



2023 | Environmental, Social and
Governance Report



2023
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE (ESG)
REPORT

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Corporate Governance

01

About the Report

Introduction

This Report aims to disclose the environmental, social and governance (ESG) management and performance of China Minsheng Banking Corp., Ltd. (hereinafter referred to as "China Minsheng Bank" or "the Bank" in this Report) and thus, to enhance full understanding and communication between various stakeholders and the Bank. This Report should be read together with the "Corporate Governance" section in the *2023 Annual Report of China Minsheng Banking Corp., Ltd.*, the *2023 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd.*, the *2023 Interim Special Report on Sustainable Development (ESG) of China Minsheng Banking Corp., Ltd.* and the ESG section on the Bank's website for a more comprehensive understanding of the Bank's practices and achievements in the ESG field.



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT

About the Report

01 Reporting Period

Unless otherwise specified, this Report covers the period from 1 January 2023 to 31 December 2023. This may, however, include certain information beyond this period for the comparability and completeness of the Report.

02 Reporting Boundary

The disclosure scope of this Report includes the Head Office, the branches and sub-branches of China Minsheng Banking Corp., Ltd., the scope and scale of some data refer to *2023 Annual Report of China Minsheng Banking Corp., Ltd.* The reporting boundary of relevant data and the calculation methodologies are specified in the Report.

03 Basis for Preparation

This Report complies with the *ESG Reporting Guide* set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The reference to the *ESG Reporting Guide* is attached as appendix in the Report. This Report has complied with the "Comply or Explain" provisions set out in the *ESG Reporting Guide*.

04 Reporting Principles

This Report strictly follows the materiality, quantitative, balance and consistency principles of the *ESG Reporting Guide*.

The materiality of the contents of this Report has been systematically assessed, which included identification of the Bank's ESG issues, assessment of their importance, relevance and scope, and review and response to stakeholders' concerns about the Bank's ESG work. This Report covers important matters related to different stakeholders. Details of the materiality assessment and the main communication channels for stakeholders are disclosed in "Stakeholder Engagement".

Referring to applicable quantitative standards and practices, this Report discloses applicable key performance indicators ("KPI") by using quantitative methods and explains the measurement criteria, methods, assumptions and/or calculation tools, as well as sources of conversion factors used (if applicable) in respective sections. This Report discloses positive and negative information and presents the Bank's ESG performance during the reporting period in an impartial manner. This Report has been prepared in the same way as in previous years, and any changes that might affect meaningful comparisons with previous reports have been explained in respective sections.

05 Confirmation and Approval

This Report was deliberated and approved at the 47th meeting of the 8th Session of the Board of Directors of the Bank on 28 March, 2024.

02

About China Minsheng Bank

China Minsheng Banking Corp., Ltd. was formally established in Beijing on 12 January 1996. It is China's first national joint-stock commercial bank initiated and founded mainly by non-state-owned enterprises (NSOEs). The Bank was listed on Shanghai Stock Exchange (stock code: 600016) and Hong Kong Stock Exchange (stock code: 01988) in 2000 and 2009, respectively. The Bank has grown into a bank group providing commercial banking, financial leasing, fund management, global investment banking and wealth management services, with total assets exceeding RMB7.5 trillion, net assets exceeding RMB630 billion, more than 2,700 operating units and over 66,000 employees.





About China Minsheng Bank

Over the past 28 years since its establishment, China Minsheng Bank has been adhering to the mission of "Serving the public, caring about people's livelihood", focusing on the strategic positioning of becoming "a bank for NSOEs, an agile and open bank, and a bank with considerate services", insisting on market-oriented and differentiated development path, and strove to develop into a first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation, and realise its grand vision of becoming a time-honored bank.

In 2023, China Minsheng Bank stood at No. 22 in the Top 1000 World Banks released by *The Banker*, No. 329 in the Fortune Global 500 released by *Fortune*, No. 11 in the Top 100 Chinese Banks released by the China Banking Association, and No. 54 in China's Top 500 Private Enterprises published by the All-China Federation of Industry and Commerce.



IN 2023, CHINA MINSHENG BANK

No. 22

In the Top 1000 World Banks released by *The Banker*

No. 11

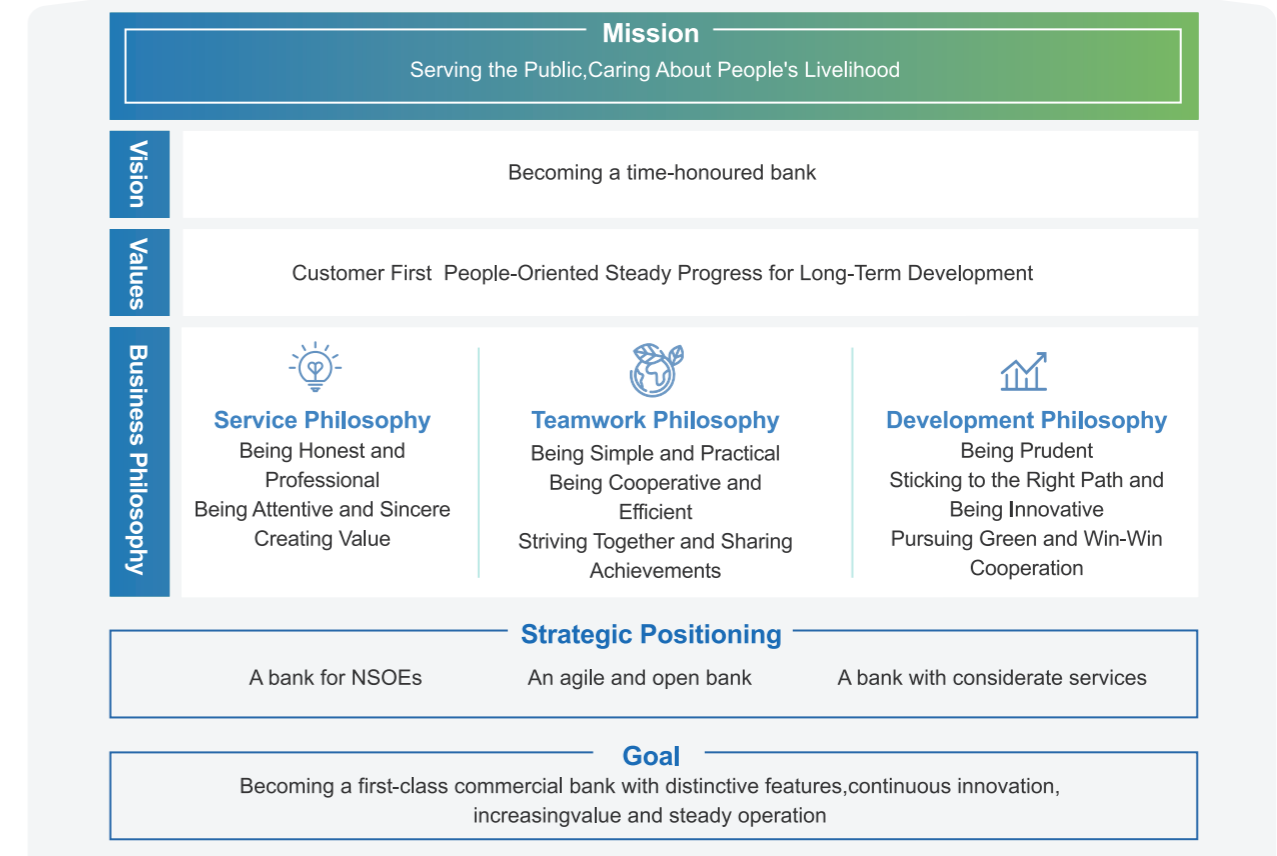
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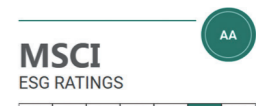


Cultural Structure of China Minsheng Bank



During the reporting period, the ESG practices of the Bank received extensive attention from government departments, authoritative institutions and mainstream media, and won a number of honours.

- With the annual ESG rating upgraded to AA (the highest rating in the domestic banking industry) by MSCI, an authoritative rating provider, the Bank became the first bank in China to achieve a leapfrog two-level upgrade in one year.
- The Bank was listed in "Top 100 Listed Companies in ESG Performance in China" by CCTV.
- Awarded "2023 Best ESG Practices of Listed Companies" by China Association for Public Companies.
- Selected into the "Comprehensive ESG Performance of Banks" ranking with AAA rating by China Banking and Insurance Media Company Limited.
- And was honoured as the "2023 Innovative and Excellent Institution of ESG Financial Service" by the *Chinese Banker magazine*.



03

ESG Governance

Committed to establishing a high-level ESG management system, the Bank constantly improved its ESG governance structure, strengthened the implementation of ESG philosophies and innovated ESG practices to fully integrate ESG into corporate governance and operation management, so as to continuously improve the level of ESG management.

The Bank signed the *Principles for Responsible Banking* (PRB), in an aim to further fulfil its social responsibility for sustainable development, promote the transformation and upgrading of operation management and high-quality development, and enhance the corporate value and brand image through actively meeting international standards for sustainable development.



ESG Governance Structure

Statement of the Board of Directors

The Board of Directors of the Bank paid high attention to ESG efforts, elevated ESG issues to an important position in corporate governance, and ensured to have ESG issues integrated into all aspects of corporate governance from all levels of decision-making, supervision and implementation. The Board of Directors comprehensively supervised the implementation of ESG policies and plans, continued to improve the ESG governance structure, regularly reviewed ESG reports, studied and discussed ESG issues, guided and supervised the management to carry out ESG-related works, reviewed progress on the ESG management targets, disclosed information in accordance with laws and regulations, and continued to improve the quality of ESG disclosure. The Strategic Development and Customer Rights Protection Committee under the Board of Directors is responsible for reviewing matters related to the performance of social responsibilities in economic, environmental and social and public welfare undertakings, evaluating and managing material ESG risks, and providing professional opinions and suggestions to the Board of Directors and following the implementation of policies and planning. Moreover, it supervises the implementation results and assists the Board of Directors to supervise the management to carry out ESG related work. The Bank has set up an ESG leadership team with Chairman as the team leader and President as the deputy team leader, and founded an ESG working group composed of relevant departments to advance ESG work from overall planning, coordinated promotion and implementation, respectively.

The Bank has advanced the ESG work from a strategic planning perspective, continued to improve the ESG governance structure and working mechanism, and continuously improved the high-quality sustainable development system. Fully understanding the effectiveness and progress of the

Bank's ESG work, the Board of Directors took the best practices of global peers as the direction of ESG work, and worked with the Senior Management to make improvements in financing environment impact, consumer rights protection, green finance, inclusive finance, and business ethics, and to set ESG management-related targets.



During the reporting period, the Bank continued to promote the implementation of the *Five-Year Development Plan for Consumer Rights Protection of China Minsheng Bank (2021-2025)*, the *Five-Year Development Plan for Green Finance Development of China Minsheng Bank (2021-2025)*, and the *Five-Year Development Plan for Inclusive Finance of China Minsheng Bank (2021-2025)*, and regularly listened to relevant work reports to continuously improve ESG quality and efficiency.

In March 2023, the Strategic Development and Customer Rights Protection Committee of the Board of Directors deliberated and approved the *2022 ESG Report of China Minsheng Bank*, proactively benchmarked against international best practices and fully demonstrated the Bank's ESG characteristics to the capital market. In July 2023, the Strategic Development and Customer Rights Protection Committee of the Board of Directors reviewed and approved the *2023 Interim Special Report on Sustainable Development (ESG) of China Minsheng Banking Corp., Ltd.* to continuously improve the professionalism and accuracy of ESG information disclosure.

ESG Management Strategy

2023 was the crucial year for implementing the "14th Five-Year Plan". The Bank took the *Five-Year Development Plan of China Minsheng Bank (2021-2025)* as the action plan for the transformation and development of the Bank in the future, actively promoted the integration of ESG concept into operation and management and constantly improved ESG governance while earnestly performing environmental responsibilities and creating social value.



In terms of environmental responsibility, focusing on the core strategy of improving green finance, the Bank adhered to green development and made full use of the financial leverage role to help achieve the goal of "carbon peak and carbon neutrality". The Bank prevented environmental risks by restricting credit placement to high-polluting and high energy-consuming industries, and expediting exit from enterprises with out-dated productivity. Focusing on energy saving and emission reduction, clean energy, carbon emissions trading, low-carbon technologies and green living, the Bank has built green financial ecosystems, upgraded the system of green financial products, and continued to increase strategic investment. Meanwhile, the Bank advocated green office, practiced green operation and promoted suppliers to implement environmental and social responsibilities through green procurement.



In terms of social responsibility, the Bank strengthened product innovation, increased the application of digital products, and optimised service quality while emphasising consumer rights protection, constantly improving customer experience and serving customers attentively. The Bank attached great importance to talent development and the protection of employees' legitimate rights and interests. Staying employee development-oriented, the Bank selected and employed talents in an accurate and scientific manner, strengthened the training and incentives for young talents, and provided them with broader spaces for learning and development, in an aim to help them realise their personal value. Moreover, the Bank actively undertook social responsibilities, practiced inclusive finance, supported rural revitalisation, continued to invest in public welfare undertakings, continuously strengthened communication with communities to support their development and thus create social value.









In terms of governance, the Bank continued to advance the integration of the Party's leadership and the corporate governance, constantly improved the corporate governance mechanism consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management, under which they would "perform their own duties, take responsibilities for themselves, coordinate operation, and strike effective checks and balances", actively practiced the modern corporate governance philosophy, and explored the corporate governance mechanism which reflected the Bank's unique characteristics. The Bank continued to improve its comprehensive risk management system, strengthened internal control and compliance management, effectively promoted the anti-corruption and anti-money laundering ("AML") compliance system, and constantly improved the mechanism of information disclosure, and promoted the establishment of a sound communication mechanism with the stakeholders.

Stakeholder Engagement

The Bank actively communicated with the stakeholders to understand and respond to their needs by establishing a long-term communication mechanism, and took their key ESG concerns as the direction of actions and the reference for disclosures in the reports. According to the *ESG Reporting Guide*, the Bank has set up different communication channels based on its own business characteristics and the characteristics of stakeholders to understand their main ESG concerns. The table below sets out the major stakeholders, their main ESG concerns and the relevant communication channels.

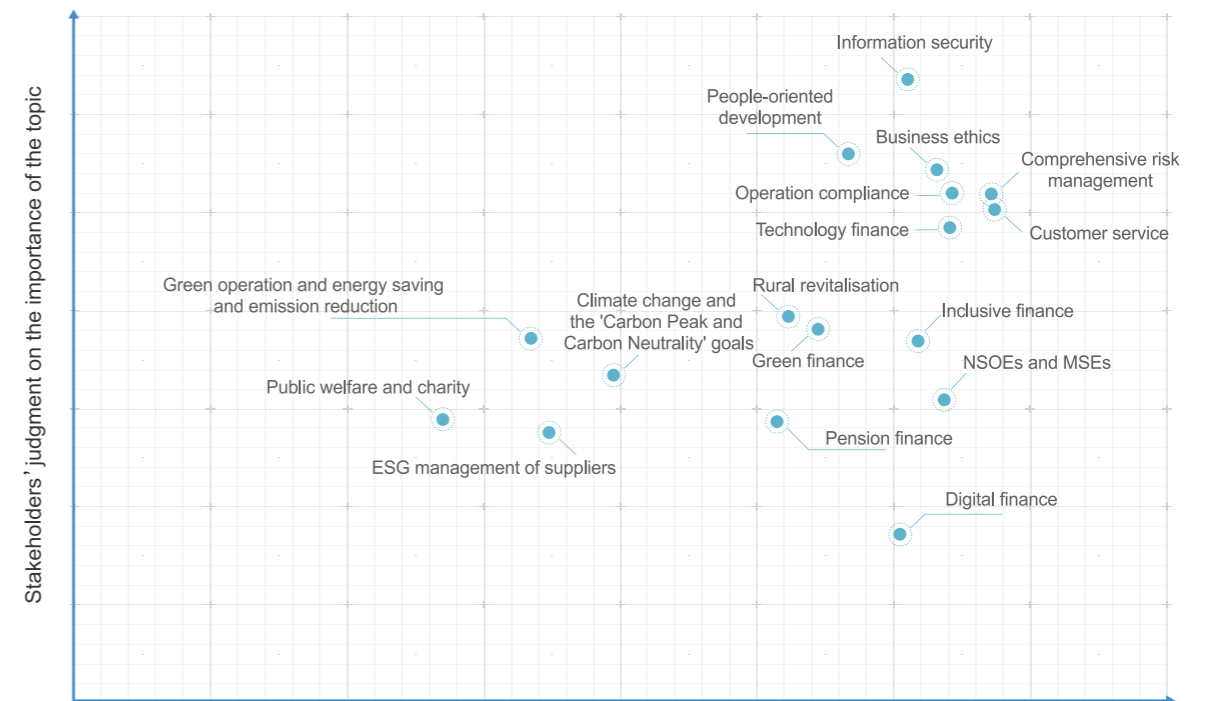


Major Stakeholders	Main ESG Concerns	Major Communication and Response Channels
 Government and Regulators	Green finance, climate change and the "Carbon Peak and Carbon Neutrality" goals, green operation and energy saving and emission reduction, rural revitalisation, NSOEs and micro and small enterprises (MSEs), inclusive finance, information security, people-oriented development, public welfare and charity and comprehensive risk management	Policy consultations, work reports, information disclosures, routine inspections, regulatory meetings, carbon verification
 Investors/Shareholders	NSOEs and MSEs, inclusive finance, customer service, technology finance, comprehensive risk management, operation compliance and business ethics	Shareholders' general meetings, information disclosures, regular announcements, investor hotline
 Customers	Green finance, climate change and the "Carbon Peak and Carbon Neutrality" goals, technology finance, information security, people-oriented development, comprehensive risk management, operation compliance and business ethics	Customer satisfaction survey, 95568 hotline, complaint at lobby, complaint by letters and visits
 Employees	NSOEs and MSEs, customer service, digital finance, technology finance, information security, people-oriented development, comprehensive risk management, operation compliance and business ethics	Employee representatives congress, employee activities, employee happiness index survey
 Community and NGOs	Green operation, climate change and the "Carbon Peak and Carbon Neutrality" goals, green operation and energy saving and emission reduction, rural revitalisation, inclusive finance, pension finance, customer service, technology finance, information security, people-oriented development, public welfare and charity, operation compliance, business ethics and ESG management of suppliers	Volunteer activities, community education, environmental protection actions
 Suppliers	Rural revitalisation, NSOEs and MSEs, pension finance, customer service, information security, comprehensive risk management, operation compliance, business ethics and ESG management of suppliers	Open bidding process, supplier reviews, supplier hotline

During the reporting period, to deeply and fully understand the feedback on the materiality of ESG issues of the Bank from internal and external stakeholders, the Bank conducted the questionnaire survey for stakeholders such as shareholders and institutional investors, customers, suppliers and employees to invite them to evaluate the materiality of ESG concerns from their own perspective. As the supplement to the feedback of daily communication channels, this questionnaire survey provided help and guidance for the assessment of the materiality of ESG concerns of the Bank.

Based on the *ESG Reporting Guide* and the concerns and suggestions of the Bank's Board of Directors, the management, employees and major external stakeholders, the Bank has identified and evaluated 17 important ESG topics (listed by importance):

"Information security", "Business ethics", "Comprehensive risk management", "People-oriented development", "Customer service", "Operation compliance", "Technology finance", "Inclusive finance", "Rural revitalisation", "Green finance", "NSOEs and MSEs", "Pension finance", "Green operation and energy saving and emission reduction", "Climate change and the 'Carbon Peak and Carbon Neutrality' goals", "Digital finance", "Supplier ESG management" and "Public welfare and charity". The content related to each topic are systematically described in this Report.



Impact on China Minsheng Bank
2023 China Minsheng Bank Important ESG Topics Matrix

Environmental Protection

04

Environmentally Responsible, Green Development for Ecosystem Protection

The Bank paid great attention to environmental protection and climate change, actively responded to the national initiative of building a beautiful China and proactively identified the potential risks and opportunities of policies related to "carbon peak and carbon neutrality", promoted the implementation of the green finance development strategy, and supported a green, low-carbon and circular economy. The Bank took green finance and ESG management as an important part and direction in its five-year development plan. The Board of Directors undertook the main responsibilities of green finance and actively deployed workforce on topics of green finance, climate risks and ESG management, reviewed strategic planning of green finance, regularly listened to execution reports on green finance, reports on ESG management and other key issues, and supervised the implementation.



About the Report

About China
Minsheng Bank

ESG Governance

Environmentally
Responsible, Green
Development for
Ecosystem Protection

Customer-First,
Considerate Services
for Win-Win
Cooperation

People-Oriented,
Promoting
Development with
Human Resources

Financial Welfare,
Minsheng's Care for
the Society

Steady Operation,
Enhanced
Compliance and
Risk Control

Focusing on Opportunities of "Carbon Peak and Carbon Neutrality" and Practising the Concept of Green Finance

Focusing on the main target of "cutting carbon emissions, reducing pollution, expanding green development and pursuing economic growth", the Bank implemented the national policy requirements for green finance, climate investment and financing, carbon emission reduction, clean and efficient utilisation of coal, equipment upgrading and transformation, and placement of mid- to long-term loans to the manufacturing industry. The Bank promoted the development of green finance and the layout of investment and financing, and increased credit placement in the field of green finance, in a bid to effectively serve the real economy and promote the high-quality and sustainable development of the Bank.

Sustainable Product and Service Innovation

The Bank actively supported the environmentally friendly financing demands, iterated the product system for sustainable development and green finance, and provided funding support for green development in all aspects.

Green finance brand building

In 2023, the Bank continued to build the system of green finance brands and products, strengthened priority to supporting clean energy, green infrastructure, green manufacturing and green transport, rolled out financial service solutions for the steel industry and comprehensive service solutions for the energy storage industry, and launched carbon allowance-based pledge loans and emission rights-based pledge loans.

Green product innovation

The Bank actively supported environmentally friendly financing needs, made breakthroughs in the businesses of green bonds and sustainable development-linked bonds to support project financing in the field of carbon emission reduction, jointly launched innovative products such as "Farmer Photovoltaic" to support low-carbon transformation of enterprises and farmers, and underwrote and issued the first targeted green carbon neutrality affordable housing bond.

Carbon trading product innovation

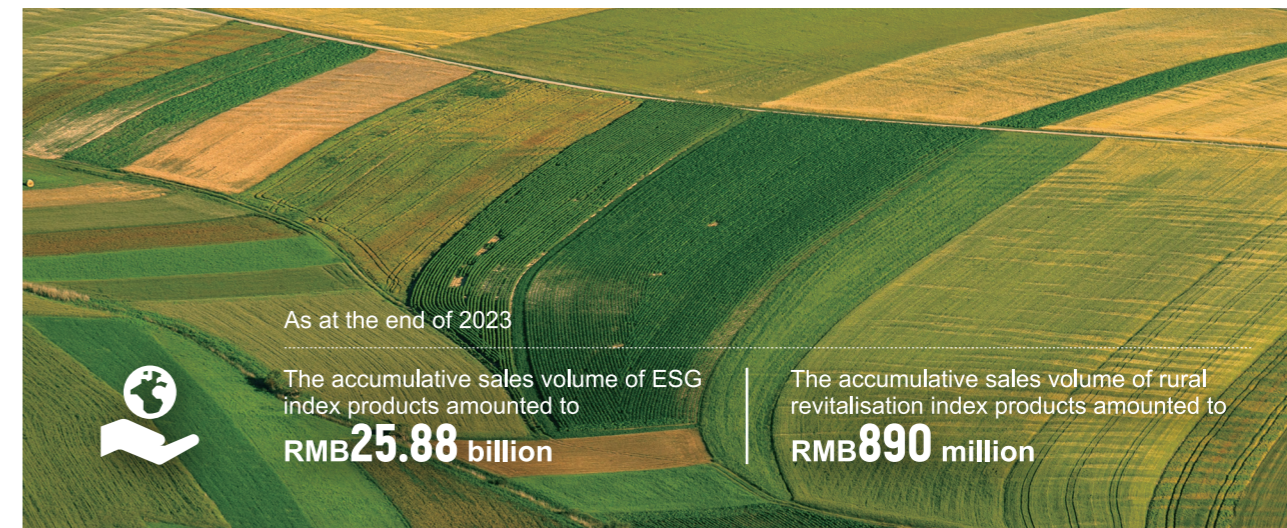
The Bank supported the innovation of carbon finance and environment-related equity products, revised the *Administrative Measures on Carbon Emission Rights-based Pledge and Guarantee of China Minsheng Bank*, and formulated the *Administrative Measures on Pollutant Discharge Right-based Pledge and Guarantee of China Minsheng Bank* to promote the standardised business development. Since the official launching of online trading in the national carbon market, the Bank has continued to strengthen comprehensive service innovation of carbon finance on the basis of carbon trading settlement services:

↑ The Bank continued to promote "Minsheng E-Carbon Loan", the first product of its kind in the industry targeted at micro, small and medium enterprises (MSMEs) jointly launched with the State Grid Yingda International Holdings Co., Ltd. In 2023, "Minsheng E-Carbon Loan" business was launched in 14 provincial regions in China, providing about RMB220 million loans to MSMEs in the upstream of the supply chain of the State Grid.

↑ The Bank innovated the model of carbon emission rights-based pledge loans, innovatively introduced carbon assets company of State Power Investment Corporation Limited to supervise and dispose of the pledged carbon emission rights on behalf of the Bank, and optimised the financing plan, thus effectively utilising the carbon emission allowance assets of enterprises.

↑ The Bank signed the *Strategic Cooperation Agreement* with China Beijing Green Exchange Co., Ltd., and the *Strategic Cooperation Agreement on Carbon Neutrality Finance* with Hainan International Carbon Emissions Rights Trading Center Co., Ltd., so as to deepen the strategic cooperation in carbon finance.

+ "Minsheng E-Carbon Loan" business was launched in **14** provincial regions in China, providing about **RMB220 million** loans to MSMEs in the upstream of the supply chain of the State Grid.



Research and development of ESG index series

The Bank continued to enrich the "Minsheng Bank ESG Index Series" and its related products, and innovatively developed the "Minsheng Bank Rural Revitalisation Index Series". The index series helped investors gain the investment returns of global sustainable enterprises on one hand, and indirectly invested in enterprises that are more environmentally and socially conscious on the other hand. "Minsheng Bank Rural Revitalisation Index Series" consists of "Minsheng Bank Rural Revitalisation Index" and "Minsheng Bank Rural Revitalisation Main-Category Asset Allocation Index". Of which, the "Minsheng Bank Rural Revitalisation Main-Category Asset Allocation Index" was the first asset allocation index themed with rural revitalisation in the market, covering stocks, bonds and commodities. It combined rural revitalisation with ESG concepts, fully considered the impacts of environmental, social and corporate governance factors on business operation, and guided the capital inflow into high-quality enterprises. As at the end of 2023, the accumulative sales volume of ESG index products amounted to RMB25.88 billion, and the accumulative sales volume of rural revitalisation index products amounted to RMB890 million.

CASE

Comprehensive Green Finance Services

To meet the ESG demands of the iron and steel industry enterprises, the Bank and the China Iron and Steel Association jointly organised the "Carbon Peak and Carbon Neutrality for Iron and Steel Giants - Press Conference on Financial Service Solutions of China Minsheng Bank for the Iron and Steel Industry's Low-carbon Transformation". The total production capacity of the iron and steel enterprises attending the conference accounted for more than 60% of the industry's total production capacity. The financial service solution for the green transformation of the iron and steel industry of the Bank focused on distinctive scenarios of the industry, and profoundly interpreted the significance of transformation towards green production, digital operation, clean energy, carbon rights utilisation, recycling innovation, and low-carbon logistics. The Bank empowered the green development of enterprises and helped iron and steel enterprises achieve green development and enhance ESG value in the three fields of "carbon free" from the source, "carbon reduction" during production and "carbon utilisation" in the following stages.



▲ Press Conference on Financial Service Solutions of China Minsheng Bank for the Iron and Steel Industry's Low-carbon Transformation

Green Finance Practices

The Bank always maintained the strategic determination of green development, continued to improve the green credit management system, and guided the credit resources to high-quality customers and projects in the field of green finance, as well as to key regions, industries, customer groups and products. In addition, the Bank vigorously developed the traditional businesses of project loans, working capital loans, syndicated loans, M&A loans and green bonds, and accelerated the development of innovative businesses, such as carbon finance, green consumer loans, green credit cards, green wealth management, and green funds. Moreover, the Bank also strengthened the prevention of ESG risks of the credit customers, so as to achieve high-quality and steady growth of the overall green credit business.



Steady growth in the scale of green credit

The Bank actively supported the credit projects of green credit and those in the six major green industries set forth in the *Green Industry Guidance Catalogue (2019)* issued by the National Development and Reform Commission. The Bank adopted differentiated management for high-polluting and high energy-consuming resource-based industries and those with overcapacity to promote industrial restructuring and upgrading.

As at the end of the reporting period

- The Bank's balance of green financing amounted to **RMB 316.138 billion**, an increase of **RMB 88.723 billion, or 39.01%**, as compared with the beginning of the year.
- The balance of green loans amounted to **RMB 264.241 billion**, an increase of **RMB 84.329 billion, or 46.87%**, as compared with the beginning of the year.
- The balance of green credit accounted for **6.16%** of the balance of all loans, up by **1.70%** as compared with the beginning of the year.

In this year's green credit self-evaluation of 21 major banks organised by the regulatory authorities, the Bank's ranking has risen significantly.

