

SUSTAINABILITY REPORT (2022)



 INDUSTRIAL BANK CO.,LTD.

Sustainability Report (2022) (Environmental, Social and Governance Report)





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

Reporting period

The reporting period is from 1 January 2022 to 31 December 2022. Part of the contents has spanned 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

The "Industrial Bank ('IB')", "the Company" and "the Bank" used in this report all refer to the Industrial Bank Co., Ltd.

Basis of the report 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
- ▶ The Fourth Version of the Equator Principles
- ▶ 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) released by the China Standardization Administration
- ▶ ISO Guidance on Social Responsibility (ISO26000)
- ▶ The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0) released by the Chinese Academy of Social Sciences

Data in the report

The financial data in this report partly originated from the Company's 2022 financial report and partly from previous years. There are no material changes on the data acquisition and calculation methods. Unless otherwise stated, the currency data in the report are in RMB.

Report availability

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

Priority of the language

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

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Chairman's Statement

In 2022, the 20th National Congress of the Communist Party of China (CPC) was held successfully, which has drawn a grand blueprint to advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization. With the main line of studying and implementing the spirit of the 20th National Congress of the CPC, the Industrial Bank (IB) put high-quality development as its primary task, concentrated all its efforts, transformed and forged ahead, and took new steps on the road of sustainable development.

Striving to be a prime bank in China with the top priorities of the country in mind. By the end of 2022, with total assets of over RMB 9 trillion and net profit of over RMB 90 billion, IB ranked No. 8 in China's banking industry by total assets, No. 16 in the global banking industry by Tier 1 capital, steadily ranking No. 3 group among the national systemically important banks, which was a veritable major bank. All major banks should perform their due responsibility. Bearing in mind the important instruction that "the finance will prosper only when the economy thrives", IB strongly vitalized the real economy with finance, and continued to be in the forefront of joint-stock banks in terms of credit increment and growth so as to stabilize the economy, which had achieved effective promotion in quality and reasonable growth in quantity. In response to the call of the era of carbon peaking and carbon neutrality strategy, common prosperity and sci-tech innovation, IB continued to polish the "three name cards", namely green bank, wealth bank and investment bank, and continuously enhanced its competitiveness in the market. Following the development trend of the old triangle cycle of "real estate-infrastructure-finance" to the new triangle cycle of "technology-industry-finance", IB actively laid out the "five new areas" of inclusive finance, sci-tech innovation finance, energy finance, auto finance and park finance, striving to play a role of the main force of finance in the major battlefield of national economy and open up new space for development.

Upholding to integrate righteousness with profitability in the fulfillment of social responsibilities. In 2022, IB reorganized the Board of Directors' Strategy Committee into the Strategy and ESG Committee to further strengthen the corporate social responsibility (CSR) philosophy of integrating righteousness with profitability at the corporate governance level, and had been the highest A-rated in MSCI's ESG rating in China's banking industry for four consecutive years. IB kept the promise of "Sincere Service and Accompanying Growth", positively benefited the real economy and tided over the difficulties together with its customers. It dropped the credit rate by 33BPs on year-on-year basis, and provided a total of 18,000 small and medium-sized enterprises and individual industrial and commercial households with over RMB 80 billion in loans with deferred debt repayment service. Meanwhile, IB continued to improve the system of disaster relief, poverty alleviation and donations for students, with annual public welfare donations exceeding RMB 80 million and total external donations exceeding RMB 650 million. IB put the concept of finance for the people into practice, setting up over 2,000 "IB CARES" stations for the public and carried out volunteer activities for nearly 80,000 persons/times, winning the first session of "Fujian Charity Award".

Advancing the transformation in digitalization to enhance development empowerment. After entering the digital era, data has become a key factor of production, and digitalization has become a battle of life and death for the banking industry. IB increased investment in technology finance and human resources, with annual technology expenditures exceeding RMB 8.2 billion and technology talents reaching 6,699 persons. It strengthened sci-tech innovation and application, set up the Financial Technology Research Institute, improved the "five online platforms", namely, IB Inclusive Finance, Industrial Keeper, Industrial Life, Qianda Shopkeeper, and Bank-Bank Platform, implemented the "five process optimization

projects" of High Risk Control, Large Investment Banks, Big Operation, Great Wealth, and Megamarketing, and promoted the "five standardizations", i.e., process standardization, data standardization, model standardization, development standardization and operation standardization, to build an enterprise-level architecture and plan the "Future Bank". In addition, IB accelerated the pace of digital operation, and launched 1,762 eco-scenario projects throughout the year, becoming the 10th digital RMB operating agency in China and achieving landmark results of digital transformation.

Deepening the financial reform to stimulate organizational vitality. Reform is a "critical measure" to enhance organizational effectiveness and promote high-quality development. IB strengthened the top-level design and steadily pushed forward reforms in such aspects as science and technology, retail, enterprise annuity, administrative logistics, Party construction and disciplinary inspection, business in Fujian region, and industrial research, gradually establishing an organizational structure that meets the requirements of transformation and development. IB also reinforced its synergy and cooperation, implemented the "strategic division of labor among Bank leaders + cross-setting of departmental functions", and established various flexible and agile organizations to break down the rigid divisions between different lines and departments, strongly promoting integrations between public and private sectors, between the front, middle and back stages, as well as between online and offline development. Moreover, IB emphasized the market mechanism, implemented the compensation system and tilted the compensation to the front-line and grass-roots employees based on the actual performance and effect. It intensified incentives and constraints, promoted its officials to be ready to accept a higher or lower position, accelerated the pace of officials' rejuvenation, and gathered talents from all over the world, so as to pass on the cause of IB from generation to generation.

Guarding the bottom line of risk prevention to ensure stable and sustainable development. Risk prevention is the eternal theme of the financial industry. IB continued to promote strict governance of the Bank, developed a clean financial culture, and created a positive ecological environment for the employees. It advanced the whole Bank to be aware of the red line, keep the bottom line and carry the limit, effectively preventing and resolving various risks, so that the non-performing loan ratio continued to decline, and the provision coverage ratio maintained a high level in the industry. Moreover, IB attached great importance to the prevention of new types of risks, especially technological risks, and continued to improve the control system on network, information, data, models and algorithms to become well prepared in risk prevention. It spared no effort to maintain public safety and actively introduced professionals and risk management technologies to small and medium-sized financial institutions, effectively enhancing the diversity and stability of financial ecology.

The year of 2023 is the opening year of the comprehensive implementation of the spirit of the 20th National Congress of the CPC, and IB will also celebrate its 35th anniversary. The mission is current, with heavy responsibility in shoulder. IB will firmly follow the road of financial development with Chinese characteristics, deeply practice the political and people's character of financial work, integrate development and security, economic and social benefits, so as to integrate its destiny more closely into the progress of China's modernization, and contribute more to the full promotion of the great rejuvenation of the Chinese nation.



Tao Yiping IB Director and President

President's Statement

In 2022, the Industrial Bank (IB) organized its staff to earnestly study and implement the spirit of the 20th National Congress of the Communist Party of China (CPC), strengthened its confidence, engaged in real practice and hard work, and made steady progress in all aspects of its work. By the end of the year, the total IB assets, the operating income and the net profit attributable to shareholders of the parent company were RMB 9.27 trillion, RMB 222.374 billion and RMB 91.377 billion, with an increase of 7.71%, 0.51% and 10.52% respectively compared with the beginning of the year; its non-performing loan ratio dropped to 1.09%, and the provision coverage ratio was 236.44%, which continued to maintain a high level in the industry. In its development process, IB has been deepening the understanding of sustainable development, and the practice mode of integrating righteousness with profitability in fulfilling the corporate social responsibility continues to glow with new brilliance.

IB takes the development as its top priority, consolidates “the basic market”, lays out “new racetracks” and makes the operation more sustainable. Although there are various problems, no matter they are the small or big ones, in the development process, development is the key to solving all problems. In the face of rapid transformation of the economic development model, IB has tried every means to maintain the stability of the two basic market sectors in China, i.e., real estate business and government credit business, while accelerating the “five new areas” of inclusive finance, sci-tech innovation finance, energy finance, auto finance and park finance. Some of its business indicators have gone to the forefront of joint-stock banks in China, and the year-on-year growth rates of Green Loans, Science and Technology Loans, Strategic Emerging Industry Loans, and Medium and Long-term Loans for Manufacturing Sector have exceeded 40%, 50%, 60% and 70% respectively. The balance sheet continues to be optimized, and the business structure is increasingly aligned with the real economy. In this process, we made great efforts to polish the “three name cards” namely green bank, wealth bank and investment bank. The balance of our green financing was RMB 1.63 trillion (increased by 17.53%) compared with the beginning of the year, the scale of wealth management exceeded RMB 3 trillion, and the scale of financial management ranked No. 3 in the whole China’s banking industry. In the whole year, IB underwrote the debt financing instruments of non-financial enterprises at the amount of nearly RMB 700 billion, ranking No. 2 in the whole banking industry. Moreover, it accelerated to implement the corporate strategy and continuously improved its market competitiveness. The steady improvement of business performance has laid a better material foundation for the fulfillment of social responsibilities.

IB takes customers as the starting point of its work, enhances their sense of gain and improves their satisfaction to develop a more solid foundation for corporate development. The “customer-business-performance” logic is the general rule of banking operation. IB adheres to the principles of upholding supremacy of the people’s interest and the customer-centered service, settles down and backs to the essentials, actively serves such groups as the “agriculture, countryside and farmers”, new citizens, small and micro enterprises, individual industrial and commercial households, to support rural revitalization and common prosperity. It insists on technological empowerment, accelerates digital transformation, and makes serving the general public in a more efficient, less risky and more sustainable manner. Through the “Financial Services Cloud” Platform of Fujian Province built and operated, which now expands its coverage from Fujian Province to Yunnan Province, Gansu Province and Liaoning Province, IB generated the data into the credit and then granted the loans based on such credit rating, and have financed more than RMB 200 billion

for small and micro enterprises. It highlights the digital and centralized operation of long-tail customers in retail industry, and the annual retail customers are increased by more than 12 million, setting a record high. In addition, the satellite remote sensing application system developed by IB was officially launched in 2022. By introducing the “new data” of satellite remote sensing, and combining with the data from the government and various parties in the industry, IB is able to establish a crop planting portrait and improve the crop asset assessment and risk warning mechanism so as to provide stronger support of targeted credit grant for the planting industry. Through this series of innovative work, the numbers of IB’s corporate annuity and retail customers increased to 1.23 million and 91.75 million respectively at the end of the year, laying a stronger foundation for the development.

IB takes the security as a prerequisite for the development and plays a good first move actively to secure the development. Risk prevention is an eternal theme of the financial work. IB coordinates development and security, and keeps strengthening risk management and control in key areas such as real estate, government financing business and credit cards. It disposed of and resolved a total of RMB 125.087 billion in non-performing assets (NPA) throughout the year, so as to effectively achieve benefits from the perspectives of risk management and control. IB attaches great importance to risk management related to digitalization such as the network and information security, data security, models and algorithms, and constantly improves the new risk prevention and control system to ensure that all kinds of risks can always be monitored, controlled and undertaken. It strengthens the construction of the “IB Governance of Law”, and enhances discipline and accountability to promote the formation of a good atmosphere of “compliance by everyone, in everything at all times” across the Bank. IB pays close attention to the risks of small and medium-sized banks, exports risk management technology, systems and talents to small and medium-sized financial institutions, and actively maintain its own safety and public safety. By reducing the stocks, preventing the increments, keeping the compliance and stabilizing the overall situation, IB has created a better environment for stable and healthy corporate development.

IB treats employees as its valuable assets, strives to engage in practical things and boosts the spirit to make the organization more energetic. IB is committed to creating a comfortable and warm working environment and enhancing employees’ sense of belonging by actively developing a homeland culture and becoming a pilot entity of the All-China Federation of Trade Unions to improve life quality of our employees. It has launched the innovative platform “Voice of IB” to hear employees’ voices and solve their practical problems, with nearly 15 million readers cumulatively and over 37,000 comments, enriching the channel of “serving the people”. IB strives to be the best employer in China and continues to increase employee training, spending more than RMB 130 million on training-related expenses throughout the year, so that every employee can keep up with the rapidly changing times.

What’s past is prologue. In a new year, IB will further handle the relationship between economic and social responsibilities of state-owned enterprises in accordance with the requirements of the 20th National Congress of the CPC and the government work report, inherit and carry forward its practice model of “integrating righteousness with profitability” in fulfilling corporate social responsibility, and take greater steps on the road to sustainable development, so as to make greater contributions to build a modern socialist country in all respects.

Tao Yiping
IB Director and President



Chief Supervisor: [Chen Xinjian](#)



[Sun Xiongpeng](#)
Director,
Vice president



[Zhang Guoming](#)
Supervisor



[Zhang Min](#)
Vice president



[Zhang Ting](#)
Vice president

STRATEGY AND MANAGEMENT



About Us

Founded in 1988 and headquartered in the forefront of reform and opening-up, Fuzhou City of Fujian Province, the Industrial Bank Co., Ltd. (“Industrial Bank/IB”) was listed on the Shanghai Stock Exchange in 2007 (stock code: 601166). It is 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. After 34 years of continuous efforts and steady development, IB has ranked top 20 among Top 1,000 World Banks by a British magazine The Banker and top 200 among Global 500 by the Fortune respectively, and was A-rated in ESG, the highest rating for Chinese banks, by MSCI for the fourth consecutive year.

Since its establishment, IB has shouldered the mission of “making explorations for financial reform, making contributions to economic development” , and always followed the important concepts and significant practices created by Xi Jinping, General Secretary of the CPC Central Committee, during his work in Fujian Province. It carried the Fujian business gene of “daring to fight and win” , integrated its own development into the tide of the times, and resonated with the Chinese economy and people’ s better life. Adhering to the customer-centered approach, IB has followed the path of market-based and differentiated management, and taken advantage of the situation to strive for innovation. It has led the development of emerging businesses such as interbank finance, green finance, investment banking and asset management, and formed a modern comprehensive financial service system that combines both cross-border and services as well as online and offline services, covering trust, financial leasing, funds, wealth management, consumer finance, futures, asset management, research and consulting, and digital finance. In the process of creating value for customers, IB has been continuously achieving high-quality development.

Strategy & Management

IB leads its development with the vision of “a first-class and flourishing IB” . In accordance with the overall requirements of promoting high-quality development and creating a value bank, it actively cultivates business layouts and professional strengths, promotes the transformation of the Bank’ s operating concept from the product-oriented approach to the customer-oriented one, the transformation of operating modes from the high-speed growth to the high-quality development, and the transformation from a scale bank to a value bank. IB actively integrates the social responsibility and sustainable development concept into its development strategy and corporate governance, comprehensively practicing the concept of growth with customers, shareholders, employees and the society together, continuously urging and actively exploring multiple ways of fulfilling environmental and social responsibilities, establishes a long-term mechanism for sustainable development, and works together with stakeholders to move towards a new future of high-quality and sustainable development.



Development Strategy

Making sustained efforts to the “1234” strategy

- IB adheres to the transformation direction of “light assets, light capital, and high efficiency” , strengthens the confidence of developing as “a commercial bank and an investment bank” , takes the ultimate customer experience as the core goal and powering financial technology as the driving engine, continuously enhances its smart core business in three types, namely, “settlement, investment, and transaction” . It comprehensively advances the value contribution of “key branches, key sectors, key customers, and key products” , strives to build the mainstream banking group with clear strategic goals, distinct operating layouts, outstanding professional capabilities, which will lead the technological innovation, and strong comprehensive strengths, and continue to move towards the ambitious goal of “a first-class and flourishing IB” .

Adhering to the “three name cards” of green bank, wealth bank and investment bank

- In terms of green banking, IB is committed to becoming the leader in the concept of sustainable development in the entire banking industry and maintaining a leading position in domestic industry in international mainstream ESG evaluations. In accordance with the positioning of a first-class green finance comprehensive service provider in the whole market, IB practices the ESG concept, focuses on expanding the extension of the green finance system, and lays out its carbon finance.
- In terms of wealth banking, IB aims to create a more open investment ecosystem, uses all market resources to serve the comprehensive and full cycle asset allocation needs of all types of customers, and establishes a reputation of “trustworthy wealth manager, IB” to achieve the goal of being a first-class wealth management bank in the whole banking market.
- In terms of investment banking, IB is committed to becoming a first-class resource integrator in the entire market, continuously promotes the construction of the investment banking ecosystem, fully utilizes the resources of the entire market, and creating a light investment bank, serves more science and technology innovation enterprises, strategic emerging industries and advanced manufacturing enterprises, and ultimately helps to form a high-level supply system.

Sustainable development strategy

- IB urges and actively explores multiple ways of fulfilling environmental and social responsibilities to build a long-term mechanism for sustainable development.
- Deeply aware of the environmental and social responsibilities as a commercial bank, IB incorporates the ESG in the strategy and plan of the Group and sets the corresponding strategic development goals.

Corporate Social Responsibility philosophy practice of “integrating righteousness with profitability”

- IB creatively proposes the Corporate Social Responsibility (CSR) philosophy of “integrating righteousness with profitability” , combines the CSR with its business development, implements the philosophy in its operation and management, and seeks business opportunities while performing the CSR for a sustainable business mode and the CSR approach for the win-win development of itself and the society.



Sustainable development management

IB has specified that the Board of Directors bears the ultimate responsibility for ESG management, and is responsible for identifying and managing economic, environmental, and social impacts, risks, and opportunities. It shall also assume the role of formulating development strategies and supervising over senior management and relevant institutions to effectively fulfill their management responsibilities. In 2022, IB officially renamed the “Strategy Committee” of the Board of Directors as the “Strategy and ESG Committee” . Moreover, focusing on external ESG policy dynamics, ESG strategic planning, formulation of major policies and basic systems, and supervision over the implementation of ESG strategy, IB has improved its organizational structure, rules of procedure, and reporting path. The Board of Directors and the Board of Supervisors jointly conducted “Special Training and Research for ESG Construction” to promote the establishment of a leading ESG management decision-making mechanism and strengthen the significant decision-making authority of the Board of Directors and other special committees in ESG management. In 2022, the Board of Directors and the Strategy and ESG Committee reviewed issues such as sustainable development, ESG management, consumer financial protection, personal information protection, and reforms of remuneration system, and formed the transmission letter the Board’ s opinion based on relevant opinions, which transmits to the operating management and relevant management departments of the Head Office to promote the ESG management capacity.

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

IB has incorporated the ESG concept and plan in the Bank’ s Five-year Plan (2021-2025), established its sustainable values, corporate culture and operation philosophy, prepared and released the Key Points of the Industrial Bank on the Construction of ESG Management System (2022). Focusing on the key areas of ESG work throughout the Bank, IB has issued a series of guidelines for ESG performance improvement plans to improve the conversion rate of ESG system application and truly enhance internal governance capabilities, professional strength, and innovation level.

Substantive analysis

IB identifies six main stakeholders in light of UN Sustainable Development Goals (SDGs), internationally accepted CSR standards, characteristics of the financial industry, and its own CSR and experience. To ensure its understanding of the concerns and expectations of stakeholders and internalizing them as a driving force for progress, IB regularly conducts research on key ESG issues and makes substantive analysis of the issues through research on stakeholders to ensure that it could fully follow up and respond to stakeholders' concerns.

Identification

Based on the results of the stakeholders research in the previous year and combined with the banking policies and hotspots, major corporate strategies, and international standards and guidelines related to sustainable development, IB have identified and revised 22 ESG issues.

Assessment

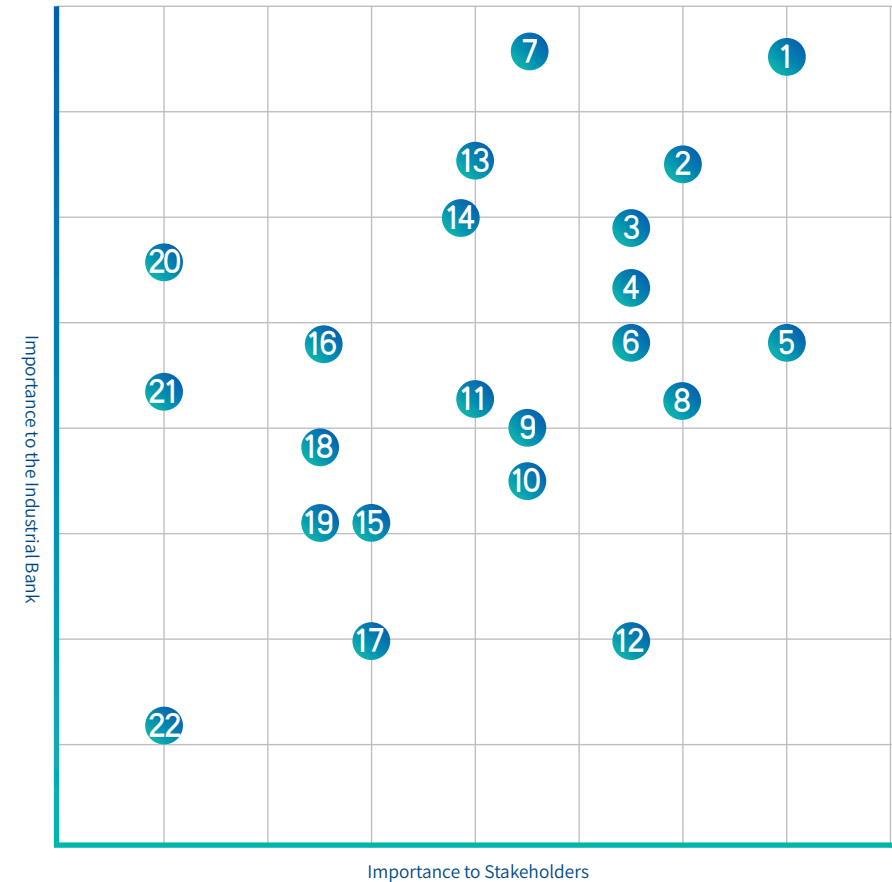
To understand the main concerns of stakeholders, IB conducted a questionnaire survey on the six main stakeholders and rated the importance of various ESG issues. In 2022, the research on stakeholders focused on promoting the distribution of questionnaires to and effective collection of questionnaires from customers, directors, supervisors, investors, and other relevant parties.

Selection

Based on the importance degree of ESG issues to stakeholders and to IB, construct a substantive analysis matrix to screen out key issues that have a significant impact on its business development.









Management












Based on the matrix chart, list how concerned the stakeholders are about various issues in 2022, and refer to the GRI Standards to fully explain the corresponding management policies and mechanisms, and continuously actively and effectively manage and disclose various issues.



- | | |
|---|---|
| <ul style="list-style-type: none"> 1. Privacy & Data Security 2. Enhancement in customer service experience 3. Digital transformation and fin-tech innovation 4. Consumer financial protection 5. Guarantees of Employees' rights and welfares 6. Staff training and career development 7. Communication and cooperation of stakeholders 8. Honesty and Business Ethics 9. Optimization on access to finance 10. Support to national strategies and regional coordinated development 11. Service for high-quality development of the real economy 12. Support to people' s livelihood and public services | <ul style="list-style-type: none"> 13. Practicing the Principles for Responsible Banking (PRB) 14. Risk management and internal compliance control 15. Boosting rural revitalization 16. Deepening green financial services 17. Environmental and social risk management 18. Establishment of a green operation system 19. Responsible procurement 20. Continuous optimization of corporate governance 21. Actively responding to climate change 22. Public interest, charity and community involvement |
|---|---|

Areas of Focus and Progress

Areas	Progress in 2022	SDGs target
Building a value bank for shareholders	<ul style="list-style-type: none"> The total assets of the Group exceeded RMB 9 trillion, the operating income exceeded RMB 220 billion, the net profit exceeded RMB 90 billion, and the non-performing loan ratio dropped to 1.09%. There were 504 anti-corruption policy trainings in IB, and the trainings on combating corruption and upholding integrity covered 201,200 person/times. The scale of IB data security investment exceeded RMB 124 million, with an increase of 14.81% compared with 2021. More than 37.2 million attacks were intercepted throughout the year. IB accepted 6 complaint calls, letters and visits; reviewed and replied to 421 opinions on Party conduct and clean government. 	 16. PEACE, JUSTICE AND STRONG INSTITUTION  17. PARTNERSHIPS FOR THE GOALS
Serving the economy and society of the country	<ul style="list-style-type: none"> The IB balance of loans for strategic emerging industries was RMB 300.607 billion, with an increase of 67.14% over the previous year. IB offered 51,700 sci-tech innovation enterprises with a loan balance of RMB 343.7 billion, with an increase of 57% compared with the beginning of the year. IB closely integrated itself into rural revitalization, and its balance of agriculture-related loans increased by 24.10% compared with the beginning of the year. IB stepped up efforts to provide poverty alleviation and assistance to enterprises and industries in difficult situation, and provided more than RMB 80 billion of deferred repayment loans for 18,000 micro, small and medium-sized enterprises and individual industrial and commercial households. IB reduced the financing costs of micro, small and medium-sized enterprises, and the balance of inclusive small and micro loans increased by 35.27% over the previous year. The balance of various loans of institutions in Fujian Province was RMB 1,463.1 billion, an increase of 11.2% over the beginning of the year. 	 1. NO POVERTY  8. DECENT WORK AND ECONOMIC GROWTH  9. INDUSTRY INNOVATION AND INFRASTRUCTURE  11. SUSTAINABLE CITIES AND COMMUNITIES
Enhancing the service experience for customers	<ul style="list-style-type: none"> The IB's total investment in information technology in the whole year reached RMB 8.251 billion, with a year-on-year increase of 29.65%. The coverage rate of consumer financial protection training reached 100%, and the employees' participation rate was 100%. The score of customer satisfaction on IB business outlets was 9.63/10. The degree of satisfaction on IB's 95561 customer service hotline service reached 99.91%. IB invested a total of RMB 23.712 million in public education services, and carried out 10,674 online and offline education and publicity activities. 	 12. RESPONSIBLE CONSUMPTION AND PRODUCTION  17. PARTNERSHIPS FOR THE GOALS

Areas	Progress in 2022	SDGs target
Protecting the environment for a beautiful China	<ul style="list-style-type: none"> IB promoted the Group's all-green transformation and its balance of green finance financing was RMB 1.63 trillion, with an increase of 17.53% compared with the end of the previous year, ranking first among joint-stock banks in China. IB formulated its ESG credit policy and embedded the ESG risk assessment system into the credit process of its business lines. Through green loans, IB reduced carbon dioxide emissions by 14.03 million tons and save water by 10.3848 million tons. A total of 1,346 IB projects have been applied to the Equator Principles, involving a total investment of over RMB 500 billion. 	 7. AFFORDABLE AND CLEAN ENERGY  13. CLIMATE ACTION  14. LIFE BELOW WATER  15. LIFE ON LAND
Creating a better future for the community	<ul style="list-style-type: none"> The social contribution value per IB share reached RMB 16.85. During the year, IB's donations and support to the public reached RMB 81.18 million, and the total amount of accumulated donations in cash and in kind exceeded RMB 650 million. IB constructed the "Laborer Station" in its 219 outlets of Fujian Province. IB set up more than 160 youth commandos or volunteer teams, and its employees carried out 15,349 volunteer activities. 	 1. NO POVERTY  2. ZERO HUNGER  3. GOOD HEALTH AND WELL-BEING  10. REDUCED INEQUALITIES
Growing together for employees	<ul style="list-style-type: none"> The IB employees' score of satisfaction was 96.36 points (out of 100 points), and the participation rate of its employee in satisfaction survey reached 70%. Internal candidates competed for vacant IB positions up to 30.71%; the employees' turnover rate was 7.18%, with an decrease of 2.81 percentage points compared with the previous year. IB implemented the "Ten Thousand Talents for Sci-tech Initiative", and 2,152 employees took part in the certification examination for talents in applied sci-tech. The per capita training time of IB employees was as long as 207 hours, with an increase of 12 hours on the year-on-year basis. "Xinghuo Community", visited by more than 30,000 IB employees, published a total of 9,684 value contents, and the cumulative response rate exceeded 90%. 	 4. QUALITY EDUCATION  5. GENDER EQUALITY  10. REDUCED INEQUALITIES



Special Topic

Insisting on Guiding the Bank's Development through Party Building and Strengthening the Foundation of Corporate Governance

The Industrial Bank (IB) centers on the general requirements for party building in the new era, earnestly implements the decisions and deployments of the CPC and State, infuses the political character of "Listening to the Party's Instructions and Following the Party's Footsteps" into its spiritual veins, and practically fits the Party's leadership in each link and the full process of corporate governance. IB gives full play to the effect of the Party Committee of direction control, management of general situation and ensuring implementation, keeps improving the leadership mechanism of "cross appointment" involving the Party Committee, Board of Directors, Board of Supervisors and senior management, further advances the synchronic planning, deployment and implementation of both Party building and business management, gathers the positive strength for the reform and development by virtue of the construction of Party building culture, so as to realize the integration and common progress of Party building and business development, guiding and guaranteeing the high-quality development with high-quality Party building.

Key Points of the IB's Party Building Work in 2022

Political building	Take upholding the "Two Establishes" and practicing the "Two Upholds" as the primary tasks, and put the steady growth and reform promotion as the priority.
Ideological building	Stand firm in support of the ideals and beliefs, strengthen the foundation of the ideals and beliefs, strictly implement the responsibility system for ideological work, and improve the ability to control the ideology.
Organizational building	Improve the organizational system, insist on the Party's supervision over officials and talents, and offer more talents opportunities to achieve their goals on the IB platform.
Work style building	Be persistent all the time, resolutely correct the deep-rooted problems in relation to the conduct, continue to promote the good tradition with good conduct, and make contributions in the new era.
Clean government building	Strengthen the deterrent effect of not daring to corrupt, tie up the "cage" of non-corruption, and enhance the consciousness of non-corruption.
Discipline building	Forge the iron discipline, build an iron army of enforcing discipline, define the focus of supervision, strengthen the application of achievements, and promote steady and long-term progress in our cause.

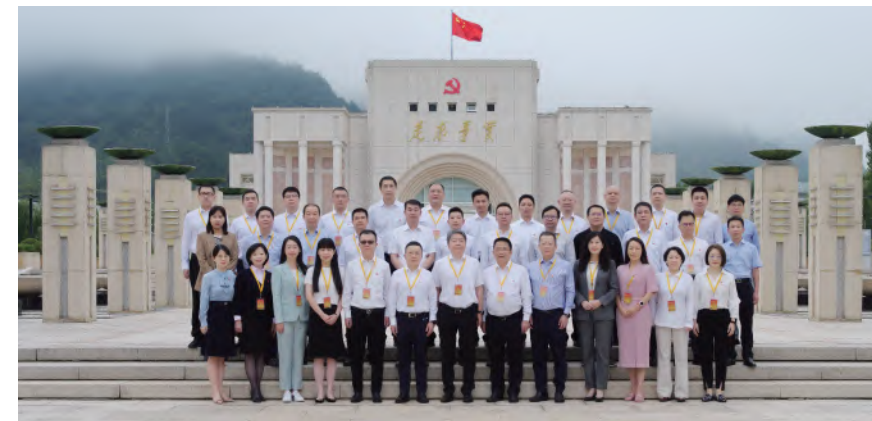
Holding Steady the “Helm of Thought” and Conducting the In-depth Study on the Spirit of the 20th National Congress of the CPC

In 2022, the 20th National Congress of the CPC was successfully held in Beijing, which has pointed out the direction and established the action guide for China’s development in the coming years and beyond. IB took the study, publicity and implementation the spirit of the 20th National Congress of the CPC as its primary political task, immediately organized and held the (enlarged) meeting of the Party Committee, made overall arrangements on the study and training, publicity, implementation and other related work within the Bank, guided the practice, gathered strength with the spirit of the 20th National Congress of the CPC, and effectively transformed such spirit into the ideological consensus and practical action of the Bank.

In the meanwhile, IB branches, through innovative methods and platform carriers, enhanced the pertinence and effectiveness of the study and publicity of the spirit. For example, they invited clients coming for bank services to listen to or watch the Report of the 20th National Congress of the CPC in business outlets; added the Party-related books to the “Red Position” of “IB Cares” stations of the business outlets, and repeatedly played posters to celebrate the successful convening of the 20th National Congress of the CPC. In some IB branches, a variety of online activities were also organized and carried out, such as the online quiz on “Studying the Spirit of the 20th National Congress of the CPC and Forging Ahead in the New Era” and the online sport walking of “Studying, Thinking, Practicing and Understandings the Spirit of the 20th National Congress of the CPC, Forging Ahead with the Original Aspiration”, to guide the staff to study and implement such spirit and shoulder the mission of keeping the “revolutionary root”.

Intensifying the “Quaternity” Approach and Building the High-Quality Party Building Work System of IB’s CPC School

In 2022, IB further explored the Party building work system in a “quaternity” approach including the Party Committee of IB’s CPC School, Party branch, temporary Party branch of training class and Party members. Through the formulation of work standards of the temporary Party branch of training class, IB carried out the in-depth but vivid practice courses in relation to the Party building, transformed scientific theories into the thought and abilities of planning and implementing the Party building work, promoted the construction of officials’ team related to the Party affairs, and improved the political literacy of Party affairs workers and the quality of the Party building work. So far, the IB’s CPC School has jointly carried out four shifts of training programs with China Executive Leadership Academy, Yan’an and China Executive Leadership Academy, Jinggangshan, and maintained in-depth exchanges with the Party School of the CPC Central Committee and China Academy of Discipline Inspection and Supervision on cooperation in running schools.

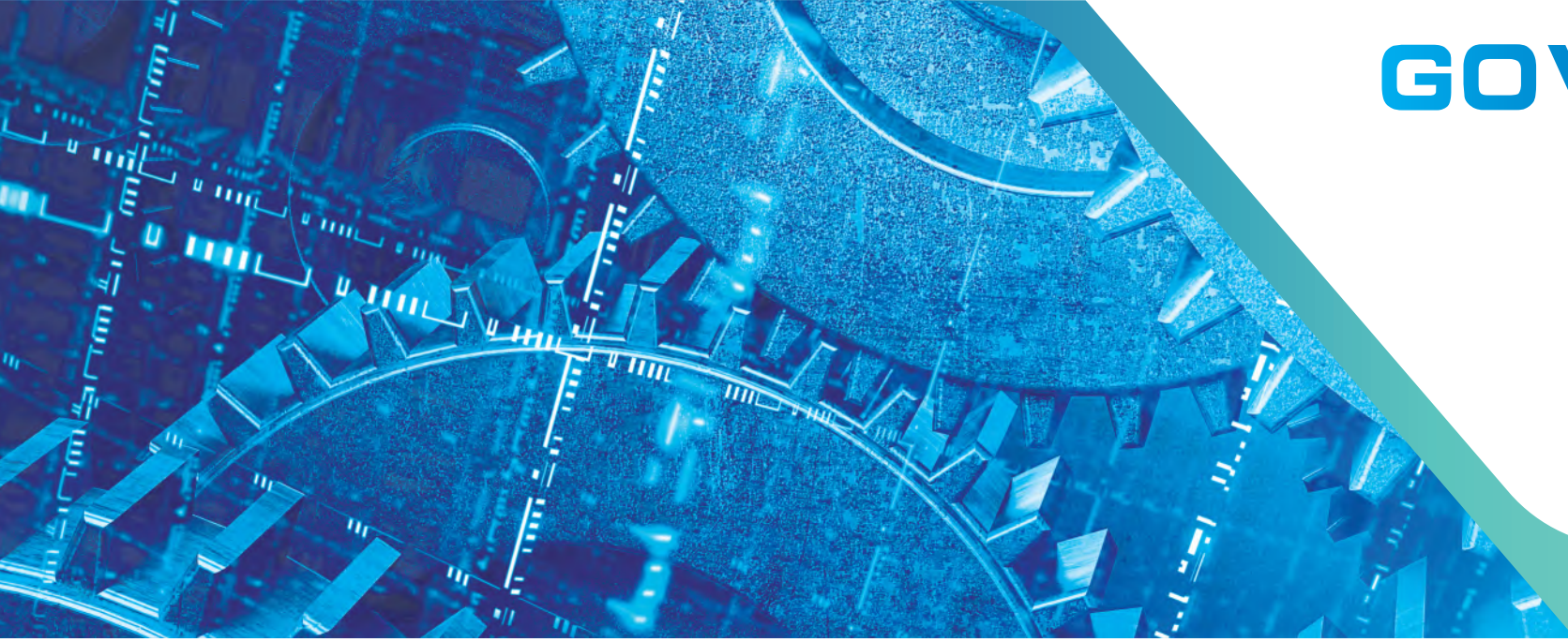


In August 2022, the Bank held the 9th IB’s officials training course themed on “Reviewing the Revolutionary Spirit, Strengthening the Ideals and Beliefs” at the China Executive Leadership Academy, Yan’an.



In July 2022, the Bank held the 7th IB’s officials training course themed on “Reviewing the Revolutionary Spirit, Strengthening the Ideals and Beliefs” at the China Executive Leadership Academy, Jinggangshan.

The Bank has also established a special column for “Party Building” on the “IB Knowledge” mobile learning platform, launched the study on special topics such as the Sixth Plenary Session of the 19th CPC Central Committee and the spirit of the 20th National Congress of the CPC, and training courses for senior talent reserves, and compiled the tests about Party building, so as to improve the theoretical attainment, ideological quality and Party spirit of its officials who are the Party members through “promoting the study by examination, enhancing the study by practice”. In 2022, the Bank also carried out a training course for potential Party members’ development through “IB Knowledge” live broadcast, with 264 graduates so far.



GOVERNANCE

Corporate Governance

Comprehensive Synergy and Linkage to
Create a Valuable Bank

- Special Topic 23 Special Topic: Deepening the Revolution of Organization to Stimulate the Momentum of Enterprise Development
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- 33 Strengthening Risk Management and Adhering to Steady Development
- 38 Strictly Adhering to the Redline of Compliance and Regulating the Operation with Business Ethics
- 42 Safeguarding Cybersecurity and Information Security and Protecting Personal Privacy.

