



ESG 2022

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



ENVIRONMENTAL SOCIAL GOVERNANCE REPORT

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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 2022 Annual Report of China Minsheng Banking Corp., Ltd. and the 2022 Corporate Social Responsibility Report 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.



Reporting Period

- Unless otherwise specified, this Report covers the period from 1 January 2022 to 31 December 2022. This may, however, includes certain information beyond this period for the comparability and completeness of the Report.

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 2022 Annual Report of China Minsheng Banking Corp., Ltd. The reporting boundary of relevant data and the calculation methodologies are specified in the Report.

Basis for Preparation

- This Report complies with the ESG Reporting Guide set out in Appendix 27 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.

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.

Confirmation and Approval

- This Report was deliberated and approved at the 34th meeting of the 8th Session of the Board of Directors of the Bank on 27 March, 2023.

ABOUT CHINA MINSHENG BANK

China Minsheng Bank was formally established in Beijing in 1996. It is China's first national joint-stock commercial bank that was initiated and established mainly by non-state-owned enterprises (NSOEs). It is a modern financial institution established strictly in accordance with the Company Law and the Commercial Bank Law of the People's Republic of China. Since its establishment, along with the rapid development of China's economy, China Minsheng Bank has been adhering to the mission of "Serving the public, caring about people's livelihood", forged ahead with pioneering spirit and innovation, and has developed into a banking group with commercial bank, financial leasing, fund management, overseas investment bank and other financial licenses, and has become an important financial force to support the development of the real economy. The Bank ranked 22nd among the 2022 "Top 1000 World Banks" by The Banker and 273rd among the 2022 "Fortune Global 500" by Fortune.

Corporate Culture

Mission

Serving the public, caring about people's livelihood

Vision

Becoming a time-honoured bank

Values

Customer-First--Integrity, Innovation, Efficiency, Win-Win, and Stability

Development Goal

A first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation

Strategic Positioning

A bank for NSOEs, an agile and open bank, and a bank with considerate services

About China Minsheng Bank

- On 19 December 2000, A shares of China Minsheng Bank (stock code: 600016) were listed on Shanghai Stock Exchange.
- On 26 November 2009, H shares of the Bank (stock code: 01988) were listed on Hong Kong Stock Exchange. Since its listing, the Bank has continuously improved its corporate governance, returned to the service origin and strengthened basic services, expanded basic customer groups, focused on key areas, and optimised its business structure while innovating business models and products and services. It has maintained a steady and positive development momentum.

During the reporting period, the ESG practices of the Bank were highly recognised by government departments, public welfare organisations and mainstream media and other third-party organisations, and won a number of honours. The Bank was selected as the "ESG 50" by Forbes China, ranked No.1 among 42 A-share listed banks in 2022 Wind ESG Rating, and was granted the "ESG Financial Pioneer Award of the Year" in the 13th Jinding Awards by National Business Daily.

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.

During the reporting period, the Bank signed the Principles for Responsible Banking (PRB), in an aim to further fulfill 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, 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, 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, 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.

In March 2022, the Strategic Development and Customer Rights Protection Committee of the Board of Directors and the Board of Directors deliberated and approved the 2021 ESG Report of China Minsheng Bank, clarifying ESG management strategies and important topics. 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 goal of ESG work, and worked with the senior management to improve financing environment impact, consumer rights protection, green finance, inclusive finance, business ethics and others. During the reporting period, the Board of Directors continued to promote the implementation of the Five-Year Development Plan for Consumer Rights Protection of China Minsheng Bank (2021-2025), the Five-Year 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.

ESG Working Mechanism

The Bank continued to improve the ESG working mechanism to ensure that ESG risks involved in businesses can be properly managed, and the ESG responsibilities can be effectively fulfilled. The Bank has advanced the ESG work from a strategic planning perspective, established a three-level working mechanism of "decision-making - management - execution", set up an ESG leadership team with chairman of the Board as the team leader and the president as the deputy team leader, and founded an ESG working group composed of relevant departments to manage and organise ESG work from three levels of overall planning, coordinated promotion and implementation respectively.

ESG MANAGEMENT STRATEGY

2022 was the crucial year for the implementation of the "14th Five-Year Plan", and China Minsheng Bank has also entered the important stage of the new round of strategic period of development. 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. It clarified the mission of "serving the public, caring about people's livelihood," the vision of "becoming a time-honoured bank", the values of "Customer-First - Integrity, Innovation, Efficiency, Win-Win, and Stability", the development goal of "Building a first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation" and the strategic positioning of becoming "a bank for the NSOEs, an agile and open bank, and a bank with considerate services". Based on the new development stage, the Bank actively promoted the integration of ESG concept into operation management and constantly improved the level of 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 peaking 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 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 addressing 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. Employees' 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, to help them realise their personal value. Moreover, the Bank actively undertook social responsibilities, practiced inclusive finance, supported rural revitalisation, and continued to invest in public welfare undertakings with in-depth and refined efforts, while continuously strengthening communication with communities to support their development and thus create social value.

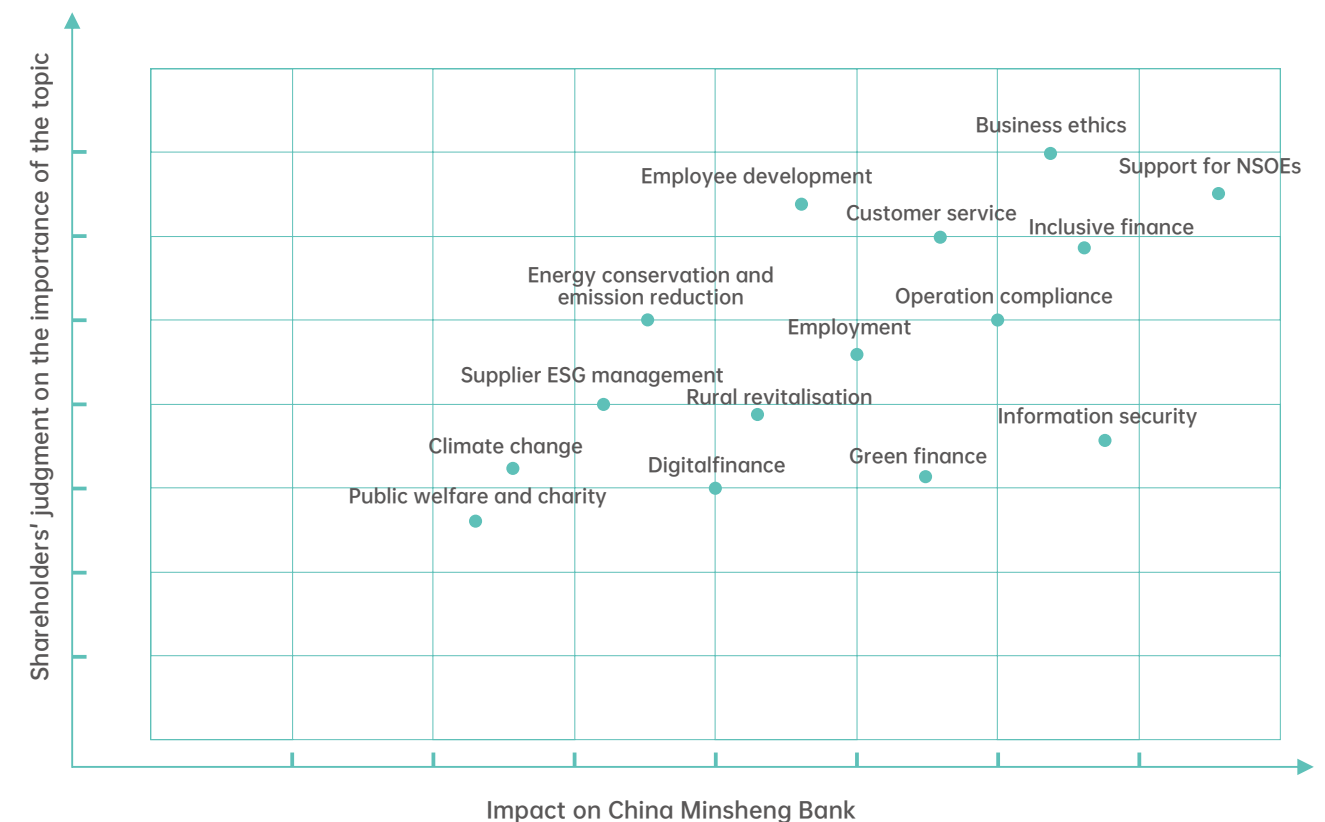
In terms of governance, the Bank further strengthened the integration of the Party's leadership and the corporate governance, constantly improved the corporate governance mechanism consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management, under which they would "perform their respective duties, take their respective responsibilities, coordinately operate, and effectively counterbalance", and actively explored the development of the modern corporate governance system which reflected the Bank's unique characteristics. The Bank continued to improve its comprehensive risk management system, strengthened internal control compliance management, effectively promoted the anti-corruption and anti-money laundering ("AML") compliance systems, 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	Support for NSOEs, operation compliance, green finance, customer service, rural revitalisation, and business ethics	Policy consultations, work reports, information disclosures, routine inspections, regulatory meetings, carbon verification
Investors/Shareholders	Operation compliance, green finance, customer service, employee development, digital finance, and business ethic	Shareholders' general meetings, information disclosures, regular announcements, investor hotline
Customers	Customer service, digital finance, operation compliance and business ethics, information security.	Customer satisfaction survey, 95568 hotline, complaint at lobby, complaint by letters and visits
Employees	Employee development, employment, digital finance, energy conservation and emission reduction, climate change	Employee representatives congress, employee activities, employee happiness index survey
Community and NGOs	Support for NSOEs, green finance, inclusive finance, rural revitalisation and public welfare and charity	Volunteer activities, community education, environmental protection actions
Suppliers	Supplier ESG management, operation compliance, business ethics, and energy conservation and emission reduction	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 15 important ESG topics (listed by importance): "Support for NSOEs", "Business ethics", "Inclusive finance", "Customer service", "Operation compliance", "Employee development", "Information security", "Employment", "Green finance", "Rural revitalisation", "Energy conservation and emission reduction", "Digital finance", "Supplier ESG management", "Climate change" and "Public welfare and charity". The content related to each topic are systematically described in this Report.



2022 China Minsheng Bank Important ESG Topics Matrix

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 China's goal of peaking carbon dioxide emissions before 2030 and reaching carbon neutrality before 2060, proactively identified the potential risks and opportunities brought by the "Carbon Peaking and Carbon Neutrality" policies, promoted the implementation of the green finance development strategy, and supported a green, low-carbon and circular economy. The Bank attached great importance to the strategies related to green development, and 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 green finance strategic planning, regularly listened to execution reports on green finance, ESG management reports and other reports on key issues, and supervised the implementation.

ENVIRONMENTAL PROTECTION

Enhancing the top-level design of green finance, improving the policy system of green finance.

The Bank formulated the Administrative Measures on Green Finance of China Minsheng Bank to clarify the Bank's green finance management system and the division of duties and management requirements of the Board of Directors, the senior management, relevant departments and operating units, and established the Green Finance Committee to coordinate the Bank's green development and integrate ESG concepts into the Bank's core value. The Bank improved basic rules for green credit management, green finance statistics and carbon emission rights pledged guarantee, standardised the green finance management system and work content, enhanced the standards, processes, caliber and scope for accreditation of green businesses, and clarified the scope of application of carbon emission rights pledged businesses, to help promote the development of green credit businesses.

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, 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 division of responsibilities, process management, internal control requirements, data statistics and other work of green finance of the Board of Directors, the senior management and various departments:

- The Strategic Development and Customer Rights Protection Committee of the Board of Directors is responsible for reviewing the Bank's strategies, goals, and reports related to green finance, and supervising and evaluating the implementation of the Bank's green finance strategies;
- The Risk Management Committee under 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 audit related to green finance.

Establishing the Green Finance Committee: The Green Finance Committee was established at the execution level. It is led by the President and has permanent members and a secretariat composed of relevant departments to coordinate the Bank's green development.

Specifying ESG related compliance and risk management requirements: For the designated businesses, the target customers are required to have "governance specifications" and other relevant characteristics.

FOCUSING ON "CARBON PEAKING AND CARBON NEUTRALITY" OPPORTUNITIES AND PRACTICING THE CONCEPT OF GREEN FINANCE

- Focusing on the main line 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, increased credit placement in the field of green finance, in a bid to effectively serve the real economy, and promote the Bank's high-quality and sustainable development.

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 the funding support for green development in all aspects.

Green finance brand building.

- In 2022, the Bank further strengthened its support for new energy, carbon emission reduction and other key fields of green finance based on the series of green finance products of "Carbon Peaking and Carbon Neutrality", and supported product and model innovation of "Emission Reduction Loan" and "Photovoltaic Loan". The Bank organised and carried out the "Enchanting Scenery" series of activities for customer groups in the new energy industry to strengthen the development of green finance brand building.