Conversion of Green Credit Energy Saving and Emission Reduction	2023
Conserved standard coal equivalent (in 10,000 tonnes)	401.33
CO ₂ emission reduction equivalent (in 10,000 tonnes)	807.53
Chemical oxygen demand reduction equivalent (in 10,000 tonnes)	38.10
Ammonia nitrogen emission reduction equivalent (in 10,000 tonnes)	1.13
Sulphur dioxide emission reduction equivalent (in 10,000 tonnes)	22.03
Nitrogen oxides emission reduction equivalent (in 10,000 tonnes)	25.33
Water consumption reduction equivalent (in 10,000 tonnes)	194.54

Active participation in green bonds

In 2023, the Bank actively implemented the national strategic deployments of financially supporting sci-tech innovation, promoting common prosperity and pushing forward green development through product innovation.



The Bank underwrote and issued 29 innovative debt financing instruments with total scale of **RMB12.24 billion**, of which, 11 were green development bonds with a scale of **RMB2.34 billion**. The proceeds were used for low-carbon and energy saving and other green projects. The Bank also helped 10 corporate issuers to develop in a green, low-carbon and sustainable manner. As at the end of the reporting period, investments in non-financial enterprise green bonds amounted to **RMB42.266 billion**, up by **28.77%**.

The Bank actively implemented the national strategy of "carbon peak and carbon neutrality" and widely participated in industry exchanges and standard-setting related to green finance. The Bank, together with industry associations and renowned organisations in the industry, such as the Asian Financial Cooperation Association, China Banking Association, the Green Finance Committee of the China Society for Finance & Banking, China Sustainable Investment Forum, and Asia Infrastructure Investment Bank, conducted exchanges and held seminars on business experiences, typical cases, and good practices with respect to green finance, climate risk management, ESG ratings, and transition finance. In addition, the Bank participated in the compilation of the teaching materials *Green Finance* for practitioners in the banking industry as well as the revision of the evaluation standards for green credit in the banking industry.

During the reporting period, the Bank won a series of honours and awards in the field of green finance, including "Advanced Unit in Green Bank Evaluation" by the Professional Committee for the Green Credit Business of the China Banking Association, the "Low-carbon Role Model of 2023" by the China News Service, the "Zero Carbon Future · Green Finance ESG Innovative Practice Cases" by the wallstreetcn.com, "2023 Innovative and Excellent Institution of ESG Financial Service" by the Chinese Banker, and "2023 Outstanding Green Finance Practice Bank" by The Economic Observer.

- Professional Committee for the Green Credit Business of the China Banking Association
Advanced Unit in Green Bank Evaluation
- China News Service
Low-carbon Role Model of 2023
- wallstreetcn.com
Zero Carbon Future · Green Finance ESG Innovative Practice Cases
- Chinese Banker
2023 Innovative and Excellent Institution of ESG Financial Service
- Economic Observer
2023 Outstanding Green Finance Practice Bank



Responding to Environmental Risks and Strengthening ESG Risk Management

The Bank included ESG risks and climate risks into its comprehensive risk management system, clarified the key points of evaluation and management requirements of ESG risks according to the characteristics of key industries in the whole process of credit management, and conducted regular monitoring, assessment, and evaluation.

ESG Risk Management Structure

The Bank's Board of Directors assumes the ultimate responsibility for comprehensive risk management. The Risk Management Committee of the Board of Directors is mainly responsible for reviewing or approving matters related to comprehensive risk management, regularly evaluating the Bank's risk policies, risk management and risk tolerance, and supervising the Senior Management's control of various risks, such as credit risk, operational risk, compliance risk, and climate and environmental risk.

The Bank attached great importance to the prevention of ESG risks to promote the development of green finance. The Bank formulated the *Administrative Measures on Green Finance of China Minsheng Bank ("Administrative Measures on Green Finance")* to clarify the Bank's green finance management system and the division of responsibilities and management requirements of the Board of Directors, the Senior Management, relevant departments and operating units.

Formulation and Issuance of the Administrative Measures on Green Finance of China Minsheng Bank

- Clarifying the green finance management system:
 - The Board of Directors undertakes the main responsibilities, and the Senior Management is responsible for organising the implementation.
 - The relevant departments take the lead in promoting three main areas of green finance: business support, risk management and their own performance.
 - The operating units at all levels are responsible for the implementation.
- Standardising the green finance-related works of the Board of Directors, the Senior Management and various departments, such as division of responsibilities, process management, internal control requirements, and data statistics.
- The Strategic Development and Customer Rights Protection Committee of the Board of Directors is responsible for reviewing the Bank's green finance strategies, the green finance goals set by and the green finance reports submitted by the Senior Management, and supervising and evaluating the implementation of the Bank's green finance strategies.
- The Risk Management Committee of the Board of Directors is responsible for the risk management related to green finance.
- The Compensation and Remuneration Committee of the Board of Directors is responsible for integrating the implementation of green finance into the performance evaluation of the Senior Management.
- The Audit Committee of the Board of Directors is responsible for green finance-related audits.
- Establishing the Green Finance Committee: The Green Finance Committee was established at the executive level with President as Chairman and all green finance-related departments as members. The Committee coordinates the Bank's green development and includes ESG concepts into the core values.
- Establishing the Carbon Peak and Carbon Neutrality Office: The Carbon Peak and Carbon Neutrality Office was established at the executive level and operated in conjunction with the Green Finance Committee to coordinate the implementation of carbon emission and carbon intensity policy requirements within the Bank, so as to ensure the achievement of the relevant strategic initiatives and goals.

ESG Risk Management System

01 The Bank paid close attention to ESG risk management.

The Bank paid close attention to ESG risk management, established a whole-process ESG risk management system covering all subsidiaries, operating units and business types (including investment and financing businesses). The Bank also established the multi-scope and three-dimensional ESG risk information collection mechanism between the parent bank and its subsidiaries, the Head Office and the branches, and internal collection and external third-parties. The Bank has clarified that in the processes of due diligence, compliance review, credit approval, contract management, fund appropriation and disbursement, and post-loan management, it shall implement regulatory requirements on ESG risks. The Bank strengthened ESG risk management of proposed credit and investment customers and projects, adhered to the "one-vote veto mechanism" for environmental assessment, continued

tracking and monitored, strengthened dynamic evaluation, risk exposure management and namelist-based management, and responded to changes in their ESG risks with corresponding risk mitigation measures and early-warning handling measures in a timely manner.



02 The Bank included ESG risks into the management of investment and financing businesses.



The Bank included ESG risks into the management of investment and financing businesses. Based on the industry and regional characteristics of customers and their projects, and the nature and severity of the environmental, social and governance risks facing them, the Bank required all operating units, relevant functional departments and business departments to implement the whole-process management of ESG risks and carry out dynamic evaluation in the processes of due diligence, compliance review, credit approval, contract management, fund appropriation and disbursement, and post-loan management. The Bank also implemented a namelist-based management system for customers with significant environmental (climate), social and governance risks and adopted targeted risk mitigation measures.

03 The Bank has launched the whole-process ESG risk management enhancement project.

During the reporting period, the Bank has launched the whole-process ESG risk management enhancement project to optimise key points of differentiated compliance review and content of pre-loan investigations for high-carbon industries, strengthen the collection, monitoring and analysis of data related to environmental and climate risks. Starting from the consideration for "E", the Bank has established ESG risk ratings for credit customers in key industries, optimised classified management, dynamic assessment and namelist-based management, and built an ESG evaluation model for key industries. By doing so, the Bank gradually embedded the ESG risk management requirements and evaluation results into the whole process of credit management including pre-loan, lending and post-loan in a standardised, structured and smart manner, and promoted the gradual embedding of ESG ratings and classified assessments into credit management systems.

Credit Policies for Segmented Industries



The Bank implemented the national green development and energy security strategies in a coordinated manner, hold on to the principle of "total volume control and structural adjustment", and implemented differentiated credit policies and the requirements on the orderly transformation of high-carbon industries. The Bank performed stress tests for industries with high carbon emissions, improved its risk prediction capability, and established the risk exposure and responding mechanism in a forward-looking manner. The Bank gradually reduced and withdrew from inefficient and outdated enterprises and production capacity in industries with "high pollution, high energy consumption, and excess capacity", and moderately increased support for areas such as energy conservation and carbon reduction, industrial upgrading, and safety and efficiency through a "whitelist" approach, so as to steadily promote the green transformation of credit structure and the "dual optimisation" of customers and assets.



The Bank formulated credit policies, credit granting guidance, environmental, social and governance risk assessment standards, and compliance review checklist for different industries. Based on the industry that the credit customers or projects belonged to, the Bank identified the corresponding ESG risks and differentiated the credit placement management and control for in industries with high energy consumption, high pollution and excess production capacity.



The Bank clarified differentiated credit granting strategies, access criteria and key points of risk control and other relevant requirements, and gave priority to supporting six major industries, including clean energy, clean production, energy conservation and environmental protection, ecological environment, green upgrading of infrastructure, and green services. In addition, the Bank formulated credit policies covering more than 50 key industries such as energy, transportation, agriculture, forestry, animal husbandry and fishery, mining, oil and gas, and raw materials, as well as key areas such as biodiversity conservation and rural revitalisation. With these efforts, the Bank continued to promote the green and low-carbon transformation of various industries, and further contributed to the high-quality development of the society and the economy.



Keeping abreast of national policies and regulatory requirements, the Bank regularly reviewed, promptly adjusted and continuously optimised the differentiated credit policies. The Bank prioritised the energy conservation and environmental protection industries in the credit policies and adopted differentiated authorisation. The Bank also actively supported the manufacturing of high-efficiency and energy-saving, environmentally friendly and resource-recycling equipment. Moreover, following the policy guidance of transition finance, the Bank strove to seize business opportunities of "energy conservation and efficiency enhancement" to step up the production technology upgrading and the energy conservation and environmental protection transformation of the industry with high energy consumption and high emissions.

As at the end of the reporting period

The balance of the Bank's loans to the energy conservation and environmental protection industries was **RMB45.577 billion**, accounting for **17.25%** of total green loans, while green loans to the clean energy industry, the ecological environment industry, and the green upgrading of infrastructure accounted for **21.35%**, **7.79%**, and **43.80%** of the Bank's green loans, respectively.



Prevention and Control of ESG Risks in Credit Policies for Key Industries

Credit policy related to energy



The Bank clarified the overall strategy, access standards and key points of risk control, and formulated differentiated credit policies in combination with the national carbon emission reduction supporting tools and the policy guidance on re-lending for clean and efficient utilisation of coal. The Bank actively supported clean energy, supported the financing needs of industry leaders and advanced enterprises in the traditional energy industries in areas, such as energy saving and carbon reduction, industrial upgrading, volume reduction and replacement, and M&A, and accelerated the exit from inefficient and backward enterprises and production capacity. It clarified that credit support would not be provided to projects involving ESG risks such as substandard environmental impact assessment and pollutant discharge, ecological protection and immigrant resettlement failure, and improper hazardous waste disposal. For example, hydropower projects were required to conduct immigrant resettlement and ecological protection programmes, and the sites should not be located in prohibited areas; thermal power projects should avoid the risk of rising environmental costs and the risk of replacement of traditional thermal power by rapidly developing new energy technologies; coking projects should guard against the risk of substandard environmental protection indicators and the risk of lacking of a *Pollutant Discharge Permit*.

Credit policy related to transportation



In terms of safety, energy saving and environmental protection, credit customers were required to comply with relevant national regulations and standards, establish an environmental protection and regulatory system appropriate for their scale of business and carry out environmental quality monitoring activities on a regular basis. For example, credit support should not be provided to storage and logistics enterprises and projects involving hazardous chemicals.

Credit policy related to agriculture and forestry



In the field of agricultural production, support was provided to the leading enterprises and high-quality enterprises in major crop production bases and green food production bases with industrialised operation, and the leading enterprises in the agriculture industry with scale advantages, brand effects and were in the list announced by the competent authorities such as the agricultural department. In the breeding sector, support was provided to the large-scale breeding enterprises that complied with environmental protection standards, and had integrated strict and complete epidemic prevention and control system and quality inspection and control system. In the fishing industry, support was provided to large-scale, intensive, sustainable, technologically advanced and highly demanded aquaculture enterprises with appropriate aquaculture resources. In the forestry industry, support was provided to government-led projects for tree breeding and afforestation with outstanding resource conditions, scale management capabilities, and prioritised support from national and local governments. In the agricultural and sideline food processing industry, support was provided to large-scale agricultural and sideline product processing enterprises in the top ranks of the sub-industries with advanced technology and equipment, complete industrial chains, stable upstream and downstream, and quality assurance and risk resistance against price fluctuations.

It was clarified that credit support would not be provided to the enterprises with potential food safety risks, unqualified production environments, unqualified safety production testing, and controversial media and public opinion.

Credit policy related to mining



It was clearly stipulated that credit customers should implement compliance procedures such as project establishment, environmental protection, pollutant discharge, safety and land; mining enterprises should obtain core licenses such as mining license, resource reserve verification report, mine manager's safety qualification license and civil explosives use permit; credit support should not be provided to mining enterprises included by the Ministry of Industry and Information Technology in the list of enterprises with backward production capacity, poor mining conditions and low quality.

Credit policy related to oil and gas



Credit support should not be provided to customers or projects with potential safety risks, substandard capacity scale and insufficient environmental protection.

Credit policy related to raw materials



It is clearly requested that credit customers that used coal or petroleum as raw materials should guard against environmental protection and pollutant discharge risks, and new credit should not be granted to enterprises with substandard environmental protection and high energy costs.

Credit policy related to biodiversity



In the annual credit policies, it was clearly required that the natural carrying capacity should be taken as the foundation, and prioritising protection and insisting natural recovery as the principle. Conventions such as the Convention on Biological Diversity, the Convention on Wetlands, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora should be followed. More financial support should be given to areas such as integrated protection and systematic governance of mountains, rivers, forests, fields, lakes, grass and sand, protection of wild animals and plants, fisheries, wetlands, natural reserves, in-situ and ex-situ conservation of biological diversity, major projects for biological diversity protection, protection and benefit sharing of biological genetic resources, and conservation of species and ecosystem diversity. The Bank incorporated biodiversity risk as an important risk category into the comprehensive risk management framework, established the biodiversity risk prevention and control mechanism at industry, region and project levels, considered biodiversity protection factors in the whole process of risk management and control such as credit access, paid close attention to the impact of relevant projects on biodiversity, identified and assessed ecological footprints arising from investment and financing activities, avoided and controlled relevant risks triggered by biodiversity factors, established risk mitigation measures, and comprehensively improved the governance, prevention and control of biodiversity risks.

ESG Risk Assessment Process

Identifying ESG risks in credit due diligence process



The Bank further clarified the credit investigation requirements for ESG risk at the beginning of credit application. It is required to specify in the investigation report whether the customer was involved in ESG risks, and the corresponding risk assessment should also be included. ESG due diligence includes but is not limited to: labour and working conditions, explosives and chemicals management, pollution prevention and control, community health and security, land acquisition and involuntary relocation, biodiversity conservation and sustainable management of natural resources, respect on minority cultures and customs, cultural heritage protection, environmental and social risks on the supply chain, and environmental and social risk assessment and management system of the applicant. In order to ensure an authentic investigation, in the process of ESG risk identification, the Bank conducted cross-validation and analysis of information from competent authorities, credit agencies, regulatory authorities, and other channels.

The Bank required that further environmental evaluation should be conducted for the comprehensive credit, project loans, and M&A loans granted to large and medium-sized customers in high-carbon industries. For example, the evaluation of enterprises impact on environment was required in the due diligence report for comprehensive credit granted to enterprises in the electrolytic aluminium and non-ferrous metal industries, and the analysis of the reliability and reasonableness in promoting environmental protection was required in the due diligence report for fixed-asset loans granted to enterprises in the electric power, coal, and petroleum refining industries. Based on the characteristics of high-carbon industries and the ESG risk evaluation model, the Bank formulated the ESG risk due diligence checklist for such industries, covering nine high-carbon industries, including thermal power generation, cement production, plate glass, petrochemicals and organic chemicals, steel, paper-making, non-ferrous metals, inorganic chemicals, and civil aviation, as well as non-high-carbon general industries.

For enterprises with outdated production capacity that failed to comply with the national industrial policies and enterprises that failed to meet the standards in terms of environmental protection, quality, safety, technology, and had significant environmental and social risks, the Bank clearly prohibited the admission of new customers, and reduced and withdrew from the relevant existing customers.



For socially and environmentally friendly enterprises, the Bank made full use of data-based tools to continuously improve the service efficiency through measures including simplifying process and providing sufficient authorisation.

Predicting ESG risks in credit review process



The Bank updated the key points of ESG compliance review for credit business, including the compliance document list and compliance risk review checklist, covering nine high-carbon industries and non-high-carbon general industries, and clearly required that the integrity, compliance and validity of customer (project) data should be reviewed one by one.

The Bank made clear requirements to review whether credit customers were classified into Class A, B and C according to ESG risks in the investigation report. In the event that customers were classified into Class A and B, it was required to review whether the "Dynamic Assessment of Customers' ESG Risk Management and Control" was uploaded, and review whether they met relevant requirements for credit granting based on the classification of customers. For applications that failed to meet the above requirements, the Bank implemented the "process returned" with review comments entered in the public credit risk system, and required operating units to further supplement and improve application materials.

The Bank prioritised support for the business belonging to the following three categories: the business in the "C Manufacturing" industries listed in the national standard industry category; the business that was identified as green financial business in accordance with the *Administrative Measures on Special Statistics of Green Finance of China Minsheng Bank*, and that was selected as "green finance" in the credit approval comment; and the business involving agriculture-related loans that met the *Administrative Measures on Special Statistics of Agriculture-related Loans of China Minsheng Bank*.

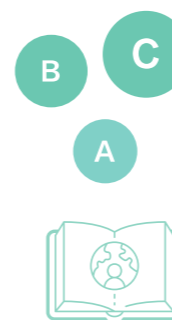
Assessing ESG risks in credit approval process



The Bank has successively formulated and distributed approval guidelines for green development areas such as power battery, energy storage industry, waste incineration for power generation and new energy vehicles, and encouraged branches to expand related businesses. For wind power generation and photovoltaic power generation that are more closely related to climate risk, it is required by the approval guidelines to consider the impact of the changes in the external environment and climate, conduct risk assessment of wind resources, the surrounding environment and solar energy resources, and formulate approval strategies. For example, the *Guidelines for Credit Approval of Photovoltaic Power Generation Industry* issued by the Bank stipulated that the approval process of photovoltaic power generation projects should focus on environmental protection-related issues.

The Bank implemented whitelist-based management mechanism for industries with excess capacity such as coal, steel and coal power, and strictly controlled the risks of industries with "high pollution, high energy consumption, and overcapacity". Customers with significant environmental and social risks should not be approved in principle during the approval process.

ESG risk escalation provision and process



In accordance with the *Guidelines on Green Finance for the Banking and Insurance Industries*, the Bank formulated the *Administrative Measures on Green Finance*. The Bank classified the ESG risks of customers into Class A, B and C based on the impacts of their business activities on the environment and society, adopted classified management, and conducted dynamic assessment and monitoring. In particular, Class A represents the highest level of ESG risks, meaning that the ESG risks of Class A customers can cause potential negative impacts which are difficult to be compensated or mitigated. If a customer's ESG risk level falls under Class A, then risk escalation management will be triggered, and such case will be transferred to the Head Office for centralised review and approval.

As at the end of the reporting period

The Bank rejected loan application of RMB5.678 billion from the businesses related to the industries with "high pollution, high energy consumption, and overcapacity".

CASE

Credit to An Enterprise in Industries with "High Pollution, High Energy Consumption, and Overcapacity" Rejected

- ▶ A cement group in the cement production industry, one of the industries with "high pollution, high energy consumption, and overcapacity", applied for M&A loans to the Bank. In the substantive review of the group, the Bank found that the production line to be acquired was highly energy-consuming and outdated, which did not meet the access criteria as stipulated in Bank's 2023 credit policies, and thus the Bank rejected the credit application.
- ▶ A chemical enterprise in the manufacturing industry of chemical raw materials and products, one of the industries with "high pollution, high energy consumption, and overcapacity", applied for comprehensive credit to the Bank. In the due diligence, the Bank found that both the applicant and the guarantor were engaged in the industries restricted by the national policies and the Bank's credit policies, and the products of both the applicant and the guarantor were restricted as stipulated in the Natural Gas Utilisation Policy, and the projects were strictly prohibited by the Bank's credit policies. Therefore, the Bank rejected the credit application.

Responding to Climate Change

The Bank fully implemented the national strategy of "carbon peak and carbon neutrality" and actively responded to the development opportunities and risk challenges brought by the environment and climate changes. Each year, the Bank analyses the opportunities and challenges brought by environmental and climate changes according to the latest situation of home and abroad and the national policy guidance, formulates credit policies for relevant industries to improve the key points of environmental and climate risk control, and seizes business opportunities to promote green and sustainable development. In 2023, the Bank placed RMB222.276 billion loans to support response to climate change, accounting for 84.12% of green loans.

2023
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Formulating climate risk management plan

In the *Five-Year Development Plan for Green Finance of China Minsheng Bank (2021-2025)* (the Five-Year Plan), the Bank has clearly defined initiatives and targets in six areas of climate risk management, including



In the implementation of the Five-Year Plan, the Bank actively responded to the development opportunities and risk and challenges brought by the environment and climate changes. Each year, according to the latest situation of home and abroad and the national policy guidance, the Bank formulates credit policies for relevant industries to improve the key points of environmental and climate risk control.

Clarifying climate risk management requirements

The Bank's Risk Management Committee of the Board of Directors deliberated on important matters of climate risk management and regularly listened to the Senior Management's reports on the risk preference, the implementation of risk strategies, and the rectification of the problems identified in the comprehensive risk assessment (including climate risk management). Upon review of the Board of Directors, the Bank integrated the response to climate change risks into the five-year plan for green finance, the annual risk preferences, risk strategies, credit policies and the basic rules for green finance management, and clarified the goals and the step-by-step implementation measures and relevant requirements of climate risk management. In terms of policies, the Board of Directors deliberated and approved the Administrative Measures on Green Finance, established and improved a green finance and environmental (climate) risk management policies, clarified the corresponding management process and responsibilities, and included the climate risk in the comprehensive risk management system. The Board of Directors emphasised the requirements on climate risk management in the Bank's annual risk preference statement, and further specified responding measures to climate risks in the annual strategy.



Clarifying annual climate risk management goals

The Bank formulated
The annual *Risk Appetite Statement of China Minsheng Bank*
The *Risk Management Strategy of China Minsheng Bank*
The *Credit Policy on Green Finance of China Minsheng Bank*

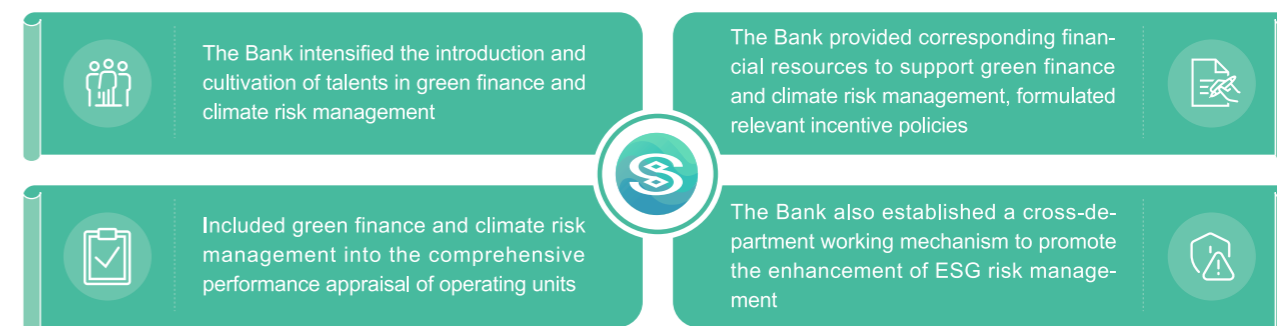
Clearly specifying the requirements for actively supporting green finance business, enhancing ESG capabilities, and improving environmental and climate risk management.



Climate risk sensitivity stress test

During the year, the Bank conducted two comprehensive self-evaluations on climate risk management in accordance with the *Guidelines on Green Finance for the Banking and Insurance Industries* issued by the former CBIRC and the *Principles for the Effective Management and Supervision of Climate-Related Financial Risks* issued by the Basel Committee. As at the end of the reporting period, the Bank conducted climate risk sensitivity stress test for two consecutive years to examine the impact of the low-carbon economic transformation on the Bank's asset quality and capital adequacy ratio. Under the mild, moderate and severe stress scenarios, the overall risk was controllable.

Providing corresponding resources for climate risk management



Paying attention to the forefront and trends of climate-related risks and opportunities

The Bank actively focused on ESG and climate-related opportunities and information related to ESG risk management and climate risk management. The Bank organised trainings themed with "green finance and environmental (climate) risk management", invited industry experts to introduce green finance-related trends and policies, as well as the Bank's green finance development goals, achievements, key initiatives and future plans to all Directors and the Senior Management.

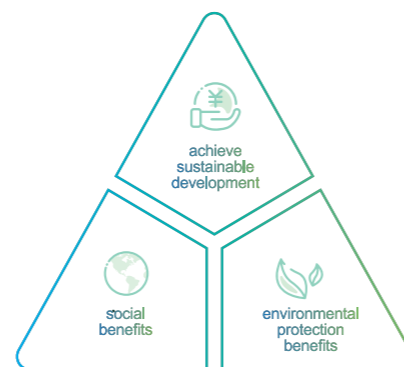
Implementing Green Operation and Promoting Low-Carbon Office

The Bank adhered to the concept of sustainable development with low carbon and energy conservation and emission reduction. On the basis of strictly abiding by relevant national laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, the Bank practised energy saving and emission reduction in multiple dimensions, enhanced employees' awareness of environmental protection, implemented various green office measures, and supported innovative green development.

Green Operation

The Bank made active efforts to implement national strategies on green development by formulating and implementing corresponding green operation policies. The Bank practised the philosophy of resource conservation and environmental protection in the whole process and all aspects of business operation, so as to attain an organic unity of economic benefits, social benefits and environmental protection benefits and achieve sustainable development.

In 2023, the Bank established a multi-dimensional green operation service system, continued to strengthen innovation of online, smart and digital product models, and explored and launched various paperless inclusive financial products. As a result, service quality and efficiency were continuously improved. Multiple high-frequency businesses, such as information maintenance of corporate customers, can be processed online by themselves, which helped realise the paperless provision of basic financial services and practised the concept of green operation.



Promoting and deploying new smart machines

By putting in place new smart machines with functions such as facial recognition, multi-dimensional identity authentication, multi-card reading, fast large-amount cash deposit and withdrawal, and bill authentication, the Bank enhanced the one-stop service conclusion rate for customers.

Moreover, the machines were equipped with new function scenarios such as purchasing "Assured Deposit" and maintaining personal information, as well as a few convenient functions such as speech recognition input. By doing so, the Bank is able to serve customers in an efficient manner while adhering to the philosophy of energy conservation and environmental protection.

Establishing intelligent bank experience stores for better smart services

As at the end of 2023 a total of **11** "intelligent bank experience stores" of the Bank were officially opened to customers

Which innovated the smart experience of customers in banking outlets in an all-round manner. The Bank created a financial ecosystem that integrated intelligent interaction, intelligent marketing, intelligent collaboration and intelligent companionship, built a window fully displaying the integration of innovative technologies and financial services, and continued to maintain a high level of customer influence and brand popularity.

Conducting centralised operation

The Bank continuously optimised operation model, carried out in-depth centralised business operation, comprehensively enhanced the level of centralisation, standardisation and digitalisation of businesses, and effectively eased the operation pressure of employees at outlets and saved customers' time for waiting. At the same time, customers can make quick self-service reservation, contact the processing staff with one click and view the business progress in real time, which effectively avoided customers' repeated visits and improved the service experience.

Promoting IT-based documentation

The Bank realised online management and usage of multi-category business files

Practically improved the operational efficiency of business development and internal and external inspections

Significantly reduced the usage of paper and relevant personnel travel

Practising green publicity

The Bank implemented green publicity management in offices, and set up vertical electronic advertising screens at all institutions, outlets and office areas. All internal advertisements, including brand image promotion videos, business promotion videos, video clips, posters, roll up banners, print advertisements and other promotional materials, were released through this channel.



Green Office

The Bank has been adhering to green office, reduced energy resource consumption, and actively fulfilled its environmental responsibilities. The Bank strictly followed the national and local *Design Standards for Energy Efficiency of Public Buildings* to carry out the development of green bank. The Bank revised the *Guidelines for Decoration and Design of Office Areas of China Minsheng Bank*, thoroughly implemented the concepts of green, energy-saving, and environmental protection into the construction of offices and business outlets, and reduced resource consumption and emissions and discharges of greenhouse gases, waste water, household garbage and hazardous wastes. Three regulations including the *Administrative Measures on Energy of China Minsheng Bank*, the *Administrative Measures on Energy Conservation of China Minsheng Bank* and the *Administrative Measures on Green Office of China Minsheng Bank* were issued to promote energy saving management and improve energy utilisation efficiency. During the year, the Bank continued to strengthen the energy conservation management and promote the technology transformation for higher energy efficiency.



Site design

The Bank required that new office buildings should retain and utilise, to the maximum extent, existing resources to minimise damage to the environment of the sites.



Building material

The Bank required that the main materials for office buildings and main functional areas of business lobbies should use aluminium plates, stainless steel plates, luxury vinyl tile (LVT) flooring and other hard, inorganic, materials with good environmental compatibility.



Lighting system

The Bank required that the lighting in the foyer, front rooms and public walkways should use sound and light controlled time-delayed self-extinguishing switches, or smart lighting control systems with zoning and grouping. The light source should mainly be light-emitting diodes (LED) lamps.

In 2023, the Bank adhered to the concept of green development and adopted active measures for energy conservation and emission reduction.

In the office area, the Bank replaced the straight tubular fluorescent lamps with LED lamps, saving **15.60 tonnes of standard coal** per year. The Bank also used energy-efficiency transformers, saving **1.74 tonnes of standard coal** per year.

