

Agriculture and Forestry-Related Credit Policy of

China Minsheng Bank

The agriculture and forestry-related credit policy is one of the important elements of the Company's credit policies. Every year, the Company improves and updates the agriculture and forestry-related credit policy according to the latest situation both at home and abroad and the orientation of national policies.

I. Background for the Policy

Agriculture is the basic industry of the national economy. The Ministry of Agriculture and Rural Affairs and the National Forestry and Grassland Administration have jointly formulated the *14th Five-Year Plan for the Green Development of National Agricultural Sector* to promote the green development of agriculture and the green transformation of ways of production and living in rural areas, including increasing utilization of arable land and water resources, improving production environment and agricultural ecosystem, increasing green product supply and enhancing the capacity to reduce emissions and sequester carbon.

Forest plays a variety of roles in sequestering carbon, generating oxygen, conserving soil and water, protecting headwaters and maintaining biodiversity, as well as economic and social roles in producing timber, economic forest fruits, biological medical materials and biomass energy. The National Forestry and Grassland Administration and the National Development and Reform Commission have jointly issued the *Outline of the 14th Five-Year Plan for Forestry and Grassland Protection and Development* and the *National Guideline for Under-Forest Economic Development (2021-2030)* to promote the systematic control of mountains, rivers, forests, fields, lakes, grasslands and deserts, deepen the reform and innovation in the

field of forests and grasslands, build national under-forest economic demonstration bases, and to realize the modernization and high-quality development of forestry.

II. Scope of the Policy

The agriculture and forestry-related credit policy formulated by the Company covers agriculture, forestry and auxiliary activities as defined in the *Industrial Classification for National Economic Activities (GB/T 4754-2017)* issued by the National Bureau of Statistics.

III. Overall Credit Strategy

The Company has formulated the credit policy for agriculture, forestry, animal husbandry and fishery, and rural revitalization, which clearly defines key supported areas and restricted areas. The policy prefers to support good large-scale leading agricultural enterprises with intensive and sustainable development potentials, mature and advanced technology, and large market demands, as well as projects engaged in forest breeding and afforestation with outstanding resource conditions and large-scale management capabilities under the leadership of the state or local government.

IV. Prevention and Control of ESG Risks

The Company has made it clear in the credit policy that it shall not provide credit support to enterprises with potential food safety risks, substandard production site environment, failure in passing production safety inspections and media and/or public opinion disputes.