent Pool In 2024, on the basis of the continued application of the Human Resource Risk Map framework, the Bank integrated a dual-dimensional evaluation model considering both concerns about employee needs and organizational operational impact. By focusing on key issues, the Bank established a systematic risk prevention and control mechanism that is both forward-looking and nimbly adaptable, ensuring the resilient development of human resource management in a VUCA<sup>17</sup> environment.



The Bank regards the digital transformation of human resources as a key tool for risk prevention and control as well as problem-solving. Through the digitization of the entire human resource management process, the Bank improves and optimizes business workflows, enhances technological empowerment in areas such as employee recruitment, retention, training, deployment, evaluation, motivation, service, and guarantee, and enriches communication channels and risk detection methods. It implements employee personal data protection requirements and continuously enhances the value and refinement of human resource management. By building human resource data analytics capabilities and strengthening data governance, the Bank has established human resource data assets. It has developed application scenarios such as the data cockpit, talent profiles, and indicator monitoring, enabling comprehensive, multi-dimensional, and real-time display and dynamic monitoring of human resource management indicators across institutions at all levels. This allows for timely assessment of human resource issues encountered by the Bank and its employees in their development, and adoption of corresponding measures to effectively enhance the sustainable development capability to address various risks.



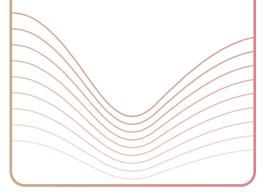
Employee concerns

### **Developing key talent programs**

In alignment with the Bank's overall strategic priorities, the Bank makes efforts aimed at cultivating seven key types of talent, including digital, interdisciplinary, specialized, high-end, versatile, international, and craftsmanship-oriented professionals, thereby continuously strengthening the Bank's key talent reserves.

### Tens of Thousands of Technology Talent Program

The Bank develops a technology talent map to improve the tiered and categorized certification system for professional personnel with practical skills. Through job rotation, shadow training, qualification certification, skills competitions, and hands-on project experience, it focuses on strengthening the talent reserve for business-technology integration. As at the end of the year, the Bank had a total of 7,840 technology professionals. It also launched the Modeling Talent Program to explore a talent development model characterized by "elite deployment, training through real business scenarios, continuous empowerment, and momentum building" . So far, approximately 1,000 individuals have been included in the talent pool.



# Tens of Thousands of Green Finance Talent Program

The Bank makes efforts to increase the proportion of certified personnel involved in green finance in the talent pool, while expanding the core talent team. It has established industry experts and specialized carbon finance service teams, and implemented a two-way shadow training program to enhance the practical experience of the trainees. It has also refined the green finance talent development system, bringing the total number of green finance professionals in the Bank to 9,340 by year-end.

### International Talent Cultivation Program

The Bank adheres to a dual approach of internal cultivation and market-based recruitment, as well as coordination between domestic and overseas efforts. It strengthens training on international development strategies and global business and focuses on fostering a global mindset and enhancing international competencies. As at the end of the year, over 1,100 international business professionals were certified.

### Tens of Thousands of Wealth Management Talent Program

The Bank accelerates the development of its wealth management talent pool and expands the marketing team to enhance overall customer service capabilities. As at the end of the year, over 10,000 employees across the Bank obtained full qualifications for the sale of wealth management products.

# Multidisciplinary and Versatile Talent Development Program

The Bank continues to deepen the development of the Honghu Talent Pool Program and the Kunpeng Talent Pool Program. It has added the Hongyan Talent Pool Program and a talent exchange program for staff aiding Xizang to intensify efforts to implement cross-training between the Head Office, branches, and subsidiaries.

# Investment Banking Talent Multiplication Plan

The Bank has refined its special training programs under the "Commercial Banking + Investment Banking" model and the Investment Banking " $\pi$ " Program. These initiatives help promote professional knowledge and skill certification for investment banking roles, and comprehensively elevate the competence and professionalism of the investment banking team. As at the end of the year, over 2,100 investment banking professionals with practical skills were certified.

# "Craftsmanship-oriented Talent" Professional Skill Enhancement Program

The Bank refines the evaluation and incentive mechanisms, with 99 individuals recognized as "2024 CIB Artisans of the Year" and 30 as "Young Tech Experts". In this positive manner, it aims to guide and support the development of a highly skilled, innovative, and hands-on craftsmanship-oriented talent team across the Bank.



### Internal and external talent exchanges

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In 2024, the Bank actively promoted internal and external talent exchanges, and established staff exchange channels with multiple external institutions. Through mechanisms such as two-way exchanges, job shadowing, and rotational assignments, the Bank has jointly nurtured outstanding professional talents.

Senior executive rotational assignment

To promote the integrated development of the Bank's managers, since 2023, the Bank has facilitated the rotational assignments of senior executives, including 75 exchanges between the Head Office and branches, 25 exchanges between the parent and subsidiary companies, 39 exchanges between eastern and western regions, and 45 exchanges between northern and southern regions.

Expanding channels for manager selection and appointment

The Bank has carried out the recruitment and adjustment of middle management positions at the Head Office, along with public competitive hiring processes, to promote mutual exchange between departments at the Head Office, between the Head Office and branches, and between the Head Office and subsidiaries.

Launching the Hongyan Talent Exchange Program

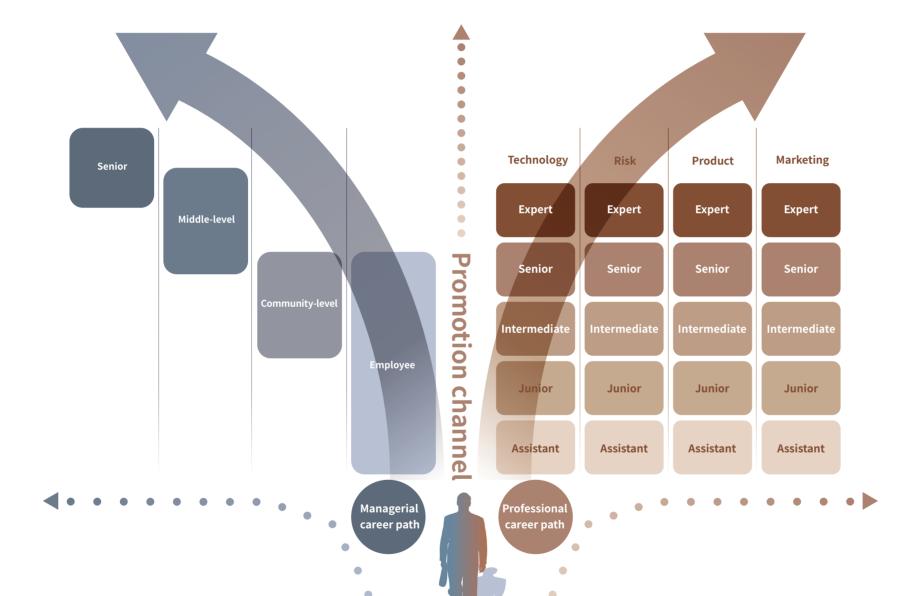
By establishing the Hongyan Talent Pool, the Bank recruited a total of 297 employees, with 95 of them participating in temporary assignments for training.

This initiative further strengthened talent exchanges between the Head Office and branches, between the eastern and western regions and between the northern and southern regions, while enhancing the community-level experience and practical training of the employees.

Interbank talent exchange

The Bank has explored an interbank talent exchange mechanism to broaden the talent development pathway.

Three outstanding employees were selected to go to Haixia Bank of Fujian, and four were assigned to Bank of Ningxia for exchange assignments. Additionally, four employees from Bank of Ningxia and ten from Bank of Jiujiang were received for temporary assignments at the Bank. The Bank also collaborated with the offices of the Financial Committee of the CPC Gansu Provincial Committee and the Financial Committee of the CPC Henan Provincial Committee for exchange and temporary assignments of Seven employees.



# Connecting career development pathways

The Bank adopts a dual-track development model encompassing both managerial and professional career paths. Guided by the career stage goals of "steady start for newcomers, progressive growth for managers, and strategic leadership for decision-makers", the Bank has formulated and implemented diversified personal career development plans to broaden talent development channels and stimulate innovation vitality.

Upholding the philosophy of professional excellence and expert management, the Bank has established the Industrial Bank Professional Technical Career Path Management Measures. It focuses on key professional tracks such as marketing, technology, risk management, capital, product, and operation support. It improves a talent evaluation system centered on innovation value, professional competence, and performance contribution. By creating vertically connected and horizontally integrated growth pathways, the Bank ensures that the professional track further serves as a benchmark in cultivating a high-quality, specialized talent force.

### Improving the employee training system

The Bank continues to refine its "5+N" training system, and actively builds a comprehensive training system centering on the principles of "course-centered, instructor-driven, course development by instructors, joint course-instructor building, course-instructor alignment, and training both teachers and learners". The Bank continues to increase training investment to foster a learning-oriented organization, and strengthens training empowerment for all employees across the Bank. During the

year, the Bank issued training-related policies such as the Notice on Further Strengthening Training Management and the Opinions on Strengthening and Advancing the Coordinated Management of University Training Cooperation. These initiatives support the unified planning of training programs across the Bank and promote strategic training for talent development, with a continued focus on cultivating employees' lifelong employability.



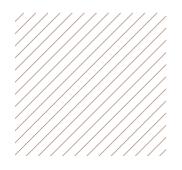
The Bank has coordinated and implemented the re-evaluation plan for **5,162** head-office-level courses, and released the re-evaluation checklist across the Bank to strengthen the integration of top-down and branch-head office collaboration in course development. In 2024, over **5,290** courses were newly developed and launched on the "Xingzhi" platform. As at the end of 2024, there were more than **13,000** courses in total on the platform.



Throughout the year, the Bank completed the development of learning maps and supporting course materials for 13 professional sub-sequences and 40 professional sequences in risk management, treasury business, and IT. It established and launched dedicated course sections for key strategic areas such as the "Wuhushan" Forum, digital transformation, advanced approaches to capital measurement, the "Three Community-Level Improvement" management, comprehensive management talents, modeling talents, and pension finance. In addition, the Bank updated and iterated course systems involving green finance, the Tens of Thousands of Technology Talent Program, and the Investment Banking Talent Multiplication Plan.



The Bank continues to strengthen the digital development of the course library and the instructor base, promotes the digital transformation of instructors and courses, improves the "Xingzhi" course tagging system, and optimizes the online learning experience of participants. It coordinates the special governance of "Xingzhi" courses. Throughout the year, the Bank basically reviewed and standardized over 18,000 existing courses, moved approximately 8,780 courses into the historical archive, and revised or newly developed more than 1,830 courses, laying a solid foundation for the digital operation of the training system.



The Bank supports employees' continuing education and encourages employees to progress from "multi-skilled learning" to "multi-certification proficiency". All employees are encouraged to actively participate in external educational programs and certification exams. This initiative aims to enhance employees' professional knowledge structure and overall competence. Furthermore, the Bank provides financial support for such activities in a legal and compliant manner. The Bank also collaborates with leading domestic and international universities and professional training institutions to enable the employees to develop global perspectives and capabilities.

To implement its 14th Five-Year Talent Development Plan and the requirements for the reform of the professional technical career path, and to enrich employee talent profiles, the Bank has utilized the

Xingzhi APP to collect data on employees' acquisition of professional certificates. The Bank has also opened up talent data sharing, encouraging HR departments at all levels to actively subscribe to and leverage the data to strongly support the selection and deployment of various types of talent. Since the beginning of this year, over 38,000 external certificates from third parties have been uploaded to the system by employees. At the same time, the Communist Party of China Industrial Bank Party School has taken certificates such as CFA ESG and CDCS as pilot programs to explore incentive mechanisms for external professional certification. Through initiatives such as pre-exam professional coaching, reimbursement of exam fees, and centralized organization and operations, it has strengthened the management of exam operations, stimulated employees' motivation for learning and growth, and continuously improved the external certification rate among the Bank's key talents.

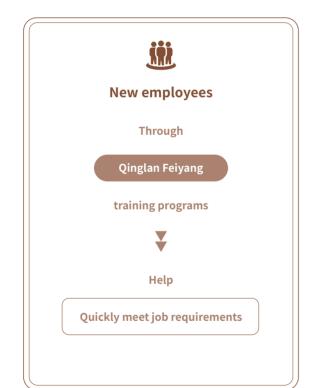


### Intensifying the cultivation of new hires, newly transferred staff, and newly promoted personnel

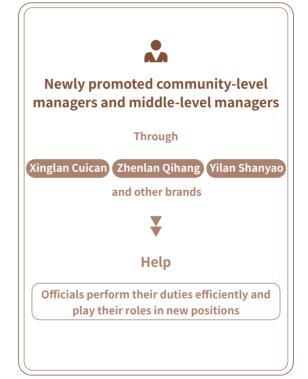
The Bank provides high-quality training and development opportunities to all regular and dispatched employees, aiming to help them fully tap into their potential. Leveraging a digital management system, the Bank offers diverse learning opportunities and resources to employees at different stages of their careers and personal development, supporting both

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personal growth and professional advancement. The Bank places great emphasis on full-cycle career development for employees. In response to the training needs of new hires, newly transferred staff, and newly promoted personnel, it has established a systematic and professional training system.









Following the approach of "full-cycle training, phased implementation, and progressive talent cultivation", the Bank continuously improves the training system for new hires, fully supporting young employees at different stages of development to quickly adapt to the environment, master skills, develop good professional habits, and embark on their career journey at the Bank.

# "Qinglan Feiyang" onboarding training program

The Bank conducts training through a combination of online and offline methods. In the online phase, 43 challenge-based courses are offered to all new hires to help enhance their general knowledge. The offline phase focuses on intensive training around CIB culture and strategic contents such as the "five new arenas", "Three Community-Level Improvement", "Tri-Transformation", and others. In 2024, the Bank completed onboarding training programs for 269 new employees from 22 Head Office departments, 8 branches, and 3 subsidiaries. Additionally, subsidiaries and branches independently organized over 80 sessions of new employee training.

# "Qinglan Feiyang" tailored training sessions for new hires

Following the long-term training planning approach of "full-cycle training, phased implementation, and progressive talent cultivation", the Bank launched the 2024 "Qinglan Feiyang" Tailored Training Program for New Hires, with a training cycle of approximately three months. Centered on the core goals of "targeted empowerment, experience extraction, and honor recognition", the program followed an approach of "open registration, online self-learning, multi-dimensional selection, and offline intensive training". It aimed to identify campus-recruited new employees who quickly adapted and grew, demonstrated comprehensive skill development, and delivered outstanding job performance, and provide them with advanced development opportunities. The program helped create benchmark examples, extract best practices, and accelerate the growth and development of new hires.

# "Qinglan Feiyang" Special Training for New Hires Specializing in FinTech

The Bank focuses on key digital competencies to help new employees to grow and live to their full potential. The onboarding training began with senior leadership speeches and culture introduction. With the goals of internal empowerment and skill enhancement, the Bank invited 14 internal core experts to deliver lectures. It also introduced external innovation and multi-dimensional in-person sessions to comprehensively improve participants' overall capabilities, and encourage exploration of further applying fintech in practices through project presentations. Over the year, two training sessions were conducted through a combination of online challenge-based learning and offline intensive in-person classes, training a total of **94** new employees specializing in fintech.

### Skills and knowledge development training

The Bank adheres to the core philosophy of "cultivating employees' lifelong employability", follows the guidance of Party building, and implements the overall training direction of the "Four Integrations" <sup>18</sup> and the general training requirements of the "Three Transformations" <sup>19</sup>. A multi-level, comprehensive training system for the manager echelon has been established. Upholding the principle of "people foremost, teaching according to aptitude", the Bank aligns training programs with the capability and quality requirements for managers, designing targeted and special training projects. These programs provide

systematic and professional growth paths for managers at all levels, offering tiered, field-specific, and thematic training in political education, Party spirit, and job competence. Leveraging various manager training programs, the Bank has further promoted the "Temporary Party Branch Party Building and Full-Process Practice Course", advancing the dual integration, dual promotion, and dual enhancement of Party building and core business activities. This initiative fully leverages its pioneering, foundational, and strategic role in building a high-quality workforce.

<sup>&</sup>lt;sup>18</sup>The "Four Integrations" refer to the integration of theoretical training with practical exercises, offline training with online training, independent training with external training, and education and training with transformational development.

<sup>&</sup>lt;sup>19</sup> The "Three Transformations" refer to the transformation from "cramming-style" training to "participation-style" training, from "test-based" training to "application-based" training, and from "completion-based" training to "dynamic" training.

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Senior executive development program

Revolving around enhancing strategic thinking and decision-making capabilities, the Bank provides special rotational training programs in collaboration with institutions such as China Executive Leadership Academy, Jinggangshan and China Executive Leadership Academy, Yan' an. The programs emphasize strengthening leadership, theoretical literacy, Party spirit, and professional competence. In recent years, a total of 10 special rotational training sessions have been conducted, with an attendance of approximately 450. Additionally, a series of advanced training programs focused on high-quality financial development were organized around topics such as retail, technology, and risks. These programs aimed to help senior executives grasp industry trends, enhance management empowerment, and promote the systematic development of retail operations, digital transformation, and top-level management in the risk area.





Middle management development program

Under brands such as "Xinglan Cuican" and "Zhenlan Qihang", and in accordance with different positions and business topics, the program targets managers in business lines such as integrated finance, risk management, corporate finance, and operational management. It offers training programs for the reserve forces of senior executives, senior middle management, newly appointed middle management, and the Kunpeng and Honghu talent pools. By tailoring instruction to individual needs, the program aims to build a middle management team with strong management capabilities, high professional competence, and a strong sense of innovation.





Community-level manager development program

Branded under names such as "Yilan Shanyao" and "Weilan Yangfan", the program adopts a blended training approach combining online and offline methods. Utilizing lecture-based, case-based, discussion-based, and experiential teaching formats, it helps community-level managers refine their personal qualities, enhance their team management and problem-solving skills, and elevate overall community-level management capabilities.



All-employee leadership training program

Leadership training is not limited to management but is made available to all employees, including outsourced staff, covering key skills such as time management, emotion management, image management, and interpersonal management. Courses like Opening the Door to Leadership and High-Impact Communication are launched through the Xingzhi App, and combined with the "Quan Xing Xue" all-employee general knowledge program to help employees enhance their leadership and strategic awareness.



Special training program for overseas talents

The Bank leverages its Hong Kong Branch to enhance overseas training efforts, supporting employees in strengthening their cross-border financial service capabilities. In 2024, Hong Kong Branch organized four key training sessions, focusing on areas such as law, capital pool products, green taxonomy, and greenwashing risk.



### 1 2 3 4 5

### Cooperation with external educational institutions for training

The Bank actively collaborates with major universities, renowned research institutions, and Party schools (academies of governance) at various levels, making full use of high-quality educational resources. By integrating online and offline training methods and strengthening integrated management, the training complements the Bank's internal training programs and aims to enhance the quality of talent cultivation. To strengthen the overall management of training cooperation with universities across the Group, the Bank focuses on improving the compliance, foresight, systematicness, effectiveness and pertinence of the training.

In 2024, the Bank signed cooperation agreements with the Party School of CPC Fujian Provincial Committee (Fujian Academy of Governance) and Renmin University of China to explore broader collaborations in areas such as think tank research, postdoctoral training, and customized talent cultivation, thus deepening the integration of industry and education. Specifically, from October to November 2024, the Bank, in partnership with the Party School of CPC Fujian Provincial Committee (Fujian Academy of Governance), launched six sessions of the "Middle and Community-Level Management Development Program". The program adopted a structure of "large-class lectures for general courses, small-class in-person sessions for professional courses, and group presentations for research projects", covering over 1,400 middle and community-level managers. In the meantime, various institutions of the Bank collaborated with key universities, Party schools (academies of governance), executive leadership academies, and revolutionary education bases to conduct training programs that complemented internal training initiatives, with a total of 27 sessions organized throughout the year.

### **Communist Party of China Industrial Bank Party School**

Sustainability Report (2024) (ESG Report) 🧼

The Party School deepened open education initiatives and continued to advance its partnership with Minjiang University, further improving the operations of the Industrial Bank digital finance talent program. Through multiple rounds of discussions with the university, the Party School explored optimization measures such as early-stage recruitment and training, reserved hiring quotas, and dual-way talent development.

### **Credit Card Center**

The Center partnered with the International Campus, Zhejiang University to organize the "CIB Journey" special training program for middle management, focusing on topics such as credit card business development, brand building, customer operations, and team management. During the program, participants exchanged and discussed the exploration and practices of the credit card business transformation and development in the era of existing resource operation, aiming to enhance their global perspectives, diversified skills, and core competitiveness in the credit card sector.