In the data centre in Shunyi District of Beijing, the Bank renovated air conditioners for energy conservation, saving **9.81 tonnes of standard coal** annually.

The Bank comprehensively implemented the strategic positioning of "an agile and open bank", encouraged flexible working and scheduling, and actively promoted the online meeting model. During the year, the Bank promoted the collaborative office platform of "iMinsheng" throughout the Bank, replaced more than 140 paper-based approval processes by online agile management, and built thousands of smart management applications based on multi-dimensional forms. This effort not only saved paper, but also significantly improved online work efficiency.

During the reporting period

The Bank held a total of **272,710** online conferences

Including
270,924
"iMinsheng"
video conferences

1,786
integrated
video conferences

The Bank continuously improved its energy management and achieved remarkable results in this field. The Bank has completed the three-year green creation programme since its launch in 2021.



During the year, the Bank finished the second round of supervision and review for the green creation programme, and was awarded the certificate of "Green Creation Promotion Organisation" jointly issued by Beijing Social Enterprise Quality Association, Beijing Energy Association and Beijing Society of Environmental Science.

The Bank advocated thrifty and opposed extravagance. By publishing initiative letters, setting up rolling bulletin boards, and putting up posters, it strengthened publicity and education to cultivate good habits of resources saving of employees. During the year, the Bank launched the event of Energy Conservation Promotion Week under the theme of "Joint Efforts for Energy Conservation and Carbon Reduction". The event encouraged employees to consciously practise garbage classification, the empty-plate campaign and green travel, thus promoting a green lifestyle and rational use of energy. The Bank used municipal pipeline waters, and had no issues in obtaining appropriate water sources.

Joint Efforts for
Energy Conservation
and
Carbon Reduction

Improving institutional construction

The Bank proactively operated its business in accordance with administrative measures on energy, green office and energy saving, and enforced relevant incentive mechanism and rewarding and punishing mechanism.

Controlling fixed assets

The Bank carried out whole-process management and control over its fixed assets in terms of purchase, use, storage, maintenance, allocation, inventory, disposal and recovery, and extended recycle period of fixed assets as long as possible through repair and maintenance, and promoted the recycling of discarded office premises to improve the efficiency of use and reduce waste of resources.

Saving water

The Bank strengthened the daily maintenance and management of water equipment, overhauled water supply facilities frequently, repaired problems detected in a timely manner, and designated personnel for regular observation and quantitative analysis.

Managing vehicles

The Bank strengthened the daily management of official vehicles by "refuelling the vehicle with an exclusive fuel card". The Bank also reinforced energy control by setting energy conservation and consumption reduction as an important indicator for appraisal. The Bank maintained vehicles on a regular basis, reduced abnormal wear and tear of components, and provided regular fuel-saving training to drivers.

Stopping catering waste

The Bank put a firm stop to catering waste in response to the initiative of "empty-plate campaign" by putting up banners with the slogan of "stopping catering waste and practising empty-plate campaign" and strengthening the publicity and guidance of "dining on demand with light amount for a few times". In this way, the Bank created a good atmosphere of "shame on wasting and honour on saving". The Bank also designated personnel to remind employees of this initiative and monitor its implementation, thereby resolutely putting an end to the "waste in every bite".

Saving paper

The Bank made full use of the OA system to publish notices and announcements and to submit administrative, financial, HR, fixed assets and other matters for approval, in an aim to strictly control the amount of paper documents printed or copied. The Bank encouraged double-side print or recycled use of office paper, and drafts to be made on the other side of single-side printed waste paper or to be revised or read on the computer. As a result, the annual use of office paper decreased by 13% over the last year.

Saving electricity

The Bank required to reduce standby consumption for automatic equipment including computers, printers and copiers, and to switch them off in a timely manner when not in use for long time and after work. The Bank put a strict ban to the use of high-power consumption materials by purchasing energy-saving lighting facilities to reduce their power consumption. The Bank also turned off lighting facilities in public areas at the scheduled time after work every day or when the office area is not occupied. The Bank controlled the indoor temperature at around 25 degrees Celsius when using central air-conditioning to reduce energy consumption, and cleaned air conditioners regularly to improve their energy efficiency. Besides, the Bank designated personnel to check whether electric equipments in the office area was switched off before holidays.



Environmental Goals

Goals for energy saving and carbon reduction

The Bank has established and effectively operated the energy management system, and passed the energy management system certification.

The Bank has continued to strengthen the energy saving management of the whole bank to reduce energy consumption through energy saving technology transformation projects. As a result, the Bank has reached the goal of reducing carbon dioxide emissions. Next, the Bank will increase the use of green power, continue to advance green creation programme at the Head Office, and actively cooperate with the relevant work of the Green Finance Committee of the Bank for sustainable development.

Goals for waste reduction

The Bank's 2023 water saving goals have been achieved.

Since 2018, the Bank has been fully implementing garbage classification and recycling. In 2024, the Bank will continue this practice, standardise hazardous waste disposal, ensure 100% compliant disposal of hazardous waste, and strive to reduce the purchase of bottled water by 10% as compared with the corresponding period of the previous year.

Goals for water saving

The Bank's 2023 waste reduction goals have been achieved.

In 2024, the Bank will continue to vigorously publicise the national water conservation action plan and carry out relevant national campaigns in depth, so as to establish the awareness and develop the habit of saving water of all employees. The Bank will keep on promoting spontaneous water-saving to reduce the waste of water resources.



Environmental Performance Indicators

◆ Emissions ◆

Indicator ^{1, 2}	2023
Exhaust emissions (in tonne) ³	0.33
Nitrogen oxides (in tonne)	0.31
Sulphur dioxide (in tonne)	0.02
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne) ⁴	65,968.81
Direct emissions (scope 1) (in tonne)	7,641.34
Natural gas (in tonne)	4,433.21
Coal gas (in tonne)	19.98
Diesel (in tonne)	60.23
Gasoline (in tonne)	3,127.92
Indirect emissions (scope 2) (in tonne)	58,327.47
Electricity purchased (in tonne) ⁵	58,327.47
Greenhouse gas emissions per unit area (scope 1 and scope 2) (in tonne/m ²)	0.05

Notes:

- The statistical scope of environmental performance indicators only covers the office buildings of the Head Office and the headquarters of 42 tier-1 branches.
- The office area used for calculating the intensities of emissions, energy consumption and wastes only covers the office buildings of the Head Office and the headquarters of 42 tier-1 branches.
- Based on the Bank's business nature, exhaust emissions mainly refer to emissions from the Bank's vehicles, comprising mostly nitrogen oxides and sulphur dioxide.
- Based on the Bank's business nature, greenhouse gases (GHGs) emissions arise mainly from purchased electricity and fossil fuel combustion. GHGs include carbon dioxide, methane and nitrous oxide. GHGs are measured in carbon dioxide equivalents and counted based on the *2021 Baseline Emission Factors for Regional Power Grids in China* issued by the Ministry of Ecological Environment of the People's Republic of China and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* issued by the Intergovernmental Panel on Climate Change (IPCC).
- The GHGs emissions of Hong Kong Branch are counted by conversion factors provided by local power company.

◆ Energy and Water Consumption ◆

Indicator	2023
Energy consumption (in MWh) ¹	132,166.03
Direct energy consumption (in MWh) ²	35,827.39
Natural gas (in MWh)	22,672.09
Coal gas (in MWh)	148.61
Gasoline (in MWh)	12,777.62

Diesel (in MWh)	229.06
Indirect energy consumption (in MWh)	96,338.65
Electricity purchased (in MWh)	96,338.65
Energy consumption per unit area (in MWh/ m ²)	0.11
Water consumption (in tonne)	760,259.42
Water consumption per unit area (in tonne/ m ²)	0.62

Notes:

- Energy consumption of the Bank mainly refers to natural gas, gasoline, diesel, coal gas and electricity purchased.
- Energy consumption is calculated based on the amount of electricity and fuel consumption and the conversion factors provided in the General Rules for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).
- Based on the nature of the Bank's products and services, packaging for finished products is not applicable for the Bank.

◆ Waste Management ◆

Indicator	2023
Total hazardous waste (in tonne)	202.24
Waste lead-acid accumulators (in tonne)	172.00
Hazardous waste consumables (in tonne) ¹	30.24
Hazardous waste unit area (in tonne/m ²)	0.0002
Total non-hazardous waste (in tonne) ²	24,224.32
Domestic waste (in tonne)	19,579.84
Canteen waste (in tonne)	4,317.90
Office equipment waste (in tonne)	183.03
Electronic consumables waste (in tonne)	4.40
Electronic products waste (in tonne)	87.41
Security equipment consumables waste (in tonne)	44.98
Security products waste (in tonne)	6.76
Non-hazardous waste per unit area (in tonne/m ²)	0.02

Notes:

- Hazardous waste consumables, including toner cartridges, carbon powder and cartridge, purchased by the Bank, are calculated based on the data in the purchase list provided by the supplier.
- Domestic waste and canteen waste among the non-hazardous waste are counted according to the data provided by garbage collection and transportation companies. Office equipment waste includes discarded or disposed office supplies (with fixed asset serial numbers) such as desks, chairs, bookcases and file cabinets, and is counted based on the actual scrapping each year. Electronic consumables waste includes U disk, consumables for teller's machine, mobile hard disk, mouses and keyboards, and is counted according to the data in the purchase list provided by the supplier. Security equipment consumables waste, including fire extinguishers, walkie-talkies, and glare flashlights purchased by the Bank, are counted based on the data in the procurement list provided by the supplier. Security products waste includes access control and monitoring equipment, (with fixed asset serial numbers) discarded or disposed of by the Bank, and is counted based on the actual scrapping each year.

Social Responsibility

05

Customer-First, Considerate Services for Win-Win Cooperation

Based on the strategic positioning of becoming "a bank for NSOEs, an agile and open bank, and a bank with considerate services", the Bank gave full play to the characteristics and advantages in serving NSOEs and micro, small and medium enterprises (MSEs), fully supported the development of the real economy, and propelled sectors of inclusive finance, pension finance, sci-tech finance and digital finance. Moreover, the Bank continued to explore and innovate business models, improved service capabilities and sped up the all-round digital transformation, while striving to provide customers with digital, professional and comprehensive financial services and developing into a first-class commercial bank with distinctive business, continuous innovation, growing value and sound operation.



About the Report

About China Minsheng Bank

ESG Governance

Environmentally Responsible, Green Development for Ecosystem Protection

Customer-First, Considerate Services for Win-Win Cooperation

People-Oriented, Promoting Development with Human Resources

Financial Welfare, Minsheng's Care for the Society

Steady Operation, Enhanced Compliance and Risk Control



Improving Accessibility of Financial services

Improving Offline Financial Service Capability

The Bank continued to improve the accessibility of offline financial services by adopting key measures such as optimising the layout of outlets, setting up more community outlets, further deploying electronic equipment and devices, and promoting banking services in villages and towns, so as to promote the full penetration and optimisation of financial services.



Optimising the layout and coverage of outlets

To ensure that financial services reach more underdeveloped areas and further expand the coverage of financial service channels, the Bank consistently optimised the layout and coverage of its community outlets. During the reporting period, the Bank had a total of **147 branch-level institutions**¹ and a total of **2,459 sub-branch outlets**, realising full coverage of provinces, autonomous regions, municipalities directly under the Central Government and cities specifically designated in the state plan.

In terms of offline channel construction, by deploying 3,070 sets of self-service equipment, the Bank continued to fill the blank layout of outlets in emerging urban areas, complete the offline sales network, and improve customer service accessibility.

Realising the full coverage of financial services

The Bank possessed the largest and most widely distributed community outlets among other banks in China. As at the end of the reporting period, the Bank established over 1,200 community outlets in 132 cities across the country. In pursuit of services covering the "last mile", the Bank provided convenient, beneficial and favourable financial services at its community outlets. These outlets were positioned as important places for the Bank to practise inclusive finance and serve customers, especially the elderly and new citizens.

Strengthening the deployment of hardware equipment

The Bank developed and cooperated with merchants in rural areas, and set up farmer-benefiting service stations in accordance with the principle of "consultation and cooperation, merit-based development, and risk under control". It installed electronic equipment and devices, including but not limited to POS terminals, intelligent terminals, self-service inquiry machines and other hardware and software equipment, and provided customers with basic financial services, such as rural aid withdrawal, cash remittance, transfer, transfer of demand deposits to time deposits, and balance inquiry, in villages and towns and rural areas without banking outlets, and continued to promote services that benefiting farmers.

As at the end of the reporting period, there were 52 contracted rural aid bank card withdrawal service stations, serving more than 24 thousand customers.

Pushing rural banks to serve rural revitalisation

Since September 2008, the Bank has invested a total of RMB1.427 billion to set up 29 rural banks, continuously pushed the rural banks to stay true to their service origin, and tap into the county-level markets, so as to serve agriculture, rural areas and farmers, and boost rural revitalisation. Besides, the Bank urged the rural banks to strengthen comprehensive risk management and improve management competence and quality of development, thereby achieving good social benefits and operational benefits.

As at the end of the reporting period

The Bank's rural banks had a total of assets of RMB42.281 billion	Total deposits of RMB36.180 billion	Balance of loans of RMB26.218 billion	And served 590.2 thousand customers of various kinds.
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¹ Including 42 tier-1 branches (excluding Hong Kong Branch) and 105 tier-2 branches (including remote sub-branches).

Optimising Online Financial Service Channels

The Bank focused on the development of eco-bank and intelligent bank, iterated open bank and remote bank, and facilitated the scenario application of e-CNY, thus providing more efficient and convenient online services to customers.

Actively expanding the customer service channels in ecosystem-based business scenarios

The Bank collaborated with leading e-commerce platforms, cross-border e-commerce platforms, supply chain enterprises as well as automotive manufacturers to deeply integrate financial services with daily life and business scenarios, thus providing customers with comprehensive services of higher quality and more convenience.



During the reporting period, the Bank has established fully online scenario-based credit granting cooperation with Alibaba, Ant Group, WeBank, Meituan, Baidu and other leading internet platforms, and has increased over RMB tens of billions new credit, and served nearly one million small business customers, thus achieving favourable social benefits.

Innovating and iterating the online retail platform

The Bank innovated and iterated the retail online platform by focusing on digital and smart services, featured and differential services, companion services and improvements in user experience and security. To cater for the needs of the retail customer group, the Bank has developed various versions of mobile banking App, such as standard version, small business version, private banking version, the elderly version, parent-child version and rural revitalisation version.

Upgrading the online corporate service platform

Concentrating on the goal of "improving basic products, enhancing service efficiency and expanding ecosystem-based business scenarios", the Bank continuously upgraded the online corporate service platform, optimised settlement services that were frequently used by customers, launched refined services, and constantly enhanced the compatibility and usability of the systems.

Strengthening the coordinated management of account services

The Bank enhanced the levels of "specialisation", "intelligence" and "centralisation" in account services. The Bank has launched a platform for unified due diligence of corporate customers to achieve online centralised management of due diligence. The Bank also optimised customer experiences by improving online service capabilities for basic account-related functions such as changing personal account information and adjusting online banking limit. In addition, the Bank enhanced the comprehensive services of "accounts + products" by offering product portfolio including E-Account Opening + Tax and Fee Express, Electronic Bill Discounting, and Business Finance Express, so as to improve the comprehensive services provided to customers.

Providing more convenient services of small business finance

The Bank has released the 3.0 version of "Minsheng Small Business App" to provide one-stop services to customers. The App supports the handling of individual and corporate business, adds new functions such as to-do task management and self-service invoicing, and allows for remote financial approval and automatic review of invoices and contracts. It also enables self-certification for credit limit increment, online convention of shareholders' meetings and remote account manager services, which greatly simplified customer operations and realised more convenient and efficient service experience.

As at the end of 2023

The number of subscribers of the Minsheng Small Business App exceeded **1.69 million**

The amount of loans disbursed surpassed **RMB 360 billion**

Facilitating Special Groups to Access Financial Services

For special groups without convenient access to financial services, in accordance with the *Construction Scheme on Barrier-Free Service for Financial Mobile Application Software* issued by the People's Bank of China and the related standards, the Bank continued to strengthen the construction of elderly-friendly and barrier-free service facilities at its outlets. The Bank developed mobile banking Apps for different groups of people and took advantage of community grid-based services to optimise financial and non-financial products and services for special groups.

● Caring about new citizens' demand for insurance



● Paying careful attention to the demand of people with disabilities



The Bank explored to provide remote video interpretation services for people with hearing loss at the outlet lobby. To facilitate face-to-face communication with them at the lobby, the Hangzhou Branch piloted the "Digital and Intelligent Platform for Sign Language Interpretation", through calling a professional sign language interpreter via the PAD at the lobby, to assist people with hearing loss better communicate and express their needs for financial services. The Bank has received high praise for this heart-warming service. The Bank further upgraded the barrier-free services on its Mobile Banking 8.0. To settle the login issue encountered by people with visual difficulties who were unable to recognise the graphic or slider and then may fail to pass the authentication, the Bank adopted targeted solutions to the problem by proceeding authentication with the SIM card when the barrier-free service model is activated. At the same time, the Bank introduced the text-to-speech reading function on the Mobile Banking 8.0, providing huge convenience to those with visual difficulties.

● Iterating dedicated services for the elderly



- The Bank strengthened the construction of service facilities for elderly people at outlets by setting up exclusive "green channel" or "help window" and providing elderly-friendly facilities such as reading glasses and courtesy seats at the lobbies.
- The Bank introduced a variety of new smart devices with multiple functions. These devices can easily detect elderly customers, transfer calls by one click, and ask if they need customer assistance and automatically connect to the remote customer services, thus providing reliable support for business processing by the elderly.
- Moreover, the Bank upgraded the elderly-friendly mobile banking to provide elderly customers with premium services by virtue of improved functions, visual effects and interaction.
- The Bank set up a hotline service system exclusively for the elderly group, which can intelligently recognise elderly customers and transfer them directly to staff service.
- The Bank took advantage of community grid-based services to optimise financial and non-financial products and services for the elderly, and provided low-risk product portfolio strategies including the time deposit product of "Assured Deposit", structured deposit, and steady and fixed-income wealth management. The Bank also provided detailed answers to their questions about financial products, and organised various cultural activities to help them enjoy high-quality life.

Upgrading the Elderly-Friendly Mobile Banking App



The Bank made the visual design of the App more suitable for the elderly group with larger fonts and menus on the full screen. The functions frequently used by the elderly are selected and displayed in different sections such as financial services, convenient tools, benefits redemption, and topic zone. This design is visually friendly to the elderly and meets their psychological demands.

The Bank made the financial services more convenient by bringing frequently-used account functions, such as overview of assets, account inquiry and fund transfer, to the homepage. The Bank also added elderly-exclusive deposit products and selected funds, wealth management and insurance products, and enabled the search for full range of products for sale on the App. In addition, the Bank made the version switch button more apparent and clearer for smoother use.



The Bank provided more comprehensive companionship and care. In addition to various financial services, the Bank added an "smart companionship" section to provide elderly customers with one-click access to services through a range of instant contact channels such as customer service hotline, remote banking and corporate Weixin. The Bank also set up a zone for topics of interest for the elderly customers, offering courses on financial fraud prevention, health and wellness, photography, etc., so as to deliver care for their lives.

The Bank launched the function of smart voice to provide convenience for the elderly group, who can search for and access services by speaking to the voice assistant on the mobile banking App.



The Bank enhanced the security service experience by introducing the secure account functions to cater security needs of elderly customers, which included security mechanisms such as Night Lock, Quick Payment Lock, Cross-border Transaction Lock, Frequently Used Location Lock and Limit Lock on the App.

Serving Customers Considerately

Inclusive Finance Services

The Bank actively implemented the national macro strategic deployment and regulatory policy requirements and firmly practised the deployment of inclusive finance as one of the "five major sectors", namely sci-tech finance, green finance, inclusive finance, pension finance, and digital finance, which was proposed at the Central Financial Work Conference in 2023. In accordance with the *Five-Year Development Plan for Inclusive Finance of China Minsheng Bank (2021-2025)*, the Bank continuously improved the systems and mechanisms of inclusive finance to broaden and deepen inclusive finance services. The Bank promoted the innovation of products and services, and opened up online and offline channels to enhance the service capacity of inclusive finance.

During the reporting period, the Bank has deeply implemented inclusive finance in the following aspects:

Improving systems and mechanisms

The Bank gave full play to the coordinating function of the Inclusive Finance Management Committee, coordinated the thorough implementation of its inclusive finance development plan, and increased input in credit policies, assessment management, special incentives and team building. Inclusive finance committees were also set up at tier-1 branches to promote their management and development of inclusive finance business.



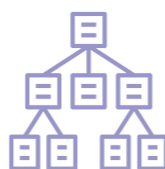
Promoting product and service innovation

The Bank enriched the portfolio of inclusive credit products by launching online credit products such as the unsecured and secured loan products of Minsheng Benefits under the mode of active credit granting and smart decision-making. The Bank devised the "Honeycomb Plan" to facilitate batch acquisition of customers with regional characteristics, and developed online agriculture-related products with multiple models of the Digital Agricultural Loan Express, in an aim to focus on in-depth management of the inclusive finance customer group and enhance the service capacity of inclusive finance.



Enriching online distribution channels of products on mobile devices

By setting up exclusive financing channel entrances entitled "I am a MSE", "I am a farmer", "I am self-employed" and "I am a sci-tech innovation enterprise", the Bank supported various segmented customer groups such as individuals, legal persons, loan account holders and settlement account holders, enabled multi-channel online access, and created multi-product and all around distribution channels covering loans, settlements, assets, inclusive credit cards and pensions.



As at the end of the reporting period

the accumulative amount of inclusive small business loans reached RMB698.295 billion. The practice of "Minsheng Benefits Unsecured Loan Serves Small Businesses" won the "Innovative Model Award" in the selection of outstanding cases of inclusive finance in 2023 by People's Daily Online.

Pension Finance Services

The Bank has been committed to meeting the practical needs of the silver-haired group, expanding its service areas, actively innovating pension financial products and services, and providing sound, dedicate and practical supports to the pension finance sector. Focusing on the two major areas of preparation for elderly care and elderly care, the Bank combined personal retirement plans for the customer group preparing for elderly care with the exclusive service of "Minsheng Enjoyment" for the elderly care customers and integrated financial and non-financial services, to focus on the demands of customers for elderly care that might last for decades, and build up a pension finance service system to offer elderly care solutions.

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Branding pension finance products and services

The Bank launched the service brand of "Minsheng Enjoyment" that focused on the needs of elderly customers. Considering their financial and non-financial demands, the Bank divided services for them into seven segments, optimised exclusive products, and provided exclusive rights and benefits, as well as distinctive activities and other business-related scenarios, so as to establish the brand image for pension finance and provide more suitable products and services for elderly customers.

Safeguarding customers' rights and interests

In terms of non-financial services, the Bank focused on the need of elderly customers for social entertainment and healthcare. To this end, the Bank has built a convenient service matrix based on community outlets to provide diversified elderly-friendly services and activities. The Bank delivered the Enjoyment financial classes and organised safe and beneficial outing activities, so as to give full play to the advantages of community grid-based services. Besides, the Bank piloted the establishment of community sub-branches for pension finance in some of the branches to create a strong atmosphere of filial piety and love for the elderly.

Enhancing investor education

The Bank carried out investor education activities via internal and external channels to continuously enhance public acceptance and utilisation of pension finance products and services.

As at the end of 2023

the Bank had opened 1.7 million personal pension accounts for customers preparing for elderly care. The compound annual growth rate of elderly customers for the past five years was 17%. The Bank ranked at the top of the industry in terms of the Net Promoter Score (NPS) in the personal pension customer satisfaction study.

Building professional product portfolio

The Bank has developed product shelves for pension finance. The Bank has built up exclusive product portfolio covering elderly care savings deposits, wealth management products, commercial pension insurance and publicly offered funds for customers preparing for elderly care. Recognising the declining risk tolerance and increasing demand for secure products among elderly customers, the Bank tailored value preservation and growth products such as Assured Deposit and Daily Profit to provide customers with professional financial products and services.

Restructuring elderly-friendly services across all channels

The Bank has launched the full life cycle business scenario of personal pension, so that customers can easily handle the business such as account opening and deposits of personal pension via online and offline channels from home. Moreover, the Bank upgraded and restructured the elderly-friendly version of mobile banking by introducing features such as "knowing total assets at a glance, knowing recommended products at a glance, convenient version switching, convenient benefits collection, and rich investment education services", thus to improve customer experience.

Sci-tech Finance Services

The Bank actively supported the deployment of sci-tech finance, the first of the "five major sectors" proposed at the Central Financial Work Conference in 2023. The Bank prioritised sci-tech innovation finance in its strategic development and fuelled the investment in products and platforms of sci-tech innovation finance, so as to practise the national strategy of sci-tech innovation and support the efficient financing and strong development of sci-tech enterprises.



Increasing platform support

The Bank has built the Sparks Platform of sci-tech innovation finance, which included modules for evaluation of sci-tech innovation enterprises, sci-tech innovation products and services, sci-tech innovation equity matching and so on. The Bank continued to enrich service scenarios, optimise operation processes, enhance approval efficiency, and integrate resources. The Bank was also committed to responding quickly to customers' needs, accelerating the iteration of products that customers wanted and optimising customer journeys, so as to support the growth of sci-tech innovation enterprises.



Providing innovative products

The Bank utilised digital and intelligent tools to innovate its business models and create the exclusive product matrix of Minsheng Easy Innovation, to serve sci-tech enterprises, which was consisted of four major product series, namely of "Equity Investment, Debt Financing, Wealth Management and Wisdom Consultation", to satisfy enterprises' financial needs in equity financing, debt financing, account management, value-added services and consultancy, and provide comprehensive financial and non-financial services of "commercial banking and investment banking", "debt and equity" and "financing+intelligence".

As at the end of 2023

The "E-Easy Innovation Loan" product had served more than **2,000** customers, with a cumulative approval amount of over **RMB 5.3 billion** and a balance of nearly **RMB 2.7 billion**.



Strengthening external ecosystem-based scenarios

To strengthen external ecosystem-based scenarios, the Bank worked with governments, parks, industries, PE/VC firms, securities companies, insurance companies and other partners to jointly serve sci-tech innovation enterprises with the tools of "stock + debt + loan + insurance". Furthermore, the Bank integrated its internal resources to deliver more comprehensive service strength by coordinating resources from China Minsheng Bank, CMBC International, CMBC Wealth Management, Minsheng Financial Leasing and Minsheng Royal Fund.

Supporting NSOEs and MSEs

As the first national joint-stock commercial bank initiated and founded by NSOEs, the Bank has continued to firmly implemented the relevant decisions and arrangements of the CPC Central Committee and the State Council, and effectively fulfilled various regulatory requirements for the development of the real economy. Based on the strategic positioning of becoming "a bank for NSOE, an agile and open bank, and a bank with considerate services", the Bank has been steadily implementing the work of serving NSOEs by focusing on MSEs, small and medium-sized NSOEs, sci-tech innovation, and strategic NSOEs and other customer groups, carried out financial and non-financial services in a layered and classified manner, and improved the integrated and comprehensive service system for the MSMEs and large enterprises, in a bit to facilitate the healthy and sustainable development of NSOEs.

Supporting NSOEs

During the year, the Bank formulated and issued the *Guidance on Strengthening the Service and Support for NSOEs in 2023*, which fundamentally clarified the Bank's annual goals and strategies to serve NSOEs. To further implement the requirement of finance serving NSOEs stipulated in the *Guideline on Boosting the Growth of the Private Economy* issued by the CPC Central Committee and the State Council, as well as the *Circular on Strengthening Financial Supporting Initiatives to Facilitate the Development of the Private Economy* issued by the People's Bank of China and other seven departments, the Bank specially formulated and released the *Implementation Rules for Supporting the Development of the Private Economy of China Minsheng Bank*, which explicitly set forth twenty-six specific measures to comprehensively enhance the service quality for NSOEs.

During the year, the Bank fully implemented the strategic guidelines on supporting NSOEs in the following aspects:

01

The Bank focused on strategic NSOE customers

The Bank strengthened the "head office-to-head office" strategic cooperation and continued to expand the scope of its name-list based services, so as to offer differentiated, specialised and customised service solutions to its strategic NSOE customers. Together with key leading NSOEs, the Bank continued to promote business models such as the "Photovoltaic Loan" and "Agricultural and Animal Husbandry Loan", to contributed to the implementation of key national strategies such as green finance and rural revitalisation.

02

The Bank paid special attention to small and medium-sized NSOEs

The Bank continued to carry out the "Park Visits" activities to comprehensively improve the services for small and medium-sized NSOEs in parks by continuously exploring their demand scenarios and developing and optimising the integrated service models for industrial parks. Besides, the Bank continuously optimised and iterated the product system 3.0 that served small and medium-sized NSOEs, and further improved the benefit systems for them, so as to enhance online and convenient customer experience.

03

The Bank focused on dedicated, refined, distinctive and innovative (DRDI) enterprises

The Bank continued to upgrade and iterate the exclusive products for DRDI enterprises. During the year, the Bank formally launched the "E-Easy Innovation Loan", an online unsecured loan product with automatic approval for limit under RMB10 million, to provide more convenient and efficient financing services for DRDI enterprises. Besides, the Bank strengthened the coordination with its subsidiaries with equity investment functions to promote the construction of the sci-tech innovation finance ecosystem.

04 The Bank enhanced the chain-based synergy

Based on the transaction data and credit support of core enterprises, the Bank innovated online, unsecured and supply chain-based financial products such as "E-Data-based Credit Enhancement Procurement" and "E-Order". Besides, the Bank worked with the core enterprises in the industry chains to organise a series of supply chain finance customer forums themed on "Supply Chain-Based Development", in a bid to actively empower small and medium-sized NSOEs in the upstream and downstream of industry chains of core enterprises.