Green products innovation.

- The Bank actively supported environmentally friendly financing needs, achieved breakthroughs in the business of green bonds and sustainable development-linked bonds, supported loan financing for projects 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 green debt financing instrument in Guangxi Zhuang Autonomous Region.

Carbon trading products innovation.

- Since the official launch of online trading in the national carbon market, the Bank has continued to strengthen comprehensive service innovation on the basis of carbon trading settlement services. In 2022, the Bank launched the comprehensive service plan of "On the Road with Carbon", and jointly launched the industry's first "Minsheng E Carbon Loan" product for micro, small and medium enterprises with the State Grid Yingda International Holdings Co., Ltd.. As at the end of 2022, a batch credit of RMB3.5 billion had been approved under the "Minsheng E Carbon Loan" for the order financing of the upstream suppliers of the State Grid, and realised loan placement of about RMB100 million.

Research and development on 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. As at the end of December 2022, the scale of product sales reached RMB 21.5 billion.

[Case] Comprehensive Green Finance Services

To fulfill the ESG requirements of a large e-commerce customer, the Bank customised ESG value improvement consulting services and green action plans for the customer and provided customised financial service solutions. The plan proposed value improvement analysis and related suggestions, formulated green action plans for the future, including new energy transportation system, distributed photovoltaic strategy, environmentally friendly packaging and de-plasticisation, low-carbon operation and other dimensions, and provided services including "Green Investment Express", "Green Finance Express" and green resource sharing to address customers' investment and financing needs in green development, as well as customised green financial services solutions. As at the end of the reporting period, the Bank provided high-quality financial services to 23 upstream suppliers of this customer through the "E-Credit Sale" products to serve the real economy.

Green Finance Practices

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 adapted 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 2022, the Bank's green credit balance was RMB179.912 billion, up by RMB 72.595 billion, or 67.65%, as compared with the beginning of the year. The balance of green financing was RMB227.415 billion, up by RMB87.078 billion, or 62.05%, as compared with the beginning of the year. The balance of loans for energy saving and environmental protection industries was RMB29.686 billion, accounting for 16.5% of all the green loans. 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/2022

Conserved standard coal equivalent (in 10,000 tonnes) / 319.12

CO2 emission reduction equivalent (in 10,000 tonnes) / 466.08

Chemical oxygen demand reduction equivalent (in 10,000 tonnes) / 50.70

Ammonia nitrogen emission reduction equivalent (in 10,000 tonnes) / 1.06

Sulphur dioxide emission reduction equivalent (in 10,000 tonnes) / 9.55

Nitrogen oxides emission reduction equivalent (in 10,000 tonnes) / 3.09

Water consumption reduction equivalent (in 10,000 tonnes) / 89.00



Active participation in green bonds.

- As at the end of the year 2022, the balance of investment in green bonds of the Bank was RMB42.226 billion, representing an increase of RMB12.088 billion as compared with the correspondent period in 2021. The Bank actively implemented the national strategic deployments of financial support for sci-tech innovation, common prosperity promotion and green development enhancement through product innovation, and underwrote and issued 23 innovative debt financing instruments with total scale of RMB15.290 billion, of which, 6 were underwritten green development bonds with a scale of RMB3.150 billion, the proceeds of which were used for low carbon and energy saving green projects. The Bank also helped 6 corporate issuers to develop in a green, low-carbon and sustainable manner.
- The Bank actively implemented national strategies, considerably served the real economy and people's livelihood, continued to reinforce financial support for the green and low-carbon transformation of various economic entities. The Bank actively participated in the exchange of views on green financial services and selections of typical cases organised by the Asian Finance Association and the China Banking Association, and held themed seminars with external institutions on climate risk, ESG and other topics to assist all industries to achieve energy saving and emission reduction. The Bank was awarded the f "Advanced Unit in Green Bank Evaluation" by the Green Credit Committee of the China Banking Association and received the "2022 Outstanding Bond Investment Institution Award" from the Shanghai Stock Exchange and two awards in green finance from the Hong Kong Quality Assurance Agency (HKQAA). The Bank was also awarded as the "Low-carbon Role Model of 2022" by the China News Service and won the "ESG Finance Pioneer of the Year" from the National Business Daily, the "Best Financial Institution Award" of the Green Finance Forum of 60, and the "Green Financial Service Bank of 2022" of the China Times and other honours.

RESPONDING TO ENVIRONMENTAL RISKS AND STRENGTHENING ESG RISK MANAGEMENT

01

Adhering to the culture of "steadiness, prudence, comprehensiveness and proactiveness" in risk management, the Bank continued to enhance its comprehensive risk management system to ensure that it covered the risks of all institutions, all businesses, all processes and all categories. The Bank established a sound risk management structure and an operational mechanism with clear and balanced division of responsibilities, and built the three lines of defence for comprehensive risk management with clearly-defined scope and responsibilities, and achieved full-process and full-coverage risk management. At the same time, the Bank improved the three-level management system of risk preference, strategies, and policies, realised automatic control through industry limit management. 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.

02

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 ability. 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.

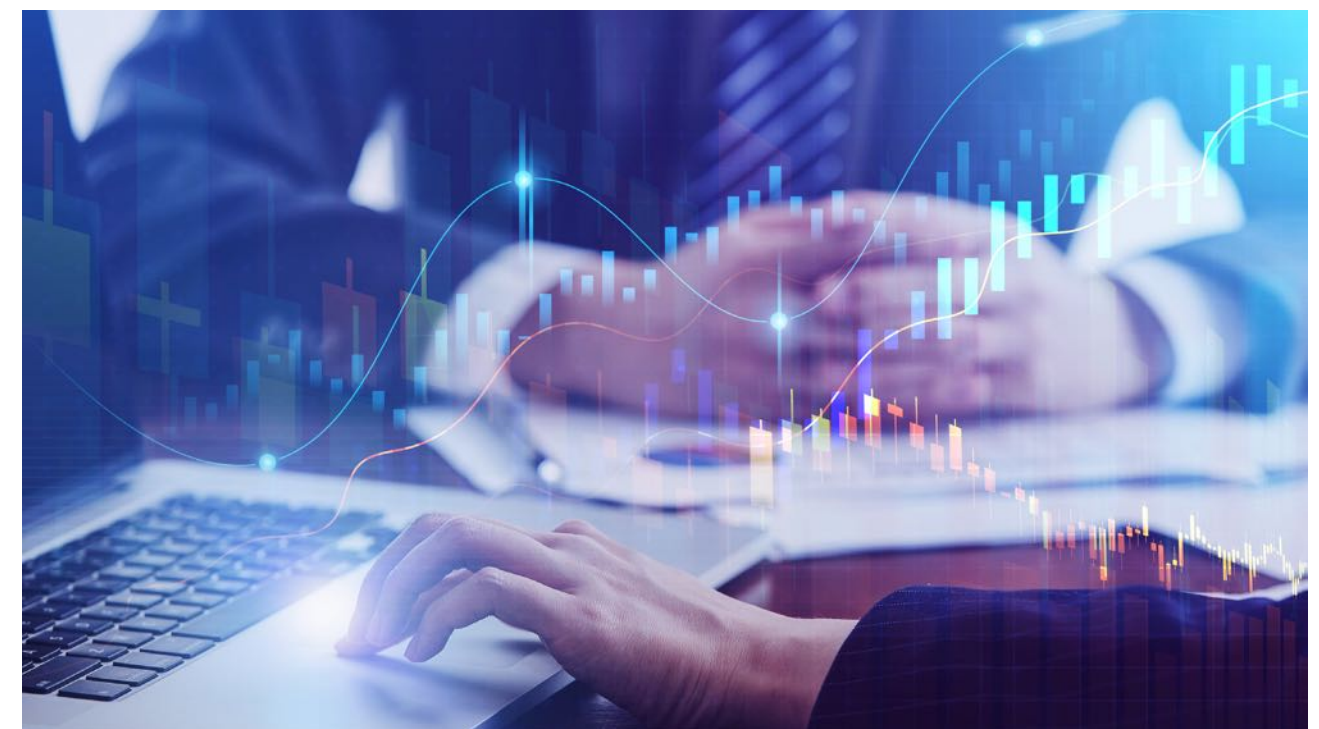
03

During the reporting period, the Bank provided 10 training courses to a total of 7,735 trainees through offline training, live streaming, centralised teaching and other methods. The topics of these courses included risk preference, risk strategy, industry portfolio limit management, implementation of Basel III, effective risk data aggregation and risk reporting, non-retail customer correlation graph analysis platform and external platform risk management. The courses improved the professional level of risk management across the Bank.

ESG Risk Management System

The Bank paid close attention to of ESG risk management, established a whole process ESG risk management system covering all subsidiaries, operating institutions and business types (including investment and financing businesses). The Bank also established the multi-scope and three-dimensional information collection mechanism between the parent bank and its subsidiaries, the Head Office and branches, and internal collection and external third-party collection of ESG risks, and clarified to implement regulatory requirements on ESG during due diligence, compliance review, credit approval, contract management, fund appropriation and disbursement, post-loan management and other stages. The Bank strengthened ESG risk management of proposed credit and investment customers and projects, adhered to the "one-vote veto mechanism" for environmental assessment, continuously monitored their development and responded to changes in their ESG risks with corresponding risk mitigation measures and early warning measures in a timely manner.

The Bank established the mechanism for the identification, dynamic evaluation, exposure management and namelist management of ESG risks that covered investment and financing businesses, continued to enhance risk management and control for the whole process of investment and financing. The Bank conducted stringent ESG risk assessment and appraisal on proposed credit and investment projects and adopted the "one-vote veto mechanism" on issues about environmental protection. It coordinated and implemented the national strategy on green development and energy safety, hold on to the principle of "total volume control and structural adjustment", implemented differentiated credit policies and the requirements on the orderly transformation of high-carbon industries. It performed stress tests for industries with high carbon emission, improved its risk prediction ability and established the risk exposure and responding mechanism in a forward-looking manner. The Bank gradually reduced and withdrew from inefficient and backward enterprises in the "high pollution, high energy consumption, and overcapacity" industries. According to the "whitelist", the Bank modestly increased support to the areas of energy conservation and carbon reduction, industrial upgrading, and safety and efficiency. It also consistently promoted the green transformation of credit structure and the "dual optimisation" of customers and assets.



Credit Policies for Segmented Industries

- The Bank formulated credit policies, credit guidance, environmental and social risk assessment standards, and compliance review checklist for different industries. Based on the industry that the credit projects belonged to, the Bank identified the corresponding ESG risks and differentiated the credit placement control for in industries with high energy consumption, high pollution and excessive production capacity.
- The Bank has formulated credit policies covering more than 50 key industries, such as energy, transportation, agriculture, forestry, animal husbandry and fishery, mining, oil and gas, raw materials, and key areas such as clean energy, clean production, energy conservation and environmental protection, infrastructure green upgrade, ecological environment, green services, and biodiversity protection. The Bank specified differentiated credit granting strategies, access criteria and risk control and other relevant requirements to continuously promote green upgrade of industries and further help to improve the competitiveness of advanced production capacity.

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 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 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, and the top listed fishing grounds and enterprises nationwide. 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 biodiversity

In the annual credit policies, credit policy related to biodiversity was set as a separate section. 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, 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, conservation of species and ecosystem diversity, etc. 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. 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 analysis of the following environmental and social risk profiles: 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, etc. In order to ensure true and reliable investigation, in the process of ESG risk identification, the Bank conducted cross-validation and analysis of information from competent authorities, industry associations, credit agencies, regulatory authorities, media and other channels.

For enterprises with backward 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.

Evaluating ESG risks in credit assessment process

The Bank has clearly required that the integrity, compliance and validity of customer (project) data should be reviewed one by one, and on this basis, customers should be judged whether they had major environmental and social risks. The Bank also required that the investigation report should clearly provide due diligence opinions on the environmental and social risks of the customer (project).

Commenting on ESG risks in credit approval process

The Bank has successively formulated approval guidelines for green development areas such as power battery, energy storage industry, waste-to-energy incineration and new energy passenger vehicles, encouraged branches to expand related businesses, implemented white list management mechanism for industries with excess capacity such as coal, steel and coal power, and strictly controlled the risks of "high pollution, high energy consumption, and overcapacity" industries. Customers with significant environmental and social risks should not be approved in principle during the approval process. For example, the Guidelines for Credit Approval of Photovoltaic Power Generation Industry issued in 2022 stipulated that the approval process of photovoltaic power generation projects should focus on environmental protection-related situation, and that projects involving compliance red lines should execute "one-vote veto".