### CIB Wealth Management

The Company collaborated with Peking University and Zhejiang University to organize a training program for middle and community-level management. Oriented toward results and focused on business development, the program included visits to leading enterprises and peer institution exchange enhancement. It aimed to strengthen middle and community-level management's overall competencies, including management skills and collaboration awareness, and further enhance the cohesion of the management team.

### **Harbin Branch**

In collaboration with Harbin Institute of Technology, the Branch organized a series of Training Sessions for Sub-branch Managers under the High-Quality Financial Development Advanced Training Program. The training primarily consisted of thematic lectures, incorporating a variety of teaching methods such as theme-based lessons, case studies, as well as discussions and exchanges, in a bid to continuously improve the quality and effectiveness of the training.

### **Dalian Branch**

The Branch worked with Dongbei University of Finance & Economics to launch the "Middle Management Leadership Enhancement Program". The training curriculum was designed around the five forces model of leadership, involving foresight, inspirational power, influence, decision-making ability, and control. The program adopted a blended learning approach, consisting of "Lectures + Self-Study and Discussions + Expert Coaching + Summary and Enhancement", aimed at improving "N" management capabilities of leaders at all levels.

### **Zhangzhou Branch**

The Branch cooperated with Shanghai Jiao Tong University to organize the "Zhangcai · Forging Ahead" Middle and Community-Level Management Training Program. The program utilized a variety of teaching formats, including "Xingzhi" learning resources, university-based thematic lectures, corporate visits, practical experiences at revolutionary educational bases, as well as discussions and exchanges.

### **Chongqing Branch**

In collaboration with Chongqing University, the Branch organized the "Xingyu Steering" Leadership Training Program for Sub-branch Managers. The program focused on enhancing the excellent leadership and professional capabilities of sub-branch managers, building high-quality teams, and improving the community-level management standards of branches. It aimed to further strengthen the cohesion and competitiveness of the community-level teams.

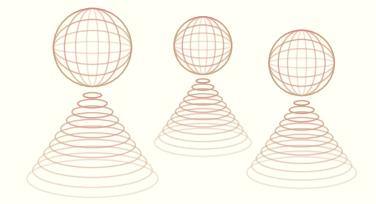
### **Shenzhen Branch**

The Branch collaborated with Zhejiang University to organize two sessions of the Middle Management Comprehensive Skills Enhancement Training Program in June and October 2024. With "University Visits" as the main focus, the training closely followed the "5+N" training system, covering key topics such as Party building, fintech, new retail marketing, banking risk and internal control, and leadership. The program was designed to strengthen the comprehensive capabilities in five aspects.

# 5.1 Improving the talent management system

CIB always adheres to a market-oriented and professional talent development philosophy and firmly upholds the talent standards of the new era towards the goals of diversity and inclusiveness. The Bank makes persistent efforts in areas such as improving the talent recruitment and cultivation mechanism, adopting the right approaches to talent selection and appointment, setting sound performance evaluation criteria, improving the remuneration and benefits system, and refining the regular mechanisms for assignment and job rotation of managerial personnel, with a focus on creating a fair and inclusive human resources ecosystem.





### Governance

The Bank's Board of Directors is responsible for reviewing its talent development plan, and deciding on the appointment and dismissal of the senior management, as well as their remuneration and evaluation. The Board also approves major human resources policies and systems to ensure that the Bank's talent strategy is aligned with its long-term goals and ESG principles. The management, as the implementer and manager of the talent development plan, guides the Bank in carrying out reform of talent institutions and mechanisms, and

promotes innovation in human resources policies. The Bank's Human Resources Department, under the guidance of the Board of Directors and the management, is responsible for daily activities such as designing performance evaluation indicators and processes and conducting recruitment and training, as well as maintaining employee relations and carrying out employee satisfaction surveys. The department also provides data-driven insights and professional advice to support the Bank's human resources-related decision-making.

### Strategy and management

The Bank always regards talent as its primary resource, and continuously deepens the reform of talent institutions and mechanisms. It accelerates the cultivation of seven key types of talent, namely digital, interdisciplinary, specialized, high-end, versatile, international, and craftsmanship-oriented professionals. The Bank implements two "Tens of Thousands of Talent Programs" for technology talent and green finance talent. It has established the Fintech Research Academy, Carbon Finance Research Institute, and Southeast Asia Research Institute to continuously improve its talent structure and training system, allowing more "high-potential individuals" to compete and achieve success in the Bank.

In 2024, the Bank received multiple professional recognitions in the field of human resources, including the "Top 100 Best Employers in China" in the "2024 China Best Employer" selection activity initiated by zhaopin.com and the "Most Socially Responsible Campus Recruitment Employer" in the "NFuture Most Socially Responsible Campus Recruitment Employer" selection activity conducted by nowcoder.com.



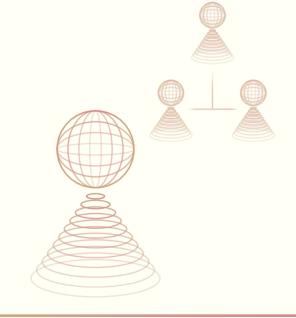




### **Emphasizing human capital analysis**

### **Total workforce and structure**

Based on strategic development goals, human resource planning, and operational budget targets, the Bank fully considers factors such as differentiated regional development, newly established institutions, per capita productivity, and the number of customers. A multi-dimensional quantitative staffing model has been established to determine the total workforce at each institution, enabling a sound and systematic estimation of human resource demand in relation to business development.



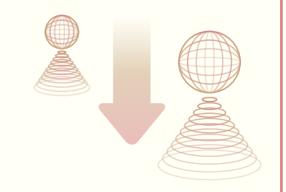
### **Recruitment and selection**

To build a robust talent supply system, the Bank has independently developed a Group Recruitment Management System, allowing candidates to conveniently submit applications through multiple platforms, including its PC-based recruitment website and its mobile WebChat official website. A sound evaluation system has been established, incorporating various assessment tools with objective, fair and efficient key competency indicators for identifying and selecting candidates. A standardized and transparent recruitment process has been implemented, providing standardized online operations from job posting to final hiring, thereby enhancing the normalization and professionalism of the recruitment process, significantly shortening the recruitment cycle, and improving the Bank's recruitment management efficiency.



### **Employee attrition**

The Bank utilizes a data monitoring platform within its HR system to track and manage employee turnover across all institutions. Special attention is given to institutions where turnover rates exceed warning thresholds, providing the management with critical insights to promptly address talent retention. The Bank takes measures such as improving remuneration and incentives, as well as career advancement pathways to enhance stability of the workforce. As at the end of 2024, the Bank's turnover rate stood at 2.66%, showing a clear downward trend over the past three years. In addition, the data cockpit within the HR system visually presents employee numbers across different categories and institutions through charts and graphs, enabling the management to gain clear insights into workforce trends and providing solid data support for the development of relevant plans.



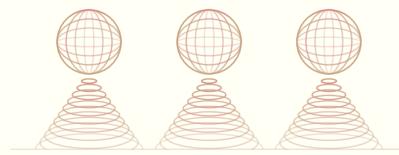
### Adhering to a diverse recruitment philosophy

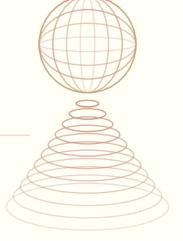
The Bank is dedicated to fostering a diverse, equitable, and positive corporate culture, as well as an efficient, equal and inclusive workplace environment. It aims to create fertile ground for equal communication, collaborative innovation, and shared growth among talents. In recruitment and employment practices, the Bank strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other laws and regulations. Employment contracts are lawfully signed, and employees' rights, such as rest and leave entitlements and union participation, are fully protected. Under the supervision and leadership of the Chairman, the Bank upholds international conventions on human rights, including the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Convention on the Elimination of All Forms of Discrimination against Women. These frameworks guide the Bank's strong commitment to diversity and inclusion, ensuring equal employment opportunities for qualified candidates. The Bank actively prevents discrimination based on gender, age, ethnicity, family status, religion, sexual orientation, social background, or origin, while respecting every employee's personal will and preferences, helping them achieve both professional and personal aspirations. At the same time, the Bank continues to attract talent from all over the country and abroad. By promoting diversity and eliminating regional barriers, it implements a dynamic and adaptive talent introduction mechanism that aligns with both domestic and overseas branch staffing needs and local industry strengths, effectively avoiding regional bias in talent selection.

The Bank has established a talent recruitment model centered on campus recruitment and complemented by social recruitment. It strengthens its talent reserve through forms such as internship recruitment and university-enterprise joint training. At the same time, the Bank expands talent

sourcing channels via public recruitment, headhunter recommendations, and internal referrals, aiming to build a high-quality workforce that is sufficient in number, optimally structured, and highly capable. During the reporting period, the Bank organized the Fledgling Internship Program and the Third Digital Industrial Bank Technology Challenge, and steadily advanced the unified campus recruitment efforts for 2025 across the Bank. At the same time, the Bank actively promoted diversity by emphasizing gender, age, region, and academic background to accelerate the building of a younger workforce and the creation of a diverse and inclusive team.

In the recruitment process, the Bank not only targets candidates with backgrounds in economics, finance, and management but also expands its selection scope to talents majoring in disciplines such as science and engineering, the humanities and the arts. It aims to comprehensively build a diversified recruitment model that integrates multiple channels, disciplines, and interdisciplinary educational backgrounds. In 2024, the Bank received nearly 2,000 interns, organized about 290 recruitment events, and partnered with dozens of universities including Tsinghua University, Peking University, Tianjin University, Nanjing University, Shenzhen University, Central University of Finance and Economics, and Xiamen University. Through special initiatives such as university-enterprise open days and the Fujian Talent Week, the Bank established employment practice bases and joint postgraduate training bases to promote targeted talent development. Over the year, more than 6,800 talents were brought in, with women accounting for approximately 50% of the total. The number and proportion of foreign and ethnic minority employees have been steadily increasing for three consecutive years. In 2024, ethnic minority employees accounted for 4.58% of the workforce. In recent three years, the Bank has recruited 13 employees from Southeast Asia and 15 employees from Taiwan, China.





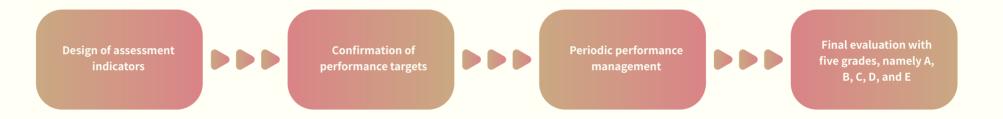


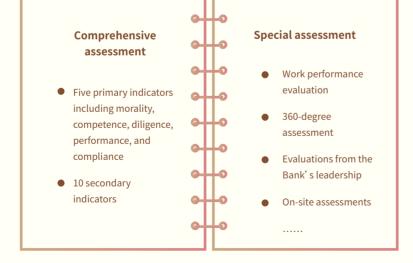
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### Performance appraisals and feedback processes

The Bank applies a unified annual performance evaluation system for all employees, and categorizes assessment results into five grades: A, B, C, D, and E. These results serve as an important basis for daily employee management, remuneration distribution, promotion and demotion, rewards and penalties, and training. The evaluation process includes the design of assessment indicators, confirmation of performance targets, periodic performance management, and final evaluation. Based on different positions, roles, and types of institutions, the evaluation is divided into two components: comprehensive assessment and special assessment. The comprehensive assessment covers five primary indicators including morality, competence, diligence, performance,

and compliance, and ten secondary indicators. Morality includes political integrity and moral conduct, competence covers professional literacy, leadership abilities, and learning and innovation capacity, diligence refers to dedication and work ethic, performance reflects job performance and collaboration effectiveness, and compliance emphasizes integrity, self-discipline, and adherence to laws and regulations. The special assessment mainly includes work performance evaluation, 360-degree assessment, evaluations from the Bank's leadership, and on-site assessments. Each year, based on actual needs, specific evaluation criteria are determined according to different positions, roles, and institution types.





The Bank conducts comprehensive evaluations of all senior management personnel, focusing on their political integrity, competency in fulfilling duties, work performance, and conduct, aligned with the Bank's strategic development goals and leadership development vision. The performance evaluation process includes the formulation and preparation of performance objectives, implementation and coaching during the evaluation, feedback and calibration of evaluation results, and the application and improvement of performance management functions.



Based on its short-term and long-term objectives, and taking into account the requirements of higher-level organizations, external regulators, business plans, risk management and control, and social responsibility, the Bank reasonably formulates and timely refines the performance evaluation standards for senior executives. In this manner, the Bank can always ensure alignment with the core operation and development orientation, the requirements of the industry talent market, and the general career development aspirations of all managerial personnel. The leading evaluation management department organizes performance reporting of managerial personnel in accordance with relevant procedures, while each supporting evaluation department, based on its functional responsibilities, is responsible for the collection and organization of relevant foundational assessment data.

The Bank adheres to a categorized and tiered evaluation approach. Employees are evaluated based on the type of institution they belong to: subsidiaries, branches, or the Head Office departments, and their position level: principal or deputy, in order to conduct systematic assessments that are highly targeted and operationally practical. Meanwhile, the Bank emphasizes a combination of qualitative and quantitative evaluation methods. The evaluation reflects both the authorized evaluator's qualitative assessment of the individual's morality, competence, diligence, performance, and compliance, as well as the quantitative assessment of the operational and business results of the institution or department where the individual serves. In addition, responsible personnel provide performance coaching and goal tracking for those being evaluated to ensure the implementation of management tasks.

Performance objective formulation and preparation

**Performance** evaluation mplementation and coaching

Feedback and calibration of results

Once the performance evaluation results for senior executives are finalized, the Bank provides feedback to the individuals based on the principle of objectivity and truthfulness. This is done through individual discussions, formal notifications, public announcements, and evaluation meetings, aiming to affirm achievements, identify areas for improvement, inspire motivation, and apply appropriate pressure. If senior executives have objections to the evaluation results, they may request a review in accordance with relevant procedures. Upon investigation, verification, and approval by the Party Committee meetings, the Bank will notify the individual of the review outcome in writing within a specified time frame. The Bank ensures full communication regarding the review process and the supporting rationale, thereby safeguarding the individual's right to appeal and upholding principles of openness, transparency, and fairness.

**Application and** improvement of performance

The Bank upholds the principle of integrating evaluation with application, and ensures that performance assessment results are organically linked to selection and appointment, cultivation and education, management and supervision, remuneration distribution, and accountability, thereby reinforcing the incentive and constraint functions of regular performance evaluations. For personnel rated as Grade A, the Bank provides internal commendations and preferential treatment in performance bonuses in a bid to effectively enhance their initiative and effectiveness in task implementation and strategy execution. For those rated as Grade C or below, the Bank strengthens targeted coaching through initiatives such as counseling sessions, job reassignments, and special training programs, aiming to address competency gaps, improve professional capabilities, and enhance overall work performance.

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Work

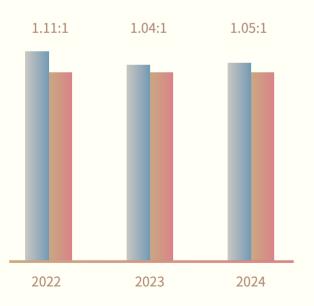
### Remuneration structure and equal pay for equal work

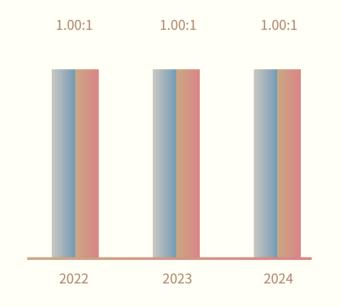
The Bank adopts a "policy-guided" Group-wide remuneration management approach, and adheres to a unified philosophy of "position-based remuneration, dynamic adjustment with role changes, and performance-based incentives" across the Bank. All starting salaries and salary adjustments for positions at the Bank and its subsidiaries are implemented in accordance with national laws and regulations as well as the Bank's and subsidiaries' remuneration management policies. Employee remuneration is based on principles of fairness and reasonableness, with no differentiation due to gender or other factors.

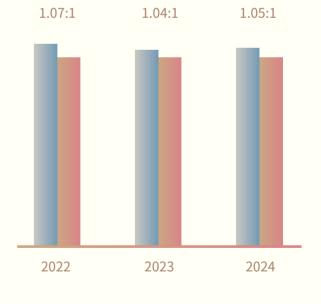
The Bank upholds the fundamental principle of equal pay for equal work, maintaining a 1:1 starting salary ratio between male and female employees. In 2024, the overall fixed remuneration levels for male and female employees at the Bank were based on 100% for female employees. The average fixed remuneration for male employees of the senior management was 105%, for male employees of the middle management was 100%,

and for general male employees was 105%. These differences were primarily due to the structural distribution of positions.

The Bank follows the fundamental principle of remuneration distribution based on position value and individual contribution. The value of a position is assessed by factors such as the level of technical or managerial complexity, degree of risk, and its contribution within the banking system. Employee remuneration is aligned with the value of their position and the responsibilities they undertake. Remuneration distribution aims to balance efficiency and fairness, with reasonable differentiation across positions. It fully motivates frontline and community-level employees while maintaining a well-balanced income structure among employees at different levels.







Indicators

Ratio of average fixed remuneration between male and female employees of the senior management

Ratio of average fixed remuneration between male and female employees of the middle management

Indicators

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Indicators

Ratio of average fixed remuneration between general male and female employees

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### **Enhancing employee communication and engagement**

The Bank actively promotes the development of labor union organizations, encourages employee participation in democratic management, and strengthens the protection of employee rights and interests. In 2024, the Bank organized and convened five sessions of the Bank-wide employee representative conference, during which, five proposals concerning employees' vital rights and interests were reviewed, including the Audit Report on the Corporate Annuity Plan of Industrial Bank Co., Ltd. for 2020-2022, the Report on the Entrusted Management of the Bank's Corporate Annuity Plan for 2023, the Proposal on the Revision of the Remuneration Management System of Industrial Bank (Revised in December 2022) and the Industrial Bank Professional Technical Career Path Management Measures, and the Proposal on the Formulation of the Welfare Management Measures of Industrial Bank. These efforts ensured employees' rights to know and supervise and safeguarded their rights and interests.

The Bank adheres to the employee representative conference as the fundamental form of corporate democratic management, continues to deepen and expand the multi-level system of the employee representative conference within the Group, and strives to achieve full coverage of the employee representative conference across all institutions of the Bank. First, the Bank has continuously improved the system of the labor union member representative conference and the election of labor union organizations, actively implemented the system for proposal solicitation and handling, and carried out diverse activities to solicit employees' opinions. All these efforts are made to promote the advancement of labor union activities towards greater democratization. standardization, and legal compliance.

### Facilitating the appeal and whistleblowing mechanisms

The Bank has established multiple channels for appeals and whistleblowing to ensure the effective protection of employee rights and interests. Employees may report violations, including breaches of laws and regulations, financial embezzlement, and workplace bullying, either under their real names or anonymously, through whistleblower reports submitted to departments such as the General Office of the Head Office, the Human Resources Department, or the Discipline Inspection and Supervision Office at Industrial Bank. The Bank attaches importance to and safeguards the privacy and security of whistleblowers and victims, conducts verifications in accordance with employee complaint handling procedures, and holds those responsible accountable in compliance with relevant regulations if violations are substantiated.

### **Building the "Xing Voice" Platform**

By relying on the "Xing Voice" Platform, the Bank provides an anonymous communication and feedback channel for employees. This platform enables employees to voice concerns and contribute ideas, enhances democratic oversight and implements democratic management. By leveraging digital, routine, and efficient communication methods, the platform shortens the distance between employees and the management, significantly reduces response time, and effectively addresses employees' urgent needs and concerns. As at the end of 2024, employees had posted over 25,900 messages, with over 169,000 comments and a cumulative total of more than 80.57 million views.

### Encouraging employees to exercise their rights to know and supervise

The Bank ensures employees' rights to know and supervise through various channels, including pre-appointment announcements for managerial personnel, "one report and two reviews", human resource ecosystem surveys, and smooth employee complaint handling and supervision channels. During the pre-appointment announcement period for managerial personnel, employees are encouraged to report issues via phone calls, letters, or visits, and public supervision is actively accepted, which ensures that the process of selection and appointment of managerial personnel is open and transparent. Through "one report and two reviews", the Bank surveys employees' recognition of newly promoted or appointed managerial personnel at various institutions, collects feedback on issues in the selection and deployment of personnel, and solicits opinions and suggestions of all employees. The Bank also conducts online and offline human resource ecosystem surveys to understand the human resource ecosystem across institutions, encourages participants to express their opinions and views, and provides suggestions through active studies. For issues raised by employees through employee complaint handling channels, the Bank promptly responds to public concerns and listens to different voices.

