

2021

Annual Sustainability Report



CONTENTS

- 3 Chairman’s Statement
- 5 President’s Statement
- 8 Declaration
- 9 Guiding the Bank’s development with Party building

13 GOVERNANCE

- 15 Overview of IB
- 17 Sustainable Development Strategy & CSR Management
- Topic** 19 Building a responsible bank with advanced concepts, outstanding ESG performance
- 21 Enhancing interaction with stakeholders, identifying key issues
- 27 Perfecting risk management to prevent and defuse major risks
- 29 Strengthening internal control and compliance management to tamp the foundation for the development
- Topic** 30 Launching five-year plan for “IB Rule of Law” and assuming “three major responsibilities”
- Topic** 32 Protecting customers’ information and data security in accordance with three laws
- 34 Combating corruption, promoting integrity, abiding by disciplines

35 DEVELOPMENT

- Topic** 37 Accelerated digitalization for high-quality development
- 45 Supporting economic transformation and upgrading with the focus on key sectors
- 47 Implementing national policies to support major regional & cross-regional development strategies
- Topic** 53 Writing a new chapter of serving Fujian’s development by injecting financial vitality
- 65 Enhancing cross-border service capability to foster new development paradigm
- 69 Rewarding shareholders with continuous value creation
- 71 Promoting public financial literacy to enhance client experience
- Topic** 75 Protecting consumer rights and interests in the people-centric spirit

79 ENVIRONMENT

- 81 Creating new green finance products
- 87 Exploring environmental stress test to improve environmental and social risk management
- 89 Navigating investment for further structural adjustment
- 93 Protecting bio-diversity through environmental protection and ecological amelioration
- Topic** 95 Building a green bank in support of “carbon peaking, carbon neutrality”
- Topic** 99 Promoting green operation in response to climate challenge

105 GIVING BACK TO THE COMMUNITY

- Topic** 107 Advancing rural vitalization comprehensively to consolidate anti-poverty achievements
- 112 Developing inclusive finance to improve people’s living standards
- 116 Developing the housing scenario to promote healthy development of rental housing market
- Topic** 117 Narrowing “Digital Gap” with elderly-friendly financial innovations
- 119 Better help for the people under “IB CARES”
- Topic** 123 Combatting the pandemic by stabilizing financial supply
- 125 Protecting employees’ rights and interests for common growth
- Topic** 131 IB forms CPC School to foster high-caliber officials

133 PRACTICES

- 135 Implementation of the EPs

Appendix

- 137 ESG performance
- 142 Honors in 2021 (part)
- 144 Independent Assurance Report
- 148 GRI Standards Content Index
- 154 Index of the Principles for Responsible Banking (PRB)
- 155 Reader’s Feedback Form

Chairman's Statement

The year 2021 marked the 33rd anniversary of the establishment of Industrial Bank. It also kicked off the new journey of the Party and the nation to fully build a modern socialist country and implement the 14th Five-year Plan. Standing at the new historical starting point, the practical, dedicated and responsible IB and all its employees, putting the nation and customers first, continued to take it as our duty to reform and develop the Chinese financial industry, and stayed true to our initial aspiration to benefit the people and reward the country with financial development. Last year, IB was the only bank in China that had been A-rated in MSCI's ESG rating for three consecutive years, and it won the "2021 Bank of the Year in China" award granted by British magazine The Banker, presenting a brilliant performance at the beginning of the 14th Five-year Plan period.

Ensuring high-quality development with Party building and sound corporate governance. In the past year, we, upholding Party building as the primary driving force of high-quality development, strengthened the Party's leadership, consolidated and enlarged the results of Party history learning and education, and drew strength from the 100-year history of the Party. We embedded the Party's leadership in every aspect of corporate governance, gave better play to the role of Party organization in macro guidance, and continuously integrated Party building with operation and management, turning the advantages in Party building into advantages in governance. In reference to the best practices and rules on corporate governance, we incorporated ESG in the Bank's development strategy and governance, and improved the governance system for higher efficiency, so as to enrich our CSR philosophy of "integrating righteousness with profitability".

Vitalizing real economy with comprehensive financial advantages. In the past year, we, leveraged on our comprehensive advantages as a modern financial group, increased and optimized the supply of financial products and services, and acted as a strong force to support the transformation and upgrade of the real economy. Committed to "carbon peaking and carbon neutrality", we extended our strengths as a pioneer in green finance to more areas of ecological progress, and made greater contributions to the green and low-carbon shift in the economy and society. Being both a commercial bank and an investment bank, we provided diversified, full-life-cycle financial services for enterprises that were professional, specialized, differentiated and original. Taking solid steps to ensure "stability on six fronts and security in six areas", we explored the new mode of digital inclusive finance with larger quantity, lower price and wider coverage, and stood by the medium-sized, small and micro enterprises (MSMEs) to conquer the pandemic, ensure livelihood and promote development. We deepened the supply-side reform in the financial sector, allocated more resources to accelerate the development of key branches, and facilitated the implementation of key regional development strategies and the Belt and Road Initiative (BRI), helping to foster new growth poles of high-quality development.

Creating a better life for the people with

high-quality services. In the past year, we, upholding the "people-centric" development concept and "finance for the people", carried out livelihood projects to improve people's lives with tangible benefits. We continued the anti-poverty efforts and created new services to support rural revitalization, working harder to promote common prosperity. We upgraded the first comprehensive financial service plan for elderly care in China and launched new financial services suitable for the aged to ensure the elderly a well-provided life. We improved the IB Care charity program by integrating donations for students, disaster relief, and poverty alleviation, delivering more care and support through finance.

Fostering new ecology of financial services with all-round digitalization. Striving to become the "best ecology-empowered bank capable of universal connections", the Bank sped up its digitalization efforts across the board to provide the best experience for customers. We continuously built platforms, explored scenarios and enlarged the ecology, embedded financial services in living and working scenarios, and provided customers with boundless financial services anytime, anywhere. We balanced development with security during digitalization, put data security in a prominent position, and issued the White Paper of Industrial Bank on Data Compliance, the first of its kind in the industry. We promoted the operation of data assets, mitigated information asymmetry, and turned data into credit and credit into loans, promoting financial services among the general public.

Setting a broad stage for career development with sound talent ecology. We deepened the reform of the talent development system and mechanisms, and promoted development with talent as the primary resource and innovation as the major drive. Leveraged on IB's CPC School (Institute of Executive Development), we kept perfecting the "5+N" talent cultivation system, and invested more resources in training to build a learning organization. Focused on our strategic transformation toward the future, we made consistent efforts to improve the team by building multiple echelons, creating the talent pool of young employees, and promoting the flow of personnel across organizations, regions and positions, so as to enlarge the space for employees to grow.

Having grown for 33 years through wind and weather, IB is ready to scale new heights in the new era. As the ship of history sails into 2022, we will continue to press ahead with the country and the time and live up to our historical mission. We will serve economic transformation and upgrade and meet people's aspiration for a good life at the same time, do our bit for stabilizing growth and boosting high-quality development, and play a role at this "critical juncture" on the way to national rejuvenation. Being fully aware that the Bank's development should serve the country's fundamental interests, we will stay committed to our CSR in the new journey of transformation, and write a new chapter in the new era.

Lyu Jiajin
Chairman



Lyu Jiajin
Chairman



Tao Yiping
Director
President

President's Statement

The past year has seen IB pressing ahead with great passion and dedication as well as down-to-earth efforts. At the historical moment when the timeframes of the two centenary goals converge, we practiced our CSR philosophy of "integrating righteousness with profitability", and adhered to our aspiration for "making explorations for financial reform, making contributions to economic development". Aiming to be a responsible bank of sustainable development, we took solid steps to ensure "stability on six fronts and security in six areas", firmly carried out the "1234" strategy, and accelerated the digital transformation. Bearing in mind four key areas – facilitating flow, enhancing capability, tapping potential, and fulfilling responsibility, we pushed our high-quality development as a green bank, a wealth bank and an investment bank. All these efforts constituted a new chapter of IB fulfilling its CSR across the board and put IB at an advantaged starting point of the 14th Five-year Plan period.

Making sustained efforts to bring the blueprint into reality. IB advanced the "1234" strategy on all fronts to expedite development. In 2021, it was accredited as a domestic systemically important bank (D-SIB), ranked as a Top 20 bank and Top 200 enterprise globally, and was A-rated in ESG, the highest rating for Chinese banks, by MSCI for the third consecutive year. As at the end of 2021, IB had total assets of RMB8.60 trillion. Maintaining good profitability in 2021, it registered RMB221.236 billion operating revenues and RMB95.310 billion profits, a year-on-year increase of 8.91% and 24.37% respectively. IB's asset quality kept improving, with a balance of non-performing loans (NPL) standing at RMB48.714 billion, a decrease of RMB942 million from the end of the previous year, and an NPL ratio of 1.10%, down 0.15 percentage point from the beginning of the reporting period. The Bank excelled in CSR performance, contributing RMB15.50 to the society per share and paying RMB39.486 billion taxes in real terms throughout the year.

Riding the trend to seize new strategic opportunities. While trying to merge into the new development paradigm of "dual circulations", IB seized new strategic opportunities and served the key areas and weak links of real economy with better quality and efficiency. We reinforced the study of industries with new momentum, such as strategic emerging industries, advanced manufacturing, and sci-tech innovation, and channeled more resources to those areas to enlarge the space for strategic development. Eyeing the development of key regions, we accurately implemented differentiated development strategies, and made active efforts to play a part in promoting the Beijing-Tianjin-Hebei Coordinated Development, Yangtze River Delta Integration, Yangtze River Economic Belt, and Guangdong-Hong Kong-Macao Greater Bay Area. As a main financial force in Fujian, we went all out to serve the province's development of digital, green, marine, and cultural and tourism economy to help it achieve all-rounded and high-quality development. In 2021, the total balance of loans at IB branches in Fujian stood at RMB470.9 billion, representing an increase of 14.69% from the beginning of the year.

Working for "carbon peaking and carbon neutrality" to stimulate new green momentum. Positioned as a green bank, wealth bank and investment bank, IB facilitated the social shift in the green and low-carbon direction and worked toward the goal of carbon peaking and carbon neutrality. Speeding up product innovation to

support clean energy development, we created a multi-dimension system of green financial products covering green loans, green bonds, green wealth management, green trust, and green equity investment, launched the first 10-billion-class ESG wealth management product, and landed several pioneer deals with carbon emission right and carbon sink as the subject matter. We strengthened the application of tools and actively built assets matching those supporting carbon emission reduction; we also perfected the carbon assets evaluation tools to help customers establish the carbon balance sheet and expand both the supply and demand of carbon. We tightened cooperation with local governments by providing all-out green financial services based on local resources, placing equal emphasis on financing and intelligence. As at the end of 2021, the balance of green loans across the Bank exceeded RMB450 billion according to People's Bank of China's specifications, the largest amount among banks of the same type. IB took the initiative in Chinese banking industry to adopt the Climate Neutral Now Initiative under the UNFCCC and worked out its own carbon neutrality goals and roadmap.

Using technology to empower new inclusive ecology. IB developed our own "IB Inclusive Platform" platform to serve small, micro and private enterprises in a broader scope and a greater depth, and innovatively launched standard, scenario-based online financing products. We leveraged on the "Financial Services Cloud" platform of Fujian Province to facilitate financing for MSMEs at a lower cost. The platform has registered 164,800 users and granted 30,000 financing applications worth more than RMB100 billion. Since the beginning of 2021, the Bank has exempted small, micro and self-employed businesses from service fees worth RMB8.4 billion. At the same time, aiming to build an ecology of scenarios, we enhanced our service capability in such areas as education, medical care, payment of bills and housing lease to better meet customers' needs. We launched a seven-pronged strategy and developed a digital platform to boost rural revitalization at a faster pace, with agriculture-related loans exceeding RMB470 billion as at 2021.

Fulfilling CSR by launching new endeavors for public good. In 2021, we provided open, non-profit, inclusive and regular public services under the "IB Cares" framework for a better benefit of people. We took an array of measures to provide financial support for customers and enterprises hit hard by the pandemic, and donated RMB32.73 million in cash and kind to support the anti-pandemic battle. We also donated more than RMB100 million in education, helping more than 100,000 students realize their dreams. We launched the "IB Cares" brand, under which our outlets provided various free facilities and services, establishing IB as a responsible and caring financial service provider.

Going forward, IB will make all-out efforts to implement the strategy of "Stability in Four Aspects, Progress on Four Fronts" and achieve the "Three-point Enhancement". Upholding our CSR philosophy of "integrating righteousness with profitability", we, by overcoming difficulties through down-to-earth efforts, will take bigger strides in promoting high-quality development and creating a valuable bank, and continue to contribute to social and economic development.

Tao Yiping
Director
President



Chen Jinguang, Director, Vice President



Chen Xinjian, Director, Vice President, Secretary to the Board of Directors



Sun Xiongpeng, Director, Vice President



Zhang Guoming, Supervisor

Declaration

Notice

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

Report name

"Sustainability Report" is the name of the annual corporate social responsibility (CSR) report by Industrial Bank. This name reflects a combination of the Bank's corporate governance philosophy of sustainable development and CSR commitment.

Reporting period

The reporting period is from January 1, 2021 to December 31, 2021. Part of the contents span beyond this time frame.

Reporting cycle

This report is released annually.

Scope of the report

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

Designations

"Industrial Bank", "the Company" and "the Bank" used in this report all refer to Industrial Bank Co., Ltd.

Basis of compilation

This report is prepared in accordance with the Guidelines for Financial Institutions on Disclosing Environment Information issued by the People's Bank of China, Guidelines on Corporate Governance of Banking and Insurance Institutions and Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by China Banking and Insurance Regulatory Commission, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022), No.1 Guidelines of Shanghai Stock Exchange on the Self-discipline of Listed Companies; Standard Operation, Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibility, and Notice on Further Improving the Poverty Alleviation Information Disclosure of Listed Companies issued by the Shanghai Stock Exchange, and the Guidelines for Corporate Social Responsibility of China's Banking Financial Institutions released by China Banking Association. The report is also prepared in reference to the following documents:

- UN Sustainable Development Goals (SDGs)
- Principles for Responsible Banking (PRB) released by the United Nations Environment Programme
- Equator Principles IV
- GRI Standards of The Global Sustainability Standards Board (GSSB)
- Social Responsibility Guidelines (GB/T 36000-2015), Social Responsibility Report Writing Guidelines (GB/T 36001-2015) and Social Responsibility Performance Classification Guidelines (GB/T 36002-2015) jointly released by the State Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration
- ISO Guidance on Social Responsibility (ISO26000)
- The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) released by the Chinese Academy of Social Sciences

Data in the report

Financial data in this report partly originate from the Company's 2021 financial report and partly from previous years. There are no material changes on the data acquisition and calculation methods. Unless otherwise stated, currency data in the report are in RMB.

Report availability

This report is released both in hard copies and online. The online version is available at the Company's website www.cib.com.cn.

Priority of language

This report is published in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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Guiding the Bank's development with Party building

Standing at a historical convergence point

We look back on the past eventful century

Our aspiration firmer than ever

We love this land deeply

We will live up to our mission through action

Happy centenary, Communist Party of China!

◎ Celebrations for the centenary of the CPC ◎

April 19, IB CPC Committee issued the program for celebrating the centenary of the CPC;

June 24, IB CPC Committee held the awarding ceremony to hand out commemorative medals to Party members who had been in the Party for 50 years;

July 1, IB CPC Committee organized Party members and officials across the Bank to watch the celebration of CPC centenary and study the important speech given by General Secretary Xi Jinping;

July 6, Secretary of the CPC Committee of IB Lyu Jiajin gave a lecture on studying and implementing the important speech given by General Secretary Xi Jinping at the ceremony marking the centenary of the CPC;

July 6, IB held a ceremony celebrating the CPC centenary and awarding excellent CPC members, Party workers, and advanced primary-level Party organizations;

July 9, Secretary of the CPC Committee of IB Lyu Jiajin chaired an expanded session of the central theoretical study group of the CPC Committee. He urged the participants to study the important speech given by General Secretary Xi and think about how to implement it in light of IB's actual conditions.



June 17, 2021, IB CPC Committee visited the site of the first CPC National Congress for Party history study and education.

- Educational events themed "Always Follow the Party"
- Reading 100 family letters by revolutionaries
- Photography event themed "Reviewing the Red Memory, Recording the Times"
- Field trip themed "Revisiting Revolutionary Sites, Staying True to Aspiration"

◎ Party history learning and education ◎

IB's Party history learning and education campaign yielded great results across the board, and the results were consistently consolidated and expanded to lead the Bank's high-quality development with Party building in the new era. The campaign featured the following five guidelines:

Study: CPC Committee took the lead, experts provided guidance, field study sessions were conducted, Party branches organized collective study, and online learning was encouraged. The campaign was carried out in a variety of forms for tangible results.

Example: IB held a grand event to celebrate the centenary of the CPC and commend excellent CPC members, Party workers, and advanced primary-level Party organizations. It also carried out 29 publicity events to spread the touching and inspiring deeds of the excellent figures and organizations among more than 8,000 employees.

Combining business development with Party building: IB placed equal emphasis on Party building and business development and created many new approaches for positive results.

Supervision: IB conducted supervision on the study campaign in a variety of ways (e.g. making list, issuing bulletin, and conducting guidance and inspection) and formed six groups to realize full-process and all-round guidance and supervision.

Evaluation: Effects of the Party history learning and education campaign were incorporated as part of the overall assessment, and a well-conceived, quantified list of assessment indicators was developed to promote the campaign across the Bank.

IB participated in the knowledge contest on Party history themed "100-year Party, century-long glory" organized by Fujian Province, and won more than 30 awards including "Best Organization Award", "Best Performance Award", and silver award of the contest. Case studies of Party building in IB branches were selected as "excellent case studies of Party building in enterprises" by People's Daily.



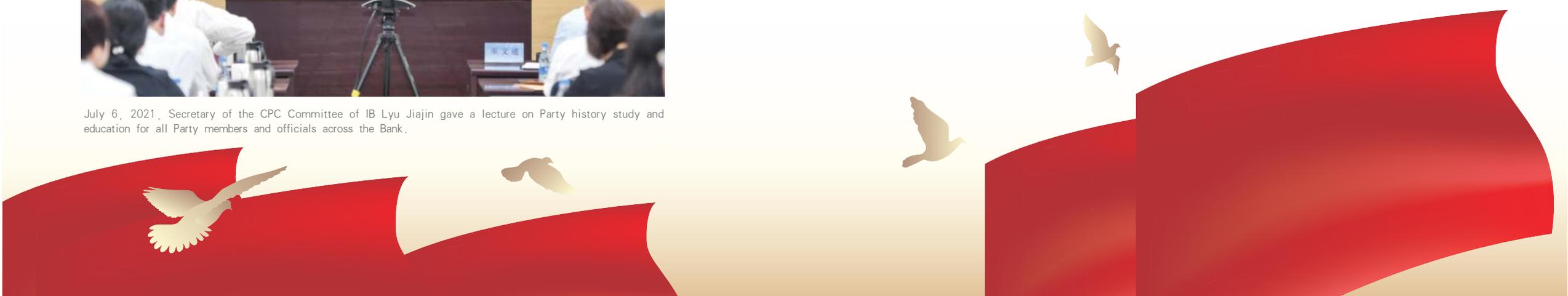
All Party members and officials across the Bank watched the ceremony celebrating the centenary of the CPC and carefully studied the important speech given by General Secretary Xi Jinping.



July 6, 2021, Secretary of the CPC Committee of IB Lyu Jiajin gave a lecture on Party history study and education for all Party members and officials across the Bank.

◎ Strengthening Party leadership to improve Bank governance ◎

In 2021, IB upheld the leading role of Party building, acted on the "Two Consistencies", and closely followed the latest Party regulations and regulatory requirements. Consciously strengthening the Party's leadership in the improvement of corporate governance system, we ensured the Party organization's role in overall guidance, and translated the Party's political leadership, ideological guidance and public appeal into the core driving force of IB's high-quality development. We took detailed measures to integrate the Party's leadership with corporate governance, and made sure that the Party's leadership was institutionally stipulated, procedurally protected, and earnestly put into practice, and that all parties and units work under it in one mind and toward the same goal, so as to cement the foundation for corporate governance.





Governance

- 15 Overview of IB
- 17 Sustainable Development Strategy & CSR Management
- **Topic** 19 Building a responsible bank with advanced concepts, outstanding ESG performance
- 21 Enhancing interaction with stakeholders, identifying key issues
- 27 Perfecting risk management to prevent and defuse major risks
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Overview of IB

About IB

Founded in 1988 and headquartered in Fuzhou, Fujian Province, Industrial Bank Co., Ltd. (Industrial Bank for short) was listed on the Shanghai Stock Exchange in 2007 (stock code: 601166). It's one of the first joint-stock commercial banks approved by the State Council and the People's Bank of China, the first Bank in China adopting the Equator Principles, and was certified as a domestic systemically important bank (D-SIB) in 2021. IB has grown into a mainstream commercial banking group in China with banking as its main business while also engaging in trust, financial leasing, wealth management, funds, futures, asset management, consumer finance, research and consulting, and digital finance, ranking among the top 20 banks in the world and Fortune Global 500. Upholding a customer-oriented principle, the Bank has continuously expanded its services by tapping multiple channels and markets. Currently, it has 45 tier-one branches (including Hong Kong Branch) and 2,024 sub-branches, which, coupled with well-functioning online channels such as online banking, telephone banking, mobile banking and WeChat banking, have formed a nationwide customer service network of online and offline services, domestic and overseas connections. IB has built up a cross-market financial service system integrating online and offline banking, domestic and foreign currencies, offshore and onshore finance, and investment and financing businesses.

Corporate Governance

/ Board of Directors /

Diversified composition of the Board of Directors. By the end of 2021, IB's tenth Board of Directors has 12 members, including equity directors, executive directors, and independent directors. This diversified structure in terms of expertise, region and occupation is favorable for the Board to take a wider view during decision-making and make decisions more reasonable and targeted for the Bank's sustainable development. The Board of Directors has five committees, namely the Strategy Committee (to be renamed the Strategy and ESG Committee), Risk Management and Consumer Rights & Interests Protection Committee, Audit and Related Party Transactions Control Committee, Nomination Committee, and Remuneration Assessment Committee. The chairmen of the four committees other than the Strategy Committee (to be renamed the Strategy and ESG Committee) are all independent directors. All five committees have done a good job in assisting the Board in making sound decisions. The main opinions of the committees are circulated to all directors and supervisors by their chairmen at the Board meeting before the Board makes a final decision. Nominated by the Board of Directors, all independent directors have their specialized domains and complement each other in terms of expertise and experience.



/ Board of Supervisors /

By the end of 2021, the Bank's eighth Board of Supervisors has seven supervisors, including one shareholder supervisor, three employee supervisors and three external supervisors. The Board of Supervisors has two special committees, namely the Supervision Committee and the Nomination, Remuneration and Assessment Committee. Their chairmen are both external supervisors.

Sustainable Development Strategy & CSR Management

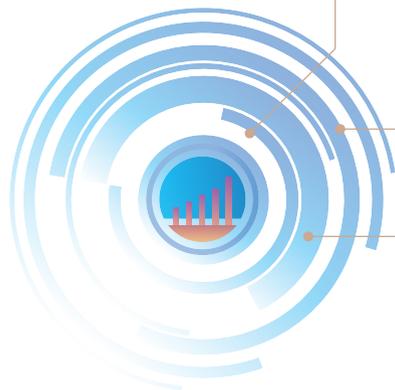
We deepen our understanding of the relationship between a bank's CSR and our own sustainable development. We explore multiple ways of practicing the CSR for harmonious co-existence among humanity, nature, environment and society.

Sustainable corporate governance philosophy

The Bank guides and encourages active explorations to fulfil environmental and social responsibilities in various ways and build a long-term mechanism for sustainable development.

Deeply aware of our social and environmental responsibilities as a commercial bank, we incorporate ESG in the strategy and planning of the Group and set corresponding strategic development goals.

Sustainable development strategy



Integrating righteousness with profitability

The Bank creatively proposes the CSR philosophy of "integrating righteousness with profitability". It combines its CSR with business development, implements the philosophy in its operation and management, and seeks business opportunities while performing CSR. Trying to strike a balance among "moderation", "development" and "profitability", the Bank pursues a sustainable business model and CSR approach for the win-win development of itself and the society.



Regulations on CSR Work

The Bank incorporates ESG elements in its management, to standardize the CSR work, promote relevant activities, and make information disclosure more comprehensive, timely and influential.