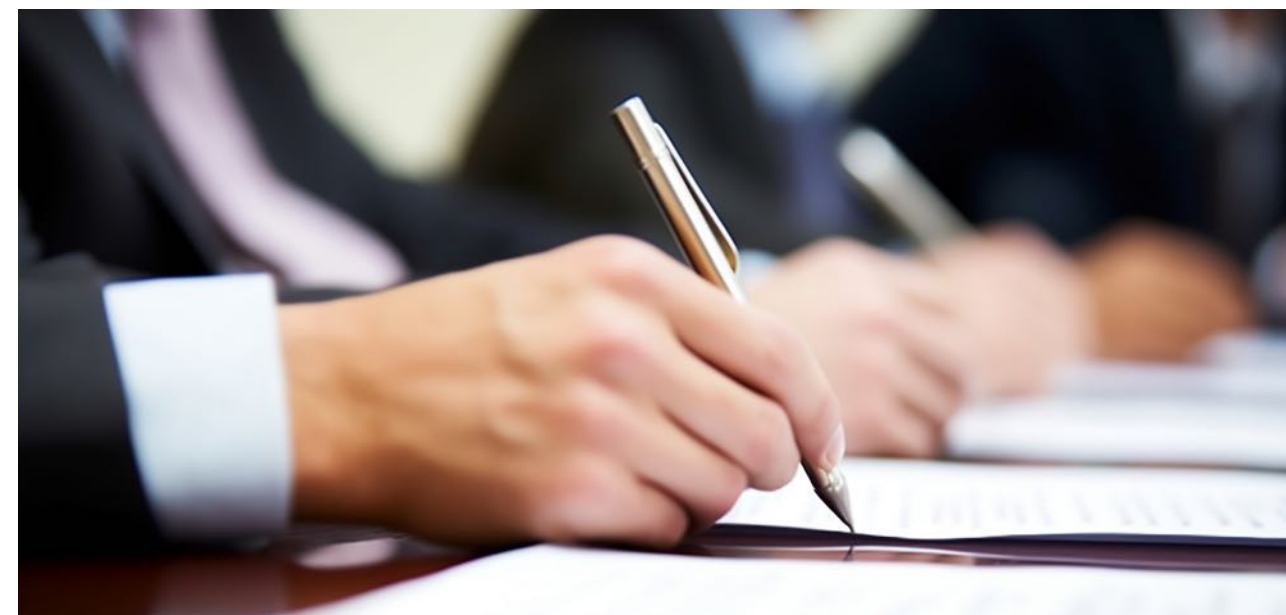
【Case】

A rejection case for the "high pollution, high energy consumption, and overcapacity" industries

A textile company applied for a comprehensive credit to the Bank, whose industry belonged to cotton printing and finishing, one of "high pollution, high energy consumption, and overcapacity" industries. The Bank carried out further due diligence on the company. Through cross-validation and analysis of information from the competent authorities, industry associations, credit reference agencies, regulatory authorities and media, etc., the Bank found that the applicant was recently investigated and accused of environmental pollution crimes due to excessive discharge of heavy metal wastewater, and had large environmental protection risk, then rejected its credit application.

An approval case for a construction project in wetland ecological restoration areas

A project company that operated integrated management project, covering land remediation services, soil pollution treatment and remediation services, water environment pollution prevention and control services and other businesses, applied to the Bank for project loan financing for the construction of an ecological restoration area project. After initial due diligence, the Bank recognised that the project had sufficient compliance documents and complete approval procedures, and met the requirements of national regulatory policies for environmental impact assessment. The project belonged to the category of green credit, and was in the eco-environmental industry category of the six green industries accredited by the National Development and Reform Commission. The Bank used digitalised method to simplify the follow-up due diligence process, and found no abnormal facts after inquiring the information of the project entity regarding industry and commerce, courts and the Internet, then approved to grant the loans to the project company.



Responding to Climate Change

The Bank fully implemented the national "Carbon Peaking and Carbon Neutrality" strategy 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, updates policies for relevant industries to specify the key points of environmental and climate risk control, in a bid to seize business opportunities, comprehensively strengthen climate risk management, and promote green and sustainable development.

Clarifying climate risk management requirements



The Board of Directors of the Bank regularly listened to the senior management's reports on the risk preference and the implementation of the risk strategy (including climate risk management). After reviewing, the Board of Directors integrated the response to climate risk changes into the five-year plan for green finance, the annual risk preference, the risk strategy, the credit policy and the basic system of green finance management, and clarified the goals of climate risk management and the step-by-step implementation measures and relevant requirements. In terms of system, the Administrative Measures on Green Finance clearly included climate risk into the comprehensive risk management system. The Board of Directors clarified the requirements of climate risk management in the Bank's risk preference every year, and made detailed requirements for the measures related to climate risks in the annual strategy.

Climate risk sensitivity stress test



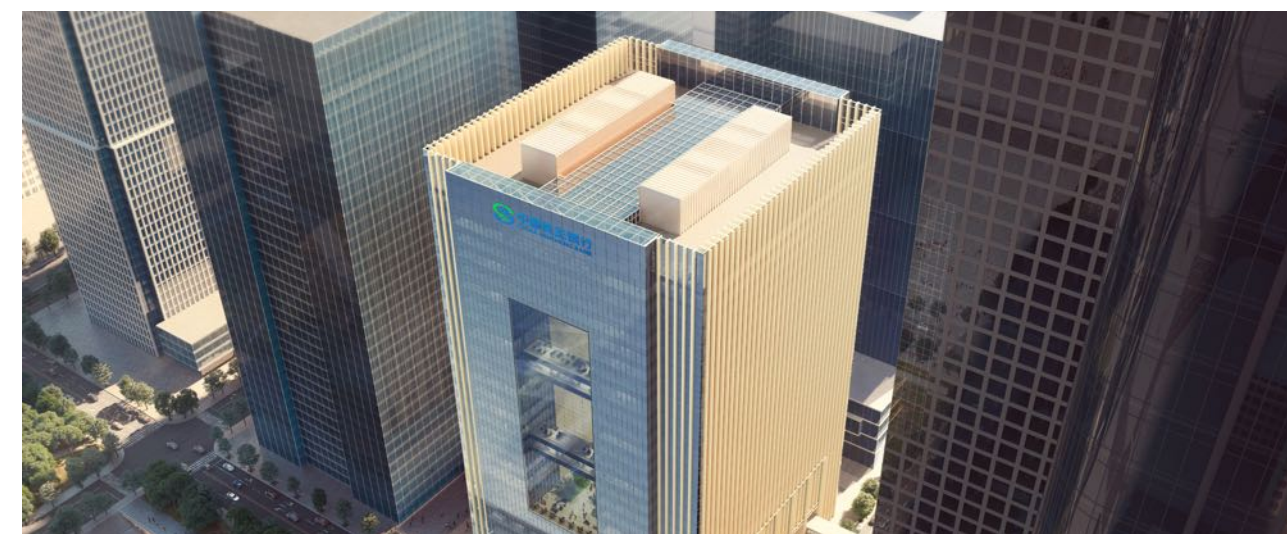
In 2022, the Bank continued to conduct the climate risk sensitivity stress test. The test took the end of 2021 as the starting time and had a period of 9 years. The scope of the test was extended from three high-carbon industries in 2021 to eight high-carbon industries in 2022. The test assessed the ability to cope with transition risks under the realisation of the "Carbon Peaking and Carbon Neutrality" goals, and examined the impact of rising carbon emission costs of enterprises in high-carbon industries on the quality and capital adequacy level of credit assets of the high-carbon industries held by the Bank. The Bank successfully passed the mild, moderate and severe stress tests, meeting regulatory requirements, and the overall risk was controllable.

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 the 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 put energy saving and emission reduction into practice in multiple dimensions, enhanced employees' awareness of environmental protection, implemented various green office measures, and supported innovative green development.

Green Operation

The Bank practiced resource conservation and environmental protection in the whole process of business operation, so as to achieve a balance between economic efficiency, social efficiency and environmental efficiency and realise sustainable development. In order to minimise resource consumption due to business paper usage and business travel, the Bank took a series of measures such as promoting the construction of green operation system, formulating and implementing relevant green operation policies, building the grand smart operation platform with high coordination and strong supporting power, focusing on smart operation and digital operation to provide customers with efficient, convenient and green online services through digital transformation, constantly innovating online products, and expanding the number of monthly active users and the trading size of payment business on online platform. In 2022, the Bank launched a new "data-driven" account operation mode of "account robot", as a landmark product of digital transformation, the "account robot" introduced various cutting-edge technologies such as big data, Optical Character Recognition (OCR) smart image recognition, Robotic Process Automation (RPA) simulation operation and remote testimonial verification, thus providing customers with account opening service experience in smart review, antecedent risk control, convenient delivery and automatic submission. At the same time, the Bank launched a new online service channel for self-service change of corporate information with trial operation at the branches in Beijing, Xi'an, Chengdu and Shenzhen, which allowed customers to complete the business on the online banking terminal from home, in a bid to further implement green operation.



Deploying new intelligent equipment

The Bank put in place new type of intelligent equipment featuring functions such as face recognition, audio and video recording, multi-dimensional identity authentication, multi-card reading, fast deposit and withdrawal of large-value cash, and bill authentication, etc., which provided services with convenient human-machine interaction under various scenarios. The one-stop service conclusion rate was about 50.7%, bringing customers convenient, comfortable and intelligent user experience.

Leading intelligent bank experience stores

The Bank currently had six "intelligent bank experience store" in place, which innovated the smart experience of customers in banking outlets in an all-round manner, and made fintech services more accessible. The Bank expanded new model-based roadshows, new product incubations and new technology implementations, fully displayed the integration of sci-tech capabilities 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 intensification, 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 for multi-category business files, practically improved the operational efficiency of business development and internal and external inspections, and significantly reduced the usage of paper and relevant personnel travel.

Practicing green publicity

The Bank carried out green management of publicity channels 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 operations, 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 reporting period, in order to improve the performance of energy conservation and emission reduction, the Bank built the energy management system to enhance energy-saving management and transformation of energy-saving technology. Meanwhile, 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 reporting period, the Bank held a total of 103,028 online conferences, including 57,163 cloud-based conferences, 2,983 integrated video conferences and 42,882 audio and video conferences via Lark.

Site Design

The Bank required that new office buildings should retain and utilise, to a 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 choose to use aluminum plates, stainless steel plates, luxury vinyl tile (LVT) stone flooring and other hard, inorganic, green material with good environmental compatibility.

Lighting System

The Bank required that the lighting in the foyer, front rooms and public walk way should use sound and light controlled time-delayed self-extinguishing switches, or intelligent lighting control systems with zoning and grouping. The light source should mainly be light-emitting diodes (LED) lamps, the lighting power density (LPD) values of all rooms and other places should be lower than the target value specified in the current national standard of Architectural Lighting Design Standard (GB50034-2013).



- The Bank advocated resources saving and opposed extravagance. By publishing initiative letter, setting up rolling bulletin boards, and putting up posters, it strengthened publicity and education to cultivate good habits of resources saving and opposing extravagance of employees. During the reporting period, the Bank adopted reasonable measures for energy resource saving, carbon dioxide emission control and pollution control, and continued to carry out measurement, statistic and analysis on energy resource and carbon emission. Regarding the use of resources, the Bank conducted occasional inspections and alerted employees and departments that violated the regulations. The Bank intensified the investigation on electricity consumption of all outlets, monitored electricity consumption expenditures, and conducted inquiries and supervision on outlets with significantly higher electricity consumption than average. The Bank used municipal pipeline waters, and had no issues in obtaining appropriate water sources.
- In 2022, in response to the work deployment of the National Development and Reform Commission and the Beijing Development and Reform Commission on carrying out the event of 2022 National and Beijing Energy Efficiency Promotion Week, the Bank launched the Energy Efficiency Promotion Week, and pushed learning articles on the WeChat public account to all employees, advocating them to learn related energy conservation knowledge and understanding the importance and urgency of energy conservation and emission reduction. At the same time, the Bank also used the media platforms such as electronic publicity screens in various office areas to roll out the policies, measures and laws and regulations on energy conservation work, and played energy conservation promotion videos in employee canteens to foster the energy conservation and carbon reduction awareness of all employees.



Improving Institutional Construction:

The Bank started to formulate management measures on energy, green finance and energy saving, and established relevant incentive mechanism and rewarding and punishing mechanism.



Stopping Catering Waste:

The Bank put a firm stop to catering waste by responding to the initiative of "empty-plate campaign" and creating a good atmosphere of "shame on waste and honour on saving".



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.