05 The Bank served national strategies and facilitated industrial upgrading

The Bank prioritised to facilitate the industrial upgrading of sectors with "bottleneck" and related to national security, and made up for the weaknesses.

06 The Bank focused on core enterprises and expanded ecosystems and extended supply chains

The Bank took core enterprises of the strategic customer group as the focus and hub, increased quality credit support, actively expanded the ecosystems and supply chains of strategic customers, and promoted the inclusive financial services for MSMEs based on smart, digital and ecosystem-based products.

07 The Bank empowered the real economy and deployed arrangements in emerging fields

The Bank unwaveringly facilitated the building of manufacturing power, actively explored potential business collaboration in new energy vehicles, green energy, new-generation IT and other fields, and served leading enterprises for horizontal and vertical industrial integration.

To better serve NSOEs, in 2023, the Bank focused on building the new online platform based on the products of "Commercial Loan Express", "Industrial Loan Express", "Agricultural Loan Express" and "Online Loan Express", so as to build a service ecosystem. The Bank actively developed new products for different ecosystem-based scenarios, strengthened the platform interconnection, continued to introduce external data sources, forming a series of scenario-based products such as Tax Payment Loan, Government Procurement Fast Loan, Letter of Guarantee for Customs Duties, etc. Focusing on the ecosystems of core enterprise, the Bank embedded financial products in the scenarios to serve both the upstream and downstream customers of industry chains.



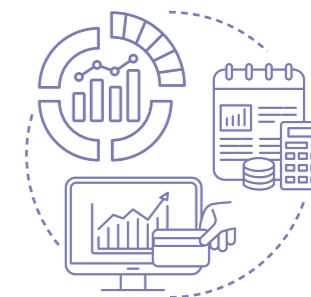
As at the end of the reporting period

Total loans to NSOEs of the Bank exceeded **RMB1.6 trillion**, outpacing the Bank's average growth rate for all loans.

The balance of loans to the manufacturing industry of the strategic customer group of the Bank was **RMB325.2 billion**, up by **RMB36.6 billion**, or **12.7%**, as compared with the beginning of the year.

Focusing on MSEs

Based on the strategic positioning as an "agile and open bank", the Bank focused on the difficulties of MSMEs and carried out digital transformation of small business finance, so as to empower the development of MSMEs. Through the construction of "eco-bank" and "intelligent bank", the Bank incorporated financial services into the daily work of MSMEs, so as to upgrade their interactive service experience. The Bank focused on creating a new model of small business finance in terms of platform construction, product innovation, process optimisation, model upgrading and team building.



The Bank has built digital platforms to broaden the depth and scope of its services

Based on the three platforms of "Minsheng Small Business App", "Eco-Service Platform for MSMEs" and "MSMEs Benefits Mall", the Bank set up a "three-in-one" Internet platform service system to enhance the online service capacity with the integration of "individual + legal person", "financing + settlement" and "financial + non-financial", so as to meet the diverse needs of entrepreneurial customers.

The Bank innovated online products to broaden the supply of financial services

The Bank realised data connectivity with the national credit service platform for SME financing, introduced massive high-value data resources, and developed data-based credit enhancement credit products.

Focusing on the supply chain ecosystem, the Bank realised a shift to the integrated chain-based management model for MSMEs and large enterprises, and launched chain-based financial products suitable for SMEs and upstream and downstream MSEs.

The Bank created a number of innovative online products such as the Minsheng Benefit Loan, the supply chain data-based credit enhancement products, the scenario data-based credit enhancement products, and the special inclusive agriculture-related products system, to promote the digital transformation of business models and to make the services more accessible.

The Bank reinvented its operational processes to enhance interactive customer experience

Powered by its data capability and sci-tech innovation, the Bank continued to optimise business handling process and has built the smart risk control model system covering the whole life cycle of the credit business and the MCS smart risk control system exclusively for MSEs, and realised the fully online operation from account opening to loan withdrawal, and the full-process automatic handling of secured loans.

The Bank realised smart customer profiling and iterated marketing model systems

The Bank has been committed to data-driven intelligent marketing and decision-making to enhance the financing service capability for MSMEs. Concentrated on big data, AI and other advanced technologies, the Bank enriched the panoramic and three-dimensional profiling of customers based on both internal and external data to create the smart model system covering the entire customer journey. Besides, the Bank has built a smart marketing model system that matched "people, products and place", and achieved customer-centric refined services.

The Bank assembled professional teams to provide all-round and integrated services

The Bank has set up the professional operation teams for small business to meet the complex credit business needs of MSMEs. Through the combination of "scenario + agile machine approval + staff qualification management + offline data supplementation", the Bank developed a digital approval model that integrated online and offline approaches, and combined offline smart due diligence investigation and online automatic approval to promote batch development of customer groups in small scenarios, so as to fully satisfy the personalised business needs and enhance the service capacity for regionally featured industries.

As at the end of the reporting period ▼

The balance of small business loans of the Bank was **RMB 791.22 billion**, up by **RMB 107.78 billion** from the end of the previous year, with a growth rate of **15.77%**.

The balance of inclusive small business loans of the Bank was **RMB 612.27 billion**, up by **RMB 63.22 billion** from the beginning of the year, with a growth rate of **11.51%** in the current year.

The case of "Digital Finance Benefiting the People's Livelihood -- Creating Digital Finance Model to Empower Development of MSMEs" of the Bank was selected as the Outstanding Case of 10th Anniversary of Inclusive Finance by china.com.cn.



Supporting Rural Development

- During the year, the Bank actively promoted the integrated coordination between inclusive finance and rural revitalisation, vigorously innovated the digital and smart agriculture service model, and launched online products with multiple models such as "Digital Agricultural Loan Express" to help ensuring food security.
- The Bank continued to upgrade its products such as "Cotton Grower Loan", "Harbin Farmer Loan", "Photovoltaic Loan" and "Sugarcane Grower Loan", so as to broaden the scope of regionally featured services and enhance the experience of farmers.
- The Bank launched the "B&B Loan", an exclusive product for rural tourism, to support farmers to start their own business and get rich based on geographical advantages.
- The Bank developed collateral-based credit enhancement products, such as the "Fishery Loan", to support the development of the marine fishing industry and marine granaries.
- The Bank designed a credit model based on agricultural industry chains, providing credit with regional characteristics to micro and small-sized agribusinesses at the end of industry chains.
- The Bank carried out a series of promotional activities for the 15th anniversary of Minsheng small business in villages to promote inclusive finance security knowledge and exclusive services and products for farmers, so as to make financial services more accessible to farmers.
- In the face of the damage to harvests caused by the floods occurred during this year, the Bank took the initiative to offer help to the affected agricultural loan customers and provide relief to the farmers through a series of actions, such as loan renewal without principal repayment, interest reduction or exemption, and delivery of small business red envelopes for farmers.

The Bank focused on leading enterprises to contribute to chain improvement and upgrade

Focusing on the needs of the leading enterprises in the sectors of grain, dairy, meat, cotton and wine and based on the "Agricultural Chain Express" products, the Bank has created exclusive business models and product portfolios covering various scenarios in the agricultural industry chains. In 2023, the new loans provided through "Agricultural Chain Express" amounted to RMB8 billion, and the number of new customers in the chains served increased by 2,298 as compare with the beginning of the year.

The Bank focused on regional characteristics to provide exclusive service solutions

The exclusive service solutions for MSMEs in the river snail rice noodle industry chain was released specifically for Liuzhou, Guangxi Province, to enhance the financial services for new agricultural business entities and boost industrial development and transformation.

The Bank cooperated extensively with governments, various institutions and leading enterprises, and made full use of digital technologies to effectively solve the problems of information asymmetry, low process efficiency, high financing prices and poor accessibility in traditional rural financial services, so as to provide high-quality services within the reach of individual farmers. The Bank provided the exclusive online unsecured product of "Agricultural Loan Express" for farmers in Heilongjiang province, offering financial support for farmers to install photovoltaic equipment on their rooftops and helping them to get rid of poverty and increase income.

The Bank made use of big data, the Internet and other emerging technologies to launch a series of inclusive online unsecured loan services, such as "Minsheng Benefits" and "Minsheng Express Loan", for the vast number of MSMEs. Qualified MSMEs and farmers can apply for such services online. In response to the needs of agricultural product exporters, the Bank formulated an exclusive product of "E-Export Finance", which solved the enterprise's financial difficulties, improved the efficiency of capital turnover, and promoted the development of agricultural product exporters.

The Bank focused on convenient functions to expand the service scope

The Bank focused on service systems to enhance customer experience

Agility, Openness and Win-Win



The Bank actively responded to the work arrangements of the 2023 Central Financial Work Conference and took systematic and comprehensive digital transformation as the new starting point of deployment for the future. Besides, the Bank formulated digital financial transformation strategies, and increased investments in capital and talents to accelerate digital transformation. The Bank established the Digital Finance Innovation Department, launched several major ecosystem finance projects, and set up agile innovation mechanisms and supporting mechanisms, and made key breakthroughs in the development of eco-bank and intelligent bank. The Bank promoted the "enterprise-level" business system architecture, developed the integrated operation middle office, established the Data Management Department, strengthened data governance and the application, and created agile organisation and innovative culture, so as to consolidate the digital transformation foundation. During the reporting period, the investment in IT and the number of IT personnel of the whole bank grew by 27.19% and 12.48%, respectively, as compared with the corresponding period of the previous year.

Upgrading Digital Financial Services

Taking digital transformation as one its strategic targets, the Bank clearly defined the goal of building "an agile and efficient bank with ultimate customer experience and value growth". Besides, the Bank proposed a digital finance strategy to "promote the construction of eco-bank and intelligent bank by optimising the organisational structure, improving the institutional mechanism, and comprehensively enhancing the IT capabilities and data capabilities". With the formulation of the new three-year IT development plan and data strategy, the Bank provided strong support for the implementation of the digital finance strategy. During the reporting period, the Bank has made significant achievements in eco-bank and intelligent bank construction. The Bank upgraded open bank and remote bank and facilitated the scenarios application of e-CNY, providing more efficient and convenient online services to customers.

Building Eco-Bank

By upholding the strategic goal of building an eco-bank, the Bank initiated five key eco-finance projects, including supply chain data-based credit enhancement financing, Minsheng Express Loan, internet ecosystem-based loans, ecosystem finance operation platform and eco-finance for MSMEs, and established agile and innovative systems along with supporting mechanisms.

Based on the open bank, the Bank actively expanded the cooperation with external ecosystems through both industrial ecosystems and retail ecosystems. Besides, the Bank continuously improved its cloud-based products, strengthened scenario integration and traffic management, and continued to enhance its business model of win-win cooperation.

The Bank enhanced its service capacity of the Minsheng Cloud +, strengthened the ecosystem-based cooperation with key partners, and increased capital support for customer acquisition platform as well as the application of MGM (member-get-member) promotion tools.

With focus on segmented scenarios of personal life, the Bank expanded the small business scenario-based settlement for sectors including e-commerce, education and catering.

Building Intelligent Bank

Retail business: The Bank launched the "Mobile Banking 8.0", innovated and iterated the online retail platform.

Corporate business: The Bank has built the coordinated service model of online banking and mobile banking and launched a new generation of corporate online banking and the Corporate Mobile Banking 5.0, so as to provide high-quality services via the online corporate platform.

Internet-based payment: The Bank strengthened the innovation of payment scenarios. In the individual payment scenario, the Bank launched the Easy Home Purchase, the public transport QR Code payment and the personal pension payment services. In the industrial payment scenario, the Bank launched the Easy Payment for Existing Product and the web-based prioritised settlement services.

Marketing: The Bank realised high-efficiently iterated marketing strategies to accurately meet customer needs.

Risk control: The Bank created the smart risk control system to use big data, risk map and machine learning technologies for accurate identification and early-warning of all types of risks.

Operation management: The Bank significantly improved business processing efficiency and customer satisfaction by promoting straight-through connection between front-end product and service acceptance and centralised operations.

Office work: The Bank has built a new-generation office platform of "iMinsheng" and enhanced the efficiency of coordinated office work across the Group.

Open Bank

During the reporting period, the Bank continued to improve its open bank service capabilities:

Retail ecosystem: The Bank adopted the model of "account + product + scenario" to broaden the comprehensive solution for financial output of "Cloud Wallet", in a bid to provide users with convenient and efficient online and scenario-based financial services.

Industrial ecosystem: The Bank actively furthered its co-operation with corporate digital service partners and leading platforms. Based on the Open Bank, the Bank provided comprehensive financial services for a wide range of sectors, including online network-based freight, agency bookkeeping and chain stores.

For MSMEs, the Bank launched the "E-Minsheng Family" platform, which extended financial services to business operation and management scenarios and enhanced the Bank's ability to serve MSMEs in their digital transformation.

The Bank was honoured with the Third Prize of 2021 Fintech Development Award by the People's Bank of China and the "Award of Best Strength in Corporate Digital Finance" by the conference of the "19th Digital Finance Joint Publicity Year".

As at the end of 2023, the number of the Bank's contracted corporate customers of the "Cloud" series open bank products

And services reached **15.2 thousand**, representing an increase of **82.98%** from the end of the previous year.

The daily average balance of corporate deposits was **RMB5.3 billion**, representing an increase of **182.52%** from the end of the previous year.

Besides, there were **1,784 thousand** new retail accounts, representing an increase of **14.1%** from the end of the previous year.

Remote Bank

The Bank relentlessly expanded the access channels and service scopes of remote banking, and improved smart and refined service. At present, the Bank has offered multi-channel access modes, including mobile banking, smart devices, CBANK and mobile operation covering 100 high-frequency business scenarios.

The Bank launched super large font version App and one-click access services for the elderly customers, and developed the groundbreaking smart remote tellers to offer business guidance to customers, providing customers with 24/7 financial services experience.

The remote bank opened green service channels to offer strong business support to customers who were not convenient to visit banking outlets for testimonial verification of businesses.

e-CNY

The Bank launched the innovative application for the scenario of e-CNY fund sales and redemption transactions, and added the service of purchasing reserve gold using e-CNY. The Bank launched the e-CNY credit card repayment function on both the mobile banking App and the Daily Life App.

The Bank was one of the first in the industry to launch the function of "one QR code for all" for e-CNY and to join the e-CNY App payment platform of the PBOC, and was the first bank to support hardware wallet among the partner banks of the PBOC.



Retail Digital Financial Services

The Bank continued to upgrade online retail services

The Bank launched the Mobile Banking 8.0 with upgrades on wealth scenarios, smart bank books, and security services, creating mobile financial services for customers with "life-long companion, reliable wealth management, abundant products, digital and intelligent integration and secure and satisfying customer experience".

As at the end of the reporting period

The number of users of the Bank's online retail platform reached **112,660,200**

representing an increase of **8.76%** as compared with the end of the previous year

The number of monthly active users of the online retail platform was **28,088,400**

representing a year-on-year increase of **8.22%**

Mobile Banking 8.0

Focusing on the new journey of wealth management experience, the Bank enriched the information zones and optimised the customised functions with respect to the "pre-sales, in-sales and after-sales" customer investment scenarios. Meanwhile, the Bank launched the "Daily" series of demand deposit management products, and integrated cross-border financial services, so as to enhance the quality and efficiency of its wealth management services.

Upholding the spirit of customer first and considerate services, the Bank developed various scenario-based mobile banking services, such as parent-child services, payroll services and pension services, to provide customers with exclusive service experience.

The Bank improved the smart bank book service system, optimised the asset overview, launched the "one-stop" billing service and upgraded the detail view of income and expenses to help customers manage their accounts conveniently and efficiently.

The Bank launched the mobile U-key, a hardware capable of installing digital certificates in the security chip that came with the customer's mobile phone. This made it safe and convenient for customers, as no additional equipment is required.

The Bank integrated AI and digital human technologies, upgraded its digital human intelligent services, enhanced the full-site smart search service, and improved the capability of digital and intelligent services.

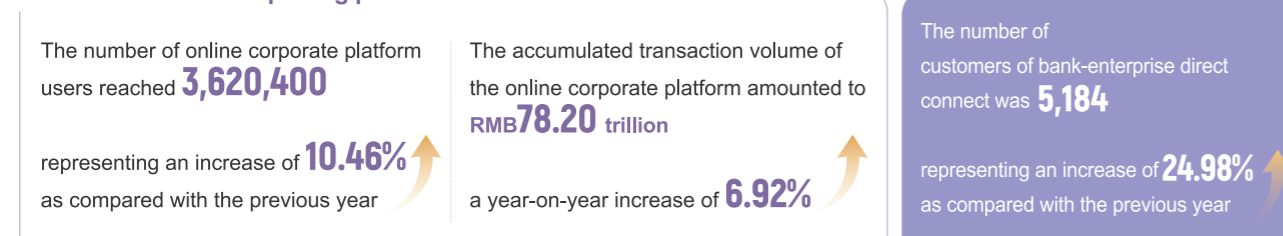


Corporate Digital Financial Services

The Bank made great efforts to build the online corporate service system

The Bank focused on the goals of "differentiated services, efficient process, diversified products and coordinated channels" to enhance the service capacity of the corporate service platform in all aspects.

As at the end of the reporting period



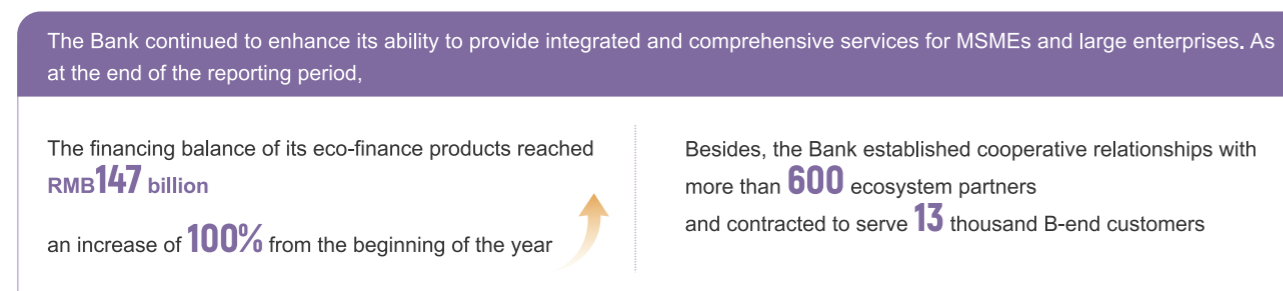
The Bank enhanced its capability to provide corporate services to different customer segments

For MSEs, the Bank launched a convenient management model, enriched product functions, opened up multi-channel services to empower the innovative development of MSE business. For overseas customers, the Bank launched services in English to improve the convenience of cross-border services. By innovatively launching the service of "Enterprise Cloud Counter", the Bank expanded the active service scenarios and developed the capabilities for online and offline synergy, and realised online "one-stop" processing of business information changes, physical delivery and other corporate business, and therefore enhanced its service capability for corporate customers.

The Bank launched the Corporate Mobile Banking 5.0

With respect to products, management, services and innovation, the Bank optimised settlement scenarios, improved enterprise management, enriched financial products and expanded value-added services. The Bank launched new functions such as operator management, operator authority setting, enterprise information online update and services such as corporate-individual transfers, inward remittance, enterprise tax payment on mobile phones and annual billing statement. Besides, the Bank provided product instructions and business operations videos, and realised the convenient interoperability of corporate online banking and mobile banking to help enhance the quality of the mobile office of the enterprises and increase their efficiency.

The Bank upgraded and innovated ecosystem-based financial products and services



The Bank developed the "E-Minsheng Family" platform

Focusing on the major areas of "human resources, finance and operation", the Bank provided MSMEs with digital management tools concerning personnel management, payroll and tax management, one-stop payroll agency, account management, bookkeeping, logistics, and employee benefits.



Focusing on Protecting Financial Consumers

To further deepen the value of "Customer First", the Bank fully implemented relevant laws, regulations and regulatory requirements such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Implementation Measures of the People's Bank of China on Protecting Financial Consumers' Rights and Interests*, the *Measures for Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*, and the *Guiding Opinions on Strengthening the Working Systems and Mechanisms for the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*. In addition, the Bank attached high attention to the protection of the rights and interests of financial consumers. The Bank obtained insight on customers' demands, optimised customer experience, proactively responded to customer complaints, and continuously improved customer satisfaction.

Top-level Design of Financial Consumer Rights and Interests Protection

During the reporting period, the Bank further specified duties of the Board of Directors, the Board of Supervisors, the Senior Management, and the consumer rights protection departments, increased the efforts on the protection and management of consumer rights and interests, offered guidance on effectively implementing various measures, and substantially safeguarded consumer rights and interests.

At the Board level, the Bank's Board of Directors deliberated and approved the *China Minsheng Bank Annual Report on Consumer Protection for 2022 and Annual Work Plan for 2023*, and constantly optimised their overall planning and guidance on protecting consumer rights. The Bank established the Strategic Development and Customer Rights Protection Committee of the Board of Directors, and formulated the *Working Rules for the Strategic Development and Customer Rights Protection Committee of the Board of Directors of China Minsheng Banking Corp., Ltd.*, which specified that the committee was a specialised responsible body established in accordance with the *Articles of Association* to take the responsibility to formulate consumer rights protection strategy for the Bank and regularly deliberate reports on consumer rights protection.

During the reporting period, the Strategic Development and Customer Rights Protection Committee listened to and deliberated on the annual and interim reports and the Work Plans on consumer rights protection of the Bank, and revised the *Administrative Measures on Consumer Rights Protection of China Minsheng Bank*. Also, the committee circulated and studied important documents, such as key policies for consumer rights protection of the regulatory authorities, special complaint reports, quarterly complaint statistical reports. The committee studied the rectification plans of the Bank, deliberated on the rectification progress reports, and urged the Bank to improved overall level and quality of consumer rights protection.

At the strategy and planning level, the Bank included consumer rights protection into the *Five-Year Development Plan of China Minsheng Bank (2021-2025)*, based on which, the Bank published the *Five-Year Development Plan for Consumer Rights Protection of China Minsheng Bank (2021-2025)*, the *2023 Work Plan on Consumer Rights Protection of China Minsheng Bank*, the *2023 Work Plan on Education and Publicity of Consumer Rights Protection of China Minsheng Bank*, the *2023 Work Plan on Trainings for Consumer Rights Protection of China Minsheng Bank* and other policies, to provide guidance for the protection of consumer rights and interests.



Establishing the Financial Consumer Rights Protection System

Advertising policy

The Bank has formulated and implemented the *Administrative Measures on Consumer Rights Protection in Marketing and Promotion of Personal Financial Products and Services of China Minsheng Bank*, the *Administrative Measures on Brand Building of China Minsheng Bank*, and the *Administrative Measures on the Review of Consumer Rights Protection of China Minsheng Bank (2022 Revision)*, based on which the responsible institutions at each level conducted strict review over advertising contents to effectively protect the rights and interests of consumers.

The Administrative Measures on the Review of Consumer Rights Protection of China Minsheng Bank (2022 Revision)

The Bank continuously enriched the guiding system on the review of consumer rights protection, and published guidelines on consumer rights protection with a focus on the eight fundamental consumer rights, marketing and promotion, and the promotion of bank card accounts, credit cards, personal pension fund accounts, loans, structured deposits, wealth management, insurance, public funds, and private equity management products, which specified the review requirements and standards. The Bank provided training courses on these guidelines to further standardised review on financial marketing and consumer rights protection. Institutions at all levels conducted review over consumers rights protection to identify and highlight potential risks. All materials for marketing events initiated online were subject to review for consumers rights protection or legal review, so as to prevent risks infringing consumer rights and interests from the source and standardised materials of promotional events.

The Administrative Measures on Consumer Rights Protection in Marketing and Promotion of Personal Financial Products and Services of China Minsheng Bank

The measures clarified that the advertisements to be posted should comply with the advertising law without exaggerating and false propaganda. Financial marketing and promotion should be conducted in accordance with laws and regulations, and should protect consumers' rights to know, to choose, to be respected and to keep financial information secure, in order to substantially protect the legitimate rights and interests of consumers. The measures also required to include the text of promotion for products and services into the scope of consumer rights protection review.

The Administrative Measures on Brand Building of China Minsheng Bank

The measures further reinforced the management of brand consistency and the maintenance of brand, established brand awareness and service awareness among all employees through brand management and realised standardised and normative brand development. The measures also specified that departments in charge should conduct legal review over contracts for branding and promotion projects, and the audit department should carry out independent supervision and inspection on brand building management.

Information transparency

An enquiry portal is notably displayed in the customer service section of the homepage of the Bank's official website, and the full list of products can be displayed after entering the corresponding product categories. Customers can easily access product information by clicking on "Product Outline" to view the product documents.

During the reporting period, the Bank conducted special training covering 42 branches on business rules, terms of agreements, promotional texts, management of sales sites, sales process and audio-visual recording, and risk assessment management. The Bank organised a training session on the compliant sales of wealth products, covering employees of all branches who deal with individual customers, with nearly four thousand training attendances.

Product and service review

In accordance with the relevant rules including the *Guidelines for Financial Innovation of Commercial Banks* issued by the China Banking and Insurance Regulatory Commission, the Bank specified that the Board of Directors was the supreme leading body for innovation management of the Bank to take charge of promulgating the innovation and development strategies and include it into the mid-to long-term development strategy. The Bank formulated risk policies adaptable to the innovation and development strategies, and the *Measures on Innovation Management of China Minsheng Bank*, and set up the Product and Business Innovation Management Committee to carry out all kinds of innovation work under the leadership of the Board of Directors and the management team.

Guidelines for Financial Innovation of Commercial Banks

Measures on Innovation Management of China Minsheng Bank

The Measures on Innovation Management of China Minsheng Bank specified duties of the Product and Business Innovation Management Committee

The Bank included product innovation risks into the comprehensive risk management system, and appointed the Product and Business Innovation Management Committee to supervise the implementation of strategies and policies. The Bank reviewed business contingency plans and continuity plans, periodically assessed and reviewed policies in connection with innovation and risk limits of innovation of various products. The Bank managed to ensure the Senior Management to have sufficient funds and qualified talents in place to effectively carry out strategies and manage risks arising from the course of innovation, and strove to maintain consistency between the development strategies and risk management policies for finance innovation, and their corresponding counterparts of the Bank. The Product and Business Innovation Management Committee is the Bank's deliberation and approval organ in innovation decision-making and comprehensive coordination, and is the tier-1 committee at the Head Office, which carries out its daily work under the management of the designated special committees under the Board of Directors. Its duties include but not limited to review and determine the Bank's innovation work plans, deliberate on special funding budget for innovation, review and approve the construction of innovation labs and major innovation projects, etc.

Flexible loan plan modification

The Bank actively implemented the regulatory requirements and made every effort to reach the target of adjusting the interest rate for existing housing loans, establish a supporting management mechanism, and provide a convenient service mode for the customers with existing mortgages. Besides, the Bank continued to optimise and improve the functions of the supporting system of financial relief policies, and continued to further its financial service support for consumer loan customers, and to provide deferred repayment and other supporting services to eligible customers.

The Bank clearly stipulated that in case of any changes in personal or family income status or financial conditions, customers may contact the Bank to modify the loan plan within the credit/borrowing period at their own discretion. Consumers may also apply for early repayments through self-service channels of the Bank at any time, and they are entitled to approval exemptions and other policies if applicable.



Debt collection

The Bank has formulated the *Administrative Measures on Credit Risk Monitoring and Early-warning of Retail Customer of China Minsheng Bank*, the *Implementation Rules for the Management of Monitoring and Warning for Retail Credit Business of China Minsheng Bank*, the *Administrative Measures on the Collection and Liquidation of Retail Credit Business and the Disposal of Non-Performing Assets of China Minsheng Bank* and the *Administrative Measures on the Personal Consumer Loan Business of China Minsheng Bank*, continued to promote the construction of the monitoring and early-warning management system for retail credit business, and constantly improved the overall monitoring, early-warning and debt collection management system. The Bank addressed on consumer financial rights protection and carried out collection in strict compliance with the national laws, rules and regulatory regulations, as well as the relevant requirements of the Bank's consumer rights protection policies, so as to protect the legitimate rights and interests of consumers. To regulate and standardise early-warning and debt collection, the Bank launched the centralised monitoring, early-warning, loan notice and debt collection at the Head Office, and conducted professional training and strict appraisal for operation personnel to regulate post-loan management and debt collection. The Bank also used customer information strictly in accordance with rules and authorisation. These measures helped improve customer service quality and efficiency. The Bank strengthened the management of cooperating institutions for liquidation and collection of disposals, obeyed the requirements of personal information protection, and prohibited violent or impostor liquidation, so as ensure that the legitimate rights of consumers are not infringed.



The Bank organised employee training regularly on collection policies, communication skills, code of conduct, and laws and regulations to improve the business skills and comprehensive quality of collectors, raise their risk prevention and control awareness, prevent compliance breaches, and enhance their customer service capability.

Internal control policies

The Bank has established multiple internal control policies to protect consumer rights and interests, covering protection of consumers' financial information, protection of consumers' interests by cooperating institutions, complaint handling and issue tracing. In response to regulatory requirements and actual management conditions, the Bank further revised the rules and regulations in key aspects, including administrative measures on consumer rights protection, interview on consumer rights protection, and exemption of liabilities in performing due diligence of consumer rights protection, so as to enhance the refined management of consumer rights protection.

Supervision and Management of Financial Consumer Complaints

In respect of complaint supervision, the Board of Directors and the Strategic Development and Customer Rights Protection Committee studied and circulated consumer complaint reports and complaint supervision reports of the banking industry, studied the rectification plans of the Bank, listened to the reports on rectification progress, and urged the management to supervise and rectify the problems identified in the regulatory evaluations and continuously improve complaint management.