Organizational Structure

The Strategy Committee (to be renamed the Strategy and ESG Committee), under the Board of Directors is the highest decision-making body for the Bank's CSR management. The CSR Leading Group of the Head Office is the direct leading body of the Bank's CSR work.

Working Mechanism

The Bank develops an interactive CSR mechanism between the Head Office and branches, parent bank and subsidiaries, so that CSR work is effectively embedded in all business lines and departments. It also regularly evaluates and assesses the CSR performance across the Bank.

Indicator System

The Bank's CSR indicator system consists of five categories, organizational governance (G), economics (EC), environment (EN), society (S) and others.

Topic

Building a responsible bank with advanced concepts, outstanding ESG performance

Effective ESG architecture

As the decision-making body, the Board of Directors is responsible for making strategies and urging the executive management and relevant organizations to effectively perform their managerial duty in order to identify and manage economic, environmental and social impacts, risks and opportunities, including the implementation of due diligence thereof.

- The Board of Directors attaches strategic importance to CSR performance. It incorporates the ESG concept and plan in the Bank's five-year plan (2021–2025), and establishes sustainable values, corporate culture and operating philosophy.
- The Board of Directors reviews the sustainability report, formulates the Bank's basic management system, including risk management and internal control, and bears the ultimate responsibility for the Bank's overall risk control.
- Upholding the concept of sustainable development, the Bank renamed the Strategy Committee the Strategy and ESG Committee according to the revised Articles of Association. It authorizes the Committee to develop the CSR and Sustainable Development strategy and policies, supervise, inspect and evaluate CSR performance, and review the sustainability report.
- It authorizes the Risk Management and Consumer Rights & Interests Protection Committee to evaluate and manage how effective the Bank's risk management process is, including economic, environmental and social topics, and to approve the framework, strategy, policy, duty, authority and reporting system of risk management.
- In making every operating decision, the Board of Directors must carefully consider the possible environmental and social risks involved, and should hold at least four regular meetings annually to consistently evaluate economic, environmental and social impacts, risks and opportunities.
- A female director and a director with ESG background are added to the new Board of Directors to diversify its composition and expertise.

The Board of Directors urges the management to fully understand a commercial bank's social and environmental responsibilities and to actively explore multiple ways of fulfilling them. The executive management hired by the Board of Directors is responsible for economic, environmental and social matters; the management should protect the environment and increase social benefits by providing professional products and services in a market-based approach.

Professional ESG management system

The Bank guides its high-quality development with intensified ESG management, around which a top-down, Bank-wide system and procedures are established, encompassing corporate governance, product creativity and design, investment decision-making, risk management, green operation, and information disclosure. The Bank actively explores ESG practices leading in the banking industry, and strives to create, share, and deliver values by serving the real economy, improving inclusive livelihood, protecting ecological environment, and preserving market order.

Leading ESG performance

MSCI ESG rating	A (for three consecutive years, the highest level among domestic banks)
FTSE ESG rating	2.3 (1/27)
Wind ESG rating	A (5/42)
AI-ESG rating	B (3/22)
CASVI ESG rating	70.70 (6/22)

International standard for ESG information disclosure

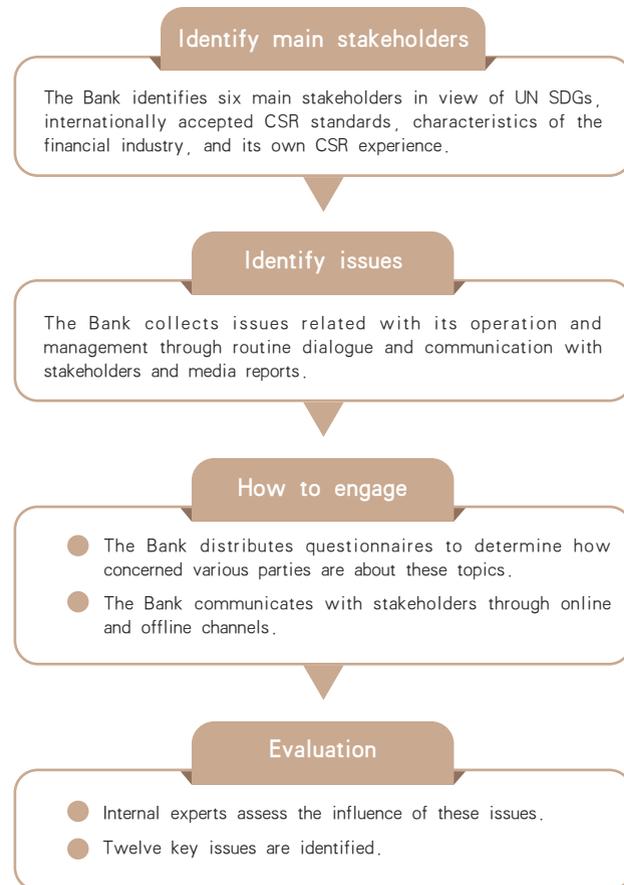
In addition to the regulatory requirements made by CBIRC, SSE and China Banking Association, the Bank takes the initiative to adopt international standards for ESG information disclosure (see report for details).

The Bank proactively strengthens the interaction with stakeholders and keeps improving the level of information disclosure through multiple channels. It also enhances market influence and public recognition through extensive communication and publicity, so as to attract investors to participate in environmental financing cooperation, and guide enterprises and customers to comply with ESG investment principles. Our channels of information disclosure include:

Annual report	"Green to Gold" CSR Special Issue	The Bank released 1,429 articles on CSR performance through key central media and online media.
Annual Sustainability Report (Annual CSR Report)	Official website: http://www.cib.com.cn	
IBer	WeChat official account	

Enhancing interaction with stakeholders, identifying key issues

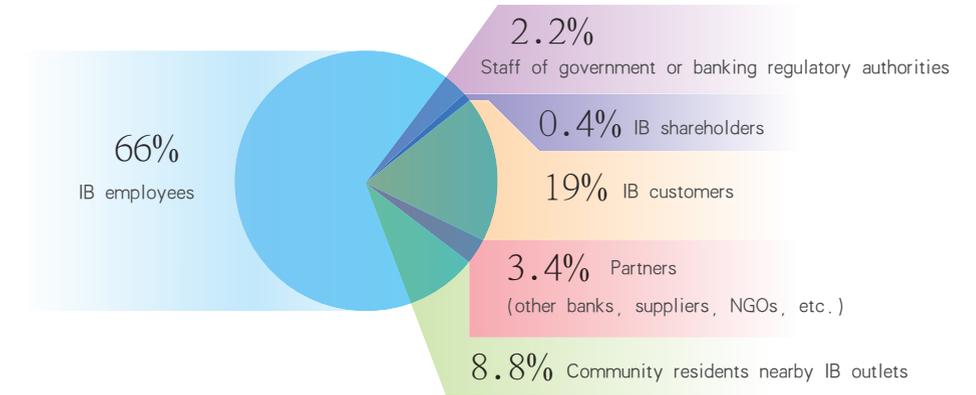
How stakeholders engage



Key issue assessment

The Bank analyzes the key CSR issues to learn what the stakeholders are most concerned about and identify the key issues concerning its sustainable development.

Percentage of stakeholders answering the questionnaire



The top five provinces, municipalities and autonomous regions by the number of questionnaires collected are Fujian, Jiangsu, Shandong, Zhejiang, and Jiangxi.



UN Sustainable Development Goals (SDGs)

The questionnaires set questions to see how concerned the stakeholders are about UN SDGs. According to the feedback, the top ten most concerned goals are clean water and sanitation, zero hunger, good health and well-being, quality education, gender equality, reduced inequalities, affordable and clean energy, climate action, responsible consumption and production, and peace, justice and strong institutions.

Matrix of key issues



1

Strengthen the risk management and internal control compliance system to hold the bottom line.

2

Enhance anti-corruption work to maintain a clean bank.

3

Upgrade ESG work and regularly assess the performance as a responsible bank and disclose ESG information.

4

Accelerate digitalization to improve products and services with fintech.

5

Make coordinated efforts to assist in the nation's strategies either for regional development or integrated development across regions.

6

Serve high-quality development of the real economy for common prosperity.

7

Strive to be a green bank and contribute to achieving carbon peaking and carbon neutrality.

8

Create inclusive financial products and services, focused on livelihood.

9

Invest resources in launching special service modes for rural revitalization.

10

Attach great importance to data security and protect information security and customer privacy.

11

Help enterprises through the pandemic.

12

Guarantee employees' rights, interests and benefits in a "people-centric" spirit.



📍 Responses and measures 📍

The Bank compared the 12 key issues with UN SDGs, took corresponding measures, and disclosed information proactively via multiple channels in response to stakeholders' needs.

Stakeholders	Key issues	Corresponding SDGs	IB responses and measures
Staff of government or banking regulatory authorities	<ol style="list-style-type: none"> Strengthen the risk management and internal control compliance system to hold the bottom line. Enhance anti-corruption work to maintain a clean bank. 	<ul style="list-style-type: none"> 16. Peace, justice and strong institutions 17. Partnerships for the goals 	For details, please refer to the Governance section
IB shareholders	<ol style="list-style-type: none"> Upgrade ESG work and regularly assess the performance as a responsible bank and disclose ESG information. 	<ul style="list-style-type: none"> 8. Decent work and economic growth 13. Climate action 17. Partnerships for the goals 	For details, please refer to the Governance section

利益相关方	关键议题	对应联合国可持续发展目标	我们的回应与举措
IB customers Community residents nearby IB outlets Partners (other banks, suppliers, NGOs, etc.)	<ol style="list-style-type: none"> Accelerate digitalization to improve products and services with fintech. Make coordinated efforts to assist in the nation's strategies either for regional development or integrated development across regions. Serve high-quality development of the real economy for common prosperity. Strive to be a green bank and contribute to achieving carbon peaking and carbon neutrality. Create inclusive financial products and services, focused on livelihood. Invest resources in launching special service modes for rural revitalization. Attach great importance to data security and protect information security and customer privacy. Help enterprises through the pandemic. 	<ul style="list-style-type: none"> 2. Zero hunger 3. Good health and well-being 4. Quality education 6. Clean water and sanitation 7. Affordable and clean energy 8. Decent work and economic growth 9. Industry, innovation and infrastructure 10. Reduced inequalities 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 17. Partnerships for the goals 	For details, please refer to sections on Governance, Development, Environment, Giving Back to Community, and Practices
IB employees	<ol style="list-style-type: none"> Guarantee employees' rights, interests and benefits in a "people-centric" spirit. 	<ul style="list-style-type: none"> 3. Good health and well-being 4. Quality education 5. Gender equality 8. Decent work and economic growth 	For details, please refer to the Giving Back to Community section

Perfecting risk management to prevent and defuse major risks

In 2021, the Bank, following the trend of high-quality, digital and green development, kept in mind worst-case scenarios and further perfected the risk management system to prevent and defuse major risks and empower business development

Improving asset quality control across the Bank

In view of the regulatory direction, industry status and investors' expectations, the Bank, while making an overview of our asset quality, reasonably estimated the target of non-performing asset (NPA) control for 2021. Depending on the change of situation, we also adjusted the NPA control plan for key time-points to keep stable the NPA ratio, provision coverage ratio and other key indicators.

Differentiating authorization and credit grant policies in depth

According to national policies and market changes, the Bank consistently intensified differentiated management and refined operation and management policies. It also stepped up efforts to transform the businesses to focus more on key industries and regions. The Bank applied differentiated credit grant policies and actively guided credit resources to flow into business sectors that comply with ESG requirements and feature low energy consumption, low emission, low pollution, high efficiency, and good market prospects.

Promoting compliance with Basel III

In 2021, our capital measuring system for projects involving credit risks (phase 1), market risks and operating risks came online, which enhanced capital management and our capability of sustainable development. We conducted dynamic maintenance and upgrade of the major risk identification and assessment system under the Internal Capital Adequacy Assessment Process (ICAAP) required by Pillar 2, and added "IT risk" assessment and identification of "money-laundering and terrorist financing risk".

Revising the comprehensive risk management strategy

According to regulatory requirements and development needs, the Bank reviewed and revised its comprehensive risk management strategy and sub-strategies in 2021, and put forth the general goal of "controllable risks, professional and precise measures, efficient process, and advanced technology".



Strengthening internal control and compliance management to tamp the foundation for the development

In 2021, the Bank, giving priority to compliance in pursuing development, continued to reinforce the compliance concept and strengthened internal control and compliance management against money laundering.

Strengthening the long-term mechanism for internal control and compliance management

According to CBIRC's requirement for holding the "Year of Internal Control and Compliance Management" event, the Bank asked its organizations of all levels to carry out self-examination and rectification, and launched the accountability process simultaneously to solve problems at the root. As a result, there were much fewer compliance problems in 2021 than in 2020, and the foundation was made firmer for the Bank's high-quality, sustainable development.

Preventing money-laundering risks

Following the regulatory policies, the Bank made active attempts at the digitalization of anti-money laundering work to further reinforce compliance management in this area. It formulated and released the Collection of Documents on Anti-Money Laundering Management, and held anti-money laundering training on various levels, including 32 training sessions at the Head Office that involved about 60,000 participants. By improving the process of data collection and reporting and with the help of RPA (robot) and big data analysis, we reduced the recording workload by 96% on daily average across the Bank, saving more than 700 workhours for our tellers every day.



April 20, 2021, anti-money laundering departments across the Bank received training on compliance management.

Topic

Launching five-year plan for "IB Rule of Law" and assuming "three major responsibilities"

In 2021, the Bank developed the plan for building a "IB Rule of Law" (2021-2025) along with specific tasks (2021-2022). The plan highlighted three responsibilities - principal responsibility, responsibility for management, and responsibility for correction, pointed out four pathways, and made a list of 27 tasks, taking quick actions to implement the plan.

We carried out a variety of activities for the study of law.

Eight sessions of "Compliance Classrooms" were live-streamed on the "IB Knowledge" app, reaching more than 10,000 viewers;

11 bulletins were released; and about 30 articles on compliance management experience were shared through the "IB Voyage" WeChat account.

The branches and subsidiaries conducted

more than 5,500 sessions of "Chief manager's speeches on compliance"	nearly 3,600 trips to community-level outlets for compliance publicity	and more than 380 "Leaders Talk About Compliance" sessions	They also published more than 2,600 newsletters on compliance.
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Summarizing the experience in compliance work at community-level organizations, Changchun Branch integrated the "16 items of compliance work" into "six items", and replaced paper documents (offline) with digital ones (online). It enriched the contents of the work, streamlined tracing management, specified procedures, and improved the work both in quality and efficiency, forming a more specified, detailed and clear-cut "compliance and internal control system at community-level organizations" along with a similar system for management departments. This gave rise to a synergy in compliance management, whereby the departments discharge their duties diligently and help community-level organizations with compliance and internal control.



Quanzhou Branch links legal affairs with inspection and supervision

Seeing that work related with legal affairs, which deals with the front end of banking business, can reveal blind sides and risk points in a timely manner, Quanzhou Branch linked legal affairs with inspection and supervision. Focusing on the consistency between principal contracts and accessory contracts, it realized the full-process management ranging from risk identification and correction of individual cases to risk warning across the Branch and overall inspection and rectification, to routine and regular supervision.



Zhengzhou Branch promotes efforts for "IB Rule of Law"

Zhengzhou Branch carried out the "Year of Internal Control and Compliance Management" event, namely the "IB Rule of Law" mobilization and promotion event, to reinforce principal responsibility. It also collected complaints from grassroots employees, suggestions on compliance monitoring and management, and comments from Internal Control committees of non-local organizations to fully consider the opinions from all levels.



Xiamen Branch carries out compliance publicity and training activities in diverse forms

Xiamen Branch customized compliance publicity courses for frontline units, integrated the compliance classrooms, tests and contests, and columns, and held the online knowledge contest titled "IB Rule of Law & Compliance Work Escorts".

Topic

Protecting customers' information and data security in accordance with three laws



	2021
Investment in information technology security of the group (RMB100 million)	1.08
Number of regular employees specializing in information security	118
Number of employees certified in information security management	182
Number of standards for key areas such as data security and personal information protection	>40

In 2021, the Bank continued to strengthen cybersecurity governance in accordance with Cybersecurity Law, Data Security Law and Personal Information Protection Law. It made sustained efforts to protect customer information and data security by means of institutional development, routine management, education in security awareness, security technology, and security operation, so as to fully respect the users' right of privacy and protect their legal rights and interests in accordance with the law.

Institutional development

In 2021, the Bank, in strict accordance with the "minimum necessary principle" for data collection and handling, optimized the information-processing scenarios on mobile banking and other channels, and established a standard authorization mechanism.

IB formulated the Regulations on Personal Information Protection and Opinions on the Implementation of Personal Information Protection Law, which specified what all parties should do to protect personal information in the process of product design, service provision, operation and management.

IB revised the Privacy Rules for Users of Online Finance to specify the principles and requirements regarding the handling of personal information and data, refined the types, purposes and norms of information acquisition via online channels as well as the scenarios of sharing information with a third party, and added articles on the protection of minors. The Bank made great efforts to protect the security of personal information and respect the consumers' right to know.

IB established an all-domain, three-level information security system. It has cumulatively developed more than 40 standards concerning data security, personal information protection, and other key areas. It also set up a taskforce on data classification and grading and, based on its basic data standards, sorted and classified data items of personal information and pushed for the creation of a guidebook for that purpose.

Routine management

IB established sound approving procedures and management and control measures for data extraction, system operation and maintenance, and the ex-ante approval and audit & supervision mechanism for sensitive information that may go out via emails. It also screens and clears exposure hazards and risks of personal financial information every year.

Employee education in security awareness

IB continued to carry out the "IB Security" confidentiality and information security activities across the Bank, and themed publicity events for personal information protection among all employees. In reference to the Personal Information Protection Law of the People's Republic of China, it organized special training for employees engaged in retail and the protection of consumer rights and interests.

Security technology and security operation

IB deployed the host intrusion detection system and Web application firewall system, and introduced a high-level threat detection system and the full-flow analysis and tracing system, thus gradually improving the 3D security defense system across the Bank. It renovated the information system according to domestic encryption algorithm standards to encrypt sensitive information during storage and transmission. It also accelerated the construction of the information security operation center in order to put in place a system that is able to perceive internal and external security threats.

IB established all-round cybersecurity monitoring and protection capabilities to be able to cut off, on a real-time basis, internal and external attacks on its network and information system. It actively worked with professional third-party institutions to monitor and deal with fake applications and APPs, and assisted in regulators' warning and education of the Bank's customers who may have encountered fraud, reminding them to guard against telecom and cyber fraud and keep their personal information safe.



IB publishes first white paper on data compliance in the industry

In 2021, IB issued the White Paper of Industrial Bank on Data Compliance (hereinafter referred to as White Paper on Data Compliance), the first of its type published in the industry. The white paper proposed a data compliance system with four goals - standardizing basic data, protecting data rights, unifying data language, and promoting data application. It presented IB's vision and plan for protecting the customers' data rights and using its own data, as well as its CSR explorations and practices. On the basis of data compliance, IB tried to create a unified data language across the Bank, promote a more comprehensive data application, and translate its self-owned data into IB's core assets. This will serve the Group's development with unified, compliant and transparent data services and foster steady medium- and long-term market prospects for the Group.

As a framework to achieve data compliance, the White Paper on Data Compliance consists of eight parts: working mechanism, institutional system, response mechanism, communication with regulators, information disclosure, customer education, talent cultivation, and publicity and training. Through a reasonable internal division of work, IB tried to push its work on data governance and information security management and control in light of the data compliance goals. In this process, it emphasized timely and effective communication with regulators and information disclosure, intensified talent cultivation and customer education in data compliance, and guided the customers to effectively protect their personal information security.

Combating corruption, promoting integrity, abiding by disciplines

	2021
Number of training sessions on anti-corruption policies	394
Number of participants in anti-corruption training (10,000)	4.3

Conducting internal inspection

The CPC Committee of the Head Office organized inspections of four subsidiaries, focused on the following areas: implementation of the Party's theories, lines, principles and policies as well as the CPC Central Committee's decisions and deployments at grassroots level, corruption and misconduct immediately concerning the people, and Party building and team building in grassroots Party organizations, which were urged to exercise comprehensive and strict self-governance. IB was trying to make sure the Party officials had neither the nerve, ability nor wish to commit corruption. The Bank intensified inspection, correction and supervision, put on record the problems identified and had them addressed one by one. It combined the inspection and correction, for which a long-term mechanism was created, with the efforts to promote reform and development for high-quality development of the bank.

Combating formalism and bureaucratism

The Bank combined the combat against formalism and bureaucratism with the Party history learning and education campaign and the "study, investigation and implementation" event. It straightened out the work style across the Bank, asked all divisions, departments and business lines to smash the invisible walls between each other in a "customer-centered" spirit, and especially tackled such problems as inaction, slow response, and ill-conceived actions, so as to improve the quality and efficiency of financial services. It took digital means to strengthen data governance, and pushed for the automatic generation of statistical reports to lessen the reporting workload at grassroots level.

Strengthening education in Party conduct and clean governance

IB held conferences of warning and education against corruption, organized visits to integrity education bases and watching educational documentaries, and reported typical cases, in a bid to sharpen the Party officials' awareness of integrity. More than 43,000 people participated in these activities. The Bank integrated integrity education in the construction of a compliance culture, and actively organized publicity events such as "Bosses Talk About Integrity", "Integrity Classroom", and "Integrity Classes Given by Discipline Inspectors", aiming at fostering a clean financial culture.



Party branches at the Head Office take the lead in conducting integrity education events

Under the guidance of the Discipline Inspection Committee of the Head Office, the discipline inspectors at each Party branch gave a monthly integrity class to Party members in the Party branch, using such popular means as micro-video and PPT, to make the education activities truly effective and fruitful.



Development

- Topic 37 Accelerated digitalization for high-quality development
- 45 Supporting economic transformation and upgrading with the focus on key sectors
- 47 Implementing national policies to support major regional & cross-regional development strategies
- Topic 53 Writing a new chapter of serving Fujian's development by injecting financial vitality
- 65 Enhancing cross-border service capability to foster new development paradigm
- 69 Rewarding shareholders with continuous value creation
- 71 Promoting public financial literacy to enhance client experience
- Topic 75 Protecting consumer rights and interests in the people-centric spirit

Topic

Accelerated digitalization for high-quality development



January 14, 2022, IB Chairman Lyu Jiajin delivered a keynote speech at the 2022 China Digital Economy Summit.

"Digitalization essentially means the reconstruction of productive forces and relations. It is a revolution. In accelerating digitalization, commercial banks must grasp five key points: science and technology constitute a primary productive force; data is the key factor of production; platform is the main way of production; agility is a prerequisite organizational ability; and security is the redline that should never be passed."

— "Writing a New Chapter of High-quality Development in the Digital Era", signed article by Lyu Jiajin, Chairman of Industrial Bank

IB has carefully implemented General Secretary Xi Jinping's important remarks and instructions on developing digital economy and digital China. On that basis, it has practiced the new development philosophy and systematic thinking, and advanced the digitalized reconstruction in a holistic and steady way in quest for a path suitable for its actual conditions, with a view to driving high-quality development with "digital power".

	2021
Number of formal IT staff members in the Group	3,303
Planned percentage of IT staff in 3–5 years (%)	10
The Group's IT investment (RMB 100 million)	63.64

Strengthening strategic leadership through enhanced digital thinking

In 2021, IB developed a new five-year development strategy – the Plan of Industrial Bank for Digitalization 2021–2025, and rolled out the vision of becoming the "best ecology-empowered bank capable of universal connections". Starting with perception, strategy and culture, the Bank rebuilt its organizational structure, business process, supportive system, and business model, and emphasized the top-level design of and systematic planning for digitalization. It also aligned the concept of digitalization strategy across the Group through consistent publicity and enhanced its overall capability for that, drawing a new blueprint of fintech to empower the Group's business development.

Firmly promoting digitalization, IB's Board of Directors and executive management took the lead in liberating the mind and changing the way of thinking across the Bank. Training, study and discussions on digitalization were organized, the "5+N" training system was established and improved, and Digitalization Leadership Academy was created to motivate everyone at IB to learn, understand and use technology. They must equip their mind and guide their practices with digital thinking and apply it in the whole process of operation and management, products and services, business processes, and risk control, exploring a new model of bank operation and development in the digital society.



Deepening institutional reform to promote organizational agility

IB has continuously deepened the reform of its fintech system and mechanisms and improved the organizational structure to adapt to digitalization with the aim of stimulating the vitality of technological innovation.