### Conducting an employee satisfaction survey

The Bank invites all employees every year to anonymously evaluate overall satisfaction in areas such as local human resources management, management performance, and the fulfillment of duties by middle-level managers. The survey aims to gain an in-depth understanding of the satisfaction of institutions and employees regarding corporate culture, work environment, promotion opportunities, as well as remuneration and benefits. Through in-depth analysis and comparison, the Bank notifies relevant institutions of the survey results and identified issues, and offers effective recommendations and improvement measures. In 2024, the survey covered more than 90 institutions of the Bank, achieving 100% coverage of the targeted population and receiving feedback from 75% of participants. The overall employee satisfaction score reached 96.38, with job satisfaction, management satisfaction, and work environment satisfaction standing at 96.77, 96.24, and 96.37, respectively.

### Enhancing employees non-pay benefits and support

The Bank actively improves its basic welfare system, providing comprehensive welfare and benefits based on long-term development goals and employee needs. The welfare offerings include statutory national benefits, corporate benefits, special corporate benefits, and logistical support, covering all employees across the Bank. Beyond the basic benefits, the Bank also actively promotes employee care initiatives. Tailored support is offered to meet the diverse needs of employees, ensuring both physical and mental well-being while fostering a harmonious and sustainable work environment. Examples include annual birthday gifts, regular health check-ups, holiday care packages, and visits to five occasions, i.e., marriage, bereavement, illness, hardship, and disaster, promptly offering care and services to employees. Employees are also entitled to a full range of leave benefits, including annual leave, leave for only-child parental care, parental leave, marriage leave, bereavement leave, paternity leave, prenatal check-up leave, and maternity leave. In addition, the Bank offers support allowances in the event of marriage, childbirth, or the passing of a family member.

Based on "Intelligent Industrial Bank", the Bank has developed a system that focuses on six key factors influencing employees' quality of life. This system includes six major action systems: "CIB Thought", "CIB Rights and Interests", "CIB Care", "CIB Capabilities", "CIB Culture" and "CIB Responsibilities". Together, they form a "1+6" employee service system that combines online and offline services and aligns supply with demand, contributing to the creation of a healthy workplace. In 2024, the Labor Union at the Head Office of CIB continued to improve the development of the "Online Employee Home" platform, optimized functions such as the labor union organization management and activity management, and enriched the ways of serving employees. These improvements were widely acclaimed by community-level labor unions.

#### "Online Employee Home" platform

Labor union organization management

More than 250 pieces of information released throughout the year

Labor union activity management

More than 420 activities released Nearly 300 benefits distributed More than 118,400 people received benefits

- The Bank places significant emphasis on the welfare and personal development of female employees, continuously enhances special care and attention for female staff, and creates an inclusive, equal, and comfortable work environment.
- The Bank has established "Mother's Care Rooms" and organized special care activities for female employees on International Women's Day, such as DIY handicrafts, female-themed lectures, health care, and team-building events for women's groups. Additionally, the Bank provides a green channel service for 9-valent HPV vaccination appointments for female employees, further enhancing their sense of happiness and belonging.

# Caring for female employees

- Through the mobile learning platform Xingzhi App, internal training programs, external seminars, and other forms, the Bank creates platforms for training, learning, and communication for female employees to fully address their practical needs for education, training, personal growth and career development. For the professional skill needs of female employees, the Bank has launched specialized skill training courses through the online App.
- The Bank focuses on the development of female employees' overall qualities and psychological resilience by offering courses such as Emotional Intelligence and Leadership and Nonviolent Communication. The Bank also provides platforms for female employees to showcase their talents and enhance their sense of belonging and recognition by organizing special learning events on International Women's Day and World Book Day. This creates a harmonious, warm, and highly valued work atmosphere. As at the end of 2024, the participation rate of female employees in offline courses reached 86.16%, with over 30,000 female employees engaging in online learning.
- The Bank is committed to enhancing the quality of services for retired employees, enriching their cultural and sports activities, and strengthening communication and interaction with and emotional care for them.

# Focusing on retired employees

- During traditional holidays, the Bank conveys festive greetings to retired employees through various forms and organizes a range of caring activities for them. During the Spring Festival in 2024, the Bank hosted a "Dragon Dance for the Chinese New Year, Embracing Blessings Ahead" intangible cultural heritage experience event for retired employees. On the International Women's Day in 2024, the Bank organized "A Date with Spring, A Journey of Love" flower gift-making and eco-friendly enzyme concept-sharing sessions for retired female employees.
- The Bank also offers training courses for retired employees, covering topics such as smartphone use, photography with smart phones, dance, vocal music, and recitation, with an attendance of about 856 throughout the year.

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### Caring for employees' health and safety

The Bank places great importance on the physical and mental well-being of its employees. It offers free health check-up services, improves health-related facilities, and organizes a variety of well-received cultural and sports activities to help employees maintain a positive and healthy state of body and mind.



CIB Qingdao Branch Staff Fun Sports Games



CIB Shanghai Branch City Orienteering



CIB Quanzhou Branch Staff Walking Event



CIB Xi' an Branch Staff City Wall Fun Run Competition

### Organizing health check-ups for employees

The Bank regularly formulates annual health check-up plans to ensure that all employees at the Head Office, including outsourced staff, can enjoy high-quality, free health examination services.

### Launching interest group activities

Currently, the Bank's Fujian headquarters has established 10 interest groups involving basketball, badminton, table tennis, tennis, soccer, swimming, as well as calligraphy and painting, etc. In addition to regularly organizing daily activities for these groups, the Bank actively encourages participation in cultural and sports competitions organized by higher-level labor unions.

### Improving fitness facilities

A total of 21 institutions across the Bank have established employee cultural and sports centers. Moreover, community-level labor unions throughout the Bank have partnered with external institutions to build "Employees' Shared Homes", providing employees with access to various fitness facilities, including gyms, badminton courts, table tennis rooms, and basketball courts.

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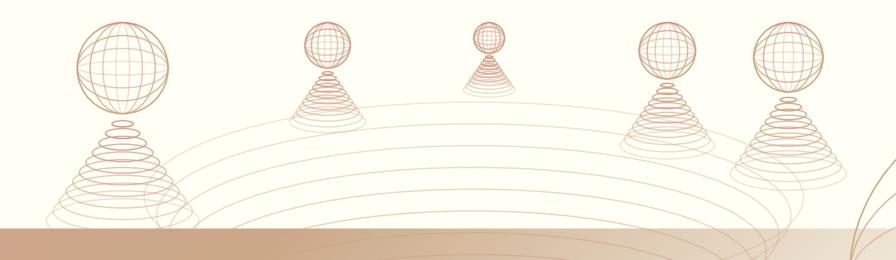
Disclosure Framework

# Impact, risk, and opportunity management

Category	Factor	Potential impact	Countermeasures
	Structural skills shortage: As the digital and intelligent transformation of the financial sector accelerates, the shortage of technology talent and insufficient technological capabilities cause a skills gap between employees and the demands of new roles.	This could result in delays in the Bank's digital transformation process, slow progress in business platform upgrades, product and business innovation, and reduced efficiency in system O&M and iterations.	Regarding talent force development as a core driver of digital transformation, and vigorously implementing the "Tens of Thousands of Technology Talent Program" to internally cultivate and transform technology professionals.
Risks	Risk of talent attrition: The complex and interwoven risk characteristics and the rapid emergence of new business models may lead to increased employee attrition in the Bank. At the same time, factors such as imperfect internal incentive mechanisms and poor working environment in the Bank can also contribute to employee attrition.	Increased talent attrition may weaken the Bank's competitiveness and raise recruitment and training costs.	Providing competitive remuneration and benefits, strengthening employee training and development, establishing career development channels, implementing incentive programs, and enhancing employee satisfaction and loyalty.
	Human resource allocation risk: Mismatches between business expansion and employee turnover may lead to staff shortages in some positions, while creating an excess of personnel in others.	Improper allocation of human resources may affect business efficiency and increase operational costs.	Optimizing human resource planning, dynamically adjusting staffing based on business needs, and systematically promoting the development of talent echelon, the enhancement of professional skills, and the cultivation of talent for digital transformation.
	Innovative vitality brought by a diverse talent pool: An open financial market and diverse business (such as green finance and inclusive finance) require talents from multiple fields. The innovative thinking and digital skills of the younger generation will inject new vitality into the Bank.	This helps promote innovation in the Bank's business model and explore new markets, while enhancing team collaboration efficiency and driving cultural transformation.	Building a diverse and inclusive workforce, and accelerating the development of a young talent force; establishing cross-department collaboration mechanisms to promote knowledge sharing; and optimizing the performance evaluation system and encouraging the commercialization of innovation achievements.
Opportunities	Optimization of employee benefits and retention strategies: Intensifying industry competition has led to more frequent talent turnover. Benefits system optimization can enhance employees' sense of belonging, while emerging benefit models such as flexible working arrangements and health management can meet the needs of modern employees.	These factors can reduce the turnover rate of key employees, ensure business continuity, improve employee satisfaction and work efficiency, and lower recruitment costs, though they may increase operational expenses.	Offering a wide range of employee benefits; promoting flexible working arrangements to support work-life balance; and establishing clear career development paths with opportunities for promotion and job rotation.

### Indicators and targets

Key indicators	Management goals	Progress in 2024	
Proportion of employees receiving regular performance and career development evaluations	Conducting regular performance and career development evaluations for all employees	In the year, $100\%$ of employees received regular performance and career development evaluations, covering the entire workforce of the Bank.	
Employee satisfaction	Ensuring stable employee satisfaction score year-on-year	The employee satisfaction score for the year was <b>96.38</b> , representing an improvement compared to the previous year's score of 95.22.	
Employee turnover rate	Decreasing the employee turnover rate year-on-year	This year, the employee turnover rate was <b>2.66%</b> , a decrease of <b>0.72</b> percentage points compared to 3.38% in the previous year.	



# 5.2 Advancing inclusive finance

CIB deeply understands the political and people-centered nature of financial work and prioritizes small and micro businesses, agricultural entities, and self-employed individuals as key targets for inclusive financial support. It continuously improves the inclusive finance system and mechanisms, optimizes products and services, accelerates the digital transformation of inclusive finance, and increases financial support for key areas and weak links in inclusive finance. Through these efforts, the Bank is committed to promoting the development of inclusive finance and making contributions to achieving common prosperity.





### Governance

At the Head Office level, the Bank has established the Inclusive Finance Department/Rural Revitalization Department to serve as the leading department responsible for organizing and promoting inclusive finance business across the Bank, and coordinating and leading the overall implementation of the inclusive finance strategy. An inclusive finance leading group has been set up to operate under the "leadership accountability system," with the President acting as the Chair and subsidiary and relevant department heads serving as members, responsible for business deployment and resource coordination. At the branch level, the Bank has also set up the Inclusive Finance Department/Rural Revitalization Department and has put in place the financing coordination mechanism in support of small and micro businesses. Dedicated task forces are formed jointly by the Head Office and branches to liaise with coordination mechanism offices at various levels, thereby enhancing the specialization of inclusive finance services. The Bank regularly reports the business planning and practice progress of its inclusive finance related business to the Board of Directors and the Board of Supervisors.

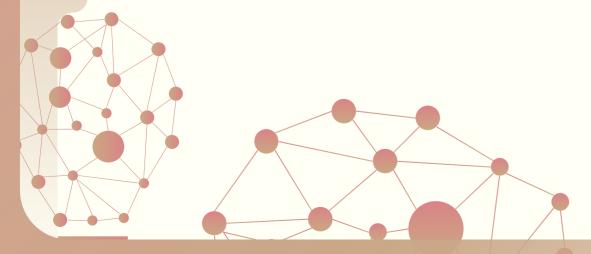


### Strategy and management \_\_\_\_\_

Centering on its goal of building itself into a value bank, the Bank continues to deepen its engagement with high-quality inclusive finance customer groups. Under the main theme of "putting products online and digitalizing scenarios", it continuously refines the "Industrial Inclusion" platform, introduces new inclusive scenarios and products, optimizes financial services for rural revitalization, and drives the high-quality development and transformation of inclusive finance from "expanding scale and coverage" to "enhancing quality and efficiency".

Recognitions received by the Bank in the field of inclusive finance

- The "Industrial Inclusion · Smart Agricultural Product Wholesale System" project was recognized as a Typical Case of Financial Innovation in the 2023 Financial Innovation Program of Fujian Province.
- "CIB Acceleration" Empowering a New Track for Technology Finance and Building an Enterprise-level Operation Platform to Advance Digital Finance were selected as Excellent Cases of Innovation and Development in China's Banking Sector in 2024.
- The Digital Transformation Plan and Data Application Project of Wholesale Markets of Agricultural Products won the Innovation and Creativity Award at the 2024 China "Digital Village" Innovation Contest.
- Tianji Award for the Bank of Inclusive Financial Services 2024 by Securities Times
- Outstanding Exhibitor at the 2nd China Maritime Equipment Expo 2024



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### Financial health and inclusion

Based on the principles of equal opportunity, commercial sustainability, and cost affordability, the Bank actively provides effective financial services to various market entities related to Sannong, as well as small and micro businesses. The Bank focuses particularly on areas underserved by conventional finance, and helps expand the accessibility, coverage, and satisfaction of financial services, thus contributing the wisdom of finance and financial support toward achieving common prosperity for all. As at the end of 2024, the Bank served a total of 47,295 corporate customers under its inclusive loan portfolios to small and micro businesses, and approximately 23% of them were female business owners. The number of inclusive loan customers stood at 255,200, up 10.03% from the end of the previous year.



### CIB supported the fritillary in growing into a flourishing industry

In August, vitality thrived across the summer landscape of the Aba Prefecture on the western Sichuan Plateau. At Kakagou region in the northern part of Chuanzhusi Town, Songpan County, the fritillary harvesting season was in full swing. In the Kakagou plantation base operated by Sichuan Guoqing Fritillary Biotechnology Co., Ltd. (hereinafter referred to as "Guoqing Company"), villagers wearing sun hats crouched in the fields, picking fritillary bulbs, forming a scene of bustling activity throughout the base. In recent years, Guoqing Company has adopted a model of "Company + Township (Town) Specialized Labor Cooperative + Farmer Households" to achieve large-scale planting of Wabu fritillary, driving local farmers' employment and income growth. Hearing about the urgent need for funding support at the customer's fritillary base, financial service commissioners from Chengdu Branch conducted multiple visits, gaining an in-depth understanding of the cultivation methods, period, and processing techniques of fritillary. They also investigated the logistics and market prices of related medicinal materials. Subsequently, they quickly provided a working capital loan of RMB6 million to the Company for the purchase of fertilizers, effectively alleviating its urgent financial needs. As at the end of 2024, the Company established partnerships with over 260 farmer households, achieving an annual output value of RMB103 million, up nearly 10% compared to the previous year.





# "Gas Station Support Loans" empower county-level private enterprises

Gas supply is vital to the daily lives of millions of families. In Guangxi, although local gas station infrastructure has been steadily improving, county-level private gas stations often face financing difficulties at banks due to the lack of qualified collateral and few local financial institutions. Nanning Branch targeted private gas stations across counties in Guangxi and conducted in-depth analyses of the market size, business models, and credit enhancement measures of these gas stations. The branch actively visited the client clusters and studied their industry characteristics, and, based on the actual funding needs and repayment capabilities of gas stations in each county, comprehensively determined credit limits. In total, the branch provided project loans and liquidity support totaling RMB120 million to 23 county-level private gas stations across Guangxi.





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### Serving small and micro businesses

CIB thoroughly implements the decisions and plans of the CPC Central Committee and the State Council, as well as NFRA's requirements, and takes multiple measures to promote the effective implementation of the financing coordination mechanism for small and micro businesses. As at the end of 2024, the Bank's balance of inclusive loans to small and micro businesses exceeded RMB550 billion, serving more than 250,000 small and micro businesses.

As at the end of 2024 -

the balance of inclusive loans to micro and small enterprises exceeded RMB**550 billion** serving over **250,000** such customers



**Building a financial service** commissioner team

To strengthen the connection between financial institutions and governments, enterprises, rural areas, and the public, the Bank has established a team of over 1,400 financial service commissioners. Leveraging their professional expertise, they actively visit factories, workshops, and farmlands, to interpret financial policies, learn about customer needs, and create streamlined financing channels for small and micro businesses, thereby improving the accessibility, convenience, and professionalism of financial services. Moreover, the Bank has launched an online cloud studio for financial service commissioners to provide customers with services such as online loan application, credit limit assessments, and account opening appointments.



Responding to the diverse needs of small and micro businesses

Leveraging the technology flow evaluation system, the Bank has innovatively launched a featured product, the "R&D Loan", to support technology-based small and micro businesses. This product provides loans for corporate R&D expenditures and direct patent purchases, helping technology enterprises deepen the integration of technological and industrial innovation, and promoting the high-quality development of new quality productive forces. As at the end of 2024, the first batch of "R&D Loan for Tech Enterprises" was successfully issued in cities such as Wuhan, Nanjing, and Quanzhou.



Optimizing and enriching the product system for small and micro businesses

The Bank focuses on the "five priorities" of the financial sector to advance the building of ecosystem scenarios. By the end of 2024, the "Industrial Inclusion · Smart System" was successfully launched in 173 professional markets in multiple provinces and cities nationwide, providing comprehensive digital support for market operations. At the Head Office level, the Bank created technology finance products, issuing a total of RMB 161 million in loans under a personal loan service plan for technology talents. The financing products for employee stock ownership were smoothly promoted in pilot zones, with Shanghai and Shenzhen branches successfully granting a total of 166 tech enterprise employee stock ownership loans, amounting to RMB 178 million.

In the field of supply chain finance, the Bank focuses on the building of a "win-win chain" for enterprises on the chain through personal business loans. As at the end of 2024, the Bank supported 88 core enterprises with its supply chain personal business loan services.



Refining the comprehensive service costs for small and micro businesses

Focusing on the goal of achieving both broad coverage and real benefits in inclusive finance, the Bank has increased the allocation of financial resources to key areas and continuously reduced the comprehensive service costs for small and micro businesses. As at the end of 2024, under the small and micro business coordination mechanism, the Bank granted over RMB91.5 billion of loans to more than 19,000 small and micro businesses, with the interest rates on newly issued loans further reduced.



The "Industrial Business Flash Loan" empowers enterprises and their supply chain small and micro businesses to grow together

XCMG Group ranks among the top five global construction machinery manufacturers, the top five in China's top 100 machinery industry enterprises, and the World's 500 Most Influential Brands. It is a leading enterprise in China's equipment manufacturing sector. Since partnering with XCMG Group in 2023, Nanjing Branch had, by the end of 2024, cumulatively issued RMB1.17 billion in personal construction machinery mortgage loans, with the balance exceeding RMB1,015 million, serving 472 small and micro businesses.

### Connecting with small and medium-sized banks

Relying on the "Bank-to-Bank Platform", the Bank fully capitalizes on its strong foundation of industry partnerships. Revolving around the "five priorities" of the financial sector, it promotes comprehensive collaboration in business, technology, and management to support the transformation and development of small and medium-sized banks, enhance the accessibility and convenience of financial services, and advance the development of inclusive finance.

Wealth management	As at the end of 2024, the Bank had established wealth management agency sales partnerships with more than 550 small and medium-sized banks through its "Wealth Cloud" platform. The total retained scale of wealth management products sold to both individual and corporate customers of these banks reached nearly RMB200 billion. It expanded and empowered the corporate banking and retail banking customers of interbank customers, continuously enriched the supply of modern financial services and financial products in less developed regions, expanded the coverage of inclusive finance, benefited a broader population, and effectively served rural revitalization and common prosperity.
Payment and settlement	The Bank actively provides comprehensive e-CNY application system solutions to a wide range of small and medium-sized banks, and makes persistent efforts in areas such as services for Taiwan, China, cross-border finance, and scenario-based finance, with the number of partnered banks and the variety of functions delivered ranking among the industry leaders.
Digital	The Bank draws fully on its own digital transformation blueprint, and makes efforts towards the development goals of "digital empowerment, serving the people with intelligence, green and low-carbon practices, and inclusive fairness." The Bank exports its system and management

**transformation** experience as well as advantageous business capabilities in institutional processes and business models, such as anti-fraud risk prevention and control, and digital archiving systems, to small and medium-sized financial institutions, helping drive their digital transformation.