Special Topic

Deepening the revolution of organization to stimulate the momentum of enterprise development

In the face of new backgrounds and opportunities such as economic transformation, technological change and green development, the Industrial Bank (IB), led by its vision of “a first-class and flourishing IB”, actively responds to the “changes of the times”, focuses on the development trend of financial marketization, integration and diversification, steadily promotes institutional and mechanism reforms. It focuses on building a more customer-oriented organizational system, and effectively enhances the agile and synergic ability to stimulate its corporate momentum and vitality for sustainable development. In 2022, IB focused on the institutional factors affecting the strategic transformation and high-quality development, coordinated and promoted various institutional and mechanism reforms to readjust and optimize the organizational structure accordingly.

Optimizing the set-up of internal committees at the Head Office

IB has refined and improved the set-up of management decision-making and business review committees and established four strategic promotion working groups under the Strategy Promotion Committee, including Green Banking, Wealth Banking, Investment Banking, and Guangdong-Hong Kong-Macao Greater Bay Area Integration, to coordinate and promote major business management matters throughout the Bank.

Adjusting and optimizing the organizational structure at both the Head Office and branches

Retail Business Sector

Centering on the customer-oriented service concept, IB has constructed a classified and layered customer management system, adjusted the organizational structure of the retail line into “five departments”, including the retail platform department, wealth management department, retail credit department, private banking department and credit card center, and improved the management system and mechanism for retail financial business.

Corporate Finance Sector

IB has restructured the responsibilities of the original corporate finance department, readjusted and established “six departments”, including Corporate Finance Department, Green Finance Department (Strategic Client Department), Inclusive Finance Department (Rural Revitalization Department), Institutional Business Department, Transaction Banking Department (International Business Department), and Corporate Finance Risk Management Department, to strengthen close integration of the green operation concept with the production and operation of clients, enhance the financial service capability of the medium-sized, small and micro enterprises (MSMEs) and agriculture-related enterprises, and better adapt to the current industry chain ecology and digitalized operation model.

Fin-tech Sector

IB has adjusted and formed a new technology structure of “one committee, four departments, one institute and one company”, namely, Digital Transformation Committee, Technology Management Department, Data Management Department, Technology Operation and Maintenance Department, Safety and Security Department and Fin-tech Research Institute, and restructured internal departments of its digital finance company. All these efforts aim at strengthening the Bank’s capabilities in such fields as digitalized leadership, structural management, data services, business and technology collaboration, research and innovation, and data security operation.

Case study: Being a Pioneer in the “carbon peaking and carbon neutrality” and establishing the IB Carbon Finance Institute

In 2022, aiming to serve the national strategy of “carbon peaking and carbon neutrality”, IB focused on the research of green finance, climate change and environmental economics, energy and industrial low-carbon transition to provide more forward-looking guidance for the Group’s strategies of “carbon peaking and carbon neutrality” and green finance, and to continuously and deeply promote the way to green and low-carbon transition for the whole society.



Note: The Bank established the IB Carbon Finance Institute



Improving the corporate governance system to enhance development effectiveness

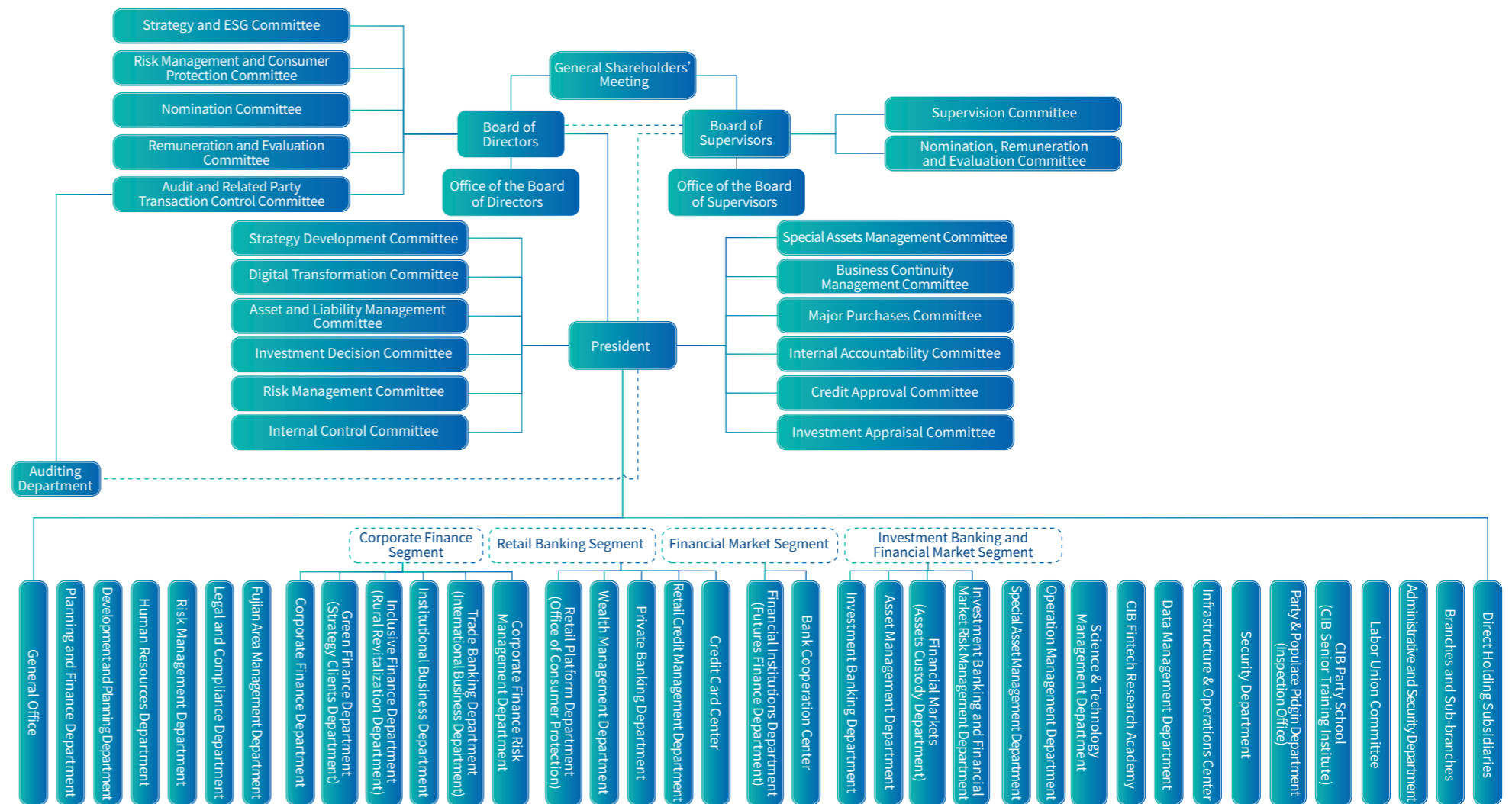
IB adheres to the core values of rationality, innovation, humanism and sharing, continues to improve the corporate governance mechanism of "leadership by the Party Committee, strategic decision-making by the Board of Directors, implementation by the executive management and supervision by the Board of Supervisors", insists on improving the efficiency of internal operations through the standardized, professional and scientific management, works hard to protect the rights and interests of stakeholders and effectively prevents various operational risks, so as to ensure continuous and steady value creation under the ever-changing business environment.

Corporate Governance Structure

IB has established a scientific and sound corporate governance structure with clear divisions of works, checks and balances and an organic linkage among the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and the executive management, who work together to enhance the effectiveness of the Bank's governance. To improve the functions of the Board of Directors and enhance the efficiency of decision-making, the IB's Board of Directors has set up five specialized committees, namely the Strategy and ESG Committee, the Risk Management and Consumer Financial Protection Committee, the Auditing and Related Party Transactions Control Committee, the Nomination Committee, and the Remuneration Assessment Committee, which are responsible for discussing important IB proposals and environmental, social and governance issues. The chair person of the four committees other than the Strategy and ESG Committee are all independent directors.

IB adheres to the integrated and overall development, and has become a modern integrated financial service group after years of development, 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. The Head Office management has set up twelve specialized committees, such as the Strategy Promotion Committee, the Digital Transformation Committee, the Asset and Liability Management Committee, and the Investment Decision Committee, which are responsible for the decision-making and coordination of various major corporate matters. A professional and efficient organizational structure has been established at the Head Office, with four major department groups of corporate finance, retail finance, interbank finance, investment banking and financial market as well as relevant middle and back stage management departments. The Group has a number of wholly-owned subsidiaries such as Industrial Bank Financial Leasing Co., Ltd. and CIB Wealth Management Co., Ltd..

IB's Organizational Structure



Types Operation Content of the Proposal Reviewed

Strategy and ESG Committee
 Committee Chairman: Lyu Jiajin
 Number of meeting sessions: 5
 Average attendance rate: 100%

Reviewed and heard the Report on the Evaluation of the Implementation of Industrial Bank’s Development Strategic Plan (2021-2025), Industrial Bank’s Annual Sustainability Report for 2021, Proposal of the Industrial Bank’s Recovery and Disposal Plans (2022), Report of the Industrial Bank’s ESG Management System Construction for the First Half (2022), Report of the Industrial Bank’s ESG Management System Construction (2022) and Work Planning for the Next Phase, and Report of the Industrial Bank on Green Finance Business Development (2022).

Risk Management and Consumer Rights and Interests Protection Committee
 Chairman: Ben Shenglin
 Number of meeting session: 5
 Average attendance rate: 100%

Reviewed and heard the Work Plan of the Industrial Bank on Consumer Financial Protection (2022), Annual Evaluation Report of the Industrial Bank on the Development of Personal Internet Loan Business (2021), Report of the Industrial Bank on Business Sustainability Management, Report of the Industrial Bank on the Retail Line Wealth Management Agency Business (2021), Special Auditing Report of the Industrial Bank on the Consumer Financial Protection, Report of the Industrial Bank Consumer Financial Protection (2022), Report of the Industrial Bank on the Protection of Personal Information (2022), and Report of the Industrial Bank on Data Governance (2022).

Nomination Committee
 Chairman: Qi Yuan
 Number of meeting sessions: 5
 Average attendance rate: 100%

Reviewed and heard the Proposal of the Industrial Bank on the Appointment of Mr. Zhang Min as IB Vice President, Proposal of the Industrial Bank on the Appointment of Mr. Zhang Ting as IB Vice President, Proposal of the Industrial Bank on the Appointment of Mr. Hua Bing as Secretary of the Board of Directors, and Proposal of the Industrial Bank on the Adjustment of the Composition of the Committees under the Board of Directors.

Remuneration Assessment Committee
 Chairman: Xu Lin
 Number of meeting sessions: 2
 Average attendance rate: 100%

Reviewed and heard the Evaluation Report of the Industrial Bank on the Performance of Directors’ Duties (2021), Allocation Plan of the Industrial Bank on the Remuneration of Senior Management (2021), and Reform Plan of the Industrial Bank on Job Grade Remuneration System.

Auditing and Related Party Transactions Control Committee
 Chairman: Su Xijia*
 Number of meeting sessions: 7
 Average attendance rate: 100%

Reviewed and heard Internal Auditing Project Plan of the Industrial Bank (2022), Proposal to Amend the Management Measures of the Industrial Bank on Related Party Transactions, Report on Related Party Transactions (2021), Report of the Industrial Bank on Internal Control Evaluation (2021), Report of the Industrial Bank on Special Auditing of Related Party Transactions, and Report on Internal Auditing Work in the First Half of 2022.

*Note: Su Xijia, the independent director of the Bank, resigned as an independent director and a member of the Auditing and Related Party Transactions Control Committee and the Remuneration Assessment Committee under the IB Board of Directors in February 2023 as he had served as an independent director of the Company for six consecutive years.

In 2022, IB consistently strengthened its analysis and judgment of the macroeconomic situation, promoted its sound and sustainable development, actively prevented and defused various risks. During the year, IB revised the Articles of Association of the Industrial Bank Co.,Ltd, the Rules of Procedure of the Board of Directors of the Industrial Bank Co.,Ltd, the Rules of Procedure of the General Meeting of Shareholders of the Industrial Bank Co.,Ltd and the Rules of Procedure of the Board of Supervisory of Industrial Bank Co., Ltd to further ensure the comprehensive and systematic nature of its basic corporate governance system and the standardized operation of corporate governance at all levels.



Please click the link to view the [Articles of Association of the Industrial Bank](#)

Operation of the Board of Directors

IB nominates, appoints and removes members of the Board of Directors in strict accordance with the Articles of Association of the Industrial Bank Co., Ltd (“Articles of Association”). Directors are elected or replaced in the Shareholders’ Meeting and may be re-elected or re-appointed upon expiration of their term of office for three years. The Nomination Committee of the Board of Directors will propose director candidates to the Board in due course. In case of temporary addition of directors, the Board will propose them to the Shareholders’ Meeting for election or replacement.

IB values professional expertise and skills of directors. The Board members possess diversified professional backgrounds or management experience in such fields as the banking, investment, accounting, ESG, technology, artificial intelligence and risk management, and are familiar with laws and regulations related to the operation and management of commercial banks. At the same time, IB is committed to establishing a membership structure that tends to be diversified in terms of profession, geography, gender, nationality and occupation to facilitate the Board of Directors to broaden the vision in the decision-making process and improve the scientific nature and relevance of decision-makings. By the end of 2022, IB has 11 directors, including 5 independent directors and 1 female director, with an average term of 2.27 years. Among them, 1 new female director with the experience in philanthropy and ESG was added during the year; and the 5 independent directors accounted for more than one-third of the total.

Name	Position	Gender	Born	Term of office	Professional background
Lyu Jiajin	Chairman	Male	1968.09	2021.07.26—2024.06.10	Finance (Banking)
Tao Yiping	Director President	Male	1963.04	2016.06.20—2024.06.10 2016.04.28—2024.06.10	Finance (Banking)
Chen Yichao	Director	Male	1950.11	2015.07.01—2024.06.10	Cooperate financial affairs
Xiao Hong	Director	Male	1972.10	2021.07.30—2024.06.10	Cooperate financial affairs, Finance (Banking)
Sun Xiongpeng	Director Vice President	Male	1967.04	2021.07.30—2024.06.10 2016.08.25—2024.06.10	Finance (Banking)
Su Xijia	Independent Director	Male	1954.09	2017.02.07—the appointment of the next independent director with accounting profession	Cooperate financial affairs, Accounting
Ben Shenglin	Independent Director	Male	1966.01	2021.07.30—2024.06.10	Finance (Banking)
Xu Lin	Independent Director	Male	1962.06	2021.07.30—2024.06.10	Finance, ESG
Wang Hongmei	Independent Director	Female	1961.06	2022.01.25—2024.06.10	Science and technology, ESG
Qi Yuan	Independent Director	Male	1974.03	2022.03.10—2024.06.10	Finance, Science and technology
Li Zhuyong	Director	Male	1972.10	2021.07.30—2023.03.16	Law, Risk prevention, Finance (Insurance)

Note: The establishment and detailed information of IB’s independent directors can be found in the “[Exchanges of Independent Directors and External Supervisors](#)” section on the Company’s website.



Independence of the Board of Directors

IB clearly stipulates in its Articles of Association that independent directors shall serve as independent directors in at most five Chinese and foreign enterprises simultaneously; and shall not serve as independent directors in more than two commercial banks at the same time. By the end of 2022, the number of IB’s independent directors holding positions in other companies is less than 4. If a director or the enterprise (s)he works for has affiliation with the Bank, (s)he must disclose the nature and extent of the affiliation to the Board of Directors and the Board of Supervisors, and follow the procedure for related directors on avoiding the conflict of interests. If it involves directors themselves or their related parties, they should apply for withdrawal and ensure that the relevant decisions are made in line with the best interests of stakeholders.



Capacity Building of the Board of Directors

Based on its own business development needs and the professional functions of directors, IB fully focuses on key areas, selects training themes, and organizes surveys, trainings and special exchanges for the Board of Directors to deepen its directors’ understanding to banking management and improve its decision-making quality and efficiency. In 2022, IB organized a total of 3 training sessions for board members, with the participation of 22 directors in persons/times. During the year, each director participated in the training for up to 12 hours, covering topics such as technology efficiency management, ESG management system construction, and corporate governance.



Performance Evaluation of the Board of Directors

IB has formulated the Measures of the Industrial Bank on Evaluating the Performance of Directors and the Detailed Operation Rules of the Industrial Bank on the Calculation Standard of Directors’ and Supervisors’ Performance Time to continuously improve the dimensions and contents of performance evaluation of directors, and clearly stipulate that the performance evaluation of directors includes the participation of directors in activities such as inspection, research, and training organized by the Board of Directors or regulatory departments. IB regularly summarizes and compares the annual performance of each director and forms a report on the performance evaluation of all directors by the Board of Directors to promote the faithful and diligent performance of directors.

For details of the “Information on the board meetings held during the reporting period” and “Performance of duties by directors” , please refer to: Annual Report of the Industrial Bank (2022).

Operation of the Board of Supervisors

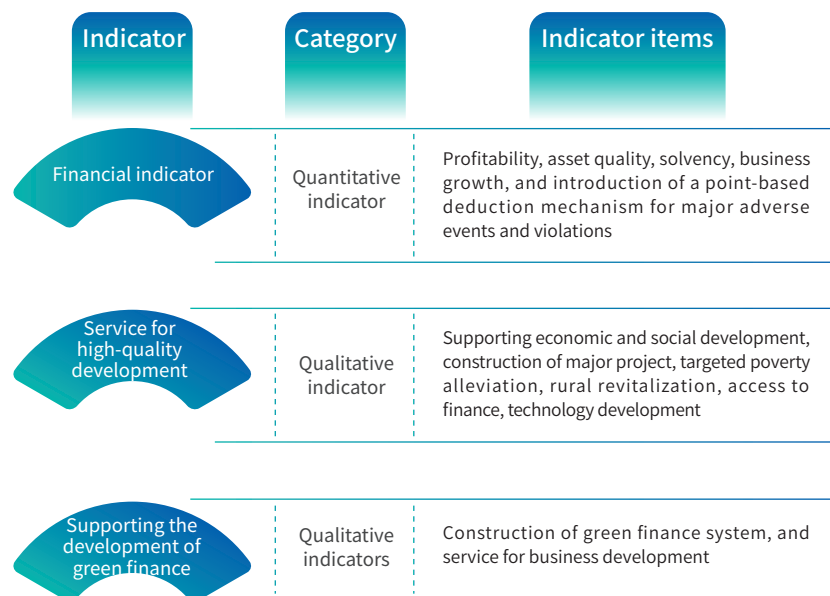
IB selects the professionals with strong professional expertise and rich management experience to serve as supervisors to strengthen the supervisory power of the Supervisory Board, build a scientific and effective supervisory team, and improve the corporate governance supervision system by improving the Rules of Procedure for the Board of Supervisors of the Industrial Bank and the Working Rules of the Committees. At the same time, it links internal and external auditing resources, strengthens the integration and linkage, and moves forward the “supervisory pass” , to effectively play a supervisory role in preventing risks and promoting corporate development.

Remuneration Policy for Executives

IB has established the Remuneration and Assessment Committee under the Board of Directors, which is responsible for regularly reviewing the performance evaluation and remuneration system and standards of the Company's management and submitting them to the Board of Directors for deliberation, taking into account factors such as the salary level of the industry, individual performance and the achievement of strategic goals. At the same time, the Board conducts yearly evaluation of executives' annual operation performance in accordance with performance evaluation standards and assessment procedures around the corporate development strategy and annual operation plan, and the relevant evaluation results are linked to the payment of executives' remuneration.

IB's remuneration management adheres to be in line with the Bank's corporate governance requirements, take into account the Bank's competitiveness and sustainable development, adapt to the operational performance, and coordinate with the long-term and short-term incentives. The remuneration of executive management is paid in strict accordance with the plan reviewed and determined by the competent authorities and deliberated and approved by the Board in light of the corporate governance procedures. In the meanwhile, IB has established a mechanism of deferred payment of remuneration, whereby part of the performance remuneration of the leaders of departments of the Head Office and the management staff of branches and subsidiaries is set aside as security fund to be deferred for three years, and the fund will be deducted accordingly in case of violation of rules and regulations or extraordinary exposure of risks within their scope of responsibilities during the evaluation period.

Comprehensive evaluation system for executives compensation assessment



Note: For details of "Changes in shareholdings and remuneration of current and outgoing directors, supervisors and executive management during the reporting period", please refer to the Annual Report of the Industrial Bank (2022).

Protection of investors' legitimate rights and interests

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

IB attaches 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 corporate systems, engagement of executive management, inter-departmental coordination, and regular and normalized communication.

In 2022, IB held the "2021 Performance Briefing", "2022 Q1 Performance Briefing and Enterprise Finance Sector Investor Open Day", "2021 Shareholders' Meeting", "2022 Interim Performance Briefing" and "2022 Q3 Performance Briefing", and a series of road shows and visits. The executive management participated in these events, and their candid and practical answers to investors' concerns won praises and trust for the Bank. For the first time, the Annual Performance Briefing was broadcast live to global investors in Chinese and English, domestic and overseas, on the cloud video platform and Shanghai Stock Exchange (SSE) platform, and participated in the SSE "Blue Chip Heavyweights" week.

In addition to the regular investor communication activities, IB used thematic communication to deepen its understanding, including holding an open day for investors in conjunction with the disclosure of the first quarter report to show IB's new economic layout, new models and new achievements under the "commercial bank + investment bank" strategy and "regional + industrial" business strategy. It also invited three clients to participate in the events and interacted with investors in an innovative manner. In the meantime, IB's efforts to maintain investor relations have won 100 highest-level recommendations and ratings in the reports produced by 31 mainstream securities traders at home and abroad.

Through a variety of ways such as phone call, email, SSE "E-Interactive", securities traders meeting, surveys and receptions IB strengthened its communications with investors and, answer their questions. It answered, checked and replied to investor's comments either via phone calls and emails, and participated in or hosted events of domestic and foreign securities traders. It conveyed to the market the highlights of the IB's implementation of the "1234" strategy, promoted the digitalization and adhered to its "three key areas". 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 its 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 Analysis of Shareholders' Change, and makes the two-way interactions between market players and listed companies more effective.

 <p>IB was honored as the "Best Market Capitalization Management Team"</p> <p>("The 3rd Cai Lian Elite Directors' Summit Forum" sponsored by Cai Lian Press)</p>	 <p>IB was honored as the "50 Best Listed Companies"</p> <p>("The 4th New Fortune Best Listed Companies" organized by New Fortune)</p>	 <p>IB won the honor of "2022 Outstanding Listed Company"</p> <p>("Golden Sail Award" sponsored by Southern Finance and Economics).</p>
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Strengthening risk management and adhering to steady development

IB adheres to risk awareness and bottom-line thinking, continuously implements a steady and prudent risk management strategy, enhances its ability to cope with various risks, ensures the stability of asset quality, strives to achieve an appropriate balance between risk and return, and operates safely and prudently at a reasonable risk level. In August 2022, it revised the Measures of the Industrial Bank on Reporting Overall Corporate Risk Management, further improving the comprehensive risk management system in terms of routine risk report, ESG-related risk inclusion, supervision by the Board of Supervisors, and special risk report.

Organizational structure of risk management

IB continues to improve its risk management structure, with the Board of Directors assuming the ultimate responsibility for comprehensive risk management. The Board is responsible for such duties as establishing a culture-related risk, formulating risk management strategies, setting risk preferences, ensuring risk limits, reviewing comprehensive risk management reports. In light of the Articles of Association, the Risk Management and Consumer Financial Protection Committee under the Board of Directors is responsible for approving and inspecting the executive management's responsibilities, authorities, and reports related to risks, and regularly reporting to the Board. The Board of Supervisors is mainly in charge of supervising and inspecting the risk management performance of the Board of Directors and the executive management, and urging their rectification in case of any potential risks. The executive management is responsible for implementing the overall risk management work, clarifying the division of responsibilities among departments, establishing clear execution and accountability mechanisms, ensuring the full communication and effective implementation of risk management policies and work priorities, and establishing a complete management information system and data collection mechanism. The IB's management team also sets up a risk management committee, which is responsible for fulfilling relevant responsibilities for overall risk management and coordinating with departments of business, risk management and internal auditing, to ensure the overall risk management response of the whole Bank.



IB has established a comprehensive, three-dimensional, and dynamic risk prevention and control system: All business departments and operating institutions, as the first direct responsible persons, strengthen a line of defense for risk management. The risk management department is responsible for formulating the risk-related policies and procedures, monitoring and managing risks. The internal auditing department is responsible for auditing the performance of business and risk management departments. The "three lines of defense" perform their duties respectively and work together to achieve the risk management objectives.

Construction of the risk management system

Based on the internal conditions and external environment of the Bank, IB has formulated a clear risk management strategy, with the annual risk preferences setting, and defined requirements of setting, transmitting, executing, monitoring, reporting, evaluating, and adjusting risk preferences. The risk preferences are adjusted based on changes in business scale, complexity, and risk status. Substantial progress has been made in 2022 in subsidiary management, ESG-related risk management, and construction of Basel III Accord, resulting in a more perfect and effective risk system.



- IB has established a risk authorization management mechanism for its subsidiaries, clarified the business approval authority of each subsidiary in combination with their risk-bearing capacity.
- IB has optimized the Group's unified credit management, established the Group's consolidated management quota, and improved the refinement of consolidated management.
- IB has optimized the risk management mechanism of key subsidiaries and promoted the asset quality of subordinate institutions.

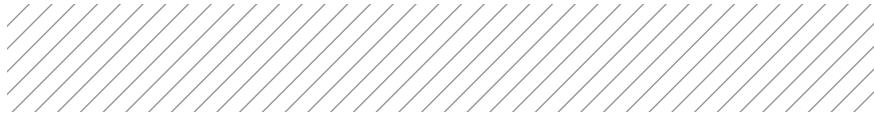


- IB has issued 23 ESG-related industry credit policies to actively guide credit resources to business areas that met ESG-related requirements such as low energy consumption and low carbon emission.
- IB has deepened the climate-related risk stress testing and conducted the first public disclosure of the results of climate-related risk stress testing.
- IB has clearly incorporated ESG-related risks into its comprehensive risk management system, and required all institutions to strengthen ESG-related risk management reports.



- IB has further implemented the online measurement system in terms of operational risk, market risk, and weighted asset of credit risk.
- IB has launched its advanced self-assessment of capital measurement for the whole Bank, and continued to update and iterate parameter models.

At the same time, IB adheres to serve the real economy as a fundamental measure to prevent and mitigate risks, optimizes the structure of customer, asset and business, continuously improves the degree of compatibility with needs and structures of economic and social development, and further tilts financial resources towards key areas and weak links in the real economy such as advanced manufacturing, green development, technological innovation, access to finance for micro and small enterprises, and rural revitalization, so as to promote a virtuous cycle between finance and economy, and prevent and mitigate the financial risks from the source.



Construction of the risk management culture

IB has established a complete risk management and evaluation system, which includes assessing branches, business lines, subsidiaries, etc. The assessment index system (including indicators in terms of asset quality, process evaluation, group risk profile, etc.) is evaluated and revised every year. Through the implementation of the risk-related “whistle-blower” system, IB requires institutions and risk-related personnel at all levels to report risk issues and hidden dangers discovered in the risk management work to the Head Office in a timely manner. For institutions and individuals who reported the risks in a timely manner, it would give bonus rewards and compliance commendations in the year-end assessment; for those who fail to report in a timely manner and cause adverse consequences, appropriate accountability measures will be taken against them.

In 2022, IB launched a new online risk management learning platform named “Xingfengxiang 7.0” and continued to carry out the special campaign of “Xingfengxiang” risk management throughout the Bank, focusing on three dimensions of “innovative project research”, “existing project promotion”, and “learning by all staff” to enhance the new trend of risk management learning for all the employees.

Learning for All

IB launched 17 courses, such as “Xingfengca Comes” (an emerging course taught by the financial masters) and “Xingfeng Qingnianshuo - Super Speaker of Risk Control Star” in the excellent courses and classical sections of the Bank’s Xingzhi App for key positions of risk management, attracting participants over 690,000 persons/times across the Bank.

Innovative Project Research

IB launched the “Xingfengxiang” innovation project research in 2022, through which the experts and mentors from the Head Office overviewed the cutting-edge strategies within the industry, focused on the project scenarios, provided guidance to the project team in advance, and external experts are invited to share their innovative ideas and hot topics. A total of 44 branches independently applied for the project throughout the year, with 27 projects entering the preliminary round and 13 project teams successfully entering the final round.



Note: Xingfengxiang 7.0

Existing Project Promotion




IB promoted the full implementation of intelligent risk management systems and excellent projects throughout the Bank. A total of 47 project application reports were submitted during the year, covering fine management, digital risk management, efficiency improvement and hot topics, over 68% of which have been applied in IB branches.



Note: Risk control and management learning by all employees

Emerging risk identification and responses

With the social development and technological progress, the continuous evolution of emerging risk categories, and the increasing breadth and depth of regulation also have an impact on the banking industry. IB strives to identify, manage and respond to the emerging risk challenges dynamically with a forward-looking perspective and systematic approach.

Emerging Risks	Risk Description	Impacts	Actions and Measures
 <p>Climate change risk</p>	<p>Climate change has become a source of financial risk. In terms of physical risks, extreme weather events and natural disasters may interrupt their own or customers' business, or damage their equipment; in terms of transitional risks, uncertainties in the asset portfolio may be caused by policy changes, technological innovations, and energy structure adjustments in the low-carbon transition process of the economy and society.</p>	<p>Climate-related risks may evolve into financial risks through multiple channels, which may have a substantial impact on IB' s finance or strategies, such as impairment of service life of fixed assets and intangible assets; the increase of default risk in loan portfolios; impairment of financing target assets and lease receivables; and the impact on expected cash flows from loans.</p>	<p>See pages 82-87 of this report for details.</p>
 <p>Privacy & data security risk</p>	<p>With the continuous development of financial technology and the escalation of digital transformation, customers and related transaction information of banks are more likely to be exposed to risks, such as excessive collection or improper handling of sensitive data and personal information, and data stealing or falsification by hackers.</p>	<p>In the event of a major data security incident, even violating the Data Security Law of the People' s Republic of China, the Personal Information Protection Law of the People' s Republic of China ("Personal Information Protection Law"), and the requirements of financial regulatory authorities, it will lead to a series of serious consequences such as regulatory accountability, negative public opinion, customer defections, economic losses and business innovation stagnation.</p>	<p>See pages 33-37 of this report for details.</p>
 <p>Internet fraud risk</p>	<p>With the increasing trend of networked and scenario-based banking products and services, criminals may use such deceptive means as the Trojans, phishing links, and telecommunications fraud to commit fraud against banks and customers in order to obtain illegitimate benefits, causing financial losses to customers and banks.</p>	<p>The fraud risk suffered by the banks' customers may be transferred to the banks, ultimately resulting in losses of funds, reputation, etc. If a large-scale fraud event occurs, it will not only bring huge economic losses to banks, but also have serious impacts on society.</p>	<p>See page 67 of this report for details.</p>



Strictly adhering to the redline of compliance and regulating the operation with Business Ethics

IB adheres to the concept of "giving priority to law compliance in pursuing development", continues to reinforce the concept of compliance in operation, and continuously improves the long-term mechanism of internal management in risk and compliance control with the implementation of the "IB Rule of Law" as the main line. Both IB and its subsidiaries strictly comply with national laws and regulations as well as the compliance requirements of regulatory authorities, focusing on the management of key business to guarantee high-quality development.

Construction of the corporate governance related to compliance and internal control	Construction of the compliance System	The construction of compliance culture
<p>The IB Board of Directors is responsible for reviewing and approving the compliance policies and supervising their implementation, and regularly studying and evaluating the soundness, reasonableness and effectiveness of internal controls; The executive management supervises the internal control of compliance risks and implements the requirements related to anti-money laundering and anti-terrorist financing; and urges the correction of problems identified in operating decision-making, risk management and internal controls in a timely manner.</p>	<p>IB has formulated and implemented the Manual of the Industrial Bank on Employees Compliance, the Measures of the Industrial Bank on the Management of Abnormal Employees Transactions, the Thirteen Prohibitions of the Industrial Bank on Employees Behaviors, the Measures of the Industrial Bank on Case Prevention Work Management, the Management Measures of the Industrial Bank on the Management of Outsourced Personnel-related Risks and the Guidelines of the Industrial Bank on Employees Life-Cycle Management Standard, to further improve the compliance and internal control management system.</p>	<p>IB has incorporated the strengthening of the Group' s compliance culture publicity and guidance, and improving its employees' awareness of law compliance into the Group' s 2022 IB activities on "Year of Promoting the Rule of Law" as one of the important works. Its organizations at all levels enhance the bottom-line thinking and compliance awareness of all employees through various means.</p>

Business ethics and code of conduct

IB has explicitly stipulated that the non-compliance behaviors and violations of business ethics which should be prohibited in such system documents as the Manual of the Industrial Bank on Employees Compliance, the Measures of the Industrial Bank on the Management of Abnormal Employees Transactions, the Thirteen Prohibitions of the Industrial Bank on Employees Behaviors, and the List of Major Negative Behaviors of Important Industrial Bank Positions, and has strengthened compliance publicity, promotion and warning education of employee to enhance their awareness of compliance, and clarify the redline of business ethics. At the same time, IB has strengthened to implement the Code of Business Ethics for Directors, Supervisors and Executives of the Industrial Bank Co., Ltd so as to strictly regulate the professional ethics of directors, supervisors and the executive management team.

IB adopts a combined "online + offline" approach to continuously inspect employees' abnormal behaviors, continuously strengthen such abnormal behaviors management in the region, and imposes heavy punishment against offenders. Its Human Resources Department and Legal and Compliance Department, as the main management departments responsible for handling employees' abnormal behaviors, provide professional support to all employees in their daily work in consulting and understanding business ethics-related matters, while the Auditing Department conducts the auditing survey on the management of employees' abnormal behaviors to assess the control of employees' ethical risks.

Complaint Calls, Letters and Visits and Case Disposal

IB revised the Measures of the Industrial Bank on the Management of Complaint Calls, Letters and Visits in June 2022 to clearly refine the acceptance process and requirements of handling time limit for three types of complaint calls, letters and visits, such as opinions and suggestions, reports and accusations, as well as claims and appeals; provided for timely responses and replies to complainants' claims; and set up the reception venue, phone call, and email for complaint calls letters and visits. In the meanwhile, IB strictly maintained the confidentiality of the information of the complainants and/or reports, and prohibited to disclose such information to the person or entity subject to the reports or complaints, and implemented a recusal system for individuals who had a direct conflict of interest in the complaint matter or the complainants.

By the end of 2022, IB received a total of 6 reported complaints (1 was a repeated report), of which it preliminarily checked 2 complained matters and inquired 3, reviewed and responded to 421 persons/times regarding the opinions on Party conduct and clean governance.

Anti-Money Laundering Management

IB has set up a leading group on anti-money laundering covering three levels: Head Office, branches and sub-branches, and formulated the basic anti-money laundering systems, such as the Measures of the Industrial Bank on the Management of Anti-Money Laundering, encompassing such aspects as the identification of customer identity and data retention, customer risk classification, bulk transaction and suspicious transaction reporting, sanctions and compliance management, emergency management of unexpected events and internal control assessment. At the same time, it focused on the key areas of anti-money laundering work and continued to enhance the effectiveness of anti-money laundering work.



Deepening business embedding

Through its business system review, business money laundering risk supervision, and anti-money laundering inspection and supervision of high-risk businesses, IB has embedded the whole process management requirements of anti-money laundering ex-ante prevention and control, interim control and ex-post supervision in the business management process and the whole process of business innovation.



Enhancing resource utilization

IB has effectively integrated the anti-money laundering work with its routine compliance management and case management to establish a unified line of risk prevention. On the premise of keeping full confidentiality of information, it has further enhanced its internal control and compliance management through the problems identified in the course of anti-money laundering work.



Money laundering risk prevention and control

IB has constructed a money laundering risk identification and assessment system in three dimensions of institution, business (products and channels) and customer, to carry on regular money laundering risk assessments across the Bank. It has developed new business money laundering risk assessment indicators, methods, processes and standards, aiming at analyzing the risk loopholes and weaknesses in advance.

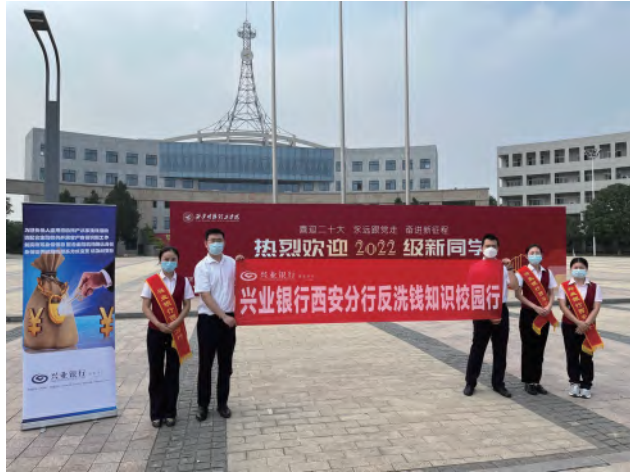
In accordance with the anti-money laundering and anti-terrorist financing policy, IB strictly prohibits the opening of anonymous accounts and direct or indirect transactions with any shell banks, and fully incorporates anti-money laundering-related requirements in customer business processing and daily employees' training to jointly prevent anti-money laundering-related risks.

For customers

IB has strictly enforced Know Your Customer (KYC) policy in opening bank accounts and handling new transactions. Where a customer has escalated the risk by engaging in illegal transactions, the Bank would conduct due diligence and subsequent control measures according to the risk level.