/ Promoting flat and distributed organizational structure to meet market and client needs /

The Head Office injected all of its sci-tech R&D resources into the technology subsidiary and developed a "centralized & distributed" R&D base to be more responsive to market demand. It created a co-development work system involving BA (business analyst) and SA (system analyst) to integrate business with technology more deeply. It also piloted flexible organizations on key projects for strategic transformation, and launched the "Financial Services Cloud" in Fujian and the supply chain financial capsule program successively, with the model of agile iteration taking initial effect.



/ Creating an open, strong, flexible middle platform for platform-like organization /

IB sped up the construction of middle platforms for business, data and technology, and set up a universal service module that can be shared, repeatedly used and quickly accessed according to the "user-client" logic. It created the data hub and data service sharing platform to improve the analysis and decision-making capability, and steadily transformed the technical architecture with Cloud Native technology as the basis to quickly respond to and agilely empower the development of front-end businesses.

/ Continuously strengthening digital team to perfect regional R&D support system /

In 2021, IB launched a special program to recruit digital talent at both the Head Office and branches. We accelerated the recruitment of digital professionals, attached great importance to their cultivation, and let them engage in the whole business process for the smooth implementation of the digitalization strategy. We also set up the R&D Sub-centers in Guangzhou, Wuhan and Xi'an and advanced the construction of the Suzhou R&D Base.

Fostering an open ecology for the ability of universal connections

Based on advantages in the financial sector, IB made sustained efforts to build platforms, increase scenarios and expand the ecology to engage in all business areas, from state administration, social governance, to corporate operation and civil life. It pushed services forward to be closer to the clients, and established an open, sharing ecosphere featuring the connectivity of the F, G, B and C sectors (see below), thus reinforcing the capability of "universal connections".

	2021
Number of legal person institution partners on Bank-Bank platform	2,344
Cumulative number of registered enterprises on "Financial Services Cloud" (10,000)	16.48
Funds secured through "Financial Services Cloud" (RMB 100 million)	1,041.06
Number of applicants at "IB Inclusive Platform" (10,000)	7.72
Cumulative funds released by "IB Inclusive Platform" (RMB 100 million)	2,088.01
Number of monthly active users on mobile banking (10,000)	1,563.15

/ Open, sharing and interconnected ecosphere /

F (Financial market)

IB launched the Bank-Bank platform, the initial form of an open ecology, in 2007, which provided technologies, products and services to medium-sized and small banks through standard access. This platform, through sustained iteration and upgrade, has established solid advantages in the financial sector and is evolving into an open third-party banking platform leading in the industry.

G (Government)

IB launched the Fujian "Financial Services Cloud" and used big data to effectively address the information mismatch between banks and enterprises, making the "Cloud" an inexhaustible source of inclusive loans.

B (Business)

The "IB Inclusive Platform" platform was launched to foster an all-round, online ecology of financing services for all kinds of scenarios. "Industrial Keeper", the first mobile payment product for businesses in China, was integrated with corporate online banking to meet the enterprises' demand for smart operation and digitalized management.

C (Individual client)

IB developed two key APPs - mobile banking and "Hao Xing Dong" - that merged financial and living scenarios, high-frequency and low-frequency scenarios, kept perfecting their functional ecology, and upgraded API to "API+App", in the endeavor to provide all-round services for clients anytime, anywhere.

/ Empowering IB's three-pronged development with technology /

Green banking

IB started "green tracking" smart identification, green credit for key energy-using enterprises, and other programs, and made active efforts to connect with China Carbon Emission Registration Clearing Co., Ltd. (ChinaCRC).

Wealth management banking

IB took solid steps to comprehensively enhance its innovation capabilities as a wealth management bank. It demanded the universal lineup of wealth products, risk assessment of retail clients, identification of qualified investors, and tape-recording and video-taping of sales process, began agent sales of wealth management products, and offered retail investment advising business.

Investment banking

IB began to build a platform for investment banking asset management, and integrated the capabilities of bond issuance, underwriting and asset securitization to further refine the FICC business system.



Digitalized financial operation meets multi-layered needs, expands influence of investment ecosphere

IB added the "investment ecosphere" module on the homepage of its mobile banking APP and joined hands with non-banking financial institutions to diversify products. On the basis of launching about ten products and services, including securities, funds and insurance, it also developed the "partners -> experts -> contents -> products" chain. In 2021, IB sold RMB 307.2 billion worth of asset management products (e.g. securities asset management program, publicly offered funds and special fund account, trust program, and insurance products) of other peer financial institutions, and RMB 1.22 trillion worth of products of CIB Wealth Management.



"IB Digital Finance" accelerates digitalized supply chain financing

IB launched the new "IB Digital Finance" service, whereby data can be transmitted to key enterprises and suppliers on the platform. External credit information, industrial and commercial information, and transaction history were accessed for big data analysis, coupled with secured path of industry chain settlement, to provide online credit financing for supply chain clients. The whole process - from application to grant of credit to release of fund - is carried out automatically online. After receiving the application, which is done easily, the system can quickly complete the four steps of accepting application, approving the sum, granting credit, and releasing fund, largely shortening the handling time and improving client experience.

Case study "IB Car Finance" upgraded

Committed to being an open bank and exerting its fintech advantages, IB launched the "IB Car Finance" to meet financing needs in the auto industry. "IB Car Finance" is a digitalized car finance platform integrating an array of original functions, such as networked financing, embedded financial services, "quick loan & repayment" service, and upstream digital services. It effectively improves the efficiency and experience of client service and constructs a digital financial ecosphere for the auto industry. Taking note of the long waiting period, IB reconstructed the process to expedite the release of fund, improve client experience, and lower financing cost, taking advantage of the auto industry chain's unique flow of capital, materials and information, applying big data analysis, connecting with VIP account system, and analyzing the value of digital assets.

Case study Intelligent voice service upgraded

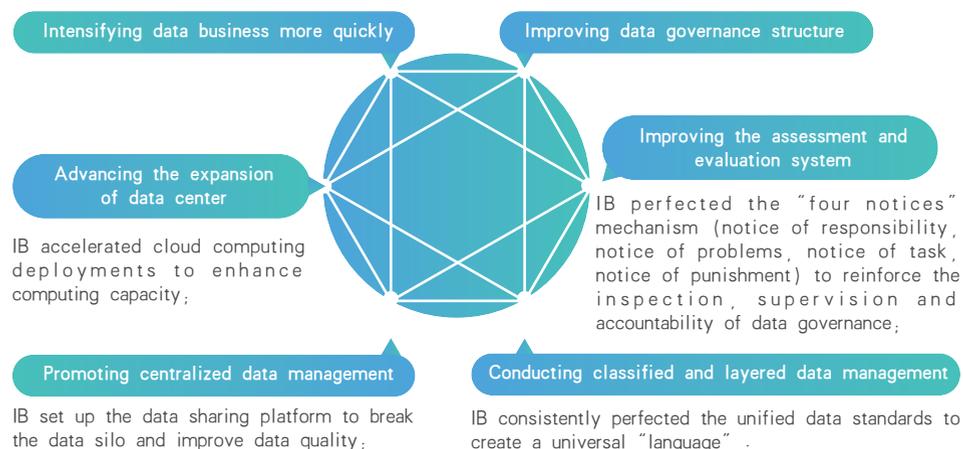
IB furthered the use of intelligent voice service in telephone banking, applied it to a larger clientele and more scenarios, and installed this intelligent function on mobile banking APP. The item "online credit card service" on the new mobile banking APP adopts AI technologies such as voice recognition, natural language processing, and dialogue control, and interacts with clients by means of voice, text, photo and touchscreen, realizing speedy inquiry about and handling of credit card business.

Better data governance accelerates transformation of data value

Viewing data as a key factor of production, IB tries to establish an operating concept with data as the core asset in order to make data governance more effective and unlock the value-creating potential of data assets.

IB built more than 400 data analysis models to improve its capability of big data insight, mining and analysis, based on which it explored new clients and conducted risk control, marketing and operation in a precise and smart manner with the help of innovative products and services.

IB established a three-layered data management system;



Creating a secure bank by fortifying digital security

	2021
Number of online financial transactions monitored on risk control platform (100 million)	44.38
Number of high-risk transactions blocked (10,000)	626.56
Sum of transactions blocked (RMB 100 million)	1,408.85

Upholding a holistic approach to national security and the development-security balance, IB was the first to propose to build a "secure bank", and has advanced digitalization in a steady and orderly manner to continuously enhance risk prevention and control in the digital era.

- Building secure & reliable digital infrastructure:** IB pushed for the integrated operation of data centers across regions and built the first online financial platform in China spanning three areas and three centers. It also put in place an integrated disaster recovery system involving the host and backup machines of all business systems as well as same-city and remote disaster recovery arrangements.
- Building data security safeguards:** IB intensified full-life-cycle data security management, carried out data collection, management, use and transmission in accordance with the law and regulations, and actively explored the use of privacy computing technology to ensure secure, usable but invisible data.
- Enhancing cybersecurity capability:** IB reinforced the defense system for cybersecurity and systematic security to fend against key risks such as cyberattacks and cyber fraud, and strengthened the capability of tracing the attacks and making emergency response.

Case study AI prevents credit card fraud

The machine learning platform at IB's credit card center supports 16 mainstream algorithms and the introduction of third-party algorithms, and offers self-learning models. After the anti-fraud model came online, it covered 90.71% of credit card transactions and helped clients avoid about RMB 9 million worth of losses cumulatively.

CIB Fintech, a subsidiary of Industrial Bank, was included in IDC China's 2021FinTech50 list. IB's user experience monitoring platform and interactive digital marketing system (both online and offline) were selected by The Asian Banker magazine as the best big data application and best digitalization project at bank branches in China. IB's RPA, online financing for small and micro enterprises, IB Car Finance, and Cloud Native technology system won awards from The Banker for sci-tech innovation and risk control innovation.

Supporting economic transformation and upgrading with the focus on key sectors



“The key to achieving common prosperity lies in promoting the high-quality development of the real economy. Finance can do both – promoting common prosperity by serving the high-quality development of the real economy.”

—Speech by Lyu Jiajin, Chairman of IB, at the 9th China Entrepreneurs Development Annual Conference (EDAC China 2021) on December 11, 2021

In 2021, the Bank focused on advanced manufacturing clients, especially those engaged in high-tech industries and strategic emerging industries, diverted more resources to them, and intensified studies of those sectors to identify their financing difficulties. On that basis, we tailor-made credit products for manufacturing companies, and rolled out more industry chain financing products and guarantee-free products to inject financial resources into them. IB also developed innovative financial instruments to support infrastructure construction in a bid to serve key sectors of the real economy with better quality and efficiency.

	2021
Balance of loans for strategic emerging industries (RMB 100 million)	1,815
Loans granted to strategic emerging industries (RMB 100 million)	1,410

Case study IB-trusted GLP REIT, one of the first infrastructure REITs recommended by NDRC, was listed

On June 21, 2021, the first batch of publicly offered REITs hit the market, including the IB-trusted “CICC GLP warehousing & logistics infrastructure securities investment fund” (hereinafter referred to as GLP REIT) trading at Shanghai Stock Exchange. GLP REIT is one of the first pilot infrastructure REITs recommended by NDRC and the first “warehousing & logistics” REIT at SSE. A total of 1.5 billion shares of it were issued, raising RMB 5.835 billion.

Case study Qingdao Branch offers IP pledge loan for tech enterprises

To turn tech enterprises’ IP from an “intangible asset” into “tangible capital”, IB creatively rolled out the IP pledge loan to fund enterprises’ production and operation, with their property right to legal and valid invention patent, exclusive right to use trademark and other IPRs as the pledge. IB Qingdao Branch granted RMB 8 million patent pledge loans to a hi-tech enterprise, which has key and core technologies and specializes in the research, development, production and sales of biomedical materials such as artificial cornea and artificial meninx.



Implementing national policies to support major regional & cross-regional development strategies

2021

	Number of branches/sub-branches	164 branches (including 119 tier-two branches) and 2,024 sub-branches
	Number of branches/sub-branches in the eastern region	76 branches (including 53 tier-two branches) and 1,140 sub-branches
	Number of branches/sub-branches in the central region	40 branches (including 34 tier-two branches) and 327 sub-branches
	Number of branches/sub-branches in the western region	36 branches (including 24 tier-two branches) and 433 sub-branches
	Number of branches/sub-branches in the northeast region	12 branches (including 8 tier-two branches) and 124 sub-branches

Regions

Eastern region: 11 provinces (municipalities and special administrative region), namely Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong, Hainan, and Hong Kong;

Central region: six provinces, namely Shanxi, Anhui, Jiangxi, Henan, Hunan, and Hubei;

Western region: 12 provinces (autonomous regions and municipalities), namely Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, and Inner Mongolia;

Northeast: three provinces, namely Heilongjiang, Jilin, and Liaoning.



December 23, IB and the Yunnan Provincial Government signed in Kunming the “Cooperation Agreement on Promoting High-quality Development of Yunnan Through Finance”. Wang Ning, Secretary of CPC Yunnan Provincial Committee and Wang Yubo, Governor of the province, met with IB Chairman Lyu Jiajin, and they witnessed the signing of the agreement by Executive Vice Governor of Yunnan Zong Guoying and President of IB Tao Yiping.



August 23, IB and the Shandong Provincial Government signed in Jinan the strategic cooperation agreement. Li Ganjie, Deputy Secretary of CPC Shandong Provincial Committee and Governor of the province, and IB Chairman Lyu Jiajin attended the signing ceremony. Vice Governor of Shandong Ji Binchang and President of IB Tao Yiping signed the agreement on behalf of the two parties.

In 2021, IB continued to make great efforts to serve regional and industrial development. Based on solid industrial studies, accurate sand table operations, and professional industrial solutions, it provided systematic services for the upgrade and development of key regions and industries and to foster highlands of high-quality development. It placed special emphasis on supporting the following development strategies or initiatives: the Beijing-Tianjin-Hebei Coordinated Development, Yangtze River Delta Integration, Yangtze River Economic Belt, Guangdong-Hong Kong-Macao Greater Bay Area, ecological preservation and high-quality development of the Yellow River Basin, high-quality development of central and western regions, building a demonstration zone for achieving common prosperity through high-quality development in Zhejiang, and high-quality development of Fujian. In 2021, the Bank signed cooperation agreements with the provincial government of Shandong and Yunnan and the municipal government of Zhangzhou with a view to better serving their economic and social development.

Promoting Beijing–Tianjin–Hebei Coordinated Development

Case study

Xiong'an Branch opens for business

On November 18, 2021, IB Xiong'an Branch was officially open for business in Rongcheng, the first IB operation in the Xiong'an New Area. Following the CPC Central Committee's decisions and deployments, IB made supporting the construction of Xiong'an New Area a major task, covering infrastructure, environmental governance, and industrial transfer, and focused on such key directions as green finance and sci-tech innovation. The Bank, fully exerting its advantages in integrated operation and specialized businesses, is committed to providing strong financial support for the New Area and the Beijing–Tianjin–Hebei Coordinated Development.



Supporting Yangtze River Delta Integration

Case study

Shanghai Branch supports healthy development of pharmaceuticals industry

IB Shanghai Branch formulated the Financial Service Plan for Pharmaceuticals Industry, paid special attention to tech- and consumer-oriented biopharmaceutical companies, and systematically improved its financial services for this industry in the region to boost its orderly and healthy development. The Branch now serves more than 2,000 biopharmaceutical companies, covering a wide range of sub-sectors from antibody, mRNA vaccine and cell therapy to high-end medical apparatus, medical informatization, and circulation of medicine.



Supporting Yangtze River Economic Belt

Case study

Chongqing Branch assists in protecting the Yangtze River

In 2021, IB Chongqing Branch granted RMB 300 million working capital loans to Chongqing Three Gorges Water Conservancy and Electric Power Co., Ltd. The recipient, Three Gorges Group's only listed subsidiary engaged in power sales and distribution, will work with Chongqing municipal government to introduce electricity from the Three Gorges project to Chongqing to guarantee the energy supply for the construction of the Yangtze River Economic Belt. At the same time, Chongqing Branch also granted RMB 610 million loans for the Huaxi River regulation PPP project in Ba'nan District, which is the first project in the city proper as part of the "Yangtze River protection" strategy. The two grants will go a long way in facilitating the implementation of the strategy.



Supporting Guangdong–Hong Kong–Macao Greater Bay Area

Case study Guangzhou Branch supports major projects of Guangdong–Hong Kong–Macao Greater Bay Area

In 2021, IB Guangzhou Branch strongly supported infrastructure connectivity and clean energy projects (e.g. wind power) by deploying dedicated products, quota and subsidies and providing differentiated services, in a bid to support the construction of Guangdong–Hong Kong–Macao Greater Bay Area and the achievement of carbon peaking and carbon neutrality. By the end of 2021, Guangzhou Branch had provided RMB 5.61 billion medium- and long-term loans for a raft of major projects in Guangdong Province, including offshore wind power (in Zhanjiang’s Xuwen by SPIC and Shantou’s Nan’ao by Datang Group), rail transit (Metro Line 3 in Foshan), highway (West Outer Ring Highway and East Ring Highway in Zhongshan, Shenzhen–Zhongshan Bridge) and electric power.



Offshore wind power project in Xuwen, Zhanjiang

Case study Shenzhen Branch adds new engine to Greater Bay Area with “green, hi-tech, inclusive” finance

In 2021, IB Shenzhen Branch stayed in step with Shenzhen Special Economic Zone and served its high-quality economic and social development. It launched the “rooftop distributed PV loan” to support clean energy development; it completed the first supply chain note issuance + discount deal to bring notes into better play in serving the real economy; and it set up a flexible team to provide efficient and interactive services for nearly 50% of the “little giant” enterprises in Shenzhen, which refer to specialized, distinctive and innovative enterprises.

Supporting ecological preservation and high-quality development of Yellow River Basin

Case study Yinchuan Branch completes first “Green Bill Financing” rediscount deal in Ningxia Hui Autonomous Region

On September 23, 2021, IB Yinchuan Branch completed the first “Green Bill Financing” rediscount deal in Ningxia Hui Autonomous Region with a rediscounted volume of RMB 3 million. The money was granted to China Recycling Resources (Ningxia) Co., Ltd, for the recycling of scrap iron, steel and other materials, not only generating recycling, environmental and social benefits, but also pushing forward the green economic transformation of the autonomous region.

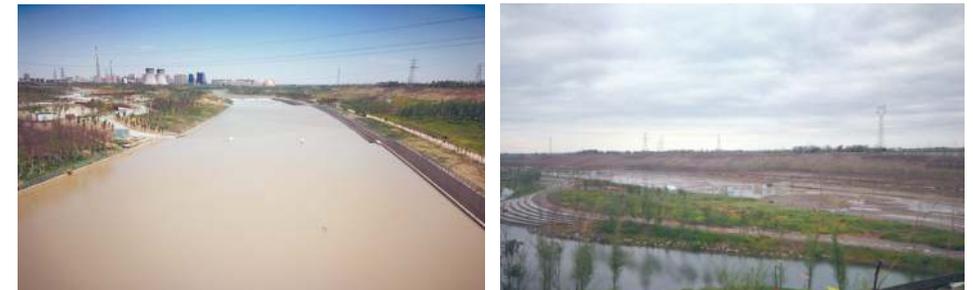
Promoting high-quality development of central and western China

Case study Changji Branch helps make the most beautiful Toutun River with non-profit environmental loans

IB Changji Branch granted RMB 83.82 million non-profit environmental loans to help restore and preserve the water system of Toutun River and promote ecological restoration. A forest park integrating tourism, sightseeing, recreation, entertainment and wellness functions is being built by the river, which will drive the integrative development of primary, secondary and tertiary industries through ecological and environmental governance.



Watercourse of Toutun River before the environmental protection campaign in 2017



Watercourse of Toutun River in May 2021, after the environmental protection campaign

Supporting Zhejiang’s efforts to build a demonstration zone for achieving common prosperity through high-quality development

Case study IB completes first debt financing program with two underlying assets

On November 25, 2021, IB, as the lead underwriter, issued at Beijing Financial Assets Exchange (BFAE) the 9th debt financing program in 2021 of Shaoxing Binhai New Area Development Group. The RMB 300-million program had a term of two years and the money raised would be used for the maintenance of the Jiaxing–Shaoxing Bridge. This was the first debt financing program with two underlying assets – “rural vitalization” and “common prosperity” – undertaken by a joint-stock bank in China.

Topic

Writing a new chapter of serving Fujian's development by injecting financial vitality



June 18, 2021, Yin Li, Secretary of CPC Fujian Provincial Committee, and other provincial leaders visited IB's booth at the China Straits Innovation and Projects Fair (CSIPF).

"All beings follow their own laws of growth and development, and all know to protect their roots. Based in Fujian and rooted in Fujian, IB has taken it as its inherent political responsibility to serve Fujian's economic, social and financial development, striving to make better and greater contributions to it by increasing the supply of financial resources and services with better quality and higher efficiency."

—Writing a new chapter of serving Fujian's development by injecting financial vitality, signed article by Lyu Jiajin, Secretary of the CPC Committee and Chairman of IB

Fujian Province is the cradle and base camp of IB. As the only national joint-stock commercial bank rooted here, we have given top priority to the province and fully exerted our financial strengths to serve its economic and social development across the board.

IB has earnestly implemented the principles contained in General Secretary Xi Jinping's important speech when he inspected Fujian and acted on the requirements made by the CPC Fujian Provincial Committee and Fujian provincial government. It has carried out the new development philosophy fully, accurately and comprehensively, and served and deeply merged into the new development paradigm. We rolled out the Forty-three Financial Measures to Support Fujian's High-quality Development, highlighted the four key areas of digital economy, green economy, marine economy, and cultural and tourism economy, and explored new ways of financial connection between Fujian and Taiwan island and for rural vitalization. Being a pacesetter and bellwether in the financial sector, IB is committed to making new and greater contributions to Fujian's development as part of the national efforts to build a modern socialist country in all respects.

	2021
Balance of loans of all branches in Fujian Province (RMB 100 million)	4,709
Increase from the beginning of year (%)	14.69

/ General goals /

By 2025, the total balance of loans of IB branches (excluding Head Office) across Fujian Province will exceed RMB 800 billion, and the total financing balance including emerging businesses will exceed RMB 1.4 trillion.

Providing better financial support through cooperation with government

May 13

IB and Nanping People's Government signed the "Strategic Cooperation Agreement on Promoting the Construction of Green Finance Reform and Experiment Zone";

Sept. 30

IB and Fujian Provincial Department of Commerce signed a strategic cooperation agreement;

Oct. 28

IB and Minjiang University signed a strategic cooperation agreement and held the inauguration ceremony for IB Fintech Innovation Laboratory at the university;

Oct. 29

IB and Shanghai Intellectual Property Administration signed a cooperation memorandum;

June 18

IB and Fujian Energy Conservation Center signed a strategic cooperation agreement;

Nov. 5

IB and its two subsidiaries - Fujian Financial Services Cloud and CIB Fintech - signed a "Framework Agreement on Four-party Cooperation" with China Telecom Fujian Branch to jointly form a rural vitalization laboratory;

Oct. 13

IB and Fujian Provincial Port Group signed a comprehensive strategic cooperation agreement;

Nov. 23

IB and Fujian Federation of Commerce & Industry signed a strategic cooperation agreement;

Dec. 1

IB and Fujian Provincial Asset Supervision and Administration Commission signed a strategic cooperation agreement;

Dec. 30

IB and Fujian Provincial Marine and Fishery Administration signed a strategic cooperation agreement.

Nov. 8

IB and Zhangzhou People's Government signed a strategic cooperation framework agreement;



Wang Guangyuan, Vice Chairman of Fujian Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC) and Chairman of Fujian Federation of Commerce & Industry, Li Jiarong, Deputy Director of the United Front Work Department of CPC Fujian Provincial Committee and Secretary of the Party Group of Fujian Federation of Commerce & Industry, Chairman of IB Lyu Jiabin, and representatives of private entrepreneurs attended the signing ceremony. Vice Chairman of Fujian Federation of Commerce & Industry Liu Jun and Vice President of IB Sun Xiongpeng signed the agreement on behalf of the two parties.

2021



IB Chairman Lyu Jiabin and Chairman of Fujian Provincial Port Group Li Xinghu attended the signing ceremony. Vice President of IB Chen Xinjian and Vice President of Fujian Provincial Port Group Xiao Zujian signed the agreement on behalf of the two parties.