### Impact, risk, and opportunity management

	Category	Factor	Potential impact	Countermeasures
Risks	Risks	Credit risk in inclusive finance business: Farmer households, self-employed individuals, as well as small and micro businesses often have incomplete credit histories and weak risk resistance capacity. Some small and micro businesses also suffer from deficiencies in governance structures, operational management, and financial systems, as well as missing transaction information and insufficient collateral. As a result, they are highly vulnerable to economic cycle fluctuations, which can easily trigger defaults.	This may result in a rise in NPL ratios and bank profit erosion and may even lead to liquidity crises.	Establishing a "3+N+X" risk control model system, integrating core enterprises and trading platforms to realize scenario-based credit enhancement; and connecting to the National MSME Cash Flow Credit Information Interchange to strengthen the application of fund flow credit data.
		Operational risk in inclusive finance business: The reliance on technology systems for online services and the simplification of processes may lead to audit gaps, and insufficient compliance awareness among employees.	Incidents such as transaction fraud and fund misappropriation occur frequently, damaging the bank's reputation.	Deploying a blockchain-based evidence preservation system to ensure the immutability of contracts and other documents; adopting bio-identification technologies to strengthen identity verification; establishing an anti-fraud rules engine to intercept abnormal transactions; and developing an operational model that combines online and offline processes with human-machine collaboration at critical points, reducing the risks associated with full digital reliance.

Category Potential impact Countermeasures

Deepening the application of digital technologies: The rapid development of technologies such as big data, artificial intelligence, blockchain, and IoT helps accelerate the digitalization and intelligent transformation of financial services, lower service costs and enhance the precision of risk control in inclusive finance.

This promotes broader coverage of long-tail customers in inclusive finance, addresses information asymmetry, shortens business processes (e.g., online approvals, and intelligent risk control), and improves service efficiency. It also drives product innovation (e.g., supply chain finance, and credit loans) to meet diverse needs.

Optimizing and upgrading the "Industrial Inclusion" digital platform by integrating multi-dimensional data in government affairs, tax records, and transactions; strengthening the application of multi-dimensional data to improve big data-driven risk control models; utilizing IoT technology to monitor biological assets; and improving the "Xingsu Loan" online financing product system to boost online service capabilities.

**Opportunities** 

Industrial chain finance and scenario-based ecosystem layout: The demands for digital upgrading of industrial chains and scenario-based services in sectors such as e-commerce and agricultural product wholesale markets soar.

This may expand supply chain finance to serve small and micro businesses across the upstream and downstream of industrial chains, and enhance customer stickiness and boost overall returns, while driving the digitalization of the rural economy.

Leveraging the technology flow evaluation system to increase support for technology-based sci-tech innovation small and micro businesses; collaborating with companies in e-commerce, logistics, and other fields to provide credit support for different transaction scenarios; developing loan products tailored to agricultural production cycles and region-specific industries; and utilizing the "Bank-to-Bank Platform" to export technological capabilities, so as to empower small and medium-sized financial institutions to better serve local markets.

Indicators and targets

**Key indicators** Management goals Progress in 2024 As at the end of the reporting period, the balance of inclusive loans to small and micro Balance of inclusive loans to small The growth rate of inclusive loans to small and micro businesses is not businesses reached RMB 555,932 million, representing an increase of 10.97% compared to the end of the previous year, with the loan growth rate exceeding the average growth rate of all and micro businesses lower than the year-on-year growth rate of all loans issued by the Bank. loans issued by the Bank during the same period. Number of small and micro business The number of small and micro business customers with inclusive loans is As at the end of the reporting period, the number of small and micro business customers with customers with inclusive loans maintained at or above the level of the same period in the previous year. inclusive loans stood at 255,200, up 10.03% from the end of the previous year. The average interest rate of newly issued inclusive loans to small and micro businesses during Average interest rate of inclusive The average interest rate of inclusive loans to small and micro businesses the reporting period was 3.53%, a decrease of 0.34 percentage points from the end of the loans to small and micro businesses remains stable with a slight decline. previous year.



# 5.3 Propelling rural revitalization

In 2024, CIB continued to make efforts to consolidate and expand poverty alleviation achievements and connect them with rural revitalization practices. The Bank remained committed to safeguarding the fundamentals of agriculture, rural areas, and farmers, and helping build up the strength in agriculture. It implemented targeted assistance strategies and continuously explored practically effective rural revitalization financial service models with CIB characteristics.

### Expanding financial services for rural revitalization \_\_\_\_\_\_

The Bank actively develops a rural revitalization financial service model with CIB characteristics. Focusing on four dimensions in professional wholesale markets, financial service commissioners, technology-driven rural revitalization demonstration projects, and support for local specialty industries, the Bank is building a financial service model tailored to rural revitalization with CIB characteristics. The Bank proactively explores a new rural financial service model that uses financial service commissioners as "friends", the IoT as "hands", and satellites as "eyes", to bridge the "last mile" of financial services for rural areas, thereby empowering rural revitalization. Additionally, it promotes the development of county-level economies by fostering specialty industries based on national geographic indications.

As at the end of 2024

the balance of agriculture-related loans under the new statistical standards was RMB 539,467 million

an increase of RMB 55,860 million or 11.55% from the end of the previous year

The balance of inclusive agriculture-related loans was RMB**69,419 million** 

an increase of RMB 13,334 million or 23.78% from the end of the previous year

### Financial service commissioners: Bridging the "last mile" of rural finance

The Bank upholds the political and people-centered nature of financial work and has established a financial service commissioner system and set up a bridge between financial institutions and governments, enterprises, rural areas, and the general public. These moves are dedicated to overcoming the "last mile" challenge in leveraging finance to support high-quality economic development. Financial service commissioners conduct extensive visits and researches in factories, workshops, and farmlands to understand customers' financial needs, popularize financial knowledge, explain inclusive finance policies, introduce financial products for small and micro businesses, and provide tailored financial service solutions. Through these practical efforts, they bridge the "last mile" in delivering financial services to the real economy, ensuring that the benefits of financial development reach every business and family.



# Financial service commissioners help agricultural planting enterprises overcome challenges

G Company, based in Sanming City, specializes in fruit cultivation and operates the largest single fruit plantation in Fujian Province. In recent years, as the Company entered a development phase, it faced insufficient working capital challenges due to ongoing investments and delays in receivables. Upon learning about the situation, the Bank's financial service commissioner conducted multiple visits to G Company. After gaining a thorough understanding of the Company's investment and operations, and recognizing its characteristics under the technology service commissioner assistance system, the commissioner tailored a financial service plan for G Company and activated a green approval channel. Within two weeks, the commissioner successfully assisted the Company in securing a "technology service commissioner-assisted loan" of RMB3 million. It was an unsecured credit loan, effectively addressing the agricultural enterprise's lack of collateral while significantly reducing its financing costs.

# Smart agricultural product wholesale markets: Facilitating the core network for agricultural product circulation

Commodity trading markets are not only a vital bridge connecting production and consumption but also a key driver for the transformation and upgrading of the rural economy and for the efficient flow of resources between urban and rural areas. The Bank remains committed to providing convenient financing services to market merchants. It offers the "Industrial Business Flash Loan" product for self-employed individuals and the "Xingsu Loan" product for small and micro businesses within the markets. By leveraging merchants' operational data as well as their business registration, judiciary and credit information, the Bank provides online financing services to high-quality merchants. Credit loans can reach up to RMB5 million, supporting self-service drawdown and flexible repayments. As at the end of 2024, the balance of online financing business reached RMB3.2 billion.

The Bank has built a dedicated service system combining "Financial Service Commissioners + Professional Markets" and innovatively developed the "Industrial Inclusion · Smart Market System," a modular, rapidly assembled platform offering a comprehensive solution that integrates "non-financial systems + financial services." As at the end of 2024, the Bank connected to 400 professional markets, with the total balance of financing across all market scenarios reaching RMB22.8 billion.

### Application of digital technology: Empowering the digitalization of agricultural credit

Sustainability Report (2024) (ESG Report) 🧼

The Bank actively supports the digitalization of the agricultural sector and enhances agriculture-related customers' access to financing with fintech empowerment.

### Satellite Remote Sensing Application System

The Bank has independently developed the "Satellite Remote Sensing Application System," integrating satellite "Tianyan" with artificial intelligence. By connecting with remote sensing data offered by external satellite remote sensing data service providers and incorporating field-collected farmer land plot information, the Bank enriches its data dimensions beyond existing tax, credit, and settlement data. The system enables the identification, area measurement, growth trend analysis, pest and disease detection, and yield estimation of multiple staple and cash crops. It can generate pre-loan and post-loan analysis indicators, improve crop asset assessment and risk early-warning mechanisms, and innovate financing models to turn plantations such as tea gardens and tree farms into assets for credit loans. As at the end of 2024, the system achieved remote online monitoring of agricultural customers' cultivation activities in several provinces, covering 16 types of crops including tea, citrus, blueberries, mugwort, carrots, etc.

### **Digital Supervision Platform for Biological Assets**

In response to the challenges faced by large-scale farms like high investment, slow returns, and the difficulty in using live biological assets as collateral due to challenges in inventorying and valuation, the Bank has continuously developed and promoted the "Digital Supervision Platform for Biological Assets". Through inserting smart ear tags equipped with temperature measurement and pedometer functions on live animals, or by remotely connecting to on-site video surveillance at farms supported by AI image recognition technology, the platform enables 24/7 unmanned intelligent monitoring, online inventory, and anomaly alerts for various types of livestock. This enhances post-loan monitoring capabilities, reduces inventory costs, and supports the creation of biological asset pledging and financing products, effectively revitalizing biological assets and addressing the difficulties farmers face in providing collateral and financing. As at the end of 2024, the Bank launched the biological asset pledging business across the province and in multiple regions across the country, covering a variety of biological asset types, including Holstein dairy cows, Angus beef cattle, Simmental beef cattle, breeding sows, and fattening pigs.

### Expanding service boundaries to support the development of remote areas

The Bank tailors its approach in light of local conditions to channel financial resources into key counties of rural revitalization.

As at the end of 2024 —

the balance of loans to key counties of rural revitalization reached RMB**8.14 billion** 

an increase of RMB2.39 billion or 41.57% from the beginning of the year, with the growth rate exceeding

the average growth rate of loans of the Bank

The loan balance in areas shaking off poverty stood at RMB82,085 million, up RMB15,286 million

or 22.88% from the beginning of the year, achieving positive growth

The Bank expands online-compatible service channels in remote areas and continues to strengthen the "Industrial Inclusion" platform. It adopts the model of "standardized and scenario-based operation + key branches" to build the platform into an important channel for providing inclusive finance services. It continuously innovates inclusive financial scenarios and products to optimize financial services for rural revitalization.

As at the end of 2024

the "Industrial Inclusion" platform had **384,500** registered users

an increase of 206,300

or **115.81**% from the end of the previous year





## Supporting the launch and trial operation of the Gansu Smart Financial Services Platform

Gansu Province spans a vast area with complex and diverse terrain. The long distances between cities and the wide, scattered distribution of small and micro businesses pose significant challenges to the coverage of financial services in the region. Lanzhou Branch conducted in-depth research into the financing conditions of SMEs in Gansu and, drawing on the successful experience of the "Financial Services Cloud" platform of Fujian Province, used it as a technological foundation to develop the Gansu Smart Financial Services Platform. This platform acts as a bridge connecting the government, enterprises, and financial institutions, effectively promoting precise alignment between services and needs of the three parties. It establishes a new model of inclusive finance built on the integration of "data + policy + finance + ecosystem." During the trial operation phase, Lanzhou Branch continuously enriched its online financing product series, and launched the "Xingsu Loan" product series, which now includes over 20 offerings. Leveraging this platform, Lanzhou Branch has served more than 200 clients, with the balance of online financing loans surpassing RMB0.5 billion.



# Supporting enterprises in key counties of rural revitalization to improve production quality

Pingli gynostemma, a traditional Chinese medicinal herb, is a nationally recognized geographical indication product. Ankang Beiyida Pharmaceutical Co., Ltd., located in Hanbin District, Ankang City, a key county to receive assistance for rural revitalization, has been engaged in gynostemma research and development for over 20 years. The Company holds several patented technologies and has established a full-industry-chain production scale, playing a leading role in local economic development. Considering the client's technological nature, the Bank applied the "Technology Flow" credit system and issued a credit loan of RMB10 million to support the development of local geographical indication products and help the enterprise enhance production quality.



#### **Rural Revitalization Notes**

Relying on the advantages of its investment banking business, the Bank actively supports eligible entities in issuing Rural Revitalization Notes. On the one hand, the Bank closely follows policy guidance from the National Association of Financial Market Institutional Investors regarding Rural Revitalization Notes to ensure compliance and project efficiency. On the other hand, the Bank strongly supports real-economy enterprises involved in the agricultural industry chain and infrastructure companies contributing to the development of agriculture, rural areas, and farmers in raising funds through the issuance of these notes, so as to help broaden their financing channels and enhance their social impact.

Based on the industrial and operational characteristics of corporate issuers, the Bank provides customized cross-innovation product solutions. It issues combined products such as Rural Revitalization + Old Revolutionary Base Area Bonds, and Rural Revitalization Asset-Backed Notes (ABNs), to address pain points in financing faced by issuers.

As at the end of 2024

the Bank underwrote 16 Rural Revitalization Notes

with a total underwriting volume of RMB3,084 million



### Supporting Anhui State Farms Group in issuing Rural Revitalization Notes

On March 8, 2024, the first tranche of 2024 Mid-Term Notes (Rural Revitalization) issued by Anhui State Farms Group and underwritten by the Bank was successfully launched. The bond was issued with a total size of RMB0.5 billion. The Bank acted as both the bookrunner and lead underwriter, with an underwriting share of RMB0.3 billion and a term of three years. Of the raised funds, RMB0.15 billion was allocated to rural revitalization initiatives. Specifically, the funds were used by a subsidiary of the issuer to purchase agricultural products such as rice and wheat to replenish raw material inventories for its affiliated agricultural processing enterprises. The use of the funds aligns with national policies on rural revitalization and directly contributes to stabilizing and expanding local crop planting, thereby increasing the income of grain farmers. As agricultural production scales up, it is expected to stimulate the development of related industries in rural areas, including livestock farming, slaughtering, processing, and logistics, thus fostering a relatively complete and integrated rural food supply chain. This will play a significant role in promoting rural employment, increasing per capita income, and realizing rural revitalization.

### Providing assistance for rural revitalization \_

The Bank implements the requirements of the Central Government's No. 1 document, Opinions of the CPC Central Committee and the State Council on Learning and Applying the Experience of the "Thousand Villages Demonstration and Ten Thousand Villages Renovation" Project to Strongly and Effectively Promote Comprehensive Rural Revitalization. It continues to consolidate and expand the achievements in poverty alleviation, while deeply advancing rural revitalization. The Bank has established a Leading Group for Consolidating Financial Poverty Alleviation Achievements and Advancing Rural Revitalization at the Head Office, and set up a Leading Group for Advancing Rural Revitalization led by the Chairman as the group leader and the Bank's executive in charge serving as the deputy leader, and jointly participated by heads of multiple departments. The group aims to thoroughly carry out relevant policies and strategic decisions of the central government and regulatory authorities regarding rural revitalization, conduct research and decision-making on matters related to rural revitalization, and coordinate and solve existing problems and difficulties.

At the same time, a three-tier organizational structure involving the Head Office, branches and sub-branches has been established, with the Head Office setting up the Inclusive Finance Department/Rural Revitalization Department. This encourages branches and sub-branches to establish Rural Revitalization Departments or Rural Revitalization Divisions to coordinate and promote the development of rural revitalization business within their jurisdiction. In the branch comprehensive evaluation indicator system, specific indicators for rural revitalization have been set up. Additional points are awarded for loan balance growth in key counties receiving rural revitalization assistance and for the establishment of new outlets, continuously motivating the Bank's institutions at all levels to actively support rural revitalization and bolster the achievements in poverty alleviation.

In 2024, the Bank had a total of **72** points for paired-up assistance, dispatched **50** village-based (or temporarily assigned) managers, and effectively connected the consolidation of poverty alleviation achievements with rural revitalization. Focusing on the actual needs of the villages for paired-up assistance, the Bank has improved the targeted assistance work mechanism, expanded the scope of assistance, and optimized assistance methods. A total of RMB**6**,**227**,**900** has been invested in the assistance, extending assistance scope to over **20** provinces and benefiting more than **180**,**000** people.

### Outcomes of paired-up assistance in Youxi County

Youxi County is a designated county receiving paired-up assistance from Industrial Bank for rural revitalization. In 2024, the Bank continued to deepen the paired-up assistance mechanism and paid multiple visits to Youxi County for investigation. Based on the county's development needs in areas such as the initiative to build a beautiful countryside, specialty industry development, and improvement of the areas of weakness, the Bank provided multi-dimensional support.

**Financial assistance:** Focusing on Youxi County's industry chain development strategy, the Bank increased credit support for the textile and bamboo industries. The local branch granted an additional RMB140 million in credit to help consolidate and enhance the status of these industries as local economic pillars. The Bank also hosted a government-bank-enterprise conference for the bamboo industry in Youxi County to facilitate communication and explore mechanisms for realizing the value of ecological forest products.

Consumption assistance: Through the "assistance + sales" model and both online and offline channels, the Bank purchased or helped sell over RMB300,000 worth of local agricultural and specialty products.

**Elderly care assistance:** Hinging on platforms such as the retired officials' association and elderly universities, the Bank organized multiple activities such as anti-fraud volunteer campaigns, financial literacy workshops, and the Double Ninth Festival celebration, helping level up the development of pension finance and the elderly care industry in Youxi County.

Charitable donations: The Bank donated RMB200,000 to support the "Under the Same Blue Sky, Enjoying the Music Together – Fulfilling the Piano Dreams of Rural Children" public welfare project hosted by the Fujian Provincial Committee of the Chinese People's Political Consultative Conference. It also donated RMB50,000 to Guanqian Central Primary School to build the "Swallow's Nest" Table Tennis Room, enriching extracurricular activities for left-behind children and promoting their healthy development. Additionally, the Bank contributed nearly RMB80,000 to construct the "Industrial Bank Corridor" in Nanyang Village, Youxi County, to improve villagers' living environment.



# The "Insurance + Futures" model supports the revitalization of the livestock industry in Chahar Right Rear Banner, Inner Mongolia

Beef cattle rearing is a key industry in Chahar Right Rear Banner, Inner Mongolia. At the beginning of 2024, rising feed prices and persistently low cattle prices placed significant pressure on the both ends of the value chain for local farmers, negatively impacting their income. To mitigate the market risks brought by feed price fluctuations, the Industrial Bank Charitable Foundation partnered with China Life Property & Casualty Insurance Company Limited to implement an "Insurance + Futures" model. Under this initiative, feed price insurance was purchased for over 100 local farming households. The insurance was linked to a cattle feed cost index composed of corn and forage futures, allowing for comprehensive monitoring of price volatility. This provided farmers with price risk hedging protection during the insurance period for their feed purchases. The project offered solid support for the beef cattle industry in Chahar Right Rear Banner, Inner Mongolia, greatly encouraging local villagers to actively engage in livestock farming. It strongly promoted the vigorous development of the local livestock sector and injected fresh momentum into the rural revitalization strategy.



# 5.4 Commitment to charitable initiatives and public welfare

The Bank has consistently upheld the principle of promoting goodness through finance, and has continuously innovated and explored sustainable charitable models. It actively responds to and supports customers' social responsibility needs by building more diverse and high-quality platforms and channels for public welfare, contributing its professional expertise to help customers fulfill their social commitments and promote the concept of wealth for good.

n 2024

the Bank donated a total of RMB31,193,500

and launched **105** charitable projects







### Focusing on key areas of assistance

### Education support

In the education support sector, charitable contributions amounted to RMB14.07 million. The Bank strives to promote educational equity by establishing scholarships and grants at 16 universities nationwide and participating in the "Spring Bud Project", supporting over 6,000 students in completing their education. It also delivered quality educational resources, advanced teaching equipment, and support for teacher capacity improvement to schools in remote and old revolutionary base areas, helping bridge the urban-rural education gap and ensuring every child has access to fair and high-quality education.

# Poverty alleviation and support for vulnerable groups

In the poverty alleviation and support for vulnerable groups sector, spending totaled RMB7.69 million. With a people-centered approach, the Bank worked to enhance the well-being of the public by providing living subsidies and medical assistance to over 100,000 low-income, elderly, infirm, ill, and physically-challenged individuals across over 10 provinces and cities, helping secure the basic livelihood of those in need.

### Disaster relief

In the disaster relief sector, the Bank contributed RMB 1.8 million to emergency aid to flood-stricken areas such as Longyan (Fujian), Wenchang (Hainan), and Huludao (Liaoning). In the face of natural disasters, the Bank acted with a strong sense of responsibility, and demonstrated its corporate commitment through concrete action.

### Rural revitalization

In the rural revitalization sector, charitable expenditures reached RMB6,227,900, assisting over 30 villages across China in consolidating poverty alleviation achievements and connecting them with rural revitalization efforts. The Bank supported these villages' initiatives in improving living environments, upgrading infrastructure, restoring public cultural facilities, and fostering local specialty industries. All these efforts are aimed at helping rural areas transform and thrive while increasing farmers' incomes.