Complaint supervision and review

The Bank has established an independent internal complaint review institution and mechanism. The Strategic Development and Customer Rights Protection Committee under the Bank's Board of Directors is responsible for studying and reviewing strategies, plans, and policies related to consumer rights protection, including complaint management. In addition, the Bank formulated the *Administrative Measures on the Auditing of Consumer Rights Protection of China Minsheng Bank*, based on which the Audit Department supervises consumer rights protection throughout the Bank, including complaint management, to constitute a regular and standard internal audit and oversight evaluation system.

Smoothing complaint channels

The Bank provided multiple channels, such as the homepage of its official website, mobile banking Apps, 95568 customer service hotline and outlet lobbies, for customers to file their complaints, and placed the complaint access in a noticeable place or first-level menu to smooth customer complaint channels and actively listen to customers' demands. During the reporting period, the number of customer complaints received and handled by the Bank through customer service hotline, outlets and transfer from regulators was 198,430².

95568 Customer Service Hotline

95568 customer service hotline is a telephone service system that provides services, consultation, complaints and suggestions for individual, corporate, and MSE customers and is committed to providing 365-day and 24-hour customer service. In accordance with the *Administrative Measures on Handling Consumers Complaints of China Minsheng Bank*, the Bank formulated all-process management rules for customer complaint reception, distribution, handling, case closing and return visits, to improve the quality and efficiency of complaint handling.



During the reporting period

The customer satisfaction rate reached **99.79%**

And the number of customer complaints received via 95568 hotline was **68,558**

With the case closing rate of **99.39%**

Outlets

Smoothing complaint channels, and enhancing public notice of outlet complaint channels.

In accordance with regulatory requirements on the public notice of outlet complaint channels, the Bank further regulated the public notice of outlet complaint channel information, organised outlets to update the public notice of complaint channels, and disclosed the details of contact information of complaint reception institutions at all levels, to safeguard consumers' rights and interests.



Strengthening management to decrease complaints and improve customer satisfaction

The Bank conducted special service training, established typical/frequent complaint handling plan mechanism, and organised simulation drills under the lobby business scenario to improve employees' service capabilities, thereby reducing service complaint rate by 15% year on year. Based on data analysis and following the principle of "risks corresponding" to customer situation, the Bank optimised measures for the classified and hierarchical management of personal accounts, reducing complaints on account management and control by 13% year on year.

Setting up the service rating system across the Bank

The Bank analysed various indicators and complaints at outlets, developed dynamic models to monitor the indicators, and formed the service rating guidance for branches, to evaluate the lobby services of branches and sub-branches in a comprehensive, objective and scientific way.

² The total number of complaints increased in 2023 due to a combination of factors such as stronger awareness of rights protection of consumers, overall increase in the Bank's retail banking business, capacity expansion of the supervision and complaint hotlines, restoration of collection strategies, stricter requirements on prevention and control of account risks, "early repayment of loans" at the social level, as well as reduction in the interest rate on existing housing loans.

Standardising complaint handling process

When receiving customer complaints from different channels, the departments in charge timely transferred them to the responsible institutions for handling. In turn, the responsible institutions investigated and verified the matter in connection with the complaint based on requirements, and replied to the consumer with the handling result within the prescribed timeframe. If the consumer disagrees with the result, they not only has the right to submit the complaint to the supervising department for review, but also may seek for dispute resolution through mediation, arbitration, litigation and other methods.

Monitoring consumer complaints

The Bank conducted complaint monitoring, analysis and reporting on a monthly basis to identify key business issues, circulate the quality and effectiveness of handling by institutions, and remind the responsible institutions to make rectifications and improvements. Furthermore, consumer rights protection officers were designated at the business departments of the Head Office and the operating units to carry out monthly monitoring and analyses of complaints as required.

Improving complaint handling efficiency

To improve the quality and efficiency of complaint handling, and accelerate the resolution of customers' problems, the Bank formulated and issued the *Administrative Measures on Handling Consumers Complaints of China Minsheng Bank*, the *Rules for the Implementation of Consumer Complaint Handling of China Minsheng Bank*, and other policies to establish a concerted mechanism by different departments to handle complaints, and improve the efficiency management of complaint handling. Meanwhile, in this year, the Bank developed a new-generation complaint management system to realise the online general management of the entire complaint handling process of all complaint channels. The Bank also developed multiple management monitoring and handling reminder functions for better closed-loop management and process monitoring of complaint handling, and established the classified labeling system for complaints to improve the accuracy and effectiveness of complaint data monitoring and analysis. Besides, the Bank took multiple measures to effectively reinforce the standardised management and enhance the quality and efficiency of complaint handling. Those measures included continuously optimising the indicators used to assess complaint handling, improving the process management of the complaint handling, and urging relevant departments to pay greater attention.



Enhancing complaint handling capability

To constantly enhance the capability of handling complaints regarding key areas and products, prevent and resolve material risks from consumer complaints, the Bank promulgated the *Measures on Emergency Management of Material Consumer Complaints of China Minsheng Bank*, the *Emergency Plan of China Minsheng Bank for Handling Material Consumer Complaints* and other regulations. The Bank also regularly organised emergency drills to improve its ability to prevent and respond to complaints. Besides, the Bank promoted the summary and sharing of experience in handling specific types of complaints, and issued complaint handling guidance to improve the capability, quality and efficiency of handling similar complaints. In addition, the Bank continued to refine the handling rules for complaints by letters and visits, enhance cooperation and process tracking, and promote the appropriate solution of key and difficult complaints.



Promoting complaint rectification from the source

To solve complaint issues from the sources, the Bank constantly adjusted its rectification mechanism to trace the complaint issues to the source. The Bank formulated the *Detailed Rules for Rectification on Issues of Consumer Complaints from the Source of China Minsheng Bank* to develop a three-tier rectification mechanism from top to the bottom and vice versa. During the year, the Bank continually encouraged institutions at all levels to analyse and monitor complaints, make regular source tracing and rectification, and continue to optimise products and services, in an aim to safeguard consumers' legitimate interests and rights effectively.

Advocating diversified solutions of disputes

The Bank formulated the *Administrative Measures of China Minsheng Bank on Diversified Solutions of Financial Consumer Disputes*, to improve complaint solution effectiveness, settle customer disputes and protect customers' legitimate rights and interests. The Bank encouraged institutions at all levels to properly address customer issues through means such as small-value compensation and mediation, so as to improve complaint solution efficiency and customer satisfaction.

Closed-loop management of complaints at lobby

During the reporting period, the Bank launched the pilot project on closed-loop management and reduction of lobby complaints for the classified and hierarchical management (account management and control) services of personal accounts, which had a relatively large number of complaints. The Bank promoted the reduction of complaints on account management and control by combining personal account lifecycle management, front-line customer communication skills, and return visits to customers with disagreement, optimising system functions, standardising front-line service communication skills, and intervening in potential complaints at the early stage. The number of complaints received by branches within the scope of the pilot project decreased by 64% in a single week, and the success rate of return visits to customers with disagreement reached 92%.

Complaint management goal

The Bank regularly monitored, analysed and circulated customer complaints, identified key business issues, clarified standards and time requirement for complaint handling, and routinely monitored complaint data and included it in circulation and appraisal, in a bid to improve the quality and efficiency of complaint handling of institutions at all levels. The Bank formulated a three-tier mechanism for issue sourcing and rectification to identify complaint issues and analyse the root causes, and substantially carried out optimisation and rectification to continuously improve products and services and further safeguard the legitimate rights and interests of customers. The Bank also formulated the administrative measures on diversified solutions of disputes and encouraged institutions to actively seek appropriate solutions for disputes, thereby improving customer satisfaction.

Privacy protection for whistleblowers

The Bank strictly controlled the accessibility to identities of whistleblowers, prohibited the leakage of their information, forbade retaliation against whistleblowers, and protected personal privacy and safety in accordance with laws.

Training on Financial Consumer Rights Protection

Proactive training and publicity

The Bank continuously enhanced consumer rights protection training by organising multi-level training with specific focus and full coverage, in an effort to build a consumer rights protection management team with excellent professional knowledge. To facilitate the coordinated planning and unified management on training of consumer rights protection, the Bank published the *2023 Work Plan on Training of Customer Rights Protection of China Minsheng Bank*, which set out the key contents and requirements for training throughout the year. The Bank circulated and reviewed its consumer rights protection training on a regular basis to maintain optimal training results.

In 2023

the Bank conducted nearly 4,000 training sessions on consumer rights protection, covering over 570 thousand participants, to continually improve the professional capability of consumer rights protection throughout the Bank.

During the year, the Bank organised multiple special training activities on consumer rights protection to further increase the participation of the Board of Directors in consumer rights protection and to raise the awareness of the Board of Directors and the Board of Supervisors to fulfil consumer rights protection obligations. In addition, at the meetings of the Board of Directors, the Bank circulated the regulatory guidance opinions multiple times, organised the learning of the annual report on the publicity month activity of consumer rights protection, and specified the requirements and key points for the Board of Directors in fulfilling its duties.



Training in connection with financial consumer rights protection

The Bank's training presented level-based and layered characteristics with different focuses and distinctive features. The training sessions covered employees of all levels of the Bank, ranging from the Senior Management, the middle and senior management to front-line employees and new joiners. As a result, these training sessions have effectively improved the Bank's management capability and level in addressing consumer rights protection. During the reporting period, the Head Office's Consumer Rights Protection Department reinforced the overall planning on training of consumer rights protection. The Bank also promoted the deep integration of consumer rights protection training with business and product training, and steadily increased the training frequency. During the year, the member departments under the Head Office's Consumer Rights Protection Committee conducted 173 sessions of consumer rights protection training, covering over 250 thousand participants. All operating units actively implemented their respective annual training plans. They promoted consumer rights protection training to empower front-line employees in the forms of regular training, knowledge contests, front-line speech tours, and case interpretation.

In 2023

The operating units conducted **3,523** sessions of consumer rights protection training

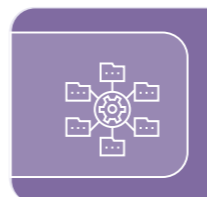
Covering over **320** thousand participants

Enriched training channels

The Bank provided a wide range of online and offline training courses specifically designed for work scenarios and common needs of employees serving individual customers:



Established the special online training section of "Special Training on Consumer Rights Protection" which offered practical training courses, such as the *Regulatory Rules for Complaint Management and Diversified Solutions to Financial Disputes* and the *Psychological Skills for Handling and Responding to Customer Complaints*, covering key knowledge areas such as dispute resolving, lobby management, cases and practices, and provided employees with a mobile learning platform.



Organised multiple offline business line-oriented and branch-level consumer rights protection training sessions to help customer relationship-related employees gain a comprehensive understanding of policies and regulations, complaint handling techniques and compliant sales concepts, further enhancing the foundation of consumer rights protection work of the front-line employees.



Organised self-learning on consumer rights protection for front-line employees of banking outlets during the morning and late afternoon meetings.

Financial Customer Knowledge Publicity and Education

For the education and publicity of financial consumer rights protection, the Bank strove to create an "intensive and regular" education and publicity system for consumer rights protection, establish the brand of "Minsheng's Consumer Rights Protection in Action", and conduct high-quality education and publicity of consumer rights protection.



Education for people with limited access to financial knowledge

During the reporting period, the Bank formulated the *2023 Work Plan of China Minsheng Bank on Education and Publicity of Consumer Rights and Interests Protection*, which explicitly outlined the annual key points of its consumer rights and interests protection education and publicity work, and required to combine comprehensive implementation and highlighted characteristics. It required that all operating units should concentrate efforts on the areas under their jurisdiction and actively expand the scope of activities to cover the surrounding rural areas, remote areas and minority areas. It also required to focus on key customer groups such as "the elderly, the youngsters and the new citizens", and fully cover all types of channels and consumer groups to enhance customer reach rate and influence.

For the elderly



The Bank focused on their financial demands to improve their sense of gain of modern financial services by providing basic financial knowledge education, launching anti-fraud campaigns, and offering training on the use of smart technologies. For example, Nanjing Branch continuously hosted salons at its outlets, and Chengdu Branch carried out the education and publicity activity themed "Securing the Wallet of the Elderly" in local communities, clubs and activity centres of the elderly.

For youngsters



The Bank valued the improvement of their financial literacy, and raised the risk prevention awareness among the younger group through microfilms, animations, interactive publicity or other means of interest to them. For instance, the Bank produced a consumer rights protection microfilm When to educate college students and freshmen of the Internet industry about the common forms and hazards of the crimes of assisting in telecom and cyber criminal activities, and gave them tips on how to avoid Internet finance dangers. The institutions of the Bank embarked on a journey of financial literacy for young people, guiding them towards a proper view of wealth through themed activities such as "Financial Knowledge at Schools", "Little Bankers", "Little Wealth Stewards" and "Financial Literacy Camp".

For new citizens



The Bank provided more financial assistance and consumer rights protection services to improve their sense of gain of modern financial services. Through the activity of "Minsheng Visits to 10 Thousand Enterprises", the Bank gave risk reminders in light of customers' specific situation, in an endeavour to enhance their awareness of risk prevention and responsibility. To disseminate financial knowledge and policies to businesses and new citizens, the Bank built an "immersive" financial knowledge publicity platform by organising public welfare publicity activities targeting new citizens at business areas and bus stops.

For people in rural areas,
remote areas and
minority areas,



The Bank expanded coverage of education and publicity, and arranged regular education and publicity events on consumer rights protection, with a focus on "Serving Key Groups, and Supporting Rural Revitalisation". The Bank organised 8 branches in Lhasa, Urumqi, Zhengzhou, Lanzhou, Yinchuan and other places to fully reflect regional features by producing bilingual publicity items and visiting minority villages, with a focus on disseminating financial knowledge to rural areas, remote areas and minority areas.

For people
with disabilities



The Bank paid attention to their financial needs and strove to increase their sense of gain from financial services. The Bank shot a consumer rights protection microfilm with the title of *Where There is No Sound, There is Minsheng* to demonstrate how the Bank cared for its consumers with hearing loss. Nanjing Branch held activities themed "Special Love for Special You" in communities, federations and special education institutions of people with disabilities. Shenyang Branch collaborated with Shenhe District Disabled Persons' Federation to offer online publicity of financial assistance to the people with disabilities and publicised financial knowledge using risk cases and anti-fraud short videos to raise their awareness of protecting their legitimate rights and interests.



Establishing partnerships with financial education institutions

The Bank actively explored new models to educate consumers and carried out publicity activities in collaboration with financial education institutions.

01

Working with online university platform for the elderly of "China.com.cn" to set up the "Cloud Classroom" for remote training

The Bank has established comprehensive strategic partnership with the online university platform for the elderly of "China.com.cn". The Bank jointly created an online section for the education and publicity of financial knowledge, and developed a cooperation model that enabled information interconnection, resource exchange and achievement sharing. In the production of financial knowledge education and publicity courses for the university for the elderly, the Bank provided financial knowledge training materials, while the production team of "China.com.cn" was responsible for video recording, editing and broadcasting. Consumers could access the financial knowledge courses via

the section of Beijing Branch of Minsheng Bank through the mobile App "China.com.cn++". Currently, there were five segments including Expert Lectures, Site Activities, News, Video Section and Selected Cartoons. The videos of the courses and online activities were played at all outlets of Beijing Branch to broaden the learning scenarios for and better cater to the vast financial consumers. As at the end of 2023, the online "Cloud Classroom" has served more than 5.38 million trainees and reached a total of 47 million individuals.

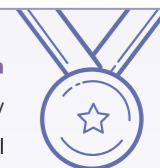
02

Collaborating with the Dongta University for the Elderly in Yueqing to build the financial education base of "Home for the Elderly"

The Bank collaborated with the Dongta University for the Elderly in Yueqing to build the financial education base of "Home for the Elderly", aiming to raise the awareness of financial fraud prevention among the elderly group through "learning led by experts", "public welfare teaching", and "self-learning". For "learning led by experts", the Bank invited business experts from the People's Bank of China Yueqing Sub-Branch, the People's Procuratorate of Yueqing, and the Yueqing Municipal Public Security Bureau, to promote financial knowledge with reference to the latest popular financial topics, anti-fraud for the elderly, and the rights and interests of financial consumers. For "public welfare teaching", the Bank organised the quarterly public welfare course for all

students to conduct financial education and publicity on specific topics such as counterfeit money prevention, pension fraud and credit protection with reference to recent financial cases. For "self-learning", the Bank regularly developed and distributed financial knowledge brochures in accordance with the latest anti-fraud requirements, and ensured that trainees could start self-learning whenever and wherever they wanted. The "Home for the Elderly" financial education base was among the first batch to win the title of "Wenzhou Financial Education Demonstration Base" awarded by the People's Bank of China Wenzhou Central Sub-Branch.

In 2023, the Bank's education and publicity activities on consumer rights protection reached over **4.8 billion** participants. As the influence of education and publicity continued to grow, our efforts in this area were highly recognised by regulators and the public. Our excellent practices were reported by the media at the central level for more than **2,000 times**. The original works of our branches also won many awards, such as the **first prize of "2023 Beijing Micro Video Contest on Counterfeit Money Prevention Publicity"**, the **second prize of "2023 Excellent Financial Education Case Selection of Jiangsu Province"**, and the **third prize of "Illegal Fund-Raising Prevention Short Video Contest of Jiangxi Province"**.



Strengthening Data and Information Security Management

Information and Data Security Management Structure

The Bank paid great attention to the security protection of information systems and personal financial information, and has created a top-down information security governance structure. The Bank's Board of Directors and Risk Management Committee attached great importance to data and information security management, actively exercised its duties in managing the IT risks of commercial bank, and listened to the *2022 IT Risk Management Report of China Minsheng Bank* during the reporting period, which reviewed the overall situation of IT management and major work in risk management, and released the key measures on IT risk management in the next stage in accordance with the issues and risks in the current IT risk management.

Under the supervision of the Risk Management Committee under the Board of Directors, the Bank has set up a leading group for network security at the Head Office led by the Party Secretary and Chairman of the Board, who was the primary responsible person for the network security of the whole bank, while the Chief Information Officer (CIO) in charge of IT was the direct responsible person to report the network security work progress regularly at the Party committee meetings.

The Bank's IT Management Committee was the deliberative and decision-making body on IT matters for the whole bank. The Committee was responsible for the overall management, deliberation and decision-making of the whole bank's IT development planning, safe operation, data governance and other important technology matters. During the reporting period, the Bank further specified the Committee's responsibilities of directing the Bank's network security and data security protection. Under the leadership of the IT Management Committee, the IT Department was responsible for the overall management of data security. Through the coordinated management with multiple departments related to data management, consumer rights protection, risk management, legal compliance and audit, the Bank carried out data security protection throughout all links of the data life cycle.

The Bank specified that subsidiaries should implement the Party Committee's network security evaluation mechanism and optimise network security technology system and architecture, offer guidance to the subsidiaries to improve information security management systems and strengthen security bottom lines, with an aim to achieve unified security monitoring and safe operation across the Bank. The Bank reinforced the on-site inspection over subsidiaries to ensure their IT activities were carried out in a safe and compliant manner, and to prevent information security incidents.

Information and Data Security Management System

The Bank paid great attention to and continued improving its data and information security management, strictly implemented the *Civil Code of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Cryptography Law of the People's Republic of China*, the *Guidelines on the Operational Risk Management of Commercial Banks*, the *Guidelines on the Information Technology Risk Management of Commercial Banks*, as well as other laws and regulations and industry standard requirement. The Bank developed an information security management system, including information security guidelines, data protection and network defence, which covered the whole bank and all subsidiaries, and guided all employees to practise information security measures.

During the reporting period, the Bank formulated and revised 16 information security policies, streamlined and updated 20 personal information processing rules for online channels, and improved 131 data information businesses. The Bank also released the *Legal Risk Management Standards of Digital Finance*, developed the legal bottom line standards for the data security life cycle across the Bank, and further enhanced the management capacity in implementing network security assessment, preventing and managing computer viruses, regulating information system development security, strengthening cryptographic equipment management, and carrying out data classification, grading and security protection. Based on the requirement that all policies should cover the whole bank and all subsidiaries, the Bank guided all institutions to conduct business in accordance with laws and regulations, so as to ensure the safe and stable operation of the Bank's networks and information systems as well as the security of the business operation and customer information of the Bank.

The Bank further refined the network security system covering general policies, management specifications, standard rules, operational procedures and formulated information security systems covering the Bank, including the *General Information Security Strategy of China Minsheng Bank*. The Bank conducted information security education and training to all employees every year. Meanwhile, the operating units and the subsidiaries formulated and issued information security-related systems in line with their actual situation based on the requirements and guidance of the Head Office, strictly implemented the requirements to improve information security protection level.

- Network security:** The Bank published the *General Information Security Strategy of China Minsheng Bank* and other policies, which covered security organisation, security strategy, access control and security incident, realised the unified and standardised information security management process and technical implementation, in a bid to meet the related requirements in the *Cybersecurity Law of the People's Republic of China*.
- Information security:** The Bank published the *Measures on the Management of Customer Information Security of China Minsheng Bank*, which provided the principles in managing customer information security, and specified the requirements for the management, incident management, training and inspection of customer information security. The Bank published the *Implementation Rules for the Management of Customer Information Security of China Minsheng Bank*, which specified the security management in various stages, such as collection, transmission, storage, usage, deletion and destruction of customer information, and clarified the management requirements and technical measures for information of different security levels to protected customer information and privacy security from technology and management.
- Data security:** The Bank revised and published the *Measures for Data Security Management of China Minsheng Bank (Trial)* and the *Administrative Measures on Data Category and Division of China Minsheng Bank (Revised)* to specify the rules on data security governance, data classification and grading, data security management, protection of data security technology, personal information protection and data security risk monitoring and handling, which streamlined the Bank's data handling activities, promoted proper data development and use, and ensured data security.

Information and Data Security Management Measures

To reinforce the protection of financial consumer privacy and data, protect the legitimate rights and interests of financial consumers, the Bank improved security monitoring and protection measures during information processing with technologies including cloud printing, API monitoring and document encryption at terminals. Through the Operation Security Platform Performance Improvement Project and other projects, the Bank focused on building network security capabilities of threat detection, correlation analysis, response and situation awareness. At the same time, the Bank strengthened customer privacy protection and security compliance management of client applications, completed annual filing and annual change of real-name registration of mobile banking client Apps of the Bank, assisted mobile applications to rectify and test compliance issues, for the purpose of enhancing the security compliance of mobile terminals.

Security technology

The Bank set up a complete identity authentication and access control management system to protect consumers' personal information. Through identity authentication, classified authorisation and authority control for devices, applications and users, the Bank achieved effective access control management, clarified the granular boundary of external visits, and established a "zero trust" security structure. The Bank adopted symmetric encryption algorithm, asymmetric encryption algorithm, digital signature, digital certificate, de-identification and other cryptography technologies in the process of collection, transmission and storage of sensitive personal data to ensure data confidentiality and integrity. To protect the privacy of consumers' personal financial data, the Bank promoted the research and application of innovative technologies such as private calculation and confidential calculation to further enhance the protection of consumers' personal information.

Security management

To prevent personal information leakage, the Bank published the *Measures for Data Security Management of China Minsheng Bank (Trial)*, the *Administrative Measures on the Protection of Personal Information of China Minsheng Bank*, and the *Administrative Measures on Consumer Rights Protection of China Minsheng Bank*. In addition, the Bank also issued the *Guidance on Impact Assessment of the Protection of Personal Information of China Minsheng Bank*, to specify requirements on personal information access strategy, personal information processing rules, and personal information security protection. The Bank also made clear confidentiality obligations by signing confidentiality agreements and providing confidentiality training, incorporated data security risk management into the comprehensive risk management system, and enhanced security threat assessment and response capabilities. These measures significantly improved the automatic security incident assessment and emergency response capabilities.



To promptly and effectively identify and prevent data risks, the Bank put in place the data leakage incident response mechanism to minimise data leakage risks and ensure customer data security.

Proactive defence

Based on boundary defence, network isolation, host protection, intrusion detection and application security, the Bank constructed an all-round in-depth defence system. On this basis, the Bank established a complete cybersecurity system covering asset identification, management, monitoring and early-warning of vulnerability, analysis and assessment, coordinated synergy, response and source tracing.



Emergency Response

In order to ensure the security of business systems, devices, networks and data and the stable operation, prevent the risk of data leakage, the Bank has established an efficient emergency response mechanism for data leakage, which clarified the division of duties and staff arrangement. The Bank formulated the *Special Emergency Plan for Data Security Incidents of China Minsheng Bank* and carried out regular emergency drills. In the case of data leakage or potential leakage, the emergency organisation and personnel would take responsive and recovery measures in an orderly manner according to the process from monitoring and early-warning, analysis and assessment, notification early-warning, emergency response, coordinated synergy to source tracing, accumulate experience in responding to data security emergencies, and make every effort to protect the security of customer information, so as to avoid or reduce possible losses and impacts.

In 2023, the Bank conducted drills for cyber attack and defence, as well as important information system switching, which focused on data theft, data leakage, data backup and recovery and other scenarios, to continually improve the contingency plans and accumulate experience in responding to emergencies. The Bank strictly complied with laws and regulations related to cybersecurity and data security, implemented regulatory data security compliance management requirements, and adhered to the bottom lines of data security compliance. During the reporting period, no security incidents such as data leakage occurred.

Customer Privacy and Data Protection Measures



The Bank attached great importance to the construction of a comprehensive system in the field of data security. To protect consumers' personal data from the source, the Bank carried out a series of measures to improve management and security technology.

System construction

The Bank has formulated the *Administrative Measures on the Protection of Personal Information of China Minsheng Bank*, the *Administrative Measures on the Protection of Consumer Rights on Personal Financial Information of China Minsheng Bank*, the *Guidance on Impact Assessment Management of the Protection of Personal Information of China Minsheng Bank* and other regulations, which clearly defined organisation structure and duties on the protection of consumer information, and put forward requirements on various aspects, including all links of consumer information processing, cross-border management, cooperating institution management, information system management, staff management, and impact assessment of consumer information protection.

The Bank strictly required all institutions to follow the principle of "Minimum and necessity", adopted effective measures such as classified authorisation, authority control, technical control and impact assessment to strengthen the protection of consumer financial information, and protect legitimate rights of individuals to modify consumer information. The Bank also established corresponding supervision and inspection and emergency response mechanisms to prevent information leakage and misuse.

Granting of information control authority

In the customer privacy policies, the Bank processed customers' personal information with their consent and specified customers' authority in controlling their personal information. The Bank is fully committed to protecting the rights of customers to access, copy, delete, request account cancellation, change the scope of consented authorisation, refuse personalised display, respond to requests and withdraw consent of personal information, in an aim to enable customers to have sufficient capabilities and channels to protect their personal information security, and execute their rights in relation to personal information.

- **Accessing and updating personal information:** Customers can access or modify account information on the personal banking App or mobile banking App via the page of Settings of website or mobile applications.
- **Deleting personal information:** Customers have the right to request to delete personal information without using the services provided by the Bank. Once the request is accepted, customers' personal information will be deleted in time, with the exception of information that shall be retained pursuant to laws and regulations (e.g., the transaction records that shall be retained according to the AML requirements).

Minimised data collection

The Bank adopted minimised data collection in line with the principles of "lawfulness, legitimacy, necessity and integrity".

Data retention restrictions

The Bank set corresponding data retention periods for different types of data in accordance with relevant regulations of state and the financial regulatory authorities, as well as the time limits agreed with individual customers. Once the data retention period expired, the Bank shall delete the data. If it was technically difficult to delete, the Bank shall stop all handling of the data other than storage and necessary security protection.



Strengthened management constraints

The Bank specified the security management requirements over the full life cycle activities from data collection, transmission, storage, usage, deletion to destruction. The Bank adopted effective measures such as classified authorisation, authority control and technical control to strengthen the protection of personal financial information, protect legitimate rights of individuals regarding their personal information, established corresponding supervision and inspection and emergency response mechanisms to prevent information leakage and misuse. As at the end of 2023, The Bank has completed the classification and tagging of over 36,000 individual customer data items and more than 4,000 corporate customer data items in the data warehouse. Based on the unified regulatory reporting platform, measures have been implemented to desensitise and protect individual customer data such as the name, identification and address for regulatory data display application scenarios.

Data use control on third parties

The Bank only shared customer personal information with third parties for legal, legitimate, necessary, specific and explicit purposes, and only shared the personal information necessary for providing services. Besides, the Bank continuously strengthened the protection of the process by which third parties use users' personal information, and rigorously monitored the software development kits (SDKs) and application programming interfaces (APIs) used by partners to access information, in an attempt to ensure data security. Moreover, the Bank entered into strict confidentiality agreements with third parties, requiring them to handle users' personal information in accordance with the Bank's instructions, policies and any other relevant confidentiality and security measures.

Supplier management in external data procurement and data application processes

The Bank placed great emphasis on customer privacy and data protection in the procurement of external data and the application of such data. Before collaborating with suppliers, the Bank acquired information about the suppliers' information security certifications to ensure they possess the relevant qualifications. The contract explicitly outlined the obligations that data suppliers must fulfil regarding customer data and privacy confidentiality during the collaboration. This included ensuring the legitimacy and compliance of data sources and the authenticity of information collection processes, and no data processing beyond the agreed-upon purposes and no data copies should be stored or retained without consent. During the collaboration, the Bank monitored the supplier's adherence to the obligations, requiring data suppliers to record and save the processing procedures of relevant data for traceability. The Bank also requested data suppliers to cooperate in conducting regular sampling checks on the supplier's data records, systems, controls, processes and procedures. Once a supplier fails to comply with relevant policies, the Bank will demand rectification and will subsequently verify and monitor the rectification outcomes.

Training on Information and Data Security Management

Information security management related training

The Bank has taken various measures to actively improve information security awareness and capacity, with a focus on network security, data security, customer privacy protection, etc. Training and education activities have been conducted for

all employees of the Bank (including regular employees and contractors), with an annual average of about 4 hours of training per person.