Zhang Guowang, Secretary of CPC Zhangzhou Municipal Committee and Mayor of Zhangzhou Wang Jinzu held talks with IB Chairman Lyu Jiabin, and they jointly witnessed the signing of the agreement.

Serving four key areas

	2021
Balance of loans in the four areas (RMB 100 million)	1,245
Increase from the beginning of year (%)	28
Growth higher than other loans (%)	13

/ Fostering a new highland of digital economy /

	2021
Balance of loans in digital economy (RMB 100 million)	498.3
Increase from the beginning of year (%)	25.8



June 18, 2021, Lyu Jiajin, Secretary of the CPC Committee of IB, gave a speech and announced an initiative at the 19th CSIPF on behalf of 24 Fujian-based financial institutions.

In the digital industry, IB, fully exerting its advantages as a commercial bank and an investment bank, focused on unicorn and gazelle companies and provided all-round financial services through their full life cycle. It formed cooperative relations with 183 enterprises with more than RMB 10 billion loans in the digital industry. In the meantime, pivoted on industrial Internet and intelligent manufacturing, IB strongly supported the digitalization, networking and intelligentization of traditional industries. To enhance the value of data, IB continuously improved the functions and ecology of the "Financial Service Cloud" platform, and worked harder to share public data and materialize their values, so as to turn the "intangible" big data into "tangible" productive forces. By the end of 2021, "Financial Service Cloud" had about 164,800 registered users, and granted more than 31,000 financing applications that amounted to over RMB 100 billion, averaging less than RMB 3.5 million per each. Over 98% of these grants were inclusive and micro loans, indicating remarkable effects of inclusive finance.



IB and Minjiang University jointly develop fintech innovation laboratory



Signing ceremony of strategic cooperation agreement with Minjiang University



Inauguration ceremony of IB Fintech Innovation Laboratory

On Oct. 28, 2021, IB and Minjiang University signed a strategic cooperation agreement in Fuzhou, aiming to jointly develop a national multi-function laboratory focused on fintech innovation and help translate and industrialize the results from the collaboration among the industry, colleges, and research institutes. Leveraged on its fintech innovations, IB provided Minjiang University with a "smart campus" plan comprising smart classrooms, smart library, campus network construction and operation, and data management, enhancing its level of intelligent management.

/ Exploring the blue ocean market of marine economy /

	2021
Balance of loans in marine economy (RMB 100 million)	261.8
Increase from the beginning of year (%)	21.7

IB actively explored new ways to support the development of marine industry in Fujian Province. It formed strategic cooperation with Fujian Provincial Port Group, which was founded by combining and restructuring 11 state-owned port enterprises in coastal cities, and agreed to provide it with no less than RMB 20 billion credit in the next three years to promote the construction of the "maritime extension of the Silk Road", an important route for "dual circulation".

/ Fostering new advantages in green economy /

	2021
Balance of green financing in Fujian, on-and-off-balance sheet (RMB 100 million)	987.3
Increase from the beginning of year (%)	43.1
Environmental benefits generated	The projects save 6.12 million tons of standard coal and reduce 14.14 million tons of CO2 emissions per year.

As the first bank in China to adopt the Equator Principles, IB combined its financial strengths with Fujian's ecological advantages in search for a way to turn "lush mountains and lucid waters" into "valuable assets" and promote high-quality economic development and eco-environmental preservation in parallel.

We increased green financing for Fujian. IB consistently increased financial support in such areas as green and clean energy, green transport, green construction, industrial energy conservation and emission reduction, and eco-environmental governance. Its balance of green financing (both on- and off-balance sheet) in the province has exceeded RMB 98.7 billion and it serves nearly 4,900 clients engaged in energy conservation and environmental protection. IB is committed to assisting Fujian in achieving "carbon peaking and carbon neutrality" first and accelerating the pace to build an ecologically sound province.

We moved faster to build a green finance system in Fujian. In accordance with the strategic cooperation agreement, IB deeply engaged in the construction of the two provincial green finance reform and experiment zones, one in Sanming and the other in Nanping. During the 14th Five-year Plan period, the Bank provided no less than RMB 40 billion green loans of various types cumulatively in support of their efforts to be approved as national reform and experiment zones.

We found new ways of materializing ecological values. Considering the rich ecological resources in Fujian, the Bank initiated green finance mechanisms in the province to help materialize the value of ecological products. In particular, seizing the opportunity of China launching the national carbon market, IB released new financial products and services such as forestry carbon sink and marine carbon sink, taking the high ground in carbon finance with carbon emission right and carbon sink at its core.



IB and Xiamen Air launch first carbon-neutral air tickets in China

Seeing eye-to-eye on sustainable development, IB and Xiamen Air launched one of the first "carbon-neutral air tickets" in China in 2021, with which passengers could contribute to "carbon emission reduction" by taking a "green" flight. For every "carbon-neutral" air ticket sold, IB would buy a certain amount of "marine carbon sink" to offset part of the carbon emissions generated by the flight, and the first installment will be used for mangrove restoration.

/ Stimulating the vitality of cultural & tourism economy /

	2021
Balance of loans in cultural & tourism economy (RMB 100 million)	459
Increase from the beginning of year (%)	14.1

IB actively explored new modes of combining finance with culture and tourism, and designed custom financial solutions. It granted about RMB 46 billion loans for the cultural and tourism industry to help Fujian develop a strong and distinctive cultural sector as well as all-in-one eco-tourism. It also provided targeted services in the form of credit, asset securitization and industrial funds to develop more benchmark projects for culture-tourism integration.



Fuzhou Branch assists in intelligent upgrade of Fushan Suburban Park

On July 6, 2021, the "Fu Culture" serial events in the theme of "Gulou All-in-One Eco-tourism" kicked off at Fushan Suburban Park, with which IB Fuzhou Branch, the People's Government of Gulou District of Fuzhou, and Fushan Suburban Park officially began their green finance cooperation. By providing intelligent services, IB Fuzhou Branch improved the park's carbon-fixating ability, set in motion the ecological value of forestry and the carbon sink it provides, and encouraged more residents to get in touch with nature, join in green activities, and adopt a low-carbon lifestyle.



November 20, 2021, Fushan Suburban Park

Exploring new ways of financial connection between Fujian and Taiwan island

Headquartered in Fujian, IB has amassed rich and unique experience in serving Taiwan-funded enterprises and Fujian-Taiwan financial collaboration. In recent years, it has stepped up the innovation of products and businesses, and further facilitated financial services for Taiwan enterprises and compatriots in a larger scope and with higher satisfaction, striving to make itself their gateway to the mainland market.

Optimizing layout of outlets

IB has set up ten branches and sub-branches where Taiwan-funded enterprises are concentrated, including the Taiwan Entrepreneurs' Park and Taiwan Farmers' Park in Fuzhou and some areas of Xiamen, Quanzhou and Zhangzhou, so as to provide convenient financial services for Taiwan enterprises and compatriots.

Deepening cooperation with financial institutions

IB has formed in-depth cooperation with 16 Taiwan banking groups in such areas as inter-bank accounts and credit, domestic guarantee for offshore financing, and syndicated loan. IB, in conjunction with nine Taiwan-funded banks including CTBC Bank, Mega Bank, First Commercial Bank and Bank of Taiwan, provided a five-year, RMB 3.5 billion syndicated loan to Quanzhou Grand Pacific Chemical, a Taiwan-funded enterprise. The loan was specifically used to build the propane dehydrogenation (PDH) and high-performance polypropylene (PP) projects in the Quangan Petrochemical Industrial Park.

Creating new financial services

IB took the initiative to offer comprehensive financial services for Taiwan enterprises and compatriots, including such debit and credit cards as "Taiwan Business Startup Loan", "Taiwan Business Loan", "Taiwanese Operation Loan", and "First Home". By the end of 2021, the Bank had provided more than RMB 10 billion credit for 132 Taiwan enterprises.

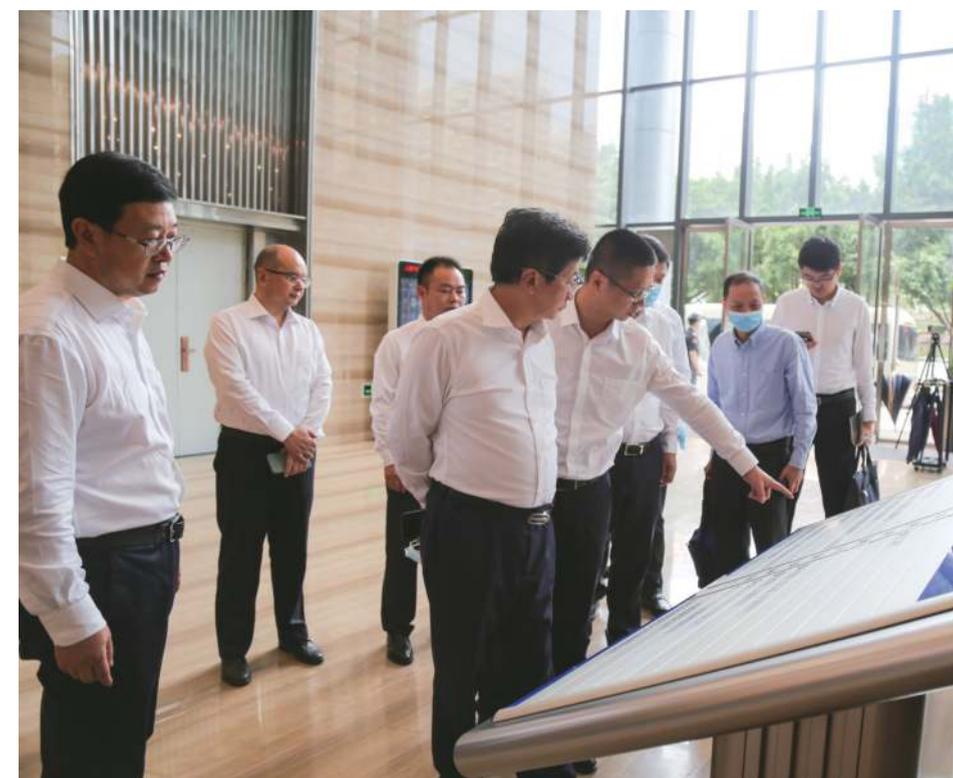
Broadening financing channels

IB played an active part in the construction of the Haixia Equity Exchange and Xiamen Cross-Strait Equity Exchange. In September 2021, IB Xiamen Branch and Xiamen Cross-Strait Equity Exchange signed a strategic cooperation agreement to broaden the channel of equity financing for Taiwan enterprises. At the same time, "Financial Service Cloud" platform opened a special zone for Taiwan entities, which had cumulatively provided more than RMB 1.2 billion for over 210 registered Taiwan enterprises by the end of 2021.

Facilitating financing for MSMEs

By the end of 2021, IB had cumulatively granted RMB 6.682 billion special loans for 979 medium-sized, small and micro enterprises (MSMEs) in Fujian Province, including RMB 3.337 billion for 464 MSMEs in 2021 alone. The loans further lowered their financing cost and helped them put the productive factors into motion. In implementing the special financial policies to cushion the impacts of the pandemic, IB in 2021 granted nearly RMB 600 million loans to 74 enterprises in high- and medium-risk regions of Fujian to weather them through the trying times of the pandemic.

Supporting enterprises' technical retrofit and upgrade



May 18, 2021, Lyu Jiajin, Secretary of the CPC Committee of IB, inspected IB Longyan Branch.

By the end of December 2021, IB had signed 33 special financing agreements on technical retrofit projects in Fujian cumulatively worth RMB 3.702 billion in total, of which RMB 1.825 billion had been released. The number of signed projects accounted for 50.77% and the amount of released funds 57.08% in the province, both ranking first.

The signed projects had a total investment exceeding RMB 21 billion and, when reaching the design production capacity, are expected to bring RMB 37 billion sales revenues, RMB 4.3 billion profits and RMB 2.2 billion taxes, saving more than RMB 36 million financial costs for the enterprises every year.

The projects involve the province's traditionally advantageous industries such as textile, shoes and garments, electronic information, food, and light industry, as well as emerging and cutting-edge industries like new energy and advanced equipment manufacturing. Some projects are carried out to expand industrial leaders' capacity or to intelligentize traditional industries, while others are to strengthen, extend or shore up the industry chain.

Vitalizing rural areas with financial support

In 2021, IB assisted in Fujian's rural vitalization through a range of measures, including improvement of mechanisms, industrial stimulation, and product innovation.

By the end of December 2021

the Bank's balance of agriculture-related loans (concerning the countryside, agriculture and farmers) in the province stood at RMB 82.8 billion, an increase of RMB 15.7 billion or 23% from the beginning of the year; its balance of inclusive agriculture-related loans stood at RMB 7.9 billion, an increase of RMB 3.1 billion or 65% from the beginning of the year.

The release of Sannong credit increased dramatically



May 27, 2021, President of IB Tao Yiping went to Putian to promote key projects.



Supporting leading agricultural companies in the region

IB strengthened the cooperation with leading enterprises engaged in agricultural product processing and eco-agriculture, focused on 30 key modern agricultural parks, 20 distinctive industrial clusters, and 1,056 heavyweight enterprises across the province. The Bank used a portfolio of policy products, including relief loans, provincial loans for technical retrofit, and Fuzhou and Zhangzhou's local loans for technical retrofit, to effectively boost the healthy development of the entire industry chain, both upstream and downstream. By the end of December 2021, IB had released RMB 7.248 billion loans to 144 provincial giants pioneering agricultural industrialization, with a balance of RMB 5.718 billion.

Supporting local agricultural development

Based on "Financial Service Cloud" and "IB Inclusive Finance", IB designed differentiated operation plans and corresponding credit policies, and provided unsecured loans for upstream and downstream enterprises or farmers in rural areas to support the development of local agriculture. By the end of December 2021, IB's balance of loans for such industries as tea leaves, aquaculture, flowers and nursery stock, forestry and bamboo planting, livestock and poultry, and edible fungus in Fujian stood at RMB 10.677 billion, an increase of RMB 1.062 billion from the beginning of the year.



Enhancing cross-border service capability to foster new development paradigm

In 2021, faced with a complex and serious internal and external environment, especially the shocks brought by COVID-19 pandemic, IB resolutely implemented the decisions and deployments made by the CPC Central Committee and State Council, and took steps to advance stability on the six fronts and security in the six areas. Aiming to foster the new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, IB set about opening-up prudently, provided cross-border services to promote real economy and facilitate trade and investment, and boosted M&A financing. IB stood ready to assist Chinese enterprises in going global.

	2021
Cross-border RMB settlement (RMB 100 million)	9,249.42
Loans granted for BRI projects (USD 100 million)	51.03
Number of overseas M&A projects supported	10
Cumulative financing for overseas M&A projects (RMB 100 million)	177.69

Serving BRI and FTZ construction

“IB Sharing” supply chain platform

IB launched the online financing system of commercial paper discount and forfaiting under domestic L/C, rendering the processes automatic through the information exchange between the “IB Sharing” supply chain platform and the Bank’s internal system. The launch of the system slashed the time between application and fund release from an average of six hours to around 30 minutes, largely raising the efficiency.

“IB EasyTrade”

IB provided enterprises with integrated cross-border financial services that consisted of four parts – international settlement, cross-border financing, wealth and asset management, and platform economy. It tailored low-cost, high-efficiency, one-stop solutions for both domestic and overseas enterprises of different sectors, areas and types.

SWIFT Bank-Enterprise Connect

IB upgraded the interconnectivity between SWIFT FILEACT messaging system and its own payment systems, and rolled out the SWIFT Bank-Enterprise Connect to automatically process bulk payments in Chinese and foreign currencies. This shortened the handling time of incoming payment by multinationals from two or three minutes to an average of one second per transaction and outgoing payment from ten to five minutes per transaction. The enhanced timeliness and convenience better satisfied foreign-funded groups’ needs.

FICC business

To better serve MSMEs, streamline the operating procedures for them, and save them the trouble of travel, IB launched the foreign exchange function on its online banking system in April 2021, enabling corporate clients to inquire about, handle and manage spot/forward exchange transactions.



Beijing Branch assists in “Two Zones” construction for further opening-up

Actively responding to the national call, IB Beijing Branch made a detailed proposal of cooperation to support the construction of the “Two Zones” (national demonstration zone for further opening up the service sector and the free trade zone). It put forth multiple measures, including perfecting the product portfolio, pushing the in-depth integration between digital economy and real economy, providing inclusive financial products for startups, and reducing financing costs for corporate clients.



Wuhan Branch meets multinational' s diverse needs

IB Wuhan Branch provided SWIFT-based global capital management services for a communications multinational, including visualized global accounts, settlement in RMB and foreign currency, visualized financial analysis, and global capital collection. These met the client' s diverse demands for capital management and truly facilitated its global operations.



Shanghai Branch handles first RMB L/G in Shanghai Customs Zone

IB actively responded to the customs duty guarantee reform, fully exerted its professional strengths in import/export settlement and customs L/G, and upgraded businesses through sci-tech innovations. On the very day when new customs policies took effect, IB Shanghai Branch completed the first customs duty L/G deal worth RMB 325 million in Shanghai Customs District.



Promoting RMB' s internationalization

As RMB internationalization and the two-way opening of the financial market have both picked up speed, IB has taken active steps to build a cross-border financial ecosphere to help domestic institutions and enterprises "go global" and overseas ones "come in".

Offering new cross-border RMB businesses

IB formed a cross-border, two-way, RMB capital pool in the Shanghai Free Trade Zone (FTZ), providing groups and members with not only such services as capital remittance, quota control, internal valuation and information inquiry, but also capital flow statistics, quota management, and concentrated receipt and payment.

As one of the first direct participants in the Cross-border Interbank Payment System (CIPS), IB was also one of the first banks to launch the standard CIPS transceiver. It has provided RMB payment and settlement services for 146 domestic and overseas banks and RMB clearing services for 23 foreign banks, offering more secure and convenient services to cover the "last mile" in cross-border RMB payment. By the end of December 2021, the Bank had signed 62 corporate clients, including SOEs, private and foreign companies, and joint-stock banks, ranking second in terms of the number.

Serving direct RMB investment

IB' s Bank-Bank platform assists in the RMB internationalization strategy. It connected 146 domestic and overseas banks with the cross-border RMB payment system, and provided settlement services for ten northbound market makers and four southward investors under the Bond Connect program. The volume of cross-border RMB settlement reached RMB 683.393 billion, a YOY increase of 35.25%.

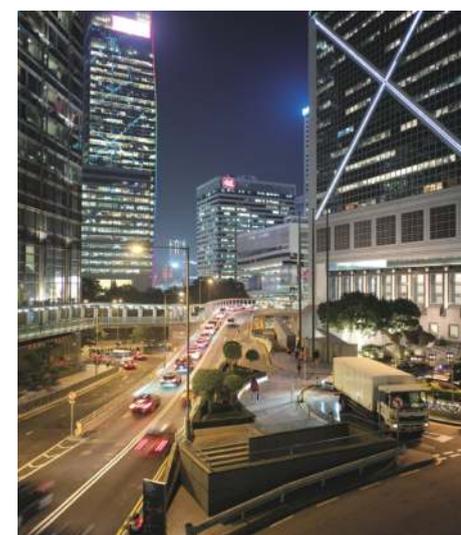
Conducting international business in a coordinated way

IB gave full play to its Hong Kong Branch' s role as a bridgehead for international businesses. By developing the "overseas bond ecosphere", "cross-border trading and financing ecosphere", and "cross-border investment bank ecosphere", the Bank supported Hong Kong Branch in serving domestic medium-sized and small banks as an overseas correspondent bank, settlement bank, and comprehensive service bank.



Hong Kong Branch qualified by HKMA to pilot Cross-boundary Wealth Management Connect (WMC) services

On October 18, 2021, IB Hong Kong Branch was designated as one of the 19 pilot banks to launch the Cross-boundary Wealth Management Connect (WMC) services. The Branch, along with domestic pilot banks approved by mainland regulators, will provide WMC services for clients in the Guangdong-Hong Kong-Macao Greater Bay Area at IB outlets, meeting their needs for cross-boundary asset diversification and contributing to the financial connectivity between Hong Kong, Macao and the mainland.



Rewarding shareholders with continuous value creation

Creating value consistently through steady growth

As of the end of 2021, IB's total assets were RMB 8.60 trillion, up 8.98% from the beginning of the reporting period.

Its profitability remained at a good level

In 2021, IB's operating revenue reached RMB 221.236 billion, up 8.91% year on year; the total profits for the year reached RMB 95.310 billion, up 24.37% year on year; the net profit attributable to shareholders of the parent company was RMB 82.680 billion, up 24.10% year on year.

IB's asset quality kept improving

By the end of the reporting period, the Bank's non-performing loan balance was RMB 48.714 billion, a decrease of RMB 942 million from the end of last year, and the non-performing loan ratio was 1.10%, down 0.15 percentage point from the beginning of the period. The Bank's provision coverage ratio was 268.73%, up 49.90 percentage points from the end of the previous year.

The returns on shareholder investment stayed sound in the industry, with an ROA of 1.02%, ROEWA of 13.94%, and basic EPS of RMB 3.77.

IB performed remarkably in CSR, with the social contribution value per share of RMB 15.50. In 2021, the Bank paid RMB 39.486 billion taxes.

[The "Social Contribution Value Per Share" mentioned in this Report is calculated according to the Guidelines No.1 for the Application of Self-regulatory Rules on Companies Listed on the Shanghai Stock Exchange - Standard Operation. Social contribution value per share = earnings per share for shareholders + (amount of tax paid + employee remunerations + interests paid to banks and other creditors + donations + value created for other stakeholders - social cost from environmental pollution and other factors).]

Protecting investors' legal rights and interests

Building multi-channel, multi-platform, multi-layered information exchange system to protect investors' legal rights and interests

IB attached great importance to protecting medium-sized and small investors and creating value for them. It has established a multi-channel, multi-platform, multi-layered system for information exchange with investors by way of formulating and implementing relevant systems, engagement of executive management, inter-departmental coordination, and regular and normalized communication.

In 2021, the Bank held the "2020 Performance Briefing", "2021H1 Performance Briefing", "2020 Shareholders' Meeting", "First Extraordinary Shareholders' Meeting of 2021", "Conference of Online Investors in Convertible Bonds", and a series of road shows and visits. Senior executives participated in these events, and their candid and practical answers to investors' concerns won praises and trust for the Bank. Among these events, the "2021H1 Performance Briefing" was of the highest level since IB's IPO, playing a significant role in responding to market concerns and boosting investors' confidence.

In the meantime, IB's efforts to maintain investor relations have won it over 100 highest-level recommendation and rating reports from 36 mainstream securities traders at home and abroad.

IB communicated with investors to answer their questions and dispel their confusions through a variety of ways (phone call, email, SSE "E-Interactive", securities traders meeting, surveys and receptions).

It answered, checked and replied to investors' questions and comments either via phone calls and emails or on the "E-Interactive" platform, and participated in or hosted events of domestic and foreign securities traders.

It adhered to its "three key areas", organized seminars on such topics as risk control, green finance, wealth management, and investment banking, and participated in the online reception day for Fujian-based investors.

It disclosed information on "strategy implementation" and "key issues in operation" in the annual and half-year reports, and continuously refined the setup and updated the data of the "Investor Relations" column on the official website.

Improving the way of information feedback from capital market for more efficient two-way communication

IB issues a slew of regular or irregular reports, including the Investor Relations Weekly, Capital Market Monthly for Board Directors and Supervisors, Important Information Report, Capital Market Q&A, Stock Market Analysis, and Shareholders' Change Analysis. These reports inform the board directors, supervisors and executive management in a timely manner, facilitate their communication with market entities and make two-way interactions more effective.

- IB was A-rated - the highest rating - for investor relations by the Listed Companies Association of Fujian in 2021;
- IB was honored as "Enterprise with Outstanding IR" (in the 2020 national selection of listed companies with the best IR organized by Quanjing);
- IB won the Best Board award of mainboard-listed Chinese companies (at the 12th Tianma Investor Relations Awards for China's Listed Companies by Securities Times)
- IB was selected as "You Zhi Bang - Innovative Bank of the Year";
- IB was selected as "Most Investable Commercial Bank of the Year";
- IB was selected as "2021 Company of Exceptional Investment Value";
- IB was selected as "2021 Listed Company of Exceptional Growth Value".