For employees

IB has provided training on anti-money laundering and anti-terrorist financing policy to all employees, including the executive management, and organized 13 anti-money laundering training sessions in 2022, with a total of more than 20,000 persons/times cumulatively. In the meanwhile, IB have developed anti-money laundering scripts to create an immersive learning atmosphere and studied short videos and cartoons to make the publicity events more vividly, so as to guide employees to acquire and grasp the related knowledge willingly.



Note: IB Xi'an Branch conducted a publicity event against money laundering on a university campus

Anti-corruption Management

IB implements a “zero tolerance” policy for any form of corruption and bribery, who has published the Anti-Corruption Policy of the Industrial Bank on its official website, and specified the prohibited acts in Manual of the Industrial Bank on Employees Compliance, the Thirteen Prohibitions of the Industrial Bank on Employees Behaviors, and the List of Major Negative Behaviors of Important IB Positions such as soliciting or accepting bribes or acceptance of various kickbacks or charges in violation of national regulations as well as offering bribes or participating in transfer of benefits or insider trading. At the same time, the Articles of Association of the Industrial Bank explicitly stipulates that directors and supervisors of the Bank may not use their authority of office to accept bribes or other illegal incomes.

IB has been committing to build up Party conduct and clean governance and anti-corruption by promoting the reform of Party building and disciplinary inspection, improving the inspection mechanism, strengthening the supervision and discipline team, and establishing a supervisory pattern with the involvement of disciplinary inspection and supervision, auditing, risk and compliance departments. In 2022, it officially issued the Work Plan for the Construction of “Clean IB” Culture (2022-2024), which clearly defined the objectives of building a clean governance culture, and organized the event of clean financial culture promotion month. Through various means such as organizing its employees to attend integrity “micro-video Party classes” , visit integrity education bases, watch educational documentaries and write calligraphic works on clean governance, IB stimulated employees’ internal driving force for clean governance, reminding them of anti-corruption awareness in an integrated manner, and thus to create a positive environment for the Bank in clean governance.

In 2022, IB conducted 504 training sessions on anti-corruption policies, with the participation of more than 201,200 persons/times.






Please click the link to view [the Anti-Corruption Policy of the Industrial Bank](#)



Safeguarding Cybersecurity and Information Security and Protecting Personal Privacy

IB understands that with the acceleration of digital transformation, the importance of Privacy & Data Security has been increasing. It has established a comprehensive Privacy & Data Security system in accordance with relevant laws, regulations, and regulatory requirements. IB has also developed a series of data security management systems and standard specifications, formulated a series of data security security management systems, standards and specifications, clarified full-life-cycle data security requirements, combined with relevant emergency drills and training advocates to provide customers with safer financial services.

IB's Commitment to Privacy and data security Protection

-  Commitment to implement leading data protection standards;
-  Commitment to obtain user data in a lawful and transparent manner and obtain explicit consent from the data subject when necessary;
-  Commitment to collect and process user data only for the stated purposes;
-  Commitment to require third parties with whom data is shared to comply with IB's policies;
-  Commitment to promptly notify data subjects in the event of policy changes or data breaches.

Privacy & Data Security System

● Specifying cybersecurity and information security responsibilities and implementing internal working mechanisms

IB resolutely implements the responsibility system for cybersecurity, making it clear that the Party Committee of the Head Office bears the main responsibility for cybersecurity, and it has set up a leading group for cybersecurity and information security as the deliberation and coordination body, with Lyu Jiabin, Chairman of the Board of Directors, as the first responsible person for cybersecurity of IB and serves as the group leader, and Sun Xiongpeng, the direct responsible person for cybersecurity, director and Vice President of IB, serves as the deputy group leader, responsible for reviewing, promoting and supervising the overall cybersecurity and information security work, and holding regular meetings to study and deploy cybersecurity and information security matters. In 2022, IB held one leading group (expanded) meeting on cybersecurity and information security and three thematic discussion meetings organized by the person directly responsible for cybersecurity and information security. The Internal Control Committee meetings held quarterly also deliberated cybersecurity and information security issues irregularly. IB directors also effectively performed and carried out their supervisory duties to review and adopt the Report of the Industrial Bank on the Work of Personal Information Protection (2022) during the year. To further enhance the governance effectiveness of the Board of Directors in the field of cybersecurity and information security, the two independent directors newly hired by IB in 2022 have the practical experience in communications and technology and are familiar with issues related to cybersecurity and information security.

● Integrating professional talent resources and increasing investment in cybersecurity and information security

IB has set up the Group's cybersecurity and information security expert team, integrated talent resources, continuously delivered security services to the whole Bank, established a cybersecurity and information security technology department, and strengthened the platform for interest cultivation and technical exchange to enhance the cybersecurity and information security capabilities of the whole Bank. By the end of 2022, IB had nearly 120 full-time cybersecurity and information security management and technical personnel, and accumulated 166 persons/times of senior cybersecurity and information security professional qualifications such as CISSP (Certified Information Systems Security Professional), CISA (Certified Information Systems Auditor) and CISP (Certified Information Security Professional). In 2022, IB invested more than RMB 124 million in data security, with an increase of 14.81% over 2021.

● Carrying out cybersecurity and information security training to enhance employees' security awareness

IB has been continuing to carry out the "IB Security" confidentiality and information security activities across the Bank. In 2022, it organized a total of 220 learning activities such as information security education and publicity activities, knowledge competitions, covering 64,375 employees; It organized special training on privacy and data protection, including in-depth interpretation of the Personal Information Protection Law and the Data Security Law, as well as the learning on relevant IB systems and regulations. A total of 68,000 employees, including more than 57,000 regular employees and more than 9,100 labor dispatching employees, completed online courses; and the "IB Security" WeChat official account has been read by more than 53,000 persons/times. IB has established information security manager positions in all units of the Bank, and all employees have the obligation to report to the information security manager of the unit or the cybersecurity and information security function of the Head Office in the first instance after discovering information security-related events or abnormalities.

● Setting up a sound system and strictly implementing various requirements

IB has established a complete three-level cybersecurity and information security system, covering such fields as the implementation of cybersecurity responsibility system, network and information security organization regulations, employee behavior norms, security research and development, data security, personal information protection, network management, terminal security, supply chain security, inspection, assessment, recognition and accountability, forming a total of 42 cybersecurity and information security policies, strategies, norms, processes, baselines, guidelines and codes to ensure the implementation of unified cybersecurity and information security norms within the bank, and regular review and update.



Cybersecurity and Information Security Capability Building

● Enhancing the technical ability of cybersecurity and information security in an all-round way

IB has established a sound cybersecurity and information security technology protection system, covering such aspects as the network, hosts, terminals, data and applications. Simultaneously, it formed a supporting security operation mechanism, and set up a special security operation team to achieve all-round and all-time security monitoring and protection. IB continuously improved its security operation capability, conducted security drills, enhanced its cybersecurity and information security technical support capability, improved its penetration test management system, and ensured the safe and stable operation of information systems. In 2022, there was no incident of successful attacks on cybersecurity in IB. The specific measures taken by IB are as follows:

<p>Lay out the computing planning</p>	<p>IB launched the construction of data center in Gui'an New Area and the preliminary project of comprehensive renovation of Zhangjiang server room in Shanghai; improved the coverage of "cloud services" of the system, enhanced the elastic supply capacity of IT basic resources and carried out the construction of "cloud-network integration" data transmission network.</p>
<p>Safe operation capability</p>	<p>IB comprehensively enhanced early warning and emergency response capabilities, improved cybersecurity situational awareness, risk warning, attack monitoring, analysis and disposal and traceability. It built an all-round and multi-depth security technology protection system that has comprehensively covered such fields as the network, hosts, terminals, data and application.</p>
<p>Safety Drill</p>	<p>IB strengthened the technical capability of cybersecurity and information security attack and defense, and provided daily security testing services. In 2022, a total of over 37.2 million attacks were intercepted, 541 information system penetration tests were completed, and a total of 2,602 vulnerabilities of various types were identified. IB took measures to complete the repair of all identified vulnerabilities in a timely manner.</p>

● Full assessing the third-party cybersecurity and information security protection capability

IB has established clear requirements for the entire process of third-party security management, including the pre-assessment, in-process monitoring, and post-event inspection. Before the admission of the third party, IB comprehensively evaluated the third-party's cybersecurity and information security capability through strict due diligence and compliance review, and the safeguards, responsibilities and obligations to be performed by the partner in cybersecurity and information security have been stipulated in the cooperation agreement signed with the third party in conjunction with the specific service content. Through regular collection of IT outsourcing project risk monitoring indicators, assessment and evaluation of third-party service quality, IB has continuously traced, monitored and supervised the third-party service and product quality, security assurance capability to ensure that the third party achieves certain information security guarantee capabilities. In terms of third-party data cooperation, IB has strictly implemented the inspection of data suppliers, and strengthened the requirements for comprehensive supplier evaluation in such links as the access, in-process and post-completion evaluation. The requirements for security compliance self-examination, review, and security compliance supervision and inspection at the stage of data introduction and use are further clarified and strengthened.



Information Security Certification and Assessment

● Information security certification



In 2022, the information security management system of IB's data center was audited by a third-party organization and conformed to ISO/IEC 27001:2013 standard, covering hardware operation and maintenance, software operation and maintenance and other IT service management activities; the big data foundation platform of the data center, the "Ming Di" real-time data service platform and data visualization platform have passed the "Trusted Big Data" evaluation of China Academy of Information and Communications Technology and obtained certificates.

◀ Figure note: the Bank's Information Risk Management System Certificate

● Classified information system protection evaluation

IB consistently carried out work such as grading, filing, evaluation and rectification in strict accordance with the National Cybersecurity Classified Protection Standard 2.0. In 2022, IB completed the classified protection evaluation on a total of 58 sets of third-level and above systems and 34 sets of second-level systems.

Personal Information Security and Privacy Protection

IB strictly follows the Personal Information Protection Law of the People's Republic of China, fully respects the rights and interests of individual subjects, who has formulated and implemented security requirements covering the full-life cycle of personal information, and strictly carries out principles of clear purpose, openness and transparency, informed consent, minimal necessity, safe handling and subject participation in personal information protection.

Publishing privacy protection policy

During the year, IB officially released the Privacy Policy of the Industrial Bank Co., Ltd. to publicize the general statement of its work about personal information protection. This policy applies to all products and services provided by IB to natural persons, which contains: IB's commitment to implement the requirements for personal information protection compliance in all aspects of business design, production and operation, technical management, and subject rights; the specific notice of its scenarios and processing rules for collecting, using, storing and sharing personal information; and the explanation to customers of its rights to personal data, including accessing to, correcting, updating and deleting personal information, etc.

Conducting inspections on the privacy compliance of Internet APPs

IB established a penetration testing and privacy compliance detection mechanism for Internet APPs before they were launched. In 2022, the Head Office completed 13 preliminary tests of customer service apps and carried out a total of 65 batches of rectification.

Conducting the research in the field of privacy computing

Through establishing agile teams and collaborating with universities and leading enterprises, IB conducted the research in the field of privacy computing to promote the implementation of "available but invisible" data and the realization of anti-money laundering lists sharing within the Group.

Developing the construction of emergency response system

IB established emergency response plans for information security incidents covering various scenarios such as fake Internet applications and personal information leakage. In 2022, a total of 2 relevant emergency response drills were organized across the Bank. In the meantime, IB strengthened the monitoring of external threats, monitored and dealt with a total of 1,391 fake Internet applications, and reached 194 customers, who were suspected of cyber-telecoms fraud, through the customer service hotline 95561 and carried out targeted security warning education during the year.

Conducting an internal audit on personal information security

In accordance with the Personal Information Protection Law, the Audit Department of IB conducted an internal audit on data security and personal information protection across the Bank during the year, covering the compliance of the privacy policy and information security management, etc.

DEVELOPMENT



Development

Promoting the Three-pronged Business
to Serve the Economy and Society

- Special Topic** 49 Deepening the “Commercial Bank + Investment Bank” Strategy to Build a Comprehensive Financial Service System
- 51 Focusing on corporate transformation and innovation to promote industrial upgrading
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- Special Topic** 58 Introducing More Financial Resources to Make the Utmost for Fujian’s High-quality Economic Development and Surpassing
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Special Topic 1

Deepening the “Commercial Bank + Investment Bank” Strategy to Build a Comprehensive Financial Service System

In 2018, IB officially put forward the “commercial bank + investment bank” strategy, which is one of the first to propose such strategy in China, and took it as an important part of its “1234” strategic system. Focusing on the customer-oriented concept and relying on IB’s long-term accumulated advantages in investment banking, inter-bank and financial market businesses, this strategy closely integrates with commercial banking business to jointly provide customers with comprehensive services. Over the years, IB has continued to lead the market in investment banking, especially in the business of bond underwriting, M&A and fund flow with leading advantages, which has become an important guarantee for the implementation of the “commercial bank + investment bank” strategy.

At present, with the continuing transformation of domestic economic structure and the change of economic development model from the old triangle cycle of “real estate-infrastructure-finance” to a new triangle cycle of “technology-industry-finance”, emerging industries represented by new infrastructure, advanced manufacturing and modern service industries are increasingly becoming the main driving force of economic development. Facing the diversified entities of real economy and the integrated financing needs under such a new driving force, especially the change of customers’ needs, IB launched the “commercial bank + investment bank” strategy 2.0 in November 2022 to further unleash its operational efficiency as a commercial bank and an investment bank, and serve the full-life cycle needs of customers, which strengthened its positioning of “taking the commercial bank as the main body and the investment bank as a supplement with customers in the first place”, and consistently enhanced its ability to serve the real economy. The “commercial bank + investment bank” strategy 2.0 focuses on creating seven categories of differentiated product systems by integrating the functions of the Group’s licenses to serve the full range of customer needs; getting through the link between “the big investment bank, the great assets management platform and the huge wealth” by integrating customer resources to build an efficient collaborative mechanism, achieve the closed-loop flow of funds, and provide more complete support in terms of risk system, assessment mechanism, team building and digital transformation.

Serving Direct Corporate Financing

IB deeply connected with and participated in the inter-bank bond market, and had become one of the main underwriters in the Chinese market. Focusing on the high-quality development of the real economy, it actively seized strategic development opportunities such as green and low-carbon transformation, sci-tech innovation, advanced manufacturing and new infrastructure to lead the innovation of various bond products, consistently improve the quality and efficiency of serving the real economy, and promote the high-level circulation of science and technology, capital and the real economy. In 2022, IB was ranked No. 2 in the market in terms of the number of debt financing instruments of non-financial underwriting enterprises and the underwriting scale, successively launching the first sci-tech innovation notes, green panda bonds for private enterprises and social responsibility bonds in the market. Among them, IB underwrote 644 non-financial bonds of entities, with the underwriting scale of over RMB 410 billion.

Meanwhile, IB has focused on seizing opportunities in key industries and keeping up with the development trends of emerging fields such as financial services for industrial parks, sci-tech innovation and energy, and actively vitalized the real economy with financial support through M&A financing and capital market business. In 2022, IB invested over RMB 120 billion in the real economy through M&A financing.

Case: Nanjing Branch vitalizes enterprises with financial support

A Photovoltaic New Material Co., Ltd., located in Changzhou of Jiangsu Province, is mainly engaged in the production of EVA film, which is a leader in the subdivided Chinese industry. Due to the needs of market expansion and self-development, its demand for funds has been increasing in recent years. After knowing this situation, IB Nanjing Branch communicated with the enterprise immediately, and designed a comprehensive financing plan covering the financing support of “Interactive Investment project Loan”, working capital loan, note discount and other modes of loan, with a total credit amount of RMB 500 million, relying on its professional service advantages as a commercial bank and an investment bank. In the meantime, the Branch also actively recommended investment institutions in the Group to invest in the enterprise with a total equity investment of over RMB 50 million, providing strong support for future corporate production, research and development.



Workshop of a 5G antenna manufacturing company in Wuxi, Jiangsu, China.

Accurately supporting tech-innovation enterprises

Centering around various tech-innovation enterprises and talents, colleges and universities, research institutes and laboratories, IB fully exerted its advantages as a commercial bank and an investment bank to specially launch a comprehensive financial service plan for “specialized but ultra-new” small and medium-sized enterprises. In the meantime, IB focused on debt financing, equity financing, capital market, wealth management and personal financial business fields, and created a special shelf of “specialized but ultra-new” products. By becoming a comprehensive service provider for enterprises and implementing the “host bank” management and services, IB continuously improved the level, quality and efficiency of its service for the tech-innovation enterprises, such as “specialized but ultra-new” enterprises. By the end of December 2022, IB had served 51,700 tech-innovation enterprises with a loan balance of RMB 343.7 billion, an increase of 57% over the beginning of the year. Among them, the coverage rate of IB’s service for national-level specialized but ultra-new “little giant” enterprises, had exceeded 40%.

Case: Suzhou Branch boosts the sustainable development of tech-innovation enterprises

A tech-innovation enterprise had fast growing business, but it was difficult to meet the capital needs effectively due to the limited financing cost. In response, IB Suzhou Branch, as one of the main credit cooperating banks of the enterprise, customized the financing service plan of combining equity with debt around its needs and pain points, and participated in the B-round equity financing by actively linking with the equity investment corporation in the Group, and finally completed the equity investment of RMB 20 million in the enterprise. The comprehensive financial service plan that combined equity with debt and integrated investment into financing, has not only solved the capital needs of the enterprise, but also optimized its financing structure.

Focusing on corporate transformation and innovation to promote industrial upgrading

The industry will prosper only when the economy thrives. In 2022, taking the initiative to follow macro trends such as high-quality development of the real economy, digital transformation and green development, IB formulated and issued the Credit Policy of the Industrial Bank (2022) and Notice of the Industrial Bank on the Issuance of ESG-Related Credit Policy, with major support to such fields as new infrastructure, strategic emerging industries, advanced manufacturing, domestic replacement, “specialized but ultra-new” and construction of “rich, innovative, vibrant, happy, beautiful and safe Fujian” to continuously improve the fit between its operation, the nation’s policy orientation and the development of the real economy, and deeply integrate itself into and serve the new development paradigm.

Optimizing the Service Model of Emerging Industries

In July 2022, IB explored and implemented the “Chain Leader” mechanism for emerging industries, effectively solved the bottleneck of business development and intensively cultivated the industrial chain by setting up an agile working group of cross-departments, branches and gathering experts from inside and outside the Bank. By the end of 2022, 49 industrial chain “leaders” and teams have been established in the whole Bank, covering many new energy sub-sectors such as photovoltaic equipment manufacturing industry, power lithium battery industry, new energy vehicles and parts industry, energy storage industry; various digital economy sub-sectors such as 5G communication, software information and information technology; and other emerging industries such as polyester new materials, biomedicine and integrated circuits. By the end of 2022, the balance of IB’s strategic emerging industries loans was RMB 300.607 billion, accounting for 11.42% of corporate loans, with an increase of 6.714% over the previous year.

In 2022, IB focused on supporting the key areas of new infrastructure construction represented by the construction of big data centers. In the whole year, the centers lent over RMB 8 billion to the public, with a year-on-year increase of more than 300%. Among them, the green IDC energy-saving and carbon-reducing project built by IB Suzhou Branch won the third prize of “Suzhou Green Low-carbon Financial Laboratory in 2022 Key Training Project” jointly awarded by the People’s Bank of China Suzhou Central Sub-branch and other relevant institutions.



Note: IB supports the construction of Xiamen Lüquan Industrial Roof Distributed Photovoltaic Project.

Increasing the Supply of Manufacturing Loans

In 2022, in response to the work arrangement of the National Development and Reform Commission and the People’s Bank of China, IB increased manufacturing loans and focused on responding to the medium and long-term capital needs of manufacturing enterprises. By the end of 2022, its manufacturing loans increased by RMB 146.5 billion annually, accounting for 37% of the Bank’s total loan increase; the medium and long-term manufacturing industry increased by RMB 120.7 billion, with an annual growth rate of 77%.

Opening up the Financial “Vein” within the Park

Park is an important carrier of industrial agglomeration and development, and an important platform for scientific and technological innovation. In 2022, IB set up a special financial work team of the Head Office, issued a number of financial policies and work guidelines for the park, and sent working groups to conduct field research in key parks. By the end of 2022, the financial assets of the park increased by 22.36% to RMB 1.72 trillion compared with the beginning of the year, and the financial enterprise deposits in the park increased by 13.86% to RMB 1.27 trillion compared with the beginning of the year.

Case: IB took the lead in organizing syndicated loan projects such as Bangpu New Materials Industrial Park.

In 2022, as the sole agent, IB successfully took the lead in organizing syndicated loan projects for Contemporary Amperex Technology Co., Limited Bangpu New Materials Industrial Park and Bangpu Integrated Battery Material Industrial Park, with a total scale of RMB11.27 billion, and the first loan was implemented in March 2022. The first-phase of the project is expected to be put into operation in 2023, with the planned production capacity of 360,000 tons of iron phosphate, 220,000 tons of Ferrous lithium phosphate, 180,000 tons of ternary precursors and materials, 40,000 tons of lithium cobaltate, 40,000 tons of recycled graphite and 300,000 tons of batteries for recycling. After completion of the project, it is estimated that 4 million new energy vehicles will be equipped with battery cathode materials, and more than 10,000 jobs will be provided.



Industrial plant of Ningde Bangpu Circular Economy Technology Co., Ltd.

Establishing an Evaluation System of “Technology Flow”

In recent years, IB has established a “technology flow” evaluation system applicable to science and technology enterprises, inspected those enterprises from 15 dimensions, such as the quantity and quality of intellectual property rights and the intensity of invention patents, quantitatively evaluated them by using the scorecard model, and implemented differentiated policies in terms of customer access and authorization management. By taking the “technology flow” as an important supplement to the evaluation of “capital flow” and implementing management measures different from the credit management and control mode of “capital flow”, the financing difficulties caused by the characteristics of small scale, light assets and limited means of credit enhancement of science and technology enterprises can be effectively solved. By the end of 2022, IB’s on-balance and off-balance-sheet balance exceeded RMB 200 billion.

Case: IB Shanghai Branch comprehensively evaluated the comprehensive strength of enterprises and continues to strive to serve the science and technology enterprises.

In 2022, IB Shanghai Branch made full use of the “technology flow” evaluation system to support the construction of Shanghai Science and Technology Innovation Center and promote the optimization and transformation of its credit structure. In the whole year, 574 households were approved by applying the technology flow model, with an approval amount of RMB 61.7 billion, which led to the investment of science and technology finance of RMB 30.9 billion, with an increase of RMB 12.5 billion (67.93%). The number and amount of intellectual property pledge financing ranked second in the whole market. IB was awarded the Advanced Award of Technology and Finance Cooperative Bank by the Shanghai Science and Technology Commission and the Innovation Center Award by the Municipal Intellectual Property Office respectively, and was rated as A class institution in the credit-oriented effect evaluation of the People’s Bank of China. At the same time, the Branch promoted the technology flow model and the financial integration in the park, established an agile credit team for science and technology innovation in the park, set up a tripartite cooperation platform among the park, enterprises and banks, and continuously improved the credit support and professional service capabilities for science and technology innovation enterprises.



“Technology Flow” Zhangjiang Park Conference on December 6, 2022.

Serving the Work in Key Areas and Promoting Coordinated Development

Focusing on the regional development strategy closely, IB has integrated and optimized its own resource endowments, continuously increased its strategic support to such major national areas as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, constantly improved the differentiated regional financial policy support system, fully ensured the financing needs of key areas, and contributed to high-quality regional development.

Supporting the Coordinated Development between the East and the West

During the year, IB held a Symposium on the Coordinated Development of the East and West Branches, formulated and introduced the Guidelines for the Coordinated Development of Eastern and Western Branches of the Industrial Bank, fully focused on the “Western needs” and gave full play to the “East capabilities”, which has promoted the level of coordinated development of the Eastern and Western Branches in China, and better served the implementation of the national strategy. At present, it has achieved results in the construction of new energy assets such as the wind power and photovoltaic, the linkage of industrial transfer and undertaking, and the two-way exchange of talents. By the end of 2022, there were 53 projects linked by the Eastern and Western Branches, with the loan amount of RMB 57.424 billion; and a total of 47 intra-bank syndicates were established, with the loan amount of RMB35.587 billion.

Meanwhile, IB has steadily promoted the construction of “Industrial Bank Gui’an Data Center Project”. The project was located in Gui’an New District of Guizhou Province, with the total investment of RMB 8 billion, planning to build 16,800 racks and about 200,000 servers, and within the year, the general level planning, construction land planning, construction permit procedures and civil construction bidding were completed, and the civil construction of the first phase of the project was started.

Case: IB Hohhot Branch and Beijing Branch cooperated to support wind power projects to help desert turn into oasis.

Taifu 1,000 MW wind power project in Xilinhot of Inner Mongolia Autonomous Region was the first batch of 4 MW wind power supporting projects in China’s large-scale new energy base, with a total investment of RMB 6 billion. After completion of the project, green electricity would be continuously transmitted, and the annual on-grid electricity would be 3.632 billion kWh, which will save 1.107 million tons of standard coal and reduce 2.436 million tons of carbon dioxide emissions, with good environmental and economic benefits. The project was led by IB Hohhot Branch, and an intra-bank syndicated loan was set up with Beijing Branch, the East-West Connecting Branch. The mode of “unified management by the lead bank and separate loan by the participating banks” was adopted. According to the construction progress of the project, a total of RMB 516 million has been withdrawn for the enterprise, and the project of shared energy storage base of Taifu New Energy Xilin Gol League has been followed up to help the desert become an oasis and promote the transformation and upgrading of green energy structure.

Promoting the Coordinated Development of Beijing-Tianjin-Hebei Region

Case: IB Shijiazhuang Branch fully served the construction of key projects for the coordinated development of Beijing, Tianjin and Hebei.

IB Shijiazhuang Branch took promoting the coordinated development of Beijing-Tianjin-Hebei region as an important task to fully support the national strategy. By giving full play to the advantages of comprehensive operation and characteristic business, it firmly grasped the “gap” of orderly relief of non-capital functions. It combined the functional orientation of “three zones and one base” in Hebei Province (namely, the construction of Hebei into “an important national modern commercial logistics base, an industrial transformation and upgrading experimental zone, a new urbanization and urban-rural overall planning demonstration zone, and a Beijing-Tianjin-Hebei ecological environment support zone”), established and improved the project docking mechanism, opened up special green channels for key projects, and made every effort to provide financial services for the coordinated development of Beijing-Tianjin-Hebei region. By the end of 2022, the balance of IB project financing in key areas of Beijing-Tianjin-Hebei region for coordinated development reached RMB 7.181 billion; IB provided financing of RMB 2.355 billion for the construction of 13 national and provincial key projects such as Beijing-Taipei Expressway Langfang Section and Cloud Storage Data Center of Runze International Information Port of Beijing-Tianjin-Hebei Runze Technology Development Co., Ltd.



Supporting the Integration of Yangtze River Delta

Case: IB Nanjing Branch supported the development of Jiangsu’ s characteristic industries and advantageous industries.

IB Nanjing Branch implemented the requirements of “Chain Leader” mechanism, deeply combined with the development needs of Jiangsu’ s featured industries and advantageous industries, and set up three teams of “Chain Leader” mechanism for Changzhou Power Lithium Battery Industry Chain, Wuxi 5G Communication Industry Chain and Xuzhou Advanced Manufacturing Industry Chain, with the principals of Wuxi Branch, Changzhou Branch and Xuzhou Branch serving as the “Chain Leader” respectively, to comprehensively deepen the cooperation between the chains of industrial chain supply and financial services. By the end of 2022, 185 customers related to three industrial chains were served through the “Chain Leader” mechanism, and the balance of assets business on-balance and off-the-balance sheet exceeded RMB 18 billion.



Employees of our bank visited a certain photovoltaic new materials company for on-site research.

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

Case: IB Guangzhou Branch deepened the linkage between business and investment, and escorted the regional economy to be stable and far-reaching.

IB Guangzhou Branch actively integrated into the overall economic development of Guangdong-Hong Kong-Macao Greater Bay Area, relying on the advantages of “commercial bank + investment bank” , increased its support for key enterprises in the region, and supported the development and growth of strategic emerging industries and science and technology enterprises through the linkage of commercial bank loans and direct equity investment.

The Branch gave full play to the advantages of bond underwriting investment and vitalized financial transactions through bond underwriting and investment. By the end of 2022, it has underwritten 50 bonds for 35 regional enterprises, with the scale of RMB 38.4 billion; 42 enterprises through bond investment service, with an investment amount of nearly RMB 14 billion, and successfully issued the first green bond, the climate-related dual-standard bond and the first fund use bill for sci-tech innovation in the Bay Area.

The Branch made use of the advantages of investment and loan linkage business and served the “uniqueness in the Bay Area” and “specialized and innovative” customer group. By the end of 2022, a total of 169 specialized and special new enterprises had been granted credit lines, with a loan balance of RMB 5.2 billion, an increase of RMB 513 million over the beginning of the year. In addition, it has also participated in the direct equity investment of several new energy industry chain enterprises.



Supporting the Construction of the Yangtze River Economic Belt

Case: IB Guiyang Branch supported the comprehensive management of river basin ecology and helped to build a regional ecological brand.

IB Guiyang Branch approved a credit of RMB 545 million from Guiyang Economic Cooperation Ecological Environment Co., Ltd. with a term of 21 years, which was used for the PPP project expenditure of the basin ecological comprehensive management project of Guiyang Economic and Technological Development Zone in the Yangtze River Economic Belt. The project adopted the pledge of beneficiary rights under PPP contract as a credit enhancement measure, revitalized ecological assets through innovative credit enhancement, and truly turned “Lucid waters and lush mountains” into invaluable assets. As a demonstration area for green barrier construction in the upper reaches of the Yangtze River and Pearl River, the comprehensive ecological management project will significantly improve the water quality of relevant river basins and provide good green infrastructure for the economic development and transformation of Guiyang Economic and Technological Development Zone.



The Yangtze River Economic Belt Guiyang Economic and Technological Development Zone Basin Ecological Comprehensive Management Project PPP Project.

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

Case: IB Xi'an Branch injected green financial resources into regional economic development.

As a national economic and technological development zone, the Xi'an Aerospace Base has been developed rapidly in recent years, but there were still some problems, such as the insufficient water supply pressure and difficult coordination of water supply, which hindered the rapid development of the Base. After understanding the customers' demand, Xi'an Branch fully considered the regional reality and gave full play to the advantages of green finance. It provided RMB 300 million of green financing for Xi'an Aerospace City Water Resources Management Co., Ltd., which was used for the construction of waterworks and supporting projects in the "Aerospace City", helping the construction of regional infrastructure and injecting green finance resources into regional economic development.



Illustration of Xi'an Aerospace City Water Plant and Supporting Projects.



On-site construction of Xi'an Aerospace City Water Plant and Supporting Projects.

Special Topic 2

Introducing More Financial Resources to Make the Utmost for Fujian's High-quality Economic Development and Surpassing

Rooted in Fujian Province and caring for Fujian, IB has been giving top priority to local services in Fujian. In 2022, it transformed the original Fujian business headquarters into Fujian management headquarters, which is responsible for coordinating and promoting the operation and development of nine first-level branches in Fujian Province, taking Fujian as the experimental field for regional development and driving the overall situation by key breakthroughs. At the same time, IB has been strengthening industrial integration, focuses on the "Four Major Economies", namely, digital economy, green economy, marine economy and cultural and tourism economy, earnestly fulfills the responsibilities as the main financial force in Fujian, and strives to make greater contribution to the all-round high-quality development in Fujian.

Index	2022	Growth rate over the beginning of the year
All loan balances of IB branches in Fujian Province	RMB 1,463.1 billion	11.2%
Loan balances in "Four Major Economies" area in Fujian Province	RMB 163.053 billion	24.97%
Including: loan balances in digital economy area	RMB 64.946 billion	17.17%
Including: loan balances in marine economy area	RMB 33.152 billion	26.65%
Including: loan balances of green financing in and out of Fujian	RMB 134.109 billion	35.83%
Including: loan balances of cultural and tourism industry	RMB 51.636 billion	12.49%
Cumulative amount of special loans for micro, small, medium-sized enterprises in Fujian Province	RMB 10.689 billion	57.45%
Including: loans of the year granted	RMB 3.9 billion	13.24%
Number of enterprises supported	1,770	78.43%

Empowering Services for the Construction of Digital Economy

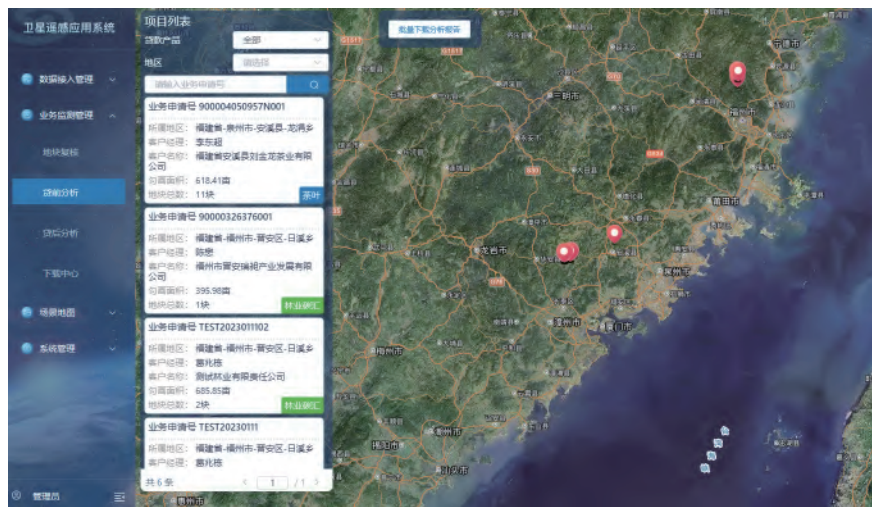
Assisting Fujian in building the “No. 1 province of digital application”

In order to accelerate the breakthroughs in core technology and forward-looking research, promote the implementation and transformation of fin-tech research results, and promote the precise alignment of fin-tech innovation with serving real economy, serving people’s livelihood and serving Fujian Province, IB aims at scene finance, smart finance, cloud finance and security of finance to solve the “bottleneck” problems in the field of fin-tech, helping Fujian become the “No. 1 province of digital application”.

Case: Innovation in satellite remote sensing application system and promotion of the abilities in services for agricultural-related economy

In December 2022, the satellite remote sensing application system jointly developed by IB and its subsidiary CIB FITECH was officially launched, exploring the creation of a “digital IB” model of financial services for rural revitalization. Through the introduction of satellite remote sensing “new data”, and combination with governmental and industrial data, IB establishes the crop planting portrait, gradually improves crop asset assessment and risk warning mechanism, and provides scientific and technological support for precise credit granting in planting industry.

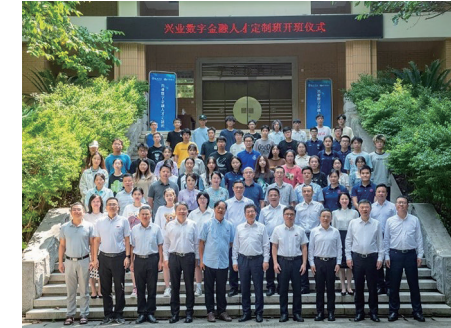
Anxi County of Quanzhou City is one of the main production areas of Tieguanyin Tea. Through the satellite remote sensing application system, IB’s business personnel can quickly identify the plots of tea gardens, and at the same time, provide accurate financial services according to the planting area, suitability and stability of planting, historical risks, yield estimation and other information, and realizes real-time online monitoring during and after lending, which effectively improves the efficiency of financial services.



Satellite remote sensing application system.

Joint efforts in training digital financial talents

Following the conclusion of the strategic cooperation agreement between IB and Minjiang University in October 2021, the opening ceremony of IB digital financial talent customized class was held in the academic lecture hall of Minjiang University on September 17, 2022. Both parties innovatively explored talent training and developed the applied talent training program of “applied technology + high-end finance + Industrial practice”.



Industrial Bank and Minjiang University signed a strategic cooperation agreement for customized programs.

Case: Promoting digital and smart benefits to the people at IB outlets

In 2022, IB Fuzhou Branch built Fujian’s first banking version of the “24-hour smart convenience service center”, in which it provides convenience self-service machines frequently used by the masses such as self-service machine for individual credit reporting and inquiry, micro vehicle administration department, intelligent cloud tax hall, “e-Fuzhou” convenience service automatic machines and IB comprehensive smart counter. The center provided customers with hundreds of self-service convenience services, such as individual credit inquiry, vehicle management business, electronic tax bureau business, applying for tax Ukey, medical and social security inquiry and real estate inquiry. The operation process of relevant business is marked at the prominent position of the self-service machines, and text, pictures and voice prompts are also attached, which can provide customers with hundreds of self-service convenience services, such as the personal credit inquiry, vehicle driving management business, electronic tax bureau business, tax U-key application, medical and social security inquiries and real estate inquiry, etc.



Empowering Services for the Construction of Green Economy

IB takes deep root in the new advantages of Fujian's development of green economy, actively integrates into the tide of Fujian's green development, actively participates in and supports the Province to build a special green financial zone, drives various institutions to innovate in green finance products, and actively supports the green industry. Relying on the "Financial Services Cloud" platform, IB has set up special service zones, including Sanming and Nanping special green financial zones, green industry special financial zones, forestry special financial zones and carbon special financial zones, and innovatively created special financial products such as "forest right mortgage Loan", "Fuzhou Forestry-related Loan" and "Quick Agriculture-related Loan". Up to now, nearly 70 types of products have been launched, and more than RMB 28 billion has been funded for over 18,000 enterprises in Sanming and Nanping of Fujian Province, assisting more than 360 enterprises and projects in passing the green certification and realizing the green award and subsidiary online.

Case: IB Zhangzhou Branch Expanded the support for the construction of ecological protection projects

IB Zhangzhou Branch actively supported local key environmental protection fields such as comprehensive water environment control, resource recycling and mine ecological restoration. By the end of 2022, it had lent RMB 488 million for the purpose of ecological protection, with an increase of RMB 142 million over the beginning of the year.