Special training on privacy and data protection for all employees

The Bank regularly promoted data security education. At the beginning of the year, the Bank formulated the *Work Plan for Education and Publicity of Cybersecurity and Data Security*, with the relevant training targeting all employees of the Bank and all outsourced staff. The Bank regularly organised specialised data security courses for internal employees, including data security training, email security management training and the relevant assessments for mid-level managers and employ-

ees in specific positions, with an assessment pass rate of 98%. Additionally, online courses such as *Interpretation of the Data Security Law and Cybersecurity and Data Security Compliance Awareness Training* have been developed. For new outsourced staff, the Bank conducted an online assessment on network and data security awareness, and offered online training sessions designed to enhance network and data security risk compliance.

Data security training for employees with data management responsibilities (including all employees in the Data Management Department and all employees of data teams of the IT Department)

The training focused on AML and data security-related topics, introducing the Bank's AML and data security management system. It enhanced the awareness and skills of all employees in fulfilling their AML responsibilities and helped employees fully understand the content and considerations of data security management. As a result, data security management was

improved and management of minor violations by information technology personnel was strengthened. All employees from the two departments completed the post-training evaluation with a 100% pass rate.



Internal and External Audits of Information and Data Security

External certification and review of the information system

In accordance with the requirements of the National Financial Regulatory Administration, the China Securities Regulatory Commission and other authorities on the disclosure of annual reports of commercial banks, the Bank conducted annual external information system audit, which covered the assessment of the design and implementation of information security policies and technology management processes, and disclosed the audit results in the Bank's annual report and the annual internal control evaluation report. To actively implement the classified protection of cybersecurity, the Bank engaged third-party testing agencies to conduct information system security testing and risk appraisals every year, and carried out internal and external evaluation of ISO 27001 information security management system, in a bid to constantly optimise information security management system and operation procedures.

Internal Information System Audit

During the reporting period, the Bank's internal audit work strictly followed various regulatory requirements, kept abreast with the latest development of national information security and management, and carried out four audit programmes covering information security and information system, including the "Special Audit on the Online Financial Platform and Sensitive Payment Information Security", "Comprehensive Audit on IT Risks in 2023", "Comprehensive Audit on Business Continuity Management", and "Annual Audit on IT of Branches". By organising these audits, the Bank identified risks in related sectors, facilitated correction and management optimisation, promoted the continuous improvement of IT management systems of the Bank, and constructed the third line of defence for IT risk management.

Information and Data Security System Certification

The Bank's information security management system has passed the ISO 27001 information security management system certification. The business scope of this ISO 27001 certification included the design and development, operation and maintenance, and technical support of the information systems of the whole bank.

During the reporting period, the Bank obtained the "Data Security Capability Maturity Model Level 3" certification. The certification aligned with the national data security standard GB/T 37988-2019 *Information Security Technology - Data Security Capability Maturity Model*, and was conducted by third-party certification agencies that are recognised by the State and approved by the Regulatory Commission. The certification identified the Bank's technical and management competencies in customer privacy and data security in a systematic manner.

In addition, the Bank continued to improve the standardisation and systematisation of its information security management, and has passed the system certification of the China Cybersecurity Review Technology and Certification Centre and the Enhanced Certification for "Trusted R&D and Operation Security Capability Maturity" (TSM) organised by the China Academy of Information and Communications Technology. The Bank's professional competence in protecting data, information, and privacy security of enterprises and customers has won international-level recognition.



Social Responsibility

06

People-Oriented, Promoting Development with Human Resources



About the Report

About China
Minsheng Bank

ESG Governance

Environmentally
Responsible, Green
Development for
Ecosystem Protection

Customer-First,
Considerate Services
for Win-Win
Cooperation

People-Oriented,
Promoting
Development with
Human Resources

Financial Welfare,
Minsheng's Care for
the Society

Steady Operation,
Enhanced
Compliance and
Risk Control

Talent Development Strategy

The Bank adheres to people-oriented development, protects the rights and interests of employees, values talents and supports their career development, empowered employees with smooth career development channels. The Bank also strengthened independent cultivation of young talents, and provided broader space for learning and growth to help employees achieve their individual value. The Bank has provided reliable conditions for safety and health protection, focused on humanistic care for employees, paid attention to their spare time life, and organised various activities to constantly enhance their satisfaction and happiness.

Clarifying Recruitment Strategy

Based on the Bank's guiding principles on talent strategy, the Bank is committed to building a young, professional and sustainable team of talents. It led the establishment of the campus recruitment and social recruitment system, and spared no effort to promote the strategy of building the supply chain of high-quality strategic talents. Focusing on

business demands, the Bank carried out the planning and mapping of its talent pool, effectively predicted recruitment demands, adopted differentiated recruitment channels, and selected talents in a scientific manner. With these efforts, the Bank established a stable talent supply chain to ensure robust talent support for the Bank's sustainable development.



Dedicated to building a campus recruitment brand

"Employment is the most significant livelihood issue." The Bank placed great emphasis on campus recruitment and cultivation of young talent, set the goals of developing young talent teams, and constantly increased the ratio of graduate students in the new recruits to lay a foundation of self-sufficient talent cultivation. To attract and recruit more outstanding graduates, the Bank introduced innovative campus recruitment practices, focused on the online promotion channels favoured among youngsters, proactively established contact with universities and arranged targeted presentations. Besides, the Bank made full use of the campus recruitment assessment tools, refined the talent evaluation model and reports, and developed training courses and manuals for interpreting campus recruitment assessment reports, thereby enhancing the quality and effectiveness of selection and recruitment. Moreover, the Bank continuously optimised featured graduate student recruitment projects, developed the campus recruitment system with the main brand of "Future Bankers" and the sub-brands of "Young Sail Management Trainee Programme", "Minsheng Chip Fintech Talent Programme" and "Fresh Bamboo Professional Talent Programme".



The cultivation of "Young Sail"

The cultivation of "Young Sail" management trainees is focused on key position talents in the priority business area of Bank's transformation and reform. Through relatively rich job rotation, the emphasis is on enhancing diversified thinking and problem-solving abilities.



The cultivation of "Minsheng Chip"

The cultivation of "Minsheng Chip" Fintech talents is positioned as the technical backbone of the Bank's financial technology field, aiming to secure a crucial talent pool for the Bank's digital transformation. Through the "industry-technology integration" approach, the focus is on identifying and selecting high-potential Fintech talents with proven technical skills, innovative learning capabilities, a sense of responsibility and teamwork spirit.



The cultivation of "Fresh Bamboo"

The cultivation of "Fresh Bamboo" professionals is targeted at being the business backbone in various professional directions of the Bank. They are empowered through specialised training and tasks in a "step-by-step" manner. To actively respond to the digital transformation strategy, the Bank innovatively carried out Fintech contests that attracted thousands of graduates majoring in technology research and development, aiming to reserve high-quality talents for the Bank's high quality development.

During the reporting period, the Bank recruited over **1,400** fresh graduates, with the proportion of graduates from top universities increasing by **10%** as compared with the previous year, significantly enhancing the quality of the talent pool.

Planning the selection and appointment of professional talents in a scientific manner

In response to the overall national requirement of "integrating into the national strategy and developing regional characteristics and advantages", the Bank increased its HR support for talent recruitment in key regions and business areas by formulating lists of job positions for leading talents, optimising talent recruitment processes, and carrying out specialised recruitment. Based on the full-cycle and professional talent management mechanism, and by focusing on the key areas of the strategic reform, the Bank scientifically planned the demands of talents in key areas and pushed forward talent selection and recruitment for the key business areas including business segment, risk management segment and Fintech segment. In addition, in response to the bank-wide digital transformation initiative, the Bank established a standardised talent acquisition mechanism, developed a Fintech talent profiling model that was applicable across various scenarios, selected and appointed professional Fintech talents, and empowered the cultivation of the core talents, laying a solid foundation for the Bank's strategic reform and sustainable development.



▲ Minsheng Chip Fintech Talent Programme



During the reporting period, the Bank received multiple honours in human resources recruitment, including ▼

Zhaopin.com, the Social Survey Research Centre and the National School of Development of Peking University
"2023 China's Top 30 Employers" award co-presented

51job.com
"2023 China Model Employer" and "Model of HR Management Team" awards

nowcoder.com
"2023 NFuture Top Employers Winning Tech Talent in Campus Recruitment" award

Liepin.com
"2023 Extraordinary Employer" award

Smoothing Talent Development Channels

The Bank attached great importance to employee development, and built the sound "dual channels" mechanism for management and professional development around the Bank's strategic transformation plan, providing employees with a career development platform with fair opportunities, clear channels and scientific evaluation, and strengthening the construction of the workforce. The Bank advanced the reform of candidate selection and appointment, established a fair and equitable talent selection mechanism, and selected talents with professional capability, value contribution, innovation mindset and a sense of responsibility in various fields. With these efforts, the Bank optimised the structure and enhanced the quality of talent teams.

Expanding the channel for professional job sequence talent development

The Bank has established a comprehensive development channel for professional job sequence talents, refined the training system, introduced management policies for the development of professional talents, and conducted talent evaluation and appointment across the Bank. In key professional job sequences such as corporate banking, retail banking, risk management and information technology, a group of high-quality core talents have been selected and appointed, inspiring all employees to pursue continuous self-improvement. The Bank has implemented a layered and classified capability growth points system. For young employees in the early stages of their careers, it encourages growth and promotion through learning and hands-on project engagement, helping them make progress through small steps. For employees in the mature stage of their careers, it provides opportunities for key task engagement and professional growth. Obviously, the system offers a smooth career development channel for professionals at all levels.



Focusing on management capacity and leadership development

The Bank mainly improved the capability of the management and the reserve talents with continuous effort in the following aspects:

Strengthening the selection and cultivation of reserve talents

The Bank acts actively to select and cultivate reserve talents, in an effort to bring youthful energy to the management team and improve the management structure. Through clarified standards, optimised methods and standardised process, the Bank aims to select young and professional talents with practical capability, impressive performance and front-line experience. Via organising job rotation of reserve talents between the Head Office and the branches, the Bank provided opportunities for the reserve talents to practise their skills.

Strengthening the development of management team

The Bank was committed to building a highly qualified, competent and well-structured management team, appointing more excellent young leaders, and constantly enhancing the age and profession structures of the mid-level management staff. The Bank optimised and strengthened the leadership teams at all branches, and increased the opportunity and frequency of rotation and exchange of leaders at all levels in order to enrich their job experience, improve their comprehensive quality and enhance their ability in duty perform.

Continuously supervising the management of leader teams

The Bank enhanced supervision of leaders' performance and fulfillment of their duties, and strengthened its efforts to remind, inquire and admonish leaders to ensure the integrity and efficiency of the management teams.

Optimising Talent Motivation

The Bank has established a comprehensive system for performance management, evaluation and feedback, and formulated detailed and reasonable management requirements regarding assessment methods, processes and feedback. Considering the mid- to long-term business development, the Bank implemented a performance management model that integrated "annual comprehensive performance evaluation" with "periodic reviews". This model encouraged employees to embrace a long-term perspective and stimulates them to be more creative.

Strengthening people-oriented honour incentives

The Bank has established the highest honours of the Group




These awards are designed to convey the Company's core values and drive sustainable growth of the Bank and its employees.

To leverage the guiding roles and inspirational influence of outstanding individuals and role models, the Bank held the Group Honour Selection and Recognition in 2023, with a total of 1,074 employees and 249 groups being recognised. In addition, the Bank upgraded the "Minsheng Starry Sky" system through which the honorary medals were distributed. The system provided a comprehensive overview of employees' honourable achievements, thereby enhancing the sense of honour and belonging among employees. Furthermore, the Bank set up the "Best New Joiner" award and the "Career Achievement Award" which covered employees' entire career. Newly recruited employees, and those with five, ten, twenty and thirty years of service can all be recipients of the awards, fully showcasing the Bank's talent diversity at all levels.

Establishing the value-based remuneration management system

In alignment with the strategic transformation requirements and mid- to long-term development goals, through proactive plan and targeted investment in human capital and remuneration, the Bank aims to sustain market competitiveness in terms of compensation offerings, strengthen the disciplinary role of compensation incentives in risk management and control, and support the transformation of business model. The total annual compensation for employees is configured based on the principles of driving strategic development, stable operations, and enhancing comprehensive performance, taking into account factors such as the talent team situation, operating outcomes, strategic focus areas, and risk control. Individual employee's compensation follows the distribution principles of "setting up positions based on needs, determining salaries based on positions, matching employees to positions, adjusting salaries with position changes, and paying for performance." On the basis of recognising the value of the employee's position and their personal capabilities, performance bonuses are determined according to the achievement of comprehensive performance, continuously stimulating employees' value creation and professional growth. Besides, the cultivation and motivation of young and front-line employees is a priority of the Bank. By optimising the salary structure and improving the incentive mechanisms, the Bank ensured the basic living standards of employees, allowing them to focus on enhancing their capabilities and experience levels, and achieve mutual growth with the organisation.

During the reporting period

The Bank completed the position-based remuneration reform and rolled it out at 41 branches

With the enhanced position-based remuneration management system, the Bank strengthened incentives for strategic key areas, critical positions and young talents, and realised the rational allocation of incentive resources and well-planned incentives for employees' value contributions, forming a remuneration management system that was "competitive in external market, fair in internal allocation, and sustainable in motivation measures".

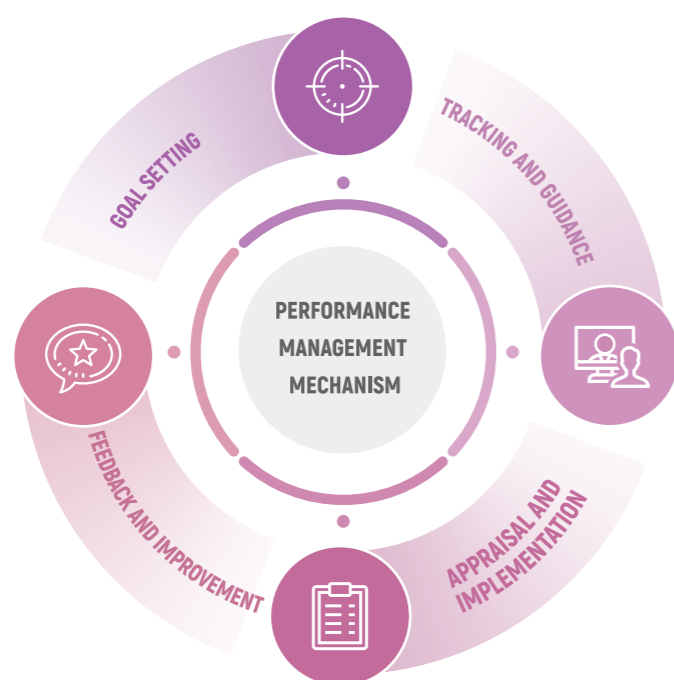
Building a strategy-orientated performance evaluation process



The Bank sticks to a layered, classified, comprehensive and balanced performance management mechanism. The Board of Directors was in charge of due diligence evaluation of the performance of the Senior Management, which prioritised strategy-orientation, focused on returns to shareholders and sustainable development consolidated compliant operations, and guided the Senior Management to achieve long-term objectives.

The Bank focuses on the strategic objectives and business model transformation in employee performance management. It adheres to a performance management system with "unified strategic orientation, consistent appraisal logic, integration of institutions and employees, and orderly connection among the Head Office, branches and sub-branches". The system emphasises the implementation of a layered and classified performance management mechanism, enhances the strategic and scientific nature of the performance objectives set, and enables differentiated and refined management of employees at all levels and categories.

The Bank keeps improving the closed-loop performance management system covering "Goal setting - Tracking and guidance - Appraisal and implementation - Feedback and improvement", strengthening the role of performance evaluation in guiding and improving employees' behaviour.



During the reporting period

The Bank's performance evaluation and feedback mechanism covered more than **90%** of its employees

The Bank's performance evaluation process is as follows

Performance objectives setting and planning

The Bank's management staff work with employees to develop performance objectives in accordance with the organisational strategy, department planning, job responsibilities, collaborative requirements, and capability enhancement plans. Employees' performance objectives encompass three dimensions: job performance, risk compliance and comprehensive development, which are further broken down into various types of indicators reflecting diverse job responsibility requirements. In addition, certain departments are exploring using goal management tools such as OKR to define performance objectives and specify key results, allowing teams to better focus on and achieve strategic goals.

Tracking and coaching

Managers at all levels track employee performance based on the performance objectives set at the beginning of the year, and engage in regular performance communications with employees to predict and assess any potential deviations from the established performance targets. Performance coaching is conducted through performance communication, skills training, experience sharing and knowledge expansion. While fully acknowledging employees' achievements and encouraging them to further tap into their potential, the coaching promptly highlights areas for improvement, assisting employees in bridging the gaps and successfully meeting performance objectives.

Performance appraisal and delivery

To ensure the performance assessment outcomes are comprehensive and objective, the Bank applies equitable procedures with transparent policies. Employee performance evaluation is divided into annual and periodic evaluations. Periodic evaluations primarily focus on reviewing job performance and risk compliance indicators. The frequency and scope of assessments can be determined by branches based on their specific situations. The assessment results serve as references for distributing performance bonuses and annual evaluations.

Annual evaluations provide overall assessments of employees' job performance and capabilities.

The evaluations are conducted from the end of each year to the beginning of the next year. The results are applied to distribute performance bonuses or adjust the job and salary grades, and serve as references for training and development, talent selection and award nominations.

Feedback and improvement


After the performance evaluation, managers at all levels communicate with employees based on their performance results, analyse their achievements and shortages in the previous evaluation period, and guide them to develop performance enhancement and improvement plans. Then, the human resources department of each branch will develop and implement appropriate training programmes.



Growing Together

The Bank abides by relevant policies in the *Administrative Measures on Employee Education and Training of China Minsheng Bank*, the *Administrative Measures on Employee Education Expenditure of China Minsheng Bank*, and *Administrative Guidelines on External Professional Qualification Certification of China Minsheng Bank*, with an intention to define the course resource development mechanism and management system. The Bank has standardised the course development and management, constructed an internal coaching management system with specified levels and categories, strengthened the development of the external qualification certification system, constantly improved the input-output ratio of training resources and consolidated the policy foundation for training management. These efforts enable the Bank to establish a training model and a learning and development mechanism that are systematic, sustainable and sophisticated to enhance employees' skills.

In 2023, the training efforts of the Bank were aligned with the Bank's strategic transformation, business expansion and talent cultivation requirements. Adhering to the principle of integrating organisational development with talent development and growth, the Bank proactively advanced innovation in training philosophy and models, and product development. Centred around the "Learning Map", the Bank instituted a tailored "position-specific enhancement training" approach, and meticulously developed the professional job sequence learning map, striving to enhance the overall quality and effectiveness of the Bank's education and training initiatives.



During the reporting period

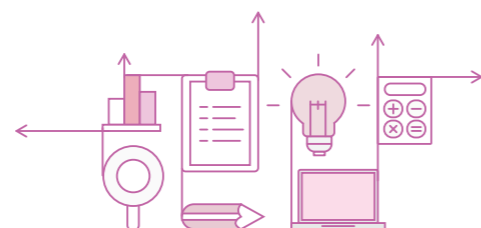
The Bank completed training for employees with a total of **9.86 million** attendances

Organised qualification certification of **399** items within the Bank and **345** live streaming classes

Which effectively improved employees' skills in performing their duties

Constructing a training and empowerment system that integrates "learning, examination and assessment"

To meet the Company's business development and staffing needs, the Bank dedicated to developing a comprehensive Learning Map in 2023. By adopting an integrated approach of "learning, examination and assessment" throughout the organisation, the Bank ensures that both the job-specific learning maps and the professional ability assessments are aligned with job qualification standards, thus unifying the standards for talent selection and development.



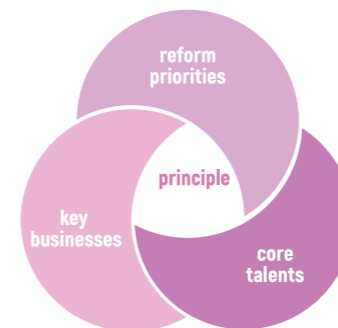
During the reporting period

The Bank promoted the reform of the training mechanism with the "professional sequence learning map" as its core. Centred around the "position-specific enhancement training" approach, the Bank allocated differentiated training resources for each professional sequence based on the framework of the knowledge and skills necessary for the position, and with due consideration to the current strategy and business requirements. Ultimately, the Bank accomplished the construction of learning maps that covered 112 professional job sequences, 3 levels of management (business personnel, managers, and senior managers) and nearly 400 positions.

The Bank accomplished

The construction of learning maps that covered 112 professional job sequences	3 levels of management (business personnel, managers, and senior managers) and nearly 400 positions.
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Focusing on the cultivation of key talents and business areas, strengthening and refining key training programs

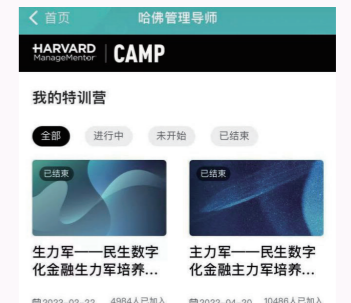


In accordance with the principle of focusing on reform priorities, key businesses and core talents, the Bank has concentrated quality training resources, focused on key training projects, organised and carried out party school training for senior management personnel, continued to increase reform advocacy, unified concepts and consensus, and inherited experience and wisdom, to strengthen the talent training system for digital transformation, upgrade the training system for new hires, and help improve the quality of training for young talents.

Case

Digital Finance Talent Training Programme

To implement the digital finance strategy of the Bank and to accelerate the training of professional talents and the improvement of professional capabilities in digital finance across the Bank, the Head Office launched a three-year digital finance leadership development programme in 2021. The program adopts a cooperative learning model that features "online + offline, in-house + outside, learning + discussion, thinking + practice". The programme has fostered a leading team that drove the implementation of the Bank's digital finance strategy, and accelerated the transition to digitalisation and realisation of the digital finance planning. In the past three years, a total of 9,398 mid-level and senior management personnel and outstanding young employees have been trained in this programme.



▲ Digital Financial Talent Training Programme

Case

Morning Light Charging Station - A Digital Empowerment Project

In 2023, the Morning Light Charging Station project explored new digital training models, and collaborated deeply with various business lines to develop courses. The project provided employees across the Bank with multi-dimensional professional practice case courses, including specialised courses for senior management, retail talents, operation professionals and data professionals, with a total of 186 online courses, and a total of over 2.2 million self-learning visits across the Bank. The project was awarded the "Digitalisation Project of the Year" at the 15th China E-Learning Forum & Exhibition "BooAoo Awards" selection event in 2023.



▲ Morning Light Charging Station Programme II

Deepening the long-term cultivation of internal lecturers and creating a culture of knowledge and experience inheritance

The Bank attached great importance to creating an atmosphere for internal knowledge and experience sharing, and has established a series of supporting mechanisms for the selection, cultivation, application, and motivation of internal lecturers, and developed a standardised and regulated internal lecturer empowerment system.

As at the end of 2023

A total of **1,553** internal lecturers at various levels had been selected and trained

Playing an important role in the efficient implementation of training programmes at all levels and the cultivation of talents for the Bank.

"Lecturer Cultivation" - Leadership Development Programme for Internal Lecturers

In 2023, the Bank launched the "Lecturer Cultivation" leadership development programme, promoting the selection and cultivation of internal lecturers across the Bank with standardised organisation, and designing a full set of mechanisms and management rules for the "selection, appointment, cultivation and retention" of internal lecturers, so as to motivate them to produce high-quality courses and contribute to the inheritance of the organisation's experience.

The project provided employees with a total of **16** compulsory courses across four stages, and **43** toolkits, creating an integrated learning zone for professional management skill enhancement, and over **3,000** micro courses.

During the year, the Bank has cumulatively cultivated 1,286 internal lecturers with platinum, gold, silver, and bronze rankings, and was awarded the Excellence in Innovation of Talent Learning & Development Award by Regulation Asia.

Partnering with educational institutions for training

During the reporting period, the Bank engaged in cooperative training projects with Harvard University, Zhejiang University and Shanghai University of Finance and Economics. These partnerships enabled the Bank to introduce cutting-edge academic research resources and offer its employees with access to professional training faculty. Focusing on the key points of digital finance and relying on Harvard's digital transformation and innovation courses, the Bank worked closely with the Harvard Business School's Corporate Learning Team to develop the Minsheng Youth Growth Training Camp. Through diversified learning approaches such as digital transformation model research, case studies, group seminars and innovative projects, the programme has effectively stimulated multi-perspective thinking and practices among young employees, with a total of 4,454 trainees successfully completing the programme, representing a completion rate of 94%. The programme collected "first innovation" cases in relation to digital finance from work areas of pioneer and main force trainees from each business line. With these efforts, the Bank summarised financial practice cases that employees can refer to, empowering the Bank's digital innovation and transformation.



▲ Minsheng Youth Growth Training Camp

Supporting employee to obtain professional qualification certification

The Bank attached great importance to the professional development of its employees, provided financial support and guarantee for all employees to obtain the external core qualification certification, such as Chartered Financial Analyst (CFA), Certified Financial Planner (CFP), Associate Financial Planner (AFP), Association of Chartered Certified Accountants (ACCA), Financial Risk Manager (FRM), and Project Management Professionals (PMP), and encouraged them to attend training classes and lectures for certification examinations organised by external institutions. Efforts were made to promote the integration of learning and examination, which further stimulates employees' enthusiasm to acquire professional qualification certification. Upon approval, the Bank may reimburse all employees for costs associated with external core certifications.



During the reporting period

A total of **3,294** employees obtained qualification certification under the Bank's support



Equal and Diverse Employment



Protecting Employees' Labour Rights and Interests

When signing, renewing, terminating, and rescinding labour relations, the Bank strictly abided by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other laws and regulations. Constant efforts were made to optimise the management process and improve the institutional system covering the whole process of induction, attendance, leave, salary, and dismissal. The Bank followed legal procedures to ensure that employees were treated in a fair, open, and impartial manner, regardless of gender, race, or other factors.



During the reporting period, the Bank and its Trade Union Committee signed the *Collective Contract of China Minsheng Banking Corp., Ltd. (2023-2026)*, which defined that both parties were committed to establishing and developing stable and harmonious labour relations and safeguarding the legitimate rights and interests of employees.

When formulating, modifying, or deciding rules and regulations or major matters that directly concern the vital interests of employees, such as labour remuneration, working hours, rest and leave, labour safety and health, social security and welfare, special protection for female employees and minors, and labour discipline, the Bank should consult with the Trade Union or employee representatives on an equal basis, and make the decisions known to all employees.



Complying with Labour Standards

Child labour and forced labour are prohibited in the Bank. To prevent these situations from happening and correct the relevant behaviours, the Bank introduced strict review and supervision measures in employee recruitment and appointment procedures, enhanced training of major HR services providers, and would penalise any violation in accordance with laws, regulations, and relevant internal disciplinary policies. For any child labour or forced labour identified, punishment would be imposed in accordance with relevant laws and regulations.

During the reporting period



The Bank did not involve in child labour, forced employment, or forced labour, nor did it violated the laws and regulations relating to child labour and forced labour.



Providing Employee Benefits

The Bank provided all employees with basic social benefits and internal standard benefits, and made timely and full payment for basic pension, basic medical care, unemployment, work-related injuries, maternity and other kinds of social insurance and housing provident funds. The Bank set up a welfare system including supplementary medical insurance, corporate annuity, physical examination, and other benefits to continue to improve employee welfare. In addition to the national statutory holidays, all employees were entitled to paid annual leave, service standing leave, sick leave, and care leave in line with the regulations, and female employees during pregnancy, perinatal period or lactation period were privileged with maternity leave, lactation leave and childcare leave. Thus, employees were supported to achieve work-life balance.

Employees Health and Safety

Strengthening Safety Prevention and Control System

The Bank strictly abided by laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, as well as industry standards and regulations such as the *Security Requirements for Banking Business Area of Public Safety Industry Standards of the People's Republic of China*. The Bank set up the Work Safety Committee with the Chairman as the head and the President as the deputy head, which covered all branches and subsidiaries, and established the organisational system and working mechanism for the workplace safety of the Bank.



Improving management measures

Pursuant to the *Work Safety Law of the People's Republic of China*, the *Emergency Response Law of the People's Republic of China* and the *Contingency Plan for Banking Emergencies* and in order to strengthen the work safety management of the Bank, fulfil the responsibilities for work safety supervision and management, prevent and reduce occupational accidents, and protect the safety of employees, customers and the Bank's properties, the Head Office formulated the *Working System for Work Safety Committee of China Minsheng Bank*, the *Notice on Adjusting the Members of Work Safety Committee Office of China Minsheng Bank* and other documents to standardise the work safety of the Bank.

Reinforcing safety training and drills for employees

The Bank organised training on safety knowledge and skills regularly and conducted emergency drills to ensure employees with enough security awareness and ability to respond to emergencies. Business outlets arranged at least four emergency plan drills and two fire evacuation drills every year. Security departments of institutions at all levels uniformly developed drill courses and plans. Sub-branches organised employees to conduct on-site drills according to the plans. The Work Safety Committee Office of the Head Office led the preparation of the *Fire Emergency Manual*, which summarised the key points of fire protection and the emergency handling process, and provided guidance for the daily fire-fighting education and emergency treatment of the Bank.



The Bank established the fire safety inspection system, in which property service managers on duty were required to carry out daily safety inspection, record daily inspection report, summarise inspection results weekly and monthly, and identify potential risks. In 2023, for each office area of the Head Office, the Bank carried out a total of 7,146 safety patrols and 2,057 safety inspections, discovered a total of 5,264 hidden dangers and issued 226 safety notices.