Promoting public financial literacy to enhance client experience

Building intelligent and distinctive outlets

	2021
Number of new standardized, intelligent outlets	295
Cumulative number of standardized, intelligent outlets	694
Percentage of standardized, intelligent outlets in all outlets (%)	34
Number of new smart outlets	15
Cumulative number of smart outlets	216
Percentage of smart outlets in all outlets (%)	11

In 2021, the Bank launched the five-year strategy for outlet standardization, and implemented the "Standard Design Manual for Outlet Decoration" across the Bank. It encouraged the branches to explore characteristic and diversified modes of operation and innovate in scenarios.

In 2021, branches in Fuzhou, Hangzhou and Guangzhou made efforts to build distinctive outlets such as "Taiwan-style outlet", "green branch" and "carbon-neutral outlet", trying to improve the client experience through technological empowerment and service innovation.



Dongwan Sub-branch of IB Beijing Branch

Accessible facilities and amenities

	2021
Number of outlets offering after-hour services	797
Number of outlets with barrier-free access	1,416
Number of outlets with courtesy counters	1,385

Caring for special groups

IB has improved accessible facilities and paid special attention to meeting the needs of veterans and special groups, striving to establish its brand reputation as offering "warm and tailored" services.

Convenience box

All IB outlets have prepared a box containing a variety of usually needed articles, including presbyopic glasses, magnifier, umbrella, sewing kit, regular medicine (cooling ointment, Band Aid, iodine, alcohol cotton ball, etc.), charger, and calculator.

Lavatory

Outlets with the right conditions have opened their lavatories to customers, and those without have prepared maps to the nearest lavatory.



Conducting activities to increase public financial literacy

	2019	2020	2021
Amount of public financial literacy investment (RMB 10,000)	1,215.84	1,779.67	1,865.57
Cumulative number of activities for public financial literacy <small>The cumulative number of activities (corresponding to the number of thematic activities required by regulators) in 2020 and 2021 differs from that in 2019 in statistical parameter.</small>	56,039	11,183	10,463
Number of people benefiting from financial literacy events (10,000 people)	1,074.77	4,281.96	8,483.01
Number of files released (10,000)	549.95	1,912.16	2,268.28
Number of media coverage (times)	1,184	3,948	3,215

Carrying out various publicity events

In the beginning of 2021, the Bank kicked off the "IB Consumer Rights and Interests Protection Series" campaign, under which it organized a series of activities of 11 themes. IB organized the online financial knowledge program with prizes, developed cartoons, calendars and posters themed "IB Financial Tips", created educational animations and screensavers elaborating the eight rights and interests of financial consumers, and hosted the contest of educational/publicity videos presenting real-life cases. The original animations and videos developed by IB were adopted by PBOC's official WeChat account. Moreover, the Bank produced micro-videos showing elderly customers how to tell fraudulent loans and played them on its official video account. It opened a column on consumer protection in IBer and released relevant texts and photos on the related WeChat account; designed posters and released them on paper or online press; and created cartoons that were released on PBOC's official website.



IBer

Assisting regulators in financial literacy activities

The Bank organized successive activities to promote financial knowledge, including the "March 15 Publicity Week for the Protection of Consumers' Rights and Interests", "A Long March of Popularizing Financial Knowledge", "Learn More Financial Knowledge, Safeguard Your Purse", "Month of Popularizing Financial Knowledge: Financial Knowledge to Households, Be a Rational Investor and a Good Online Financial User". All traditional outlets and community branches of the Bank would make plans and preparations, including making clear division of work and deciding the locations, with a 100% rate of participation and coverage.

In 2021, IB held a financial education and publicity event in Zhongshan Park, and organized "poverty alleviation through financial literacy" activities on a trial basis in Fuzhou, Zhangzhou, Putian and Sanming. During the Industrial Bank China International Junior Football Championship (JFC), the Bank organized 100 "Financial Knowledge to Campus" sessions in more than 100 universities in key provinces and cities.



Case study: Dalian Branch co-builds first on-campus consumer education base in the city

In September 2021, IB Dalian Branch and Dalian Neusoft University of Information jointly launched the "Neusoft IB" consumer education base, aiming to "educate the students and consequently influence their families and benefit the society". Pulling together both the Bank and the university's resources, the "Neusoft IB" education base will help include financial education in the national education system.

Case study: Shanghai Branch carries out activities against illegal fundraising

IB Shanghai Branch produced a short video titled "How to Prevent Illegal Fundraising", which won a third prize conferred by Shanghai Banking Association. On the premise of meeting the pandemic prevention and control requirements, Shanghai Branch conducted publicity activities in communities and on campus, and organized interesting online contests to raise the public awareness of illegal fundraising.

Topic

Protecting consumer rights and interests in the people-centric spirit

In 2021, the Bank acted on the concept of “people centrism” in protecting consumer rights and interests, and implemented corresponding requirements made by the Party, the country and regulators. Attaching great importance to service, IB continuously improved the systems and mechanisms of consumer protection, reinforced responsibilities for that, stepped up ex-ante approval, and regulated operating and sales behaviors. It also intensified information security protection, internal supervision and assessment, and the resolution of complaints and disputes, making great efforts to make finance serve, benefit and prosper the people and demonstrating a strong sense of responsibility.

Improving organizational structure and institutional guarantee for the protection of consumer rights and interests

IB formed the Consumer Rights & Interests Protection Committee in 2013. The Bank makes consumer protection an integral part of corporate culture and strategy, and practices it in the whole process of business development from product development and launch, marketing and promotion, to information disclosure and service charging, in order to raise the consumers’ awareness of financial consumption, security and right protection. The Board of Directors, as the highest decision-making body of the Bank’s consumer protection work, regularly hears reports from the executive management and supervises and evaluates this work.

IB has formulated the Regulations on Protection of Consumer Rights and Interests, Regulations on Protection of Personal Information, Implementation Rules on Management of Consumer Complaints, Regulations on Publicity of and Education in Financial Knowledge, and other documents to ensure effective consumer protection.

In 2021, the Bank further standardized the review of financial products and services and paid more attention to the compliance of marketing and communication activities for consumer protection. It rolled out the Rules on Ex-ante Review for Protection of Consumer Rights and Interests and Regulations on Protection of Consumer Rights and Interests During Financial Marketing and Communication, and released Fifty Redlines on Protection of Consumer Rights and Interests that specified what contents should be prohibited in financial marketing and communication.

Protecting financial consumers’ property safety on “appropriateness” principle

/ Implementing the “appropriateness” principle /

Giving priority to “prevention”, IB blended consumer rights and interests protection in all businesses, from the designing and development of products or services, approval for launch to marketing and promotion and aftersales evaluation. It also established a system to evaluate the consumers’ risk-bearing capacity and classify them into different risk levels to better protect their rights and interests.

IB issued the Regulations on the Conduct of Salespeople of Retail Wealth Management Products, Regulations on Risk Rating of Retail Wealth Management Products, and Detailed Rules on the Determination of Qualified Investors. Based on them, it intensified management over the evaluation of clients’ risk-bearing capacity, product’s risk rating, determination of qualified investors, and marketability. It also built and launched a Bank-wide video-taping and tape-recording system for the sale of wealth management products, realizing a closed-loop compliance management and enhancing the compliance performance and client experience.

/ Guaranteeing property safety of financial consumers /

IB has continuously upgraded the security facilities at its premises, where all monitoring and alarming systems are connected to the local Branch’s remote monitoring center for the real-time transmission of alarms, images, sounds and other information. The alarming systems at key spots are connected to the local “110” alarm center as required.

In 2021, the Bank deployed the “IB Security Cloud” mobile security management platform, with which security staff at all levels could conveniently carry out daily or special inspection, drills, patrols, repair and maintenance of security systems, and security education. The entire security management system was IT-based, mobile, intelligent, and low-carbon.

In 2021, the Bank released the Plan for Emergency Response at Outlets, which put in place the emergency plans and measures against such property hazards as robbery of clients, fraud, terrorist attacks, and natural disasters. The outlets, in light of actual conditions, also worked out their own emergency plans against various types of property hazards to fully protect the property safety of clients.

Client complaints and measures to boost satisfaction

IB established a complaint management system to track the whole handling process and efficiency, from initiation of complaint to circulation and handling, from review of handling result to feedback. The system not only covers all the channels and the whole process, but also makes timely update and generate statistical statements. In 2021, the Bank received 143,287 consumer complaints from various channels, with an average of 5.91 complaints per outlet per month and a complaint rate of 0.18%.

IB effectively handles inquiries, complaints, letters and visits through a wide range of channels, including the 95561 service hotline, online banking, telephone banking, WeChat banking, WeChat public account, messages on self-service banking platform, correspondences, fax, on-site services, “Opinions & Suggestions”, and service evaluation devices. IB protects the privacy and information security of the petitioners and complainers in accordance with the law by formulating a series of regulations, including the IB Regulations on Letters and Visits by Customers, IB Regulations on Customer Complaints, IB Implementation Rules on the Management of Complaints by Retail Customers, and IB Implementation Rules on the Management of Complaints by Credit Card Users.

2021	
Cumulative number of customer service staff	1,393
Customer satisfaction (%)	99.92
Number of complaints	143,287
Ratio of completed customer complaints to the number of customer complaints (%)	99.68

Main situations of consumer complaints were as follows:

Regional distribution of consumer complaints:

By area, complaints mainly came from the economically developed areas such as the Yangtze River Delta (2.88%) and Pearl River Delta (1.89%); by province/municipality/autonomous region, Shandong Province (1.29%) and Fujian Province (1.14%) took a large share.

Channels for handling consumer complaints:

There were 27,680 complaints about front-end business and 115,607 complaints about middle-end and back-end business, accounting for 19.32% and 80.68% of the total. Among them, 22,419 front-end complaints were about services at the premises, 3,509 about e-business, and 1,752 about self-service devices or third-party business, accounting for 80.99%, 12.68% and 6.33% of the total respectively.

Types of business consumers complained about:

65.97% of the complaints were about debt collection, of which 99.96% were about credit card; 20.54% were about credit card business; 7.24% were about debit card-related business; 3.19% were about loan business; 1.54% were about self-operated wealth management and agency business; 0.32% were about payment and settlement; 0.17% were about RMB savings and management; 1.03% were about businesses such as foreign exchange, precious metals, and personal financial information.

Reasons for consumer complaints:

Complaints were primarily against the approach of debt collection (66.22%), management systems, business rules and procedures of financial institutions (18.04%), marketing modes and approaches (8.20%), service attitude and quality (3.56%), service facilities, equipment, and business systems (1.52%), information disclosure (1.00%), and other matters such as charging, right of free choice, product yield, and fund security (1.46%).

IB released the Regulations on Credit Card Debt Collection, according to which it investigated the complained items, and paid close attention to complaints against the approaches and methods of debt collection. It reinforced the branches' duties in compliance guidance, actively addressed the complaints through interactions between the Head Office and branches, and improved the debt collection work partly by sharing the complaints and learning lessons from them. The Bank also strengthened complaint management at outsourcing agencies and examined their performance on such dimensions as number of complaints and complaint rate.

The Bank has paid sustained attention to consumer complaints and taken them as a valuable source of information for improving its business and services. It actively communicates with the consumers to improve their experience, and uses an automated complaint classification and analysis system to trace the causes and make rectifications. IB is committed to continuously optimizing consumer experience in products, business operations, processes, systems, and services, and protecting the legitimate rights and interests of consumers.

Product & service information disclosure and risk warnings

Multiple channels: official website, credit card website, telephone banking APP, "Hao Xing Dong" APP, premises of branches;

Multiple measures: Fees & Charges and preferential measures are posted in a clear, eye-catching manner;

Interest rate: The Bank specified "simple interest" method on interest rate for credit card overdraft, and added annualized interest rate (simple interest method) and relevant explanations on online and offline channels;

Open and fair standards: The Bank disclosed its service standards, charging standards and handling time for new corporate accounts at its outlets and on its official website;

The Bank posted at eye-catching spots in the outlets the telephone numbers of each outlet, the higher-level bank, the Head Office, and the local PBOC for supervision;

The Bank communicated "fee reductions" via multiple channels and posted the reduced service charges at eye-catching spots in all outlets.



In 2021, the Bank was titled Excellent Organizer of the March 15th Consumer Rights and Interests Protection Education and Publicity Week by China Banking and Insurance Regulatory Commission (CBIRC) and Excellent Organizer of Joint Financial Education and Publicity. It was also titled the "Best Council Member of the Third Consumer Protection Committee" by China Banking Association.



- 81 Creating new green finance products
- 87 Exploring environmental stress test to improve environmental and social risk management
- 89 Navigating investment for further structural adjustment
- 93 Protecting bio-diversity through environmental protection and ecological amelioration
- Topic 95 Building a green bank in support of "carbon peaking, carbon neutrality"
- Topic 99 Promoting green operation in response to climate challenge

Environment

Creating new green finance products

	2021
Financing balance of Green Finance (RMB 100 million)	13,867.03
Cumulative number of enterprises receiving green finance	40,619
Cumulative green financing (RMB 100 million)	36,753
New green credit in the current year (RMB 100 million)	1,483.04
Green credit balance (RMB 100 million)	6,924.18

The Bank has formed a comprehensive green finance product system encompassing green loans, green bonds, green wealth management, green trust, and green equity investment. Giving full play to the Group's overall advantages, IB promoted green finance in 2021, and achieved multi-field and multi-dimensional innovations and leadership.

In 2021, IB comprehensively upgraded its green finance business system and implemented regulatory requirements to advance the Group's green finance development; it also introduced AI to improve the efficiency of identifying green businesses and strengthen business empowerment. IB's green finance system won the 2021 "China Green Finance Award - Best Green Finance Product" of Asia Money, and the Bank won the "2021 Global Green Finance Award" at the 18th annual meeting of International Financial Forum (IFF) for its exceptional performance in the area.



As of the end of 2021

IB's balance of green loans according to PBOC's specifics

stood at RMB **453.94 billion**, ✓

an increase of RMB **134.505 billion** ✓

from the end of the previous year; the number of green finance clients was **38,000**. ✓

The projects supported by the Bank generated notable environmental benefits.



saving **40.878 million** tons of standard coal



and reducing **106.718 million** tons of CO2 emissions per year in the country.



In terms of green investment banking,

the overall financing more than **tripled** compared with the same period last year,



and the balance of green asset management and ESG wealth management products

exceeded RMB **25 billion**.



In terms of the retail green loan,

the balance of green loans increased by **71.52%** from the beginning of the year.



Regarding green investment,

green bond/ABS investment increased by more than RMB **20 billion**;



the balance of green leasing assets

reached RMB **48.3 billion**, an increase of **19.5%** from the end of last year;



green trust

reached RMB **41.613 billion**;



and green funds

grew to RMB **12.837 billion**, up about **40%** from the beginning of the year.



On October 21, 2021, Lyu Jiajin, IB Chairman, was invited to attend the 2021 Financial Street Forum Annual Meeting, and delivered a keynote speech at the parallel Forum on Green Development and Finance.

"The green and low-carbon transformation is both a challenge and an opportunity. It will catapult the financial industry to the 'second-order growth curve'. Financial institutions should keep in mind what's good for the country, stay sober about the general trend, and live up to our responsibility and mission in the economic transformation by giving full play to our unique strengths in the flow of capital, price discovery, and risk management."

—Keynote speech by Lyu Jiajin, Chairman of IB, at the Annual Conference of Financial Street Forum 2021 themed "Financial Support for Green and Low-Carbon Development", October 21, 2021

Adopting UNFCCC's Climate Neutral Now Initiative

In April 2021, IB signed a Letter of Commitment and took the lead in Chinese banking industry to adopt UNFCCC's "Climate Neutral Now" Initiative, whereby it began to reduce carbon emissions and develop its own carbon neutrality goals and roadmap. Initiated by UNFCCC in 2015, Climate Neutral Now urges the whole society to take immediate actions and help make Paris Agreement a reality by the middle of the century. By the end of 2020, it had had 400 signatories including enterprises, organizations, international and intergovernmental agencies, UN bodies, and individuals.

As the first banking financial institution in China to join the initiative, IB aims to help meet China's goal to "peak CO2 emission by 2030 and achieve carbon neutrality by 2060" (the 30·60 goals) through an internationally recognized carbon neutral system. It set the goals and developed the roadmaps for carbon peaking and carbon neutrality across the Bank, and worked hard to transform its operation in the low-carbon direction, laying the foundation for the same transformation of its asset portfolio in the future.

Supporting "carbon peaking, carbon neutrality" with carbon finance innovations

On July 16, 2021, the China Carbon Emission Trade Exchange (CCETE) was inaugurated, which covered the largest amount of GHG emissions in the world. As the national carbon market kicked off and carbon trading quickly caught on, carbon assets such as emission quota and certified carbon emission reductions (CCER) obtained the price discovery mechanism and liquidity to some extent. As a result, working on carbon finance innovations and supporting enterprises in tapping the financial potential of carbon assets became a key area of IB's green finance work.



First carbon-sink-themed debit card in Fujian Province

In October 2021, the People's Government of Shunchang County and IB Nanping Branch jointly launched the "One Yuan Carbon Sink" debit card, marking yet another milestone in their cooperation for green development. After being piloted by Shunchang County, the "One Yuan Carbon Sink" program has seen its usage scenarios continuously expanding and influence growing, enabling the county to materialize the value of its ecological products in more ways. The launch of the co-branded debit card will give the county a strong boost in green finance innovations, as represented by "forest eco-bank" and "One Yuan Carbon Sink", and contribute wisdom and momentum to achieving carbon peaking and carbon neutrality.





First forestry carbon sink pledge loan in Jiangxi Province

In August 2021, IB Nanchang Branch and the Environment Exchange jointly granted a RMB 10 million CCER carbon sink loan to Jiangxi Fenglin Investment & Development Co., Ltd., the first pledge loan of this kind in Jiangxi Province. The loan would be used to develop and operate forestry carbon sink projects, which will not only “awaken” the “sleeping green assets”, but also meet the company’s financing needs, while the yields will also be spent on carbon sink projects, generating great ecological, economic and social benefits.



First mixed ESG wealth management product

In 2021, one year after CIB Wealth Management released the first fixed-income ESG product, a subsidiary of the Bank put forth the first mixed ESG product – ESG IB Green Development. The new product will focus on green industrial investment and excellent green tech companies, especially those with prominent competitive advantages stemming from technological innovation, so as to seize investment opportunities while fulfilling social responsibilities.

After launching its first net-worth green wealth management product – “CIB ESG Beautiful China No.1” – in September 2020, CIB Wealth Management has released seven green products. With rich experience in ESG, especially green investment, it has created more ways for residents to fulfill their social responsibilities and boost the green economic and social transformation through green investment and wealth management.



ESG-themed securities investment trust

On December 29, 2021, China Industrial International Trust Limited (CIIT), a subsidiary of the Bank, issued the “CIIT · ESG assembled funds trust plan”, the first ESG-themed securities investment trust in the industry. Managed by CIIT, the program refers to authoritative ESG assessment system, and prioritizes listed companies with exceptional fundamentals and ESG performance. It reflects CIIT’s innovation in the ESG concept and its resolve to develop green trust in the context of “carbon peaking and carbon neutrality”.

Working with local governments to promote green development

On April 16, 2021, IB and the People’s Government of Inner Mongolia Autonomous Region signed in Hohhot a strategic cooperation agreement titled “Guarding the Beautiful Landscape of Northern Border Through Deepened Green Finance Cooperation”. According to the agreement, IB would provide no less than RMB 50 billion green financing for the enterprises, other types of entities and individuals and serve no fewer than 600 green enterprises in Inner Mongolia during the 14th Five-year Plan period, in a bid to boost green development in the autonomous region and guard the beautiful landscape on the northern border.

On May 13, 2021, IB and Nanping Municipal Government of Fujian Province signed the “Strategic Cooperation Agreement on Strengthening Green Finance Cooperation and Promoting the Construction of Green Finance Reform and Experiment Zone”.

On July 11, 2021, IB and the People’s Government of Guizhou Province signed a new agreement on green finance strategic cooperation during the ECO Forum Global Guiyang 2021. According to the agreement, the Bank planned to provide RMB 80 billion green financing for the province during the 14 Five-year Plan period to help set the “Guizhou example” for green finance and build a colorful Guizhou at a faster pace.



Huangzhiqiang, vice chairman of Inner Mongolia Autonomous Region, met with Taoyiping, President of Industrial Bank, who jointly witnessed the signing.



On May 13, 2021, Industrial Bank signed a strategic cooperation agreement with Nanping Municipal Government of Fujian Province.



Exploring environmental stress test to improve environmental and social risk management

After IB adopted the Equator Principle, it began to establish an environmental and social risk management system integrating risk strategy, risk goals, management principles, fulfillment of commitment, and management process. In 2021, the Bank actively implemented the ESG concept and built an ESG system. It piloted ESG analysis for new project financing in five major energy-consuming industries, including coal and iron & steel, and made clear that IB would not engage in projects where the production equipment, capacity, process and leading products fall under the “eliminated” category in the “Catalogue for Guiding Industry Restructuring” or projects that fall under the “prohibited” category according to policies on industrial access.

Objectives for environmental and social risk management

- Establish an environmental and social risk management system, policies, procedures, tools and methods
- Establish a risk check-and-balance mechanism to ensure independent and effective management of environmental and social risks
- Develop environmental and social risk management tools to improve professional risk control capabilities
- Strengthen the basics such as data, systems and methods development
- Establish a sound environmental and social risk expert mechanism

Commitments to environmental and social responsibilities

- Strictly abide by Chinese environmental and social laws and regulations and operate in accordance with them
- Put more funds in sustainable projects that are conducive to identifying and eliminating economic, environmental and social risks, advocate financing for eco-protection, eco-improvement and green industries, and continue improving financial instruments
- Actively help the business partners who share our viewpoint on and commitment to sustainable development to tackle environmental and social issues, and provide them with suitable financial products and services
- Strive to build IB into a conservation-oriented enterprise, promote energy conservation, emission reduction and consumption reduction in internal management, and advocate environmental and social risk awareness in corporate culture
- Continue to focus on and improve environmental and social risk management measures, and conduct periodic reviews and revisions based on the changing external conditions and information to ensure the sufficient applicability of the Group’s environmental and social management system

Principles on environmental and social risk management



Process of environmental and social risk management



Environmental stress test

The Bank actively studied and explored climate stress testing, and participated in the testing organized by PBOC in 2021 to evaluate how much the carbon peaking and carbon neutrality goals will potentially affect IB’s credit assets. The testing focused on corporate clients in the thermal power, iron and steel, and cement industries whose annual emissions exceeded 26,000t CO2 equivalent, and examined how their loan repayment capacity would be affected if they were to be charged for their emissions. In reference to the carbon price curves in the domestic carbon emission market and in the Central Banks and Supervisors Network for Greening the Financial System (NGFS), the test designed three stress scenarios – light stress, medium stress, and serious stress – for a term of 10 years with the end of 2020 as the base period, on the assumption that the enterprises don’t carry out a low-carbon shift in the testing period and have no bargaining power over the upstream and downstream of the industry chain. The results show that if enterprises in thermal power, iron and steel, and cement industries don’t go low-carbon, their repayment capacity in the stress scenarios will be undermined to some extent, but the risks will be generally controllable. IB’s capital adequacy ratio met the regulatory requirement in all three stress scenarios.

Navigating investment for further structural adjustment

Investment in “resource industries of high pollution and high energy consumption & industries of overcapacity”

Resource industries of high pollution and high energy consumption & industries of overcapacity	Loan balance 2019 (RMB 100 million)	Proportion in corporate loans 2019 (%)	Loan balance 2020 (RMB 100 million)	Proportion in corporate loans 2020 (%)	Loan balance 2021 (RMB 100 million)	Proportion in corporate loans 2021 (%)
Textile, leather processing and papermaking	19.10	0.11	19.81	0.10	35.23	0.16
Manufacturing of chemical raw materials and products*	203.34	1.17	218.12	1.10	230.10	1.06
Rubber and plastic products*	8.72	0.05	8.97	0.05	12.00	0.06
Coking	12.55	0.07	17.50	0.09	14.59	0.07
Iron & steel	77.14	0.44	75.19	0.38	114.42	0.53

Resource industries of high pollution and high energy consumption & industries of overcapacity	Loan balance 2019 (RMB 100 million)	Proportion in corporate loans 2019 (%)	Loan balance 2020 (RMB 100 million)	Proportion in corporate loans 2020 (%)	Loan balance 2021 (RMB 100 million)	Proportion in corporate loans 2021 (%)
Cement	35.96	0.21	41.36	0.21	20.65	0.09
Plate glass	0.70	0.004	1.20	0.01	1.10	0.01
Polysilicon*	8.24	0.05	8.88	0.04	3.48	0.02
Electrolytic aluminum	108.72	0.62	128.05	0.64	122.5	0.56
Shipbuilding	1.00	0.01	0.92	0.00	0	0.00
Subtotal	475.47	2.73	519.99	2.62	554.07	2.55

Note: The “resource industries of high pollution and high energy consumption & industries of overcapacity” are classified according to the Notice on Adoption of Key Evaluation Indicators for Green Credit (YJBF [2014] No. 186) of the China Banking Regulatory Commission (CBRC). Statistics of the sub-sectors under industries marked with * are at our own discretion.