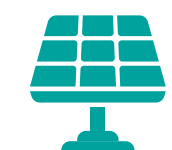
Saving Paper:

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 paper documents printed or copied. The Bank encouraged double-side print or recycled use of office papers, e.g. to make drafts on the other side of a single-side printed waste paper. Adhering to the green and coordinated office, the Bank promoted paperless meeting system for internal meetings, and realised online viewing, annotating, sharing and screen projection of meeting materials, in an aim to minimise the use of paper to the largest extent while improving meeting efficiency and sharing information, and contribute to the protection of environment and the fulfillment of social responsibilities.



Saving Water:

The Bank controlled tap water output on the basis of meeting the basic requirements of use, improved maintenance of water equipment, changed taps to water-saving ones, and timely resolved water supply failure to stop water running, dripping, leaking, and long-running.



Saving Electricity:

The Bank required to reduce standby consumption for automatic equipment including computers, printers and copiers, and to switch them off in time in case of long time no use and after work. The Bank chose to purchase energy-saving lighting facilities to reduce their power consumption, and turned off lighting facilities in public areas at regular intervals after work everyday. The Bank controlled the indoor temperature at around 25 degrees Celsius when using central air-conditioning, to reduce energy consumption.



Managing Vehicles:

The Bank promoted the concept of green transport, maintained vehicles on a regular basis, reduced abnormal wear and tear of components, and provided regular fuel-saving training to drivers.

ENVIRONMENTAL GOALS

Goals for energy saving and carbon reduction

The Bank will accelerate the establishment of energy management system, continue to strengthen the energy saving management of the whole Bank to reduce energy consumption through energy saving technology transformation projects. For those that have reached the goal of reducing carbon dioxide emissions, the Bank will continue to well manage green creation at the Head Office and actively cooperate with the relevant work of the Green Finance Committee of the Bank. Affected by uncontrollable external factors, the energy management system certification could not be carried out as scheduled. However, the Bank will keep pushing forward the energy management system certification.

Goals for waste reduction

The Bank's 2022 waste reduction goals have been achieved. In 2023, the Bank will continuously implement garbage classification and recycling, 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 2022 water saving goals have been achieved. In 2023, the Bank will continue to vigorously publicise the national water conservation action plan to establish the awareness and develop the habit of water conservation 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}	2022
Exhaust emissions (in tonne) ³	0.573
Nitrogen oxides (in tonne)	0.556
Sulphur dioxide (in tonne)	0.017
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne) ⁴	84,327.29
Direct emissions (scope 1) (in tonne)	7,868.18
Natural gas (in tonne)	5,380.61
Coal gas (in tonne)	26.24
Diesel (in tonne)	13.15
Gasoline (in tonne)	2,448.18
Indirect emissions (scope 2) (in tonne)	76,459.12
Electricity purchased (in tonne) ⁵	76,459.12
Greenhouse gas emissions per unit area (scope 1 and scope 2) (in tonne/m ²)	0.07

Notes:

- ¹ — The statistical scope of environmental performance indicators only covers the office buildings of the Head Office and the headquarters of 42 tier-1 branches.
- ² — The office area used for the 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.
- ³ — 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.
- ⁴ — 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 2019 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).
- ⁵ — The GHGs emissions of Hong Kong Branch are counted by conversion factors provided by local power company.

ENERGY AND WATER CONSUMPTION

Indicators	2022
Energy consumption (in MWh) ¹	152,168.01
Direct energy consumption (in MWh) ²	33,045.36
Natural gas (in MWh)	22,786.47
Coal gas (in MWh)	195.44
Gasoline (in MWh)	10,013.39
Diesel (in MWh)	50.06
Indirect energy consumption (in MWh)	119,122.65
Electricity purchased (in MWh)	119,122.65
Energy consumption per unit area (in MWh/ m ²)	0.13
Water consumption (in tonne)	711,221.25
Water consumption per unit area (in tonne/ m ²)	0.63

Notes:

- 1 — Energy consumption of the Bank mainly refers to natural gas, gasoline, diesel, coal gas and electricity purchased.
- 2 — 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).
- 3 — Based on the nature of the Bank's products and services, packaging for finished products is not applicable for the Bank.

WASTE MANAGEMENT

Indicators	2022
Total hazardous waste (in tonne)	285.44
Waste lead-acid accumulators (in tonne)	258.21
Hazardous waste consumables (in tonne) ¹	27.24
Hazardous waste unit area (in tonne/m ²)	0.0003
Total non-hazardous waste (in tonne) ²	20,897.32
Domestic waste (in tonne)	17,188.23
Canteen waste (in tonne)	3,451.52
Office equipment waste (in tonne)	130.62
Electronic consumables waste (in tonne)	7.17
Electronic products waste (in tonne)	82.90
Security equipment consumables waste (in tonne)	33.87
Security products waste (in tonne)	3.01
Non-hazardous waste per unit area (in tonne/m ²)	0.02

Notes:

- 1 — Hazardous waste consumables, including toner cartridges, carbon powder and cartridge, etc. purchased by the Bank, are calculated based on the data in the purchase list provided by the supplier.
- 2 — 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, file cabinets, etc., and is counted based on the actual scraping 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, monitoring equipment, etc. (with fixed asset numbers) discarded or disposed by the Bank, and is counted based on the actual scrapping each year.

CUSTOMER-FIRST, CONSIDERATE SERVICES FOR WIN-WIN COOPERATION

Based on the strategic positioning of becoming “a bank for the NSOE, an agile and open bank, and a bank with considerate services”, the Bank gave full play to the characteristics and advantages in serving the NSOEs and the micro, small and medium enterprises, fully supported the development of the real economy and actively practiced inclusive finance. Meanwhile, 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 creating an open bank that upholds coexistence, sharing and win-win cooperation.

SOCIAL PROTECTION

SERVING CUSTOMERS CONSIDERATELY

Improving the Access to Finance

01
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To ensure that financial services reach more underdeveloped areas and further expand the coverage of financial service channels, the Bank carried out business outlets construction planning in the areas where branches were newly established to further improve the access to finance. During the reporting period, the Bank had a total of 2,608 domestic branch-level institutions and business outlets, including 42 tier-1 branches (including Hong Kong Branch) and 105 tier-2 branches (including remote sub-branches), realising full coverage of provinces, autonomous regions, municipalities directly under the Central Government and cities specifically designated in the state plan. There were 2,461 sub-branch outlets and community outlets. In terms of offline channel construction, by deploying 4,462 sets of self-service equipment, the Bank filled the blank layout of outlets in emerging urban areas, completed the offline sales network and improved customer service accessibility. The Bank developed and cooperated with merchants in rural areas, and set up farmer-benefiting service points in accordance with the principle of "consultation and cooperation, merit-based development, and risk under control", installed electronic equipment and devices, including but not limited to POS terminals, intelligent terminals, self-service inquiry machines and other hardware and software equipments, and provided customers with basic financial services, such as rural aid withdrawal, cash remittance, transfer and remittance, 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 benefit farmers. As at the end of the reporting period, there were 51 contracted rural aid bank card withdrawal service points and 3 rural aid service points under construction, serving more than 24 thousand customers.



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Since September 2008, the Bank has invested a total of RMB1.395 billion to set up 29 rural banks, continuously promoting the positioning of rural banks, deepening regional markets, improving service level, and constantly exploring sustainable and high-quality business models, and achieved good social benefits and operational benefits. As at the end of 2022, the Bank's rural banks had a total assets of RMB40.250 billion, total deposits of RMB34.267 billion, balance of loans of RMB25.137 billion, and served 551.5 thousand customers of various kinds.

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At the same time, the Bank strengthened the service support of online channels, optimised and upgraded mobile banking Apps, improved service provision in multiple business channels such as transfer and remittance, deposit and wealth management, and product purchase, avoiding the trouble of offline processing. The Bank also launched financial products that better meet the needs of customers in a timely manner and continued to improve its customer service capabilities.

04
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In 2022, the Bank continued its strategic alliance and innovative cooperation with other leading platforms in the industry to strengthen the cooperation model and service concept of "IT + finance" and "ecosystem + finance" and broaden the channels of the Bank's financial services. The Bank has cooperated with leading e-commerce companies, and leveraged the rich business ecosystems of e-commerce platforms and the Bank's online and offline channels, realised entire scenarios, whole journeys and full channels service for customers to promote consumption and stabilise the economy, serving nearly 2 million customers. The Bank has cooperated with leading travel platforms and joined hands to launch the industry's first business travel-themed co-branded debit card - Ctrip co-branded debit card, which deeply integrated financial services with life scenarios and has covered 26,431 cardholders, providing customers with ecosystem of travel services and better and more convenient service experience.

Inclusive Finance Services

The Bank actively implemented the national macro strategic deployment and regulatory policy requirements. In 2022, in accordance with the Five-Year Development Plan for Inclusive Finance of China Minsheng Bank (2021-2025), the Bank formulated the annual work plan for small business finance and inclusive finance to further promote the optimisation of the mechanism and system, accelerate the process of digital finance innovation, enhance the sustainable development capacity and service quality, practice the political and people-centredness nature of finance, and promote common prosperity.



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 investment in credit policies, assessment management, special incentives and team building. Inclusive finance committees were also set up in tier-1 branches to promote their management and development of inclusive finance business.

Promoting product and service innovation

The Bank enriched the small business finance products system of "Commercial Loan Express, Industrial Loan Express, Agricultural Loan Express, Online Loan Express", launched online credit products such as Merchant Express Loan, new version of Tax Payment Happy Online Loan, and Value-Adding Loan, as well as regionally featured businesses such as Photovoltaic Loan and Cotton Grower Loan, in an aim to focus on in-depth operation of inclusive finance customer groups, 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 micro and small enterprise", "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, carried out multi-channel online access, and created comprehensive distribution channels covering multiple businesses including loans, settlement, assets, inclusive credit cards and pensions.

Enhancing accessibility of online financial services

The Bank launched the "Minsheng Small Business App" 2.0 to provide smarter, faster, simpler, more considerate and user-friendly online financial services for micro and small enterprises, micro and small enterprise owners, and self-employed industrial and commercial enterprises. The Bank set up classified product portals for different customer groups, and further promoted online and offline integrated services. The Bank built integrated mobile financial service platform, supported micro and small enterprise users to experience the whole process of online financial services, and built a new green and energy-saving financial model to provide convenience for users. As at the end of the year, the number of user of the App exceeded 1 million.

During the reporting period, the accumulative amount of inclusive small business loans reached RMB625.697 billion. The case of "Creating a New Model of Inclusive Finance and Further Improving Service Quality and Efficiency through Digitalisation" of the Bank was awarded the Innovation Case of Inclusive Finance Product and Service of Typical Cases of Inclusive Finance in China (2022).

Dedicated Services for the Elderly

According to 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 continuously created the exclusive services of elderly-friendly versions of mobile bank which was comprehensive, simple, easy to use, secure and smart. The Bank also continuously strengthened the construction of service facilities for elderly people in outlets, set up exclusive hotlines, and took advantage of community grid-based services to optimise financial and non-financial products and services for the elderly.

Elderly-Friendly Service at Banking Outlets:

- The Bank has set up exclusive "green channel" or "help window" for the elderly customers at the banking outlets, and provided elderly-friendly facilities such as reading glasses and courtesy seats at the lobbies, to improve the service experience of elderly customers.
- The Bank has introduced a variety of new intelligent devices with multiple functions. These devices can easily detect elderly customers and transfer calls by one click, and ask if they need customer assistance and automatically connect to the remote customer services, providing reliable support for business processing by the elderly.

Elderly-Friendly Mobile Banking:

- The Bank has enhanced the elderly-friendly products and services by adding options for insurance agency, mobile phone number transfer, one-click card binding, consumer rights protection section and real-time assets inquiry, etc.
- The Bank has also introduced smart services, such as pop-up guidance and floating layer guidance, launched voice search, text to speech, voice interaction and smart customer service, etc. to improve the usability of exclusive services of the elderly version.
- In addition, the Bank has provided services such as account security lock, smart risk control for anti-fraud, optimised the security keyboard and default blocking of sensitive information display, to enhance the sense of security of the elderly customers when using mobile banking.

Dedicated Hotline Service:

- The elderly customers can directly access customer services by dialing the 95568 hotline. The system automatically recognises customers over 60 years old and directs the call to operators without voice instructions and button selection.

Enriching Dedicated Financial Products and Non-financial Services for the Elderly:

- The Bank focused on the financial product demands of elderly customers, 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 more detailed financial product solutions to help elderly customers learn about the products at any time and meet their financial needs.
- The Bank provided rich elderly-friendly non-financial services, organised courses for the elderly and financial knowledge publicity salons, held talent shows, exclusive outings, exclusive birthday parties, hairdressing day events, old photo restoration, family portrait photo shootings, community social events and other featured events, to enable the elderly customers enjoy high-quality life.