The Bank coordinated and organised various institutions to perform comprehensive fire safety, electricity and gas, and other special safety inspections. Special investigation and rectification actions against fire safety hazards were made throughout the Bank, and each institution was supervised to thoroughly identify fire safety hazards, and implement the rectification and preventive measures to ensure fire safety. In the bank-wide special investigation and rectification for hidden dangers of electricity and gas, the Bank troubleshoot in all respects, strengthened electricity and gas safety management, and implemented rectification. Emphasis was put on the management of canteen, construction in progress and equipment room to ensure timely detection and elimination of hidden troubles.



Strengthening fire protection management



Conducting special inspection

Building a Defence Line against Occupational Health Risks

The Bank highly values employees' health and safety. In strict accordance with relevant national laws and regulations such as the *Labour Law of the People's Republic of China*, the Bank cares about employees' safety and health, and paid social insurance as required by the *Social Insurance Law of the People's Republic of China* and other related national policies. The Bank actively responded to the *Outline of the "Healthy China 2030" Plan*, the *Opinions of the State Council on Implementing Healthy China Action* and other documents, and formulated and implemented the *Work Plan for Physical and Mental Health Care for Employees* and the *Implementation Plan for Strengthening Physical and Mental Care for Employees*. The Bank established three lines of defence to protect employees' health and safety as a response to the call of the state on establishing and improving a multi-level medical security system.



The Bank followed the provisions set out in the *Employment Contract* and the internal rules for labour relations management regarding employee protection, work condition and occupational hazard protection. The Bank purchased occupational injury insurance on time for employees in full amount and handled occupational injury incidents in compliance with the relevant laws and regulations.



The Bank formulated labour relation management regulations regarding employee protection and included them in the *Employment Contract*. The Bank examined the implementation of the "first line of defence" and other regulations on a regular basis, and organised relevant trainings and lectures.



The Bank established a supplementary mechanism of group medical insurance policy, which covers multiple collective insurance items such as outpatient, hospitalisation, accident, to provide basic health insurance service for employees. The Bank opened Minsheng Infirmary and Minsheng Health Room to provide employees with a full range of occupational medical and health management services and first-aid services for acute and critical diseases of employees during office hours, and to assist patients to receive timely and necessary treatment before being transferred to medical institutions.

Pleasant Working Experience

Deepening Democratic Management

In accordance with relevant provisions of the *Trade Union Law of the People's Republic of China* and the *Constitution of the Chinese Trade Unions*, the Bank actively put the *Provisions on the Democratic Management of Enterprises* into practice, supported the independent work of the Trade Union and the democratic election of its chairman, and made available relevant funds in full amount to protect the democratic rights of employees. During the reporting period, the Bank promoted the institution-based, procedure-based and standard-based democratic management of employees, organised and convened employee representatives congresses, and deliberated on and approved the *Working Report of Employee Supervisor*, the *Administrative Measures on Professional Sequence Talent Development of China Minsheng Bank (Trial)*, the *Administrative Measures on Professional Sequence Evaluation and Appointment of China Minsheng Bank (Trial)*, the *Administrative Measures on Job Hierarchy of China Minsheng Bank (Trial)*, the *2023 Employee Benefit Budget Plan of the Bank*, and other rules, regulations and matters related to the employees' immediate interests.

During the reporting period



The trade unions at various levels of the Bank continued to improve the corporate democratic management system with employee representatives congress as the basic form, organised employees to participate in democratic election, decision making, management and supervision, and proactively encouraged employees to engage in corporate governance in an orderly manner. The Bank convened the 1st and 2nd employee representatives congress of the second session across the Bank, where the representatives deliberated and passed a series of major proposals and significant policies and measures through voting. The primary-level units regularly organised and convened employee representatives meetings at branch level based on the related institutional requirements, deliberated and voted on the institutional measures concerning employee benefits. These meetings enabled employees to fully and effectively utilise their rights to information, participation, expression and supervision.



CASE

Minsheng Infirmary and Health Room Provided a Full Range of Medical and Health Services

To provide employees with better health management and service and foster a healthy culture of the Bank, the Head Office, with the approval of the Health Committee of Xicheng District, obtained the *Practice License of Medical Institution* and opened Minsheng Infirmary and Health Room. This aims to offer employees with medical and health services in all aspects, including general consultation and diagnosis, chronic disease management, medical emergency and psychological counselling.

In 2023

The Infirmary and Health Room received **10,149** patients

Arranged **49** expert visits

Provided **96** times of health physiotherapy service.



▲ Minsheng Health Room

Smoothing Communication Channels

The Bank has built up a long-term feedback platform for employees, i.e., "Voice of Minsheng" to collect and address business development appeals from the primary-level institutions, summarised key issues on a regular basis to report to the management for making decisions, and publicised the solutions for problems. The personal privacy and information security of employees mattered. Thus, employees could raise questions and file appeals both anonymously on the "Voice of Minsheng" platform. Once replied, employees could post questions for unlimited times and make assessment also anonymously to ensure that their issues were effectively solved. The Bank adhered to the principle of keeping employee information confidential, and attached great importance to the anonymity of employee opinions submitted. Thus, the Bank developed a stringent complaint handling process, clearly stipulated the authorisation and confidentiality scope of employees' personal information, and strictly controlled the retention time of appeal information to effectively guarantee the personal information security.

The Chairman and the management paid close attention to employees' complaints, and held special meetings to decide the solution for the problems and demands reported. The operation team of the "Voice of Minsheng" platform coordinated, tracked and urged the whole process of problem solving, and assessed the efficiency of the corresponding departments in handling appeals.

During the reporting period

The Bank collected a total of **894** employee feedback issues from the "Voice of Minsheng" platform

With **506** anonymous ones therein, and the solution rate reached almost **100%**



Caring about Employees' Life

Conducting happiness index survey.

For a more pleasant occupational experience and higher employee satisfaction, the Bank launches the bank-wide happiness index survey on a regular basis, with the assessment results covering the whole year. In 2023, the Bank officially launched the "Bamboo Sea Plan" project based on the survey result of the previous year, which solved the pressing difficulties and problems that were of the greatest concern to the operating institutions and front-line employees, and enhanced their sense of gain, security and happiness.



Maintaining a work-life balance

In order to enrich employees' leisure life and improve their physical fitness, the Bank organised a wide range of mass sports activities for all personnel, such as "Passion and Vitality of Minsheng in the Green Field" themed seven-a-side football matches, badminton matches and dragon boat regattas arranged by the Head office, "Minsheng Cup" systematic chess matches and contract bridge matches. By caring employees in all aspects, and helping them to grow happily, the Bank created a favourable workplace ecosystem to elevate the operational efficiency of the organisation.



During the New Year's Day, Spring Festival, May 1st (International Workers' Day), Dragon Boat Festival and other festivals, the Bank offered holiday care packages to employees and their families who were in need of assistance and paired assistance cadres, showing the Bank's solicitude for them. Since the Bank also wished a harmonious family life of employees, themed activities for Women's Day and Children's Day, and parents-child campaigns for Children's Day and summer vacation were carried out to help staff maintain the balance between work and life and improve family happiness.

Caring about female employees

The Bank improved the organisation of trade unions and other female employees groups at all levels, and safeguarded the legitimate rights and interests of female employees to enhance their sense of belonging and honour, stimulate their enthusiasm and creativity, and create more opportunities and platforms for their career development.

This year, the Bank elected and established the Female Employees of the Trade Union, and revised and supplemented the "Special Protection for Female Employees" clause in the collective contract in light of the actual situation of the Bank.



The Bank maintained the bank-wide programme of "Care for Female Employees", which provided on-site psychological counselling services with the theme of "Family Education", physical and mental health services for women, and childcare services, to strongly and comprehensively support female employees.

To exemplify the outstanding achievements of female employees, the Bank organised a bank-wide selection of "March 8th Red-Banner Pacesetters", "National Finance May 1st Outstanding Female Model Posts" and "Finance 1 May Outstanding Female Model Workers" to set the female role models.



Paying attention to mental health



A 7×24 hours psychological counselling EAP (Employee Assistance Programme) hotline was available to provide all employees with timely psychological counselling and support. The Bank also set up a mental health station to promote affective interaction and mutual assistance among employees.

During the reporting period

The EAP hotline provided **1,769** times of services for employees

With a total hotline consultation time of **2,199.5** hours

The Bank organised a series of workplace-themed activities such as "Psychology Micro-Classes", "Mental Care Advisory Station" and "Mental health Ambassador Training Classes", and opened the Psychological Consultation Room of the Head Office to help employees better understand the psychological problems in the workplace, and improve their psychological quality and handling ability.

Performance Indicators of Human Resources Development

Key Performance Indicators Related to Employment in 2023

► Employment Profile in 2023 ¹ ◀

Indicators	Headcount ²	Percentage
Total employees	60,843	100%
By employment type		
Full-time	60,843	100%
Part-time	0	0%
By gender		
Male	26,445	43.46%
Female	34,398	56.54%
By age		
<=30	13,933	22.90%
31 to 50	44,506	73.15%
>50	2,399	3.94%
By geographical region ³		
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	18,021	29.62%
Central China (Henan, Hubei and Hunan)	4,247	6.98%
North China ⁴ (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	22,573	37.10%
South China (Guangdong, Hainan and Guangxi)	6,306	10.36%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	2,300	3.78%
Northeast China (Heilongjiang, Jilin and Liaoning)	2,340	3.85%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Xizang)	4,761	7.83%
Hong Kong, Macao and Taiwan regions of China	295	0.48%

Indicators	Headcount ²	Percentage
By ethnic group		
Ethnic minorities	2,862	4.70%
Ethnic majorities	57,981	95.30%

Notes:

1. The scope of employee data covers the Head Office, branches and sub-branches at all levels of the Bank.
2. The number of employees is the headcount as at the end of 2023.
3. The headcount of each region is the total number of employees of the branches in each region.
4. The Head Office and the Credit Card Centre are included in North China for statistics.

Key Performance Indicators Related to Turnover in 2023

► Employment Turnovers in 2023 ◀

Indicators	Turnover rate ^{1,2}
Total turnover rate ³	3.83%
By gender	
Male	4.31%
Female	3.46%
By age	
<=30	7.03%
31 to 50	3.21%
>50	1.43%
By geographical region	
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	4.43%
Central China (Henan, Hubei and Hunan)	4.12%
North China (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	2.66%

Indicators	Turnover rate ^{1,2}
South China (Guangdong, Hainan and Guangxi)	4.47%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	4.63%
Northeast China (Heilongjiang, Jilin and Liaoning)	3.40%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Xizang)	4.37%
Hong Kong, Macao and Taiwan regions of China	11.53%

Notes:

1. The employee turnover rate data covers registered employees of the Head Office, branches and sub-branches at all levels of the Bank.
2. The employee turnover rate is calculated based on the active/passive turnover of employees.
3. The employee turnover rate represents the ratio of the turnover of regular employees in 2023 to the headcount of regular employees as at the end of 2023.

Key Performance Indicator Related to Employee Trainings in 2023

▶ Training hours of employees in 2023 ◀

Indicators	Average training hours (hour) ¹
All employees	133.0
By rank	
Senior management	106.6
Mid-level management	132.5
General employees	133.3
By gender	
Male	124.6
Female	139.4

▶ Percentage of employees trained in 2023 ² ◀

Indicators	Percentage of employees trained (%) ³
By rank	
Senior management	82.7%
Middle management	99.3%
General employees	99.7%
By gender	
Male	99.3%
Female	99.6%

Notes:

1. The average training hours of employees represents the ratio of the total training time on record in the Bank as at the end of 2023 to the average headcount of the Bank in the year.
2. The percentage of employees trained represents the ratio of employees taking trainings as at the end of 2023 to the average headcount in the year.
3. The scope of the percentage of employees trained covers the Head Office, branches and sub-branches at all levels of China Minsheng Bank.

Key Performance Indicators Related to Employee Health and Safety in 2023

▶ Employee health and safety in 2023 ◀

Indicators	Headcount ²	Percentage ⁴
Number of work-related fatalities occurred in the past three years (including the reporting year) ^{1,3}		
2023	0	0
2022	0	0
2021	0	0
Indicators	Number of days	
Lost days due to work injury (work injury leave) ⁵	1,832	

Notes:

1. The scope of work injury and work-related fatalities covers the Head Office, branches and sub-branches at all levels of the Bank.
2. The number of employees is the headcount as at the end of 2023.
3. Statistics on work injuries and work-related fatalities are collected based on the recognition of the local Human Resources and Social Security Bureau.
4. Rate of work-related fatalities = Number of work-related fatalities/Total number of regular employees.
5. The number of lost days due to work injury is the total number of days of leave due to occupational injury of employees recognised by the local Human Resources and Social Security Bureau.

Social Responsibility

07

Financial Welfare, Minsheng's Care for the Society

Adhering to the philosophy of sharing development achievements with the society, the Bank closely connected its own development with social progress and continued to initiate innovative social responsibility practices in the fields of paired assistance, emergency response and disaster relief, disease treatment, donation to education, environmental protection and cultural public welfare. The Bank passed warmth and strength through its actions and endeavoured to contribute to a better society.



About the Report

About China
Minsheng Bank

ESG Governance

Environmentally
Responsible, Green
Development for
Ecosystem Protection

Customer-First,
Considerate Services
for Win-Win
Cooperation

People-Oriented,
Promoting
Development with
Human Resources

Financial Welfare,
Minsheng's Care
for the Society

Steady Operation,
Enhanced
Compliance and
Risk Control



Supporting Rural Revitalisation

The Bank actively responded to the national strategy to financially support rural revitalisation and facilitate common prosperity. This year, the Bank developed the *2023 Key Points of Paired Assistance* to clarify the targets, division of work and specific measures of assistance. The Bank also signed a letter of work responsibility with the grassroots Party committees to fulfill the assistance responsibility. The Bank continued to increase financial support to rural areas through innovative products and models, including "Revitalisation Loan", "Photovoltaic Loan", "Agricultural Loan Express", "Cotton Grower Loan", "E-Grain Finance", and "Common Prosperity Loan".

During the reporting period, the Bank carried out diversified assistance in **832** state-level counties lifted out of poverty, covering organisation, finance, industry, talent, culture, education, ecosystem and other key aspects.

As at the end of 2023

The balance of loans to the 832 state-level counties lifted out of poverty nationwide amounted to **RMB44.302 billion**, and the total amount of consumption assistance to the areas lifted out of poverty nationwide reached **RMB48.88 million**, contributing to the economic development in areas lifted out of poverty and the improvement of the quality of life of local residents.



The Bank has provided paired assistance to Hua County and Fengqiu County in Henan Province for 22 consecutive years, cumulatively donated more than RMB200 million free assistance fund and granted more than RMB1.2 billion loans to the two counties. The Bank has won the highest level of "Good" in the paired assistance assessment on the central unit for many consecutive years.

During the reporting period

The Bank implemented **79** assistance projects and working mechanisms

Provided free assistance fund of **RMB37.53 million**

Introduced free assistance fund of **RMB33.97 million**

And trained **18 thousand** participants from key groups for rural revitalisation

Benefiting more than **23.6 thousand** persons and strongly promoting local economic and social development

To actively enrich rural cultural life and cultivate positive mental attitude of farmers, the Bank held 11 sessions of rural civilisation construction activities, such as "Family Photo Shooting in the Spring Festival" and "Financial Knowledge Promotion in Rural Areas". Meanwhile, the Bank cooperated with the village Party branch and village committee to carry out "Courtyard with Five Beauty" and other selection activities, and built up activity organisations of villagers including the Weifeng Drums Band. In addition, the Bank continued to improve the rural living environment. The Bank made village planning, and completed construction projects such as road construction, street lamp installation and wall renovation for Hezhai Village, and built "100 Beautiful Village - White Horse Forest Valley" B&B for Dishang Village, so as to promote the development of cultural tourism projects.



Devoting to Disaster Relief

From August to September in 2023, rainstorms and floods broke out in many parts of the country. The Bank immediately carried out disaster relief measures, strengthened credit support to key areas of flood prevention and disaster relief and post-disaster reconstruction, and provided financial services in the affected areas to help enterprises resume work and production, and overcome difficulties with affected customers together.



Strengthening credit support to help reconstruction of enterprises and farmers

The Bank gave full play to the unique advantages of the product of "Agricultural Loan Express", and strengthened the credit support for the disaster-stricken farmers and new agricultural business entities based on the preferential credit policies for farmers, so as to help the affected enterprises to tide over the difficulties.



Improving credit service efficiency for post-disaster reconstruction

Through Minsheng Small Business App and other channels, the Bank offered account opening, fund settlement and other online financial services for disaster-stricken enterprises, and developed dedicated care programmes for disaster-stricken credit card customers. Meanwhile, the Bank optimised and simplified the credit approval process for disaster-stricken customers, and opened a fast and convenient green approval channel for enterprises in disaster-stricken areas, in the aim to facilitate their self-rescue and difficulty relief in production and development.



Comprehensively ensuring basic financial services in disaster-hit areas

The Bank adopted flexible opening hours of outlets, provided door-to-door and remote financial services, opened green channels, and guaranteed cash supply, so as to ensure the continuity and stability of financial services in disaster-hit areas.



Exploring Public Welfare and Charity

Adhering to the philosophy of sharing development achievements with the society



the Bank donated **RMB124 million**
(including RMB32.70 million goods and materials)
in 2023



benefiting more than
53 million persons

The Bank implemented the "Power of Minsheng's Love – ME Charity Innovation Funding Scheme" for nine consecutive years and cumulatively donated RMB101.10 million, funding 216 innovative public welfare projects that committed to rural revitalisation, community development, educational support, health and well-being, ecological civilisation and other areas, directly benefiting over 290 thousand persons.



cumulatively donated
RMB101.10 million

directly benefiting over
290 thousand persons

The Bank fully funded the "Guangcai • Medical Care Programme for Children with Congenital Heart Disease" for the 11th consecutive year, and cumulatively donated RMB65 million (including RMB5 million donated this year) to provide free medical care for children with congenital heart disease in Xizang and South Xinjiang and other areas. As at the end of 2023, the Bank has offered treatment to 1,165 children with congenital heart disease in total.



Cumulatively donated
RMB65 million

RMB5 million
donated this year

As at the end of 2023, the Bank has offered
treatment to **1,165** children with congenital heart
disease in total

The Bank cooperated with Beijing Meijiang Education Foundation on education welfare programmes for the 15th consecutive year, and opened a "One-to-One Class - Minsheng Meijiang Class" in Aheqi County and Ahetao County in Kizilsu Kirghiz Autonomous Prefecture in Xinjiang. This year, the Bank supported 91 students.

This year, the Bank supported
91 students

The Bank supported the AIDS prevention and control programme of China Red Ribbon Foundation for the 16th consecutive year, supporting AIDS prevention and control in remote and impoverished areas, education support, mother-to-child interruption programmes in Liangshan Yi Autonomous Prefecture in Sichuan, training of AIDS prevention officers, and publicity and education on the prevention and treatment of AIDS nationwide. The Bank has cumulatively donated RMB48.70 million.

The Bank has cumulatively donated
RMB48.70 million

The Bank adhered to the mission of "serving the public and caring for people's livelihood", participated in community co-building, encouraged employees to participate in voluntary service, advocated the spirit of helping those in need and helping each other, and practised social responsibility with concrete actions. During the reporting period, the Bank carried out 203 volunteer activities and more than 12,000 persons participated in the activities.

The Bank carried out **203** volunteer
activities and more than **12,000** persons
participated in the activities

The Bank also focused on biodiversity conservation, and extensively cooperated with all sectors of society to vigorously support ecological protection. In collaboration with the Green Future Environmental Protection Association of Changyuan City, the Bank launched the programme of "Protection Network for Saving Great Bustard" in Yellow River Wetland National Nature Reserve of Xinxiang in Henan Province, and supported the Nature Conservation Association of Altay Prefecture to carry out the programme of "ME - New Habitat Plan for Castor Fiber Birulai" to help protect the population of castor fiber birulai.



Protection Network for Saving Great Bustard



ME - New Habitat Plan for Castor Fiber Birulai

Promoting Cultural and Public Welfare



During the reporting period, the art institutions sponsored and operated by the Bank remained committed to cultural public welfare by organising annual key exhibitions, promoting the inheritance of splendid traditional culture, supporting the development of rural arts, and insisting on cultural public welfare to serve the national strategy of culture and knowledge popularisation, and meet the needs of public art education.

Launching a series of "Civilisation" exhibitions

This year, the public welfare art institutions of the Bank served **46 million** online visitors



Held three major exhibitions including "The Trace of Civilisation: The Great Art of Dunhuang" and "The Inheritance of Civilisation: The Great Art of Century-Old Masters", and organised 108 sessions of public education events. "The Trace of Civilisation - The Great Art of Dunhuang" was awarded the Excellent Exhibition Programme of Art Museums Nationwide in 2022 by the Ministry of Culture and Tourism, and Shanghai Minsheng Art Museum was awarded the "Excellent Experience Site of Culture and Art Experience Base for the Lifelong Learning of Shanghai Citizens", contributing to cultural transmission and public education.



Supporting the inheritance of splendid traditional culture

Beijing Minsheng Chinese Calligraphy Public Welfare Foundation, together with Sichuan Branch and Hefei Branch of the Bank, jointly established the Minsheng Traditional Culture and Calligraphy Research Centre with well-known universities to foster humanistic literacy and conduct research on traditional culture and art. In addition, "Minsheng Outstanding Traditional Culture Scholarship" and other public welfare programmes were launched to facilitate the inheritance and development of excellent traditional culture.

Injecting artistic nutrients to rural revitalisation

The Bank upgraded the rural art construction of Hua County of Henan Province, developed the models of "art + cultural tourism", "art + intangible cultural heritage" and "art + rural construction", and organised artistic activities including "Minsheng MA+ Rural Art Construction Creativity Festival". Efforts were also made to open up space for rural aesthetic education, create cultural landmarks of Hua County, accelerate the building of cultural tourism in Hua County, and realise rural revitalisation with fresh artistic nutrients and Minsheng's strength.



This year, the Bank won a number of honours and awards in terms of social responsibility, including

JRJ.com in 2023
Excellent Social Responsibility Award

JRJ.com in 2023
Excellent Rural Revitalisation Role Model Award

The case of *Learning from the Successful Practices of "Demonstration of One Thousand Villages and Renovation of Ten Thousand Villages" to Help Renovate the Old Village at Dishang Forest Farm in Hua County in Henan Province* was honoured as the

China Association for Public Companies
Best Practical Cases for Rural Revitalisation of Listed Companies

The case of *"Commercial Vehicle Financial Leasing Business of "Minsheng Easy Leasing" Supporting Rural Revitalisation"* was honoured as

China Association for Public Companies
Outstanding Practical Cases for Rural Revitalisation of Listed Companies

The case of *"Digital Hua County" Digital Finance Innovation for Rural Revitalisation* was honoured as

The Chinese Banker
Outstanding Cases for Financial Service Innovation for Rural Revitalisation in 2023

The "ME Charity Innovation Funding Scheme" won the

IFeng Action League
Special Contribution Award

The programme of *"Chahar Right Middle Banner · Modern Agriculture Technology Training Camp of Potatoes (via MAP) under EliteSeed Project"* won the

2023 Annual Meeting of Responsibility Practitioners held by ThePaper.cn
Annual Award of Responsibility Practice for Rural Revitalisation

Corporate Governance

08

Steady Operation, Enhanced Compliance and Risk Control

The Bank insisted on operating with integrity and compliance, and continuously strengthened compliance management and culture development. It deepened the construction of the comprehensive risk management system to ensure that its risk management capabilities were further improved. The Bank insisted on honest and clean governance and attached importance to creating a culture of honesty and cleanness. The Bank focused on the prevention of intellectual property (IP) risks, and enhanced employees' awareness of IP rights protection. The Bank emphasised on good interactions with partners, advocated and supervised the fulfillment of environmental and social responsibilities of suppliers.



About the Report

About China Minsheng Bank

ESG Governance

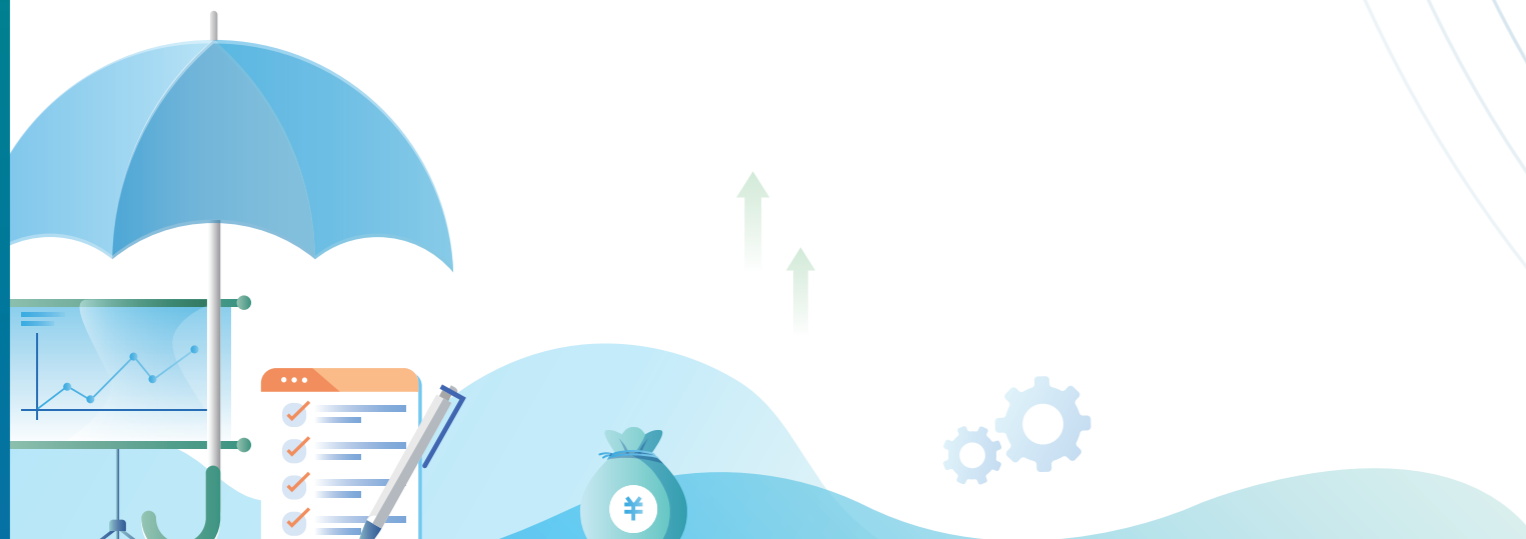
Environmentally Responsible, Green Development for Ecosystem Protection

Customer-First, Considerate Services for Win-Win Cooperation

People-Oriented, Promoting Development with Human Resources

Financial Welfare, Minsheng's Care for the Society

Steady Operation, Enhanced Compliance and Risk Control



Strengthening Compliance Management

The Bank continued to improve the internal control and compliance system, strengthened the building of compliance culture, and constantly enhanced the awareness and capability of the whole bank of law-abiding and compliant operation.

The Bank strictly complied with requirements of the *Law of the People's Republic of China on Commercial Banks*, the *Guidelines for Compliance Risk Management of Commercial Banks* and other relevant laws and regulations. With the *Measures on Compliance Management of China Minsheng Bank* as the basic rule, the Bank has established a compliance management policy system consisting of rules of the compliance management departments and rules of other functional departments.

In addition, the Bank has formulated various policies

- ▶ *The Basic Rules for Policy Management of China Minsheng Bank*
- ▶ *The Administrative Measures on Internal Control and Compliance Inspection of China Minsheng Bank*
- ▶ *The Code of Conduct for Employees of China Minsheng Bank (Revised)*
- ▶ *The Administrative Measures on Monitoring the Conduct of Employees of China Minsheng Bank*
- ▶ *The Administrative Measures on Self-Assessment of Operational Risks and Control*
- ▶ *The Administrative Measures on Outsourcing Risks of China Minsheng Bank*
- ▶ *The Administrative Measures on Handling External Risk Incidents of China Minsheng Bank (Trial)*
- ▶ *The Regulations on Prohibited Conduct of Employees of China Minsheng Bank*

During the reporting period, the Bank strengthened the building of compliance management mechanism that covered prevention, in-process management and post-event management. In terms of prevention, the Bank strengthened the regulatory development analysis, internalisation of external regulations and compliance investigation, and comprehensively enhanced employees' behaviour management mechanism. In terms of in-process management, the Bank strengthened case risk management and control and standardised the inspection and rectification standards, and ensured effective operation of the working mechanism for determining accountability for risk compliance. The Bank focused on reshaping compliance culture, strengthened investigation and rectification, clarified appraisal orientation, paid attention to operational risks, managed and controlled related-party transactions, reinforced anti-money laundering management, and upgraded compliance technology. The Bank consolidated the "three-dimensional case prevention system" and the "grid-based management system for practitioners", improved internal control management and case prevention capability, and continuously enhanced the effectiveness of compliance management.

The Bank actively offered legal and compliance training courses for all employees, carried out education on the bottom lines of employee behaviour, and ensured that the code of conduct of employees and the compliance-related regulations were effectively communicated to all employees, in an aim to continuously cultivate the compliance culture. In order to improve employees' awareness of compliance, the Bank educated all employees (including the Senior Management, mid-level management team, regular employees, and contractors) on the bottom lines of employee behaviour during the year, and 60,403 employees of the Bank completed the study, examination and certification of the course and signed the *Acknowledgement of Information*.