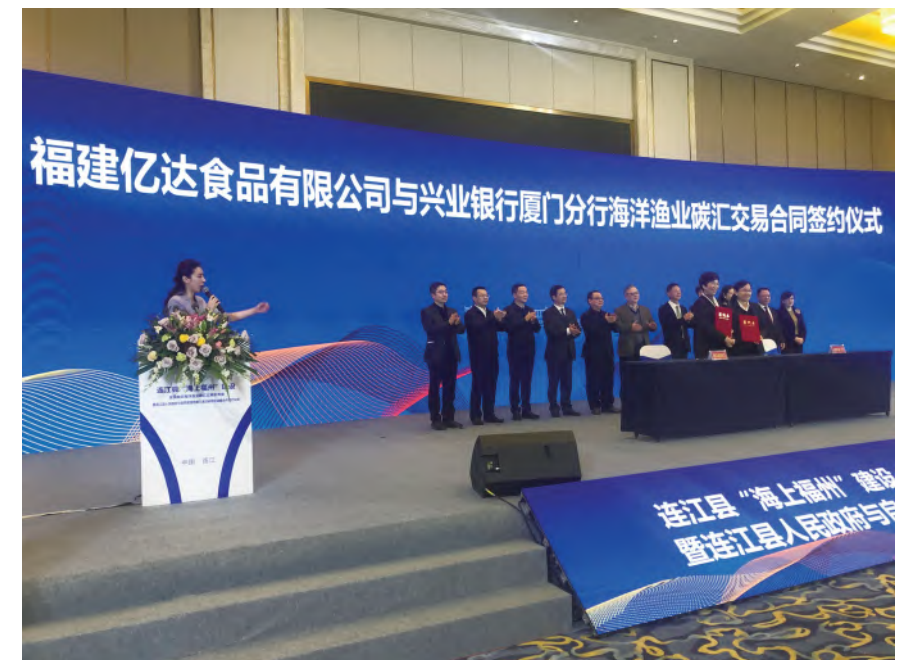
Staff members from Zhangzhou Branch visited the industrial waste disposal site in Gulei Port Economic Development Zone.



Staff members from Zhangzhou Branch supported the integrated construction of Longhai Water Supply and visited the project site to inspect the progress.

Empowering Services for the Construction of Marine Economy

Fujian is a large province with both abundant marine resources and marine economy. Following the strategic deployment of "Maritime Fujian", IB has built a diversified blue financial product service system, covering the financing of marine industrial park and marine ecosystem supply chain, the sea area right pledge and blue bonds, etc. In cooperation with Xiamen Property Rights Exchange Center, IB has taken the lead in carrying out blue carbon finance in China, established the first "Blue Carbon Fund" in China, completed the first marine fishery carbon sink trading in China, and realized the "breakthrough in zero" in the field of marine fishery carbon sink trading of China. By the end of 2022, IB's loan balance of marine economy in Fujian Province reached RMB 33.2 billion, up 26.7% year on year.



Note: IB Xiamen Branch completes the first marine fishery carbon sink trading of China

Meanwhile, IB relies on the "Financial Services Cloud" platform, closely focuses on the development of marine economy, the transformation and upgrading of fishery industry and the key areas of foreign trade in the Province, seeks for the advantage of the loan risk compensation provided by the risk sharing fund pool of provincial preferential policy loans as a means of credit enhancement, introduces governmental financing guarantee institutions, and helps SMEs in key areas, such as the aquaculture, deep-sea fishing and aquatic product intensive processing, to improve the availability of financing through "Fast Loan" grant series of products such as the rural revitalization loan, commercial loan and foreign trade loan.

Case: The first marine fishery carbon sink trading concluded with digital currency electronic payment completed in Fujian Province

Fujian HighJet Group used IB’s digital currency electronic payment (“DCEP”) service to purchase 1,000 tons of marine carbon sink from Fujian Yida Food Co., Ltd. The transaction marked the DCEP application innovation by IB in the field of green finance, integrated DCEP into the economic system of green and low carbon circular development, and promoted the green and low carbon transformation of national economy and society.



Empowering Services for the Construction of Cultural and Tourism Economy

The IB “Financial Services Cloud” platform, based on the purpose and mission of financial services for the real economy, actively integrates into the construction of an “all-in-one eco-tourism province” of Fujian, focuses on supporting cultural product projects such as new business forms of cultural industry parks, protection and inheritance of non-traditional skills, and the creation of the tourism product projects of “Fujian-style Life” relying on policies such as special loans for cultural tourism, and through big data matching, and tilts the relief policies to accommodation and catering, cultural tourism, transportation and other fields. Meanwhile, IB has further assisted the group of active individual commercial and industrial households in the cultural tourism industry through guaranteed loans for business start-ups and personal business loans, and has granted the loans to over 3,400 individual commercial and industrial households in total.

Case: Eco-banking for smart scene empowers cultural and tourism economic development

IB gave full play to its advantages in financial technology to explore and build a new model of eco-banking for smart scene in Fushan Suburban Park, which has been replicated in 22 parks, including Fuzhou West Lake Park, Jinniushan Sports Park, Wushan Historic Landscape Area, Minjiang Park and Flower Sea Park. It has promoted the cultural tourism industry in Fujian Province to accelerate digital upgrading by improving the intelligent cultural tourism service system, and provides better services for people’s cultural tourism life.



Case: IB Nanping Branch focuses on “One County, One Product” to build the civilization practice base in the new era

In 2022, IB Nanping Branch worked with Wuyishan Tea Industry Association to innovatively build the “All-in-one of Tea Culture, Tea Industry and Tea Technology” , “Financial+” new era civilization practice base in Wuyishan City, becoming the first of such civilization practice base of IB in the Province and boosting a better integrated development of tea culture, tea industry and tea technology. Through anchoring the starting point of new era civilization practice to guide financial resources for further spread to the county, the Branch broadened the financial services ideas and innovated in financial services model to help promote the industrial development of “One County, One Product” with county characteristics.





Conducting Innovation in Cross-border Financial Services to Boost the Opening-up

In 2022, IB closely integrated into a new development pattern of domestic circulation and mutual promotion of domestic and international circulations, actively implemented the national policy of “Stabilizing Foreign Trade”, in response to the development strategies of “the Belt and Road Initiative” and RMB internationalization, and officially established an International Business Department to co-locate with the Transaction Banking Department, leading the planning and implementation of the Bank’s international business development, promoting the Bank’s cross-border RMB business, Free Trade Zone business and Innovative cross-border RMB business in the Khorgos International Cooperation Center, and building an internationalized, diversified online comprehensive cross-border financial product and service system. IB focuses on tapping into areas such as the trade in goods, trade in services and new trade business; grasping opportunities in cross-border settlement, cross-border financing and capital transactions, to practice the concept of inclusive finance and facilitate cross-border financing for small and micro-sized enterprises. The “IB Cross-border Loan” product which meets the needs of small and micro-sized enterprises for trade financing and exchange rate hedging has been officially launched.

By the end of 2022, the IB’s cross-border RMB collection and payment reached RMB 1.3863 trillion, with an year-on-year increase of nearly 50%.

Boosting the Construction of the “Belt and Road Initiative”

In 2022, IB provided financing support to 26 enterprises in countries along the “Belt and Road”, with a total loan amount of over RMB 14 billion. In addition, it has provided a total of RMB 40 billion financial support to domestic enterprises trading with the countries along the “Belt and Road” in 2022.

Study case: A Philippine company obtained a USD 500 million credit line through IB’s cross-border loan business

As a participating bank in an international syndicate, IB provided a Philippine company with a credit line of USD 500 million in the form of export buyer’s credit facility with a term of 15 years. The implementation of this project is national policy-oriented, which is of great practical significance to promote the communication industry chain, enterprises and technology standards to the international arena and build up the image of a powerful nation.

Supporting RMB Internationalization

Relying on the bond connect program and as a major channel for overseas investors to enter the mainland bond market, IB effectively promotes the interconnection of domestic and overseas bond markets and steadily advances RMB internationalization. In 2022, its bond connect “Northbound” trading volume exceeded RMB 287 billion. Moreover, as one of the first batch of qualified domestic investors by taking the “Southbound” as an opportunity, IB actively entered into the first batch of transactions with overseas market makers, and reached a market making volume of bond connect “Southbound” of RMB 84.638 billion during the whole 2022.

Case: Central enterprise customer implements cross-border RMB collection with standard CIPS transceiver

In January 2022, IB launched the standard CIPS transceiver (Enterprise Edition) for a central enterprise customers, helping them to collect RMB 250 million from overseas, realizing the online operation of the whole process, significantly improving the timeliness and security of cross-border collection and effectively reducing management costs.

Expanding Cross-border Financial Services

IB fully focuses on the needs of foreign trade enterprises for cross-border financial services and actively expands cross-border financial service products and the online service platform of “IB EasyTrade” to reduce corporate costs, stabilize corporate operations and increase corporate convenience.

Preferential charges for import and export business	Cross-border business in the new business model	Optimization of cross-border e-commerce financial services
<p>IB has helped to reduce and waive import and export business-related fees for corporate enterprises with a total of RMB 447.25 million during the year, of which the amount for small and micro-sized enterprises is about RMB 81.48 million, by waiving and lowering market-regulated service charges for enterprise customers, including international letter of guarantee commissions, international letter of credit commissions, collection business commissions, preferential foreign exchange, and foreign-related remittance fees, etc.</p>	<p>IB promotes the development of cross-border business under the new foreign trade mode and serves the fields of cross-border e-commerce, overseas warehouse, market procurement trade, foreign trade comprehensive services and new offshore trade. By the end of 2022, its comprehensive cross-border e-commerce service platform had served 144 cross-border e-commerce import and export enterprises, driving a cross-border settlement volume of over RMB 23.113 billion.</p>	<p>Overseas e-commerce platform has been expanded gradually to establish multi-platform, multi-channel business service system by establishing digital integration module, interfacing with the North America site of a cross-border e-commerce.</p>



Case: “IB EasyTrade” supports enterprises’ online foreign-related business

IB launched “IB EasyTrade” to serve enterprises to handle the whole process online from business application, electronic documentary review to business implementation. In 2022, it supported an enterprise in Fuzhou to handle import L/C business online without providing paper documents offline, which significantly shortened the business processing time. During the year, the customer has opened 35 letters of credit online through “IB EasyTrade” , with a cumulative amount of over USD 20 million.

Case: Supporting the new foreign trade industry to provide comprehensive financial services for cross-border e-commerce enterprises

IB supports the development of cross-border e-commerce enterprises through comprehensive financial service solutions such as local and foreign currency settlement, cross-border RMB capital pool and credit business. By the end of 2022, a total of 89 enterprises, including a group of imported cross-border e-commerce enterprises, had opened accounts with IB, with the cross-border settlement volume reaching USD 3.5 billion during the year.

Supporting Cross-border Corporate Development

In 2022, IB set up a “dual-sand table” for overseas loans and international syndication to serve the financing business of “going global” customers with a sand-table operation mode of one-to-one negotiation. By the end of 2022, it had served about 40 “going abroad” enterprises with a financing balance of more than RMB 23 billion, and its service products mainly included floating capital loans, international syndication and M&A loans.

Meanwhile, IB has precisely supported the overseas financing needs of “going global” enterprises, and during the year, IB has approved a RMB 643 million NRA (Domestic Foreign Exchange Account) loan for an overseas enterprise of one Group Corporation, which is a strategic partner of both the “Belt and Road” International Alliance for Green Development and the Yangtze River Economic Belt Ecological Protection. Such loan support will help the enterprise enhance its environmental and social benefits.

Case: IB Hong Kong Branch Provides Cross-border Financing to “little giant” Enterprises

IB Hong Kong Branch provided the first overseas financing for Changguang Satellite Technology Co., Ltd. (“CST”) for the first cross-border financing business for “little giant” enterprises with specialized, refined, novel and unique nature, which not only effectively reduced the financing cost of the enterprise, but also opened up the overseas financing channel for the enterprise. The CST is the first commercial remote sensing satellite company and the first civil satellite manufacturing enterprise in China, and has been awarded as a national “little giant” enterprise with specialized, refined, novel and unique nature.



Supporting the Financial Development of the Free Trade Zone

IB actively responds to the financial policies of free trade zones around the world, relies on the free trade zone platform to promote effective allocation and integration of resources, effectively supports financial innovation of free trade zones and promotes their business development.

In Haikou

IB Haikou Branch implemented the first new offshore trade business and introduced a number of combined financing solutions such as “FT foreign exchange settlement and pledge + bank notes” and “USD deposit + forward settlement of foreign exchange + bank notes” . In the meanwhile, it recommended FT USD settlement transfer across the second line as margin for bank notes for pledging and invoicing business to enhance the cross-border settlement volume of the branch and the intermediary business income between exchange collection and remittance, achieving a win-win situation for both banks and enterprises.

In Fuzhou

IB Fuzhou Branch provided the first “IB cross-border loan” business for enterprises in Fuzhou Area of Fujian Free Trade Zone, which realized the whole process of online processing, greatly shortened the duration of loan business and eliminates the need to provide collateral, effectively alleviated the contradiction between banks’ risk control requirements and insufficient guarantee for small and micro enterprises, and thus enhanced enterprises’ willingness to actively avoid risk.

In Shenzhen

special green channel for key projects, and made every effort to conduct well financial services for the collaborative development of Qianhai Free Trade Zone. In particular, for the Qianhai Shenzhen-Hong Kong Youth Dream Factory Park, which serves the innovation and entrepreneurship of young people from Hong Kong SAR, Macao SAR and other parts of the world, the Branch has made every effort to build a platform for tripartite cooperation among the park, enterprises and banks to help micro, small, and medium-sized enterprises solve the problems of difficult financing and high financing costs, and continuously improved the credit support and professional service capacity for science and innovation enterprises.

In Xiamen

IB Xiamen Branch assisted foreign trade enterprises in the free trade zone to handle the first CIPS standard transceiver payment business of the whole bank and set up the payment lens function for them. Working together with enterprises in the free trade zone, the Branch successfully issued the first batch of single-purpose sci-tech innovation bill in China and the first single-purpose sci-tech innovation bill in Fujian Province, and landed the first online exchange business of foreign currency deposits of the whole bank, helping enterprises in the free trade zone to “going global” .



Xiamen Branch supports the development of enterprises in the Free Trade Zone through purpose-based innovative bills.



Our bank fully supports the construction of the Xiamen Area of the China (Fujian) Pilot Free Trade Zone.

Access to Finance for the Needs of People's Livelihood



Inclusive finance is an important means to promote common prosperity. IB has positioned inclusive finance as one of its “five new areas” for business transformation and development, continuously increased credit investment in key areas of inclusive finance such as small and micro enterprises, actively embraced the trend of digital development, comprehensively strengthened and improved small and micro financial services, and effectively extended financial services to inclusive small and micro businesses from the urban area to the vast rural area.

By the end of 2022, IB's small and micro corporate loan balance and agriculture-related loan balance reached RMB 1,196.335 billion and RMB 580.982 billion respectively, ranking No. 1 among China's joint-stock banks in terms of the increase of inclusive corporate loans and agriculture-related loans.

Digitalization and “IB Inclusive Platform” Provide Intelligent Support

Responding to the trend of “digital transformation” of inclusive finance, IB has been building the “IB Inclusive Platform” by building platforms, expanding scenarios and gathering data to break the bottleneck of information asymmetry and help micro, small and medium-sized enterprises get out of financing difficulties. It combines with various scenarios such as industrial chain, rural revitalization, science and innovation finance, and public-private linkage, and actively connects with various platforms, core enterprises and ecological scenarios to expand a large number of scenario data. IB has built four product systems, namely, “Quick Easy Loan”, “Quick Mortgage Loan”, “Quick Secure Loan”, and “Quick Delivery Loan”, and launched a series of online products for inclusive financing scenarios, so that more micro, small and medium-sized enterprises can enjoy such timely services.

By the end of 2022, the “IB Inclusive Platform” had accepted applications from over 170,000 households and resolved the financing needs for 33,900 transactions, amounting to RMB 100.581 billion. In 2022, its annual online inclusive financing balance was nearly RMB 30 billion, with an increase of more RMB 20 billion over the beginning of the year; the number of loan customers was over 12,000, with an increase of more than 6,000 customers over the beginning of the year.

Supporting Small and Micro Enterprises and Continuing to Conduct Well the “Stability on Six Fronts and Security in Six Areas”

IB continues to deepen the implementation of the “stability on six fronts and security in six areas” tasks, and continues to increase the efforts to help enterprises and industries in difficulty. During the year, its branches and the borrower jointly negotiated the deferment of principal and interest repayments in accordance with market-based principles for loans to small and micro enterprises that would expire in the fourth quarter of 2022 and are in temporary distress, and the deferred loans will accrue interest normally and be supported by special policies such as having no downward adjustment of risk classification and implementation of due diligence exemptions to effectively reduce financing costs for micro, small and medium-sized enterprises and help small and micro enterprises to develop steadily in the long run.

In 2022, IB has provided a total of 18,000 micro, small and medium-sized enterprises (including individual businesses and truck drivers) with the loan support for deferred principal repayment, involving a total loan amount of RMB 81.9 billion; and a total of 2,182 micro, small and medium-sized enterprises with interest deferral support, involving a total interest deferral amount of RMB 181 million.

Caring for People’s Livelihood and Helping to Benefit Their Financial Services

IB continues to focus on public services and social livelihoods such as education, healthcare and social security services, and takes the initiative to strengthen financial support for projects to make up for shortcomings in people’s livelihoods, and deepens the construction of scenario ecosystems in livelihoods by combining digital inclusive technology to effectively help improve the quality and level of public services.

Pension

IB fully focuses on the multi-level pension protection needs of middle-aged and elderly people, deeply participates in the design of the national personal pension system and policy pilots, and is committed to building a full-chain, one-stop pension financial service ecology, providing customers with the whole cycle of personal pension services from account opening, fund contribution to financial management and investment. In November 2022, China’s personal pension system was officially launched in 36 existing cities or regions, and IB became one of the first commercial banks in China to obtain the qualification to start personal pension business, officially providing participants with services such as fund deposit, registration of contribution amount, investment of personal pension products, personal pension payment, personal income tax payment, and information inquiry on funds and related rights and interests. By the end of 2022, IB opened 2,291,600 personal pension accounts, ranking third in Chinese market.

Meanwhile, IB has deepened its efforts in the field of inclusive wealth management and launched various types of products such as pension finance, personal pension and commercial pension insurance for middle-aged and elderly customers, and introduced personal pension investment advice and pension planning functions according to the life cycle and risk preferences of personal pension customers, issuing asset allocation proposals for customers in combination with their risk preferences and wealth stages, and providing targeted explanations to customers. By the end of 2022, IB sold a total of RMB 3.017 billion of pension finance and benefited 17,000 customers. It also launched a special area for pensions and personal pension finance business on IB’s Internet wealth management platform, “Money Shopkeeper”, which includes functions such as personal pension account opening, fee payment and inquiry, and provides supporting services such as pension information and pension rights and benefits. In addition, more middle-aged and elderly financial consumers will benefit from pension financial accounts, pension products, pension rights and interests activities, etc.

Case: “Pension Planning” Helped Customers Invest Steadily

In accordance with the life cycle and risk appetite of individual pension customers, IB launched the personal pension investment advice and pension planning function, which combined customers’ risk preference and wealth stage to issue asset allocation proposals for customers and interpret them in a targeted manner. At the same time, it recommended suitable personal pension products for customers and assisted them in adjusting their product investment strategies in a timely manner.

Education

IB relies on the Education Cloud platform to provide easy-to-use “one-stop” services based on business scenarios for customers in the education industry, meeting their core needs such as campus bill payment. By the end of 2022, 931 customers of various types, including universities and kindergartens, were online. Meanwhile, based on the education and training fund supervision platform, IB has helped local education authorities regulate off-campus training and running schools. By 2022, it had 2,504 online customers in 22 provinces.

Case: “Education Cloud Platform” Helped Guarantee Campus Food Safety

Based on the “Education Cloud Platform”, IB Nanjing Branch launched the Sunshine Meal Supervision Platform for Lianshui County in the field of campus canteen management. The platform can realize the video supervision process of ingredients from procurement to transportation and then to receipt, ensuring food safety of school meals in Lianshui County. It has also connected to the Education Cloud platform of the head office to support the information collection and display of the whole process of procurement of ingredients and collection of meal fees. The school can make reservation and purchase through price comparison, monitor the transportation of food materials through real-time data, realize rapid inspection and receipt of goods through intelligent electronic scale, collect meal fees and pay purchase fees through unified collection and payment system, which greatly improves the safety of campus canteen management, so that students can eat at ease and parents can consume at ease. By the end of 2022, the Sunshine Meal Supervision Platform has covered 60 public schools such as middle schools, elementary school and kindergartens in Lianshui County.



Lianshui County Campus Sunlight Dietary Supervision Platform Monitoring Information Big Screen.

Medical Care

In terms of medical care, IB focuses on the construction of “Internet +” in medical care, focuses on the pain points of multi-channel receipt and comprehensive reconciliation of medical institutions, which has established the comprehensive payment service platform, improved the operating efficiency of medical institutions, and built the brand of IB’s characteristic medical industry. By the end of December 2022, 101 medical institutions had been connected nationwide.

Case: IB Zhangzhou Branch Supported the Construction of Zhangpu Tianfu Hospital

The Zhangpu Tianfu Hospital is a multifunctional large non-profit tertiary general hospital. In 2022, IB Zhangzhou Branch signed a strategic cooperation agreement with the Tianfu Group, who established a long-term strategic cooperative relationship focusing on the high-quality development in such key fields as green economy, rural revitalization and medical education, and the Branch provided the Hospital with a credit of RMB 200 million to help the latter to build a regional medical center in southern Zhangzhou with the first-class environment, equipment, technology and service.



Zhangpu Tianfu Hospital.



On February 15, 2022, Zhangzhou Branch signed a strategic cooperation agreement with Tianfu Group.



Staff members from Zhangzhou Branch visited Tianfu Hospital.



Zhangzhou Branch had an exchange with Tianfu Group.

Public Service

IB has continued to upgrade its “IB Life” payment service platform, expanding its services from public utilities such as water, electricity, fuel and heating to a wide range of payment areas such as residential special maintenance funds and property fees, providing more people with convenient payment services. By the end of 2022, the platform had accessed a total of 279 customers, covering 26 provinces nationwide.

Case: IB Xi’an Branch Housing Maintenance Fund Project

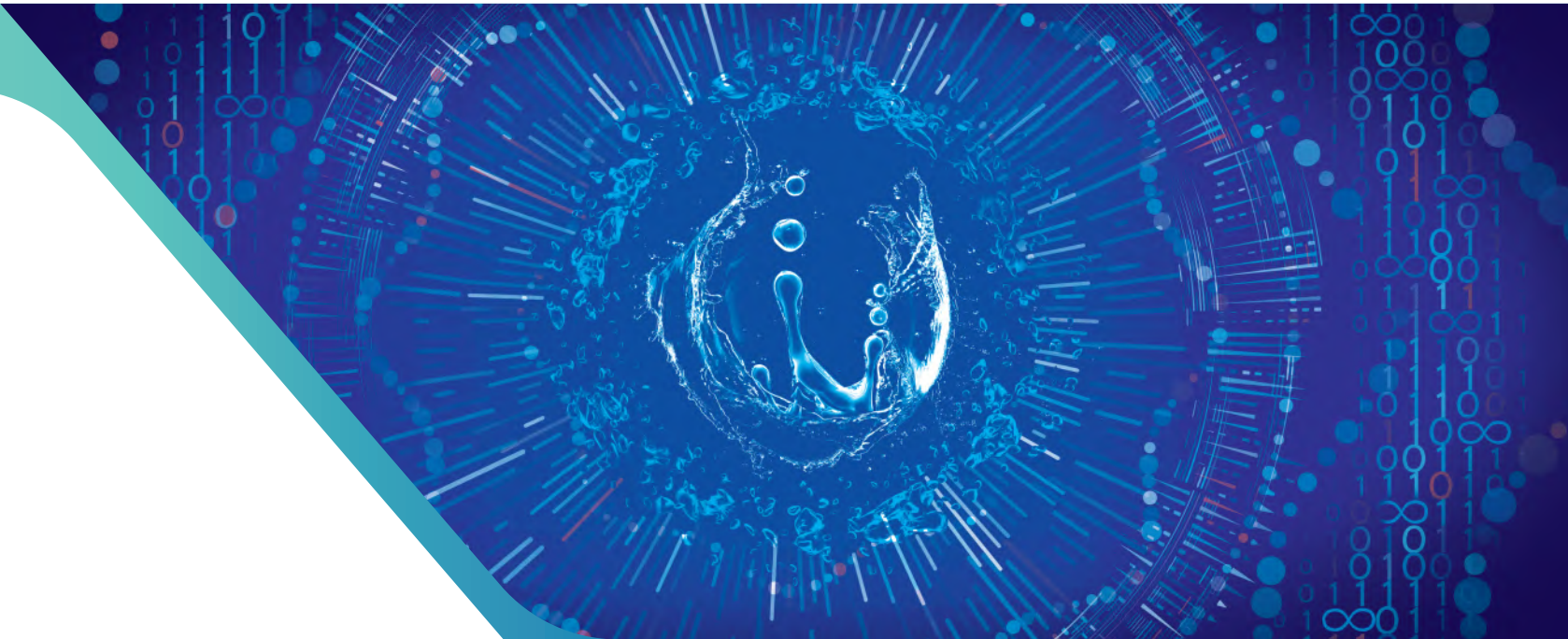
Relying on the head office’s “IB Life” payment platform, IB Xi’an Branch has developed online maintenance fund deposit business based on the “Xi’an Housing Maintenance Fund Management System” docked with Xi’an Urban Renewal Authority, changing the traditional mode that customers have to go to offline business branches to make payments, and supports 24-hour online payment service. Customers can directly pay their bills online by scanning the code, and WeChat, Alipay and bank card multi-channel payments are supported. More than one month after the system went online, 901 payments of maintenance funds were received, with a total amount of RMB 5,778,100 deposited. At the same time, the system model has strong replicability, and the branch can develop multiple business scenarios of payment function with this model in the future, adding an important link to the ecological scenario system of “G-B-C”.

Case: Relief Loan Supports Municipal Bus Enterprise Development

On November 3, 2022, IB Sanming Branch issued a relief loan of RMB 9.8 million to Fujian Sanming Public Transportation Co., Ltd. with a one-year term and a loan interest rate of 3.15%, which is 50 basis points off the LPR rate for the same period, solving the problem of insufficient liquidity for the enterprise.

SERVICE

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Service Optimizing Customers' Journey and Improving Service Experience

- Special Topic 77 Strengthening Digitalization for Rapid Construction of Ecology—empowered Bank
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Special Topic

Strengthening Digitalization for Rapid Construction of Ecology-empowered Bank

At present, facing the continuous upgrading of various emerging technologies, commercial banks are entering the critical period of digitalization. Striving to become the “best ecology-empowered bank capable of universal connections”, IB closely focuses on the “1234” strategy, runs through the digital transformation, constantly increases the fin-tech investment, and promotes the integration of the Bank’s operating philosophy and digital business logic from the top-level strategy to the ecological structure and then to the infrastructure.

IB has established a technology framework of “one committee, four departments, one institute and one company”, including Digital Transformation Committee, Technology Management Department, Data Management Department, Technology Operation and Maintenance Department, Safety and Security Department, Fin-tech Research Institute, and Digital Finance Company, formulated and issued the Guiding Opinion of the Industrial Bank on Digital Transformation (2022) and the Key Work of Digitalization of the Industrial Bank (2022), focusing on the construction of digitalizing key projects and promoting the transformation and upgrading of technological capabilities.

In 2022, the Group’s total investment in information technology reached RMB 8.251 billion, with a year-on-year increase of 29.65%; and the number of full-time information technology employees has reached 6,699, with an increase of 102.82% over the previous year.

Comprehensively enhancing technological development capabilities

IB has been steadily advancing the reform of its entire technology sector, continuously promoting the transformation of technological capabilities, integrating emerging technologies and building ecological scenarios. Guided by customer needs and application scenarios, and through effectively improving technological capabilities and empowerment levels, IB has optimized the ability of financial services in quickly integrating itself into the production and life of customers.



Note: In July 2022, IB launched a “Digital Intelligence Stream, Focusing on the Broad and Minimal—Five Major Online Brand Releases”



Optimizing the infrastructure

Focusing on key areas such as the construction of the data center, distributed architecture, enterprise architecture, and technology application, IB has deepened the transformation of technological capabilities and optimized digital infrastructure.

- IB has planned the “East Calculation to West Computing Resources Channeling”, multi-activity, and multi-center computing system, completed the feasibility study report of Gui’an Data Center, and started the civil construction of the first-phase project;
- IB started the construction of distributed core projects and formed an overall plan for the construction of distributed core system; developed e-CNY operation system independently and put it into operation successfully;
- IB carried out consulting projects of IT application architecture planning, designed 115 enterprise-level business components, and completed layout work for IT strategy analysis and current system;
- IB built the Cloud Native technology operation service system, providing a unified and standard technical service support for the Group, and improved the cloud rate of the system and the concentration ratio of the platform;
- IB established a governance group on information system control capability, promoted application development platforms, and enhanced the platform coverage rate of the Group’s information system.

IB reserved knowledge in advance by pre-researching technology, accelerated the empowerment of new technologies, and promoted the technological concept of open cooperation and built the “technology ecosphere”.



Promoting innovation research

- IB has developed and launched micro-nano remote sensing satellites through “joint development”, completed the initial design of the “IB” satellite technology plan, conducted feasibility testing and verification of remote sensing algorithms, and evaluated the maturity and applicability of multiple scenarios in various fields;
- IB has established an agile development team and collaborated with key universities and enterprises to conduct research in such fields as privacy computing and Internet of Things finance, built a digital supervision platform for biological assets, and achieved remote asset supervision, online inventory, and abnormal warning;
- IB has built the satellite remote sensing application platform, which has provided scenario solutions and promoted proof of concept for several branches, and launched the two applications—Anxi Tea planting scenario and forestry carbon sink;
- IB has constructed six virtual ecological scenarios, such as the Private Banking Center, IB Fuzhou Branch’s characteristic salon, and virtual service hall.



Advancing technological support

Relying on the Bank-Bank platform, IB has continuously provided technologies, products and services to small and medium-sized banks to help build an open financial ecosphere.

- IB built the “1+N” fin-tech ecosphere, providing scenario ecological services such as e-CNY for medium-sized and small banks, and promoted 24 financial ecological products for the banks;
- IB strengthened cloud computing services and deployed open banking, ecological scenario systems, and micro services, and availability of important information systems achieved 99.99%, transaction success rate 99.99%, and 4,252 accessed institutions.

Targeted Empowerment on IB' s Three-pronged Development

The Bank focused on its “three name cards”, took digitalized transformation as the driving engine, continuously adhered to the “three name cards” of green bank, wealth bank and investment bank with high-quality digitalization, and effectively added luster to the ecology, wealth to the people, and intelligence to the industry.

The “three name cards”

Technological Empowerment Achievements (2022)

Green bank

- IB launched intelligent real-time recognition interfaces, adopted big data analysis technology, and supported intelligent evaluation of energy consumption performance of key energy-using enterprises;
- IB developed and launched environmental benefit measurement services, which supported external access to the environmental benefit measurement, AI intelligent recognition, and other functions through H5, Applet, and expanded channels for green business processing;
- In such fields as new energy and carbon-related market, IB innovatively launched the “Green Loan Information Management” module, covering functions such as subsidy management and carbon reduction loan management, managing carbon reduction loan applications and subsidy data in a digital manner.

Wealth bank

- IB achieved the production of wealth planning and asset allocation system, wealth product tape-recording and video-taping of sales process system, and private banking dual-trust investment management and allocation projects;
- IB completed the construction of retail customer wealth bills, assisted in the optimization and upgrading of wealth product shelves and retail investment advisory portfolio trading systems, and strengthened the online and intelligent capabilities of customer managers’ exhibition tools.

Investment bank

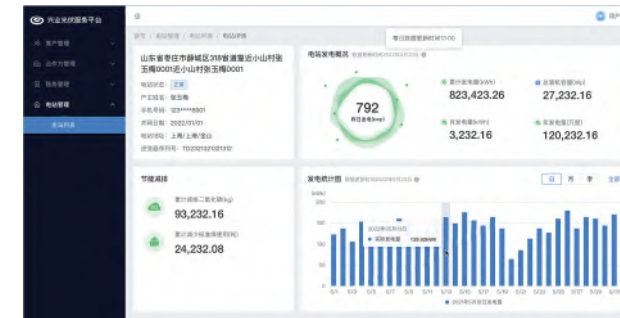
- IB built an investment banking comprehensive business management platform, integrated bond issuance and underwriting, corporate asset securitization, Xingtou capital, agency promotion and other investment banking business sectors, and achieved a one-stop service platform for investment banking operations;
- IB launched key functions such as payment and receipts in the “IB Sharing” supply chain project, and promoted the proportion of supply chain finance online business to increase from 75% to 87%.

Case: Building an open financial ecosphere through the Bank–Bank platform

In 2022, IB launched a new digital brand—the Bank-Bank platform. As the financial brand of the Bank and the carrier of digitalization of financial business, the Bank-Bank platform provided one-stop investment and financing, capital transaction, wealth management, FICC, cross-border business, payment and settlement, open operation, financial information, technology output and other comprehensive services for financial customers around the three core positioning of the unified portal of financial institutions and financial products, investment and transaction hub, and financial service supermarket. And through using the open banking concept and innovative technology, IB aggregated quality products both inside and outside the Group, extended the empowerment of financial corporate and retail customers, and built a prosperous and active ecosphere of financial cooperation in the industry. By the end of 2022, over 3000 institutions have been launched on the Bank-Bank platform, with the sales of various financial products reaching RMB 520 billion.

Case: The “PV Comprehensive Service Platform” promotes rural “green + inclusive”

In 2022, IB comprehensively utilized cutting-edge technologies such as blockchain, Internet of Things, and machine learning to independently develop and launch the “PV Comprehensive Service Platform”. This platform focused on the development of full lifecycle digital services for PV loan product, achieving functions such as power generation income reconciliation and distribution, automatic repayment, and power generation risk management of power stations. It created a scenario ecosphere of relative equality and mutual trust cooperation among all parties involved, effectively solving the difficulties of loan financing for PV power station owners, distributors, installers, and others. At the same time, the platform will also actively explore online certification and carbon trading services for carbon reduction of PV power station, in conjunction with the carbon trading market mechanism, to further expand the income sources for farmers’ power stations, and assist in the two major national strategic goals of “carbon peaking and carbon neutrality” and rural revitalization. By the end of 2022, the platform has benefited nearly 13,000 farmers, issued loans exceeding RMB 1 billion, and generated an annual carbon reduction of over 180,000 tons. In 2022, it has also ranked the top 10 innovative cases in fin-tech of the “Rongcheng Cup” .



Note: Overview of the “PV Comprehensive Service Platform” interface

Case: NFT digital collection

The NFT digital collection is an encrypted digital proof of rights built on the blockchain, which is non-replicable, indivisible, and unique. IB keeps up with the times and the forefront of technological development, and in 2022, it has successively launched several digital collection such as the “Fu Culture” series, the “Gududu” series, and the West Lake Park NFT, which ingeniously integrate fin-tech with traditional Chinese culture, carry the beautiful meaning of “Fu Culture” and integrate artistic aesthetics with technological innovation, being widely welcomed by customers.



Note: Digital collection of West Lake Park “Enjoying Lake and Admiring Fishes”

Protecting Customer Rights and Interests to Ensure Reassuring Service

IB has been adhering to the operating philosophy of “Sincere Service and Accompanying Growth”, committing to providing high-quality financial services to customers. It has been continuously and deeply protecting consumers’ financial rights and interests, optimizing product and service quality, and listening to and responding to customer voices through a systematic approach.

Comprehensively Protecting Customer Rights and Interests

IB conscientiously implements the supervision and guidance of the People’s Bank of China and the China Banking and Insurance Regulatory Commission, starting from six aspects to comprehensively improve the Consumer Financial Protection mechanism, including organization and leadership related to Consumer Financial Protection, employee team building, information technology construction, assessment and evaluation, supervision and accountability, and customer education, and effectively protect the financial consumers’ right to property security, right to information, right to free choice, right to fair deals, right to compensation claims by law, right to education, right to be respected, right to information security, and other rights. To enhance the communication with consumers, IB has established a financial Consumer Financial Protection education column on its official website and publicly disclosed the Training Summary and Evaluation Report of Consumer Financial Protection (2022).

/ Improving the management structure of consumer protection /

Board of Directors

The IB Board of Directors bears the ultimate responsibility for Consumer Financial Protection, and is responsible for researching and formulating strategies, policies and goals for IB’s Consumer Financial Protection, regularly reporting on, guiding, supervising, and evaluating the consumer rights and interests protection work. The Board of Directors has set up a Risk Management and Consumer Financial Protection Committee to collaborate with the Board in carrying out special work on consumer rights and interests protection.

In 2022, the Board of Directors reviewed proposals related to Consumer Financial Protection such as the Work Plan of the Industrial Bank for Consumer Financial Protection(2022), the Report of the Industrial Bank on the Work of Consumer Financial Protection(2022), and the Rectification Report on the Supervision and Evaluation of the Industrial Bank’s 2021 Consumer Financial Protection by the China Banking and Insurance Regulatory Commission.

Board of Supervisors

The Board of Supervisors is responsible for inspecting and supervising the Consumer Financial Protection. By collecting, analyzing, and formulating management suggestions and supervisory opinions, the Board of Supervisors promotes itself and the management to fulfill their responsibilities in Consumer Financial Protection and supervise the rectification and the Bank’s Consumer Financial Protection.