Promoting Financial Knowledge

The Bank has formulated the 2022 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. The Bank adhered to the spirit of truthfulness and innovation, and actively explored and created innovative, multi-channel, regular and suitable financial knowledge promotion activities for different customer groups around the knowledge needs of key groups.

Empowering key customer groups

- For the elderly customers, the Bank published the educational comics about the simplified version of its mobile banking services on the mobile banking splash page. The branches and sub-branches rooted in the community focused on the elderly, and took typical cases as examples to emphasise the financial and legal knowledge closely related to the elderly consumers, such as prevention of pension fraud, personal information protection, and age-appropriate enhancement. For the youth and school students, many branches worked with local schools to carry out the campaigns of "financial knowledge in schools" to enhance the financial awareness of the youth at the times of Teachers' Day, starts of academic term, and college entrance examination season.

Physical base construction

- The Head Office and the branches worked together to build financial education demonstration bases, focusing on audiences in the surrounding area, especially self-employed, migrant workers, the elderly, teenagers and other groups, to carry out financial knowledge promotion and education activities, in an aim to enhance the financial risk identification ability and self-protection ability of the general public and prevent financial risks.

Digital publicity and education

- The Bank has established strategic cooperation with the online university platform for the elderly of "China.com.cn", set up the promotion and education section of "Beijing Branch, China Minsheng Bank", launched 2 sets of financial knowledge courseware and 12 promotion and education videos, which gained 1 million clicks. Through the combination of online and offline efforts, the Bank helped consumers gradually obtain good financial knowledge and skills to make reasonable and effective financial decisions and better protect their legitimate rights and interests.

Carrying out regular consumer rights protection promotion

- The Bank has established public education areas in all sub-branches to popularise financial knowledge and placed various risk reminders at business processing scenarios/links to enhance customers' financial risk prevention awareness. The Bank established "Consumer Rights Protection Section" on official website, mobile banking App and WeChat official account, and released nearly 100 articles, such as risk cases, policies and regulations, and financial knowledge throughout the year. The Bank carried out the city relay activities on financial knowledge promotion of "Serving Key Groups, Crossing the Digital Gap", a total of more than 800 outlets and more than 15,000 employees participated in the activities throughout the year. The Bank issued 51 risk warnings or disclosed risk cases to consumers, reaching 12.6 million consumers, and conducted anti-money laundering publicity and education activities, reaching over 17,774,500 participants.
- The Bank's practice in consumer rights protection has been highly recognised. During the "15 March" publicity week, the Bank was publicised by the mainstream media at the central and provincial levels for over 400 times. During the joint financial publicity month in September, the Bank was publicised by the media at the central and provincial levels for more than 600 times.

SUPPORTING NSOES AND MICRO AND SMALL ENTERPRISES



As the first national joint-stock commercial bank initiated and founded by the NSOEs, China Minsheng Bank rooted in the private economy, and has always taken "serving the NSOEs" as its strategic positioning. Since 2022, the Bank has continued to firmly implement the relevant decision-making arrangements of the CPC Central Committee and the State Council, and effectively fulfilled various regulatory requirements. Based on the strategic positioning of becoming "a bank for the NSOE, an agile and open bank, and a bank with considerate services", the Bank has been steadily stimulating the work of serving the NSOEs by focusing on micro and small-sized enterprises, small and medium-sized NSOEs, dedicated, refined, distinctive and innovative SMEs, and strategic NSOEs and other customer segments, carried out financial and non-financial services in a classified and segmented manner, and improved the integrated comprehensive service system for micro, small, medium and large enterprises, in a bit to facilitate the healthy and sustainable development of NSOEs.



Supporting NSOEs

The Bank fully implemented its strategic policies of supporting NSOEs in the following aspects:

01

The Bank has optimised and iterated the product system 3.0 that served small and medium-sized NSOEs, continuously improved the benefit systems for SMEs, and launched them in batches.

02

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

03

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 ecosystem and supply chain of strategic customers, and promoted the inclusive financial services for SMEs and micro-sized customers based on smart, digital and ecosystem-based products.

04

The Bank empowered the real economy and deployed arrangements in emerging fields. The Bank unwaveringly boosted the manufacturing strength, actively explored the potential for business cooperation in new energy vehicles, green energy, new generation IT and other fields, and served leading enterprises for horizontal and vertical industrial integration.

05

The Bank continued to carry out the "Park Visits" activity, explored and practiced the batch service mode for SMEs, strengthened full process customer service experience, and effectively improve the service quality and efficiency.

06

To better serve NSOEs, in 2022, the Bank focused on building the new online platform, which equipped with "Commercial Loan Express", "Industrial Loan Express", "Agricultural Loan Express" and "Online Loan Express" products, and actively built a service ecosystem. The Bank developed new products for different scenarios in ecosystems, 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 the industrial chains.

07

As at the end of December 2022, the balance of loans to the NSOEs of the Bank was RMB1,550.9 billion, representing an increased of RMB9.3 billion as compared with the end of 2021. The balance of loans to the manufacturing industry of the strategic customer group of the Bank was RMB237billion, representing an increased of RMB63 billion as compared with the beginning of the year.

Focus on Micro and Small Enterprises

01

The Bank continued to innovate its small business finance operation and management models, continuously optimised its policies, product systems, platform connection and data introduction to meet the financial needs of micro and small enterprises and promote high-quality development of small business finance.

02

The Bank earnestly implemented The Package of Detailed Policy Measures to Further Stabilise the Economy issued by the State Council, took the lead in launching the "Twenty Articles for Helping Enterprises Relieve Difficulties", implemented emergency plans for five aspects of loan deferral for micro and small enterprises, including increasing credit input, reducing fees and concessions, and stabilising and renewing loans, with a total of 20 measures to help micro and small enterprises to alleviate their difficulties. The Bank formulated plans for loan repayment deferral for micro and small enterprises in some areas, and actively reduced fees and commission for micro and small enterprises. The Bank launched the "exemption of fees for six services", including adjustment of repayment plans, deferred repayment of principals and interests, remote video interview and contract-signing, and account opening service. The Bank expanded supply of small business credit, credit extension authority in key regions, supply of small business credit loan products and credit limit increment for existing high-quality customers, lowered the guiding pricing of loans to retail, catering and other industries that were greatly affected by the external environment, to financially revitalise micro and small enterprises.

03

The Bank also launched measures such as adjustment of repayment plans, loan renewal without principal repayment, deferred loan principal repayment and loan modification options, simplified the relevant procedures of "loan renewal without principal repayment", and launched the online service of "self-service term transfer" (i.e. self-service loan renewal without principal repayment), which played a good role in relieving and stabilising micro and small enterprises for resuming work and production. For micro and small enterprises in the foreign trade industry, the Bank expanded the business scenario of tariff-based letter of guarantee fast loans and provided rapid online response services for customers by strengthening cooperation with banks, governments and enterprises, and by taking advantage of advantageous resources such international trade single window and export credit insurance companies.

04

In response to the urgent need of micro and small enterprises for short-term financing, the Bank proactively strengthened the connection and information sharing with national and local financing and credit service platforms, forming a series of scenario-based products, such as Tax Payment Loan, Settlement Loan, and Government Procurement Fast Loan, gaining nearly RMB300 million new credit, and becoming the first national joint-stock bank to connect with the financing and credit service platform of the National Development and Reform Commission.

05

The Bank actively provided services to small business customers. As at the end of the reporting period, the balance of inclusive small business loans of the Bank was RMB549.051 billion, representing an increase of RMB44.236 billion, or 8.76%, as compared with the beginning of the year.

Supporting Rural Development

- The Bank actively promoted the integration and coordination between inclusive finance and rural revitalisation, vigorously innovated typical models of financial assistance, accelerated product development and model innovation by launching products such as "Cotton Grower Loan" designed for the countrywide cotton transaction market to assist in production and operation of cotton farmers. Also, the Bank upgraded the business model of "Agricultural Loan Express" to extend the service availability to farmers on reclamation areas. By launching the online small amount credit loan of "Revitalisation Loan", the Bank enhanced its support to farmers from areas that have been lifted out of poverty. With the "Common Prosperity Loan" designed for farmers in the common prosperity demonstration areas in Zhejiang Province, the Bank supported the development of planting industry and marine fishing industry to make its contribution to common prosperity. To actively explore the model of "green + inclusiveness", the Bank improved risk control capability and achieved full process digitalisation of photovoltaic loan from application to placement, from supervision on power generation benefits to automatic repayment, and post-loan management, by connecting with the core photovoltaic plants' systems and data.
- In terms of assistance in agriculture development, through the model of "Cotton Express", the Bank built a direct connection with the system of China National Cotton Exchange. Through data analysis, full-process and onsite regulation of the system, the Bank conducted accurate analysis and effective monitoring on the historical transaction performance of ginneries, cotton transactions, total shipment, and sales, and determined the total financing cap for ginneries and offered them with special loans for purchasing unginned cotton. As at the end of 2022, the Cotton Express accumulated approximately 700 customers with total loans amounting to RMB600 million. Through continuous iteration of the "Dairy Chain Express" product, and the direct connection between the Bank's supply chain system and the enterprise resource planning (ERP) system of core dairy enterprises, the Bank altered from targeted push of business information to automatic capture, and achieved real-time and holographic monitoring and mastering over the operation of farms, which enhanced business efficiency. By virtue of data accumulation in the early stages, the Bank optimised models for credit line review and granting review, and made the business fully online and upgrade automatically. As at the end of 2022, the "Dairy Chain Express" granted RMB1.492 billion and assisted more farmers and herdsmen to build their wealth and empowered rural revitalisation through dairy revitalisation.
- In addition, the Bank developed the rural revitalisation version of mobile banking App, providing financial services including deposit, funds, wealth management, farmer loans, and integrated non-financial services, including living expenses payment, e-medical insurance, health care, online shopping, audio and video entertainment, etc. The Bank also continued to develop financial products and services with rural characteristics and made contribution to the country's rural revitalisation strategy. The users of the mobile bank App reached a cumulative number of 14 thousand.



AGILITY, OPENNESS AND WIN-WIN



The Bank took systematic and comprehensive digital transformation as the new starting point of deployment for the future, formulated digital financial transformation strategies, and increased investments in capital and talents to accelerate digital transformation. The Bank established the Digital Finance Innovation Department as the leading department for digital finance transformation, 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 4.44% and 32.36%, respectively, as compared with the corresponding period of the previous year.

Improving Online Service Capability

During the reporting period, the Bank made key breakthroughs in the development of eco-bank and intelligent bank, iterated 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:

01

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

02

The Bank strengthened the open service capability, launched the "Minsheng Cloud" brand for open bank, and joined hands with ecosystem partners to build an ecosystem-based service system featuring openness, cooperation, synergy and win-win.

03

The Bank developed the "Cloud-Based Enterprise Service" platform, nurtured the comprehensive service capability integrating both enterprise operation and management and finance, so as to empower the digital transformation of the micro, small and medium-sized enterprises.

04

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 bank 7.0, and innovated and iterated the online retail platform.

Small business finance: The Bank launched the "Minsheng Small Business" App to improve services for micro and small enterprises.

Corporate business: The Bank continued to upgrade its online corporate service platform.

Internet-based payment: The Bank accelerated the optimisation and upgrading of payment products and created integrated service matrix.

Risk management: The Bank completed the overall planning on digital risk management system, and initiated the development of automatic assessment system for small business loans.

Operation management: The Bank applied new smart technology to improve quality and efficiency, and the substitution rate of standard operation reached nearly 60%.

Intelligent bank experience stores: Up to now, the Bank had six smart bank experience stores in operation. Among them, the first store was named as the "Financial Education Demonstration Base" in September 2022.

01

02

03

04

05

06

07

Open Bank:

- The Bank constantly improved its open service capabilities. It offered a full spectrum of scenario-based financial products and services for accounts, payment, wealth management and loans, released the open bank brand of "Minsheng Cloud" and launched seven key products, including "Minsheng Cloud - Agency Book Keeping", "Minsheng Cloud - Human Resource", etc. and collaborated with ecosystem partners to build up the service ecosystem featuring openness, cooperation, synergy and win-win. The Bank obtained the "2022 Award for Open Bank Technological Cooperation Contribution" by China UnionPay.
- As at the end of the reporting period, the open bank of the Bank established cooperation with over 650 ecosystem partners, providing services to 12 thousand enterprises and 2,072,500 individuals.