In 2021, to achieve the “30·60” goals and reduce the aggregate and intensity of energy consumption, the Bank intensified risk control in high-energy-consuming industries by refining the risk control system, and put in place a framework that “strictly contains high risks, reasonably keeps ongoing projects, promotes green shift, and urges structural improvement”. IB made sustained efforts to cut the proportion of loans to “industries of high pollution, high energy consumption and overcapacity” in its overall corporate loans from 2.73% in 2019 to 2.55% in 2021.

In 2021, the Bank, seizing the opportunity of supply-side reform, redesigned its credit policy to optimize the structure of clients and businesses in energy-guzzling industries, focusing on advantageous regions and quality entities. It also developed a portfolio of differentiated indicators for those industries, and classified existing high-value clients therein into three groups: “high risk”, “medium risk”, and “follow-up and others”, in order to carry out differentiated management combined with list-based management. Risk control over high-risk clients was particularly intensified.



Beijing Branch issues first energy supply bonds in China

In November 2021, to further support “carbon peaking” and “carbon neutrality” with finance and meet the financial needs for the transformation of traditional industries and the sustainable development of new energy industry, IB Beijing Branch, as the lead underwriter, issued the first batch of ultra-short bonds in 2021 of Fujian Huadian Furui Energy Development Co., Ltd. in the interbank market. It was the first-ever bond aimed at guaranteeing energy supply in the country. In recent years, IB Beijing Branch has successively issued green bonds for the top five power groups and their new energy subsidiaries. It issued for Huadian Fuxin the first equity-based carbon neutral bonds and the first “blue bonds” by a central enterprise; for Huadian Power International Corporation the first anti-pandemic asset securitization product; and for State Power Investment Corporation and Datang Commercial Factoring Co., Ltd. the carbon neutral asset-backed commercial papers.



Distributed PV projects increase in strides

In September 2021, IB Shanghai Branch granted a 15-year, RMB 81.4 million loan for a 40.6MW logistics park rooftop PV project by GLP-BROOKFIELD BLUESKY RENEWABLE ENERGY CO., PTE.LTD. The project will generate about 41.3GWh electricity, save around 12,995 tons of standard coal, and reduce 33,787 tons of CO2 emissions per year. It started a new page of nationwide rooftop PV cooperation between the two sides. IB Shanghai Branch granted loans for ten distributed PV projects of GLP-BROOKFIELD BLUESKY RENEWABLE ENERGY within the year, assisting in the low-carbon economic shift by combining green finance with inclusive finance.



Supporting green power procurement for a new chapter of low-carbon shift

In view of the demand for green electricity trade by State Grid Fujian Electric Power Co., Ltd., IB Fuzhou Branch has worked with it to push platform integration in recent years. The Branch introduced innovative, accurate financial services on its “e-Financial Services for Electric Sector” platform to serve the whole supply chain of multiple scenarios, including billing for power use, issuing and verifying letter of guarantee for power sale, and green electricity invoicing for power purchase. By the end of September 2021, IB Fuzhou Branch had granted nearly RMB 3 billion bill financing for the green power purchase of State Grid Fujian Electric Power. It also combined its “IB Supply Chain Finance” and “e-Financial Services for Electric Sector” platforms to provide financial services throughout the entire green supply chain, serving more than 50 enterprises engaged in the upstream and downstream of the real economy and saving them over RMB 10 million in financing cost.



Protecting bio-diversity through environmental protection and ecological amelioration

IB is the first Chinese bank adopting the Equator Principles. While practicing them, it has tried biodiversity protection measures in environmental and social risk management, and made environmental and social performance as a driving force to preserve the environment, improve the ecology, and protect and restore biodiversity.

On October 15, 2021, IB signed the Joint Declaration of Banking Sector to Support Biodiversity Conservation. Initiated by China Banking Association and signed and released at the Ecological Civilization Forum held in the first phase of the 15th Conference of the Parties of the Convention on Biological Diversity (CBD COP15), the Joint Declaration was aimed to fully explore and tap the banking sector's potential in investing in biodiversity and exert its supportive role in achieving eco-friendly, sustainable, green and inclusive development.

In 2021, IB released the Financial Service Plan for Biodiversity Conservation, which defined biodiversity conservation, sorted out typical projects and high-risk industries endangering biodiversity, and proposed to incorporate biodiversity as an aspect of preventing environmental and social risks. The Plan also made new requirements on financing statistics for biodiversity conservation, performance evaluation, and information disclosure.



Protect the wetland and biodiversity of Jiaozhou Bay



Qingdao Branch grants first wetland carbon sink loan in China

In 2021, IB Qingdao Branch granted the first littoral wetland carbon sink loan in China, an innovation of marine carbon sink business. The wetland carbon sink at Jiaozhou Bay was pledged for the RMB 18 million loan, which would be used to buy wetland plants with greater carbon absorption capacity to protect marine wetland and biodiversity, and help enterprises translate ecological value into economic value.



IB Qingdao Branch went to Jiaozhou Bay Wetland for on-site investigation



IB Qingdao Branch and Qingdao Jiaozhou Bay Shanghe Demonstration Zone Development Co., Ltd. negotiate the country's first wetland carbon sequestration loan business.



IB promotes Yangtze River protection to preserve aquatic habitats

IB made active efforts for the protection and utilization of water resources. By the end of 2021, it had granted RMB 90.223 billion green financing for environment-related enterprises in 13 provinces and cities along the Yangtze River, boosting the eco-conservation and high-quality development of the Yellow River Basin, with a balance of RMB 30.199 billion. It also created new business models to support the environmental remediation of key lakes and protect aquatic habitats.



CIIT creates first green charity trust in the theme of biodiversity conservation

On July 18, 2021, China Industrial International Trust Limited (CIIT), a subsidiary of the Bank, and China Environmental Protection Foundation jointly issued the first batch of "IB No.1 Green Charity Trust", marking the official operation of China's first green charity trust themed in biodiversity conservation. The product, following the theme of COP15, will support the publication of 100+ Biodiversity Positive Practices and Actions Around the World - Selected Highlights and the publicity of biodiversity conservation to drive it further home among the public.



Topic

Building a green bank in support of “carbon peaking, carbon neutrality”

In 2021, the Bank issued its Action Plan for Building a Green Bank (2021–2022), which was a “roadmap and working plan” for developing IB into a green bank. Specifying the main goals for the next two years and the key tasks of serving carbon peaking and carbon neutrality, the Action Plan aimed to cement the Bank’s “first-mover” s advantages” in green finance and foster an iconic green bank.

Strongly supporting clean energy to “mitigate pollution and emission”

To actively serve the goals of “carbon peaking and carbon neutrality”, IB put green finance on a higher strategic level, and continued to give more support to clean and renewable energies with a special emphasis on “pollution and emission mitigation”. In 2021, the Bank further optimized the credit policies for such industries as PV, wind power and hydropower, and its balance of green loans to clean energy industry reached RMB 75.893 billion at the end of 2021, up 92.38% from the beginning of the year.

In July 2021, the Bank released the “Notice on Promoting Distributed PV in Counties – Business Model and Work Requirements”. Leveraging its advantages in green finance management, IB’s Client Department and Green Finance Department integrated the investment, construction and M&A of PV stations into a package business; Transaction Banking Department provided all-round financing services throughout the industry chain; and Investment Banking Department continued to develop the green “equity + bond” business based on IB’s leading edge in the investment banking market. The retail line of business also actively tapped cooperation opportunities for distributed PV stations.

In November 2021, PBOC released an instrument to support emission reduction and the development of such key areas as clean energy, energy conservation, environmental protection, and emission-cutting technology. Making full use of this structured monetary tool, IB applied to PBOC and received the first batch of RMB 2.135 billion under the instrument, which corresponded to RMB 3.559 billion loans for 29 projects with considerable emission-cutting effects, including concentrated PV, distributed PV, and offshore wind power. The projects reduced the annual emissions by 544,618.73 tons of CO2 equivalent.



Chengdu Branch links “carbon footprint” with loan grant

On October 22, 2021, IB Chengdu Branch released a RMB 25 million loan linked with “carbon footprint” to Sichuan VANOVO New Material Co., Ltd., the first loan in the province that linked a company’s emission-cutting performance with financing cost. The loan rate will be lowered with the shrinking “carbon footprint” during production, and the debtor can make profits from carbon assets – the dual benefits can fully motivate the enterprises to cut emissions and better serve the “carbon peaking and carbon neutrality” goals.



“We will work with all walks of life to implement the new development philosophy and promote green development. Taking the opportunity of the launch of the national carbon market, we will act on the Initiative of Common Development of Global Carbon Market and the Initiative of Financial Sector Supporting the Construction of Shanghai International Carbon Finance Center, and contribute to achieving carbon peaking and carbon neutrality.”

—Keynote speech by Tao Yiping, President of IB, at China Carbon Trading Market Development Forum, July 16, 2021



IB grants first emission-linked loan to build distributed rooftop PV



In October 2021, IB granted the first loan linked with emission reduction – RMB 13.5 million for a 5.95MW distributed rooftop PV project. The loan rate was divided into several levels and entitled to different discounts according to the project’s volume of power generation or emission reductions.



Wuxi Branch cooperates with Wuxi Zero-Carbon Technology Industrial Park on low-carbon demonstration project

In December 2021, IB Wuxi Branch, Wuxi National Hi-tech District, and State Grid Wuxi Power Supply Company held the signing ceremony for the low-carbon demonstration project at Wuxi Zero-Carbon Technology Industrial Park. Centered on building a new type of micro grid, the three parties will jointly develop the project integrating solar power, energy storage, charging and connectivity, providing strong financial support for the achievement of “carbon peaking and carbon neutrality”.



Blue bonds support offshore wind power project

In 2021, IB, as the sole lead underwriter, launched the third issue of green medium-term note (MTN) of Huadian Fuxin Energy Limited Company of 2021, the first blue bonds in Fujian Province. Money raised from the two-year, RMB 1-billion bonds will be used to build the offshore wind power project in Haitan Strait in Fuqing, which will reduce 1,766,400 tons of CO2 emissions and save 798,100 tons of standard coal per year when completed.

Focusing on climate investment and financing with innovative carbon finance services

In 2021, IB issued the “Green Finance Promotion Plan for Guiding Investment and Financing in Response to Climate Change” to mitigate climate change risks by launching targeted financial services. In light of the Bank’s overall strategy of green finance development, IB identified key areas of work, made deployments and adopted specific measures to promote climate-related investment and financing.

Aiming at “carbon peaking and carbon neutrality”, IB has placed equal emphasis on its functions both as a commercial bank and an investment bank, and has been a pioneer in carbon finance and the realization of ecological values with a long list of “firsts”: the first “carbon neutrality bonds”, first forest ticket pledge loan, first carbon emission right pledge financing registered at China Carbon Emission Registration Clearing Co., Ltd. (ChinaCRC), first carbon sink loan with forward carbon sink products as underlying assets, first carbon neutrality bonds, first debt financing program of carbon neutrality M&A, first carbon neutrality bonds based on equity contribution, and first carbon neutrality bond index structured deposit. They strongly promoted the construction of the carbon emission market and continuously improved the carbon finance product system.



IB branches grant first carbon emission quota pledge loans in national carbon market

In July 2021, on the very day that China Carbon Emission Trade Exchange (CCETE) started trading, IB Hangzhou Branch granted an RMB 10 million loan for an environment & energy company in Zhejiang, and IB Harbin Branch granted an RMB 20 million loan for a co-generation company in Heilongjiang. The two loans, with carbon emission quota as the pledge, straightened out the process and procedures for this type of loans.



First marine fishery carbon sink deal in China

In 2021, IB Xiamen Branch entrusted Xiamen Property Rights Trading Center to buy the first marine carbon sink through the “Blue Carbon Fund”. Using the mangroves method, the Center completed the 2,000-ton marine carbon sink deal based on a mangroves restoration program, indicating a substantial breakthrough in Xiamen’s efforts to get a head-start in marine carbon sink. The carbon sink bought by the branch was used to offset the carbon emissions generated during the flights of the first batch of “carbon neutral tickets” jointly launched by IB and Xiamen Air.



Topic

Promoting green operation in response to climate challenge

Operating data	2021
Supplier review rate (%)	100
Engagement of external experts in bidding & procurement (%)	83.47
Percentage of new suppliers selected using environmental standards (%)	100
Water use in offices (ton)	270,502.11
Power use in offices/Electricity purchased (kWh)	68,764,503.55
Paper use in offices (ton)	15.33
Harmless wastes - kitchen wastes (ton)	765.23
Emission of carbon dioxide office (Scope 1 and Scope 2) (ton)	41,956.16
Direct emission of carbon dioxide office (Scope 1) (Ton)	1,804.56
Indirect emission of carbon dioxide office (Scope 2) (Ton)	40,151.59
Direct energy consumption - natural gas usage (m3)	650,839.67
Direct energy consumption - fuel use by official cars (L)	162,926.91
Indirect energy consumption (mWh)	68,764.50
Number of transactions not conducted over the counter (10,000)	70,328.03
Switch of financial transactions to e-channels (%)	96.46
Percentage of video-meetings in total meetings (%)	63.93
Video equipment coverage (%)	100

*The statistics here cover the head offices in Fuzhou, Beijing, and Shanghai.



Establishing a working system for green operation

System construction

IB formulated the "Notice on Promoting Green Operation Across the Group" and "Regulations on Green Office Work";

Green concepts

IB laid down basic norms for green operation, advocated green and environmental concepts, stepped up efforts of energy conservation and emission reduction, and lived up to its green commitments;

Management measures

IB called for saving electricity, water and paper, recycled wastes, and installed energy-saving facilities;

Green results

IB reduced the GHG emissions. The building energy saving rate of Fuzhou Headquarters is 54.23%, and it was certified as a two-star green building.

Conducting carbon verification across the Group

IB issued the Notice on Conducting Carbon Check and Carbon Verification Across the Group, formed a green operation taskforce on the Group level, and organized Group-wide training on how to collect and fill in the carbon data. The check and verification gave IB a clear idea of its carbon emissions, laying the foundation for it to work out energy conservation and emission reduction plans and enhance its capability of environmental protection and green operation.

Continuing sustainable procurement

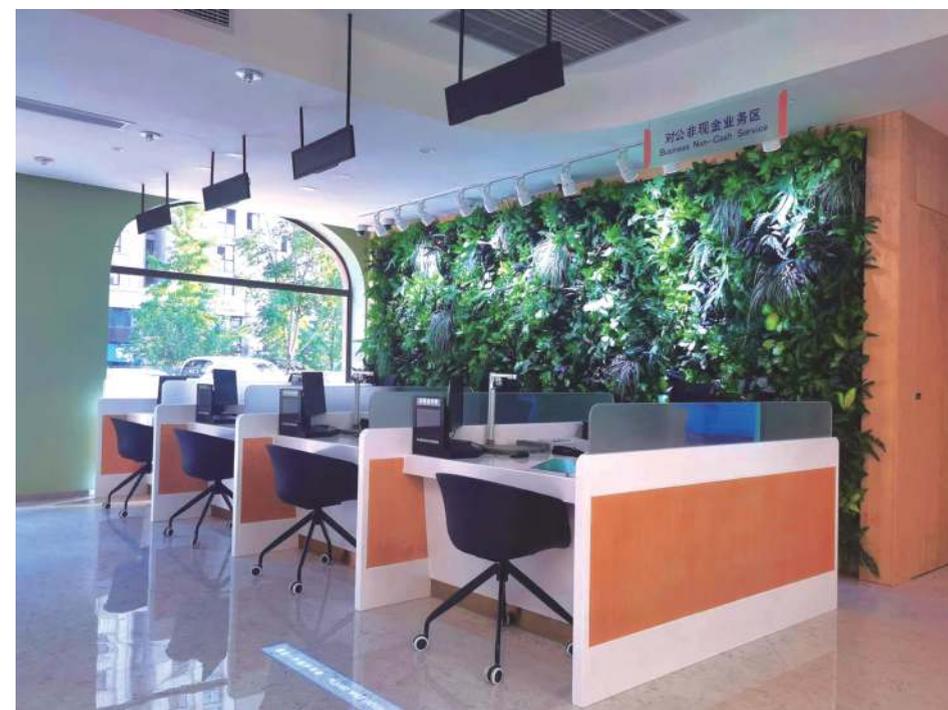
The Bank carries out rigorous reviews of suppliers in terms of production safety, environmental certification, and labor protection, and creates a procurement and physical assets management system to better manage information on the suppliers' environmental and social performance.

Building green outlets to assist in green development

In 2021, IB's Hangzhou and Xining branches tried to build "green branches" and "carbon neutral outlets" in an attempt to achieve "carbon neutral" operation and offer innovative green financial products and services.



Changxing Green Sub-branch adopted green raw materials for decoration.



Changxing Green Sub-branch—Green wall as the ecological purification system



Huzhou Branch builds first "carbon neutral" outlet

On December 29, 2021, IB's first "carbon neutral" outlet - Changxing Green Sub-branch in Huzhou - was open for business. Internally, the sub-branch formulated a systematic operating plan for achieving "carbon neutral" operation through a variety of means; externally, it designed a showroom to communicate green information and projects and deliver to the public, in multiple angles, the Bank's green financial practices and great prospects toward "carbon peaking and carbon neutrality".



Changxing Green Sub-branch of Huzhou Branch



Case study Xining Branch forms first green sub-branch in the city

In 2021, IB's Chengdong Sub-branch became the first green sub-branch in Xining and one of the first in Qinghai Province. Putting clients in the center and oriented toward the green finance market, the sub-branch actively rolled out innovative products and unique services to meet the clients' differentiated needs for green financing. Upholding the principle of "controllable risks, sustainable business", it strongly develops green finance, prevents environmental and social risks, and serves the green industry, showing great commitment to green, circular and low-carbon economic development.



Case study Zhaoqing Branch promotes "green and low-carbon development with modern technology"

Following the "green and low-carbon" concept, IB Zhaoqing Branch was designed and decorated in strict accordance with the requirements for carbon-neutral outlets. Green materials were used and recycled, and other innovative low-carbon environmental measures adopted. Green plants were part of the background wall in the service hall to purify the air and reduce GHG emissions, and make-up air system was installed in the enclosed office space to ensure ventilation and good air quality. Floor-to-ceiling curtain walls allowed in natural light and view, while the use of energy-saving heat-insulating glass film resulted in a temperature difference of $\pm 5^{\circ}\text{C}$ indoors and outdoors and an energy efficiency improvement of 10%–20%, theoretically. On the day of its inauguration, IB Zhaoqing Branch officially became the city's first "carbon neutral" outlet and received three "carbon neutrality" certificates for decoration, the inauguration ceremony, and planned operation.

Coping with climate challenges through proactive environmental information disclosure

On July 14, 2021, IB Shenzhen Branch took the lead in issuing the 2020 Report on Environmental Information Disclosure. It was the first key regional branch of a national bank that issued such a report, and the report was the first that disclosed the methods and results of measuring the carbon footprint of some of the investment and financing activities by a commercial bank.

The report was based on the Guidelines for Financial Institutions on Disclosing Environment Information (Trial) released by PBOC's Financial Standardization Technical Committee, complied with the Regulations of Shenzhen Special Economic Zone on Green Finance, and referred to the Advisory Report by Task Force on Climate-Related Financial Disclosure (TCFD). It showcased Shenzhen Branch's resolution to pioneer green finance and strive for sustainable development in the local region, and the effects of its efforts to contribute to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the pilot demonstration area of socialism with Chinese characteristics.

Earth Hour

In 2021, IB continued to carry out the annual Earth Hour event (a one-hour blackout from 20:30 to 21:30 on the last Saturday of March), and organized, in collaboration with its Labor Union and Legal and Compliance Department, the "Happy Walking, Voice for the Planet" activity that measured individual emission reductions with how many steps they walked. Being the first Chinese bank to adopt the Equator Principles, IB has joined Earth Hour for 11 consecutive years. We believe in everyone's efforts being a key element for a successful eco-environmental campaign. "Happy Walking, Voice for the Planet" registered 209.41 million steps in total, equivalent to cutting 34,762.29kg CO₂ emissions.



- Topic 107 Advancing rural vitalization comprehensively to consolidate anti-poverty achievements
- 112 Developing inclusive finance to improve people's living standards
- 116 Developing the housing scenario to promote healthy development of rental housing market
- Topic 117 Narrowing "Digital Gap" with elderly-friendly financial innovations
- 119 Better help for the people under "IB CARES"
- Topic 123 Combatting the pandemic by stabilizing financial supply
- 125 Protecting employees' rights and interests for common growth
- Topic 131 IB forms CPC School to foster high-caliber officials

Giving Back to the Community

Topic

Advancing rural vitalization comprehensively to consolidate anti-poverty achievements

	2021
Number of outlets in rural areas and counties	237
Number of self-service terminals in rural areas (including ATM\POS\Smart Counter)	4,483
Balance of agriculture-related loans (RMB 100 million)	4,761.69
Increase from the end of previous year (%)	10.67
Balance of inclusive agriculture-related loans (RMB 100 million)	279.9
Increase from the end of previous year (%)	79.56
Balance of loans for new-type agricultural entities (RMB 100 million)	311.78
Increase from the end of previous year (%)	14.51
Number of paired-up villages	68
Number of resident officials in villages	59
Donations to paired-up villages (RMB 10,000)	>700

The year 2021 marked the beginning of China's rural vitalization campaign. Following the CPC Central Committee and the State Council's decisions and deployments to consolidate the anti-poverty achievements and vitalize the countryside in parallel, IB made strenuous efforts to support the work with sound financial services. In 2021, the Bank formed the "leading group of the Head Office for consolidating the results of poverty alleviation through financial development and boosting rural vitalization". Leaders of the Bank personally visited villages, enterprises and projects as part of the inspection for rural revitalization.



October 31 to November 1, 2021, IB Chairman Lyu Jiajin led a team to Sanming to conduct research on rural revitalization

The Bank issued the "Guiding Opinions on Consolidating and Expanding the Anti-poverty Achievements and Promoting Rural Vitalization Comprehensively" and other documents. It also rolled out the seven-pronged business strategy in light of its development strategy and business layout, and specified the general requirements, goals and direction of its rural vitalization work.

♥ IB “chip” used in rural financial institutions ♥

		2021
Technological support through Bank–Bank cooperation	Number of rural commercial banks, town–based banks and private banks that IB signed contracts with	421
	Number of rural commercial banks, town–based banks and private banks actually in Bank–Bank cooperation	195
	Cumulative number of small and medium–sized banks in Bank–Bank cooperation	263
	Cumulative number of town–based banks in Bank–Bank cooperation	239
Proxy sales of wealth management products	Cumulative number of Provincial Rural Credit Cooperatives Unions in cooperation with IB	21
Support for rural vitalization and economic development	Credit granted to rural financial institutions (RMB 100 million)	>1,800

Based on its exclusive Bank–Bank platform, IB strongly promoted payment and settlement services, financial cloud, and other technological resources to help rural financial institutions reinforce financial infrastructure and continuously enhance their capability of serving rural vitalization. At the same time, the Bank continued to work with medium–sized and small banks on selling “Wealth Cloud” wealth management products, along with corresponding services, in tier–3, tier–4 cities and rural areas, with a view to increasing the property income of local residents, boosting rural vitalization, and driving common prosperity.