The Management

Since 2017, IB has established a leading group for Consumer Financial Protection service, led by the Vice President in charge of the Head Office. The members include 28 departments across the Bank, covering all business lines related to Consumer Financial Protection.

IB has formulated the Fifty Redlines of the Industrial Bank on the Protection of Consumer Financial Protection of the Industrial Bank on Employees’ Behaviors, effectively strengthening the behavioral norms of Consumer Financial Protection, and continuously improving dozens of relevant systems, focusing on building a complete Consumer Financial Protection management system. At the same time, IB has strictly incorporated the Consumer Financial Protection work into its comprehensive performance evaluation system and accountability system.

In January 2023, IB held the 2023 Consumer Financial Protection Work Conference, and Chairman Lyu Jiajin attended the conference and delivered a speech. The conference reported the overall situation of IB’s Consumer Financial Protection in 2022 and deployed the special action plan for complaint governance. A total of over 4,500 persons, including the Bank’s management team and main leaders of departments at all levels, attended the conference on-site or via video.

/ Reviews on products and services /

IB has established a before, during, and after service process and supervision mechanism for products, strictly controlling the business operation process, and providing customers with clear and understandable product information, to ensure that they can receive fair and transparent services. In 2022, IB strengthened its beforehand auditing work of Consumer Financial Protection by refining the quality monitoring standards for Consumer Financial Protection services. By formulating the Measures of the Industrial Bank on the Management of Consumer Financial Protection Review, IB has clarified the responsibilities of relevant departments, institutions, and Consumer Financial Protection experts at the Head Office and branches for Consumer Financial Protection review, emphasized the review principles, updated the review points, and added review requirements for design and development, agreement signing, independent marketing, and fee deduction, strictly prohibiting products from being “listed with diseases”. In 2022, IB conducted a total of 8,938 Consumer Financial Protection, of which 1,973 were conducted by member departments of the leading group for Consumer Financial Protection of the Head Office, with an increase of 36% compared to the previous year, covering the process of development and design of product and service, pricing management, and agreement formulation.

Case study: CIB Wealth Management strictly conducted risk product and service review of Consumer Financial Protection rights and interests protection.

The CIB Wealth Management formulated the Notice of the Industrial Bank on Strengthening the Review Mechanism of Consumer Financial Protection before the Creation of New Products and New Businesses, established ex-ante, interim and ex-post service processes and supervision mechanisms for products, and strictly controlled business operating procedures, so as to prevent all kinds of risks and actively protect consumers’ rights and interests.

- Ex-ante Review: The CIB Wealth Management carried out ex-ante review of marketing and communication materials, and only those product marketing materials that have passed the review can be used externally. The sales documents such as wealth management product investment agreements and wealth management product manuals were uniformly compiled to eliminate the non-compliant communication materials entering into the market.
- Interim control: The CIB Wealth Management strengthened the monitoring and control of the marketing and communication by the wealth management agencies, carried out the monitoring of the marketing and communication behavior of the agencies from time to time, and randomly inspected their sales standardization. Once there are violations of laws, regulatory provisions, serious damage to investors’ rights and interests or major risks, the Wealth Management will urge the wealth management agencies for rectification and withdrawal from management.
- Ex-post supervision: The CIB Wealth Management carried out auditing related to Consumer Financial Protection, continuously traced what the regulatory authorities are most concerned, optimized the content and methods of Consumer Financial Protection audits, and tracked the rectification of problems found in Consumer Financial Protection audits.

IB fully implements the principle of product appropriateness and is committed to selling appropriate financial products to investors. In the measures on managing risk rating of wealth management products, IB has set up the scientific and reasonable ways and methods for risk rating of wealth management products to ensure appropriate management from the production to sale; clear requirements are made for the evaluation mechanism of investors’ risk-bearing capacity in the measures on managing sales of wealth management products, and it proposes that asset management products sold to investors that are appropriate to their risk identification ability and risk bearing capacity so as to enhance the appropriate management of investors. At the same time, in the assessment of the access and standardization evaluation of the agencies, IB focuses on the assessment of the investor appropriateness management of the agencies, and randomly inspected work from time to time.

/ Disposal of customers with overdue risk /

IB is committed to handling customers' debt repayment responsibly and appropriately. For credit card customers who have difficulty in repaying the loan or are at risk of overdue repayment, IB takes the initiative to communicate with them and provides relief packages depending on the actual difficulties of the debtors.

Before overdue repayment

By reviewing risk on credit card usage and credit changes of applicants after the card issuance, IB grasps potential risks of customers at the first time and takes risk measures such as stopping repayment and credit reduction after communicating with customers to achieve the purpose of reducing risk exposure and secure credit card asset quality.

After overdue repayment

If a customer is overdue and enters the collection process, the system will automatically score the collection of the account. IB distinguishes the risk level of the account into three groups: high risk, medium risk and low risk, and takes different control measures for different risk levels to prevent further expansion of overdue risks.

Repayment plan adjustment

For debtors who have difficulty in repaying the loan, IB may provide solutions to help debtors. If a debtor could provide relevant documents, such as: proof of hardship, proof of unemployment, proof of illness and proof of bankruptcy, etc., IB can provide customers with personalized repayment plans at our discretion, or give appropriate relief policies in terms of fees and interest in order to reduce the pressure of repayment and help customers get out of difficulties.

Debt Consulting Services

IB's overdue credit card customers may consult the accounts and repayment questions by contacting collection service hotline 021-3813-0005. All branches may also provide negotiation venues for overdue customers where they can negotiate repayment plans with the Bank.

Meanwhile, IB continues to strengthen the debt collection compliance management and strictly implements non-collection from any third parties unrelated to the debt. Among them, intelligent collection tools are used to reduce on-site collection practices. In 2020, IB reached a total of 3 million overdue customers through the new voice platform.

/ Consumer Financial Protection Training /

IB has established a long-term mechanism for training on Consumer Financial Protection, and has enhanced staff awareness of consumer protection through comprehensive and multi-faceted training on consumer rights and interests protection. In 2022, it formulated and issued the Notice of the Industrial Bank on Issuing Training Plan in Relation to the Consumer Rights and Interests Protection and Service (2022), in which the training theme and contents were optimized according to the investigation on the training demand of consumer rights and interests protection in the previous year, so as to improve the training effect from the perspectives of strengthening the interpretation of regulatory policies and cases, optimizing the training form, and strengthening the guidance and training on consumer protection complaint measures. In 2022, IB carried on special training on regulatory policies, internal systems, product and service sales, and consumers' complaints, with 100% training coverage and 100% staff participation

/ Guarding Customers' Capital Security /

IB continuously improves its anti-fraud management mechanism and efficiently promotes the construction of digital anti-fraud platform at the corporate level to integrate internal anti-fraud management capabilities and improve the effectiveness of ex-ante warning and interim control. In 2022, it completed the overall launch of smart risk control system, which has optimized the query of customer risk. The system introduced personal blacklist and corporate blacklist, and used the fintech system to prevent anti-fraud and credit risks in system warning, model scoring and approval.

In 2022, the number of IB's online financial transactions monitored on risk control platform reached a total of **6,637** million, of which **8.453** million of high-risk transactions were blocked, involving a total of RMB **165.419** billion.



Digital anti-fraud platform at the corporate level

- IB calculated and processed internal and external information through rules and models to refine effective risk warning rules, and has issued a total of 254,300 risk warnings by the end of 2022.
- The digital anti-fraud platform at the corporate level has achieved millisecond-level processing capability of tens of billions of big data by using the industry-leading "integrated approval and process" and "stream cube" technologies. Since the launch of the platform, a total of more than 7,000 users have been activated, and anti-fraud officers of all IB branches have started to use the platform to handle suspicious account verification, with a total of more than 100,000 account verification orders.

/ Enhancing the Communication with Customers /

IB listens to customers' opinions through various channels and methods, accepts customers' complaints and comments attentively, and takes the initiative to improve the relationship between the Bank and customers through customer satisfaction surveys.

○ Customers' complaint handling

IB strives to increase the degree of complaint control, standardizes the whole process of complaint management, strengthens complaint analysis and rectification promotion, and promotes the intelligent upgrade of complaint management system. In 2022, the number of customers' complaints gradually decreased throughout the year and the customers' experience continued to improve. In the fourth quarter of the year, the number of all-channel complaints and complaints transferred by the regulatory department decreased by 29.17% and 31.13% respectively compared with the first quarter. The number of complaints in key business sectors, such as credit card and wealth management, also decreased significantly, with the number of complaints transferred by the regulatory department in the fourth quarter of credit card business and wealth management decreasing by 37.4% and 23.1% respectively compared with the first quarter. IB received 478,708 complaints from customers for the year.¹ The ratio of completed customers' complaints to the number of customers' complaints reached 99.94%, and the average complaint acceptance time was 2.88 minutes.



¹ The higher year-on-year increase in the number of complaints in 2022 compared to 2021 was mainly due to IB's adjustment of the complaint determination scale to include customer opinions such as the complaints that have been successfully appeased by customer service online in the management of complaint statistics.

Opening up complaint channels	IB comprehensively reviewed the channels for accepting and handling complaints and posted at its official website (see the “consumer rights and interests protection” column on official website), telephone banking, WeChat official accounts and business outlets to smooth consumers’ complaint channels.
Standardizing detailed rules on complaints	IB revised the Detailed Implementation Rules of the Industrial Bank on the Management of Consumers’ Complaints to further standardize the whole process of complaint management, which provided institutional guarantees for the resolution of diversified disputes and the rectification and accountability of such complaints.
Strengthening the complaint assessment	IB added new indicators such as complaint escalation rate and complaint resolution rate, focusing on the paying complaint handling efficiency and solving customers’ problem on the basis of the original complaint assessment indicators such as the complaint rate, complaint processing timeliness, complaint handling satisfaction rate and the resolution of diversified disputes.
Complaint analysis and rectification	IB analyzed consumers’ complaints throughout the Bank on the quarterly basis, issued the Notice of the Industrial Bank on Consumers’ Complaints, and analyzed the outstanding and typical complaint problems in the current period. It carried out special governance for outstanding problems, and sent the Notice of the Industrial Bank on the Rectifications in Relation to Consumer Rights and Interests Protection and the Warning Letter of the Industrial Bank on Complaints in Relation to Consumer Rights and Interests Protection to relevant institutions, so as to urge them to analyze problems, trace the causes and make rectifications.

IB encourages financial consumers to make complaints, feedbacks and reports to the Bank regarding disputes and loopholes in products and services they identified, in order to assist its work in identifying and detecting potential risks related to consumer rights and interests protection. It pledges to strictly protect the basic information of the relevant complainants and reporters, and would not retaliate or treat consumers unfairly in any form.

Customers’ Satisfaction Rate

IB conducts customers’ satisfaction surveys in different business scenarios such as outlets and Customer Service Centers. By paying attention to the change of customers’ satisfaction rate, IB solves problems from the perspective of customers’ experience, improves the efficiency of online business, and analyzes the reasons for dissatisfaction, to continuously enrich its own services and management and enhance customers’ experience.

Evaluation dimensions	Evaluation Content	Satisfaction performance
 <p>Customers’ satisfaction rate on IB Outlets</p>	<p>The survey was carried out from two aspects: outlets service and consumer rights and interests protection. Among them, the customers’ satisfaction survey in the outlets mainly included such modules as the lobby management, lobby manager’ s service, counter service, wealth manager’ s service and self-service service. The Bank also understands the customer satisfaction evaluation of the outlets in terms of consumer protection service from the above mentioned links.</p>	<p>The overall customers’ satisfaction score of the outlets was 9.63 (out of 10), up 0.03 points compared with 2021, and continued to remain at a high level.</p>
 <p>Customers’ satisfaction rate on IB Customer Service Center</p>	<p>The survey on the Customer Service Center included such content as the post-talking satisfaction survey, SMS satisfaction survey and smart robot satisfaction outbound calls.</p>	<p>The satisfaction rate of the 95561 service hotline reached 99.91%.</p>

Satisfaction survey method/object	Sample rate	Customers’ satisfaction rate
Post-talking satisfaction survey	2%	99.91%
SMS satisfaction survey	20%	99.93%
The overall satisfaction of the Customer Service Center	/	91.58%
The satisfaction rate of customer service representative	/	98.66%

By area, the complaints received mainly came from the areas such as the Yangtze River Delta (1.64%) and Pearl River Delta (1.37%); by province (municipality directly under the Central Government or autonomous region), Fujian Province (1.11%) took a large share. (Note: according to the rules of regulatory regional classification, 78.03% of the credit card complaints in 2022 were not included in the region of each province).


There were 95,281 complaints about IB front-end business and 383,427 complaints about middle-end and back-end business, accounting for 19.9% and 80.1% of the total respectively. Among them, 71,353 front-end complaints were about services at the premises, 21,274 about e-business, and 2,654 about self-service devices or third-party business, accounting for 74.89%, 22.32% and 2.79% of the total respectively.

Consumers’ complaints by regional distribution


38.86% of the complaints were about debt collection, of which 99.9% were about credit card; 46.8% credit card business; 6.75% debit card-related business; 3.07% loan business; 2.06% self-operated wealth management and agency business; 0.25% payment and settlement; 0.09% RMB savings and management; 2.16% other businesses such as foreign exchange, precious metals, and personal financial information.

Consumers’ complaints by business handling channels



Complaints were primarily against the approach and means of debt collection (39.42%), management systems, business rules and procedures of financial institutions (39.79%), marketing modes and approaches (15.93%), service attitude and quality (2.07%), service facilities, equipment and business systems (1.24%), consumers’ fund security (0.56%), pricing charges (0.43%), information disclosure (0.25%), and other matters such as charging, right of free choice, product yield, and fund security (0.31%).



Consumers’ complaints by types of business



Consumers’ complaints by reasons

Focusing on Customers' Experience and Creating Quality Service

Facing with the impact of financial technology on consumer demand and behavior, IB has actively conducted scientific layout of outlets, and adjusted the types and characteristic services of existing outlets. In the meanwhile, it keeps iterating and upgrading mobile banking to provide more intelligent and convenient service experience for customers.

Optimizing the Layout of Outlets

In 2022, on the basis of scientifically coordinating the layout of local outlets, IB made great efforts to strengthen the construction of outlets in rural county areas, and extended its financial services to rural county areas.

Laying out the outlets in county areas

By sinking the positioning layout of the outlets into county areas, IB has provided basic financial services for "agriculture, rural areas and farmers", community residents and micro and small business customers in counties. In 2022, more than 20% of its new branches are located in counties, including 9 new underdeveloped counties in the "Top 100 Counties of China".



Expanding park branches

IB has strengthened the key development mode of basic customer groups, and actively built a comprehensive service system for park customers by bearing in mind the two key areas—enhancing the service capabilities and empowering all types of park entities of the park.

Serving the Community

IB has enhanced the coverage of branches and sub-branches in communities and surrounding areas. Aiming to continuously bring benefits and convenience to residents and merchants, it has deployed the construction of "IB Cloud Store" online platform, integrated the resources surrounding the outlets and high-quality merchant resources among the three-kilometer living circle of the communities around the outlets.



In 2022, IB adhered to the construction of "IB CARES" stations, providing various convenient facilities and services in the Bank's outlets to the specific group of the public free of charge. It regularly organized activities with the property management of surrounding communities or nearby businesses to enrich the leisure life of community residents, and held regular classes on access to finance, telling the clients how to debunk fraud and counterfeit money. Some outlets even offered featured services such as customer group purchases, express storage and tea break, etc.



Note: IB Shenyang Branch set up "IB CARES" stations to provide various services for customers.

At the same time, IB continued to promote the intelligent construction of outlets and upgrade the integrated intelligent system of halls. It also updated the online convenience function collaborating with mobile banking to create an integrated online and offline operation service mode. In response to situations where customers cannot go to outlets or customer managers work at home, IB relied on Smart IB Service App as a mobile workbench, which has played an important role in providing online services for customer managers.



Note: Tianjin Branch Business Department Smart Outlet



Providing Services Suitable for the Elderly and Disabled

IB actively improved the facilities of service outlets suitable for the aged, renovated the facilities for the elderly and the disabled, and provided various convenient items to the elderly consumers from facilities such as barrier-free accesses, green channels, specific caring counters, self-service equipment, courtesy seats, wheelchairs, crutches, to daily necessities such as reading glasses, magnifying glasses, blood pressure monitors and medicines so that the elderly customers can handle business with greater trust and comfort. In addition, IB’s intelligent integrated hall system has equipped in the outlets with “take-a-number for special groups” function, which make the lobby manager can comprehensively judge and prioritize special groups based on the actual situation such as their age and mobility, reducing the waiting time for elderly customers.

By the end of 2022, a total of 1,455 IB outlets were equipped with barrier-free access and 1,427 outlets provided caring counters, all of which could provide high-quality and warm-hearted services for related customers.



Note: Special service zone suitable for the elderly

Disseminating Financial Knowledge and Improving Financial Literacy

Adhering to the concept of “giving priority to the service and consumer rights and interests protection”, IB has been carrying out the work of consumer rights and interests protection in its whole service process. In 2022, IB formulated the Plans for Financial Knowledge Dissemination and Financial Consumers’ Education, which incorporated educational activities into the whole process system of consumer-related business, and carried out financial knowledge education at different levels for key groups such as teenagers, the elderly and ethnic minorities, focusing on the financial knowledge needs of consumers in their daily life, so as to further enhance consumers’ risk prevention ability.

In 2022, IB invested a total of RMB 23.7120 million in public education services, carried out 10,674 online and offline education and publicity activities, reaching approximately 120 million consumers, and accumulated 3,006 original education and publicity contents.



Note: IB Xiamen Branch innovated the educational mode of consumer rights and interests protection, and was appraised as a Fujian provincial financial education base

Outreaches for Middle-aged and Elderly Groups

IB launched the writing and production work of the Manual on Financial Services for the Elderly in the whole Bank to effectively safeguard financial consumption rights and interests of the elderly group. On the one hand, it actively produced special reading materials, promotional brochures, posters, and leaflets based on the characteristics of the elderly group, and conducted popular education on hot issues such as how to debunk financial fraud in the elderly care field. On the other hand, it held large-scale offline activities for the elderly to carry out education and publicity events. In combination with the characteristics of the Chongyang Festival and the publicity activities of respecting the elderly month, IB created a strong publicity atmosphere while sending festival blessings to the elderly, delivering the warmth of its services.

Case: IB delivered the warmth of financial service to escort the happy life of the elderly.

In September 2022, IB held the theme activity of “Delivering the Warmth of Financial Service to Escort the Happy Life of the Elderly” and the elderly financial knowledge popularization activities in the park during the Financial Knowledge Publicity Month of Fujian Banking and Insurance Industries. Through online walking activities, financial knowledge program with prizes, and cloud exhibition hall, IB encouraged the elderly to participate in the financial knowledge learning, enjoy the convenience of financial technology on the spot, and help the elderly groups to better adapt and merge into the intelligent era and share the development achievements of the financial industry.



Outreaches for the Youth Group

IB paid attention to the financial knowledge education of youth groups and organized “Financial Knowledge to Campus” sessions. In cooperation with local education authorities and schools, IB intensified its resources to provide “vivid, lively and effective” financial education to the youth through activities such as campus debates, interactive Q&A and competition broadcasts, enhancing their awareness of risk prevention. IB also made full use of such series of activities as the “Children-interests Club” brand and “Little Banker” to build a “wall” for the youth and children to prevent illegal school financial activities.



Note: IB Nanning Branch organized “Financial Knowledge to Campus” session



- IB Nanjing Branch** Organizing 23 branches and sub-branches in the region, IB Nanjing Branch entered many schools in Jiangsu Province to carry out the “First Class for the New Term” activity, becoming the “financial guardians” of the campus.
- IB Shenzhen Branch** The Branch held a popular song “flash” activity for the youth group, and used catchy lyrics to give risk warnings of common illegal financial activities on campus, such as online scams and part-time brushing orders.
- IB Ningde Branch** To attract the interest of young people in learning financial knowledge, the Branch produced original consumer protection fantasy drama “Game Recharge, Bottomless Pit, Don’t Be Fool” for teenagers.
- IB Beijing Branch** The Branch created a series of practical activities of “Little Financial Consumer Protection Volunteers”, and guided the youth to establish rational consumption views and correct values through interactive links and games such as “Financial Consumer Protection Basic Concepts Learning”, “Interactive Course Clearance”, “Consumer Protection Knowledge Stacking” “Fun Quiz” and “Case Discussion” .



Note: “Little Financial Consumer Protection Volunteers” activity

Outreaches for the New Citizen Group

By entering more than a hundred rural areas, villages, towns and construction sites, IB brought rich and easy-to-understand financial knowledge to tens of thousands of groups such as farmers and migrant workers, inspiring them to learn, understand, and use finance. It also worked with township governments to provide key education and publicity to farmers and poor households through such measures as stationing in rural areas.

IB Ningde Branch

The Branch set foot on “fishing rafts” and built “offshore workstations” to provide financial knowledge to fishermen at sea.

IB Kunming Branch

By organizing agencies in the region, the Branch brought financial knowledge to farmers through “fixed-point poverty alleviation”, “staying in rural areas”, “door-to-door assistance”, and the establishment of “rural revitalization helping points” led by grassroots Party members.



Ningde Branch conducted financial knowledge lectures in Sandu'ao.

Outreaches for the Disabled Group

Focusing on financial knowledge and consumer education for the disabled, IB actively brought financial knowledge to them through sign language dialogues, pantomime performances, and “caring counters” services, delivering the warmth of its financial service.

IB Nanping Branch

By jointly working with local regulatory authorities and integrated media platforms, the Branch entered the Nanping School for Blind, Deaf and Mute to organize the “Financial Knowledge to Campus to Escort the Growth” session, providing financial knowledge to the hearing-impaired and visually-impaired children through “pantomime performance”, “sign language class” and “RMB signboard”.

IB Ningbo Branch

The Branch organized sign language service learning and communication, and “talked” with the hearing-impaired persons through local sign language, achieving good social effects.

Outreaches for Ethnic Minority Groups

Having more sub-branches in remote areas, IB delivered financial knowledge to ethnic minority compatriots. It carried out consumer education and financial literacy to ethnic minority compatriots through such measures as opening ethnic language financial classes, producing targeted publicity materials, and establishing special financial education bases for ethnic minorities, so as to strengthen financial risk warning.

IB Kunming Branch

The Branch entered the villages and campuses of ethnic minorities in the remote areas, and carried out on-site case interpretation, financial policy publicity and other activities aiming at the daily work and life of the local people.



IB Hohhot Branch

Combining with the reading habits of ethnic minority compatriots, the Branch designed and produced 25 issues of bilingual Mongolian-Chinese promotional brochures to popularize common sense such as the eight consumer rights and interests to the public.





ENVIRONMENT

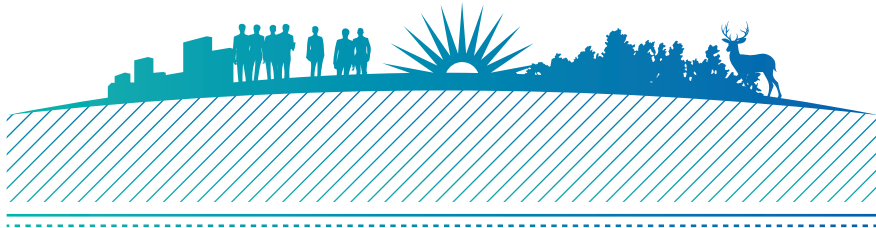
Environment

Quality Service for Green Development to Protect a Beautiful China

- Special Topic 97 Protecting Bio-diversity and Promoting Harmonious Coexistence between Human and Nature
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Special Topic

Protecting Bio-diversity and Promoting Harmonious Coexistence between Human and Nature



Biodiversity is related to human well-being and is a fundamental factor that threatens the social sustainability of human being worldwide. If the biodiversity crisis affects social and economic development widely, it will also bring systemic financial risks to the financial industry. As the first “Equator Bank” in China, IB has actively participated in the work related to biodiversity protection, and has formulated the Financial Service Plan of the Industrial Bank on Biodiversity Conservation and Notice of the Industrial Bank on Strengthening Biodiversity Conservation, which clearly regarded biodiversity protection as an important part of the sustainable development strategy, strengthened the biodiversity risk management, actively explored the stress testing work and mitigation measures for biodiversity protection, and conducted the financial information disclosure related to biodiversity.



Note: In 2022, IB created the “New Thousand Miles of Rivers and Mountains Map” to carry forward the concept of harmonious coexistence between human and nature

Conducting the Bio-diversity Risk Assessment

IB has made full use of the concepts, tools and methods of the Equator Principles to continuously carry out multi-dimensional identification and management of environmental and social risks, integrated the biodiversity risk assessment into the entire credit grant process, and clearly emphasized the promotion of low-carbon transformation of asset portfolios and biodiversity protection in the Credit Grant Policies of the Industrial Bank (2022). In accordance with the fourth version of the Equator Principles (EP4), IB comprehensively revised and improved its systems related to environmental and social risks management, fully considered the requirements of relevant international guidelines on biodiversity risk management. According to accumulated experience in environmental and social management, it further refined the management norms for the whole process of environmental and social risks including biodiversity risks.

Innovating Bio-diversity Finance Products

IB is committed to building a sound financial service capacity for biodiversity protection, developing and continuously improving financial products and services for biodiversity protection, and enhancing its professional capacity for biodiversity protection. In response to the growing diversified and personalized financing needs for biodiversity protection, IB launches some special products and services such as the environmental protection loan, water saving loan, green loan for innovative investment, blue bonds, carbon asset pledge loan, forest tenure rights mortgage loan, and wetland carbon sink loan. Meanwhile, it gives full play to the Group’s comprehensive operating advantages and actively promotes its subsidiaries to carry out biodiversity-related products.



Case: Innovating green inclusive financial product “Green Forest Loan”

IB unswervingly takes the road of green agriculture and innovatively launches the “Green Forest Loan” to provide exclusive products of personal operation loan for small and micro business owners and individual commercial and industrial households engaged in forest product processing industry. On March 31, 2022, Xinfeng Bamboo and Wood Products Co., Ltd. of Shaowu City (Fujian), which has engaged in bamboo and wood products industry for 13 years, became the first beneficiary of the “Green Forest Loan” in Fujian Province. It received a self-employed business loan of RMB 500,000 from IB and promptly solved the problem of financial needs for expanding its production scale.

Supporting Ecological Preservation of River Basins

IB regards the biodiversity-related field as a key area of its green financial service support. Through the formulation of the Financial Service Plan of the Industrial Bank on the Field of Water Resources Utilization and Protection, it takes water area governance and water source protection as the key driving direction, supports the protection of rivers, lakes and other ecological resources in various regions, and promotes the natural breeding and protection of species. By the end of 2022, IB has granted RMB 979.6 billion green financing for the Yangtze River Basin and the Yellow River Basin.



Note: IB supports the Dian Lake (in Yunnan Province) governance project, helping the local ecology to continue to improve



Project Site of Weinan Project on Water Supply through the Yellow River



IB formulated the financial service plan, introduced differentiated credit grant policies, and intensified the assessment to support implementation of a number of key projects such as the Effluents Treatment Project along the Yangtze River in the Lianxi District of Jiujiang City and the Ecological Shelterbelts Construction Project at the source of the South-to-North Water Diversion East Route.



IB granted for a loan of RMB 100 million to support the implementation of ecological protection projects along the Yellow River Basin, e.g., the Weinan Project on Water Supply through the Yellow River, which satisfied people’s water use while strengthening soil and water protection, enhancing the function of water source conservation, and creating mutually beneficial ecological, economic, and social benefits.



IB formulated the Guidelines of the Industrial Bank on Promoting Green Financial Services for Plateau Lakes Governance in Yunnan Province to focus on and support ecological environmental protection and governance in key areas such as the Erhai Lake and the Dian Lake, and to help restore the local lakeside ecological zones and aquatic plants in the lake.



During the period of “Five Water Cohabitation (FWC)” in Zhejiang Province, IB supported more than 100 governance projects by using various financing tools such as project loans, floating capital loans, debt financing instruments and financial leasing.

Case: Enhancing carbon sink increment and protecting wetland bio-diversity—IB Hangzhou Branch granted the first carbon sink development loan.

The Xiazhu Lake Wetland, located in Deqing County of Zhejiang Province, is a 4A-level tourist attraction and the National Wetland Park, which is also one of the wetlands that remain intact in native state in China, where more than 800 species of plants and animals, including the crested ibis, thrive there. On November 8, 2022, IB Hangzhou Branch granted a project loan of RMB 70 million to the Xiazhu Lake Wetland, specifically for the ecological protection and improvement project of the wetland. The business innovatively used the income from carbon sink sales as one of the sources of repayment for the project, which successfully opened up a green financial channel for wetland ecological governance and made a positive and beneficial attempt to enhance the carbon sink increment and protect wetland biodiversity. According to the test report of a third-party institution, the project is expected to add more than 1,800 tons of wetland carbon sink to the Xiazhu Lake Wetland annually after completion.



Xiazhu Lake Wetland

Participating in Bio-diversity Exchange and Cooperation

Since 2021, IB has signed the Joint Declaration of the Banking Sector to Support Bio-diversity Conservation and the Global Joint Initiative on the Partnership of Bio-diversity and Finance, injecting the financial strength for ecological balance and global sustainable development. In November 2022, IB participated in the “2022 Annual Global Conference on the Partnership of Biodiversity and Finance (PBF), and participated in finalizing the Working Guidelines for the Partnership of Biodiversity and Finance and the work plan for 2023 as one of the members of the PBF Executive Committee. At the same time, IB actively carried out research and product innovation related to biodiversity, and the “wetland carbon sink loan” was selected as a typical Chinese case in the Blue Book on the Partnership of Biodiversity and Finance and released during the second phase of the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) held in Montreal.



Practicing ESG Integration Based on Risk Orientation

IB actively integrates with and serves the new development pattern, responds to national policy orientation and market changes with new concepts, new dynamics and new tools, implements differentiated credit grant policies of “guaranteeing, controlling and withholding projects”, and actively guides 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

Conducting the ESG-related Risk Assessment of Customers

IB fully applies the ESG-related risk assessment system to the credit grant process of the three major business lines of corporate finance, retail finance and interbank finance, classifies customers into four categories, namely Class A, Class B, Class C and Class D, according to the relevant risk assessment criteria, adopting differentiated management strategies, and integrates all aspects of the credit grant process, including due diligence, risk assessment, contract signing, financing issuance and duration management.

Based on such systems as the Notice of the Industrial Bank on the Establishment of Customers’ ESG Indicator System, the ESG Embedded Credit Process Plan of the Industrial Bank for Corporate Finance Customers, the Notice of the Industrial Bank on Embedding ESG into Small and Micro Enterprises’ Credit Process, the ESG Embedded Credit Process Plan of the Industrial Bank for Retail Credit Customers, the Notice of the Industrial Bank on Printing and Issuing the Interbank Customers’ ESG Indicator System, and the ESG Embedded Credit Process Plan of the Industrial Bank for Interbank Financial Customers, IB conducts targeted due diligence based on the ESG related content and the characteristics of customers’ industries and regions, strengthens the collection and verification of customers’ basic information and data related to the ESG performance, covering 39 indicators such as energy consumption, water resource utilization, greenhouse gas emissions, corporate environmental credit evaluation, administrative penalties related to environmental protection, suppliers’ management, customers’ complaints, employees’ social security data, debt repayment ability, information disclosure and negative news, to ensure the authenticity, integrity and validity of information. It formulates special risk prevention and control measures and response plans, including but not limited to the following: rectification of violations within a prescribed time limit, the signing of a special commitment letter, adjustment of credit grant plans, increase of capital ratios, enhancement of risk mitigation measures, suspension of newly added credit limit, and compression of stock business. In the credit review and approval process, IB implements differentiated credit control measures.

Class A Customers

IB prioritizes the review and approval of credit applications to support green, low-carbon and circular economy in terms of time or process.

Class B Customers

IB focuses on and analyzes potential ESG risks, countermeasures and impacts.

Class C Customers

IB pays attention to on and prudently evaluate potential ESG risks, countermeasures and impacts, and actively seek appropriate ways to mitigate credit risks, including the aforementioned risk mitigation measures.

Class D Customers

In principle, IB prohibits new clients from intervening with this sector, compresses the credit business of stock customers and withdraws from such business in a timely manner. In the loan review process, the implementation of ESG-related approval requirements and the signing of legal documents should be reviewed.

Based on the ESG classification result and in combination with the requirements in the notice of review and approval opinion, IB implements control measures for Class C and Class D customers and verifies the implementation of required environmental, social and governance risk control. In the duration management process, in addition to the regular duration risk management, IB has been carrying out the ESG-related risk monitoring and tracking management for customers.

In terms of the regular ESG assessment for Class C and Class D customers, IB tracks the implementation of relevant management requirements in the notice of review and approval opinion, and follows up changes in the ESG-related matters of customers, and reflects them in the duration management report. It will take risk control measures such as the early warning, increased risk mitigation procedures and quota control against those customers who have violated the law and regulations but failed to actively make rectifications.

Strengthening Risk Control of Key Industries

In 2022, IB continued to strengthen the credit grant policy and ESG integration, issued the Credit Grant Policy of the Industrial Bank (2022) and the Notice of the Industrial Bank on Issuing ESG-related Credit Policy, which clearly requires that all industries should comply with the relevant national standards of environmental protection, and strengthen the management of credit approval for high energy-consuming and high-emission industries. Such as the agriculture, forestry, thermal power, hydro power, nuclear power, PV power generation, chemical industry, coal chemistry, coal, mining, ship-making, textile, and sewage treatment, IB has evaluated the clients' production process and capability of ESG risk management and green and low-carbon operation, actively guided the credit resources to flow into those business sectors that comply with the ESG requirements and feature low energy consumption, low emission, low pollution, high efficiency, and positive market prospects, so as to further enhance the refinement level of risk control policies and better serve the business development.

Supporting the transformation of high-carbon industries

IB strictly controls new credit facilities in industries with serious overcapacity, adheres to the equal importance of business development and risk prevention and control, and allocates credit resources to high-quality entities such as energy security and supply, industrial upgrading and transformation, green carbon, new energy and green power production, to meet the reasonable financing needs of basic production enterprises and support the credit funding needs of green transformation and upgrading of enterprises.

Strictly controlling the overcapacity industry

In accordance with the principle of "controlling the increment, optimizing the stock and adjusting the structure", IB pays attention to the differentiation of enterprises in the industry and insists on the "two-optimal" strategy of advantageous regions and quality leaders.

Strictly adhering to the bottom line of environmental protection compliance

IB increases its prudent attention to the information on environmental violations in industries, projects and enterprises with greater ecological hazards; and prohibits supports to the projects that do not meet national policies and regulatory requirements, do not meet environmental standards, or do not have complete approval procedures. It will also not allow the grant or issuance of bonds for the construction projects that have not obtained legal procedures.

Addressing Climate Change to Support the "Carbon Peaking and Carbon Neutrality"

IB has fully followed and implemented China's goal to "peak CO2 emission by 2030 and achieve carbon neutrality by 2060" (the "30-60 goals"), taking the lead in Chinese banking industry to adopt the "Climate Neutral Now" Initiative under the United Nations Framework Convention on Climate Change, which scientifically planned and formulated its own carbon reduction goals and phased schedules to orderly reduce carbon emissions. Meanwhile, relying on its advantage as a commercial bank and an investment bank, IB has comprehensively deployed the carbon finance business, focusing on key areas in carbon reduction and pollution mitigation such as clean energy, energy conservation and environmental protection, carbon-reduction technology to fully support the green and low-carbon transformation in China's economic and social development.

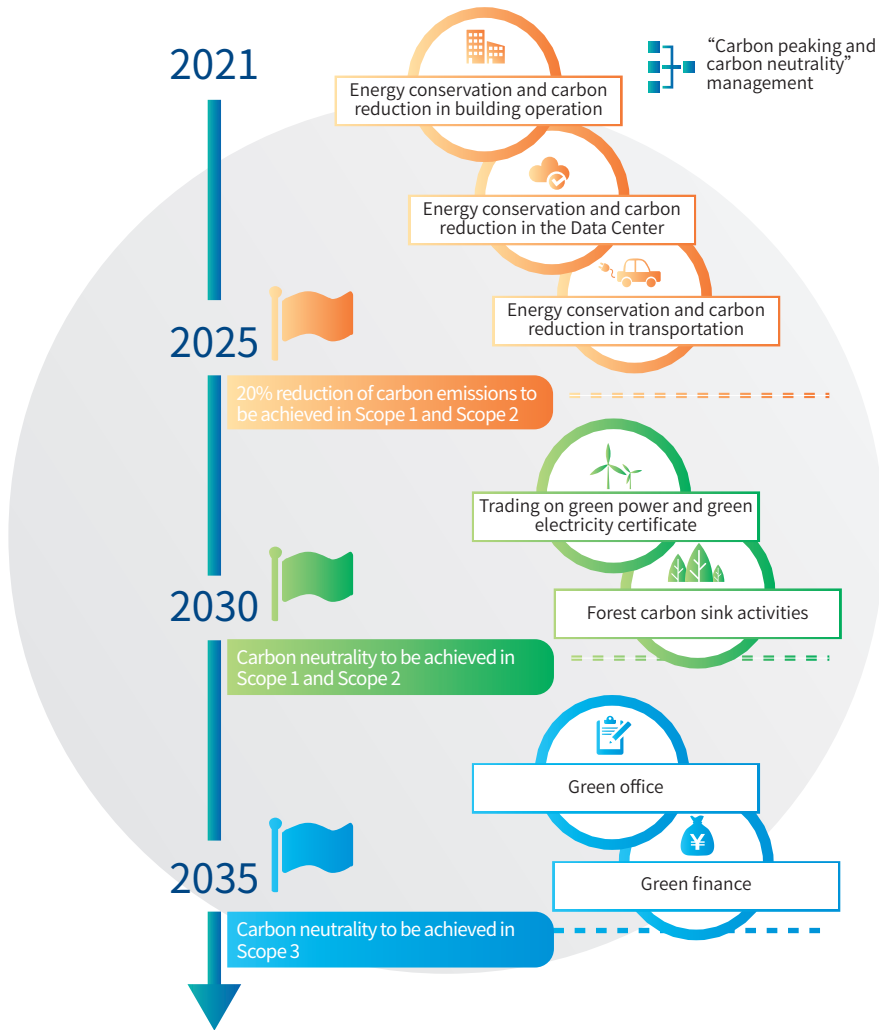
Scientifically Planning, Formulating and Implementing the "Carbon Neutrality" Goal

In 2022, IB conducted such special work as carbon-related checks and verifications. Based on the comprehensive understanding of the current status of its carbon emissions, IB has formulated the carbon neutrality goals and phased schedules, which adhered to the principle of "prioritizing direct carbon reduction and following carbon elimination and offset", and actively grasped the trend of green and low-carbon transformation and strived to achieve the "carbon neutrality" goal.