Remote Bank:

- The Bank relentlessly expanded the access channels and service scopes of remote banking, and improved smart and refined service level. At present, the Bank has offered multi-channel access mode, 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 the business.

e-CNY:

- The Bank vigorously developed e-CNY-based scenarios, and became the first in the industry to introduce direct e-CNY payment, driver training fee payment by e-CNY, "One-click Wallet Inquiry" and other functions.
- The Bank actively participated in e-CNY-related business cooperation in various places, and supported micro and small enterprises to settle their payroll with direct e-CNY payment.
- The Bank established the "Digital Finance Application and Innovation Lab" to focus on the research on e-CNY business, promote e-CNY acquiring business among micro, small and medium enterprises, and apply e-CNY to the scenario of "Value-Added Loan", in an aim to enable the owners of micro, small and medium enterprises enjoy the convenience of real-time arrival and the zero fee benefit of e-CNY. During the year, the innovation lab was granted with policy incentives for the digital finance industry from the city of Suzhou.

Upgrading Online Retail Service

The Bank focused on innovation and iteration of online retail platform with focal points in digital and smart services, featured and differential services, companion services and improvement in user experience and security. To cater for different retail customer groups, the Bank developed various versions of mobile banking App for the retail customer group, such as standard version, small business version, private banking version, the elderly version, parent-child version and rural revitalisation version. During the reporting period, the number users of online retail platform reached 103,585,400, representing an increase of 10.72%, as compared with the corresponding period of the previous year; the number of monthly active users of online retail platform was 25,955,500, user trading activity remained at the forefront of the banking industry.

Mobile Bank 7.0:

The Bank provided exclusive and customised versions of mobile banking Apps in accordance with customer types to offer abundant life services.

Asset overview and details of incomes and expenses can be checked on a real-time basis. The AI assistant embedded provides 24/7 services. One-stop guardian is offered to protect customers with joint efforts by police and the Bank.

One-click payment can be set for frequently used bills, and quick and easy repayment can be made for credit cards of the Bank and other banks.

The Bank created the "one-stop wealth management" services to offer convenient withdrawal and repayment of loans, and one-click binding of various accounts.

Customers' inquiries and questions can be addressed on a timely basis to achieve fast and efficient feedback mechanism.

- By making full use of cutting-edge technologies, such as big data and AI, the Bank upgraded the smart search function, and introduced the smart income and expense inquiry function for customers to check their assets on a real-time basis. At the same time, the Bank strengthened risk management, improved the security perception strategies for mobile bank to safeguard the interests of consumers, in an aim to build a smarter, warmer and safer mobile bank.
- The Bank was among the first in the industry to launch designated personal pension section on its mobile bank, which empowered users' well-being with a rich and diverse range of smart services.
- The Bank paid close attention to the elderly and the minor groups by providing special services for them, in an effort to eliminate "digital gap". The Bank upgraded the "V+ membership", "Apex Privileges" and other online benefit systems and established online content communities, in a bid to accompany customers to grow.

By virtue of its innovations of online services, the Bank was awarded as the "Pacemaker" of corporate standards for mobile finance App client (banking industry) for the three consecutive years, and won various external awards, including the "Best Personal Mobile Bank Award", the "Jinyang Award" as one of the top 20 user experience Apps.

Upgrading Online Corporate Service

By upholding 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. During the reporting period, the number of online corporate platform users reached 3,277,400, representing an increase of 10.32%, as compared with the corresponding period of the previous year. The accumulated transaction amount on the online corporate platform amounted to RMB73.14 trillion, representing an increase of 9.64%, as compared with the corresponding period of the previous year. The number of customers of bank-enterprise direct connect was 4,148, representing an increase of 24.08%, as compared with the corresponding period of the previous year.

- The Bank streamlined the login process for online corporate banking, reconstructed the authority management and optimised the client of "Minsheng Online Bank", which greatly enhanced the experience of online corporate banking users. The integration of online corporate banking and internet services for small business expanded the service scenarios for micro and small enterprises.
- By launching the corporate mobile bank 4.0 and developing corporate management service capability, the Bank forged its corporate mobile bank into a one-stop mobile office platform that integrated finance, service and management. The Bank continuously enriched financial products and helped scale up the cash management efficiency of customers. The Bank offered embedded financial services for different scenarios to keep broadening the application programming interface (API) of the bank-enterprise direct connect. By focusing on the key corporate customer groups, the Bank built up the mobile management platform for corporate finance to fully cater for customers' differentiated demands, advancing the service capability of the Bank's mobile bank to become more capable of providing "comprehensive", "intelligent", "fast", "simple" and "convenient" services.
- The Bank paid close attention to the "first link" in corporate account services by launching the digital, smart and visualised account opening product of E-Account Opening for Enterprises. At the same time, the Bank newly offered account opening based on e-business license, verification of customers who were on the list of serious violation of laws and dishonesty, self-service modification of handler before processing over-the-counter business, which further improved the convenience and smartness for account opening, and fully upgraded the service quality and customer experience for corporate account opening.
- Through building up the new generation of bills platform, the Bank strengthened its comprehensive service capability of bills business. It fully upgraded payment and settlement scenarios, and reinforced the coordination between corporate and private business to expand its service scope.



FOCUSING ON PROTECTING FINANCIAL CONSUMERS



To further deepen the value of "Customer First", the Bank fully implemented relevant laws, regulations and the 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 Guidelines for the Protection of Consumer Rights and Interests by the Banking Industry, 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 addressed customers' complaints, and continuously improved customer satisfaction.

Improving the Top-level Design of Financial Consumer Rights Protection

- During the reporting period, the Bank further specified duties of the Board of Directors, the Board of Supervisors, senior management, and consumer rights protection departments, increased the efforts towards the protection and management of consumer rights and interests, offered guidance in 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 2021 and Annual Working Plan for 2022", and constantly optimised their overall planning and guidance on protecting consumer rights. The Bank established the Strategic Development and Customer Rights Protection Committee under the under the Board of Directors, formulated the Working Rules for the Strategic Development and Customer Rights Protection Committee of the Board of Directors of China Minsheng Banking Corp., Ltd., and specified that the committee was the specialised responsible body established according to the Articles of Association, and was responsible for the formulation of consumer rights protection strategy of the whole bank, and to supervise and evaluate the performance of relevant work. During the reporting period, the Strategic Development and Customer Rights Protection Committee listened to and deliberated on the annual and intermediate reports and the working plans on consumer rights protection of the Bank, and revised the working policies of the committee. 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. In respect of complaint supervision, the Board of Directors and the Strategic Development and Customer Rights Protection Committee deliberated and reviewed consumer complaint reports and complaint supervision reports of the banking industry, instructed the responsible departments to rectify problems identified in the regulatory evaluation, in an aim to continuously improve complaint management.
- 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 2022 Working Plan on Consumer Rights Protection of China Minsheng Bank, the 2022 Working Plan on Education and Publicity of Consumer Rights Protection of China Minsheng Bank, the 2022 Working 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 newly established 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 marketing of wealth management, insurance, publicly offered funds, loans, structured deposits and private equity management products, which specified the review requirements and standards. The Bank provided training courses on these guidelines to further boost compliant 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 promote the standardisation of marketing events materials.

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

This measure 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 of information, choice, respect, and financial information security, in order to substantially protect the legitimate 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.

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 innovative and development strategy and included it into the medium and 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.

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 working plans, deliberate on special funding budget for innovation, review and approve the construction of innovation labs and major innovation projects, etc.



Formulating Multiple Policies to Protect Consumer Rights and Interests

Flexible Loan Plan Modification

The Bank actively implemented regulatory requirements and formulated a series of financial service policies to further improve financial service support for consumer loan customers, with an aim 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 formulated the Administrative Measures on Credit Risk Monitoring and Warning of Retail Customer 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 Credit 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 regulations of the Bank's consumer rights protection policies, so as to protect the legitimate rights and interests of consumers. The Bank use customer information strictly in accordance with rules and authorisation, prohibited violent or impostor liquidation, strengthened the management of cooperative institutions for liquidation and collection of disposals, obeyed the requirements of personal information protection, and ensured the legal and compliant liquidation and collection by cooperating organisations without infringing the legitimate rights of consumers. The Bank organised employee trainings regularly to interpret the latest collection policies, refined business skills, improved the comprehensive quality of collectors and constantly enhance customer service capability.

Internal Control Policies

The Bank 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 norms in key aspects, including evaluation, trainings, and contingency management, so as to enhance the refined management of consumer rights protection.

Clarifying the Audit Management on Consumer Rights Protection

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 supervision rating system. 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.

Conducting Trainings on Consumer Rights Protection

During the reporting period, the Bank published the Administrative Measures on Trainings of Customer Rights Protection of China Minsheng Bank (2022 Revision) for the purpose of further cementing the policy basis for trainings of consumer rights protection. The measures optimised and improved the organisational structure for trainings of consumer rights protection, allocation of duties, training contents and working requirements, offering guidance and norms for trainings of consumer rights protection of the Bank. To facilitate the coordinated planning and unified management on trainings of consumer rights protection, the Bank published the 2022 Working Plan on Trainings of Customer Rights Protection of China Minsheng Bank, which set out the key contents and requirements for trainings throughout the year. The Bank circulated and reviewed its consumer rights protection on a regular basis to maintain optimal training results.



Trainings in connection with financial consumer rights protection

The Bank's trainings presented level-based and hierarchy-based characteristics with different focuses and full coverage of all employees from leadership, middle and senior management to front-line employees and new joiners. As a result, these trainings have effectively increased 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 trainings of consumer rights protection, and each business unit conducted business trainings based on requirements. Throughout the year, the business lines of the Head Office conducted over 90 training sessions on consumer rights protection, covering more than 300 thousand attendees. 20 training sessions focusing on policy interpretation and skill enhancement in relation to the fields including personal financial information protection, consumer rights protection examination and review, partner management and complaint management witnessed more than 164,200 attendees. The operating units worked closely to implement the requirements of consumer rights protection. The operating units held nearly 800 training sessions for middle and senior management and over 1,300 sessions for front-line employees.

Management of Financial Consumer Complaints

Smoothing Complaint Channels

- During the year, the Bank further smoothed complaint channels and provided multiple channels, such as the home page of its official website, mobile banking App, 95568 customer service hotline and lobby outlets, for customers to file their complaints, and placed the complaint access in a noticeable place or first-level menu to actively listen to and understand customers' demands. During the reporting period, the Bank further enhanced classified management of customer complaints, included machine and device malfunction and other issues into the statistics of customer complaints. The number of customer complaints received and handled through customer service hotline, outlets and transfer from regulators amounted to 165,916, with the case closing rate of over 99%.

95568 Customer Service Hotline

95568 customer service hotline is a telephone service system that provides services, consultation, complaint and suggestions for individual customers, and is committed to providing 365-day and 24-hour non-stop and one-stop customer service. According to the industry standard in the Statistical Classification and Coding of Complaints Filed by Financial Consumers (Banking Financial Institutions) of the People's Bank of China, the Bank refined the 95568 customer service hotline complaint grading and classification criteria, graded and classified complaint data on a monthly basis, and supervised and urged relevant departments to improve the efficiency of complaint handling. At the same time, for complaints that have been handled, the Bank carried out return visits on customer satisfaction and urged the relevant departments to continuously enhance service quality. During 2022, the customer satisfaction rate reached 99.79%, the number of customer complaints received via 95568 hotline was 55,070, with the case closing rate of 99.31%.

Standardising Management of Customers Complaints at Outlets

In order to improve customer service quality of physical outlets and standardise the customer complaint management at outlets, the Bank has benchmarked its existing policies against the regulatory requirements including the Implementation Measures of the People's Bank of China on Protecting Financial Consumers' Rights and Interests and the Civilised and Standardised Service Evaluation Index System and Scoring Standards for Banking Outlets, and incorporated the relevant service contents into its outlet channel complaint management and monitoring indicator system of basic services. Besides, the Bank has revised the Basic Service Monitoring Standards of China Minsheng Bank (2022 Revision), and the Administrative Measures on Customer Complaints at Outlets of China Minsheng Bank (2022 Revision), which set out clear specifications and requirements for the process, handling method and timeliness of customer complaints at outlets. The Bank enhanced public notice management of complaints at outlets by implementing the relevant requirements, effectively improving the quality of customer complaint management at outlets, so as to truly protect customers' rights and interests.

1— The total number of complaints increased in 2022 due to a combination of factors such as the overall growth of the Bank's retail banking business, the implementation of regulatory opinions to adjust the complaint classification criteria, and fluctuations in external capital markets.

Optimising Complaint Handling Process

In 2022, for the purpose of further improving the quality and efficiency in addressing complaints, and enhancing customer satisfaction, the Bank prioritised the optimisation of complaint handling process. Pursuant to the Implementing Measures of the People's Bank of China for Protection of Financial Consumers' Rights and Interests, the Administrative Measures on Complaints Handling of Banking and Insurance Institutions and other regulations, the Bank revised and implemented the Administrative Measures on Handling Consumers Complaints of China Minsheng Bank (2022 Revision), 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, improve the efficiency management of complaint handling, reinforce process management and monitoring over complaint handling, and continuously enhanced complaint handling efficiency and quality.