### 1 2 3 4 5

### **Education support**

In the education support sector, charitable contributions amounted to RMB 14.07 million

• The Bank established scholarships and grants • The Bank participated in at 16 universities nationwide the "Spring Bud Project"

The Bank supported over 6,000 students in completing their education

The Bank delivered quality educational resources, advanced teaching equipment, and support for teacher capacity improvement to schools in remote and old revolutionary base areas

The Bank helped bridge the urban-rural education gap and ensured every child has access to fair and high-quality education

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### Rural revitalization =

In the rural revitalization sector, charitable expenditures reached RMB6.23 million

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- environments, upgrading infrastructure, restoring public cultural facilities, and fostering local specialty industries

All these efforts are aimed at helping rural areas transform and thrive while increasing farmers' incomes



# Talent training donation for the "Thousand and Ten Thousand Villages Project" in Yintai District, Tongchuan City, Shaanxi Province

Yintai District in Tongchuan City, Shaanxi Province, faced significant development challenges due to its harsh natural conditions, limited resource endowments, and relatively underdeveloped public infrastructure. The task of poverty alleviation remained daunting. To promote development in areas lifted out of poverty and improve the well-being of local residents, while supporting the revitalization of rural talent, Wuxi Branch donated RMB30,000 to the China Foundation for Development of Financial Education for the talent training program under the "Thousand and Ten Thousand Villages Project" in Yintai District. The program organized special training sessions for town and village officials in Yintai District. The training was conducted in batches through offline sessions that combined themed lectures, site visits, and experience-sharing activities, with a focus on integrating classroom teaching with practical training. By learning the experience of the "Thousand Villages Demonstration and Ten Thousand Villages Renovation" Project, the program effectively enhanced community-level officials' capabilities in implementing rural revitalization. It helped Yintai District develop new ideas and models for rural revitalization, while strengthening its capacity for sustainable economic development.



# Charitable donation to volunteer teachers in Danba County, Ganzi Prefecture, Sichuan Province

Danba County in Sichuan Province was once a poverty-stricken area and did not officially and comprehensively shook off poverty until at the end of 2019. On the basis of comprehensive poverty elimination, talent revitalization has become a key pillar in advancing rural revitalization. To help children in farming and pastoral areas access high-quality education and support the development of rural education, the Bank made charitable donations to frontline volunteer teachers through Danba County Education and Sports Bureau, aiming to nurture a number of outstanding graduates from Danba. The donation initiative provided financial support and care to 18 volunteer teachers, with a total donation amounting to RMB54,000.

### Actively participating in the initiative to support remote and border areas

The initiative to support remote and border areas is a key measure for promoting coordinated regional development, ethnic unity, and common prosperity. It plays a vital role in improving infrastructure, enhancing education standards, and strengthening national cohesion. In response to the call of the state, CIB actively participates in the initiative to support remote and border areas, making contributions through financial support to ensure funding for the improvement of education and infrastructure development in remote and border areas.



# Donation project for volunteer teaching support fund in Lhasa, Xizang Autonomous Region

To promote the equitable development of educational resources in western China, the Central Committee of the Communist Youth League and the Ministry of Education have organized the China youth postgraduate volunteer teaching program since 1998. Given the challenging living conditions in western China, and to show care and support for members of the Chinese Postgraduates Volunteer Teaching Corps, the Industrial Bank Charitable Foundation, in collaboration with the China Youth Development Foundation, initiated the "Industrial Bank Charity Foundation Teaching Support Fund". It provided subsidies to outstanding and qualified volunteers from the 26th to 28th Postgraduate Volunteer Teaching Corps Xizang under the Western China Development Program, aiming to encourage members of the volunteer teaching corps to remain dedicated and aggressive, contributing their youthful energy to the development of education in western China.



### "Fujian-Changji Working Together · Caring for the Elderly" charity project

To improve the provision of elderly care services in remote areas and meet the needs for enriching the intellectual and cultural needs of the elderly people, the Industrial Bank Charitable Foundation launched the "Fujian-Changji Working Together · Caring for the Elderly" charity project. The initiative supported the age-friendly renovation of 18 residential communities in Jimsar County, Changji Prefecture, Xinjiang. It equipped these communities with cultural, sports, and recreational facilities tailored for the elderly, enabling them to enjoy accessible, community-based elderly care services right at their doorstep. The project aims to enhance the quality of their cultural, sports and recreational life and support happy elderly lives.

### Ongoing care for the elderly and children

Sustainability Report (2024) (ESG Report) 🧼

Caring for the elderly and children is a strategic undertaking with a broad impact, deeply tied to the well-being of millions of families. The Bank remains committed to supporting the elderly and children, focusing on their practical needs by launching targeted assistance initiatives to help enhance people's sense of fulfillment, happiness, and security.



The Bank actively implements the "Happy Elderly Life" program to help elderly residents in villages enjoy a joyful and fulfilling life. In 2024, the Industrial Bank Charitable Foundation partnered with the Shanghai Senior Citizens Foundation to launch the "Happy Elderly Life" program in Yanjing Village (also known as the "Village of Happy Elders") in Yexie Town, Songjiang District, Shanghai. Through a series of public welfare activities, such as "Mini Filial Piety Class," "Mini Filial Piety Experience," and "Mini Filial Piety Tradition," the program offered sessions on physical wellness, dementia prevention, and cultural participation. These efforts helped the elderly in rural areas enjoy recreational activities that benefit both body and mind, promoting both physical health and mental well-being, and allowing them to enjoy a vibrant and enriching life.





Caring for children's growth

Through the implementation of the "Children's Holistic Development Program," the Industrial Bank Charitable Foundation, in partnership with the Adream Foundation, established a Student Quality Education Development Center at Jiaguan School for Nine-Year Compulsory Education, Qionglai City, Sichuan Province. After renovation, the program created a warm, inclusive learning space for quality education at the school. It also introduced advanced educational concepts and a comprehensive curriculum focused on holistic development, helping local children grow up with greater confidence and optimism.



### Establishing the "CIB Cares" public welfare service stations

Since 2021, the Bank has officially opened the "CIB Cares" public welfare service stations, adhering to the philosophy that "wherever there is public need, there should be financial service." This initiative has promoted the establishment of open, public-oriented, inclusive, and regularized convenience service mechanisms at over 2,000 outlets within the Bank's jurisdiction. By integrating itself into broader societal needs, staying rooted in communities, and caring for the people, the Bank has continuously innovated and improved its financial services, putting into practice the philosophy of "finance for the people."



**Heartwarming services** 

The Bank offers free convenience services such as Wi-Fi, umbrellas, and common medicine to nearby residents. A series of caring activities like free cold drink stations and caring services during Chinese New Year are regularly carried out. The Bank provides outdoor workers such as couriers, sanitation workers, traffic police, and taxi drivers with tea, snacks, free Internet access, and access to a microwave for heating meals.







**Revolutionary bases** 

Outlets tailor their approaches based on local conditions to support the CPC member education within their jurisdiction. They collaborate with nearby subdistrict offices, communities, schools, and other organizations to carry out joint initiatives, including lectures on the histories of the Party, New China, the reform and opening-up, and socialist development, storytelling sessions by elderly Party members about the revolutionary history, oath renewal ceremonies for retired Party members, and watching classic revolution-themed films.



Accessible services for the elderly and people with disabilities

The Bank offers a full range of accessible services for the elderly and people with disabilities, from accessible infrastructure such as barrier-free pathways, low-height self-service machines, courtesy seats, and emergency call buttons, to considerate amenities like reading glasses, magnifying glasses, blood pressure monitors, and walking canes, covering every detail to ensure comfort and convenience.



Neighborhood support

The Bank has established an employee volunteer service team dedicated to ongoing neighborhood support and mutual assistance, with special care for disadvantaged groups. Through these efforts, the "CIB Cares" initiative becomes deeply rooted among the people, continuously promoting the traditional Chinese virtues of respecting, honoring, loving, and supporting the elderly.



### Partnering with the "Blue Vest" volunteer team to build elder-friendly communities

Shanghai Branch has established the "Blue Vest" volunteer team, with Party branches at each outlet actively signing co-building agreements with sub-district offices and neighborhood committees across various districts of Shanghai. Guided by Party-building principles, the branch aims to meet communities' financial needs by launching a range of public welfare initiatives, including on-site lecturing program, financial literacy mini-classes, and seasonal care campaigns such as "Warmth in Winter, Coolness in Summer." As at the end of 2024, 59 integrated sub-branches and 19 community sub-branches within the jurisdiction of Shanghai Branch jointly built 78 elder-friendly communities with seven subdistrict offices and 71 neighborhood committees, achieving full coverage across 16 municipal districts in Shanghai. A total of 786 "Blue Vest" elderly care public welfare activities were carried out, witnessing an attendance of 10,265.





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# **ESG Performance Overview**

# Governance Performance

Indicator	2022	2023	2024
Number of directors <sup>20</sup>	11	12	13
- Number of executive directors	3	3	3
- Number of equity directors	3	4	5
- Number of independent non-executive directors	5	5	5
- Number of female directors	1	2	3
- Number of male directors	10	10	10
Number of training sessions launched by the Board of Directors	3	5	6
Number of investigations conducted by the Board of Directors	4	5	7
Average training hours per member of the Board of Directors	12	12	15
Number of training sessions on anti-corruption and anti-commercial bribery (combating corruption and upholding integrity) policies	504	528	533

Indicator	2022	2023	2024
mulcator	2022	2023	2024
Coverage of training on anti-corruption and anti-commercial bribery (combating corruption and upholding integrity) policies (10,000 attendances)	20.12	20.40	201.84
Coverage rate of training on anti-corruption and anti-commercial bribery (combating corruption and upholding integrity) policies (%)	100	100	100
Number of group-wide full-time IT employees	6,699	7,828	7,840
Group-wide IT investment scale (RMB100 million) <sup>21</sup>	82.51	83.98	83.77
Data security investment scale (RMB100 million) <sup>22</sup>	1.24	1.20	1.34
Number of dedicated full-time employees in information security positions	118	139	213
Number of information security awareness training sessions <sup>23</sup>	/	274	177
Number of security skills training sessions	/	45	115
Number of security R&D training sessions	/	2	42

of data security investment is based on the guidelines set out in the Notice on Issuing the Off-site Supervision Reporting Forms for Banking and Insurance Information Technology (2020 Edition) issued by CBIRC in 2021. The scope of statistics covers the Head Office, 44 branches in China, and CIB FINTECH (Shanghai) Co., Ltd.

<sup>&</sup>lt;sup>20</sup> Including three proposed directors subject to approval of directorship qualification.

<sup>&</sup>lt;sup>21</sup> The group-wide IT investment scale refers to the total amount invested by CIB in enhancing its group-wide IT capabilities in 2024. The calculation of IT investment is based on the guidelines set out in the Notice on Issuing the Off-site Supervision Reporting Forms for Banking and Insurance Information Technology (2020 Edition) issued by CBIRC in 2021. The scope of statistics covers the Head Office, 45 branches, and all subsidiaries.

<sup>&</sup>lt;sup>22</sup> The data security investment scale refers to the total amount invested by CIB in terms of data security in 2024. The calculation

<sup>&</sup>lt;sup>23</sup> Compared to 2023, while ensuring that all employees receive training on general cybersecurity knowledge, the Bank placed greater focus on specialized training such as security skills and security R&D in 2024. Additionally, the total number of information security training sessions increased compared to previous years.



Indicator	2022	2023	2024
Number of audits related to information security management system	/	5	3
Number of attendances by all internal and dispatched employees in the information security awareness training	/	209,981	198,222
Number of attendances by new hires in the information security awareness training	/	799	2,043
Number of attendances by security position employees in security skills training	/	1,120	10,173
Number of attendances by R&D employees in security R&D training	/	8,884	21,388
Number of compliance-related activities conducted by branches and subsidiaries	/	2,890	3,802
- Number of training sessions of "Compliance and Consumer Protection Talks by the Top Leader"	/	390	585
- Number of compliance training sessions at the community level	/	1,200	1,588
- Number of compliance training sessions	/	1,300	1,629
Number of compliance risk alerts issued	/	260	248
Number of anti-money laundering training sessions	/	/	1,292
Number of attendances in anti-money laundering training	/	/	170,438

# **Economic Performance**

# Financial and operational overview

Indicator	2022	2023	2024
Total assets (RMB1 trillion)	9.27	10.16	10.51
Net profit attributable to shareholders of the parent company (RMB100 million)	913.77	771.16	772.05
Total return on assets (%)	1.03	0.80	0.75
Weighted average ROE (%)	13.85	10.64	9.89
Total amount of taxes paid (RMB100 million)	410.76	389.03	388.20
NPL balance (RMB100 million)	544.88	584.91	614.77
NPL ratio (%)	1.09	1.07	1.07
Provision coverage ratio (%)	236.44	245.21	237.78
Accrued payroll (RMB100 million)	381.96	380.65	380.48
Pension liabilities for the pension payment plan (RMB100 million)	25.65	23.43	25.41
Social contribution value per share (RMB)	16.85	15.10	16.63



#### Support for the real economy

Indicator	2022	2023	2024
Balance of loans to small and micro enterprises (RMB100 million) <sup>24</sup>	11,963.35	15,652.00	18,710.25
Number of small and micro enterprise borrowers <sup>25</sup>	212,079	246,484	271,534
Loan balance of the private economy (RMB100 million)	13,810.00	16,151.43	17,420.87
Number of borrowers in the private economy	266,485	294,582	469,548
Balance of agriculture-related loans in the new standards and definition (RMB100 million) <sup>26</sup>	/	/	5,394.67
Balance of inclusive agriculture-related loans (RMB100 million)	408.41	560.84	694.19
Loan balance of new-type agricultural business entities (RMB100 million)	424.11	500.95	629.29
Amount of loans issued during the year to support the cultural industry (RMB100 million)	/	435.95	444.76
Balance of loans in support of the cultural industry (RMB100 million)	/	601.74	650.14
Number of supported overseas M&A projects <sup>27</sup>	27	44	39

# Environmental Performance

#### **Green finance**

Indicator	2022	2023	2024
Financing balance of green finance (RMB100 million)	16,297.60	18,928.72	21,935.41
Cumulative number of enterprises served by green finance	60,731	77,502	95,661
Balance of green loans (RMB100 million) <sup>28</sup>	6,370.72	8,090.19	9,679.31
Balance of green loans to energy conservation and environmental protection industries (RMB100 million)	/	1,733.27	1,820.00
Balance of green loans to clean production industries (RMB100 million)	/	192.03	330.89
Balance of green loans to clean energy industries (RMB100 million)	/	1,742.38	2,207.57
Balance of green loans to environmental protection industries (RMB100 million)	/	512.43	645.34
Balance of green loans for infrastructure green upgrading (RMB100 million)	/	3,899.55	4,628.11
Balance of green loans for green services (RMB100 million)	/	10.53	22.73
Cumulative amount of carbon reduction loans issued since the introduction of carbon reduction support instruments (RMB100 million)	445.28	704.51	832.07

Statistics of Financial Institutions in 2024 [Yinfa (2024) No. 1] and the Notice of the Statistics and Analysis Department of the People's Bank of China on the Issuance of Revised Financial Statistical Content for Financial Institutions in 2024 [Yindiaofa (2024) No. 2]), the classification standards for rural and urban areas of agriculture-related loans were revised. The updated content of special statistics for agriculture-related loans was implemented for the data as of the end of June reported in July 2024.

<sup>&</sup>lt;sup>24</sup> The definition of small and micro enterprises is based on the Notice on Issuing the Standards for the Classification of Small and Medium-sized Enterprises jointly issued in 2011 by the Ministry of Industry and Information Technology, the National Bureau of Statistics, the National Development and Reform Commission, and the Ministry of Finance.

<sup>&</sup>lt;sup>25</sup> The original indicator "Loans to private enterprises" has been adjusted to "Loans to the private economy", where loans to the private economy = loans to privately held enterprises + individual business loans.

<sup>&</sup>lt;sup>26</sup> For 2022 and 2023, the definition of agriculture-related loans follows the Special Statistical System of Agriculture-Related Loans issued by the People's Bank of China in 2007. In the Notice of the People's Bank of China on Matters Related to Financial

<sup>&</sup>lt;sup>27</sup> M&A projects where the financier or acquisition target is a foreign enterprise.

<sup>&</sup>lt;sup>28</sup> The "green loans" here refer to the green loans defined by the People's Bank of China.



#### **Environmental performance of green loan projects**

Indicator	2022	2023	2024
Annual savings of standard coal achieved by green projects supported by green loans (10,000 tons)	546.18	951.73	1,049.72
Annual carbon dioxide emissions reduction achieved by green projects supported by green loans (10,000 tons)	1,403.36	2,292.28	2,524.41
Annual water savings achieved by green projects supported by green loans (10,000 tons)	1,038.48	1,054.52	1,086.19
Annual nitrogen oxide emissions reduction achieved by green projects supported by green loans (10,000 tons)	4.95	7.81	30.09
Annual sulfur dioxide emissions reduction achieved by green projects supported by green loans (10,000 tons)	11.23	19.73	42.74
Annual chemical oxygen demand reduction achieved by green projects supported by green loans (10,000 tons)	18.60	23.07	20.94
Annual ammonia nitrogen emissions reduction achieved by green projects supported by green loans (10,000 tons)	1.39	1.34	1.08

#### **Green operation**

Indicator	2022	2023	2024
Total greenhouse gas emissions (Scope 1 and Scope 2) (tons) <sup>29</sup>	255,560.57	259,177.08	252,580.58
Direct greenhouse gas emissions (Scope 1) (tons)	9,879.72	11,844.84	9,302.64
Indirect greenhouse gas emissions (Scope 2) (tons)	245,680.85	247,179.99	243,277.94
Carbon emissions per capita (tons/person)	3.66	3.89	3.68
Carbon emissions per unit of total assets (tons/RMB100 million)	2.76	2.55	2.40
Total office water consumption (10,000 tons) <sup>30</sup>	174.70	183.02	190.24
Total office paper consumption (tons)	3,082.95	2,430.15	2,359.20
Total office electricity consumption/purchased electricity (MWh)	343,119.71	373,061.33	374,504.64
Direct energy consumption: total fuel consumption of official vehicles (liters)	2,234,767.12	2,789,299.30	2,124,503.02
Direct energy consumption: total natural gas usage (m3)	1,839,573.89	2,412,372.29	2,066,784.02
Total indirect energy consumption (MWh)	469,311.66	481,588.31	481,563.43
Total internal energy consumption (MWh) <sup>31</sup>	512,564.44	533,978.77	522,996.95
Total energy consumption per unit of total assets (MWh/RMB100 million)	5.53	5.26	4.98

<sup>&</sup>lt;sup>30</sup> The total office water consumption in this Report includes both the individually metered tap water consumption and the shared tap water consumption.

<sup>&</sup>lt;sup>29</sup> The greenhouse gas emissions in this Report are primarily calculated based on the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial) issued by the National Development and Reform Commission in 2015, and the Notice on Properly Managing Greenhouse Gas Emissions Reporting for Power Industry Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment in 2023. The scope covers the Head Office, 45 branches, and nine subsidiaries.

<sup>&</sup>lt;sup>31</sup> The total internal energy consumption in this report includes both direct and indirect energy consumption, mainly calculated based on fuel consumption, relevant conversion factors and formulas provided in the national standard of the People's Republic of China, General Rules for Comprehensive Energy Consumption (GB/T 2589-2020), including natural gas, diesel, gasoline, liquefied petroleum gas, purchased electricity, and purchased thermal energy.



Indicator	2022	2023	2024
Annual average PUE of the Head Office Data Center <sup>32</sup>	/	1.55	1.44
Total hazardous waste (tons) <sup>33</sup>	88.33	101.60	79.56
Total non-hazardous waste (tons) <sup>34</sup>	3,285.46	2,500.15	1,987.43
Proportion of video conference sessions out of total meetings (%)	55.20	54.75	56.43
Video equipment coverage rate (%)	70.97	72.75	74.76

# Social Performance

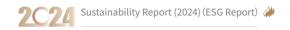
# **Employee composition**

Indicator	2022	2023	2024
Total number of employees	63,853	60,739	63,189
Number of female employees	33,826	32,594	33,943
Proportion of female employees (%)	52.97	53.66	53.72
Proportion of male employees (%)	47.03	46.34	46.28
Proportion of middle and senior management personnel (%)	5.39	5.74	5.65
Proportion of females in middle management (%)	33.42	33	32.41
Proportion of females in senior management (%)	17.12	18.82	17.53
Proportion of employees with a bachelor's degree or above (%)	85.81	89.99	91.69
Number of ethnic minority employees	2,410	2,757	2,893
Proportion of ethnic minority employees	3.77	4.54	4.58
Number of employees with disabilities	21	24	22
Proportion of employees with disabilities (%)	0.03	0.04	0.03
Number of foreign employees	219	244	297
Total number of employees at overseas institutions	262	302	336

<sup>&</sup>lt;sup>32</sup> PUE: Power Usage Effectiveness, which is the ratio of the total energy consumed by the data center to the energy consumed by the IT load, used to evaluate the energy efficiency of the data center.