During the reporting period

The Bank conducted a total of **9,164** compliance training sessions for nearly **200 thousand** participants

Compliance Training Fact Sheet	Indicators	2023
	Number of compliance training (times)	
Number of employees covered by compliance training (participants)		198,392

Enhancing Risk Prevention and Control



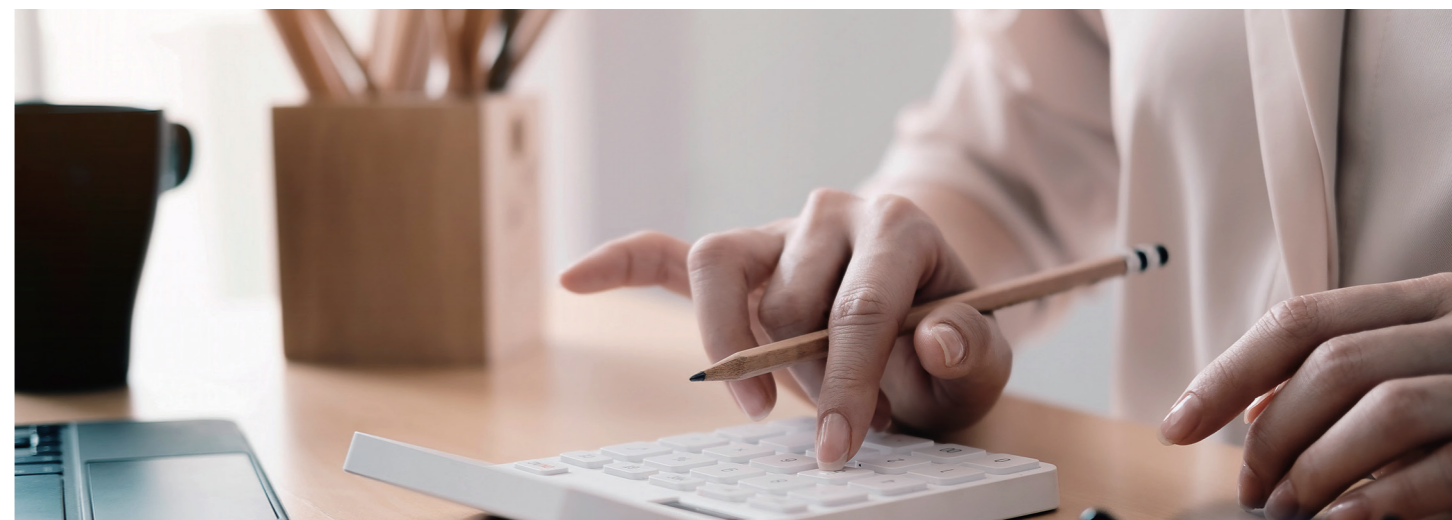
The Bank insisted on taking the risk prevention and control capability as the boundary of its business development, and regarded strengthening value creation, saving capital consumption, and balancing risk and return as its goal. The Bank constructed a safe boundary for high-quality development and guarded the bottom line of not triggering systematic risks, constantly improved basic customer groups, basic products and service capabilities, and optimised the risky assets allocation, so as to ensure the realisation of strategic goals.

The Bank continuously improved the three-level management system of risk preference, strategies, and policies, realised automatic control through industry limit management system. The Bank also optimised risk management policies and procedures to enhance professional and refined management of major risk categories and strengthen the prevention and control of emerging risks such as fraud risks and model risks.

The Bank strengthened key aspects of risk management, optimised system management mechanism, and improved the construction of tool system. The Bank implemented risk management reporting and enhanced the risk management system and data quality. The Bank improved smart risk control system, strengthened data governance, and enhanced risk data aggregation capability. At the same time, the Bank optimised risk teams and talents management, improved employees' awareness of risk management responsibility and enhanced the professional level of the risk management personnel.

During the reporting period

The Bank provided 10 training sessions to a total of 7,340 participants through offline training, live streaming, centralised teaching and other methods, covering risk preference, risk strategy, interpretation of the *Capital Rules for Commercial Banks*, training on professional knowledge of country risk management, training of key risk management personnel, the training for the Project of Smart Decision-making for Active Small Business Credit Granting, construction of digital and smart risk control system, and FRTB and SACCR training on market risk. The training sessions improved the professional level of risk management across the Bank.



Business Ethics Supervision

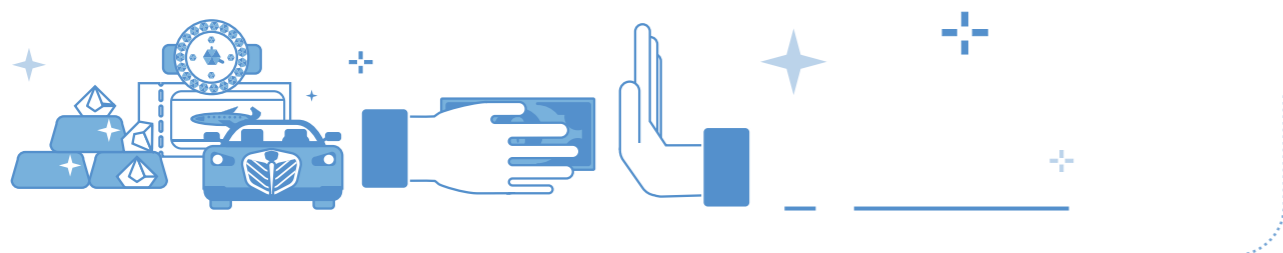
The Bank strictly abided by relevant laws and regulations on anti-corruption, such as the *Banking Supervision Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery*, and formulated the *Disciplinary Measures of China Minsheng Bank on Staff Violations and the Provisions of the Party Committee of China Minsheng Bank on Strictly Separating Work-Related and Personal Matters in Performing Duties and Executing Powers (Trial)*, which clarified the anti-bribery and anti-corruption system, standardised the operation of power, seriously investigated and punished violations of rules and regulations and prevented the risk against clean practices. The Bank attached great importance to clean culture cultivation and enhancement of employees' awareness of clean practices and self-discipline.

Standardised policy constraint

The Bank has established the Accountability Committee of China Minsheng Bank to be responsible for business ethics supervision, with Chairman of the Board as the Chairman of the Committee, and President, Chairman of the Board of Supervisors and some of the Senior Management as the Vice Chairmen of the Committee. The branches, strategic business units (SBUs) and tier-2 branches have established relevant accountability committees at their respective levels. The accountability committees at all levels supervised and monitored business ethics and punished violations by employees in accordance with their authority and relevant regulations.

The Bank has formulated the *Policy for the Accountability for the Senior Management's Performance of Duties of China Minsheng Bank* and improved the accountability management mechanism for the performance of their duties to promote the Senior Man-

agement to wholeheartedly perform their duties. The accountability committees at the three levels, including the Head Office, the branches or SBUs, and tier-2 branches shall, within their accountability authority, seriously investigate and punish, and hold accountable, the employees committing violations in accordance with the *Disciplinary Measures of China Minsheng Bank on Staff Violations*, and handed those who violate the criminal law over to the public security organs. The Bank continuously strengthened the supervision over the accountability management of the whole bank, gave full play to the roles of the accountability committees at all levels to reveal the Bank's resolution in strict governance of the bank by laws, strengthened the supervision and management over abnormal employee behaviour and promptly helped and monitored them to effectively prevent risks.



Anti-bribery and anti-corruption

In accordance with the changes in national laws and regulations and relevant regulatory provisions, the Bank has promptly reviewed, revised and improved the *Disciplinary Measures of China Minsheng Bank on Staff Violations*, in which the Bank clarified the provisions regarding anti-bribery and anti-corruption such as giving and taking bribes and misappropriation of office, and prohibited employees from soliciting or accepting bribes or accepting kickbacks and handling fees of all kinds in violation of national regulations, and giving bribes or participating in benefit transfer and insider transaction. The Bank improved the policy systems and the supervision and constraint mechanism and applied zero-tolerance policy³ against corruption and bribery. The Bank has set up a leading group for the prevention and control of employee moral risk to enhance the management of such risk, continuously improved the working mechanism for investigating and dealing with disciplinary violations, and urged officials and employees to abide by laws and regulations, so as to support and guarantee the smooth implementation of the reform and transformation and the healthy business development of the Bank.

³ During the reporting period, there were a total of 2 concluded legal cases regarding corruption brought against the Bank, and the personnel involved were dealt with in accordance with laws.

Standardised complaints management

The Bank has made the channels for complaints by letters and visits public, including telephone numbers and email addresses, and the discipline inspection committees at all levels accepted complaint reporting according to their administrative authority. The Bank also formulated the *Working Measures for Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Banking Corp., Ltd. (Trial)*, which defined detailed and comprehensive provisions for the discipline inspection committees at all levels to smooth up reporting channels, standardise reporting procedures, and safeguard the rights and interests of whistleblowers:

Smoothing up the channels for complaints by letters and visits

The discipline inspection committees at all levels have made public the addresses for complaint reporting by letters, reception addresses for visits, telephone numbers, e-mail addresses and other diversified channels to promptly accept relevant impeachment and accusation.

Standardising the handling procedures for complaints by letters and visits

The Bank handled complaints and clues in strict compliance with the relevant provisions of the *Working Measures for Supervision and Discipline Execution by Discipline Inspection and Supervision Institutions of China Minsheng Banking Corp., Ltd. (Trial)*. The discipline inspection committees accepted complaints by letters and visits in accordance with their management authority and continuously optimised the working systems and handling procedures of complaints by letters and visits.

Protecting whistleblowers

The Bank strictly implemented the confidentiality system, tightly controlled the scope of knowledge of complaint matters, and continuously strengthened the protection of whistleblowers. It was strictly forbidden to transfer the impeachment and accusation materials and relevant information to the person being tipped of. The Bank strictly prevented the whistleblowers from retaliation or reputation damage, effectively safeguarded their legitimate rights and interests, including those of anonymous whistleblowers, and protected the rights for public scrutiny. The *Disciplinary Measures of China Minsheng Bank on Staff Violations* clearly stipulated the behaviours and penalties for damaging the legitimate rights and interests of whistleblowers, including serious investigation and punishment on unauthorised disclosure and spread of relevant reporting contents, the information of the whistleblower, the source of report, and failure to protect the whistleblower in accordance with the regulations resulting in their infringement.

Respecting employees' right to appeal

The *Disciplinary Measures on Staff Violations of China Minsheng Bank* specified the reconsideration and grievance process and the handling mechanism for employees who were subject to accountability treatment. When an employee disagreed with the disciplinary decision, he/she may submit a written application for reconsideration and appeal to the accountability committee. The accountability committee shall make decision on reconsideration within the prescribed timeline. When the employee still disagreed with the reconsideration decision, he/she may appeal to the accountability committee at a higher level, which will deal with the reconsideration and grievance according to the prescribed procedures to safeguard the legitimate rights and interests of employees. After reconsideration or review, the receiving accountability committee may maintain, cancel or alter the original disciplinary decision.



Audit and Risk Management

The Bank has devoted to promoting honest and clean governance and preventing from moral hazard of employees. It has strengthened its internal audit supervision in accordance with the rules including the *Internal Audit Articles of China Minsheng Bank* and the *Measures on Internal Control Evaluation of China Minsheng Bank*. The Bank strictly investigated and punished problems involving ethical violations by employees identified in audits, implemented strict accountability to confirmed breaches of disciplines, and referred those suspected of committing a crime to judicial organs. The Bank's internal audit paid great attention to the construction and implementation of business ethical standards. Through comprehensive audits, special audits, economic accountability audits and subsequent audits, the Bank conducted inspections with focuses on deceptive behaviours that violated laws, regulations and internal systems to seek individual or special benefits, and more effectively supervised and prevented fraud and irregular business conducts. In order to better promote honest and clean governance and prevent related risks, the Bank has taken the following measures:



The Bank carried out a comprehensive internal control evaluation on operating units every three years and incorporated employees' moral risks, honest and clean performance of duties and accountability management into the scope of inspection and evaluation, and conducted all-round supervision on various businesses and all staff.



The Bank enhanced audit supervision over the identification of liabilities for problematic assets. The Bank focused on the investigation of moral risks and violations of laws and regulations, such as fraud, dereliction of duty, fraudulent appropriation, and insider trading, arising during the formation and disposal of problematic assets.



The Bank enhanced audit supervision over the identification of liabilities for criminal cases. The violations of laws and regulations by the perpetrators and participants in criminal cases, as well as the duty performance of senior management personnel who are responsible for the management, leadership and supervision of the occurrence of the cases were seriously investigated.



The Bank constantly monitored and reminded irregular employee behaviours violating business ethics with data-based technologies during daily audit.



The Bank conducted follow-up audit and non-voting supervision on key areas, key positions and key links which were capital-intensive, resource-rich and power-concentrated, such as major project construction and major material procurement.



The Bank strengthened the audit and supervision over the "key minority", such as the "top leaders" and leading teams at all levels of the system. Meanwhile, the Bank's inspection teams focused on the rectification responsibility and actual results, included the rectification of problems identified in audit supervision into the scope of inspections, and assessed whether the rectification of problems found and handed over by auditors has achieved effective results.



Capacity building

The Bank further promoted anti-corruption training, developed regular training schemes for all employees (including regular employees, contractors and outsourced employees) every year.



During the reporting period, the Bank continued to foster the honest and clean culture, and gave lectures on typical cases of disciplinary violations with the theme of "Forging ahead on the new journey, setting foot on the new stage, grasping the new situation, and focusing on the new tasks to promote full and strict governance over the CPC and the Bank". The Bank continued to strengthen the good atmosphere of "clean practice, clean performance of duties, clean self-cultivation and clean and harmonious family".

The Bank also organised all employees to watch the anti-corruption documentary of *Penetration III* to refine and solidify the efforts to take the cases as a guide, promote reform and governance by cases, and give full play to the warning role of typical cases. The Bank produced training materials based on the national laws and regulations, party rules and discipline, the *Disciplinary Measures on Staff Violations of China Minsheng Bank* and the typical cases of violations of ethical standards by employees as training content, made training courseware and required all operating units to carry out the training. In addition, the Bank also carried out various educational activities on employee ethical conducts.



During the reporting period



The Bank carried out **1,239** anti-corruption training sessions



Involving **197,947** participants. Meanwhile

The Bank also provided **three** sessions of anti-corruption training for all members of the Board of Directors

This enabled the Bank to keep a close eye on the key positions and strengthen supervision discipline

▶ Anti-corruption Training Fact Sheet ◀

Indicators	2023
Number of anti-corruption training (times)	1,239
Number of employees covered by anti-corruption training (participants)	197,947

Prevention of Money Laundering Risks


The Bank strictly abided by the *Anti-Money Laundering Law of the People's Republic of China, the Provisions on Anti-Money Laundering through Financial Institutions* (PBOC Order [2006] No. 1), the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions* (Trial) (Yin Fan Xi Fa [2018] No. 19), the *Administrative Measures on Anti-Money Laundering and Counter-Terrorist Financing of Banking Financial Institutions* (CBIRC Order [2019] No. 1) and other anti-money laundering (AML) related laws and regulations, and has formulated and implemented the *Administrative Measures on Money Laundering and Terrorist Financing Risks of China Minsheng Bank*. The Bank further enhanced AML management through strengthening the AML internal control system, intelligently upgrading the AML system, consolidating the foundation of AML work and empowering the frontline to perform AML duties.

Optimising system construction

During the reporting period, the Bank comprehensively evaluated the effectiveness of the AML systems. By formulating, revising and abolishing systems, the Bank incorporated the requirements for refined management of AML risk into the business process and operating procedures, to further improve and streamline the AML system of the whole bank. Meanwhile, the Bank established a mechanism of providing training on all systems to enhance the interpretation and publicity of policies. In addition, the Bank conducted AML system rectification and acceptance in subsidiaries to further standardise the group-based AML systems.


Improving risk management

During the reporting period, the Bank further improved its money-laundering risk management system and continued to strengthen AML internal control mechanism. Such measures included:




Strengthening the money laundering risk defence line led by the Senior Management

The Board of Directors, the Board of Supervisors and the Senior Management paid closer attention to the progress of the professional AML-related work of the whole bank including money laundering risk management practice, money laundering type analysis, sanction compliance risk and customer due diligence, and led the whole bank to further refine and deepen money laundering risk management.




Optimising group-based joint prevention and control of money laundering risk

The Bank strengthened the application of money laundering risk self-assessment results in its subsidiaries, and conducted AML training for the board of directors, the board of supervisors and the senior management of rural banks to pushed forward the capacity building for independent duty performance of AML of rural banks. Meanwhile, the Bank guided subsidiaries to develop appropriate money laundering risk management strategies, completed the acceptance of rectification of problems identified in the AML inspections to the three subsidiaries, namely Minsheng Financial Leasing, Minsheng Royal Fund and CMBC Wealth Management, carried on-site AML inspection and investigation visits to CMBC International and Hong Kong Branch, and strengthened "one-on-one" inspection supervision and rectification guidance on business outlets outside the Chinese mainland.



Strengthening the effectiveness of money laundering risk self-assessment of institutions

The Bank completed the annual money laundering risk assessment of corporate financial institutions of the People's Bank of China and the self-assessment of money laundering risk of the whole bank under the new indicator system, promoted institutions at all levels of the Bank to apply money laundering risk self-assessment results in a layered and classified manner, and further consolidated the AML working system.



Accelerating the smart upgrade of AML

The Bank independently developed and launched a new generation of smart AML system, which applied leading technologies and algorithms such as big data, machine learning, knowledge graph and distributed computing, and won the award of "2023 Third Fintech Application Scenario Innovation Case" issued by the Zhongguancun Internet Finance Institute.

Strengthening risk monitoring

During the reporting period, adhering to the development positioning of "Financial Intelligence Hub", the Bank improved and innovated scientific management system, consolidated the foundation for performing core duties and optimised the money laundering risk research mechanism, continued to enhance the positive evaluation from regulatory authorities, and effectively safeguarded national security and financial order. Specific measures included:

Focusing on in-depth research	Focusing on pain points and blocking points, the Bank improved the joint money laundering risk research mechanism with regulatory authorities, and released eight important research results, of which two were shared by the People's Bank of China, one was published in a special edition publication of the People's Bank of China, two were included in the annual special edition of the People's Bank of China, and three were honoured by the former CBIRC.	Conducting precise investigation
Providing scientific supervision	The Bank launched a weekly forum, an agile learning action for AML line, upgraded the money laundering risk monitoring and supervision system, publicised new regulatory requirements, shared work highlights, and smoothed the communication channel for branches, and supervised operating units to optimise customer group structure and expand large-amount transaction scale.	Implementing strict management

Specific measures

The Bank continued to optimise the mechanism of special working team for major and key cases, and upgraded and transformed the detection model of gang crimes to precisely collect high-value clues for gang crimes.

The Bank improved inspection mechanism and optimised quality inspection rules, enhanced accurate problem location through smart approaches, promoted the quality inspection of identifying suspicious transactions, and effectively identified money laundering risks and rectified the weak links of business management.

Broadening the scope of publicity and education

The Bank continued to strengthen the building of money laundering risk management culture, conducted external publicity and education and internal training activities, and effectively fulfilled the AML social responsibility of financial institutions.

Publicity

The Bank conducted various forms of AML education by focusing on a wide range of areas prone to money laundering and new types of crimes, to enhance the public's capability to resist money laundering risks and to contribute to curbing money laundering crimes in the whole society.

 The Bank's publicity activities reached about **13,422,286** participants

Training

The Bank established a layered training system of "1+N", and implemented differentiated AML targeted training following the principle of "job position-based training" for employees at different levels with different positions and responsibilities. The training covered all employees, ranging from the Senior Management to frontline employees.

-  During the year, **1,842** and **1,723** employees obtained the AML qualification from the People's Bank of China and the Bank
-  The proportion of employees holding the Bank's AML qualification certificates increased significantly to **62.46%**
-  The AML management department carried out **15** AML training sessions for business departments, rural banks and the frontline

2023 AML Training Fact Sheet

- + Number of anti-money laundering training (times)
4,065
- + Number of employees covered by AML training (participants)
484,100
- + Audience for AML publicity activities (participants)
13,422,286

Management of Related-party Transactions



Strengthening the duty performance of the Related Party Transactions Supervision Committee of the Board of Directors

The Related Party Transactions Supervision Committee of the Board of Directors of the Bank was a special working body established by the Board of Directors in accordance with the Articles of Association of the Bank, and it provided professional advice for the Board of Directors' decision-making or made decisions on professional matters authorised by the Board of Directors.

As at the end of the reporting period, among the six members in the Related Party Transactions Supervision Committee of the 8th Session of the Board of Directors

three Independent Non-executive Directors all of whom were experts in audit, law and management

two Non-executive Directors who were the main responsible persons of well-known companies in China

one Executive Director who was an Executive Vice President of the Bank, who had rich management experience and mature financial and legal expertise

During the reporting period

The Related Party Transactions Supervision Committee of the Board of Directors of the Bank totally held eight meetings, deliberated 15 topics, and listened to five reports.

Strengthening the management of related-party transactions

During the reporting period, the Bank consolidated the effectiveness of the implementation of the *Administrative Measures on Related-party Transactions of Banking and Insurance Institutions*, carried out special data governance events regarding equity and related-party transaction, and promoted the implementation of 14 measures concerning six major tasks including system building, policy formulation, system improvement, reporting optimisation, appraisal enhancement and culture cultivation. The Bank clarified the organisational structure of data governance of related-party transactions, and formulated the *Detailed Rules for the Implementation of Data Governance of Related-party Transactions of China Minsheng Bank*, to enable the data sharing and verification between the equity management system and the related-party transaction management system. The Bank launched the related-party transaction management system for rural banks, provided publicity and training courses for data governance of related-party transactions, and developed and improved the data management mechanisms for the quality monitoring, self-inspection and rectification, review and verification of related-party transaction data. In addition, the Bank took the data governance of equity and related-party transactions as a key governance task for 2023, and incorporated it into special evaluation, in a bid to comprehensively improve its data governance of related-party transactions.

Deepening Procurement Cooperation

Supplier Management Policies

Adhering to the principle of win-win cooperation, the Bank attached great importance to the good interaction with partners and suppliers to build a sustainable value chain, and strove to achieve mutual benefits. The Bank constantly improved the procurement management rules and regulations and enhanced procurement management and supplier management. The Bank actively promoted the implementation of green procurement policies, encouraged suppliers to improve their environmental and social risk management capabilities, and worked with suppliers to assume social responsibilities.

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The Bank built up an management system including

The Administrative Measures on Centralised Procurement, the Administrative Measures on Small-Amount Decentralised Procurement, the Administrative Measures on Centralised Procurement Suppliers, the Administrative Measures on Procurement Agencies of the Head Office, and the Regulation on Performing Duties with Integrity by Procurement Staff, to regulate the procurement management and supplier management of the Bank, and provide guidelines and basis for the healthy development of procurement activities.

Supplier Assessment and Supervision

The Bank has established a strict supplier access system, requiring suppliers to comply with national laws and regulations, to have good business reputation and sound financial and accounting systems. The products or services they provided should meet national and industrial standards and green procurement standards. Suppliers should also follow the occupational health and safety management, labour laws and regulations. Suppliers should be willing and able to accept the supervision and management from the Bank whilst providing products and services. As for centralised procurement projects, the Bank strictly assessed the qualifications of suppliers, records of significant violations of the laws and regulations, breach of contracts, and tax or social security fund arrears, and those that did not meet the conditions were withdrawn, so as to control supplier risks from the source. Through the supplier management system, the Bank implemented supplier data base management and online dynamic monitoring of qualified suppliers.

In order to ensure that suppliers comply with the Bank's supplier management requirements in the process of contract performance, the Bank reviewed suppliers in various links, such as procurement access, evaluation and assessment, malpractice management, etc. The Bank carried out continuous supervision and appropriate on-site review on the effectiveness of supplier's environmental policies and management procedures, including whether to comply with the Bank's management requirements on social responsibilities, occupational health and safety management, labour standards, environmental protection and so on. In the process of supplier selection, the Bank paid attention to the environmental protection management and risk management of suppliers. Through annual periodic evaluation, the Bank conducted statistics, analysis and feedback on the performance of existing suppliers, and used the evaluation results as important evidence for the Bank's decision on future cooperation with suppliers. At the same time, the Bank encouraged suppliers to strengthen their own energy saving and environmental protection management, and supervised suppliers in the course of performance for any malpractice in environmental protection and social responsibility. During the reporting period, the supplier review covered all suppliers of the Bank's centralised procurement projects.



In the procurement process, the Bank has established the working system of centralised procurement management committee, clarified the composition of the committee and its decision-making mechanism, and implemented collective decision-making. The division of procurement duties and segregation of positions were carried out according to the principle of incompatibility of positions, with multiple people working together to complete the procurement work. The procurement public announcement system and the random selection mechanism of evaluation experts were implemented to ensure the openness, fairness and impartiality of the procurement work. In addition, the Bank's supervisory departments participated in the on-site supervisions during the courses such as procurement plan deliberation, expert selection and project evaluation, in an aim to strengthen the compliance of the whole procurement process.

► Key Performance Indicators Related to Suppliers in 2023 ◀

Indicators	2023
Total number of suppliers	2,220
East China	590
Central China	88
North China	1,109
South China	305
Northwest China	19
Northeast China	34
Southwest China	75

Note: The supplier number statistic only includes suppliers from the Chinese mainland.

🌱 Conducting Green Procurement

The Bank adhered to and implemented the philosophy of green procurement, and took into full consideration environmental protection, resource conservation, safety and health in its procurement, while taking into account economic benefits and environmental benefits. The Bank encouraged suppliers to incorporate environmental protection, energy saving and other requirements into their management system. Under the same conditions, the Bank gave priorities to the suppliers who have obtained the certification of environmental management system and whose products were certified as environmentally friendly. The Bank actively conveyed its proposition and support on the socially responsible procuring behaviours to the suppliers, guiding them to jointly fulfil their social responsibility for green development and facilitating their improvement in environmental performance.



During the year, the Bank followed the regulations on centralised procurement management and small-amount decentralised procurement management to strengthen the management of various procurement operations, requiring prioritised procurement of energy-saving and environmentally friendly products under the same conditions. The Bank has specified the entry conditions or evaluation criteria for green, energy-saving certification, environmental management system certification, green recycling, etc. in the procurement requirements for a number of procurement projects, such as construction engineering projects, business outlets constructions, IT equipment, office furniture, office supplies and printed materials, giving priority to the procurement of energy-saving and environmentally friendly products. As for construction engineering projects, the Bank clearly stated in the procurement documents that the building materials used by the suppliers should meet the requirements of green and environmental protection, and the energy management should meet energy-saving requirements. As for display equipment projects, the Bank prescribed in the scoring rules for procurement that the products with energy conservation certification could obtain higher scores. As for office furniture projects, the Bank took it a necessary condition that the products should meet the country's environmental protection requirements, and incorporated environmental protection into the scoring rules when preparing the procurement assessment standards. As for printed materials, the Bank took environmentally friendly paper as a requisite.

Protecting Intellectual Property



Pursuant to the *Anti-Unfair Competition Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Advertisement Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other relevant laws and regulations, the Bank has formulated the *Administrative Measures on Intellectual Property Rights*. The IP rights were managed in aspects of innovative protection, license management and infringement protection to prevent IP risks, comprehensively promoting the standardisation and unification of the Bank's brand culture and visual image.

To give full play to the financing guarantee value of its IP rights and empower the dedicated, refined, distinctive and innovative SMEs to promote innovative business development, the Bank issued the *Legal Guidance on Intellectual Property Right Pledge and Guarantee*, which standardised and provided guidance for the whole process of IP pledge financing business with focus on the verification and admission, establishment and protection of rights, and pledge right realisation of IP pledge. The Bank issued the *Notice on Forwarding the CBIRC's "Quarterly Report on Intellectual Property Pledge Financing (Q4, 2022)" and Enhancing the Effectiveness of Intellectual Property Financial Services*, indicated the latest trend of IP pledge financing business, and proposed requirements for targeted risk prevention, control and management. With the submission of the *Request for a Pilot Programme of Whole-process Paperless Online Registration of Intellectual Property Pledges* to the regulator, the Bank actively applied for a pilot programme of whole-process paperless online registration of intellectual property pledges, in a bid to enhance the effectiveness of its IP financial services.

During the reporting period, the Bank strengthened the management of IP rights, encouraged innovation, and actively guided the application of intellectual achievement rights.

Throughout the year, the Bank launched **13** patent applications, **11** trademark registration applications, and **25** copyright applications, completed **40** copyright registrations, **6** copyright registrations, and **5** renewals of trademarks upon expiration.



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Appendix: HKEX ESG Guidance



Appendix: HKEX ESG Guidance

Requirements, Subject Area, Aspects, General Disclosures and KPIs		Disclosure location or remarks
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	P15-P16
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report (Materiality, Quantitative and Consistency).	P8
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	P7
"Comply or Explain" Provisions		
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P33-P38
KPI A1.1	The types of emissions and respective emissions data.	P39
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and (if applicable) intensity.	P39
KPI A1.3	Total hazardous waste produced (in tonnes) and (if applicable) intensity.	P40
KPI A1.4	Total non-hazardous waste produced (in tonnes) and (if applicable) intensity.	P40
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P37-P38
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P37-P38
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P33-P38
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	P39-P40
KPI A2.2	Water consumption in total and intensity.	P39-P40
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P37-P38
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P39-P42

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not materially related to the Bank's business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P25-P38
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P25-P38
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P31-P32
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P31-P32
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P81-P96
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	P87-P98
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P98-P99
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P92-P93
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P100
KPI B2.2	Lost days due to work injury.	P100
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P92-P93
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P87-P90
KPI B3.1	The percentage of employees trained by gender and employee category.	P99-P100
KPI B3.2	The average training hours completed per employee by gender and employee category.	P99-P100
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P91

KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P91
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P91
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P120
KPI B5.1	Number of suppliers by geographical region.	P121
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P120-P121
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P152-P153
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P121
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P60-P78
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not materially related to the Bank's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P63-P66
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P122
KPI B6.4	Description of quality assurance process and recall procedures.	Not materially related to the Bank's business
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P71-P78
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P113-P121
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P113
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P113-P116
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P116
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P101-P108
KPI B8.1	Focus areas of contribution.	P101-P108
KPI B8.2	Resources contributed to the focus area.	P101-P108





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