Complaint Handling Process: When receiving customer complaints from different channel, 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 disagree with the result, he/she not only have the right to submit the complaint to the supervising department for review, but also may seek for dispute resolution through meditation, arbitration, litigation and other methods.

Complaint Handling Process

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 Guidance on Handling Repeated Complaints in a Timely and Appropriate Manner to Prevent and Resolve Material Risks, the Emergency Administrative Measures of China Minsheng Bank on Material Consumer Complaints, the Emergency Plan of China Minsheng Bank for Handling Material Consumer Complaints (2022 Revision) and other regulations. In accordance with these rules and regulations, the Bank specified the mechanism for processing repeated complaints, and the concerted mechanism and the contingency mechanism to address material consumer complaints. With these efforts, the Bank increased its capability in preventing and managing material complaint emergency. The Bank formulated the Administrative Measures of China Minsheng Bank on Diversified Resolving of Financial Consumer Disputes, to effectively protect consumer rights and enhance customer satisfaction in respect of complaint handling.

To solve issues reported by complaints from the sources, the Bank constantly adjusted its rectification mechanism to trace the complaint subjects to the source. During the year, 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. By analysing and monitoring complaints, and by making regular rectification from the source, the Bank continued to optimise products and services, in an aim to safeguard consumers' legitimate interests and rights effectively.

STRENGTHENING DATA AND INFORMATION SECURITY MANAGEMENT

Information Security Governance and 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 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 Risk Management Committee under the Board of Directors actively exercised its duties in managing the IT risks of commercial bank, and deliberated the 2021 IT Risk Management Report of China Minsheng Bank during the reporting period, which summarised and reviewed the overall situation of IT operation and risk management, prepared and released the key measures on IT risk management in the next stage, further improved the IT risk management level and reinforced the integrated information security of the Group.
- At the level of implementation, the Bank's IT Management Committee was the deliberative and decision-making body in 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. The Committee directed the implementation and execution of the Bank's network security and data security protection. The IT Department of the Head Office was the department responsible for the technical protection of data security of the whole bank, ensuring that data security technical standards and protection measures were implemented in the stages of demand, development, testing, commissioning and monitoring, and organising technical risk assessment on data security protection measures, and providing technical support and services on data security for business departments using customer information. The Bank has established a coordinated working mechanism with multiple departments, including IT, consumer rights protection and data management, etc., to carry out data security protection throughout all links of the data life cycle.
- The Bank specified that the Party committee was responsible organ for implementing network security of subsidiaries, optimised network security technology system and architecture, offered guidance to the subsidiaries to improve information security management systems, and strengthened security bottom lines. The Bank put internet access to multiple subsidiaries together to the Head Office to realise centralised and unified security monitoring and operation throughout the bank. The Bank reinforced the onsite inspection over subsidiaries to ensure their IT activities were carried out in a safe and compliant manner, and to prevent from information security incidents.



Information Security Management System

- The Bank strictly complied with a series of network and data security laws, regulations, and standard specifications such as the Network Security Law of the People's Republic of China, the Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Financial Industry Standards of the People's Republic of China: Financial Data Security-Security Specification of Data Life Cycle, and implemented them at all branches and sub-branches to ensure the safe and stable operation of networks and systems, as well as the security of the business operation and customer information of the Bank.
- The Bank has established a network security system covering general policies, management specifications, standard and rules, and operational procedures, and has formulated information security systems covering the Bank, including the General Information Security Strategy of China Minsheng Bank, the Measures on the Management of Customer Information Security of China Minsheng Bank, the Implementation Rules for the Management of Customer Information Security of China Minsheng Bank and the Measures on the Management of Information Security of Subsidiaries 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, and strictly implemented the requirements to improve information security protection level.

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 specifies the requirements for security management, incident management, training and inspection of customer information management. 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 destroy of customer information, and clarified the management requirements and technical measures for information of different security levels, and protected customer information and privacy security from technology and management.

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, and realised the unified and standardised information security management process and technical implementation, in a bid to meet the related requirements in the Cyber Security Law of the People's Republic of China.

Data security

The Bank published the Administrative Measures on Data Category and Division of China Minsheng Bank and the Measures for Data Security Management of China Minsheng Bank, which provided the fundamental principles for data security compliance, specified the security management requirements over the full life cycle activities from collection, transmission, usage, deletion to destroy. The Bank carried out a classified and hierarchical data security management system to fully enhance the security and protection of data activities, prevent data security related risks and implement the related requirements in the Data Security Law of the People's Republic of China.

Development of Customer Privacy and Data Protection Policies

- 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 and other regulations, which clearly defined organisation structure and duties on the protection of personal information, and put forward requirements on various aspects, including all links of personal information processing, cross-boarder management, cooperative institution management, information system management and staff management, etc. The Bank strictly required all institutions to follow the principle of "Minimum and necessary", and 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 to modify personal information, and established corresponding supervision and inspection and emergency response mechanisms to prevent from information leakage and misuse.
- 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.



Information Security Management System

- The Bank continued to improve the systematic management of information security, promoted the upgrading of information security technology and emergency response measures, strengthened the protection of IP rights, and continuously enhanced the awareness and skills of all employees in information security, in a bid to facilitate the construction of information security of the industry. During the reporting period, the Bank complied with laws and regulations, including the Civil Code of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China, optimised 32 personal information and data security policies, streamlined and updated 29 personal information processing rules for online channels, improved 102 data information businesses, 74 system functions and 29 online privacy policies. The Bank organised all employees to attend data security and privacy protection courses and training. As a result, the Bank tightened its control over consumer privacy protection from the source, and strengthened the legal guarantee for safe business development and effective risk control.

- Based on boundary defense, network isolation, host protection, intrusion detection and application security, the Bank constructed an all-round in-depth defense system. Through real-time monitoring over network security, early-warning reports, contingency response, technical inspection, network countermeasure and other measures, the Bank developed an active, closed-loop comprehensive defense system for network security. During the reporting period, the Bank successfully achieved the goal of zero information security incident throughout the year, timely prevented all kinds of cyber attacks and telecommunication frauds, and protected the security of customer information and funds. The Bank won the first prize in the Financial Cryptography Application and Technological Innovation Challenge - 2022 "Financial Cryptography Trophy" organised by the People's Bank of China.
- The Bank reinforced the protection of financial consumer privacy and data. The Bank designated professional teams to protect data, built a coordinated and data security management mechanism with collaborations among multiple departments, and promoted the full life cycle management of data security. The Bank prevented illegal collection, unauthorised access, illegal use and unauthorised copying and dissemination of data, in an aim to strengthen consumer financial information protection and safeguard the legitimate rights and interests of financial consumers. 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, and enhanced the security compliance of mobile terminals.



Training on Information Security Management

- Information Security Management Related Trainings: 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), which covered 48,857 employees and 14,150 outsourced staff, with an annual average of about 30 hours of training per person.
- Special trainings on privacy and data protection for all employees: The Bank conducted the "Series Trainings on Cyber Security and Data Security Awareness and Capability of Minsheng Bank", "Series Trainings on Financial Data Security Capability Development and Standards Interpretation for Information Technicians of Minsheng Bank", "Trainings on Interpretation of Cyber and Data Security Laws and Regulations". These trainings covered all employees of the Bank, and the completion of mandatory network security courses was included as part of the annual performance review, which effectively improved employees' compliant awareness on cyber security and data security. For all outsourced staff, the Bank carried out the "Series Trainings on Cyber Security and Data Security Risk Compliance for Subcontracting and Outsourced Staff of Minsheng Bank" to continuously strengthen the information security management over outsourced agencies and staff, and tighten the control over data security in technology outsourcing and external cooperation.
- The Bank offered data security trainings for employees with data management responsibilities (including all employees in the Data Management Department and all employees of data teams of the IT Department). Contents of such trainings included the background under which legislation on personal information protection was made, interpretation on key clauses in the Personal Information Protection Law of the People's Republic of China, management requirements in connection with data security, requirements related to remote working and project confidentiality, as well as data classification and hierarchical management system requirements.



Audit on Privacy and Data Security

01

In accordance with the requirements of the CBIRC, the CSRC 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.

02

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 five audit programmes covering information security and information system, including "Security Audit on Personal Customers and Payment Sensitive Information", "Audit on Data Governance and Information Security", "Audit on Technological Innovation and New Technology Innovation", "2022 Business Continuity Management Audit" and "2022 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 defense for IT risk management.

03

To actively implement the level-based protection system of network security, 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. During the reporting period, the Bank passed the ISO 27001 information security management system certification and the Level IV certification of classified protection.

PEOPLE-ORIENTED, PROMOTING DEVELOPMENT WITH HUMAN RESOURCES

The Bank adhered to people-oriented development, protected the rights and interests of employees, valued talents and supported 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 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.

PROTECTING EMPLOYEES' RIGHTS AND INTERESTS



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, and strictly prohibited any form of discrimination, harassment, or harm on employees. The Bank also formulated the Administrative Measures on Remuneration of China Minsheng Bank, the Administrative Measures on Labour Contracts of China Minsheng Bank, the Administrative Measures on Employee Induction of China Minsheng Bank and the Administrative Measures on Employee Departure of China Minsheng Bank and other management regulations to ensure that our employees' working hours are reasonable. When signing, renewing, terminating, and rescinding labour relations, the Bank strictly abided by legal procedures and continuously improved management processes to ensure that relevant procedures were fair and open, irrespective of gender, race, or other factors. The Bank provided employees with necessary job-specific development training based on business development needs and job requirements, and created a harmonious working environment through effective communication.



Protecting Legal Rights and Interests

The Bank provided all employees with basic social benefits and standard benefits of the Bank, 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, to protect employees' labour rights and legitimate rights and interests in accordance with laws.

Improving Benefits Package

The Bank prepared workplace infirmaries to provide first aid or health consulting service to employees during office hours. The Bank also set up the corporate annuity system to provide supplementary medical insurance, physical examination and other benefits to continue to improve employee benefits. In addition to statutory holidays, the Bank also offered employees with paid annual leave, and other vacation arrangements in accordance with the related regulations.

Complying with Labour Standards

Child labour and forced labour are strictly prohibited in the Bank. To prevent these situations from happening and correct the relevant behaviour, 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 and regulations and the relevant internal disciplinary policies. 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.

Paying Attention to Employees' Appeals

The Bank has operated the platform of "Voice of Minsheng" for two consecutive years to collect and address business development needs and employees' appeals on certain issues from the primary-level institutions. The Bank established long-term feedback mechanism for issues brought forward by employees, summarised key issues on a regular basis to report to the management for making decisions, and publicised the solutions for problems. To protect privacy and personal data of employees, the platform provided the option of anonymous question submission, follow-up question submission and anonymous commenting, by which employees can submit unlimited subsequent questions after receiving the feedback to ensure that the issue is ultimately and properly solved. The platform operation team is responsible for coordinating, tracing and expediting the problem-solving process, as well as evaluating the quality of outcomes and punctuality of the responding department. The team summarised and reported the key issues to the senior management for decision-making on regular basis. The Chairman of the Board and the senior management paid close attention to the issues and convened a number of special meetings to study and solve the issues raised by the primary-level operating units. During the reporting period, nearly 900 issues were collected and solved via the platform, 589 questions with common nature were made public across the bank, and 49 with typical nature were compiled into the "Special Edition of Voice of Minsheng" which was circulated to the whole bank, in a bid to make the problem-solving process public across the Bank and brief on the progress in a transparent and open manner.

EMPLOYEE CARING



Employee Happiness Index Survey

The Bank has been always emphasising on and dedicating to enhancing the happy experience of employees in the workplace. Under the leadership and deployment of the Party committee of the Head Office, the Trade Union of the Head Office carried out annual employee happiness index survey for all employees. During the reporting period, the Trade Union organised the fifth employee happiness index surveys for all employees, and adjusted and optimised the survey in terms of index modeling, survey questions, survey platform, publicity proposals and annual evaluations. A total of 57,500 employees participated in these surveys, representing 97.20% of all employees of the Bank. Out of all responses, 41,960 surveys were considered effective, representing an effective rate of 72.97%. Employee's happiness index scored at 72.62, up by 1.43 from 2020. The participation rate, effectiveness rate and happiness index score all reached the record high. Based on the happiness index survey results, the Bank conducted happiness index empowerment trainings to enhance related departments' understanding on happiness index and effective application of survey results. Through these surveys, the Bank understood employees' feedback, carried out measures for improvement and further scaled up employees' satisfaction towards work and life. The Bank will continue to uphold its "employee-oriented" management philosophy, and use the employee experience as a touch point to promote the continuous deepening of the reform of various mechanisms and systems, further enhance the cohesion and consolidate the foundation of high-quality development.

Care for Female Employees.