<sup>&</sup>lt;sup>33</sup> In this report, hazardous waste includes toner cartridges, ink cartridges, fluorescent light tubes, and lead-acid batteries.

<sup>&</sup>lt;sup>34</sup> In this report, non-hazardous waste includes discarded paper, discarded electronic information products (computers, monitors, laptops, printers, servers), discarded office supplies (sign pens, paper clips, staples), and kitchen waste.



Indicator	2022	2023	2024
Total number of management personnel	9,941	9,487	9,582
Total number of management personnel by gender			
— Number of males	5,629	5,497	5,612
— Number of females	4,312	3,990	3,970
Total number of management personnel by age group			
— Under 30	129	79	65
<b>—</b> 31–50	8,706	8,247	8,306
— Over 51	1,106	1,161	1,211
Total number of non-management personnel	53,912	51,252	53,607
Total number of non-management personnel by gender			
— Number of males	24,398	22,648	23,634
— Number of females	29,514	28,604	29,973
Total number of non-management personnel by age group			
— Under 30	19,584	15,562	15,742
- 31-50	33,211	34,275	36,176
— Over 51	1,117	1,415	1,689

Indicator	2022	2023	2024
Average age of employees	34.2	35.2	36
Average years of employment for female employees at the Bank	6.1	7.1	7.8
Average years of employment for male employees at the Bank	6.7	7.5	7.5

# **Employee turnover**

Indicator	2022	2023	2024
Number of new hires during the year	11,362	3,893	6,814
— Number of campus recruits	2,777	820	1,823
— Number of social recruits	8,585	3,073	4,991
— Number of newly hired female employees	4,918	1,773	3,336
— Number of newly hired male employees	6,444	2,120	3,478
Employee turnover rate (%)³⁵	3.30	3.38	2.66
— Turnover rate of male employees (%)	3.74	3.59	2.90
— Turnover rate of female employees (%)	2.94	3.20	2.47
Proportion of vacant positions filled by internal candidates (%)	30.71	58.02	42.18

 $<sup>^{\</sup>rm 35}$  Employee turnover rate refers to the voluntary resignation rate of full-time employees.



## **Employee rights and interests**

Indicator	2022	2023	2024
Labor 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
Employees covered by collective bargaining agreements (%)	100	100	100
Employee satisfaction survey coverage rate (%)	100	100	100
Employee satisfaction survey participation rate (%)	70	70	75
Employee satisfaction score <sup>36</sup>	96.36	95.22	96.38
Number of times annual leave, childcare leave, marriage leave, personal leave, and maternity leave were taken (10,000)	/	12	14.26

# **Employee remuneration**

Indicator	2022	2023	2024
Proportion of employees receiving regular performance and career development evaluations (%)	100	100	100
Proportion of employees subject to target management assessments (%)	100	100	100
Proportion of employees receiving multidimensional performance evaluations (e.g., 360-degree feedback) (%)	100	100	100

<sup>&</sup>lt;sup>36</sup> Employee satisfaction score refers to the score calculated during the reporting period based on anonymous survey questionnaires collected via mobile devices and compiled through the human resource management system. The statistical scope includes all middle and senior management at the Head Office, branches, and subsidiaries, as well as full-time employees at the Head Office, tier-1 branches, and subsidiaries.

Indicator	2022	2023	2024
Ratio of average fixed remuneration between male and female employees of the senior management	1.11:1	1.04:1	1.05:1
Ratio of average fixed remuneration between male and female employees of the middle management	1:1	1:1	1:1
Ratio of average fixed remuneration between general male and female employees	1.07:1	1.04:1	1.05:1

# **Employee training**

Indicator	2022	2023	2024
Number of employee training programs	5,421	5,406	4,757
Number of training attendances <sup>37</sup>	743,916	772,529	542,592
Employee training coverage rate (%)	95.72	96.36	99.28
Average training hours per employee per year	207	210.7	219.3
Employee training expenditure (RMB10,000)	13,434	21,086	19,960
Monthly average number of active users on the "Xingzhi" mobile learning platform	46,566	52,243	50,459
Number of course sessions provided on the "Xingzhi" mobile learning platform	3,825	4,375	4,724
Average learning hours per employee on the "Xingzhi" mobile learning platform	35.3	34.9	48.2
Total online learning hours on the "Xingzhi" mobile learning platform (10,000 hours)	210.07	206.70	279.87

<sup>&</sup>lt;sup>37</sup> As training undergoes digital transformation, project-based programs have moved online, leading to a decline in traditional trainee attendance figures but an increase in both online participation and learning hours.



#### Service channels

Association in 2018.

Indicator	2022	2023	2024
Number of outlets across the Bank	2,046	2,085	2,097
Number of outlets in rural and county-level areas	252	258	261
Number of community sub-branches (including small and micro sub-branches)	837	847	837
Number of smart outlets	249	287	334
Number of outlets offering extended service hours	786	778	809
Number of outlets with accessible facilities <sup>38</sup>	1,455	1,528	1,596
Number of outlets with care service counters	1,427	1,454	1,519
Number of outlets with the "CIB Cares" public welfare service stations	2,046	2,085	2,096
Number of transactions via ATMs and smart counters (10,000)	3.719.93	4,052.03	4,652.61
Transaction amount via ATMs and smart counters (RMB100 million)	3,800.19	4,096.22	3,832.17
Number of registered users on the "Industrial Living" App (10,000)	3,761.38	4,834.28	5,539.66
Number of active mobile banking customers (10,000)	4,920.39	5,607.67	6,278.85
Number of monthly active mobile banking users (10,000)	/	2,252.62	2,664.03

38 The definition of accessible facilities is based on the Banking Accessible Environment Standard issued by China Banking

#### **Consumer protection**

Indicator	2022	2023	2024
Total number of completed consumer protection reviews	/	14,075	21,755
Number of complaints	478,708	356,498	225,004
Number of complaints per 1,000 individual customers	/	3.52	2.04
Number of complaints per outlet	/	171.06	107.40
Ratio of resolved complaints to total customer complaints (%) <sup>39</sup>	/	99.73	99.95
Customer satisfaction rate with complaint resolution follow-up (%)	/	99.78	99.01
Customer service satisfaction rate of 95561 hotline (%)	99.91	99.94	99.93
Total number of online financial transactions monitored by the risk control platform (100 million)	66	126	161
Number of high-risk transactions blocked by the risk control platform (10,000)	845.39	1,107.95	958.01
Transaction amount involved in high-risk transactions blocked by the risk control platform (RMB100 million) <sup>40</sup>	1,654.19	1,851.24	794.97
Employee participation rate in consumer rights protection training (%)	/	100	100
Investment in public financial literacy activities (RMB10,000) <sup>41</sup>	2,371.20	2,237.45	1,712.50
Cumulative number of public financial literacy activities	10,674	13,661	19,997

Bank.

<sup>&</sup>lt;sup>39</sup> The ratio of resolved complaints to total customer complaints refers to the ratio of total customer complaints resolved by Industrial Bank in 2024 to the total customer complaints the Bank received, based on the Implementation Measures for Financial Consumer Protection issued by the People's Bank of China and the Consumer Complaint Management Guidelines of Industrial

<sup>&</sup>lt;sup>40</sup> To balance fraud risk prevention and customer service efficiency, the anti-fraud platform has improved the precision of its risk control models, effectively reducing the number of involved accounts and the volume of blocked transactions.

<sup>&</sup>lt;sup>41</sup> Due to the shift of public financial literacy promotion toward online channels, overall costs have been reduced, while the total number of activities has increased and the number of customers reached remained largely consistent with previous years.



Indicator	2022	2023	2024
Number of customer attendances in public financial literacy activities (10,000)	12,791	21,044.92	21,074.97
Number of material copies distributed (10,000)	320.57	1,213.34	3,400.13
Media coverage (instances)	655	4,301	3,726

#### **Public welfare**

Indicator	2022	2023	2024
Total external donations throughout the year (RMB10,000)	8,118	5,238.61	3,119.35
Total investment in targeted assistance and rural revitalization projects (RMB10,000)	/	/	622.79
Number of designated assistance sites	76	74	72
Number of village-based cadres	60	52	50
Total number of credit cardholders participating in points donation (10,000)	/	11.57	12.19
Total donated credit card points (10,000)	/	476,589	542,608
Number of healthy lunch servings redeemed with credit card points	/	618,758	587,752

# **Supplier information**

Indicator	2022	2023	2024
Number of social responsibility training sessions provided for suppliers	85	256	311
Supplier coverage rate for environmental impact assessments (%)	/	/	100
Participation rate of external experts in bidding and procurement (%) <sup>42</sup>	16.37	33.68	27.42

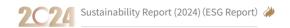
<sup>&</sup>lt;sup>42</sup> As more internal experts participated in bidding and procurement, their participation rate increased accordingly.



# **Selected Honors and Awards in 2024**

Media/Institution	Honors and awards
British magazine The Banker	Ranking 16th in the "Top 1000 World Banks" in terms of Tier 1 Capital, remaining among the top 20 global banks
USA magazine Fortune	Ranking 232nd in the Global 500
Fortune China	Ranking 61st in the Fortune China 500
rocure simila	Listed in the 2024 Fortune China ESG Influence List
The Chinese Banker	2024 The Chinese Banker ESG Financial Innovation Excellence Institution
S&P Global	Industry Mover The first domestic bank included in Sustainability Yearbook 2024 (China Edition)
Brand Finance	Ranking 199th in the Global 500 2024
Euromoney	The Most Promising Private Bank Award
All-China Federation of Trade Unions	National May 1 Labor Certificate

Media/Institution	Honors and awards
China Association for Public Companies	Best Practice Case of Sustainable Development of Listed Companies in 2024 Included in the Almanac of the Chinese Listed Companies 2023 and recommended as one of the Top 10 ESG Cases
	Best Practice of the Annual Report Presentation of Listed Companies in 2023
China Banking Association	Advanced Unit in Green Bank Evaluation
China Financial Futures Exchange	Annual Best Service Award
China Media Group	Pioneer 30 of Chinese ESG Listed Companies in the Financial Sector
Xinhuanet.com	Outstanding Corporate ESG Practice of the Year
Phoenix TV	"Pioneering ESG Financial Institution of the Year" at the Zero-Carbon Mission 2024 International Climate Summit
China Financial Media Corporation	Top 20 for Overall ESG Performance in the Banking Sector in 2024
China Financial Media Corporation	Typical Cases of ESG Practices in the Banking Sector in 2024
China Financial Media Corporation	2024 Exemplary Case in "Financial + Non-Financial" Integrated ESG Services Supporting Corporate Sustainability
Chinese Academy of Social Sciences	Listed in the "Top 10 Private Enterprises by Social Responsibility Development Index" in the Blue Book of Corporate Social Responsibility (2024)



Media/Institution	Honors and awards
Ernst & Young Hua Ming LLP	Outstanding Case of the 2024 Annual Best Award for Sustainable Development
Sino-Securities Index Information Service (Shanghai)	2024 List of Banks with Outstanding ESG Performance among A-Share Listed Companies
Sino-Securities Index Information Service (Shanghai)	2024 Top 20 Companies in ESG Performance in the Financial Sector among A-Share Listed Companies
People's Daily	2024 Peak Carbon and Carbon Neutrality Green Development Excellence Case
Gurllana Washin	Outstanding Responsible Enterprise of the Year
Southern Weekly	Top 10 Banks in the 2024 New Finance Competitiveness List
	Outstanding Case in Financial Services for the Elderly
China Banking and Insurance News	Innovation in Financial Services Case Award
	Tianji Award for Wealth Management Bank 2024
Securities Times	Tianji Award for Outstanding Bond Underwriting Bank 2024
	Tianji Award for the Bank of Inclusive Financial Services 2024
China Constitution to mand	Private Banking Golden Bull Award
China Securities Journal	Green Finance Golden Bull Award
Yicai	Green Finance Institution of the Year

Media/Institution	Honors and awards
Caijing Magazine	Sustainable Development Risk Management Award in the 2024 Evergreen Award
	Outstanding Bank of the Year
	Outstanding Listed Company of 2024
	Outstanding Transaction Bank of 2024
21st Century Business Herald	Outstanding Wealth Management Bank of 2024
	21st Century Vibrant ESG Corporate Governance Case
	21st Century Vibrant ESG Green Development Case
	Pioneer in Digital and Intelligent Technology Finance Services
National Business Daily	Outstanding Green Finance Case of the Year
National business Daily	Fintech Innovation Award of the Year
Tsinghua Financial Review	Bauhinia Award
China Times	Outstanding Private Bank of 2023
Sina Finance	Best Green Finance Bank of the Year



Assurance Statement: CIB Sustainability Report (2024) (ESG Report) and PRB Report

# Independent Assurance Statement for the Sustainability Report (2024) (ESG Report) and PRB Report of Industrial Bank Co., Ltd.

#### To the management team and stakeholders of Industrial Bank Co., Ltd.,

SynTao Green Finance Co., Ltd. (hereinafter referred to as "SynTao GF") was commissioned by Industrial Bank Co., Ltd. (hereinafter referred to as "CIB") to conduct an independent third-party assurance of the relevant information disclosed in its Sustainability Report (2024) (ESG Report) and PRB Report. The assurance conducted by SynTao GF is outlined as follows:

## Scope of Assurance

#### 1. Timeframe

The assurance was limited to the information disclosed in the ESG Report and PRB Reportfor the period from January 1, 2024, to December 31, 2024. Any relevant information outside this reporting period were not within the scope of this assurance.

#### 2. Information and Data Scope

The scope of this assurance was limited to the information concerning CIB covered in the ESG Report and PRB Report and did not include information from third parties such as CIB's suppliers. Information disclosed in the ESG Report and PRB Report that had already been audited or verified by independent third-party organisations were not re-verified in this process.

#### 3. Assurance Scope

The assurance scope aimed to assess: 1) whether the ESG Report and PRB Report complied with the Inclusivity, Materiality, Responsiveness, and Impact principles outlined in AA1000AP (2018); 2) whether the governance structure related to impact analysis, target setting, target implementation and monitoring, and the implementation of Principles for Responsible Banking complied with the requirements of the Guidance for assurance providers: Providing Limited Assurance to Reporting; and 3) the reliability and quality of certain sustainability indicators, including::

- · Proportion of ethnic minority employees
- Proportion of female employees and male employees
- · Employee satisfaction score
- · Employee turnover rate
- · Employee training coverage rate
- Coverage of training on anti-corruption and anticommercial bribery (combating corruption and upholding integrity) policies
- · Loan balance of agricultural business entities
- · Loan balance in areas shaking off poverty
- · Balance of loans to small and micro enterprises
- · Number of small and micro enterprise borrowers
- Balance of inclusive loans to small and micro enterprises
- Number of small and micro business customers with inclusive loans

- · Number of outlets in rural and county-level areas
- Number of outlets with accessible facilities
- Number of customer attendances in public financial literacy activities
- · Number of complaints
- Number of complaints per 1,000 individual customers
- · Year-on-year decrease of number of complaints
- · Number of individual pension accounts
- · Financing balance of technology finance
- Cumulative amount of carbon reduction loans issued since the introduction of carbon reduction support instruments
- Financing balance of green finance
- Total greenhouse gas emissions (Scope 1 and Scope 2)
- · Total office water consumption



Assurance Statement: CIB Sustainability Report (2024) (ESG Report) and PRB Report

- Total office paper consumption
- · Total hazardous waste
- · Group-wide IT investment scale
- Data security investment scale
- Number of high-risk transactions blocked by the risk control platform
- Total external donations throughout the year

## Responsibilities

The responsibility of CIB was to ensure the integrity and accuracy of the content of the *ESG Report* and *PRB Report*, as well as the information provided to SynTao GF, with no significant misrepresentations.

The responsibility of SynTao GF was to issue an independent assurance statement based on the information provided by CIB under AA1000 Assurance Standard v3 (AA1000AS v3) and UNEP FI's Guidance for assurance providers: Providing Limited Assurance to Reporting.

#### **Standards**

SynTao GF utilized AA1000AS v3 as the reference standard for assurance services. AA1000AS v3 refers to the assurance standard created by AccountAbility. The type and depth of assurance conducted in this instance were categorized as "Type 2, Moderate Assurance".

The assurance statement was prepared by SynTao GF following the SynTao GF Non-Financial Report Assurance Method. In addition to AA1000AS v3, the standards, principles, and initiatives referenced by SynTao GF included: Global Reporting Initiative GRI Standards / Sustainability Reporting Guidance from Shanghai, Shenzhen and Beijing Stock Exchanges / Hong Kong Exchanges and Clearing Limited ESG Reporting Code / Task Force on Climate-related Financial Disclosures TCFD Framework / International Sustainability Standards Board (ISSB) IFRS S1 - General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures / European Union Corporate Sustainability Reporting Directive (CSRD) / Greenhouse Gas Protocol (GHG Protocol), among others.

# **Assurance Methodology**

#### 1. Assurance Plan

SynTao GF recorded key resource requirements, evidence to be collected, tasks, activities, deliverables, and timelines in the schedule, forming a plan.

#### 2. Information Collection

Following principles of clarity, balance, completeness, and timeliness, SynTao GF assessed the quality of the collected information.

#### 3. Conducting Assurance

- Conducting interviews with sustainability management, including responsible employee from various departments including 14 departments of CIB, including: Board of Directors Office, Green Finance Department, Inclusive Finance Department, Risk Management Department, etc.
- Verifying relevant documents, data, and other materials provided by CIB.
- Assessing whether the information and data in the ESG Report and PRB Report comply with the inclusivity, materiality, responsiveness, and impact principles outlined in AA1000AP (2018).
- Assessing the reliability and quality of certain sustainability indicators.
- Assessing if the ESG Reportfollows Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE— Compilation of Sustainable Development Reports.



Assurance Statement: CIB Sustainability Report (2024) (ESG Report) and PRB Report

 Evaluating whether the information and data in the PRB Report comply with the requirements of the Guidance for assurance providers: Providing Limited Assurance for Reporting.

#### 4. Any other necessary work deemed by SynTao GF

# **Independence and Capability**

#### 1. Independence

 $SynTao\ GF\ declares\ that, SynTao\ GF\ and\ CIB\ are\ entirely\ independent\ entities.\ SynTao\ GF\ is\ free\ from\ bias\ or\ conflict\ of\ interest\ with\ CIB.$ 

#### 2. Capability

SynTao GF specializes in providing professional consulting, research, and training services in sustainable finance, including environmental, social, and corporate governance (ESG) ratings, green finance strategy, Environmental and Social Risk Management (ESRM), green finance product innovation, research on green finance and responsible investment, green bond assurance, as well as green credit and responsible investment capacity building.

SynTao GF is a licensed assurance provider of AA1000AS v3. This license authorizes SynTao GF to use and comply with AccountAbility's AA1000AS v3, as well as the use of the AA1000AS v3 markings related to sustainability assurance services.

Members of SynTao GF's assurance team hold qualifications in AA 1000 Certified Sustainability Assurance Practitioner (CSAP), ISO14001 internal auditing, CFA ESG, EFFAS Certified ESG Analyst, GRI training certification, carbon asset management, and other qualifications in the field of sustainable development. The team consists of professionals with extensive experience in the field of sustainable development and a comprehensive understanding of the AA1000AS v3 standard.

#### Limitations

SynTao GF relied entirely on the information provided by CIB required in the assurance of the ESG Report and PRB Report, and did not collect information from other external sources. Interviews also did not involve external stakeholders.

#### **Content for Assurance**

#### 1. AA1000 Accountability Principles (2018)

Inclusivity: CIB has approaches to understand the concerns of stakeholders, it communicated with them continuously through various ways, collected their opinions regularly, and publicly disclosed the communication outcomes. CIB provides necessary capacity building for stakeholder engagement.

Materiality: CIB has set up an analysis process of material issues, identified the ESG issues that are highly relevant to the company, and have clear procedures to prioritise material issues. CIB has disclosed the outcomes of materiality analysis in its ESG Report.

Responsiveness: CIB has established stakeholder communication mechanism to respond the concerns on material issues from key stakeholders. ESG issues has been integrated into CIB's risk management, and the bank has invested in relevant capacity building.

Impact: CIB has established governance structure on sustainability and a process for measuring, evaluating, and managing the company's impacts. The bank has integrated some of these impacts into the company's material issues and strategic objectives.

#### 2. Principles for Responsible Banking

Impact Analysis: CIB has accurate data on products, services, and portfolios in its main business areas. The bank



Assurance Statement: CIB Sustainability Report (2024) (ESG Report) and PRB Report

disclosed the methodology for impact analysis and target setting, and the data and performance indicators were reasonably selected and followed the relevant governance processes.