♥ Building “green + inclusive” ecosphere to support green rural industries ♥

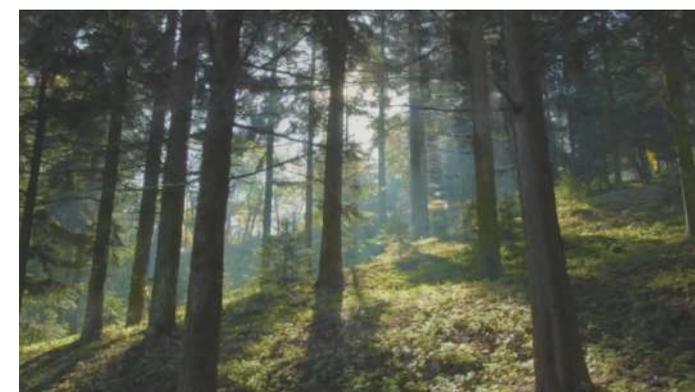
IB has fully exerted its advantages in green finance to answer the call for building an ecological civilization. In recent years, it has signed strategic cooperation agreements on green finance with Inner Mongolia, Gansu, Qinghai, Xinjiang, Guizhou, Yunnan, and other provinces and autonomous regions. The Bank pledged to grant more than RMB 300 billion green financing within the valid term of the agreements to support projects such as the treatment of black and odorous water bodies in rural areas, water supply integration between urban and rural areas, circular and green agricultural production, and national rural industry demonstration park. Moreover, it has also made great efforts to help build a beautiful countryside by promoting eco–environmental protection, fostering green industries, and improving the living environment.

Case study Ningbo Branch supports countryside’s green and low–carbon transformation with PV loans

In October 2021, IB Ningbo Branch granted the first loan for promoting distributed PV projects in Ninghai county. The first batch of RMB 40 million would be spent on the new energy demonstration project by Ninghai Power Plant of China Energy Investment Corporation (China Energy) and on the rooftop PV project by Ninghai County’s Development and Reform Bureau. It was a solid step to support Zhejiang’s county–level PV efforts for a green and low–carbon countryside.

Case study Sanming Branch grants first forest ticket pledge loan

On April 2, 2021, IB Sanming Branch granted a RMB 1.49 million forest ticket pledge loan to Yang, an individual client, who pledged his forest tickets for the loan to buy nursery stock. This was the first loan of this kind in the country and it helped farmers obtain loans even without collaterals.



♥ Creating “Internet + platform” service mode to cover the “last mile” in rural areas ♥

Giving full play to the advantages of “Financial Services Cloud” platform in aligning with policies, IB launched the “digital rural vitalization” column on the platform along with four sections – “digital farm”, “green home”, “agricultural financing on cloud”, and “farmland to fortune”. In Anxi, Fujian Province, IB’s “tea loan” and “tea farmer loan” not only met tea growers’ financial needs most speedily, but also helped them sell their tea leaves and increase farmers’ income. By the end of December 2021, IB had granted RMB 3.116 billion financing for 55 agricultural enterprises on “Financial Services Cloud”.

♥ Exploring “bank + e-commerce” mode to bring “mountain goods” to cities and increase farmers’ income ♥

	2021
Number of stores of agricultural products on IB’s e-commerce platform “IB CARES”	43
Number of provinces/autonomous regions covered by “IB CARES”	18

Fully tapping the advantages of online channels, IB opened the “IB CARES” to explore the “bank + e-commerce” mode in order to bring “mountain goods” to cities and increase farmers’ income. In addition to Aksu apples, rice from Jilin’s Helong, tea leaves from Fujian’s Zhenghe, and other local specialties from rural areas that have just stepped out of poverty are also registered on IB’s e-commerce platform, riding the waves of e-commerce to reach the clients.



Developing inclusive finance to improve people’s living standards

♥ Supporting private, small and micro enterprises ♥

	2021
Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million)	9,457.34
Number of SME loan clients	165,871
Balance of loans for private enterprises (RMB 100 million)	9,425.89
Number of private enterprises obtaining loans	39,596

In 2021, following the decisions and deployments of the Central Economic Work Meeting for advancing stability on the six fronts and security in the six areas, the Bank continuously enriched its product lineup, adhered to the direction of digitalization, and paid more attention to supporting tech-innovation enterprises. It worked hard to provide better and more efficient financial services for small and micro enterprises, being honored as the “Bank of Outstanding Contributions in Fujian Province for Serving Private, Medium-sized, Small and Micro Enterprises”.

/ Enriching the product lineup /

Online products

IB launched the “IB Inclusive Quick Easy Loan”, an online financing brand customized to serve small and micro enterprises (legal persons). It also developed “Quick Easy Loan” products for various scenarios, such as for transactions with Huawei, Yipinjia, Xiashang Aquatic Products, and Lianshi Shopping Mall, to continuously enrich and refine the lineup.

Offline products

IB initiated the “IB Preferential Loan” product system, which had 16 kinds of loans to meet various personal financial needs, such as “decoration loan”, “startup loan” and “equipment loan”. By the end of 2021, the balance under “IB Preferential Loan” stood at RMB 203.103 billion, an increase of RMB 62.266 billion from the beginning of the year.

Steady digitalization

Creating the "IB Inclusive" platform

Upholding the concept of providing both financial and non-financial services, IB created the "IB Inclusive" platform that consisted of six categories of inclusive financial services – cloud financing, cloud account opening, cloud registration, cloud payment, cloud agent accounting, and cloud wealth management – known as the "Six Clouds". It also created the new service mode of "IB Inclusive + platform economy" that featured "platform connection, scenario integration, online access, and cloud services". By the end of 2021, the platform had cumulatively received from 77,200 users 96,000 applications for the total amount of RMB 208.8 billion, of which 38,200 users' applications had been pre-approved to the tune of RMB 94.826 billion. "IB Inclusive" was connected with 274 external platforms.



Supporting tech-innovation enterprises

IB continued to carry out the "ZMKH Sci-tech Innovation Little Giant" program, whereby the Head Office, branches and sub-branches worked in coordination to tailor all-round financial service plans for clients. It upgraded the "Interactive Investment Loan" products and joined hands with white-listed equity investment institutions to provide clients with one-stop financing services involving both stocks and bonds. It also worked with the government's science and technology departments, high and new technology industrial parks, and securities exchanges to form a service ecosphere to promote the sound development of tech innovation clients.

Assisting in entrepreneurship

	2021
Balance of loans for individual entrepreneurship/business owners (RMB 100 million)	2.44
Loans for individual entrepreneurship/business owners released in the current year (RMB 100 million)	0.70
Number of people benefiting from loans for individual entrepreneurship/business owners	255

IB encourages its branches to communicate with local finance, human resources, and social security departments, and provide secured loans for startups in accordance with the regulations of local PBOC branches and relevant government departments, so as to meet individual entrepreneurs' capital demand. IB also supports its branches to align with local finance departments and provide more credit line for their anti-poverty programs.

Building community sub-branches

	2021
Number of community sub-branches	829

Having more community sub-branches not only expanded the coverage of IB's financial services physically, but brought tangible benefits and conveniences for community residents and businesses. In 2021, the Bank built "IB CARES" stations at all community sub-branches. It regularly organized activities with the property management of surrounding communities or with nearby businesses, and held regular classes on inclusive finance, telling the clients how to debunk fraud and counterfeit money. Some outlets even offered services such as express delivery and tea break.

Providing consumer financing services

	2021
Balance of consumer credit (RMB 100 million)	602.01
Number of clients receiving consumer credit (10,000)	153.36

Taking advantage of fintech such as big data and remote video, IB launched the "IB Speedy Loan", an online micro consumer loan, on the basis of its offline consumer loan business, and continued to connect it with government channels for provident fund, social insurance, and taxes, so as to provide easy and speedy consumer credit services.

♥ Building urban service platforms ♥

As finance, technology and industry are increasingly integrated, IB has made sustained efforts to meet diverse customer needs, focused on key livelihood sectors such as medical care and education, and accelerated the development of service scenarios.

Scenario - education

IB launched the Education Cloud in April 2021 that facilitated payment to schools and provided “one-stop”, scenario-based services to clients in the educational sector. By the end of December 2021, the platform had 353 such clients, including universities and kindergartens.

Scenario - medical service

Paying close attention to the “Internet Plus” trend in the medical and health sector, IB developed the medical payment service platform that enabled medical institutions to receive payments through multiple channels and check accounts, improving their operating efficiency and fostering a medical brand of the Bank. By the end of December 2021, 39 medical institutions had registered on the platform.

Scenario - public utilities

IB developed and continuously upgraded the “IB Life” payment platform that targeted public utilities such as water, natural gas, heating, property management, and broadband services providers as well as their users. The platform offers a wide range of online/offline value-added services. Users can swipe a card, scan a code, use a third-party payment channel, APP or Applet, or access the public WeChat account or bespoke payment services of government organs or public utilities; they can also get e-invoice and enjoy preferences when paying with IB card.

Developing the housing scenario to promote healthy development of rental housing market

Responding to the state policy that “houses are for living, not speculation”, IB, leveraged on its integrated and technological advantages, created a rental housing service chain to provide differentiated services in this new sector. The chain has evolved into an ecosphere where the government (G), businesses (B) and tenants (C) could interact with each other.

- ▶ IB launched a series of benchmark demonstration projects, including the first REITs for public rental housing in China, loan for rental housing renovated from non-residential housing, construction loan for real estate developers who develop a certain percentage of rental housing, and the rental housing financing program at Beijing Financial Assets Exchange.
- ▶ IB set up a system and connected it with the rent regulatory platform to realize full-process capital management from the lessor’s account registration to refund for lessees. The rental housing supervision and service system, with full coverage in cities such as Shenzhen, Hangzhou, Dalian and Nanhong, has promoted the sound development of local rental housing market.
- ▶ In October 2021, IB launched the “IB E Home” platform that encompassed smart property management and community services in 19 provinces and autonomous regions, thus achieving a platform integrating rental housing and smart community.



Shenzhen Branch empowers small and medium-sized rental housing enterprises with “finance + technology”

IB Shenzhen Branch launched the Bank’s exclusive, customized “IB Home” rental housing management system to facilitate financing for small and medium-sized rental enterprises through technical empowerment. The autonomous and controllable system will be developed into a rental housing ecosphere comprising the government (G), companies building and operating the rental housing (B), tenants (C) and auxiliary service providers.

On the C end, IB developed for the tenants all-round “Financial Plus” services covering all kinds of retail scenarios.



On the G end, the platform is connected to the housing and urban-rural development system for online application.

On the B end, IB launched the inclusive “IB Home Loan” to help enterprises finance their rental properties.



Topic

Narrowing “Digital Gap” with elderly-friendly financial innovations



♥ Accessible mobile banking services ♥

The Bank offers simple and easy mobile banking services with eye-catching main channels and functions, oversized fonts for functions frequently used by seniors, and elderly-friendly processes and interactions. The Messenger service is available for multiple cellphone numbers simultaneously, so that elderly customers and their families can all receive account updates to ensure capital security.

♥ Exclusive value-added services ♥

The Bank provides elderly customers with the following exclusive value-added services: delayed payment of remuneration, performance security fund program, pension trust program, and other account management services concerning employee benefits; online legal counseling, review of legal document, lawyer recommendation, will service, and other legal consulting services; personal accident insurance, family property insurance, and deposit insurance services; recommendation of elderly care community in conjunction with established elderly care institutions in China.

♥ Facilitating payment with bank card ♥

The Bank launched a campaign to redress the refusal of payment with bank card. We explained relevant policies and put up posters to guide stores using our services to accept payment with bank card. We also organized inspections in various forms among stores more frequently visited by elderly consumers.

♥ Further cutting fees ♥

On September 16, 2021, Industrial Bank and American Express jointly issued an Anyu debit card especially for customers aged 50 and more, who are entitled to a series of services: free Messenger services, free domestic inter-bank ATM withdrawals (first ten transactions monthly), free overseas ATM withdrawals (first three transactions monthly), etc. The card further enriched IB’s Anyu-themed financial services for the elderly.

♥ Financial education and activities for the elderly ♥

The Bank’s Anyu Club organizes activities appealing to the elderly, including lectures on health and legal knowledge. Some branches have launched the “Anyu Class for Seniors” to help them form hobbies and interests to liven up their retired life.

The Bank carries out extensive publicity to popularize smart payment among elderly customers, telling them how to use it safely in ways easy to understand, such as with short video and WeChat-based pictures, making them adept users of smart devices.



IB organizes education and publicity activities on the protection of the elderly’s rights and interests, focused on financial products and services frequently used by them and anti-fraud tips. In reference to the ten typical cases in point released by the Supreme People’s Court, we launched such a publicity campaign across the Bank on and around March 15, the period highlighting the protection of consumer rights. Based on the Anyu Elderly Academy set up by community branches, we have organized financial lectures in communities and elderly colleges, and worked consistently with them to host non-profit financial activities.

Better help for the people under “IB CARES”

	2021
Number of volunteers (person times)	55,060
Length of volunteer activities (hours)	60,596
Annual external donation expenditure (RMB 10,000)	6,999.43
Number of people benefiting from IB’s charity programs (person times)	66,433
Donations for post-disaster reconstruction (RMB 10,000)	1,000

♥ Donations to education ♥

Based on the whole Group’s resources, IB set up the “IB Charitable Stipend”, “IB Scholarship for Next Generation”, “IB Special Education Fund”, and other educational funds. By the end of 2021, it had donated more than RMB 100 million to support education, helping more than 100,000 students achieve their dreams. Of that, RMB 30 million was from “IB Charitable Stipend”, which is one of the social student aid programs of the longest term and largest amount in Fujian Province, providing substantial support for the student aid programs of the five universities in the province.



IB launches free lunch program by donating credit card points

In 2018, IB Credit Card Center and China Social Welfare Foundation kicked off the “Free Lunch Program” for children in impoverished areas through donation of credit card points. In July 2019, the function came online on WeChat, and was promoted through WeChat’s Moments and account update in 2021. By the end of 2021, IB clients had cumulatively donated 706.5 million credit card points, equivalent to RMB 706,500, which could be used to provide 177,000 free lunches for the children.





“IB Talent Program” helps tens of thousands of college students

IB’s subsidiary Industrial Consumer Finance Co., Ltd. sponsors students from financially straitened families in rural areas through the “IB Talent Program”. By the end of 2021, the program had released RMB 1.138 billion higher education loans for more than 33,500 families, over 65% of which were in rural areas. It had also granted RMB 487,500 stipends to 195 financially difficult students, 68.6% of whom were from rural areas. This new mode of “Bank–education” cooperation was highly affirmed by the educational authority and the society.

♥ Helping those in need ♥



“IB CARES” station benefits the people

In 2021, IB rolled out at its more than 2,000 outlets nationwide the “IB CARES” stations, which provide free facilities and services for certain groups, and regularly carry out themed activities such as “Considerate Service”, “Red Position”, “Helping the Elderly and People with Disabilities”, and “Friendly Neighbors”. The Bank also organized events in the theme of “Summer Care”, “Caring for the Elderly”, and “Happy Laba Festival”, under which the branches conducted various events on their own.



IB donates to charity for people with disabilities

In August 2021, IB donated RMB 600,000 to Fujian Provincial Foundation for Disabled Persons to support charity for people with disabilities, and the money was used to help families that had multiple members with disabilities improve their living conditions, which was part of the “A Good Life for All” program. In November, the Foundation conferred to IB the certificate of donation and a plaque in honor of its contributions to the province’s charity for the disabled.



IB conferred “Certificate of Honor for Major Contributions to Poverty Alleviation”

Since 2015, IB has allocated a special fund to sponsor the “College Dream Fulfilling Action for the Disabled” jointly initiated by Fujian Provincial Foundation for Poverty Alleviation, Fujian Provincial Bureau of Finance, and Fujian Provincial Federation for People with Disabilities. Through the program, the Bank has covered all the tuition fees needed to go to a full-time regular college (either for a junior college degree or bachelor’s degree) for students with disabilities and students from families that lived on subsistence allowances and had members with disabilities. At the end of 2020, IB was conferred the “Certificate of Honor for Major Contributions to Poverty Alleviation” at an experience-sharing meeting convened by Fujian Provincial Foundation for Poverty Alleviation and Fujian Poverty Alleviation and Development Association, the only financial institution winning this honor. In 2021, to further fulfill its CSR and help more students, IB donated another RMB 1 million to those two organizations for a new round of student aid (2021–2025).

♥ Disaster relief ♥

In August 2021, Henan Province was hit hard by extreme downfall. Implementing the important instructions given by General Secretary Xi Jinping on flood control and disaster relief, IB, putting people’s life first, rolled out several measures to financially support flood prevention, disaster relief and post-disaster reconstruction. It also donated RMB 10 million to Henan Charity Federation, standing by the people of Henan through the tough period and helping them in reconstruction and pandemic containment.

During the disaster, IB branches – both in physical outlets and online services – worked hard to guarantee basic financial services, and opened up their premises to help nearby flood-hit residents. The Bank also activated the emergency response mechanism to ensure the efficient and timely release of disaster relief funds, and opened green channels to provide exclusive services, primarily meeting the financing needs of entities working for disaster relief, reconstruction, and livelihood guarantee. More inclusive financial resources were allocated to small and micro enterprises by delaying their repayment of loans, granting their application for credit line, and lowering their financing cost. IB reduced loan rate, adjusted interest period, offered loan rollover, and allowed delay in principal repayment for clients who had difficulty in repaying the loan because of the disaster, helping the affected enterprises and individuals weather through the hard times.



Topic

Combatting the pandemic by stabilizing financial supply

Anti-pandemic combat	2021
Total donations for fighting COVID-19 (RMB 10,000)	3,273

In 2021, IB branches, while working hard on their own pandemic prevention and control, took multiple measures to provide solid financial services for the pandemic-hit clients and enterprises. In particular, it took proactive and responsive steps to coordinate the financial services for pandemic containment and economic and social development in Fujian Province, going all out to contribute to the anti-pandemic battle.

/ Holding the position without slacking /

IB took its premises as a key target of pandemic prevention and control. It demanded rigorous anti-pandemic measures at all outlets, and asked them to strictly comply with relevant requirements to prevent transmission at their counters. Following the Head Office's deployments, IB branches implemented a range of anti-pandemic measures concerning the environment, personnel, and supplies, ensuring a safe business environment for clients without blind sides.

/ Keeping up financial services /

In 2021, IB, by improving its emergency plans and carrying out emergency drills, effectively reduced the potential effects on business sustainability caused by the recurrence of locally transmitted infections. It also provided timely guidance and assistance to affected institutions when regional pandemic control measures were upgraded. In terms of fintech, the Information Technology Department worked out a complete technical plan for remote work at the Head Office and branches, guaranteed sci-tech support at key prevention and control areas, and fortified the remote disaster recovery environment for the branches' important information system.

In the meantime, IB branches across the country quickly set up online and offline channels to make sure financial services would not be disrupted during the pandemic. Considering the restrictions on personnel movement and to avoid crowding at outlets, IB employees offered door-to-door services and online services such as issuing wage cards and handling personal operation loans, striving to strengthen pandemic prevention and control and sustain financial services in parallel during such a special period.



/ IB's battle against the pandemic /

The Bank formed tens of "Party Member Vanguard" and "Young Commandos" and made pandemic prevention and control a starting point and purpose of "serving the people". Party members played an exemplary role in supporting the battle against the pandemic by taking part in volunteer activities and donating anti-pandemic supplies, taking concrete steps to deliver strengths from the financial sector.



IB helps fight against the pandemic in Fujian Province



After the pandemic broke out in Fujian in September 2021, IB comprehensively implemented the decisions and deployments made by CPC Fujian Provincial Committee and Fujian Provincial Government. On the one hand, it improved its prevention and control plan on a rolling basis according to the actual situation to ensure the life safety and health of employees and clients alike. On the other hand, it kept business on, perfected the emergency plan and carried out emergency drills. At the same time, IB worked at full tilt to keep basic financial services uninterrupted, actively met financial needs for anti-pandemic work, and gave more financial support to affected enterprises.

Protecting employees' rights and interests for common growth

	2021	
Staff overview	Number of employees	57,428
	Number of new employees	5,284
	Number of female employees	31,146
	Male-to-female structure of employee gender	46:54
	Ratio of high and middle-level managerial personnel (%)	5.74
	Ratio of men to women in middle and senior management	2.17
	Three-year average ratio of females in high and middle-level managerial personnel (%)	31.22
	Ratio of employees with undergraduate education or above (%)	86.5
	Number of ethnic minority employees	2,258
	Ratio of staff with minority nationality (%)	3.93
Staff benefits	Number of non-mainland employees	214 (including 183 from Hong Kong SAR)
	Social insurance coverage (%)	100
	Ratio of employees signing labor contract (%)	100
	Coverage of housing provident funds (%)	100
	Ratio of employees protected by collective agreement (%)	100

♥ Staff rights, interests, and benefits ♥

	2021
Labor Union coverage (%)	100
Number of employees receiving physical examination	48,126
Amount of disaster allowances (RMB 10,000)	51.69
Amount of medical aid (RMB 10,000)	156.28
Amount of living subsidies (RMB 10,000)	198.87
Number of employees receiving assistance (person times)	755

Environment of diversity

IB believes in "people first" and creates a working environment that's fair, just, pluralist and harmonious. In strict accordance with national laws and regulations, IB has worked out recruitment regulations and provided equal job opportunities for all candidates. It opposes employment discrimination and explicitly prohibits the employment of child labor and forced labor. The remuneration system follows the basic principle of "pay for value of post and contributions" and "equal pay for equal work" regardless of gender and ethnic group.

Rights and interests protection

Following national laws and regulations, IB protects all kinds of rights, interests and benefits for employees. It has signed labor contracts with them, paid social insurance and housing provident fund for them, and stipulated paid annual leave for them in accordance with state rules.

Care for employees

IB firmly protects the employees' basic rights and interests and guarantees their right to take leaves of all kinds as required by state policies. In 2021, the Bank extended maternal leave and added childcare leave for employees according to local rules. To date, childcare leave has been approved 92 times at the Head Office, and IB branches and sub-branches are encouraged to follow local policies in the protection of employees' rights and interests. Moreover, the Bank pays close attention to employees' mental health and provides timely counseling to help them release pressure and stay psychologically healthy.

♥ “Voice of IB” forum for employees ♥

The Bank has created the online platform “Voice of IB” to collect opinions and suggestions from employees and conduct democratic management. It is a bridge of communication between the Bank’s CPC Committee and the employees that not only helps the former understand what the latter needs, but also pools the latter’s wisdom, forges cohesion among them, and protects their interests. On this platform, employees can air their views with or without leaving their names, to which relevant departments should reply timely and efficiently. During the trial operation in the ten departments of the Head Office, five branches and one subsidiary, “Voice of IB” collected 1,090 pieces of opinions and suggestions concerning eight aspects – strategic planning, operation management, HR, logistics support, Party and mass work, digitalization, complaints, and others. They received 4,430 comments, more than 3,800 reads on daily average, and nearly 830,000 reads cumulatively.

The “Voice of IB” platform encourages employees to air their views and make suggestions, pulls together their wisdom, and promotes the Bank’s business development and management improvement. It also opens a channel for the employees to extensively engage in democratic management and supervision, and makes it easy for the Head Office’s CPC Committee to understand what the employees think and answer to their demands in a timely manner, thus strengthening the bond and connection between the Party and the people.



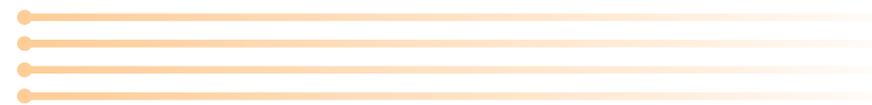
Case study IB holds conference celebrating 33rd anniversary and awarding those making outstanding contributions in 2020

On August 27, 2021, IB held a conference in Shanghai celebrating its 33rd anniversary and awarding those that made outstanding contributions in 2020. The Bank set the Outstanding Contribution Award – its highest honor – in 2021 to commend individuals and units that have pioneered and innovated with commitment and dedication to drive IB forward. Their example will give the officials and employees of the whole Group a keener sense of responsibility, mission, and honor, and inspire them to live up to their mission with passion and perseverance and strive for the new glory of a first-class and flourishing IB.

President Tao Yiping announced the decision made by the CPC Committee of the Head Office on handing out the Outstanding Contribution Award for 2020, and Chairman Lyu Jiajin conferred the Certificate of Honor and trophies to the award winners. The winners were four units and two individuals: equity investment team of CIB Wealth Management, enterprise annuity team of the Head Office, corporate project team of “Financial Services Cloud”, institutional reform team of CIB Fund Management, head of IB Wuhan Branch Liu Bingwen, and General Manager Hua Bing of Legal & Compliance Department of the Head Office. Both Chairman Lyu and representatives of the awardees gave speeches.

♥ Staff training ♥

	2021
Number of staff training programs	4,917
Employees receiving training (person times)	693,916
Staff training coverage (%)	94.8
Average training hours of each employee per year	195
Employee training expenditure (RMB 10,000)	17,297



IB attaches great importance to increasing the value of its human capital and cultivating the employees’ capability for lifelong employment. In 2021, IB carried out employee training according to the new five-year strategic plan, and explored the “5+N” training system revolving around the “1234” strategy and “2344” tactics.