"Carbon neutrality" goal	Measures
A 20% reduction in its own carbon emissions to be achieved in 2025 compared with the data in 2020	By implementing such energy conservation and emission reduction measures as energy conservation and carbon reduction in the building operation and the Data Center as well as the green transportation, IB will achieve a 20% reduction in carbon emissions from its own operation in 2025 compared with the data in 2020.
Carbon neutrality to be achieved in IB's operation activities before 2030 (including carbon emissions in Scope 1 and Scope 2)	By further promoting the work related to energy conservation and emission reduction, IB will basically realize comprehensive electrification of energy equipment and facilities, gradual increase on the proportion of renewable energy, intelligent operation of buildings and digitalization of its offices, and achieve carbon neutrality of the remaining carbon emissions through the participation in high-quality ecological and carbon sink projects, purchase of green power and green electricity certificates.
Carbon neutrality of the upstream and downstream activities across IB to be achieved before 2035 (including carbon emissions in Scope 1, Scope 2 and Scope 3*)	IB will take capacity-building measures such as strongly strengthening the carbon-related management, carbon inclusion, publicities related to carbon neutrality and carbon reduction, and vigorously developing green financial services to promote carbon reduction in external industries, so as to realize the carbon neutrality goal set out in Scope 3 in 2035.

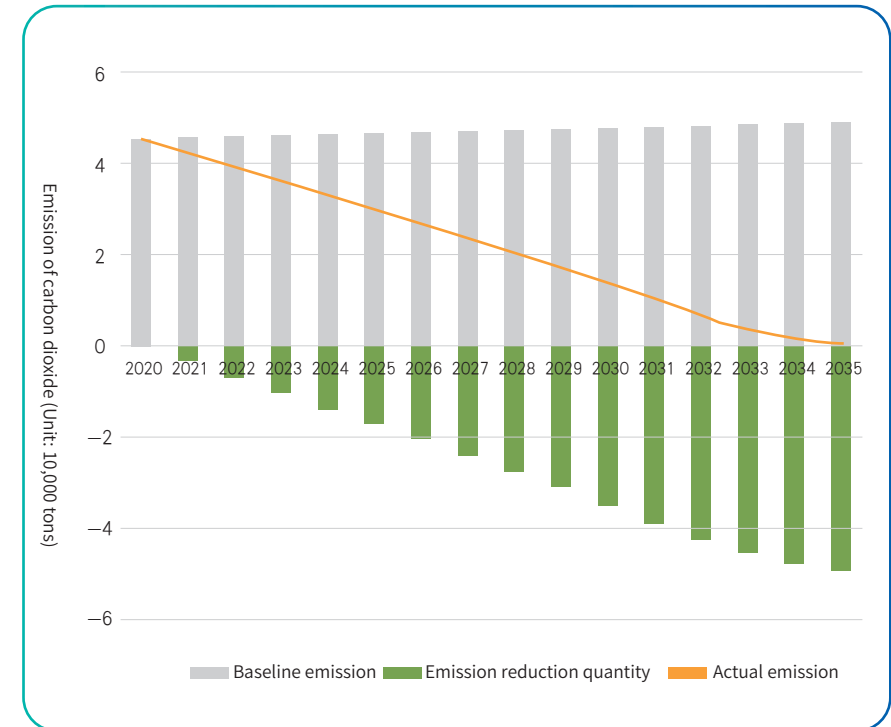
*Note: The Scope 3 here includes such categories as carbon emissions in business travel, employee commuting, waste management, transportation and distribution (across the upstream and downstream).

Note: Overall Roadmap of IB's Overall Plan for Carbon Neutrality



IB has been consistently improving its carbon emission management system, and completed its carbon-related checks and verifications in the past five years, covering a total of more than 2,000 institutions at all levels, including the Head Office. Such checks and verifications have sorted out its current status of carbon emission management and its potential for emission reduction, and provided the decision-making support in setting the green operation goals. Moreover, the relevant reports on carbon-related checks and verifications have been verified and certified by third-party organizations. In the meanwhile, IB has launched the construction of “IB Carbon Peaking and Carbon Neutrality Management Platform” and “Smart Park Platform” to promote the systematic and intelligent management of its own operating data on carbon emissions and realize real-time collection and monitoring of its data on energy consumption and carbon emission.

Note: IB's Emission Forecast in Scope 1 and Scope 2 and its Carbon Neutrality Roadmap



Based on the carbon footprint of investment and financing activities, IB closely followed up the research on related topics, and its Branches explored the methods of measuring the carbon footprint of loans and carried out such a measurement in accordance with the Guideline for Carbon Accounting Technology of the Investment and Financing Business in Financial Institutions (for Trial Implementation) issued by the People's Bank of China (PBOC) and with reference to The Global GHG Accounting and Reporting Standard for the Financial Industry released by the Partnership for Carbon Accounting Financials (PCAF) in 2020 and the suggestions proposed by the Task Force on Climate-related Financial Disclosure (TCFD).

Evaluating the Risks and Opportunities and Deepening the Climate Stress Testing

Apart from the impact on the operation of financial institutions, climate change-related risks will also affect the quality and profits of bank loans through a series of transmission channels, and in severe cases even affect the stability of financial systems. This includes the impact of climate change on categories of other conventional risks in the process of low-carbon transformation in the economic and social development, such as credit, market and operation risks. With reference to the suggestions proposed by the TCFD, IB paid close attention to the relevant impacts of climate risks, proactively evaluated the risks and opportunities of climate change, and integrated them with the current framework of risk management to regularly analyze, evaluate and formulate corresponding countermeasures.

Category of risks	Potential impacts
Physical climate risks	<p>Typhoon, drought, storm and other extreme weather events will damage the value of assets held by customers, causing the collateral to be damaged or devalued, or affect the supply chain, thus influencing the operations and profitability and viability of customers and resulting in the increase of default rates.</p> <p>The rising of global temperatures and sea levels and the changing of climate conditions will affect the place where a company operates, cause extensive damage to physical assets and increase the costs from the impairment or early obsolescence and replacement of assets.</p> <p>Extreme weathers will have a negative impact on the infrastructure, systems, processes and employees, disrupting the continuity of businesses.</p>
Climate transformation risks	<p>Policy and law-related risks: Policies and regulatory measures that limit adverse impacts or promote adaptation or transformation will affect the profitability of carbon-intensive industries, and related assets may be stranded.</p> <p>Technological innovation: Low-carbon technologies and products may replace the existing products and services, and increase the uncertainty of revenue and investment.</p> <p>Market change: Climate change may trigger a shift in investors' preferences and a decline in projected returns of carbon-intensive assets, exposing commercial banks to the risk of decreased valuations and increased investment volatility.</p> <p>Reputation risk: If continuously providing financing to high pollution and energy-guzzling enterprises or holding a large amount of such assets, the reputation risk will be increased.</p>
Relevant climate-related opportunities	<p>Product and service opportunities: The transformation of high-carbon industries and the development of low-carbon industries face large capital gaps, which will generate relevant demand for transformation finance; if innovative products and services related to green and transformation finance are developed to assist customers in green transformation, it will help increase business revenues through such products and services.</p> <p>Market opportunities: The innovation and diversification of green finance products will contribute the company to expand emerging market opportunities and take the lead in the market; the improvement of environmental awareness among depositors and investors may increase their support to green finance businesses, which will promote the issuance of green/ESG-themed products.</p> <p>Resource utilization efficiency: If a company can improve energy utilization efficiency, reduce water consumption and implement the digital transformation of businesses, it will cut the corresponding resource costs.</p> <p>Energy source: If the renewable energy can be fully utilized, it will help reduce the dependence on fossil fuels and cut greenhouse gas emissions.</p> <p>Climate resilience: It will improve the ability to cope with climate change, help the company manage risks more efficiently to seize opportunities and gain the recognition of stakeholders.</p>

IB actively studied and explored the climate stress testing, and voluntarily disclosed the testing results. Based on the previous year's climate stress testing in the three industries of thermal power, steel and cement, the testing this year was extended to eight high-carbon industries, including power, steel, building materials (including cement), non-ferrous metal smelting, petrochemicals, chemicals, aviation and papermaking, to evaluate potential impacts of the transformation of the carbon peaking and carbon neutrality goals on the quality of IB's credit assets and capital adequacy. The testing was designed three stress scenarios—light stress, medium stress, and serious stress—for a term of 9 years with the end of 2021 as the base period, to quantitatively evaluate the impact of rising carbon emission costs on the repayment capacity of customers in high-carbon industries. The results show that if the customers in above high-carbon industries do not carry out low-carbon transformation, their repayment capacity in stress scenarios will be undermined to varying degrees. However, due to the low proportion of loans, the impact on the quality of IB's overall credit assets will be limited, and the risk will be generally controllable. Because IB's provisions were relatively sufficient, during the base period of the testing, to fully cover the new non-performing loans in stress scenarios without the need for additional provisions, its capital adequacy ratio remained unchanged under light, medium, and serious stress scenarios.

Promoting Carbon Reduction and Green Development to Improve Carbon Finance Service System

In 2022, IB granted 29 national financing businesses of carbon quota pledge in 12 Branches across China, with a pledged quota of 6.294 million tons and a financing amount of RMB 460 million; 21 Branches launched 59 loans linked with carbon reduction and carbon footprint, with the financing amount of RMB 2.532 billion.

<p>Strengthening the basic financial service in the carbon market</p>	<p>IB actively participated in the construction of financial infrastructure such as the China Carbon Emission Trade Exchange, completed the technical work of docking the national carbon emission trading system, and continued to strengthen its basic service in the carbon finance. It also consistently improved the carbon finance product system and followed up the progress of policies such as the expansion of the national carbon market, the restart of the Chinese Certified Voluntary Emission Reduction trading mechanism and the establishment of the regional carbon inclusion mechanism.</p>
<p>Placing equal emphasis on IB's functions as a commercial bank and an investment bank to boost the innovation of carbon finance</p>	<p>IB developed a carbon finance product system covering the payment and settlement of carbon trading, matchmaking tradeoff, pledge financing and carbon asset management, and launched the first national carbon sink loan with forward carbon sink products as the underlying assets, the first national carbon neutrality bonds, the first debt financing program of carbon neutrality M&A, the first carbon neutrality bonds based on equity contribution, the first carbon neutrality bond index structured deposit, and the first carbon emission right green trust in Fujian Province.</p>
<p>Supporting the carbon-reduction supporting tool released by PBOC</p>	<p>Since the PBOC released the carbon-reduction supporting tool in November 2021, IB has actively been utilizing such dividend policies as the supporting tool to continuously increase its support in key areas such as clean energy, energy conservation and environmental protection, carbon reduction. By the end of 2022, IB has supported a total of 800 carbon reduction projects with a total investment of RMB 44.528 billion, which effectively met the financing needs of carbon reduction, and its accumulated scale of carbon-reduction supporting tool received from the PBOC ranked the leading position among China's joint-stock banks.</p>

In 2022, IB focused on replicating and promoting such innovative green finance products as the loan linked with carbon reduction, designed loan interest rates based on the low-carbon transformation and clean development of enterprises, and linked loan pricing with the indicators of key low-carbon technology in projects, to stimulate the low-carbon operation and green development of enterprises and improve the quality and efficiency of financing services.

Focusing on Low-carbon Transformation to Accelerate the Transformation in Key Industries

In accordance with the principles of “making steady progress in total quantity, accelerating structural adjustment, optimizing regional layout and promoting green transformation”, IB actively strengthened its risk management and control of traditional energy-guzzling industries, continued to promote the customer classification management and reduce the balance of exposure at default to high-risk customers, and enhanced its credit support to the subsections of traditional industries that meet the requirement of low-carbon transformation and high-quality development.



IB established a “energy consumption + technology” green evaluation system, with carbon-reduction transformation as the focus, to strengthen its credit support to carbon-reduction businesses of enterprises in traditional industries such as steel, non-ferrous metals, building materials and petrochemicals. IB mainly supported the enterprises with advanced process and technology in the high-carbon sectors which take the lead in energy efficiency indicators, stable operation and development, and good financial performance, and gave priority to the high-quality project financing that meets the requirement of green transformation.



IB strengthened its business radiation throughout the whole industry chain of mineral mining in the upstream, equipment manufacturing in the midstream and power generation in the downstream, mainly supported the project layout of traditional industries in the power supply side, the energy storage side and the new energy field, and increased its support to the construction of new projects of traditional industries in such infrastructural sectors as water conservancy, power grid, energy storage and hydrogen energy.



The Green Technological Transformation Project of Tianshan Aluminum Co., Ltd.

Case: IB Urumqi Branch promoted the green technological transformation of enterprises with loans

In 2022, IB Urumqi Branch provided the Tianshan Aluminum Co., Ltd. with a green technological transformation loan of RMB 80 million, which was specifically used for the project construction of the “New Energy-saving Technological Transformation Based on Stable Flow and Heat Conservancy for Aluminum Electrolytic Cells”. After completion of the project, it will save 160 million kwh of electricity every year, which is equivalent to an annual carbon reduction of 109,000 tons, having obvious effects of energy conservation and emission reduction.

In 2022, centering around the financial support to the low-carbon transformation in three key industries, namely, construction, transportation and manufacturing, IB has conducted the research and compiled a report on the path research and market analysis of the low-carbon transformation technology and a collection of representative cases in green finance, to guide the whole Bank to support the financial needs of low-carbon transformation in key industries.

Case: IB Hohhot Branch launched carbon-reduction loans in the field of Carbon Capture, Utilization and Storage (CCUS)

In 2022, IB Hohhot Branch provided a pre-project loan of RMB 70 million to a comprehensive utilization project of carbonized steel slag for equipment prepayment. The project used carbon dioxide and waste steel slag as raw materials to participate in the production, which was expected to reduce carbon dioxide emissions by 100,000 tons per year after being put into operation. The project also successfully obtained the support of the carbon-reduction supporting tool released by the PBOC, which has become IB's first green finance project in the CCUS field. Before project construction, the enterprise had to pay the environmental protection tax every year because the accumulation of steel slag caused solid waste to be piled up. The disbursement of the loan solved the urgent problem of insufficient funds for project construction, and effectively reduced the enterprise's financing costs under the dual effect of preferential loan interest rate policy and the saving environmental protection tax.



Case: IB Ningbo Branch launched the first carbon-reduction loan supported by the cooperation of the bank and a guarantee company in Zhejiang Province

In May 2022, IB Ningbo Branch successfully provided the financing service for the construction of a 300KW photovoltaic power generation project, with a loan amount of RMB 600,000. This was the first carbon-reduction loan supported by the cooperation of the bank and a guarantee company in Zhejiang Province, which enjoyed the support of the policy-based financing guarantee product "Carbon Peaking and Carbon Neutrality Guarantee" and was fully exempted from the guarantee fee. In order to meet the urgent need of the enterprise, IB actively connected with the PBOC Ningbo Central Branch and Ningbo Financing Guarantee Co., Ltd., and combined its extensive experience in participating in the financing of various distributed photovoltaic industries in Ningbo City, to help micro, small, medium-sized clean energy enterprises solve the difficulties in financing credit enhancement and the high financing costs through the combination of "Carbon Peaking and Carbon Neutrality Guarantee" and the carbon-reduction supporting tool. It was calculated that this loan can lead to an annual reduction of 108.76 tons of carbon dioxide emission, with an annual saving of 45.96 tons of standard coal and the corresponding emission reduction of sulfur dioxide and nitrogen-oxide, which has shown the significant environmental benefits.



Innovating Green Finance to Serve the Green Economy

In 2022, IB formulated the Opinions of the Industrial Bank on Promoting the Group's Comprehensive Green Transition to continuously promote the development of the Group's green finance. During a period of time in the future (see the Bank's Sustainable Development Goals for details), it plans to better leverage the Group's comprehensive operation advantages, consolidate and enhance the Bank's professional advantages in the green finance field, so as to achieve the goal of the Group's comprehensive green transition, which pays equal attention to quantity and quality, balance and coordinate the development of green finance both on-balance sheet and off-balance sheet, and between branches and subsidiaries, aiming to create a "Green Bank Group". To strengthen the management of comprehensive green finance, IB followed the Group's strategy of comprehensive green transition. In 2022, based on the defined standards of the People's Bank of China and China Banking and Insurance Regulatory Commission regarding green credit, green bond and green financing, and in combination with relevant international standards such as the Common Ground Taxonomy of Sustainable Finance and its research findings, IB issued the Standards of the Industrial Bank on the Attribute Identification of Green Finance (2022), which added identification standards for such sectors as blue finance, climate-related investment and financing, and biodiversity protection.



By the end of 2022, IB's financing balance of on-balance sheet and off-balance sheet of green finance was RMB **1,629.76** billion, with an increase of RMB **243.057** billion (17.53%) over the end of the previous year. IB has the scale of RMB **129.473** billion green investment banking business; the balance of non-financial enterprise green bond investment was RMB **33.156** billion; and the balance of green supply chain finance was RMB **40.448** billion, covering **95** green exclusive industries. In addition, the balance of green leasing business and the scale of green trust were RMB **58.1** billion and RMB **19.5** billion respectively, and its total issuance of ESG-related and green wealth management products for the year was RMB **95.7** billion.

Green Loans

By the end of 2022, the balance of IB's green loans (loan-to-deposit of PBOC) was RMB 637.072 billion, with an increase of RMB 183.132 billion (40.34%) over the end of the previous year, among which clean energy, water resource industries, and solid waste treatment were the key fields.

Financing Environmental Impact of IB's Green Loan Projects in 2022

Index	2022
Standard coal savings in green loan projects (Unit: 10,000 tons)	546.18
Reduced carbon dioxide emission in green loan projects (Unit: 10,000 tons)	1,403.36
Water savings in green loan projects (Unit: 10,000 tons)	1,038.48
Reduced nitrogen oxide emission in green loan projects (Unit: 10,000 tons)	4.95
Reduced sulfur dioxide emission in green loan projects (Unit: 10,000 tons)	11.23
Chemical oxygen demand reduction in green loan projects (Unit: 10,000 tons)	18.60
Reduced ammonia nitrogen emission in green loan projects (Unit: 10,000 tons)	1.39

Green Retails

IB launched the first green low-carbon credit card in China. With the card as a medium, IB has created a comprehensive financial service system covering green life, and guided cardholders to participate in green low-carbon activities with the consumption within their affordability, to help green development and promoting low-carbon life. The card is made of new biodegradable materials, and the "paperless" electronic bills are vigorously promoted to increase global greenness and reduce pollution burden for the earth. The cardholders can also enjoy the green credit, green travel, green consumption and other benefits.

Case: Greening future and supporting financial services of new energy vehicle by innovation

Focusing on the strategic planning for green finance, IB continued to introduce preferential policies for new energy vehicles to promote the development of new energy vehicle market with a low interest rate of 0.25% per installment. Meanwhile, IB has further cooperated with new energy vehicle brands and established the cooperative relationship with three new energy brands, HiPhi, VOYAH, and ZEEKR within the year, and jointly promoted and popularized new energy vehicles, through such events as online live broadcasts, offline test drives, the gratitude expression on the Teacher's Day and the Mid-Autumn Festival. By the end of 2022, IB's transaction volume of new energy vehicles reached RMB 3.097 billion.

Green Investment Banks

IB has established a relatively complete product system of investment banks, including various types of bonds, private debt, M&A financing, syndicated loans, capital market products, asset securitization, etc. It integrated ESG concepts in investment banking business, timely understood customers' reputation, business contents, financial status, management capabilities, and compliance status in the due diligence process to control risks, and prudently intervened in environmentally sensitive industries such as those of "high pollution, high energy consumption and excess production capacity". In 2022, the financing scales of various IB green investment banking business reached nearly RMB 130 billion.

Bond underwriting: The underwriting scale of IB green bonds was RMB 35.45 billion, with a year-on-year increase of 15.32%, and it also issued the first private enterprise green panda bond and the first social responsibility bond in the market. Its amount of underwriting green bonds overseas was US\$2 billion, with a 1.4 times increase compared with the same period last year.

Asset construction: The IB's financing scale in the green sectors has reached RMB 80 billion through such means as the private debt, bank syndicates, mergers and acquisitions, and capital markets.

Asset circulation: IB promoted the circulation of green credit assets with a total value of RMB 5.44 billion (Industrial Bank invested in the first phase of the 2022 Yindeng transfer of jus fructus aut fructus from green credit assets), and the underlying assets involved 46 green credit assets.

In terms of ESG-related investment banking operations, IB has attached great importance to the social performance and enhanced the environmental performance of issuers. It underwrote the first national social responsibility bond at the amount of RMB 100 million, and accumulated the underwriting of carbon-neutral bonds, blue bonds, and China-Europe joint classification bonds valuing RMB 15.031 billion, RMB 1.5 billion and US\$650 million respectively.

In the Meanwhile, IB adopted such strategies as the positive/negative screening and impact investment, and implemented green M&A business and green syndicated loans at the amount of RMB 29.3 billion and RMB 28 billion respectively. The market-making business of green credit bonds was launched on a regular basis, with a total investment of RMB 34.21 billion in green bonds throughout the year.

Case: Lead underwriter for the first green bond in the lithium battery industry

On 13 December 2022, the “First Green Medium-term Notes of Contemporary Amperex Technology Co., Ltd. (‘CATL’) in 2022” led by IB, was successfully issued in the interbank market, which was the first green bond in China’ s lithium battery industry. The amount of this bond was RMB 5 billion, with a term of “3+2” years, and the raised funds would be used for four projects under the CATL, including a production project of new energy lithium-ion power and energy storage battery with its annual production of 14.7 billion Wh, an intelligent expansion and renovation project of power and energy storage battery system of CATL, a production base project of lithium-ion power battery of CATL in Western Lake District, and an expansion project of lithium-ion battery of CATL in Western Lake District. The above four projects had a cumulative annual production capacity of 62.7 GWh, and the lithium-ion batteries produced by the projects were all used in the power system of new energy vehicles and energy storage facilities for new energy generation such as the wind and solar power. According to the calculation of professional third-party green certified agencies, the use of 1 GWh of power batteries in pure electric vehicles was expected to reduce carbon dioxide emissions by 24,300 tons per year, and the use of 1 GWh of new energy generation and energy storage systems was expected to reduce carbon dioxide emissions by 241,800 tons per year, with significant emission reduction effects.



Asset Management

By the end of 2022, the balance scale of IB’ s green trust was RMB 19.5 billion, of which the active management (including standardization) scaled RMB 9.8 billion and the remaining balance of the green fund business was RMB 16.8 billion, with an increase of RMB 4 billion over the beginning of the year. In terms of ESG-related trusts and wealth management, IB attached great importance to the ESG-related comprehensive performance of underlying assets, and the Industrial Trust issued ESG securities investment trust products with a scale of RMB 10 million.

Wealth Management

The IB’ s wealth product system includes five categories: cash, fixed income, partial debt, mixed and equity, insurance coverage, and alternative investments and other categories. In 2022, through mobile banking and other platforms, IB sold ESG-themed wealth management products valuing RMB 35.9 billion on behalf of individual clients, benefiting 180,000 customers.

In terms of product establishment, CIB Wealth Management has put mature ESG-related investment concepts into product investment operations, adopted highly liquid product structures, and used ESG-related underlying assets with positive screening and negative lists. The annual issuance scale of ESG and green wealth management products reached RMB 95.7 billion, with an increase of 168% over the beginning of 2022.



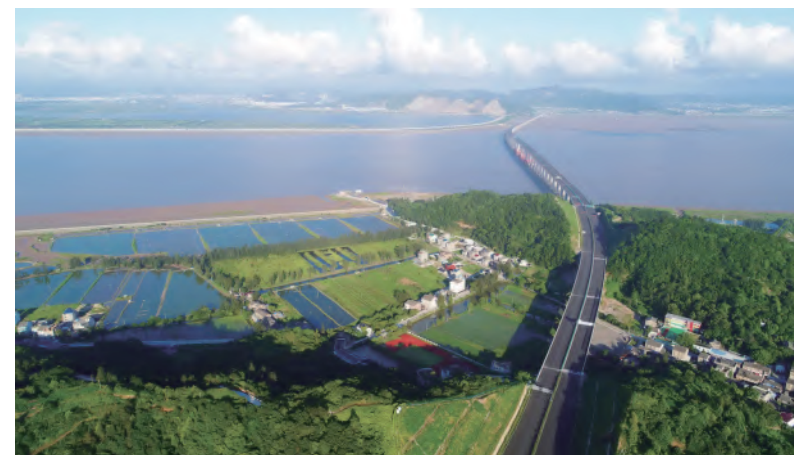
Blue Finance

As the first Chinese signatory and member institution of the Sustainable Blue Economy Finance Initiative (“SBEFI”) managed by the United Nations Environment Programme Finance Initiative (“UNEPFI”), IB highly stressed on and strongly supported the sustainable development of the ocean economy, required coastal branches across the country to attach great importance to and strongly support the cooperation of ocean economy business in accordance with the Head Office’ s requirements for blue finance, and to develop blue finance service plans with regional characteristics in combination with local planning. IB actively expands cooperation in key fields such as clean energy, ocean transportation, seawater desalination, marine fisheries, and marine ecological protection, adding new impetus to the development of regional ocean economy.

In May 2022, in accordance with the reporting requirements of the SBEFI managed by the UNEPFI, IB released the Chinese and English versions of the Sustainable Blue Finance Report of the Industrial Bank Co., Ltd. on its official website to comprehensively display the Bank’ s efforts in supporting the sustainable development of the marine economy and industry.

Case: IB Hangzhou Branch launched Zhejiang’ s first blue finance project loan, supporting the construction of “an emerging market in Zhejiang’ s inland areas” .

In December 2022, IB Hangzhou Branch approved the loan of RMB 250 million to CCC (Yuhuan City) Development and Construction Co., Ltd. for a term of 10 years, mainly for the construction of “Comprehensive Management Construction Project of the South Beach Water System of Ecosystem Tourism Island in Haishan Township, Yuhuan City” , involving marine protection fields such as island ecosystem restoration, shoreline restoration and water system management. This project was the first blue financial project loan in Zhejiang Province, and it was also an effective practice for IB to help marine pollution prevention and ecological protection and restoration with financial assistance, which would contribute to make the sea bluer and the shore greener, and promote the prosperity of people and industry.



Comprehensive Management Construction Project of the South Beach Water System of Ecosystem Tourism Island in Haishan Township, Yuhuan City

Case: The Jinan Branch Successfully Launched the First IB' s Ocean Ranching Project

In November 2022, the Jinan Branch approved a loan of RMB 350 million with a 10-year term for one phase of the science and technology innovation base of salmon industry in Rizhao of Shandong Province, a national-level marine ranch. Based on advanced foreign farming models, the project used the cold water resources of the Huanghai Cold Water Mass for seedling cultivation and deep-sea aquaculture, pioneering a large-scale farming model for cold-water fish in temperate marine areas. It has been included in the "Blue Granary" projects of the Ministry of Science and Technology and "Marine Grain" in Shandong Province. This transaction was the first marine ranch project loan of the Bank and had important demonstration significance for developing marine ranching and the marine economy.



山东日照三文鱼产业科创基地海洋牧场——养殖工船和深蓝一号网箱



Conducting Comprehensive Green Operation to Deliver Ecological Civilization

IB actively improved the green operation management system and formulated the Notice of the Industrial Bank on the Promotion of Green Operation across the Group, the Measures of the Industrial Bank on the Management of Green Office and the Notice of the Industrial Bank on Further Promotion of Green Procurement Management in 2022. Based on the carbon neutrality goal, IB scientifically formulated and decomposed its phased and cycled action plans for energy conservation, emission reduction and waste reduction.

Environmental Management Systems

Based on the calculation and statistical analysis results of the Group' s energy consumption and carbon emissions, IB formulated the Standards of the Industrial Bank on Green Operation Scoring to promote the orderly implementation of green operations across the Bank. Its branches at all levels are also required to set their own annual green office goals in combination with their respective energy consumption characteristics and the energy consumption situation in the previous year, and to incorporate the completion of the goals in the annual performance assessment system.

In 2022, the total floor area involved at all levels of the Bank was 3,139,400 square meters; and there were no cases of administrative penalties for environmental issues throughout the year.

Category	Current situation	Key initiatives
Energy	The types of energy used by IB mainly include fossil fuels (petrol, diesel, natural gas and liquefied petroleum gas) and purchased electricity and heat. Among them, IB-owned official vehicles mainly consumed petrol; its self-owned canteen consumed liquefied petroleum gas and natural gas; the air-conditioning, computer and lighting and other facilities of the office building mainly consumed electricity; and the central heating of the office premises mainly consumed the purchased heat.	<ul style="list-style-type: none"> ● When adding and replacing lighting lamps, IB gives preference to LED luminaires. ● When adding and replacing air conditioners, the preference is given to those mainframe units with China Energy Efficiency Grade 1 or above. ● The utilization rate of new gas-fired energy-saving stoves in IB's self-owned canteens has reached 100%. ● IB gradually reduced the PUE (energy efficiency ratio) value in its Data Center.
Water resources	IB mainly used drinking water (including bottled and barrel water), pantry water, toilet water and irrigation water for landscaping. By the end of 2022, it had no problems in obtaining applicable water sources.	<ul style="list-style-type: none"> ● When adding and replacing the water-using equipment, IB selected water-saving appliances. ● IB promoted pilot projects for recycled water recycling use in its qualified branches.
Waste	The main wastes generated from IB's office operations were non-hazardous waste such as recyclable waste and kitchen waste as well as a small amount of hazardous waste. Among them, the hazardous waste was mainly printing consumables such as toner cartridges and ink cartridges. The waste was collected by floor cleaners and delivered to the building's waste storage point in accordance with the relevant regulations on waste classification, and disposed of by the building's property management in accordance with local regulations of territorial supervision.	<ul style="list-style-type: none"> ● 100% of the used IB's IT assets were handed over to enterprises with e-waste disposal qualifications and registration on the government's Environmental Protection Bureau website for green and environment friendly treatment. ● 100% of the end-of-life self-service equipment such as the ATMs was recycled annually by a qualified supplier.

Promoting Energy Conservation and Reduced Carbon Emission

Green buildings

IB employed green building experts to carry out field investigation of the Head Office buildings in Fuzhou, Beijing and Shanghai, and completed research reports such as green building renovation plans and net-zero energy building renovation plans for the Head Office buildings in the three locations, focusing on the promotion of green building and net-zero energy renovation. Among them, the Fuzhou Head Office gave priority to new energy vehicles when selecting shuttle bus service providers, and all shuttle buses for employees in the Jiangbin Branch's offices were new energy vehicles.

Green Data Center

IB launched the Shanghai Zhangjiang Server Room Renovation Project to carry out a comprehensive renovation, energy-saving transformation and capacity expansion of the Zhangjiang Server Room. Upon completion of the renovation, the capacity of the Server Room will be increased from 5,000 to 20,000 servers, and the power utilization efficiency (PUE) will be reduced from 2.0 to less than 1.25, reaching the level of advanced green data centers in China.

Green outlets

According to the results of energy consumption and carbon emissions inventory of each IB's outlets, IB took targeted measures for energy conservation and reducing carbon emission:

- IB Zhangzhou Branch: To save electricity for air conditioning and lighting through smart equipment transformation, four outlets have applied the smart electricity system and two outlets have had the smart control system for air conditioning; the renovation project has procured China Energy Efficiency Grade 1 equipment to reduce energy consumption; and new energy vehicles have been purchased as official vehicles of the Branch.
- IB Hong Kong Branch: The electric lighting of the outlet was equipped with a time control device that automatically turns on only during designated office hours; the temperature of the air-conditioning system of the Branch has been locked at between 24-25 degrees; and in principle, the use of vehicle dispatching should be shared as far as possible to reduce the number of vehicle trips.
- IB Wuhan Branch: The renovation works of energy conservation and reduction of carbon emission were carried out in the office building, and all the switches of the building lighting system were changed to sound control.

Participating in Green Charity Events

IB advocates green concepts for employees and customers from various aspects, including green office, green travel, green activities and green consumption, to jointly improve the awareness of energy conservation and environmental protection, and contributes to a friendly coexistence with the environment.



For employees

On 26 March 2022, the IB's Head Office and branches participated in "Earth Hour" for the twelfth consecutive year, turning off non-essential lights such as billboard lighting, landscape lighting and office lighting at 20:30 in all office buildings in the Bank's areas. The event aimed to improve the awareness of global climate change and environmental protection by turning off the lights



For customers

IB worked together with the China Green Foundation to jointly propose a public interest project: Customers donated their accumulative card points to exchange the chance of plant trees, and then IB donated the corresponding money to the China Green Foundation, and the farmers in the project area will plant ecological and economic vegetation on the wasteland to promote the income of forest farming, help industrial ecological protection and rural revitalization of "planting trees, alleviating poverty by labour, and promoting sustainable development".



Supporting International Initiatives to Jointly Promote Green Cooperation



Relying on its own resources and advantages in green finance business, IB has participated in green finance and other related exchange activities in various forms, actively expanded the friends circle of green finance, carried out exchanges and cooperation, shared and exchanged green finance development experience with financial peers, and jointly promoted green finance innovation and development in China.

Carrying out the Cooperation in Green Finance Research

In 2022, IB participated in the preparation of a number of green finance industry standards and policies, including the Code of Management on Environmental and Social Risks of Green Project Loans by Commercial Banks, the Code of Management on Corporate Carbon Accounts for Financial Institutions, the Guidelines for ESG Evaluation of Corporate Finance Bodies in Banking Financial Institutions, the Forest Carbon Indicator Monitoring System under Satellite Earth Observation, and the Code of Practice on Carbon Emission Rights Pledge Loans, organized by such authorities as the People's Bank of China.





IB led and completed a key research project of the Green Finance Committee in 2022, the Green Finance Typical Case Study Report, and successfully launched the research result at the 2022 Annual Meeting of the Green Finance Committee, China Society for Finance and Banking.



IB led and completed a research project on carbon financial products, a key topic of the China Banking Association's Double Carbon Expert Working Group. The findings of the report Research on Carbon Financial Products and Services of Banking Financial Institutions, were released by the China Banking Association at the second phase of the 15th Conference of the Parties (COP15) of the Convention on Biological Diversity (CBD) in Montreal, Canada.

Since January 2018, IB has continuously published the IB Green Producers' Index, GPI, on a monthly basis. In 2022, with the support of the China Finance Forty Forum (CF40), IB published the Carbon Neutrality and Green Financial Innovation, and collaborated with the Climate Bonds Initiative (CBI) on the China's Growing Sustainable Debt Market Rapid Growth Delivers Impacts (in Chinese and English), which became the first international and domestic report on China's sustainable debt market.



Note: Some of IB's green finance research

Participating in International Exchange on Green Finance

Event name	Time	Sharing ideas
Symposium on IPSF Common Ground Taxonomy in the BRI Region	July 2022	IB's representative delivered a keynote speech on "China-EU Common Ground Taxonomy to facilitate bond market interconnection" and shared the practice of its first green bond issuance based on the China-EU Common Ground Taxonomy.
Fourth Plenary Session of the BRI Green Investment Principles (GIP)	September 2022	IB was awarded the BRI Green Investment Principles "Best Leadership / Capacity Building Award 2022" .
China-ASEAN Dialogue on Climate Change and Ecology and China-ASEAN Environmental Cooperation Forum 2022	September 2022	IB, as a representative of the Chinese banking industry on the topic "Natural Capital Investment Regions and Challenges" , delivered a keynote speech on "Biodiversity Conservation Financial Practices in the Chinese Banking Sector" , sharing the views on the reasons of biodiversity's importance, classification criteria, strategy and policy making, and biodiversity conservation-related practices.
2022 International Green Finance Summit · Dianchi Forum	December 2022	In combination with its own practice, IB shared its views on the great potential of green financial services for ecological protection, brought into play its financial advantages to promote the realization of the value of ecological products, and actively prevented environmental and social risks such as the biodiversity.
China-Singapore Green Finance Working Group established and its kick-off meeting held	December 2022	IB participated in the discussions on topics and areas of mutual interest such as green financial standards and cross-border green investment, green financial product innovation and financial technology to support green finance and carbon markets. As one of the Chinese representative banks, IB introduced its product innovation and successful experience in areas related to green finance and transformation finance in the meeting.

RETURN COMMUNITY



Society

Upholding the People-oriented Concept to Create a Better Future Together

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Special Topic 1

Focusing on Key Talents to Unite Employees' Strength for Innovation

IB adheres to the core values of “rationality, innovation, people-oriented and sharing”, and solidly promotes the work of attracting, nurturing, gathering and using talents. Based on the new development stage, it has formulated the 14th Five-Year Plan for human capital development in line with the strategic planning objectives of business development, and continued to optimize the structure and improve the quality of the team, so as to provide strong talent guarantee and intellectual support for IB’s high-quality development.

“2 Ten Thousand-Talents Plan”

In 2022, IB started to improve the construction of talent team in seven key areas, namely, digital, professional, integrated, international, composite, high-end and artisanal talents, and strongly implemented the “Ten Thousand-Talents Plan for Science and Technology” and “Ten Thousand-Talents Plan for Green Finance” to build a high-quality financial talent team.