Target Setting: CIB's target setting relates to the significant impacts identified in the impact analysis, with milestones set that are specific, measurable, achievable, relevant and time-bound, consistent with relevant domestic and international policies.

Target Implementation and Monitoring: CIB has plans and implement actions for the targets set, and has clear department and personnel arrangement for the implementation. The Bank has disclosed the progress made in respect of each of its set objectives and the impact they have made.

Governance Structure for the Implementation of the Principles for Responsible Banking: CIB's governance structure includes a committee in charge of the sustainability strategy, the senior management and the committee regularly review the implementation of the objectives, and the remuneration of the senior management is linked to the implementation of the business of serving high-quality development and green finance. In addition, the bank conducts regular governance meetings and trainings to ensure that the targets are met.

#### 3. Assessment of Selected Sustainability Indicators

SynTao GF has verified the selected 30 sustainability indicators in the ESG Report.

#### Conclusion

- SynTao GF did not identify any non-compliance with the Inclusivity, Materiality, Responsiveness, and Impact
  principles outlined in AA1000AP (2018) in the Sustainability Report (2024) (ESG Report) of Industrial Bank Co., Ltd., or
  2024 PRB Report of Industrial Bank Co., Ltd.
- SynTao GF found the disclosed data regarding the products, services, and investment portfolios in the operational
  regions of CIB to be reliable, without any quality issues, and suitable for stakeholders to refer to. Regarding the
  impact analysis and target setting in the 2024 PRB Report of Industrial Bank Co., Ltd., SynTao GF did not find any
  information or data that would compromise its reliability and quality, nor did it find any non-compliance with the
  Guidance for Assurance Providers: Providing Limited Assurance to Reporting from UNEP FI.
- SynTao GF did not identify any situation that undermines the reliability and quality of the selected 30 sustainability indicators in the Sustainability Report (2024) (ESG Report) of Industrial Bank Co., Ltd. Stakeholders can take the 30 sustainability indicators as reference.
- The Sustainability Report (2024) (ESG Report) of Industrial Bank Co., Ltd. was not found to have been prepared
  without reference to the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation
  of Sustainable Development Reports.



Assurance Provider: SynTao Green Finance Co., Ltd.
Assurance Team Lead: WU, Yanjing

March 24, 2025



# **Report Content Index**

# **GRI Standards Content Index**

Instructions	Industrial Bank has reported the information presented in this GRI content index for the period from January 1 to December 31, 2024, with reference to the GRI Standards.
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# Index of the Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Compilation of Sustainable Development Reports by Shanghai Stock Exchange

Dimension	No.	Торіс	Corresponding section in this Report
	1	Climate change response	3.1. Climate change response
	2	Pollutant emissions	3.4 Practicing green operation
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Environment	4	Ecosystem and biodiversity protection	3.3 Protecting biodiversity
	5	Environmental compliance management	3.4 Practicing green operation
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	9	Rural revitalization	5.3 Propelling rural revitalization
	10	Social contribution	5.4 Commitment to charitable initiatives and public welfare
Social	11	Innovation-driven development	2.1 Accelerating the development of new quality productive forces
	12	Ethics in science and technology	4.1 Technology-driven digital Industrial Bank
	13	Supply chain security	5.2 Advancing inclusive finance

Dimension	No.	Торіс	Corresponding section in this Report
	14	Equal treatment of SMEs	Feature 2: Taking Root in Fujian and Advancing High-quality Development on All Fronts
	15	Product and service safety and quality	4.4 Data security and privacy protection
	16	Data security and customer privacy protection	4.4 Data security and privacy protection
	17	Employees	Feature: Deepening Expert  Management and Empowering Holistic Employee Development  5.1 Improving the talent management system
	18	Due diligence	Feature: Focusing on Green Transition and Jointly Promoting Sustainable Investment and Financing Business
可持续发展	19	Stakeholder communication	Feature: Deepening ESG Management and Promoting Sustainable Value Creation
相关治理	20	Anti-commercial bribery and anti-corruption	Feature: Strengthening the Guidance of Party Building and Promoting the Deep Integration of Party Building and Business Management
	21	Anti-unfair competition	1.3 Integrity and compliant operations



# Disclosure on the Principles for Responsible Banking (PRB)

## **UN PRB Report and self-assessment**

# **Principle 1: Alignment**

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as stated in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.

#### 1.1 Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing information such as the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

#### Response

CIB actively integrates into and serves the new development paradigm, striving to create greater value for customers, shareholders, employees, and society. The Bank leads the development of personal finance, corporate finance, and interbank finance, and has established a modern, comprehensive financial service system. This system spans both domestic and international markets, integrates online and offline channels, and is anchored in banking while also encompassing trust, fund, futures, financial leasing, wealth management, consumer finance, and asset management. In the process of continuously creating value for a broad base of clients, the Bank also keeps achieving high-quality development of its own.

#### Links and references

For details, please refer to the "About Industrial Bank" section on page 8 of the 2024 Sustainability Report and page 18 of the 2024 Annual Report.

#### 1.2 Strategy alignment

Does y	your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?
	Yes
	No
	e describe how your bank has aligned and/or is planning to align its strategy to be consistent with the SDGs, the Paris te Agreement, and relevant national and regional frameworks.
	your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its gic priorities or policies to implement these?
	UN Guiding Principles on Business and Human Rights
	International Labor Organization fundamental conventions
	UN Global Compact
	UN Declaration on the Rights of Indigenous Peoples
	Any applicable regulatory reporting requirements on environmental risk assessments, e.g., on climate risk - please specify: Relevant reports have been prepared with reference to the UN PRB, the Guidelines for Financial Institutions Environment Information Disclosure by the People's Bank of China, and the Environmental, Social and Governance Reporting Guide by the Stock Exchange of Hong Kong Limited.
	Any applicable regulatory reporting requirements on social risk assessments, e.g., on modern slavery - please specify:
	None of the above



#### Response

The Bank has established a corporate governance philosophy centered on sustainable development, and incorporated ESG principles into its strategic development plans. At the level of corporate governance, it has actively explored a localized ESG roadmap and promoted the development of an in-depth ESG management system that is fully integrated into business operations. In 2024, the Bank formulated and obtained the approval of the Board of Directors after review for the Sustainable Development Management Measures of the Industrial Bank for the first time. By doing so, it established an industry-leading ESG decision-making and management mechanism, and fully set up a closed-loop management system with CIB characteristics, featuring four core modules: Strategy, Execution, Performance, and Communication. This system serves as the institutional foundation for the Company's sustainable development efforts, providing a strong guarantee for the integrated development of ESG and business management.

With reference to the Recommendations of the Task Force on Climate-related Financial Disclosures, the Bank integrates ESG and climate risk management into its comprehensive risk management system, and clearly defines the responsibilities of the Risk Management Committee of the Head Office regarding ESG and climate risk management. These responsibilities include regularly reporting ESG and climate risks to the senior management and the Board of Directors for credit and investment policy adjustment and improvement. At the same time, the Company actively promotes the process of embedding credit into ESG, and strengthens the management of entire investment and financing process, including due diligence, compliance review, approval management, contract terms, fund disbursement management, and post-lending (post-investment) management. Additionally, the Bank accelerates the development of processes and tools for climate risk management, and enhances its ability to identify, assess, calculate, manage, and apply carbon assets, formulating and improving eco-friendly credit policies while strengthening its ability to provide financial services for biodiversity protection.

The Bank has developed a "3-dimensional, 9-directional" ESG indicator system, which includes 656 indicators and is further refined into 20 key issues. These cover priority areas such as enhanced customer service, green financial asset development, green banking product innovation, rural finance, consumer protection, and data security. The ESG indicator system is effectively transformed into a management tool, enabling ESG to be fully integrated into the Bank's corporate strategy, major decision-making, daily operations, and employee conduct, thereby continuously enhancing internal governance capabilities.

#### Links and references

For details, please refer to the "ESG policy and strategic planning" section on page 20 and the "Climate change response" section on page 80-84 of the 2024 Sustainability Report.

# **Principle 2: Impact & Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks related to people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

#### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target setting. The impact analysis shall be updated regularly<sup>43</sup> and meet the following requirements/elements (a-d) <sup>44</sup>:

#### a) Scope:

What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

#### Response

The Company is primarily engaged in commercial banking. Its scope of operations includes: accepting public deposits; issuing short, medium-, and long-term loans; handling domestic and international settlements; bill acceptance and discounting; issuing financial bonds; acting as an agent for the issuance, redemption, and underwriting of government bonds; trading government and financial bonds; acting as an agent for the issuance of securities other than stocks; trading and acting as an agent for securities other than stocks; asset custody services; interbank lending; foreign exchange trading and agency services; foreign exchange settlement and sales; bank card business; issuing letters of credit and providing guarantees; acting as an agent for receipts, payments, and insurance; safe deposit box services; financial advisory, credit investigation, consulting, and verification services; and other businesses approved by regulatory authorities. The Company is also authorized to engage in insurance agency services, import and export of gold and gold products, public securities investment fund sales, and custody services for securities investment funds.

The Company mainly engages in basic corporate banking, green finance, investment banking, inclusive finance, institutional business, transaction banking (including international business), basic retail finance, retail loans, wealth management, private banking, credit card business, interbank client services, bank-bank cooperation, asset management, treasury business, and asset custody services.

#### **Links and references**

For details, please refer to page P103-115,218 of the 2024 Annual Report.

<sup>&</sup>lt;sup>43</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>&</sup>lt;sup>44</sup> Further guidance can be found in the Interactive Guidance on Impact Analysis and Target Setting.



#### b) Portfolio composition:

Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries<sup>45</sup> for business, corporate and investment banking portfolios (i.e., sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

#### Response

This impact analysis covers business areas within the loan portfolio that correspond to the tier-1 industry classifications used in the UNEP FI Impact Analysis Tool. A total of 13 real economy industries are involved, with a total loan amount of RMB3.35 trillion, accounting for over 30% of the total business volume and 58.43% of the loan business.

As of the end of 2024, the top 10 industries by loan distribution were: personal loan, manufacturing, leasing and commercial services, real estate, discounted bills, water conservancy, environment and public facilities management, wholesale and retail, production and supply of electricity, heat, gas and water, transportation, storage and postal services, and construction.

#### Links and references

For details, please refer to page 90 of the 2024 Annual Report.

#### c) Policy context:

What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>46</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

#### Response

The main challenges and priorities related to sustainable development that the Bank faces include driving inclusive finance business with solid efforts, optimizing green finance business, deepening pension finance business, strengthening technology finance, and promoting digital finance business. Relevant considerations are as follows:

First, due to objective factors such as geographical and industrial constraints, micro, small and medium-sized enterprises as well as rural areas often face higher costs in accessing financial services. The Bank addresses this by deepening inclusive finance, offering more convenient and lower-cost financial services to these groups, thereby narrowing the coverage gap in financial service accessibility. Second, in light of challenges in climate change and biodiversity, the Bank is promoting green finance by advancing green credit and green bonds, supporting environmental protection industries and sustainable development projects. This helps achieve the carbon peaking and carbon neutrality goals, enhances the resilience of enterprises, and contributes to society's green transition. Third, in response to the aging population, the Bank strives to provide quality services while adapting to new circumstances, exploring emerging markets, and upgrading its products and services, so as to achieve a balance between its own transformation and high-quality development. In promoting technology and digital finance, the Bank actively embraces trends in emerging technologies such as artificial intelligence, aiming to enhance its digital finance capabilities. By focusing on new quality productive forces, the Bank is building a comprehensive technology finance service system. Through its efforts in the "five priorities" of the financial sector, the Bank is actively fulfilling its social responsibilities and contributing financial strength to high-quality economic development.

#### Links and references

For details, please refer to the "Development: Focusing on Innovation Breakthroughs and Serving the Real Economy for a Shared Future" section on page 45-56 of the 2024 Sustainability Report.

Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)<sup>47</sup>? Please disclose.

<sup>&</sup>lt;sup>45</sup> Key sectors relative to different impact areas, i.e., those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

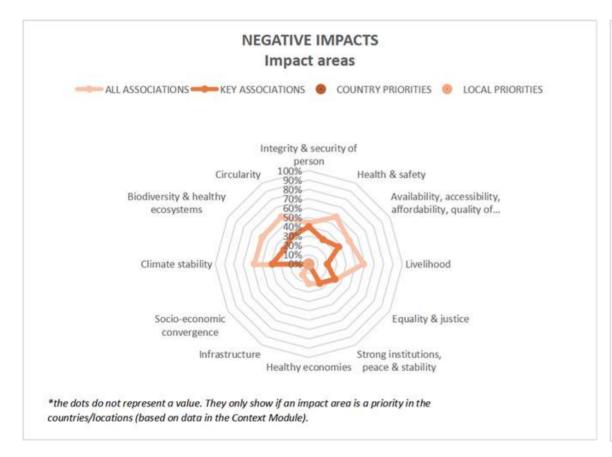
<sup>&</sup>lt;sup>46</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

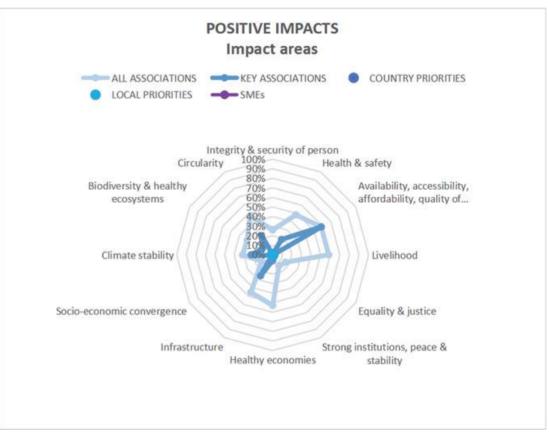
<sup>&</sup>lt;sup>47</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g., through stakeholder engagement and further geographic contextualization.

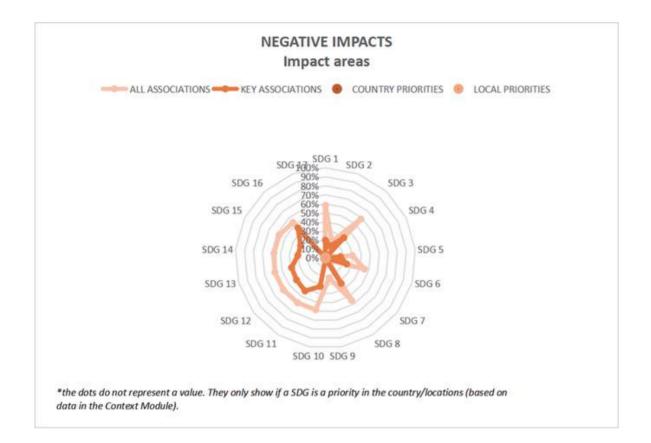


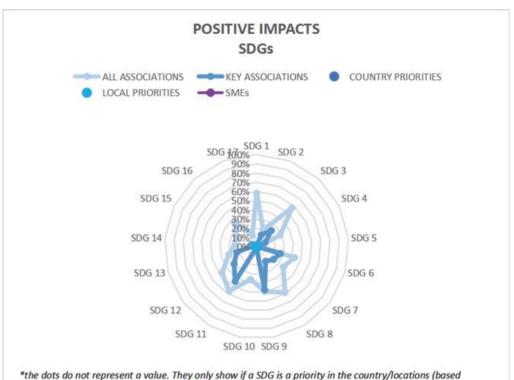
#### Response

Based on the UNEP FI Impact Analysis Tool (2023 Portfolio Impact Analysis Tool for Banks, updated on February 24, 2023) and the Bank's 2024 Annual Report statistical scope, the Bank has identified the following environmental and social positive and negative impacts:









According to the analysis results, the most significant impact areas, which also align closely with national needs, include: climate change, access to resources and services, and socio-economic convergence. While the tool indicates that the integrity and security of person shows a relatively high negative impact, it is not strongly related to the Bank's priority areas within its jurisdiction and is therefore not currently considered.

Regarding the SDGs, the Bank's most prominent positive impacts are on SDG 9: Industry, Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities, and SDG 13: Climate Action. The most significant negative impacts are on SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 11: Sustainable Cities and Communities, and SDG 15: Life on Land.

Taking into account national priorities, and through internal discussions and consultations with external experts, the Bank has decided to set its impact targets on climate change mitigation (Climate Action) and inclusive finance (covering two impact areas including access to resources and services and socio-economic convergence) in terms of its core business focus.

#### Links and references

on data in the Context Module).

For details, please refer to the "Optimizing green finance business" section on page 51-53 and the "Driving inclusive finance business with solid efforts" section on page 56-57 of the 2024 Annual Report, as well as the "Developing green finance" section on page 85-91 and the "Advancing inclusive finance" section on page 164-168 of the 2024 Sustainability Report.



#### d) For these (at least two prioritized impact areas):

Performance measurement:

Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e., qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified

climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe it.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

#### Response

In line with the impact analysis results above, the sectors involved in the Bank's main business are as follows: 1. Manufacturing, 2. real estate and construction, 3. production and supply of electricity, heat, gas, and water, and 4. transportation. Among them, the low-carbon transition of the three key industries including construction, transportation, and manufacturing is also a focus in the Bank's research projects this year.

The Bank proposes to establish the following indicators along with corresponding baselines:

Green finance:

Carbon emission intensity in key industries. Baseline research will be conducted as soon as possible.

Financing balance of green finance. As at the end of 2022, the Bank's financing balance of green finance on- and off-balance sheet stood at RMB1,629.76 billion.

Inclusive finance:

Balance of inclusive loans to small and micro enterprises. As of the end of 2021, the Bank's balance of inclusive loans to small and micro enterprises was RMB298.7 billion.

#### Links and references

For details, please refer to page 125 of the 2022 Annual Report and page 75 of the 2021 Annual Report.

#### Self-assessment summary:

Which of the following components of impact analysis has your bank completed in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Which most significant impact areas have you identified for your bank as a result of the impact analysis?  $^{48}$ 

How recent is the data used for and disclosed in the impact analysis in terms of climate change mitigation, climate change adaptation, financial health and inclusive finance?

Up to 6 months prior to publication
Up to 12 months prior to publication
Up to 18 months prior to publication
Longer than 18 months prior to publication

 $<sup>^{48}</sup>$  You can respond "Yes" to a question if you have completed one of the described steps, e.g., the initial impact analysis has been carried out, a pilot has been conducted.



#### 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets<sup>49</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

#### a) Alignment:

Which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant<sup>50</sup>? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate SDGs, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

#### Response

The Bank adheres to the principles of sustainable development and, in alignment with the UN SDGs, the UNEP Principles for Responsible Banking, the Guidelines for Financial Institutions Environment Information Disclosure by the People's Bank of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (August 2023 Revision) by Shanghai Stock Exchange, and the Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation by the Shanghai Stock Exchange, has established a group-wide governance structure. This structure features a top-down approach integrating the decision-making, management, and execution levels, and promotes collaboration across the Head Office, branches and subsidiaries. Through this governance structure, the Bank is advancing the integrative development of ESG and operation management. It also ensures that each topic is subject to decision-making by the Board of Directors, deployment by the senior management, and implementation by the execution teams, thereby providing robust support for the integrated development of ESG and operation management.

#### Links and references

For details, please refer to the "ESG policy and strategic planning" section on page 20 of the 2024 Sustainability Report.

#### b) Baseline:

Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose.

#### Response

The Bank proposes to establish the following indicators along with corresponding baselines:

Green finance:

Carbon emission intensity in key industries. Baseline research will be conducted as soon as possible.

Financing balance of green finance. As at the end of 2022, the Bank's financing balance of green finance onand off-balance sheet stood at RMB1.629.76 billion.

Inclusive finance:

Balance of inclusive loans to small and micro enterprises. As of the end of 2021, the Bank's balance of inclusive loans to small and micro enterprises was RMB298.7 billion.

#### Links and references

For details, please refer to page 125 of the 2022 Annual Report and page 75 of the 2021 Annual Report.

<sup>&</sup>lt;sup>49</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

<sup>&</sup>lt;sup>50</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/region of operation for the purpose of setting targets. These can be found in national development plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.



#### c) SMART targets (incl. key performance indicators (KPIs)<sup>51</sup>):

Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

#### Response

In terms of climate change mitigation:

In 2024, CIB launched a comprehensive carbon accounting initiative for its financing and investment activities, in line with relevant standards such as the Technical Guidelines for Carbon Accounting of Financial Institutions (Trial) by the People's Bank of China. The accounting scope covers RMB-denominated loans to domestic corporate clients across all industries as at the end of 2023. As at the end of February 2025, data collection, verification, and preliminary accounting for financing and investment carbon accounting had been completed.