/ Empowering talent to promote their growth /

IB has continuously perfected its own leadership fostering system covering executive, mid-level and grassroots officials, conducted more systematic and wide-covering training, and promoted young and tech-savvy officials. The Bank organized a series of activities such as “IB Lecturers”, “T + Motivation”, and “Elite Lecturer Challenger” to consolidate the foundation for training, create a favorable learning ecosystem, and reserve sufficient talent for its sustainable development.

/ Boosting business development through performance improvement /

Considering the employees’ difficulty in making innovations and improving performance, IB carried out classified and layered training and adopted such training approaches as “learning through action” and “performance improvement” on a wide spectrum of subjects, including comprehensive finance, enterprise annuity, retail, risk, compliance, special assets, and fintech. The efforts were aimed to enhance the employees’ professionalism, improve their performance through the training, and better implement the Bank’s strategies and advance its development.

/ Advancing digitalization through knowledge sharing /

The “IB Knowledge” mobile learning platform clocked 5.2 million times of course study and 1.64 million times of case study throughout the year, had 968 livestreaming sessions, and had more than 10,000 courses now with 2,744 new courses and 428 new cases, offering a new ecology of fragmented, “plug-and-play” learning for all staff. As for the hardware, the Bank upgraded the teaching resources in Xiamen and Shanghai, explored the use of intelligent teaching devices, and renovated classrooms into smart ones.

♥ Employee activities ♥

IB organized a rich variety of cultural and sports activities to liven up the spare time of the employees.



Fine Chinese Tradition series organized by the Head Office in the theme of "Enjoying Chinese Tradition, Passing on Patriotism"



Third "IB Cup" basketball match 2021



"IB Guangzhou · Carbon Footprint" themed activity by Guangzhou Branch

"Happy New Year with IB" online annual conference by Qingdao Branch

Topic

IB forms CPC School to foster high-caliber officials



"The establishment of IB CPC School (Institute of Executive Development) is an important deployment made by the CPC Committee of the Head Office to underscore the importance of education and training, better integrate Party building and education with business training, and cultivate high-caliber officials. Under the leadership of the CPC Committee, the CPC School and the Institute will evolve into an important platform for enhancing the political theoretical level and the operating and managerial capability of all officials and employees across the Bank, a key base for cultivating Party officials and mainstay professionals, and a vital force for driving the Bank's strategic transformation and high-quality development."

—Speech by Lyu Jiajin, Secretary of the CPC Committee and Chairman of the Bank, at the first class of IB CPC School (Institute of Executive Development), September 10, 2021



On September 10, 2021, IB CPC School & Institute of Executive Development was officially established. Lyu Jiajin, Secretary of the CPC Committee and Chairman of the Bank, and Tao Yiping, member of the CPC Committee and President of the Bank, attended the inauguration ceremony. Secretary and Chairman Lyu was also headmaster of IB CPC School & Institute of Executive Development.

IB CPC School and Institute of Executive Development are an integrated department on the same level as the Head Office. They will lead the efforts to create a new, modern training system and auxiliary mechanisms, organize the education of Party members, training management, and communication of strategy, build information system and talent cultivation platform, and speed up the cultivation of young and tech-savvy officials.

The establishment of IB CPC School and Institute of Executive Development will push the Bank's education and training work to a new stage. Going forward, the Bank will make sustained efforts to make the training more systematic and wide-ranging in order to push its strategic transformation and high-quality development.



Practices

135 Implementation of the EPs

Implementation of the EPs

IB evaluated the applicability of the EPs to **370** projects from January 1 to December 31, 2021,

involving a total investment of about RMB 1233.8 billion, 301 clients, and 69 industrial categories according to national standards. The projects were financed by 31 IB branches, and 75 of them have reached the effective financing stage (with a financing contract signed).

By the end of December 2021,

the Bank had evaluated the applicability of EPs to **1,592** projects cumulatively, of which **919** were suitable, totaling an investment of RMB 3854.17 billion.

/ Project financing /

In 2021, the Bank had executed a total of 75 effective project financings, including 18 Category A projects, 44 Category B projects, and 13 Category C projects. They are all located in China and mainly engage in wind and solar power generation, and natural gas production and supply. For Category A and Category B projects, the Bank hired independent third-party environmental and social risk consulting agencies to assist in the due diligence and assess their suitability for the EPs. For a list of Category A projects, please contact us via sustainability@cib.com.cn.

Industry Portfolio of EPs Projects in 2021

(Industry Scope Disclosed According to the Administration Rules for the Equator Principles)

Type of projects	Industry	Number of projects
Project financing	Mining	2
	Infrastructure	13
	Energy	16
	Chemical industry	4
	General manufacturing	21
	Petroleum & natural gas	6
	Forestry	2
	Agriculture/food production	1
	Others	10



Chengdu Branch grants first EP project loan

IB Chengdu Branch granted its first EP project loan – Leshan BGE’s solid waste processing project at Qianwei new industrial bases in the high-tech zone of Leshan. It was a key environmental protection project in the province that, when completed, will be able to dispose of 18,000t/a hazardous wastes by incineration, 17,000t/a by stabilization and landfilling, and 5,000t/a by physico-chemical treatment. It will increase Leshan’s capacity for disposing of hazardous wastes.

As the first bank in China to adopt the Equator Principles, IB has practiced the concept of sustainable development all these years, and made consistent efforts in developing ecological economy, environment-friendly economy, and circular economy. As a key project of Chengdu Branch, the Leshan EP project was jointly pushed forward by the Head Office, Chengdu Branch and Leshan Branch, securing RMB 177 million loans in the end.



Zhengzhou Branch participates in formulation of regulatory standards

In December 2021, Henan Provincial Financial Association issued the Regulations on Environmental and Social Risk Control of Green Project Loans by Commercial Banks, which was the province’s first standard for financial groups and China’s first standard for environmental and social risk control of green loans. IB Zhengzhou Branch assisted the PBOC Zhengzhou Central Sub-branch in drafting the standard. Drawing on policy guidebooks such as the 4th version of the Equator Principles (EP4) and Green Credit Guideline, the standard laid down unified provisions on the environmental and social risk control of green loans in reference to the practical experience of commercial banks in the region, and regulated risk classification, organization of review and appraisal, management process, tracking management, and other aspects. It was an important step taken by Henan Province to implement the national outline for standardization. The standard was aimed to put into practice the new development philosophy, perfect the system of green financial standards, enhance commercial banks’ professional capacity for environmental and social risk control, and improve the quality and efficiency of this work in green loans.

ESG Performance

Governance Performance	2021
Number of board members with ESG background	1
Number of key issues	12
Number of standards for key areas such as data security and personal information protection	>40
Number of training sessions on anti-corruption policies	394
Number of participants in anti-corruption training (10,000)	4.3
Number of formal information technology employees in the Group	3,303
Investment in information technology of the group (RMB 100 million)	63.64
Number of formal employees specializing in information security	118

Economic Performance	2021
Total assets (RMB 1 trillion)	8.60
Net profits attributable to shareholders of the parent company (RMB 100 million)	826.80
ROA (%)	1.02
ROEWA (%)	13.94
Actual amount of taxes paid (RMB 100 million)	394.86
Balance of loans to strategic emerging industries (RMB 100 million)	1,815
Loans released to strategic emerging industries (RMB 100 million)	1,410

Economic Performance	2021
Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million)	9,457.34
Number of SME loan clients	165,871
Balance of loans to private enterprises (RMB 100 million)	9,425.89
Number of private enterprises receiving loans	39,596
Balance of agriculture-related loans (RMB 100 million)	4,761.69
Balance of inclusive agriculture-related loans (RMB 100 million)	279.9
Balance of loans to new types of agricultural entities (RMB 100 million)	311.78

Environmental Performance	2021
The change in the ratio of the loans for "resource industries with high pollution and high energy consumption and industries with overcapacity" to total corporate loans (%)	0.07

Green Finance	
Financing balance of green finance (RMB 100 million)	13,867.03
Cumulative green financing (RMB 100 million)	40,619
Cumulative number of enterprises receiving green financing	36,753
Environmental performance of projects funded with green finance	Use of standard coal is reduced by 40.878 million tons and CO2 emissions reduced by 106.718 million tons per year.
Number of projects applying Equator Principles which have reached financial close	75

GHG Emission*	
Emission of carbon dioxide office (Scope 1 and Scope 2) (ton)	41,956.16
Direct emission of carbon dioxide office (Scope 1) (Ton)	1,804.56
Indirect emission of carbon dioxide office (Scope 2) (Ton)	40,151.59

Energy, Water & Paper Consumption*	
Water use in offices (ton)	270,502.11
Power use in offices/Electricity purchased (kWh)	68,764,503.55
Direct energy consumption - fuel use by official cars (L)	162,926.91

* The statistics here cover the head offices in Fuzhou, Beijing, and Shanghai.

Environmental Performance	2021
Energy, Water & Paper Consumption*	
Direct energy consumption – total natural gas consumption (m3)	650,839.67
Indirect energy consumption (mWh)	68,764.50
Paper use in offices (ton)	15.33
Wastes*	
Harmless wastes – kitchen wastes (ton)	765.23
Low-carbon Operation	
Number of transactions not conducted over the counter (10,000)	70,328.03
Switch of financial transactions to e-channels (%)	96.46
Percentage of video-meetings in total meetings (%)*	63.93
Video equipment coverage (%)*	100
Social Performance	2021
Social Contribution Value Per Share	15.50
Annual external donation expenditure (RMB 10,000)	6,999.43
Number of paired-up villages	68
Number of resident officials in villages	59
Donations to paired-up villages (RMB 10,000)	700
Development of Service Channels	
Number of outlets	45 tier-1 branches (including Hong Kong branch) and 2,020 sub-branch
Number of smart outlets	216
Number of outlets in rural areas and counties	237

Social Performance	2021
Number of self-service terminals in rural areas (including ATM\POS\Smart Counter)	4,483
Number of outlets offering after-hour services	797
Number of outlets with barrier-free access	1,416
Number of outlets with courtesy counters	1,385
Number of outlets with “IB CARES” stations	>2,000
Customer Complaints & Satisfaction	
Customer satisfaction (%)	99.92
Number of complaints	143,287
Ratio of completed customer complaints to the number of customer complaints (%)	99.68
Supply Chain Management	
Supplier review rate (%)	100
Engagement of external experts in bidding & procurement (%)	83.47
Staff	
Number of employees	57,428
Male-to-female structure of employee gender	46:54
Proportion of high and middle-level managerial personnel (%)	5.74
Ratio of men to women in middle and senior management	2.17
Proportion of employees with undergraduate education or above (%)	86.5
Number of ethnic minority employees	2,258
Ratio of staff with minority nationality (%)	3.93
Number of non-mainland employees	214 (including 183 from Hong Kong)

Social Performance 2021

Staff Training	
Number of staff training programs	4,917
Employees receiving training (person times)	693,916
Staff training coverage (%)	94.8
Average training hours of each employee per year	195
Employee training expenditure (RMB 10,000)	17,297

Employees' Rights & Interests	
Social insurance coverage (%)	100
Ratio of employees signing labor contract (%)	100
Coverage of housing provident funds (%)	100
Ratio of employees protected by collective agreement (%)	100

Public Financial Literacy Activities	
Amount of public financial literacy investment (RMB 10,000)	1,865.57
Cumulative number of activities for public financial literacy	10,463
Number of people benefiting from financial literacy activities (10,000 people)	8,483.01
Number of files distributed (10,000)	2,268.28
Number of media coverage (times)	3,215

Anti-pandemic Fight	
Donations to battle the pandemic (RMB 10,000)	3,273

Honors in 2021 (part)

Media	Honor
The Banker (British magazine)	2021 Bank of the Year in China
	Top 20 among Top 1,000 World Banks
Fortune	Top 200 among Fortune 500, ranking 2nd among Chinese joint-stock banks on the list
The Banker and Professional Wealth Management (PWM)	Best Private Bank for Digital Wealth Planning (Asia)
Forbes	Top 50 listed companies
Asia Money	Best Green Bond Bank
China Finance	Financial Brand of the Year
	Special Award for Electronic Letter of Credit Information Exchange System
China Banking and Insurance News	Best Branding Case of the Year (media innovation)
	Top 10 CSR Institution of 2020
China Business Journal	Excellent Promotional Video of Chinese Financial Brands
	ESG Enterprise of the Year
	Outstanding Competitive Financial Institution for CSR 2021
	Outstanding Competitive Transaction Bank 2021

Media	Honor
Securities Times	Tianji Award for Bank of High-quality Development 2021
	Tianji Award for Outstanding Investment Bank 2021
	Tianji Award for ESG Practices in Chinese Banking Industry 2021
National Business Daily	CSR Award for Chinese Listed Companies
	Green Finance of the Year Award
	Best CSR Award for Listed Companies
	TOP 100 in the Brand Value List of Chinese Listed Companies
Caijing Magazine	Company of the Year for Consumer Finance
	Sustainable Development Award
Southern Weekly	Outstanding Responsible Enterprise Award
	Certificate of Honor for Responsible Enterprise in Banking Industry
	Green Product Award 2021
People's Daily Digital Communication	Outstanding Digitalized Bank
www.news.cn	My Favorite Chinese Brand 2021
	Outstanding Enterprise Award for CSR 2020
www.cnr.cn	Pioneer of Cross-border Finance
Sina Finance	Best Bank Award for Responsible Investment
	CIB Wealth Management – Best Asset Management Institution Award for Responsible Investment
Tencent News	Best ESG Performance Award
ThePaper.cn	Carbon Finance Vanguard of the Year
	Exemplary Enterprise of the Year for CSR
	Asset Management Company of the Year
www.stockstar.com	Bank of the Year for CSR



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Independent Assurance Report on the Sustainability Report
安永华明(2022)专字第60438520_A01号
Industrial Bank Co., Ltd.

To the Board of Directors of Industrial Bank Co., Ltd.

We have been engaged to express a limited assurance opinion on the selected data as at 31 December 2021 and for the year then ended in the 2021 Annual Sustainability Report of Industrial Bank Co., Ltd. (the "Sustainability Report") prepared by the Industrial Bank Co., Ltd. ("Industrial Bank").

Selected Data

The selected data in the Sustainability Report of Industrial Bank for 2021 that is covered by this report is as follows:

- Ratio of staff with minority nationality (%)
- Ratio of men to women in middle and senior management (/)
- Balance of agriculture-related loans (RMB 100 million)
- Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million)
- Number of SME loan clients (Account)
- Number of smart outlets (Account)
- Number of outlets with barrier-free access (Account)
- Number of self-service terminals in rural areas (including ATM/POS/Smart Counter) (Account)
- Amount of public financial literacy investment (RMB 10,000)
- Number of projects applying Equator Principles which have reached financial close (Account)
- Financing balance of green finance (RMB 100 million)
- Emission of carbon dioxide office (Scope 1 and Scope 2) (ton)
- Investment in information technology of the group (RMB 100 million)
- Investment in information technology security of the group (RMB 100 million)
- Annual external donation expenditure (RMB 10,000)
- Ratio of completed customer complaints to the number of customer complaints (%)

Our assurance was with respect to the selected data as at 31 December 2021 and for the year then ended only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 Annual Sustainability Report.

Criteria applied by the Bank

The criteria used by the bank to prepare the selected data in the 2021 Annual Sustainability Report is set out in the basis of compilation of the selected data (the "basis of compilation") within the "Declaration" of the 2021 Annual Sustainability Report.

1

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Independent Assurance Report on the Sustainability Report

安永华明 (2022) 专字第60438520_A01号
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The Board of Directors' Responsibilities

The Board of Directors of the bank are responsible for selecting the basis of compilation, and for presenting the selected data in accordance with the basis of compilation within the 2021 Annual Sustainability Report, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the selected data, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

- Our responsibility is to express a conclusion on the presentation of the selected data as at 31 December 2021 and for the year then ended in the 2021 Annual Sustainability Report based on the evidence we have obtained.

We conducted our engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the selected data in the Sustainability Report is presented in accordance with the basis of compilation, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. Our team has required competencies and experience for this assurance engagement. And we have complied with the quality control requirements of the International Standard on Quality Control 1.



Independent Assurance Report on the Sustainability Report

安永华明 (2022) 专字第60438520_A01号
Industrial Bank Co., Ltd.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected data in the Sustainability Report and related information, and applying analytical and other appropriate procedures.

Our work was performed at the Head Office of Industrial Bank, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the Sustainability Report in relation to the selected data,
- 2) Analytical procedures,
- 3) Examination, on a test basis, of documentary evidence,
- 4) Recalculation,
- 5) Other procedures deemed necessary.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected data as at 31 December 2021 and for the year then ended in the 2021 Annual Sustainability Report, in order for it to be in accordance with the basis of compilation.

GRI Standards Content Index



Independent Assurance Report on the Sustainability Report

安永华明 (2022) 专字第60438520_A01号
Industrial Bank Co., Ltd.

Restricted use

Our report has been prepared for and only for the board of directors of Industrial Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Ernst & Young Hua Ming LLP
Ernst & Young Hua Ming LLP
Beijing, China
17 March 2022

Statement of use	IB has reported the information cited in this GRI content index for the period from January 1 to December 31, 2021 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

No.	Content	Page	
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices	2-1	Organizational details	12, 34-35
	2-2	Entities included in the organization's sustainability reporting	12
	2-3	Reporting period, frequency and contact point	3
	2-4	Restatements of information	\
	2-5	External assurance	97-99
2. Activities and workers	2-6	Activities, value chain and other business relationships	12, 34-35
	2-7	Employees	82-83
	2-8	Workers who are not employees	\
3. Governance	2-9	Governance structure and composition	12-13
	2-10	Nomination and selection of the highest governance body	12-13
	2-11	Chair of the highest governance body	5
	2-12	Role of the highest governance body in overseeing the management of impacts	14-15
	2-13	Delegation of responsibility for managing impacts	14-15
	2-14	Role of the highest governance body in sustainability reporting	14-15
	2-15	Conflicts of interest	\
	2-16	Communication of critical concerns	14-18
	2-17	Collective knowledge of the highest governance body	14-15
	2-18	Evaluation of the performance of the highest governance body	14-15
	2-19	Remuneration policies	\
	2-20	Process to determine remuneration	\
	2-21	Annual total compensation ratio	\

No.	Content	Page	
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy	13
	2-23	Policy commitments	3, 57, 63
	2-24	Embedding policy commitments	59--69, 88-89, 108
	2-25	Processes to remediate negative impacts	52-54
	2-26	Mechanisms for seeking advice and raising concerns	25-26, 52-54, 83-84
	2-27	Compliance with laws and regulations	\
	2-28	Membership associations	3, 57
5. Stakeholder engagement	2-29	Approach to stakeholder engagement	16-18, 47-48, 52-54, 83-84
	2-30	Collective bargaining agreements	83
GRI 3 :Material topics 2021			
	3-1	Process to determine material topics	16-18
	3-2	List of material topics	18-20
	3-2	Management of material topics	18-20
GRI 201 : Economic Performance 2016			
	201-1	Direct economic value generated and distributed	46-47
	201-2	Financial implications and other risks and opportunities due to climate change	56-66
	201-3	Defined benefit plan obligations and other retirement plans	83
	201-4	Financial assistance received from government	\
GRI 202 : Market Presence 2016			
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	\
	202-2	Proportion of senior management hired from the local community	\
GRI 203 : Indirect Economic Impacts 2016			
	203-1	Infrastructure investments and services supported	33-34
	203-2	Significant indirect economic impacts	34-43, 71-78
GRI 204 : Procurement Practices 2016			
	204-1	Proportion of spending on local suppliers	\

No.	Content	Page	
GRI 205 : Anti-corruption 2016			
	205-1	Operations assessed for risks related to corruption	\
	205-2	Communication and training about anti-corruption policies and procedures	25-26
	205-3	Confirmed incidents of corruption and actions taken	25-26
GRI 206 : Anti-competitive Behavior 2016			
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	\
GRI 207 : Tax 2019			
	207-1	Approach to tax	\
	207-2	Tax governance, control, and risk management	\
	207-3	Stakeholder engagement and management of concerns related to tax	\
	207-4	Country-by-country reporting	91
GRI 301 : Materials 2016			
	301-1	Materials used by weight or volume	\
	301-2	Recycled input materials used	\
	301-3	Reclaimed products and their packaging materials	\
GRI 302 : Energy 2016			
	302-1	Energy consumption within the organization	92
	302-2	Energy consumption outside of the organization	92
	302-3	Energy intensity	92
	302-4	Reduction of energy consumption	\
	302-5	Reductions in energy requirements of products and services	66-69
GRI 303 : Water and Effluents 2018			
	303-1	Interactions with water as a shared resource	\
	303-2	Management of water discharge-related impacts	\
	303-3	Water withdrawal	\
	303-4	Water discharge	\
	303-5	Water consumption	92

No.	Content	Page
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	\
304-2	Significant impacts of activities, products and services on biodiversity	63-64
304-3	Habitats protected or restored	63-64
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	\
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	92
305-2	Energy indirect (Scope 2) GHG emissions	92
305-3	Other indirect (Scope 3) GHG emissions	\
305-4	GHG emissions intensity	92
305-5	Reduction of GHG emissions	\
305-6	Emissions of ozone-depleting substances (ODS)	\
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	\
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	\
306-2	Management of significant waste-related impacts	\
306-3	Waste generated	92
306-4	Waste diverted from disposal	\
306-5	Waste directed to disposal	\
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	66
308-2	Negative environmental impacts in the supply chain and actions taken	\
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	82
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	82-83
401-3	Parental leave	83

No.	Content	Page
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	\
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	83
403-2	Hazard identification, risk assessment, and incident investigation	\
403-3	Occupational health services	83
403-4	Worker participation, consultation, and communication on occupational health and safety	\
403-5	Worker training on occupational health and safety	\
403-6	Promotion of worker health	83
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	\
403-8	Workers covered by an occupational health and safety management system	83
403-9	Work-related injuries	\
403-10	Work-related ill health	\
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	84
404-2	Programs for upgrading employee skills and transition assistance programs	85
404-3	Percentage of employees receiving regular performance and career development reviews	83
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	12-13, 15, 82-83
405-2	Ratio of basic salary and remuneration of women to men	83
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	\
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	\
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	\

No.	Content	Page
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	\
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	\
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	\
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	\
413-2	Operations with significant actual and potential negative impacts on local communities	\
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	66
414-2	Negative social impacts in the supply chain and actions taken	\
GRI 415: Public Policy 2016		
415-1	Political contributions	\
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	\
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	\
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	54
417-2	Incidents of non-compliance concerning product and service information and labeling	\
417-3	Incidents of non-compliance concerning marketing communications	\
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	\

Index of the Principles for Responsible Banking (PRB)

The PRB	Index	Page
Principle 1: Alignment	1.1 The main business model and operation of the institution	12-13, 47-48
	1.2 How the Bank's business strategies fit sustainable development goals	14-16
Principle 2: Impact and Target Setting	2.1 The impact of the main businesses on social sustainable development and the challenges to and opportunities for sustainable development	34-38, 40-44
	2.2 The sustainable development goals set by the institution	39, 59, 64-65, 73
	2.3 The measures and plans taken by the institution to achieve the above goals	38-45, 64-70, 72-78
Principle 3: Clients & Customers	3.1 The practices that promote responsible relationships between the institution and clients	30-31, 78-83, 89-90
	3.2 The sustainable development practices and sustainable economic activities to which the institution and clients are committed	59-60, 64-67, 89-90
Principle 4: Stakeholders	4.1 Confirmation and resolution of issues of interest to stakeholders	17-21
Principle 5: Governance & Culture	5.1 The corporate governance structure and policy framework that comply with the principles of responsible banking	12-16
	5.2 Cultivation of employees' corporate culture of responsible banking	22-27, 83-87
Principle 6: Transparency & Accountability	6.1 The good practices and progress of the institution in implementing the principles of responsible banking	50, 57, 62, 72-73, 75-76, 89

Reader's Feedback Form

We appreciate your advice and valuable information on our report!

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- How do you think about the overall quality of Industrial Bank's sustainability report?
 Good Not bad Ordinary
- What's your suggestion on Industrial Bank's corporate governance?
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- How do you think about Industrial Bank's information disclosure? Is it transparent, integrated and accurate?
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- How do you think about the report's layout and design?
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