Group Fintech Integration Training Program



(Workshops on “green finance” talent portrait)

The Ten Thousand-Talents Plan for science and technology

IB strengthened the “primary productive force” by developing the “primary resource”, focused on the implementation of science and technology talents-gathering project, accelerated the construction of training system for science and technology talents who grow with the Bank, deepened the institutional reform of science and technology talent management to attract, cultivate and utilize science and technology talents in an all-round manner.

- IB built up a talent development curriculum: It has carried out Business Analyst (BA) and Data Analyst (DA) certification training, and developed 12 junior BA certification courses and 23 junior DA certification courses.
- IB organized a team of lecturers for the cultivation of talents: It held a special training course for financial technology-related lecturers’ teaching ability and set up a team of financial technology-related lecturers.
- IB has established a talent cultivation and certification system: By the end of 2022, a total of more than 700 people across the Bank passed the first batch of talent certification for technology application.

The Ten Thousand-Talents Plan for Green Finance

IB accelerated the construction of the Group’s green finance professional talent team, enhanced the Group’s green finance professional service capability and promoted the Group’s transformation to the “all-green” business. It has built up a talent cultivation curriculum: IB developed and improved 49 professional courses and 15 general courses, and organized a special online training on “Bank-wide Commitment to Green Finance” and a “Green Finance Applied Talent Knowledge Contest”.

- IB set up a team of lecturers for talent cultivation: It followed the concept of “developing lecturers & courses together”, and introduced high-level, highly qualified and influential experts to build a team of green finance-related lecturers.
- IB established a talent cultivation and certification system: It organized workshops on “green finance” talent portrait development to build a “green finance” talent portrait, and by the end of 2022, more than 1,900 persons across the Bank had passed the talent certification for green finance application.

“Two Talents Pools”

To further strengthen the exchange and integration of outstanding young officials across the Group, further stimulate the potentials of officials, enhance their talents and effectively broaden their paths of growth, IB has carefully created the Honghu Talent Pool and Kunpeng Talent Pool to promote the healthy and long-term development of officials’ team. In 2022, IB carried out the first phase of talent pool selection and exchange of talents to serve in the Bank, and more than 160 persons were recruited after the qualification review, written test and interview process. In the year, it promoted the flow of nearly 70 talents from the Honghu Talent Pool and Kunpeng Talent Pool to work in relevant positions at the Head Office, branches and subsidiaries, which has effectively stimulated the vitality of the officials.

Encouraging All Employees’ Innovation

IB focuses on fostering an environment conducive to innovation and establishes a multi-dimensional reward system to stimulate innovation and entrepreneurship across the Bank. In 2022, it formulated the Measures of the Industrial Bank on the Management of Outstanding Contribution Award to recognise and reward the collectives and individuals who have made outstanding contributions and created significant economic or social value in the Bank’s major business operations, risk prevention and control, technological advancement, management improvement and the completion of major special projects, which has provided the “first-class and flourishing IB” with the power of innovation.

In addition, in order to respond to the national innovation-driven development strategy and strengthen the innovation leadership, IB launched the first “IB Fire ☑ Engaging More People” Innovation Marathon Contest in 2022, and selected outstanding innovation projects and innovative talents for the whole Bank through establishing a regular and sustainable competition-based operation mechanism. So far, the competition has received positive responses from 73 institutions and 2,599 employees, with a total of 1,135 projects submitted, covering various key areas such as customer management, process optimization, technology empowerment, data application and ecological scenario construction. Meanwhile, IB has formed a closed-loop mechanism from incentive innovation to incubation and implementation of innovative products by combining supporting mechanisms and safeguarding measures such as the innovation acceleration camp, innovation mentorship and innovation fund so as to strengthen the innovation capability.

Special Topic 2

Playing the Featured Advantages and Jointly Striving for Rural Revitalization

The Report of the 20th National Congress of the Communist Party of China (CPC) clearly proposed to “comprehensively advance the revitalization of the countryside”. IB has always taken serving rural revitalization as a major political task and a new space for its strategic development, continuously consolidated and enlarged effective connections between poverty alleviation and rural revitalization, explored new models of financial services for rural revitalization that have the IB characteristics but are effective, actively fulfilled its corporate social responsibility, and increased its efforts to support rural areas in the public interest to promote common prosperity.

Expanding the Finance Related to Rural Revitalization

IB has formulated and issued the Plan of the Industrial Bank on Comprehensively Promoting Financial Services for Rural Revitalization and Opening up New Space for Strategic Development, strictly implementing the policy requirement of “four no-takes”, resolutely carrying out the public commitment of “four no-changes”, and planning the development route of high-quality services for rural revitalization. It has formed a “leading group for consolidating the achievements of financial poverty alleviation and rural revitalization” at the management level and a “leading group for rural revitalization” at branches. IB has also set up a first-tier department, namely, the Rural Revitalization Department, incorporating the indicator of “loans in rural revitalization” into the annual comprehensive assessment of branches, implemented due diligence, expanded the tolerance for non-performing loans related to the agriculture, and increased the support for services in rural revitalization.



Note: IB co-hosted China (Fujian) Rural Revitalization High Quality Development Conference, namely the First Green Low Carbon Industry Summit

Based on the characteristics of “technology, green and wealth”, IB has created a rural version of “Digital IB” through “technology empowerment”; built a differentiated competitiveness for rural revitalization through “green finance”, promoted common prosperity through “wealth bank” products and services, so as to develop a new service model for rural revitalization with IB characteristics. By the end of 2022, the balances of IB’s agriculture-related loans and inclusive agriculture-related loans stood at RMB 580.982 billion and RMB40.841 billion, with an increase of RMB 114.813 billion and RMB 12.786 billion over the beginning of the year respectively.

Technology empowerment

IB actively explored a new path of “sci-tech experts + financial services” for rural revitalization, established a financial service team consisting of more than 100 employees, and opened up the “Financial Services Cloud” platform in Fujian and the services cloud platform for sci-tech experts in Fujian Province. In March 2022, it combined the evaluation system of “cash flow + technology flow” with the system of sending sci-tech experts to rural areas, and creatively rolled out a financial service product with regional characteristics, namely the “sci-tech experts working for financial service project”, which has provided the financing balance of over RMB 10 billion to enterprises led, founded or served by science and technology correspondent in Fujian Province.

Green support

When implementing the “effective linkage between rural revitalization and micro-credit policies”, IB rolled out a personal business loan (PV special case) and launched the “PV Integrated Service Platform” to provide financial support for farmers to install rooftop PV power plants through one-stop digital financial services, expanding the coverage of IB’s rural revitalization services.

Wealth Assistance

IB made full use of its advantages in capitals, information, technology and customer to promote industrial and commercial capitals to the countryside, focusing on such fields of innovative rural financial services as the rural cultural and tourism economy, agriculture-related ecological carbon-sink and rural clean energy development. IB has integrated the cultural and tourism, green and other industrial resources in rural areas, to broaden farmers’ sources of income.

Case: Wealth management business promotes “common prosperity” in less financially developed areas

By the end of 2022, IB has reached the agreement of business cooperation with 21 provincial-level bank federations for wealth management agency business, of which 246 Rural Commercial Banks and Rural Credit Cooperatives have already launched the sales online, making it the service platform with the largest number of proxy sales institutions nationwide. Moreover, it has extended the high-quality wealth management products and supporting services of its wealth management subsidiaries to less financially developed areas, helping more small and medium-sized financial institutions to improve their wealth management capabilities, help county and rural residents to increase their property income and promote the “common prosperity”.

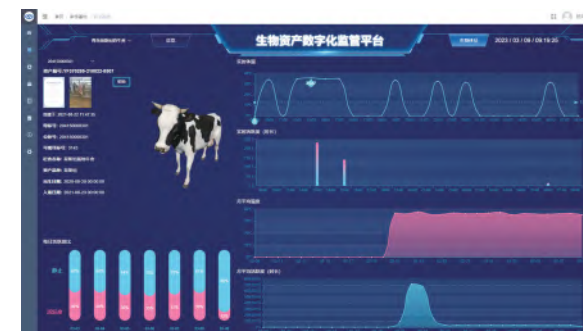
Case: “IB Inclusive and Smart Agricultural Products Wholesale System” to help the flow of agricultural products

To address the problem that the merchants of agricultural product wholesale market lack effective collateral and guarantee measures and result in an expensive and difficult financing situation, IB introduced the “IB Inclusive and Smart Agricultural Products Wholesale System” to facilitate the financing at a lower cost. The System connected with the agricultural product wholesale market in various regions, jointly built an agricultural product wholesale information platform with market players and provided integrated and comprehensive financial services. According on the merchants’ business data, industrial and commercial, judicial and credit information, the System aims at creating an online approval model that meets the characteristics of the merchants in such market, and creating a special agricultural product wholesale financial service programme to provide online financing for high-quality merchants in the market. By the end of 2022, IB has provided agricultural products wholesale financial services at the amount of over RMB 1.5 billion to merchants of the market through the System.



Case: “Internet of Things + Blockchain” model financing product, “IB Cattle Cloud Loan” , based on the fin-tech to empower rural revitalization

IB Qingdao Branch worked together with Haier COSMO Plat to launch the “Digital Supervision Platform for Biological Assets” , and introduced the “IB Cattle Cloud Loan” , a biological asset collateral financing product in the “Internet of Things + Blockchain” model. The product was based on the use of electronic ear tags for cattle, in combination with the electronic fencing and cameras, to provide 7*24-hour monitoring of cattles. In the meanwhile, through such means as the registration of personal property mortgages and the third-party insurance, the living assets of cattles can be “pledged” and “secured” . The product has been replicated and extended to all types of farmers across China, which fundamentally solved a long-lasting problem of difficult financing and security for farmers.



Digital Supervision Platform for Biological Assets

Upholding the Support and Help in the Fixed Points of Location

Since 2002, IB has continued to send its officials and employees to rural areas to serve as first secretaries. Through combining the fund allocation and official deployment, the assistance in infrastructural livelihood projects and the industrial development support with entity-linked assistance and employees; volunteer participation, IB has coordinated resources from all sides to assist in poverty alleviation and rural revitalization in the linked villages. By the end of 2022, it had a total of 76 paired-up villages, dispatched 60 officials stationed (served while retaining the position in the Bank) in villages, and a number of support efforts were commended by local governments. Among them, Li Qiang of the Xi’an Xianyang Branch and Tian Jiguang of the Yinchuan Branch were awarded the “Model First Secretary” in 2021; and Xiong Zhenxing of the Dali Branch, Lü Hongnuo of the Changchun Branch and Li Yong of the Haikou Branch were awarded the “Model Worker for Rural Revitalization” in 2021.

Case: “IB Inclusive and Smart Agricultural Products wholesale System” helps the flow of agricultural products

On the eve of the Chinese New Year in 2022, IB worked together with its subsidiary Industrial Consumer Finance Co., Ltd., to visit the old Party members, people in need, and poor families with university students in the villages targeted for support and help in Fujian Province, such as Xiangxi Village in Weitian Town of Songxi County, Nanping City; Xiuling Village in Datian County, Sanming City, and Lianyun Village in Youxi County.

- In Xiangxi Village, the villagers suffered from severe flooding due to the continuous heavy rainfall in June 2021. Upon his arrival, Zhang Fanliang, the village first secretary of IB Nanping Branch, organised the repairing work of three flood protection banks with a height of 506 metres and a dam at the first time, relieving the potential danger of flooding.
- In Xiuling Village, IB organised a condolence activity of “Welcome the Spring Festival to Send Blessings to Warm People’s Hearts” to enable villagers to spend a happy festival and to create a festive atmosphere, with spring couplets filled with blessings, sending sincere wishes to the villagers.
- In Lianyun Village, IB helped the village build tractor roads for several years in a row since 2020. The thousands of metres of tractor roads have not only allowed Lianyun Village to expand its reclaimed farmland by 200 hectares, generating an annual economic benefit of more than RMB 300,000, but also enabled effective conservation and use of the important cultural heritage of the Lianhe Terraces, laying a solid foundation for the village to develop rural tourism and modern agriculture and realize the integration of the primary, secondary and tertiary industries in rural areas.

Protecting Employees' Rights and Interests and Optimizing Career Platforms

IB advocates the “people-concerned” concept, exerts itself to create a fair, just, pluralist and harmonious working environment, and builds a competitive remuneration system. It continuously promotes support and care for employees, develops a career development platform for employees and enhances the cohesive and centripetal forces of the workforce to realize its development and human capital development synchronously.

Recruitment and Retention

IB actively recruited outstanding and potential talents, carefully selected like-minded partners, and helped more outstanding talents with ideals and pursuits to show their talents on the Bank's platform and work together to create the future. Meanwhile, it optimized incentive assessment and promotion channels, focusing on improving employees' satisfaction rate and retention rate. In 2022, the employees' satisfaction score was 96.36 (out of 100), and the employee turnover was 7.18%, with a decrease of 2.81% compared with the previous year.

Innovating recruitment methods

- IB created an intern training program “Young Goose Plan”, provided a practice platform of financial industry for students, strengthened school-enterprise cooperation and promoted talent sharing so as to realize the promotion of learning with practice
- IB held the first IB Digital Technology Challenge event to help students experience the cutting-edge application of technology in the financial field and attract outstanding technical talents.



Site Scene of 2023 Campus Recruitment



Site Scene of Digital Technology Challenge

Diversifying recruitment channels

- IB launched a unified campus recruitment called “IB Journey, Shine as You Wish” to make it more attractive to college graduates through online and offline promotion in various forms and platforms.
- IB established diversified recruitment channels and comprehensively utilized various channels such as campus recruitment, social recruitment, headhunting recommendations, and internal recommendations to continuously introduce highly educated and qualified professional and management talents.



Focusing on key talents

- IB formulated the Opinions of the Industrial Bank on Building a Gathering Place for High-level Talents, focusing on the digital transformation, targeting such fields as the operation and management, industrial finance, capital market, international finance and future finance, and actively recruiting compound, industrial, professional, international and younger high-level talents.
- IB launched the first Minjiang University IB Tailored Digital Finance Talents Class to actively explore a new model of industry-education integration.
- IB established the Financial Technology Research Institute and the Carbon Finance Research Institute and committed to developing the top financial technology research institution in the national financial industry and the national leading green financial think tank in China's banking industry.
- IB jointly built an innovation laboratory with external partners to continuously promote mutual empowerment of talents between the Bank and enterprises.

IB advocates to establish a remuneration system with internal fairness and external market competitiveness, combines quantitative assessment with qualified evaluation, continuously optimizes the talent incentive and restraint mechanism, strengthens its care and protection efforts for employees, and actively creates a working environment that is just and equal, competitive and merit-based, appropriately paid, and well-guaranteed.

 **Remuneration System**

IB revised the Remuneration Management System of the Industrial Bank, and rationally raised the remuneration level of grass-roots employees and broadened the promotion space of employees by improving the promotion mechanism, regional remuneration coefficient and basic remuneration items, etc.

 **Assessment Methods**

IB formulated the Measures of the Industrial Bank on the Management of Annual Assessment of Employees, which made a comprehensive, objective and fair evaluation of employees' ethical quality, ability, attendance, performance and integrity. In the meanwhile, it has also adhered to the combination of examination and application, rationally considered the assessment results, encouraged the excellent employees, used the capable ones, and promoted employees' sense of responsibility.

 **Incentives and Constraints**

IB has formulated the Measures of the Industrial Bank on the Management of Outstanding Contribution Awards, which recognized collectives and individuals who have made outstanding contributions and created significant economic or social values in major business operations, risk prevention and control, technological progress, management improvement, and completion of major special work, so as to effectively stimulate talent momentum.

Coverage of Performance-based Pay for IB Employees

Indicators	Unit	2020	2021	2022
Percentage of employees in receiving regular performance and career development assessments	%	100	100	100
Percentage of employees subject to the target management assessment	%	100	100	100
Percentage of employees in receiving multidimensional performance assessments (e.g. 360 degree feedback evaluation)	%	100	100	100

Diversity and Equality

IB fully guarantees employment opportunities for all types of employees, insists on treating employees in a just, respectful and decent manner, strongly opposes against any discrimination based on gender, disability, marital status, pregnancy, breastfeeding, family position, ethnicity, religion, and prohibits any form of harassment.



Employee Introduction

IB adhered to the employment standards of recruiting talents with both political integrity and professional competence, implemented the principles of openness, equality, competition and merit-based approach. It imposed fair conditions, open process and just results in its recruitment to strictly prohibit any form of employment discrimination.



Employee Promotion

IB implemented strict selection procedures, democratically recommended officials, actively trained and selected outstanding young talents, paid attention to the use of reserve officials, providing employees with equal opportunities for promotion.



Remuneration Management

IB implemented a fair, just, open, harmonious and reasonable remuneration management system, adhered to gender equality, paid attention to internal fairness, ensuring that employees could share the fruits of corporate development.

Gender Diversity of IB's Employees

Indicators	Unit	2020	2021	2022
Male-to-female structure of employee gender	/	46.54	46.54	47.53
Females in middle-level managerial personnel	%	33.50	33.66	33.42
Females at the executive level	%	17.42	17.62	17.12

Communication and Participation

According to the requirements of the Trade Union Law of the People's Republic of China, IB has established a sound trade union organization in its Head Office and institutions at all levels, held workers' congresses as needed to effectively safeguard employees' democratic rights to participate in the management and major decision-making process, and to deliberate on major issues related to their vital interests. In 2022, IB held 4 workers' congresses, which considered the Proposal on Revising the Remuneration Management System of the Industrial Bank and the Measures of the Industrial Bank on the Management of Annual Assessment of Employees, and held the congress of trade union members, which strongly promoted the construction of corporate culture.

IB attached great importance to employees' satisfaction, and conducted employee satisfaction surveys covering multiple levels and dimensions by comprehensively using such means as the "Voice of IB" platform, research on political ecology and human resources management, focusing on the talent selection and employment, post system, management mechanism, working environment, corporate culture, remuneration and welfare, etc. In 2022, the employees' satisfaction score was 96.36 points (out of 100), and the participation of employees' satisfaction surveys reached 70%.

Case: IB created the "Voice of IB" platform to jointly develop for a better corporate future.

IB has carefully built an online platform, the "Voice of IB", to collect opinions and suggestions from employees and conduct democratic management, which provided a convenient channel for employees to extensively engage in its democratic management and supervision. On this platform, employees can express their views with or without leaving their names, to which relevant departments should reply in a timely and efficient manner. During the trial operation, the "Voice of IB" collected more than 2,500 pieces of opinions and suggestions concerning eight aspects, namely, strategic planning, operation management, human resources, logistics support, Party and mass work, digitalization, complaints, and other matters. The platform had nearly 15 million reads cumulatively and received more than 37 thousand comments.

To continuously improve the participation of employees in providing suggestions and comments, IB has also formed a trending and hot topic list based on the number of searches and the popularity of topic discussions, making it easier for employees to focus on relevant issues for in-depth discussions. For issues that are more frequently posted and more strongly reflected by employees, IB takes the initiative to contact the relevant departments and actively address them properly.

Health and Care

IB attached great importance to the physical and mental health of employees, provided them with comprehensive care such as supplementary medical insurance, full medical check-ups, health lectures, fire prevention training and regular talks. It also carried out various cultural and sports activities, such as the Lantern Festival Gala Party, walking activities, online sports games, to effectively enrich the cultural life of employees and create a healthy and harmonious working environment.

Encouraging national fitness events and inspiring employees' vitality

IB provided employees with convenient fitness venues that satisfy their needs. Based on the cooperation with multiple gyms, it launched a project to build an employee sports and cultural activity center.

IB held various fitness competitions to advocate the concept of fitness for all, applied technology to organize unique online AI sports, and carried out fitness competitions such as rope skipping and tug-of-war to enrich employees' culture and sports life.

Launching employee care projects and caring for employee health

In terms of employees' mental health, IB introduced five caring projects for employees, including "Online Health Consultant", "Psychological Consultation Service Hotline" and "Baduanjin (Tai Chi Martial Art) Live Class".

IB regularly held a series of health-related lectures "Trade Union-organized Lecture", distributed work protection supplies to female employees, set up the "Nursing Room" to meet the diverse health needs of employees.

Celebrating the festival and promoting traditional Chinese culture

IB organized a variety of activities before major public holidays to enhance employees' sense of belonging, gain, and happiness with enjoyable cultural and sports activities. It also carried forward Chinese traditional culture and promoted the socialist core values to take root in the family.

IB's Festive Activities for Employees Include:

On the eve of the Spring Festival, the Head Office organized a park tour.

In the Lantern Festival, IB held a bank-wide online Lantern Festival Gala Party, integrating knowledge and fun, with the effective participation of 32,000 persons and 127,000 beautiful moments shared.

On the International Women's Day, IB organized a series of activities such as baking activities (6 sessions), flower arrangement activities (4 sessions), breast palpation activities and home storage lectures.

On the Mother's Day, IB held an online photo exhibition activity of "Greatness of Maternal Love, Repay Maternal Love with Gratitude".

On the Children's Day, IB organized a handmade activity of "Inheriting Culture with Ingenuity and Skillfulness".

On the Mid-Autumn Festival, IB held an "Family Custom Helping Integrity" Integrity Knowledge Contest.



Stimulating Talent Momentum and Empowering Employees' Growth



IB attached great importance to the career development of its employees and built a strategic human resources management system with the competence model as the core. Centering on the strategy and goals of the whole bank, through the analysis of human resources, it has scientifically formulated the Talent Development Plan of the Industrial Bank during the 14th Five-Year Period and continuously improved its "5 + N" talent cultivation system. IB has also fully focused on key content, improved employees' training system, and helped them to comprehensively improve their business capabilities and fully realize the personal value.

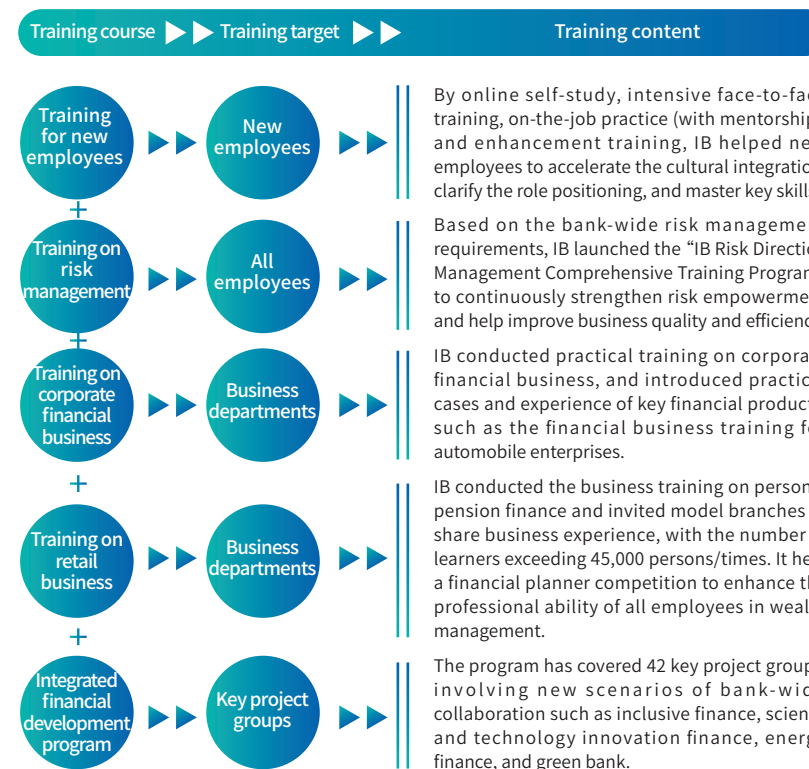
Human Resources Analysis

Combining with its business development plan, IB has formulated the talent development plan during the 14th Five-Year Period, which provided effective analysis and guidance for the construction of talents team across the Bank in terms of scale, structure and quality, and made full use of digital means to improve the effectiveness of human resources data analysis. Relying on the digital dashboard in the human resources system, it has carried out real-time statistical display and dynamic monitoring of the main indicators of human resources management of institutions at all levels. Moreover, IB has regularly conducted the statistics of the Group's employment situation on a quarterly basis to grasp and understand the employment situation of institutions at all levels; and analyzed the employment situation of institutions irregularly in combination with its business development to evaluate the employment problems of institutions and propose corresponding measures.

Improving the Training System

In 2022, IB formulated a number of systems, such as the Measures of the Industrial Bank on Training Management and the Detailed Rules of the Industrial Bank on the Management of Training Quality Evaluation, to further support the whole bank to build a learning-oriented organization and strengthen the training and empowerment of the bank-wide talent team.

IB has organized various training courses for different types of employees to improve their professional skills and overall business quality.



In May 2022, IB launched the construction of "5 + N" teachers' course system; and based on the IB's strategy and annual key tasks, it has gradually sorted out and refined the "5 + N" manager course suitable for all levels of managers and the "5 + N" general courses suitable for all staff of the Group. It adopted the "class-centered, teacher-based and teacher-based working approaches for course-building as well as the teacher-course linkage and teacher-course adaptation", and carried out the joint construction of teachers and classes to help the high-quality development of the Bank in fostering its education and training system.

Expanding high-end teaching faculty	IB appointed the first batch of 70 visiting professors to establish an external faculty pool. At the same time, it focused on building a bank-wide professional curriculum system to broaden internal teaching sources.
Building professional teaching faculty	Based on the original competition and training channels, IB accurately developed the curriculum, trained supporting lecturers in a targeted manner, and improved the overall level of course development and teaching of professional lecturers.
Recruiting excellent lecturers	According to the wishes and expertise of lecturers, IB divided them into three major categories, namely, curriculum development, lecturing courses and operation and maintenance iteration. It carried out the training, evaluation and use of lecturers at the beginner and intermediate level to improve the overall training effect.

By the end of 2022, more than 2,500 persons have graduated from the special lecturer training program over the years, and 55 annual elite lecturers have been recruited. The first professional lecturer team consisting of 57 lecturers on financial technology, 62 on green finance and 53 on risk management has been established within the IB.



Note: IB held an elite lecturer competition to enhance the overall strength of internal trainers and serve its practical work.

Supporting Employees' Promotion

IB fully understands the needs of employees' career development and focuses on the career development of employees in different positions. It has established a dual-channel development system involving both "management" and "professional expertise", and combined with the overall performance appraisal system to effectively open up talent development channels.

Increasing employees' training and development

IB formulated the Measures of the Industrial Bank on the Management of Trainee Projects to establish a new employee management system featuring source training, follow-up training and whole-process training. Carry out the training and transformation of scientific and technological talents, green financial talents, wealth management talents and investment banking talents, and strengthen the internal tapping of talents.

Implementing the talent exchange programs

IB established the "Honghu Talent Pool", "Kunpeng Talent Pool", Overseas Talent Training Plan and Tibetan Aid Program, and increased the multi-level exchange of talents between the Head Office and branch offices, between parent and subsidiary companies, between companies at home and abroad, between companies in the east and in the west, and between companies in the south and in the north, to offer talents opportunities for more experience.

Building a flexible and agile organizations

IB developed a flexible and agile organization to adapt to the increasing trend of the integration of sectors and industries, and break the internal organizational boundaries, thus allowing all kinds of talents to work together in major projects and important tasks, and enhance cross-disciplinary and cross-sector competitiveness.

IB's internal promotion opportunities for employees

Indicator	2021	2022
Number of positions in demand above the grassroots level	2,253	2,316
Of which: the number of positions open to internal candidates	2,120	2,130
Of which: the number of positions open to the public	133	186
Proportion of internal candidates competing for vacant positions (above the grassroots level)	37.25%	30.71%



Supporting Public Interest and Charity Events to Share Warm Finance Service for People

Since its establishment, IB has been actively fulfilling its corporate social responsibility, sparing no effort to support the development of charitable causes, and exploring the differentiated social responsibility practice of "integrating righteousness with profitability". It continuously pools internal and external public interest resources through the "IB CARES" brand to actively carry out such activities as disaster relief, poverty alleviation and donations for education.

By the end of 2022, IB's cumulative amount of external donations in cash and in kind exceeded RMB 650 million; among which, the whole Bank's expenditure on external donations reached RMB 81.18 million in 2022.



- IB expanded the “IB CARES” educational support system and applied for a donation of RMB 2.8 million to set up the “IB Educational Fund for Public Good”, helping Youxi County become a benchmark among the rural revitalization pilots.
- Based on 24 solar terms, IB cooperated with NetEase to release a series of tweets entitled “24 Solar Terms and Chinese Colors” to promote the sales of more than 30 products for the purpose of assisting farmers, which received 2.6 million views.
- IB donated a total of RMB 2.5 million to the “Fujian IB Scholarship for Caring the Next Generation”, “IB Charity Stipend” and Fujian Provincial Fund for Rural Revitalization.
- In 2022, IB donated a cumulative amount of over HK \$17 million in funds and supplies to the Hong Kong region.
- IB donated RMB 5 million to fight against the epidemic through the Quanzhou Red Cross Society.
- IB held a donation ceremony for the “Fujian IB Scholarship for Caring the Next Generation”.
- IB participated in the “Love Package” distribution event organized by Fujian Provincial Foundation for Disabled Persons in Fuzhou City.

IB has also actively innovated the form of public interest activities to provide opportunities for employees and customers to participate in the charity events. Since August 2018, it has cooperated with the China Green Foundation and the China Social Welfare Foundation respectively to carry out point donation activities, aiming at the donation for “Forest at the Edge of Tengger Desert” and “Free Lunch” projects. For every 1,000 points donated by customers, IB will donate RMB 1 to the above-mentioned charity projects.

By the end of 2022, IB has donated a cumulative total of RMB 654,897 to the “Forest at the Edge of Tengger Desert” project, which can plant about 65,490 trees and expand the forest area by 1,274 mu (209.87 acres). In addition, it has also donated RMB 3,260,563 to the “Free Lunch” project, providing free lunch for children in the designated primary schools in Guangxi Zhuang Autonomous Region, Jiangxi Province and Sichuan Province.



Note: Forest at the edge of Tengger Desert (Source: China Green Foundation)

Advocating Voluntary Service to Pass on a Caring Strength

Keeping in mind the original mission of being the Party’s assistants and reserve forces, IB’s youth volunteers are brave enough to shoulder the responsibilities and play a role as the main force in various urgent, dangerous and difficult tasks.

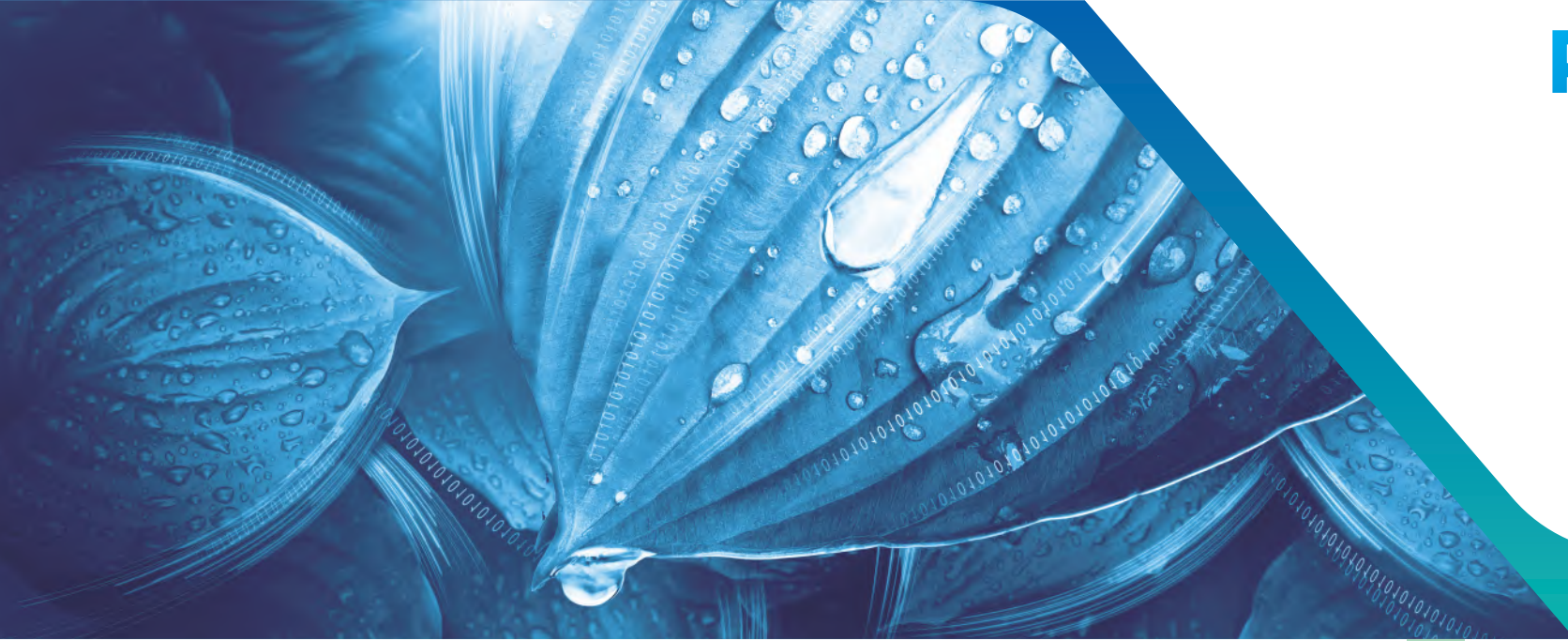
In 2022, IB’s Youth League Committee organized and carried out a bank-wide activity of “Celebrating the 20th National Congress of the Communist Party of China, Forging Ahead with the Party on a New Journey—Volunteer Cloud Relay”, and established and relied on IB’s volunteer service platform to recruit volunteers and set up the Young Commandos on a regular basis. Throughout the year, more than 160 youth commandos/volunteer teams were set up and 15,349 youth League members were mobilized for volunteer service. Meanwhile, IB organized all its volunteers to conduct the work in the fields such as “Finance Knowledge Dissemination and Education”, “Donations to Education”, “Community Assistance” and “Rural Revitalization” that are urgently needed by the people, which were widely praised by the Public.



Ningde branch helps Chixi peanuts to be sold on IB Life APP



IB Hong Kong Branch donated materials to FTU to support communities in Kwai Tsing and Tsuen Wan to fight the epidemic



PRACTICE

Practice

Implementation of the Equator Principles

147 Implementation of the Equator Principles



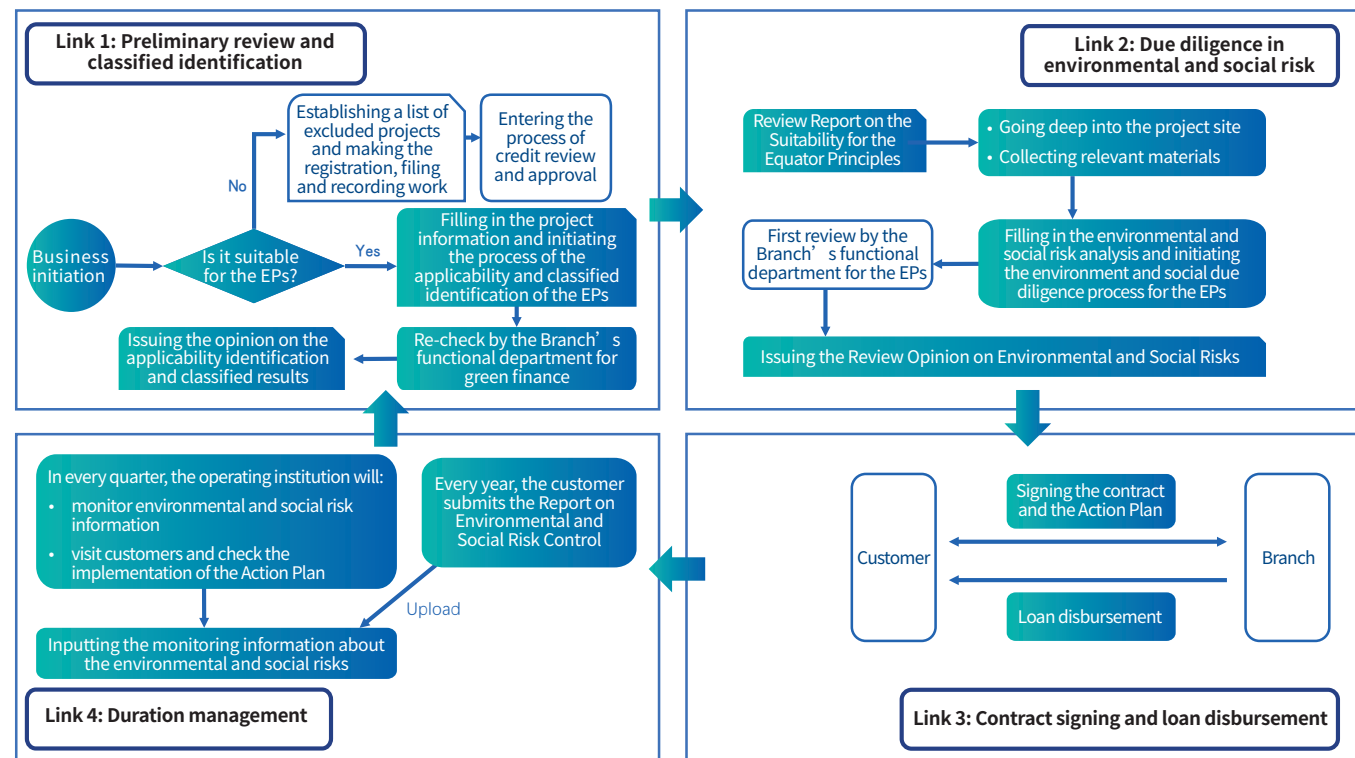
Implementation of the Equator Principles

As the first bank in China to adopt the Equator Principles (EPs), IB attaches great importance to environmental and social risk management. Since 2020, it has fully implemented the 4th version of the Equator Principles (EP4). By comprehensively revising and improving the relevant systems and management processes, IB focused on adding the management requirements on climate change risks and potential environmental and social impacts, such as the UN Sustainable Development Goals (SDGs) and Taskforce on Climate-related Financial Disclosures (TCFD), to further strengthen the management of EPs projects and improve the quality and efficiency of environmental and social risk management.