By the end of 2027, the Bank (Group)'s total green finance balance on a full-caliber basis reached RMB2.8 trillion, with a green finance customer base of 92,000.

In terms of inclusive finance:

By the end of 2025, the balance of inclusive loans to small and micro enterprises is expected to reach RMB600 billion. (Baseline: As at the end of 2021, the balance of inclusive loans to small and micro enterprises was RMB298.7 billion.)

#### Links and references

Notice of Industrial Bank on Issuing the Opinions on Promoting High-Quality Development of Green Finance (internal file)

"Climate change response" section on page 80-84 of the 2024 Sustainability Report

Minutes of Industrial Bank's 2023 Thematic Conference on Inclusive Finance

Page 75 of the 2021 Annual Report

#### d) Action plan:

Which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analyzed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

#### Response

#### 1. Green finance:

CIB regards green finance as a key strategic focus and continues to promote and participate in green finance innovation, steering the transformation of industrial and energy structures toward green and low-carbon development. As at the end of 2024, according to the standards and definition of the People's Bank of China, the Bank's green loan balance reached RMB967,931 million, representing a 19.64% increase compared to the end of the previous year. Key sectors included clean energy, water resources, and solid waste treatment. The supported green projects were expected to achieve annual savings of 10,497,200 tons of standard coal, annual carbon dioxide emission reductions of 25,244,100 tons, and annual water savings of 10,861,900 tons, delivering significant economic, environmental, and social benefits. The Bank achieved strategic cooperation with nine national green finance reform and innovation pilot zones, and signed strategic cooperation agreements with the governments in more than 20 areas designated for climate investment & financing and carbon peaking pilot projects.

#### 2. Inclusive finance:

CIB actively advances financial services in inclusive finance and livelihood-related areas, providing funding support to small and micro enterprises and offering convenient, efficient banking products and integrated services to the general public, contributing to the realization of common prosperity. The Bank takes multiple measures to promote the effective implementation of the financing coordination mechanism for small and micro enterprises. As at the end of 2024, under the small and micro enterprise coordination mechanism, the Bank granted over RMB91.5 billion of loans to more than 19,000 small and micro enterprises. Leveraging its "Bank-to-Bank Platform," the Bank has capitalized on interbank cooperation foundations, revolved around the "five priorities" of the financial sector, and combined technological output with customized solutions. These efforts help partner institutions rapidly unlock e-CNY application scenarios, improve accessibility and convenience of financial services, and promote the development of inclusive finance.

#### Links and references

For details, please refer to the "Improving and upgrading the product system" section on page 85-89 and the "Serving small and micro businesses" section on page 166-168 of the 2024 Sustainability Report.

<sup>&</sup>lt;sup>51</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.



	Most impacted area: (Please specify) Green finance	Second most impacted area: (Please specify) Inclusive finance
Alignment	Yes In progress No	Yes In progress No
Baseline	Yes In progress No	Yes In progress No
SMART targets	Yes In progress No	Yes In progress No
Action plan	Yes In progress No	Yes In progress No

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# 2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

#### Response

- 1. Changes in targets
- · Green finance
- · Inclusive finance
- 2. Progress toward targets
- · Green finance
- · Inclusive finance

#### Links and references

For details, please refer to the "Developing green finance" section on page 85-91 and the "Advancing inclusive finance" section on page 164-168 of the 2024 Sustainability Report.



## **Principle 3: Clients and Customers**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

#### 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers <sup>52</sup> in place to encourage sustainab practices?
Yes In progress No
Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?
Yes In progress No
Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainab

practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

#### Response

#### 1. Green finance:

The Bank has actively developed a three-tier product and service system, consisting of the Group's diversified products, specialized products for the carbon peaking and carbon neutrality initiative, and solutions for key industries with a focus on the forefront of green industries and a goal to serve the new needs of green financing and pooling intelligence. The system centers on "green commercial banking + green investment banking + green retail banking," and is supplemented by "green leasing + green trusts + green fund".

The Bank also actively contributes to the development of the green bond market. By optimizing internal resource allocation, it provides low-cost capital support for green bonds in terms of internal fund transfer pricing. Meanwhile, the Bank proactively explores market-making business for green bonds, aiming to increase the liquidity of the green bond market and reduce financing costs for green bond issuers.

In parallel, the Bank actively strengthens its research-driven capabilities. During the year, it completed the development of the ESG Integrated Service Solution of Industrial Bank and the Carbon Peaking and Carbon

Neutrality Manager Service Solution of Industrial Bank. It deepened it efforts to create a series of products for carbon peaking and carbon neutrality as well as ESG consulting, covering ESG disclosure, ESG strategy consulting, carbon footprint verification, carbon peaking and carbon neutrality strategy consulting, diagnosis of energy saving, carbon reduction solution design, and the development of digital platforms for carbon emissions. It actively responded to clients' needs for carbon and ESG consulting services, and conducted in-depth assessments of their carbon reduction progress, carbon asset holdings, carbon emissions levels, and ESG performance, facilitating financing to help enterprises meet their carbon or ESG obligations. In 2024, the Bank independently developed the "Carbon Peaking and Carbon Neutrality Platform," opening "carbon accounts" for 16,800 corporate customers and 2,457,300 retail customers.

#### 2. Inclusive finance:

The Bank has built a bridge between financial institutions and governments, enterprises, villages, and the public, and has established a team of over 1,400 financial service commissioners. Leveraging their professional expertise, they actively visit factories, workshops, and farmlands, to interpret financial policies, understand customer needs, and create streamlined financing channels for small and micro enterprises, thereby improving the accessibility, convenience, and professionalism of financial services.

Focusing on the goal of achieving both broad coverage and real benefits in inclusive finance, the Bank has increased the allocation of financial resources to key areas and continuously reduced the comprehensive service costs for small and micro enterprises. It also exports its cutting-edge business capabilities in system and management experience, policies and processes, and business models, to small and medium-sized financial institutions, helping drive their digital transformation.

#### 3. Pension finance:

The Bank remains committed to a customer-centric approach, focusing on the investment needs of elderly clients. It continues to drive the innovation, design and introduction of new products, continuously enriching the supply of elderly financial products. By building a diverse and specialized system of financial products and services, the Bank aims to meet the varied needs of its elderly customers. It also actively provides financing services to support the development of the pension industry, promoting the growth of the healthcare and wellness sector.

#### Links and references

For details, please refer to the "Improving and upgrading the product system" section on page 85-89, the "Promoting green and low-carbon transition services" section on page 90-91, the "Serving small and micro businesses" section on page 166-168, and the "Exploring the pension industry finance" section on page 54-55 of the 2024 Sustainability Report.

<sup>&</sup>lt;sup>52</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.



#### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive impacts and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period.

Provide information on existing products and services, information on sustainable products developed in terms of monetary value (USD or RMB) and/or your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g., green mortgages – climate, social bonds – inclusive finance, etc.).

#### Response

#### 1. Green finance:

The Bank has incorporated green finance indicators into the business operations and performance evaluation system across the entire Group, aiming to coordinate efforts in carbon reduction, pollution control, ecosystem enhancement, and sustainable growth. It continues to deepen the supply-side structural reform of green finance in a bid to establish a comprehensive and diversified green financial service system encompassing green credit, green bonds, green trusts, green leasing, green funds, and green wealth management.

The Bank actively leverages its business synergy advantages to promote the comprehensive development of green finance in key areas through expanding integrated services. By integrating "Green + Technology," the Bank is building a green product system, enhancing technology finance services, and supporting the growth of green tech enterprises. It has served 29,605 technology finance clients with a financing balance of RMB670.5 billion, representing a 12.80% increase compared to the end of the previous year. Through "Green + Inclusive Finance," the Bank is innovating a series of green finance products such as "Distributed PV Loan," "Easy Tea Loan," and "Forest Note Loan," to support services for distributed energy in industrial parks and small and micro sectors in agriculture and rural areas. Through "Green + Elderly Care," the Bank is exploring the construction of green elderly care communities and providing green financial service solutions for the healthcare and wellness sector.

#### 2. Inclusive finance:

The Bank actively implements the Implementation Opinions of Industrial Bank on Promoting the High-Quality Development of Inclusive Finance, and makes continuous efforts to build a high-level inclusive financial system and has fully launched the "211 Project" in inclusive finance. Revolving around the two main pillars — "putting products online and digitalizing scenarios," the Bank is dedicated to cultivating the "Industrial Inclusion" brand, enhancing basic service capabilities, and building a high-quality, adaptive, competitive, and digital inclusive finance service system. With these efforts, it aims to promote the high-quality development of

inclusive finance business and effectively ease financing delays and difficulties faced by small and micro enterprises. At the same time, the Bank explores differentiated pathways to provide financial support for rural revitalization, thereby creating tangible social value and fulfilling corporate responsibility.

Adhering to the philosophy of "openness, sharing, and connecting everything," the Bank is accelerating its digital transformation. Centered on "putting products online and digitalizing scenarios," it connects a wide array of scenarios to establish a new model of digital inclusive financial services. The Bank has built and operated the open service platform "Industrial Inclusion" to enhance the leading role of technology and the empowerment effect of data. With financing at its core, the platform offers comprehensive "financial + non-financial" services to micro, small and medium-sized enterprises. Centered around leading enterprises, the Bank has tailored the "Xingsu Loan" core enterprise program to meet the diverse financing needs of micro, small and medium-sized enterprises across various scenarios. The Bank also continues to deepen its engagement in agricultural product wholesale market ecosystems. It has developed the "Industrial Inclusion · Smart System" to expand upstream and downstream industrial chains, and provide large-scale services for customer groups in rural revitalization and inclusive finance.

#### **Links and references**

For details, please refer to the "Pursuing innovation, taking practical actions and contributing financial strength" section on page 47-59 of the 2024 Sustainability Report.

# **Principle 4: Stakeholders**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

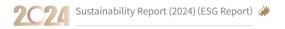
#### 4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (o
stakeholder groups ) you have identified as relevant in relation to the impact analysis and target setting process?

	Yes		In progress	l <sub>N</sub>
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Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

<sup>&</sup>lt;sup>53</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations



#### Response

Based on the UN SDGs and other relevant guidelines and frameworks, as well as the Bank's own ESG practice experience, the Bank has identified nine key stakeholder groups: government or financial regulatory personnel, shareholders and market research institutions, the Bank's directors and supervisors, the Bank's customers, the Bank's employees, residents in the Bank's surrounding communities, suppliers, civil society actors (including NGOs and media), and ESG experts. In 2024, a total of 2.517 stakeholder questionnaires were collected through the survey.

#### **Links and references**

For details, please refer to the "ESG materiality analysis" section on page 23 of the 2024 Sustainability Report.

#### **Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

#### 5.1 Governance structure for implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes	In progress		No
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Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.

This includes information about

- · which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- · details about the chairman of the committee and the process and frequency for the board having oversight over PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets.

#### Response

There are five committees under the Board of Directors of the Bank, namely the Strategy and ESG Committee, the Risk Management and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee, and the Remuneration and Evaluation Committee. Among these, the chairman of the Risk Management and Consumer Protection Committee, the Audit and Related Party Transaction Control Committee, the Nomination Committee, and the Remuneration and Evaluation Committee are all independent non-executive directors, with independent non-executive directors making up more than half of the members. All members of the Audit and Related Party Transaction Control Committee are non-executive directors, each possessing professional knowledge and work experience in areas such as finance, auditing, accounting, or law. The Remuneration and Evaluation Committee includes members with a background in finance.

The Bank actively explores mechanisms linking remuneration with sustainable development, and incorporates sustainable development indicators and evaluation mechanisms into performance assessments. Based on quantitative indicators such as profitability, asset quality, solvency, and operational growth, the Bank further establishes a comprehensive evaluation system that includes qualitative indicators related to high-quality development services and green finance (including the development of green finance systems, brand building, and business development). This system combines short-term and long-term incentives, strengthens the responsibilities of the senior management, and promotes the Bank's sustainable development.

#### Links and references

For details, please refer to the "Improving the governance system" section on page 24-32 of the 2024 Sustainability Report.



#### 5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

#### Response

The Bank continues to refine its "5+N" training system, actively builds and improves a training system and continuously increases investment in training to foster a learning-oriented organization, and strengthens training empowerment for all employees across the Bank. During the year, the Bank issued training-related policies such as the Notice on Further Strengthening Training Management and the Opinions on Strengthening and Advancing the Coordinated Management of University Training Cooperation. These initiatives support the unified planning of training programs across the Bank and promote strategic training for talent development, with a continued focus on cultivating employees' lifelong employability.

The Bank has coordinated and implemented the re-evaluation plan for 5,162 head-office-level courses, and released the re-evaluation checklist across the Bank to strengthen the integration of top-down and branch-head office collaboration in course development. In 2024, over 5,290 courses were newly developed and launched on the "Xingzhi" platform. By the end of 2024, there were more than 13,000 courses in total on the platform.

The Bank places great importance on cultivating managers. During the year, the Bank organized 14 senior-, middle- and community-level management training programs including series of high-quality financial development training programs (with topics on retail and technology), the "Xinglan Cuican" senior- and middle-level management training programs, the "Yilan Shanyao" senior- and community-level management training programs, and the Group's comprehensive financial talent training programs. At the same time, the Bank designed a leadership curriculum system, with an attendance of 5,244 in total. Branches and subsidiaries also organized over 40 internal training sessions for middle- and community-level management through various forms.

Moreover, the Bank leverages its Hong Kong Branch to enhance overseas talent training, supporting employees in strengthening their cross-border financial service capabilities. In 2024, Hong Kong Branch organized four key training sessions, focusing on areas such as law, capital pool products, green taxonomy, and greenwashing risk.

#### Links and references

For details, please refer to the "Improving the employee training system" section on page 148 of the 2024 Sustainability Report.

#### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>54</sup> Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

#### Response

The Bank actively promotes the process of embedding credit into ESG, and strengthens the management of entire investment and financing process, including due diligence, compliance review, approval management, contract terms, fund disbursement management, and post-lending (post-investment) management. Additionally, the Bank accelerates the development of processes and tools for climate risk management, and enhances its ability to identify, assess, calculate, manage, and apply carbon assets, formulating and improving eco-friendly credit policies while strengthening its ability to provide financial services for biodiversity protection.

The Bank has fully integrated the ESG risk assessment system into the credit processes across its three main business lines: corporate finance, retail finance, and financial markets. Customers are categorized into four groups based on the degree of related risks: Category A, Category B, Category C, and Category D. With regard to the Bank's investment, financing, and credit granting business, differentiated management strategies are applied accordingly. ESG considerations are embedded in all stages of the credit process, including due diligence, risk assessment, contract signing, fund disbursement, and post-lending management.

The Bank has developed ESG-integrated credit granting procedures for various client groups, including corporate finance clients, retail credit clients, and interbank clients. During the due diligence process, targeted due diligence with ESG-related content is conducted based on the client's industry and regional characteristics. The Bank places a strong emphasis on the collection and verification of fundamental information and data related to clients' ESG performance, covering 39 indicators such as energy consumption, water usage, greenhouse gas emissions, corporate environmental credit ratings, environmental administrative penalties, supplier management, customer complaints, employee social security data, debt servicing capacity, information disclosure, and adverse media coverage. In this manner, the Bank ensures the authenticity, completeness, and effectiveness of the information.

<sup>&</sup>lt;sup>54</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



The Bank has also established dedicated risk prevention and control measures and response plans, including but not limited to: time-bound rectification of violations, signing of special letters of commitments, adjustment of credit plans, increase in capital requirements, enhancement of risk mitigation measures, suspension of new credit, and downsizing of existing business. In the credit review and approval stage, differentiated credit control measures are applied.

## **Links and references**

For details, please refer to the "Integrating ESG into the credit process" section on page 73-76 of the 2024 Sustainability Report.

Self-assessment summary:
Does the CEO or other executives have regular oversight over the implementation of the Principles through the bank's governance system?
Yes No
Does the governance system entail structures to oversee PRB implementation (e.g., incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?
Yes No
Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?
Yes In progress No

# Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance				
Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?				
Yes Partially No				
If applicable, please include the link or description of the assurance statement.				
Response				
The Bank engaged a third-party assurance provider to conduct independent assurance of relevant information disclosed in its sustainability report to strengthen the credibility and reliability of the report.				
Links and references				
For details, please refer to the "Third-Party Assurance Report on UN PRB Report."				
6.2 Reporting on other frameworks				
Does your bank disclose sustainability information in any of the listed below standards and frameworks?				
☑ GRI				
SASB				
CDP				
IFRS Sustainability Disclosure Standards				
TCFD				
Others: UN PRB, the Guidelines for Financial Institutions Environment Information Disclosure by the People's Bank of China, the Environmental, Social and Governance Reporting Guide by the Stock Exchange of Hong Kong				

Limited, etc.



#### Response

This report is prepared in accordance with the Corporate Sustainability Disclosure Standards—Basic Standards (for Trial Implementation) by the Ministry of Finance, Guidelines for Financial Institutions Environment Information Disclosure by the People's Bank of China, Corporate Governance Standards for Banking or Insurance Institutions and Opinions on Strengthening the Social Responsibility of Banking Financial Institutions by the former China Banking and Insurance Regulatory Commission, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (August 2023 Revision), Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation, Guidelines for the Preparation of Reports on Corporate Fulfillment of Social Responsibilities, Notice on Further Improving Information Disclosure on Poverty Alleviation Efforts by Listed Companies, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), and Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Compilation of Sustainable Development Reports by the Shanghai Stock Exchange, and Guidelines on the Corporate Social Responsibility of Banking Institutions of China by China Banking Association. This report is also prepared with reference to the following documents:

- · Sustainable Development Goals (SDGs) by the United Nations
- · Principles for Responsible Banking (PRB) by the United Nations Environment Programme
- · IFRS Sustainability Disclosure Standard S1—General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- · IFRS Sustainability Disclosure Standard S2—Climate-related Disclosure (IFRS S2)
- · GRI Sustainability Reporting Standards (GRI Standards) by the Global Sustainability Standards Board (GSSB)
- · Guidance on Social Responsibility (GB/T 36000-2015), Guidance on Social Responsibility Reporting (GB/T 36001-2015), and Guidance on Classifying Social Responsibility Performance (GB/T 36002-2015) by National Standardization Administration
- · Social Responsibility Guideline (ISO 26000) by the International Organization for Standardization (ISO)
- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0) by Chinese Academy of Social Sciences

#### Links and references

For details, please refer to the "Declaration" section on page 2 of the 2024 Sustainability Report.

#### 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>55</sup>, target setting<sup>56</sup> and governance structure for implementing the PRB)? Please describe briefly.

#### Response

Looking ahead, the Bank will continue to strengthen its governance foundation to support steady corporate development, deepen ESG management to foster sustainable growth momentum, and serve the real economy by fulfilling its role as a key pillar of the national financial system. It will accelerate the development of new quality productive forces, and contribute to a higher level of opening-up. The Bank will continue to strengthen the proper integration of advancing the "five priorities" of the financial sector with polishing the "Three Business Cards", developing the "five new arenas", and building a "Digital Industrial Bank" and drive forward in a holistic manner. Through these efforts, the Bank remains committed to serving as a mainstay in serving the real economy and an anchor of financial stability, creating value for customers and society while driving the high-quality development of the organization.

Links and references

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to learn about the overall progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choos what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling them:

Embedding PRB oversight into governance Customer engagement			
Gaining or maintaining momentum in the bank Stakeholder engagement			
Getting started: where to start and what to focus on in the beginning Data availability			
Conducting an impact analysis Data quality			
Assessing negative environmental and social impacts Access to resources			
Choosing the right performance measurement methodology/ies Reporting			
Setting targets Assurance			
Prioritizing actions internally Other:			

<sup>&</sup>lt;sup>55</sup> For example, outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>&</sup>lt;sup>56</sup> For example, outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



# Readers' Feedback Form

We appreciate your valuable feedback and insights, which will help us improve the quality of this Report and strengthen our sustainability efforts!

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Postal code: 350014		E-mail: sustainability@cib.com.cn

1. What do you think about the overall quality of Industrial Bank's Sustainability Report?	7. What are your opinions and suggestions on Industrial Bank's Sustainability Report and relevant efforts?
□ Very good □ Good □ General	
2. How do you think about Industrial Bank's corporate governance?	
☐ Very good ☐ Good ☐ General	
3. What's your opinion on Industrial Bank's economic development, environmental	
protection, and return to the community?	
□ Very good □ Good □ General	
4. What's your opinion on Industrial Bank's efforts for promoting sustainable development?	
□ Very good □ Good □ General	
5. What is your opinion on the transparency, consistency, and accuracy of Industrial Bank's	
information disclosure?	
☐ Very good ☐ Good ☐ General	
6. What do you think about the report's layout and design?	
☐ Very good ☐ Good ☐ General	