By the end of 2022, a cumulative total of **1,346** projects applied EPs in IB, involving a total investment of RMB **5,173.939** billion.

The Full-cycle Management of EPs Projects

IB has established a review process for EPs projects, which covers the preliminary review and classified identification, due diligence in environmental and social risk, contract signing and loan disbursement, and duration management, and timely updated the Measures of the Industrial Bank on the Management of Equator Principles Projects, Guidelines for Judging the Applicability and Classification of Equator Principles Projects, to systematically standardize its classification criteria and steps for EPs projects.



IB has set up a review team of environmental and social risk experts to be responsible for the review of EPs projects, and established a database of environmental and social risk experts by selecting employees with professional background and qualifications in the field of environmental and social risk management within IB to improve the management capabilities of projects related to the EPs.

Based on the new requirements of environmental and social risk evaluation added in the 4th version of Equator Principles (EP4), IB required its institutions at all levels to increase considerations of climate change-related risks in the review process, and urged third-party institutions to fully consider the project’s climate-related physical and transformation risks in such links as due diligence.

Financing Support to the EPs Projects

From 1 January 2022 to 31 December 2022, a total of 100 project financing applied the EPs in IB had reached the effective financing stage (with the financing contract signed), with a total of RMB 59.747 billion in loan disbursement, including 14 Category A projects, 66 Category B projects and 20 Category C projects. They are all located in China’s mainland and mainly engaged in such industries as wind and solar power generation, forest operation, management and protection, and electronic special materials. For Category A and Category B projects, IB hired independent third-party environmental and social risk consulting agencies to assist due diligence and assessment of project suitability for the EPs.

Industry portfolio of project financing	
Industry	Number of projects
Farming, forestry, husbandry and fishing	10
Mining	2
Manufacturing	45
Production and supply of electricity, heat power, gas and water	21
Transportation, storage and postal service	6
Leasing and business service	5
Water conservancy, environmental protection and public facilities management	5
Others	6

Case: IB Hohhot Branch applied the EPs in granting loans to strengthen the project environmental and social risk management

The “Wuhai Pumped Storage Power Station with 1.2 Million Kilowatts of Electricity-generation Capacity” Project is a key project implemented for pumped storage in the Inner Mongolia Autonomous Region during the “14th Five-Year Plan”. After the power station is put into operation, it will help the Inner Mongolia’s power system to reduce fossil energy consumption and increase the consumption of new energy power, which will be of great significance in the transformation of local energy structure and the treatment of air pollution.



As a participating bank of the Syndicated Loan, IB Hohhot Branch hired a third-party professional team for environmental and social risk management to conduct the due diligence on the project in accordance with the EPs requirements. Based on the investigation result, the project environmental and social risks were rated as Category A. Targeting the project environmental and social risk points, the Branch contacted with the project company to jointly determine the management measures that the latter intended to adopt, including strictly implementing various pollution prevention and control measures in accordance with the Environmental Impact Assessment and its approval opinion, establishing a sound environmental, health, and occupational safety management system during the project construction and operation stages; formulating safety and environmental emergency plans, and strengthening the environmental, health, and safety information disclosure, etc.



Wuhai Pumped Storage Power Station Project Signing Ceremony

ESG Performance Overview

Corporate Governance Performance

Index	2021	2022
Board of Directors' training sessions	3	3
Average training duration of board members (hours)	11	12
Anti-corruption training sessions	394	504
Number of participants in anti-corruption training (10,000 persons/times)	4.3	20.12
Number of formal employees in the Group on information technology	3,303	6,699
Investment scale of the Group on information technology (RMB 100 million)	63.64	82.51
Number of formal employees specializing in information security	118	118

Economic Performance

/ Financial operation /

Index	2021	2022
Total assets (RMB 1 trillion)	8.60	9.27
Net profit attributable to shareholders of the parent company (RMB 100 million)	826.80	913.77
Total asset earnings rate (%)	1.02	1.03
Weighted average return rate on equity (ROE) (%)	13.94	13.85
Actual amount of taxes paid (RMB 100 million)	394.86	410.76
Non-performing loan balance (RMB 100 million)	487.14	544.88
Non-performing loan ratio (%)	1.10	1.09
Provision coverage ratio (%)	268.73	236.44
Employees' salary and welfare (RMB 100 million)	346.89	381.96
Pension liabilities for payment schemes (RMB 100 million)	25.52	25.65
Social contribution per share ²	15.50	16.85

² The "social contribution 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).

/ Serving the Real Economy /

Index	2021	2022
Balance of loan support to strategic emerging industries (RMB 100 million)	1,798.50	3,006.07
Balance of loans to small and micro-sized enterprises (RMB 100 million)	9,457.34	11,963.35
Number of clients for small and micro-sized enterprises loan	165,871	212,079
Year-on-year growth rate of small and micro enterprise loans with a total credit of less than RMB 10 million per household (%)	/	35.27
Number of small and micro enterprises for loan credit with a total amount of less than RMB 10 million (inclusive)	/	198,362
Balance of loans to private enterprises (RMB 100 million)	9,425.89	11,186.13
Number of private enterprises receiving loans	39,596	49,392
Balance of agriculture-related loans (RMB 100 million)	4,761.69	5,809.82
Balance of inclusive agriculture-related loans (RMB 100 million)	279.90	408.41
Balance of loans for new types of agricultural entities (RMB 100 million)	311.78	424.11
Newly added amount of personal entrepreneurship (auxiliary business) loan in the current year (RMB 10,000)	/	477.22
Number of persons benefiting from loans for individual entrepreneurship/business owners (persons/times)	255	420
Newly added amount of personal student loan in the current year (RMB 10,000)	/	564.71
Number of recipients of personal student loans (persons/times)	/	158
Loans granted for the BRI-related projects (RMB 10,000)	51.03	67.32
Number of overseas M&A projects supported	10	25

Financing Environmental Impact

/ Green finance /

Index	2021	2022
Financing balance of green finance (RMB 100 million)	13,867.03	16,297.60
Cumulative number of enterprises receiving green financing	40,619	60,731
Cumulative green financing (RMB 100 million) ³	36,753	47,008
New amount of green loans in the current year (RMB 100 million)	1,344.87	1,831.32
Balance of green loans (RMB 100 million) ⁴	4,539.40	6,370.72
Number of projects applying Equator Principles which have reached financial close	75	100

³ By the end of 2022, IB has provided RMB 4,700,752 billion of green finance financing to 60,731 enterprises.

⁴ The "green loan balance" here refers to the green loan of the People's Bank of China.

/ Green operation ⁵ /

Index	2022
Total greenhouse gas emissions (Scope 1 and Scope 2) (ton)	255,560.57
Direct emission of greenhouse gas (Scope 1) (ton)	9,879.72
Indirect emission of greenhouse gas (Scope 2) (ton)	245,680.85
Emissions of greenhouse gas reduced compared with 2021 (ton)	2,287.21
Water use in offices (10,000 tons)	174.70
Paper use in offices (ton)	3,082.95
Power use in offices/Electricity purchased (MWh)	343,119.71
Direct energy consumption: fuel use by official vehicles (L)	2,234,767.12
Direct energy consumption: total natural gas consumption (m3)	1,839,573.89
Indirect energy consumption (MWh)	469,311.66
Energy consumption within the organization (MWh)	512,564.44
Hazardous waste (ton)	88.33
Harmless waste ⁶ (ton)	3,285.46
Percentage of video-meetings in total meetings (%)	55.20
Video equipment coverage (%)	70.97

⁵ IB has established a working mechanism to monitor carbon emissions and energy consumption covering the whole Bank. The statistics on environmental performance indicators this year included more than 2,000 institutions such as the Head Office, branches and subsidiaries.

⁶ The statistical scope of harmless waste includes kitchen waste, discarded electronic information products, discarded dry batteries, discarded paper and discarded office supplies.

Social Performance

/ Composition of employees /

Index	2021	2022
Number of employees	57,428	63,853
Number of female employees	31,146	33,826
Proportion of female employees (%)	54.23	52.97

Index	2021	2022
Proportion of high and middle-level managerial personnel (%)	5.74	5.39
Proportion of women in middle-level management (%)	33.66	33.42
Proportion of women among senior managers (%)	17.62	17.12
Proportion of employees with bachelor degree or above (%)	86.54	85.81
Number of ethnic minority staff	2,187	2,410
Ratio of staff with ethnic nationality (%)	3.81	3.77
Number of disabled employees	/	21
Ratio of disabled employees (%)	/	0.03
Number of non-mainland employees	214	219
Total number of employees in overseas institutions	252	262
Total number of the management by gender	9,235	9,941
-Number of men	5,250	5,629
-Number of women	3,985	4,312
Total number of the non-management personnel by gender	48,193	53,912
-Number of men	21,032	24,398
-Number of women	27,161	29,514
Total number of the management by age	9,235	9,941
Under 30 years old	166	129
-31-50 years old	8,107	8,706
-Over 51 years old	962	1,106
Total number of the non-management personnel by age	48,193	53,912
Under 30 years old	17,726	19,584
-31-50 years old	29,573	33,211
-Over 51 years old	894	1,117
Average age of employees (years)	34.2	34.2
Average length of employment of female employees in IB (years)	6.4	6.1
Average length of employment of male employees in IB (years)	6.6	6.7

/ Employee turnover /

Index	2021	2022
Number of new employees during the year	8,329	11,362
-Number of employees recruited on campus	1,484	2,777
-Number of employees recruited in public from the society	6,845	8,585
-Number of new female employees	3,977	4,918
-Number of new male employees	4,352	6,444
Employee turnover rate (%)	9.99	7.18
-Male employee turnover rate (%)	11.99	8.25
-Female employee turnover rate (%)	8.23	6.21
Proportion of internal candidates competing for vacant positions (%)	37.25	30.71

/ Employee rights and interests /

Index	2021	2022
Ratio of employees signing employment contract (%)	100	100
Social insurance coverage (%)	100	100
Coverage of housing provident funds (%)	100	100
Ratio of employees protected by collective agreement (%)	100	100
Employees' satisfaction survey coverage rate (%)	/	100
Employee satisfaction survey participation rate (%)	/	70
Employee satisfaction score	/	96.36
Number of duty-related death	/	0
Duty-related death rate	/	0
Number of employees' work-related injury cases	/	27
Number of employees' working days lost due to work-related injuries	/	916

Index	2021	2022
Persons/times of helping employees in difficulty (person-times)	755	935
Amount of disaster compensation for employees (RMB 10,000)	51.69	6.53
Amount of medical assistance for employees (RMB 10,000)	156.28	122.93
Amount of living assistance for employees (RMB 10,000)	198.87	254.64

/ Employees' remuneration /

Index	2021	2022
Proportion of employees receiving regular performance and career development assessment (%)	100	100
Proportion of employees assessed by MBO (%)	100	100
Proportion of employees receiving multidimensional performance assessment (such as the 360 degree feedback) (%)	100	100
Average fixed salary ratio of male and female employees in the executive management	1.06:1	1.11:1
Average fixed salary ratio of male and female employees in the middle-level management	0.99:1	1.00:1
Average fixed salary ratio between general male and female employees	1.05:1	1.07:1
Total remuneration of the CEO (RMB 10,000)	131.46	145.60

/ Employees' training /

Index	2021	2022
Number of employees' training programs	4,917	5,421
Employees receiving training (person-times)	693,916	743,916
Employees' training coverage (%)	94.80	95.72
Average training hours of each employee per year (hours)	195	207
Employees' training expenditure (RMB 10,000)	17,297	13,434

/ Service channels /

Index	2021	2022
Number of outlets in the whole bank branches	2,065	2,046
Number of outlets in rural areas and counties	237	252
Number of community banks	829	837
Number of smart outlets	216	249
Number of outlets offering after-hour services	797	786
Number of outlets with barrier-free access	1,416	1,455
Number of outlets with caring counters	1,385	1,427
Number of outlets with "IB CARES" stations	2,000	2,046
Number of self-service terminals in rural areas (including ATM\POS\Smart Counter)	4,483	5,735
Number of mobile banking customers (contracted customers) (10,000)	4,326.03	4,920.39
Mobile banking transaction amount (RMB 1 trillion)	13.26	13.18

/ Consumer Financial Protection /

Index	2021	2022
Number of complaints	143,287	478,708 ⁶
95561 customer service hotline service satisfaction (%)	99.92	99.91
The total number of transactions of online financial services monitored by the risk control platform (100 million)	44.38	66.37
All kinds of high-risk transactions blocked by the risk control platform (10,000)	626.56	845.39
Number of online financial transactions monitored on the risk control platform (RMB 100 million)	1,408.85	1,654.19

⁶The higher year-over-year increase in the number of complaints in 2022 compared to 2021 was mainly due to the Bank's adjustment of the complaint determination scale to include customer opinions such as complaints that have been successfully appeased by the customer service online in the complaint statistics management.

Index	2021	2022
Amount invested for the public financial knowledge dissemination events (RMB 10,000)	1,865.57	2,371.20
Cumulative number of public financial knowledge dissemination activities	10,463	10,674
Number of the public benefiting from financial knowledge dissemination events (10,000 persons)	8,483	12,791
Number of the publicity materials distributed (10,000 copies) ⁷	2,268.28	320.57
Number of media coverage (times) ⁸	3,215	655

/ Social welfare /

Index	2021	2022
Annual external donation expenditure (RMB 10,000)	6,999	8,118
Number of paired-up villages	68	76
Number of resident officials stationed in villages	59	60
Employees' volunteer activities (persons/times)	55,060	79,202
Time of the employees' volunteer activities (hours)	60,596	79,963

/ Supplier information /

Index	2021	2022
Number of conducting social responsibility training for suppliers (times)	/	85
Number of carrying out environmental impact assessment of suppliers	/	2,354
Engagement of external experts in bidding & procurement (%)	/	16.37

⁷In 2022, IB adjusted the statistics on the number of copies of consumer protection promotional materials distributed throughout the Bank and only count the number of copies distributed through offline channels.

⁸In 2022, only the number of mainstream media coverage at or above the provincial or ministerial level in each region and with some local influence was counted.

Honors in 2022 (Part)

Media	Honor
The Banker(British magazine)	● “Ranking No. 16 and No. 26 based on Level-1 assets and total assets respectively among Top 1,000 World Banks
Forbes (an American magazine)	● Ranking No. 55 among Global 2000
Fortune (an American magazine)	● Ranking No. 208 among Fortune Global 500
The Banker (an British magazine) & Brand Finance	● Ranking No. 29 among Top 500 Most Valuable Banking Brands
Interbrand	● Ranking No. 22 of Best China Brands
China Enterprise Confederation/ China Enterprise Directors Association	● Ranking No. 66 among Top 500 Chinese Enterprises
Professional Wealth Management (PWM) Magazine	● Best Private Bank for Digital Customer Service (Asia)
Asia Money Magazine	● Best National Joint Stock Bank
People’ s Daily	● Industrial Bank’ s Five Major Brands Revitalization Released -2022 China’ s Brand Innovation Case
www.People.cn	● Annual Enterprise of “People’ s Corporate Social Responsibility Award”
	● Recommended case of “People’ s Corporate Social Responsibility Award” —Rural Revitalization
	● “IB CARES Stations” — “Jiangxin Award of People.cn for 2021 Annual Service Cases”
www.xinhuanet.con	● “IB Inclusive” —Jiangxin Award of People.cn for Products
	● Award for Corporate Social Responsibility (CSR) Cases from Chinese Enterprises
www.news.cn and China Enterprise Reform and Development Society	● Outstanding Corporate ESG Innovation Case
Securities Times(STCN)	● Tianji Award for the Bank of High-quality Development 2022(Best prize in the comprehensive category)
	● Selected as a typical ESG case in China ESG Development White Paper (2021)
China Securities Journal	● Bank Financial Management Company Taurus Award
China Banking and Insurance News	● “From Green to Gold” Green Finance Business System—Digital Operations Excellence of the Year
	● Innovation Case on Building an Open Banking Ecology— Digital Innovation Excellent Case of the Year
	● Smart IB Service App Project— Innovative Cases of Online Banking Services
The Banker(an British magazine)	● “IB CARES” Station project —Bank Outlets Service Innovation Case
	● Best Financial Innovation Award

Media	Honor
21st Century Business Herald	● Asia’ s Leading Commercial Bank of the Year
	● Excellent Listed Company 2022
	● Green Finance Pioneer Enterprise 2022
	● Digital Transformation Institution of the Year
	● Excellent Wealth Management Bank
	● Cross-border Financial Bank of the Year
Caijing Magazine	● Innovative Cases of Inclusive Financial Products and Services
	● Green Award for Sustainability
National Business Daily	● Best CSR Award for Listed Companies
	● Ranked 58th among TOP 100 in the Brand Value List of Chinese Listed Companies
The Economic Observer	● Award for ESG Financial Pioneer of the Year
	● Excellent Inclusive Finance Bank of the Year
China Times	● Joint-stock Commercial Bank of the Year
	● Fin-tech Innovation Bank of the Year
China Investment Network	● Extraordinary Investment Value Company 2022
	● ESG Green Company Star 2022
Hong Kong Commercial Daily	● Most Innovative Financial Institution of the Year
	● Joint-stock Commercial Bank of the Year
Sina Finance	● Green Innovation Bank of the Year
	● Best Environment (E) Responsibility Award
	● Best Bank Award for Responsible Investment
	● Green Investment Bank of the Year
www.hexun.com	● New Citizen Service Model of the Year
www.jrj.com	● Eight awards, such as the Outstanding Comprehensive Strength Award, Outstanding ESG Industry Model Award, Outstanding Green Carbon Role Model Institution Award, and Outstanding Innovation Contribution Award.
http://wallstreetcn.com	● Excellent Chinese Bank of the Year
	● Excellent Investment Bank of the Year
	● Excellent Custodian Bank of the Year
ThePaper.cn	● Best Financial Institution of the Year
www.investorchina.cn	● Innovation Empowering High Quality Development Commercial Bank Award of the Year
www.chinanationalbrand.org.cn	● My Favorite Chinese Brand 2022

Third Party Authentication

Appendix: Basis of Reporting

Ratio of staff with ethnic nationality (%):

The ratio of employees with ethnic nationality disclosed in the Sustainable Development Report of Industrial Bank refers to the ration of employees with ethnic nationality among the total number of employees of Industrial Bank as at 31 December 2022, where minority is defined as 55 nationalities other than Han Chinese based on the employees' identity card; the employees count includes the head office and 45 branches, and the employees types include labor dispatch personnel.

Men-to-female structure of employee gender (male:female):

The men-to-female structure of employee gender disclosed in the Sustainable Development Report of Industrial Bank refers to the ratio of the number of male employees to the number of female employees among all employees of Industrial Bank as at 31 December 2022, and the employee's gender is determined based on the employees' identity card. The statistics of the number of employees include the head office and 45 branches, and the types of personnel include labor dispatch personnel.

Balance of agriculture-related loans (RMB 100 million):

The balance of agriculture-related loans disclosed in the Sustainable Development Report of Industrial Bank refers to the amount of the balance of agriculture-related loans of Industrial Bank as at 31 December 2022, and the agriculture-related loans is defined in Special Statistical System for Agriculture-related Loans issued by People's Bank of China in 2007. The scope of statistics include the head office and 44 domestic branches.

Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million):

The balance of loans to small and micro-sized enterprises (SMEs) disclosed in the Sustainable Development Report of Industrial Bank refers to the balance amount of loans to small and micro-sized enterprises (SMEs) of Industrial Bank as at 31 December 2022, the SMEs are defined in Notice on Printing and Distributing the Standards for the Classification of Small and Micro-sized Enterprises issued by Ministry of Industry and Information Technology, National Bureau of Statistics, National Development and Reform Commission and Ministry of Finance in 2011. The scope of statistics includes the head office and 44 domestic branches.

Number of SME loan clients:

The number of SME loan clients disclosed in the Sustainable Development Report of Industrial Bank refers to the total number of micro and small enterprise clients of Industrial Bank as at 31 December 2022, the SMEs are defined in Notice on Printing and Distributing the Standards for the Classification of Small and Micro-sized Enterprises issued by Ministry of Industry and Information Technology, National Bureau of Statistics, National Development and Reform Commission and Ministry of Finance in 2011. The scope of statistics includes the head office and 44 domestic branches.

Number of smart outlets:

The number of smart outlets disclosed in the Sustainable Development Report of Industrial Bank refers to the total number of smart outlets of Industrial Bank as at 31 December 2022 as defined by Specification Manual for Smart outlets Construction of Industrial Bank, and the regulators promote practice like smart outlets construction in the 2022 Guiding Opinions on the Digital Transformation of Banking and Insurance Industry issued by Banking and Insurance Regulatory Commission. The scope of statistics includes the head office and 44 domestic branches.

Number of outlets with barrier-free access:

The number of outlets with barrier-free access disclosed in the Sustainable Development Report of Industrial Bank refers to the total number of outlets with barrier-free access of Industrial Bank as at 31 December 2022 as defined by the 2018 Construction standard of barrier-free environment for banks issued by China Banking Association. The scope of statistics includes the head office and 44 domestic branches.

Number of self-service terminals in rural areas (including ATM\POS\Smart Counter):

The number of self-service terminals (including ATMs, POS machines, smart counters, etc.) in rural areas disclosed in the Sustainable Development Report of Industrial Bank refers to the total number of self-service terminals such as ATMs, POS machines and smart counters deployed in rural areas as at 31 December 2022. Rural areas, ATMs, POS machines and smart counters are defined in 2017 Notice on Revising the Statistical Indicators of Rural Payment Service Environment Construction Business issued by People's Bank of China. The scope of statistics includes the head office and 44 domestic branches.

Amount of public financial literacy investment (RMB 10,000):

The amount of investment in public financial literacy disclosed in the Sustainable Development Report of Industrial Bank refers to the total amount invested by Industrial Bank in popularizing financial knowledge to the public as at 31 December 2022, and the measurement of the amount of investment in public financial literacy is determined based on the 2015 Guiding Opinions on Strengthening the Protection of Financial Consumers' Rights and Interests issued by General Office of the State Council, the 2019 Guiding Opinions on Strengthening the System and Mechanism Construction of Consumer Rights Protection by Banking and Insurance Institutions issued by China Banking and Insurance Regulatory Commission, the 2020 Measures for the Implementation of the Rights and Interests Protection of Financial Consumers Issued by People's Bank of China, and the 2022 Measures for the popularization of financial knowledge and financial consumers education issued by Industrial Bank. The scope of statistics includes the head office, 44 domestic branches and all subsidiaries.

Number of projects applying Equator Principles which have reached financial close:

The number of projects applying Equator Principles which have reached financial close disclosed in Sustainable Development Report of Industrial Bank refers to the total number of new Equator Principles (version IV) projects that have completed risk due diligence and drawdown in 2022. The scope of statistics includes the head office and 45 branches.

Financing balance of green finance (RMB 100 million):

The financing balance of green finance disclosed in the Sustainability Report of Industrial Bank refers to the balance of green financing of Industrial Bank as at 31 December 2022, as defined by Industrial Bank's Identification Standard of Green Finance issued in 2022, which makes reference to the standards on green loans, green bonds and green financing issued by People's Bank of China, China Banking and Insurance Regulatory Commission, combined with the relevant international standards such as the Common Ground Taxonomy of Sustainable Finance and the Bank's research. The scope of statistics includes the head office, 45 branches and all subsidiaries.

Total greenhouse gas emissions (Scope 1 and Scope 2) (tons of CO2 equivalent):

The greenhouse gas emissions (Scope 1 and Scope 2) disclosed in the sustainability report of Industrial Bank refers to the sum of the total Scope 1 and Scope 2 greenhouse gas emissions of Industrial Bank in 2022, and the organizational boundary and quantification methods for greenhouse gas emissions are determined based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the 2015 Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (for Trial Implementation), the 2011 Guidelines for Compiling Provincial Greenhouse Gas Inventories (for Trial Implementation) and 2005 Study on Greenhouse Gas Inventory in China issued by National Development and Reform Commission, and the scope of statistics includes the head office, 45 branches and all subsidiaries.

Investment in information technology of the group (RMB 100 million):

The Investment in information technology of the group disclosed in the Sustainable Development Report of Industrial Bank refers to the total amount invested by Industrial Bank to build its IT capacity in 2022, measured based on 2021 Notice on Printing and Distributing Off-site Supervision Report of Information Technology in Banking and Insurance Industry (2020 Edition) issued by China Banking and Insurance Regulatory Commission. The scope of statistics includes the head office, 45 branches and all subsidiaries.

Annual external donation expenditure (RMB 10,000):

The annual external donation expenditure disclosed in the Sustainable Development Report of Industrial Bank refers to the total amount of financial expenses for external donation in 2022, determined based on the 2020 Announcement on Matters Related to Pre-tax Deduction of Public Welfare Donations issued by Ministry of Finance, State Administration of Taxation and Ministry of Civil Affairs. The scope of statistics includes the head office and 45 branches.

Ratio of completed customer complaints to the number of customer complaints (%):

The ratio of the number of completed customer complaints to the number of customer complaints disclosed in the sustainability report of Industrial Bank refers to the ratio of the total number of completed customer complaints to the total number of customer complaints in 2022, determined in accordance with the 2020 Measures for the Implementation of the Rights and Interests Protection of Financial Consumers Issued by People's Bank of China, and the 2020 Detailed Rules for The Implementation of Consumer Complaint Management of Industrial Bank. The scope of statistics includes the head office and 44 domestic branches.

Number of online financial transactions monitored on risk control platform (10,000):

The number of online financial transactions monitored on risk control platform disclosed in the Sustainable Development Report of Industrial Bank refers to the total number of online transactions blocked by the risk control platform in 2022, monitored by the Management Measures of Real-time Risk Monitoring of Network Finance Business of Industrial Bank, in accordance with the requirements for financial transactions monitoring and risk control in the 2022 Guiding Opinions on the Digital Transformation of Banking and Insurance Industry issued by Banking and Insurance Regulatory Commission. The scope of statistics includes the head office and 45 branches.

Number of participants in anti-corruption training (10,000):

The number of participants in anti-corruption training disclosed in the Industrial Bank Sustainability Report refers to the total person-times participating in anti-corruption training in 2022. Anti-corruption training is determined by the 2022 Implementation Plan of The Five Integrity Projects for the Construction of Clean Culture in the New Era issued by Fujian Provincial Discipline Inspection Commission and Work Plan for Clean Culture Construction of Industrial Bank (2022-2024). The scope of the statistics includes the head office, 44 domestic branches and all subsidiaries.

Average training hours of each employee per year (hours):

The average training hours of each employee per year disclosed in the Sustainable Development Report of Industrial Bank is determined in 404-1 of GRI standards and refers to the ratio of the total number of training hours recorded in training management system to the total number of employees in 2022. The scope of statistics includes the head office, 45 branches and subsidiaries.

Overall score of consumer satisfaction in business outlets:

The overall score of consumer satisfaction in business outlets disclosed in the Sustainable Development Report of Industrial Bank refers to the score results of the survey on customer satisfaction of business outlets via Industrial Bank's official WeChat accounts in 2022. The overall score of customer satisfaction is determined based on the 2020 Measures for the Implementation of the Rights and Interests Protection of Financial Consumers Issued by People's Bank of China. The survey contains the assessment of customer service in business outlets and consumer rights protection, and the scope of statistics includes the head office, 45 branches and all subsidiaries.

Employee satisfaction (%):

The employee satisfaction disclosed in the Sustainable Development Report of Industrial Bank refers to the employee satisfaction percentage calculated based on the data collected by the Bank from anonymous questionnaires distributed through mobile terminals, the human resources system statistics and calculated. The scope of statistics includes the head office, 44 domestic branches and all subsidiaries.

Data security input (RMB 100 million):

The data security input disclosed in the Sustainable Development Report of Industrial Bank refers to the total amount of investment in data security measured based on 2021 Notice on Printing and Distributing Off-site Supervision Report of Information Technology in Banking and Insurance Industry (2020 Edition) issued by China Banking and Insurance Regulatory Commission. The scope of statistics includes the head office, 44 domestic branches and China Industrial Bank Fintech (Shanghai) Co., Ltd.

Independent Authentication's Assurance Report



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Independent accountant's assurance report

安永华明 (2023) 专字第 60438520_A01 号
Industrial Bank Co., Ltd.

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

Scope

We have been engaged by Industrial Bank Co., Ltd. (the "Bank") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the selected data (the "Subject Matter") as at 31 December 2022 and for the year then ended in the 2022 Annual Corporate Sustainability Report (the "Sustainability Report").

Selected data

The selected data in the Sustainability Report of Industrial Bank Co., Ltd. for 2022 that is covered by this report is as follows:

- Ratio of staff with ethnic minority (%)
- Men-to-female structure of employee gender (male:female)
- Balance of agriculture-related loans (RMB 100 million)
- Balance of loans to small and micro-sized enterprises (SMEs) (RMB 100 million) (RMB 100 million)
- Number of SME loan clients
- Number of smart outlets
- Number of outlets with barrier-free access
- Number of self-service terminals in rural areas (including ATM/POS/Smart Counter)
- Amount of public financial literacy investment (RMB 10,000)
- Number of projects applying Equator Principles which have reached financial close
- Financing balance of green finance (RMB 100 million)
- Total greenhouse gas emissions (Scope 1 and Scope 2) (tons of CO₂ equivalent)
- Investment in information technology of the group (RMB 100 million)
- Annual external donation expenditure (RMB 10,000)
- Ratio of completed customer complaints to the number of customer complaints (%)
- Number of online financial transactions monitored on risk control platform (10,000)
- Number of participants in anti-corruption training (10,000)
- Average training hours of each employee per year(hour)
- Overall score of consumer satisfaction in business outlets
- Employee satisfaction score
- Data security input (RMB 100 million)

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Independent accountant's assurance report

安永华明 (2023) 专字第 60438520_A01 号
Industrial Bank Co., Ltd.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Industrial Bank Co., Ltd.

In preparing the Subject Matter in the selected data in the 2022 Sustainability Report, the Bank applied the criteria set out in the basis of reporting of the selected key data (the "basis of reporting") within the Sustainability Report in the accompanying the *Appendix: Basis of Reporting (Criteria)*.

Industrial Bank's responsibilities

Industrial Bank's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, 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.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter 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 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, 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.

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Independent accountant's assurance report

安永华明（2023）专字第 60438520_A01 号
Industrial Bank Co., Ltd.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.



Independent accountant's assurance report

安永华明（2023）专字第 60438520_A01 号
Industrial Bank Co., Ltd.

Our procedures included:

- 1) Conducted interviews with personnel to understand the business and reporting process of the selected data during the reporting period;
- 2) Undertook analytical review procedures;
- 3) Tested, on a sample basis, underlying source information;
- 4) Recalculation

We also performed such other procedures as we considered necessary in the circumstances.

Our assurance was with respect to the selected data as at 31 December 2022 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 2022 Sustainability Report.

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 2022 and for the year then ended in the 2022 Sustainability Report, in order for it to be in accordance with the basis of reporting.

Restricted use

Our report is intended solely for the information and use of the board of directors of Industrial Bank for the purpose of preparing the 2022 Sustainability Report and is not intended to be and should not be used by anyone other than those specified parties.


Ernst & Young Hua Ming LLP
24 March 2023
Beijing, China



GRI Standards Content Index

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

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Index of the Principles for Responsible Banking (PRB)





负责任银行原则	指标内容	披露情况
Principle 1: Alignment	1.1 The main business model and operation of the institution	For the introduction and operation of IB' s main business models, please refer to the following section of the report: "About Us" , "Strategy & Management" , "Development Strategy" , "Areas of Focus and Progress in 2022" . For details, please refer to pages 9-10 and 12-14 of this report.
	1.2 How the Bank' s business strategies fit sustainable development goals	IB ensured that its business strategy was consistent with the individual needs and social goals set out in the United Nations Sustainable Development Goals (SDGs), The Paris Climate Agreement and relevant national and regional frameworks. The Board of Directors reviewed and approved the Five-year Plan of the Industrial Bank (2021-2025), determined the development strategy and priorities of the Bank from 2021 to 2025, and formulated targets and action measures around key areas such as green finance and carbon neutrality. For details, please refer to pages 11, 15-16, and 104-105 of this report.
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	IB attached great importance to the impact of its business, products and services on human beings and the environment, actively conformed to the macro trends of high-quality development, digital transformation and green development of the real economy, actively identified, managed and responded to emerging risks and climate challenges. It paid attention to and increased the support in key areas such as green development, inclusive financial and rural revitalization, continuously improved the fit between its operation and national policy orientation and the development of the real economy, and helped to build a better society with IB' s strength. For details, please refer to pages 37, 49-74 and 97-124 of this report.

负责任银行原则	指标内容	披露情况
Principle 3: Clients & Customers	2.2 The sustainable development goals set by the institution	IB fully responded to and implemented the national the "30·60 goals" , and issued the Action Plan for Building a Green Bank (2021-2022), which defined the main objectives in the construction of green bank and the key tasks of serving the "carbon peaking and carbon neutrality" goal. For details, please refer to the IB' s "Sustainable development objectives" on the official website and pages 104-105 of this report. Meanwhile, IB practiced around the UN SDGs.
	2.3 The measures and plans taken by the institution to achieve the above goals	<ul style="list-style-type: none"> ● In accordance with the United Nations Sustainable Development Goals (SDGs), IB focused on key areas and increased support around the sustainable development strategies and goals set. For details on the progress achieved in 2022, please refer to pages 15-16 of this report. ● IB planned to set a carbon-neutral target and a phased timetable, carried out its own carbon reduction work in an orderly manner, comprehensively laid out its carbon finance business, and focused on the key areas of "mitigating the pollution and emission" such as clean energy, energy conservation and environmental protection, and carbon reduction technologies, so as to fully help the economic and social green and low-carbon transformation. For details, please refer to pages 97-124 of this report.
Principle 4: Stakeholders	3.1 The practices that promote responsible relationships between the institution and clients	IB committed to providing high-quality financial services to its customers and continuously and deeply protecting the rights and interests of financial consumption. It has been optimizing the quality of products and services, listening to and responding to customers' voices in a systematic way. For specific actions and practical results in 2022, please refer to pages 77-94 of this report.
	3.2 The sustainable development practices and sustainable economic activities to which the institution and clients are committed	In collaboration with the principle of responsibility, IB cooperated with customers, encouraged sustainable practices and promoted the development of economic activities. In 2022, it made many achievements in inclusive finance, biodiversity protection, green finance, charity and the implementation of the Equator Principles. For details, please refer to pages 70-74, 97-100, 108-117, 142-144 and 147-150 of this report.

负责任银行原则	指标内容	披露情况
Principle 4: Stakeholders	4.1 Confirmation and resolution of issues of interest to stakeholders	IB identified six major stakeholders in view of the UN SDGs, internationally accepted CSR standards, characteristics of the financial industry, and the Bank's social responsibility and ESG work experience. In order to ensure understanding of stakeholders' concerns and expectations, IB regularly conducted research on ESG key issues, and conducted substantive analysis of the issues through stakeholder surveys to ensure that the company fully followed up and responded to stakeholders' concerns. The specific substantive analysis process, focus areas and progress in 2022 are detailed on pages 13-16 of this report.
	5.1 The corporate governance structure and policy framework that comply with the principles of responsible banking	IB continued to improve the corporate governance mechanism of "the leadership role of the Party Committee, the strategic decision of the Board of Directors, the implementation of the executive management and the supervision of the Board of Supervisors in accordance with the law", and insisted on improving the internal operational efficiency through standardized, professional and scientific management. At the same time, IB actively improved the sustainable development management framework, promoted the ESG management level, and achieved sustained and steady value creation. For details, please refer to pages 12 and 25-28 of this report.
Principle 5: Governance & Culture	5.2 Cultivation of employees' corporate culture of responsible banking	Adhering to the concept of "giving priority to law compliance in pursuing the development", IB continued to reinforce the Group's compliance concept, strengthened employee behavior management, and continuously improved the long-term mechanism of risk and compliance internal control management. For details, please refer to pages 38-41 of this report.
	6.1 The good practices and progress of the institution in implementing the principles of responsible banking	IB regularly evaluated and reviewed the implementation of the principle of responsible banking by individuals and collectives, and actively disclosed the positive and negative impacts. In 2022, it made remarkable achievements in developing the inclusive finance, optimizing customer service, protecting the biodiversity, innovating green finance, and implementing the Equator Principles. For details, please refer to pages 15-16, 90-94, 97-101, 112-117, 122-126 and 147-150 of this report.
Principle 6: Transparency & Accountability		

Reader's Feedback Form

We appreciate your advice and valuable information on our report!

-  Fax: +86 591 87841932
-  Address: Building of Industrial Bank, No. 398, Jiangbinzhong Avenue, Taijiang District, Fuzhou, Fujian Province
-  Postal code: 350014
-  E-mail: sustainability@cib.com.cn

- 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?
 - Good Not bad Ordinary
- What's your opinion on Industrial Bank's economic development, environmental protection and return to the community?
 - Good Not bad Ordinary
- What's your opinion on Industrial Bank's sustainable development?
 - Good Not bad Ordinary
- How do you think of Industrial Bank's implementation of the Equator Principles?
 - Good Not bad Ordinary
- How do you think about Industrial Bank's information disclosure? Is it transparent, integrated and accurate?
 - Good Not bad Ordinary
- How do you think about the report's layout and design?
 - Good Not bad Ordinary
- Please give your comments and suggestions on our sustainability report.

Your contact details: _____

Name: _____

Phone number: _____

Email: _____ @ _____

Answer questions by scanning the QR code with your mobile phone