The Bank earnestly protected the legitimate rights and interests of female employees, emphasised the care for female employees and elected and established the Committee for the Female Employees of the Trade Union to continuously strengthen the protection and care for the physical and mental health of female employees. During the reporting period, the Bank built the "care room for female employees", increased health check items for female employees, organised the campaign of "Online Consultation'Health at Your Service - Special Care Season for Female Employees" and the female employee rights and interests protection knowledge live streaming class titled "Care for Female Employees · Law at Your Side", and distributed the Mini Manual of Legal Knowledge for Protecting Rights and Interests of Female Employees", the "Guidelines for Promoting Gender Equality in the Workplace and other reading materials, and laid a solid foundation for comprehensively promotion to protect the rights and interests of female employees. To exemplify their outstanding achievements, the Bank organised female employees to participate in the activities of "National Finance 1 May (International Workers' Day) Outstanding Female Model Posts" and "Finance 1 May Outstanding Female Model Workers", and obtained remarkable results.



Focus on Employees' Happiness

The Bank continued to focus on employees' happiness, effectively strengthened humanistic care and enhanced corporate cohesion. During the New Year's Day and the Spring Festival, the Bank offered holiday care packages to employees, their families and paired assistance employees who were in need of assistance. The Bank organised a wide range of mass sports activities to enrich employees' life and enhance their fitness. 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 reporting period, the Bank held "Welcoming the Olympic Winter Games – Fitness for All", "Minsheng Cup" Weiqi chess contests and frisbee friendship contests to encourage employees to improve their physical fitness and maintain a healthy condition. The Bank also hosted abundant leisure time and holiday events for employees to maintain the balance between work and life, including solicitation of works through the online contest for the Voice of the Financial Workers - "Welcoming the 20th CPC National Congress – Songs for the Party", themed events for Women's Day, Children's Day and caring activities for the 1 May and the Dragon Boat Festival, the "Love in Summer – Minsheng Carnival" – Online Activities for Children's Day held by the Trade Union.

Pay Attention to Mental Health

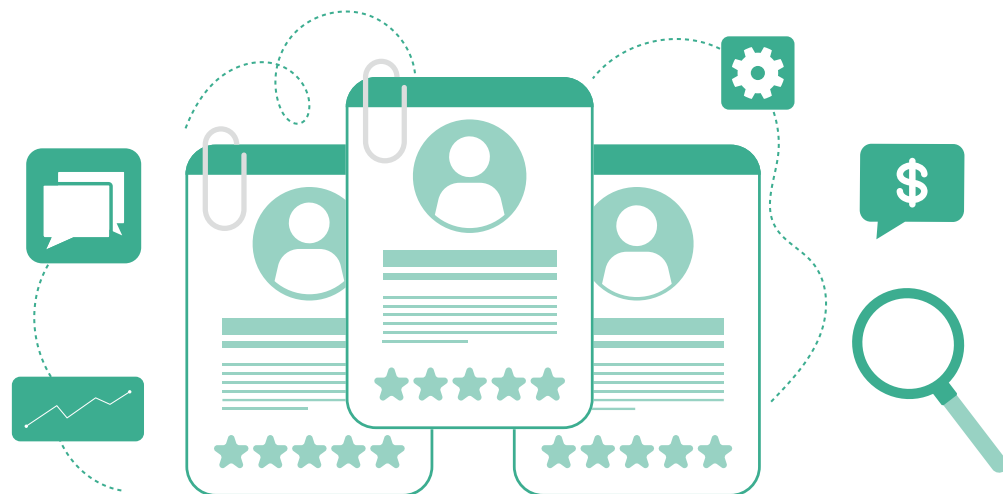
The Bank also established the Employee Assistance Program (EAP) hotline and set up a 24/7 psychological counseling hotline for all employees. During the reporting period, the Bank organised a series of career psychology lectures and psychology micro-classes, as well as psychology salons, mental health ambassador training classes and psychology care month at departments with the themes of "Mental Care Class", "Mental Care Advisory Station", "Care, Empowerment and Cohesion". The Bank opened a psychology counselling room at the Head Office and organised health knowledge educations and publicising events for all employees, which attracted over 30,000 attendees, in a bid to popularise health education, improve their mental health, encourage them to work with positive attitudes and stimulate vitality and passion of our teams.



Clarifying Recruitment Strategy

Based on the Bank's guiding principles on talent strategy, the Bank continued to build a young, professional and sustainable team of talents. It led the establishment of the campus recruitment and social recruitment system, 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 talent classification and selection to effectively predict recruitment demands, adapt to differentiated recruitment channels, and select talents in a scientific manner.

Optimising Introduction of Excellent Graduate Students. The Bank 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. 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. 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". To actively respond to the digital transformation strategy, the Bank innovated to carry out Fintech contests and attracted more than 3,000 graduates majoring in technology and research to participate. During the reporting period, the number of graduates recruited by the Bank doubled as compared to that of previous year.



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During the reporting period, the Bank received a number of awards in HR and recruitment, including:

- "Best Employer in China" award issued by the Research Centre for Corporate Social Responsibility and Employer Brand Communication of Peking University.
- "2022 Top 30 Best Employers of China" award jointly issued by Zhaopin.com and the Centre for Social Investigation and Research of Peking University.
- "2022 Top 100 Excellence Employer of China" award and the "2022 Excellence in Organisational Innovation" award issued by Employer Excellence of China Evaluation Committee.
- "2022 China Exemplary Talent Management Culture" award issued by Beisen Research of Talent Management.
- "Most Favoured Campus Employer by Tech Talents", "'N FUTURE AWARDS/2022' Best Campus Employer" award issued by Nowcoder.

Introducing in Core Talents

- 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 to 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. The Bank enhanced the deployment for key positions in Fintech and investment in R&D and data-related talent pool, and further refined the key areas, level structure and staffing to optimise the Fintech talents team. The Bank formulated the Fintech Talent Recruitment Workbook, formed the talent appraisal team and built the recruiting system featuring synergy between internal and external channels. 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. At present, the Bank has made evident progress in this regard, as nearly 50% of young employees gained professional growth and a large group of employees with outstanding performance were recognised and promoted, and further improved the team performance.



Key Performance Indicators Related to Employment in 2022

Employment Profile in 2022¹

Indicators	Headcount ²	Percentage
Total employees	59,756	100%
By employment type		
Full-time	59,756	100%
Part-time	0	0%
By gender		
Male	26,091	43.66%
Female	33,665	56.34%
By age		
<=30	14,451	24.18%
31 to 50	43,281	72.43%
>50	2,024	3.39%
By geographical region ³		
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	17,744	29.69%
Central China (Henan, Hubei and Hunan)	4,193	7.02%
North China ⁴ (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	22,346	37.40%
South China (Guangdong, Hainan and Guangxi)	6,107	10.22%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	2,179	3.65%
Northeast China (Heilongjiang, Jilin and Liaoning)	2,335	3.91%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Tibet)	4,575	7.66%
Hong Kong, Macao and Taiwan regions of China	277	0.46%
By ethnic group		
Ethnic minorities	2,763	4.62%
Ethnic majorities	56,993	95.38%

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 31 December 2022.
- 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 2022

Employment Turnovers in 2022

Indicators	Turnover rate ^{1, 2}
Total turnover rate ³	4.91%
By gender	
Male	5.54%
Female	4.42%
By age	
<=30	5.99%
31 to 50	4.78%
>50	1.95%
By geographical region	
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong)	5.13%
Central China (Henan, Hubei and Hunan)	5.18%
North China (Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia)	3.50%
South China (Guangdong, Hainan and Guangxi)	6.04%
Northwest China (Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang)	7.88%
Northeast China (Heilongjiang, Jilin and Liaoning)	5.66%
Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Tibet)	4.86%
Hong Kong, Macao and Taiwan regions of China	24.82%

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 number of turnovers in 2022 to the headcount of all employees as at 31 December 2022.

Smoothing Talent Development Channels

The Bank attached great importance to the development of its employees, and built the sound "dual channels" for management and professional development around the 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 rational talent selection mechanism, and selected talents with professional capability, value contribution, innovation mindset and sense of responsibility in various fields for the Bank. With these efforts, the Bank optimised the structure and enhanced the quality of talent teams.

Improving the Mechanism for Professional Sequence Talent Development

The Bank has established a professional position system and talent standards to support business development, and conducted talent evaluation and appointment throughout the Bank, with high standards and strict requirements for the whole process, scientific and reasonable rules, as well as open and transparent features. Institutions at all levels carefully organised the activities, with enthusiastic participation of all employees, which effectively stimulated employees' work enthusiasm and creativity. At present, the effectiveness of the professional sequence development channel has come to show, about 50% of the young employees have obtained career development, a large number of professionally qualified, young and energetic business backbones have been identified and promoted, and the team performances have been further improved.

Focusing on Management Capacity and Leadership Development

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

Strengthening the Overall Planning for the Selection and Appointment of Leader Teams. The Bank further optimised the hierarchical structure of the leader teams of the Bank and the management teams of various institutions based the coordinated considerations on their characteristics and talent cultivation, and laid a solid leadership foundation for the Bank's transformation.

Further Improving Leadership Management System. The Bank revised the administrative measures on leader selection and appointment, improved the leadership management system that covered the whole process, and adopted the orientation for lead selection and appointment favouring young, professional, practical and high-performing talents.

Strengthening the Development of Leader Teams. The Bank was committed to building a team of highly qualified, competent and well-structured leaders, appoint more excellent young leaders, and constantly enhance the age and profession structures of the mid-level management teams. The Bank increased the opportunity and frequency of rotation and exchange in order to enrich their post experience, improve their comprehensive quality and enhance their ability in duty perform.

Consolidating the Development of Reserved Teams. The Bank focused on selection orientation, clarified standards, optimised methods, and standardised process for talent selection. Via organising job rotation of reserved talents between the Head Office and the branches, the Bank provided opportunities for the reserved talents to practice their skills.

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.

Performance Evaluation and Feedback Process

In terms of performance appraisals management, the Bank adopted a multi-dimensional performance evaluation model, set differentiated evaluation indicators based on the characteristics of position responsibilities, and conducted comprehensive evaluations on the employees' contribution, compliance management, behaviour management, ability development and other aspects, to ensure the broadness, fairness and impartiality of the performance evaluation results. The Bank clarified the mandatory distribution rules for performance results, guided the management and employees to implement performance improvement, continued to improve the comprehensive ability of employees and the level of organisational efficiency, and achieved the coordination and unification of employees' career development and the Bank's strategic goals. The Bank continued to improve its performance management, and has built a closed-loop performance management system covering "Goal setting - Tracking and guidance - Appraisal and implementation - Feedback and improvement", and unified the authority and standard requirement of performance management of the whole Bank. The Bank regularly conducted performance assessment and communication feedback to promote positive development.

Continuously Optimising Remuneration Management System

The Bank's remuneration determination closely followed the strategic transformation requirements and the Bank's business objectives, making forward-looking and precise investment in HR capital. Employees' annual remuneration is subject to their individual business performance in business, risk prevention and social responsibility. The Bank reasonably formulated employees' remuneration and encouraged employees to continuously improve their individual capabilities and value contributions based on performance appraisal, empowering employees to grow together with the Bank. During the reporting period, the Bank facilitated the position-based remuneration reform, constituted a position-based remuneration mechanism, and established a remuneration concept featuring "scientific value evaluation, reasonable value distribution and active value creation", so as to achieve the remuneration incentive effect which can be summarised by "The senior management is responsible, the mid-level management is efficient and the primary-level employees are enthusiastic".

Building Customised Cultivation System

The Bank provided employees with systematic training, whole-process coaching from mentors and growth points incentives. The Bank built supply chains of distinctive talents to ensure healthy business development and maintain vitality and stability of all teams. The Bank designated high-performing executives and key business personnel to be the tutors to provide guidance for each new joiner and employee who was on job rotation, which improved the effect of trainings. The Bank designed differentiated talent cultivation guide lines for each business line, and planned the job rotation routes in an orderly manner to effectively lead the growth of talents. With the implementation of the "Fresh Talent Programme", the Bank actively promoted talent rotation between the Head Office and branches, and among the front, middle and back offices, and provided employees with adequate professional practices to enhance their professional values and sense of achievement. During the reporting period, over 6,000 employees participated in the job rotation across the Bank, among which, over 60% were young employees, with significant increase in the proportion of employees having composite experiences.

Growing Together

Conducting On-the-Job Trainings

In response to the business development needs and position requirements, the Bank provided necessary on-the-job trainings to employees and created harmonious workplace by strengthening communication. In 2022, the Bank revised and published 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 standardised the course development and management, constructed an internal coaching management systems with specified levels and categories, strengthened the development of external qualification certification system, constantly improved the input-output ratio of training resources and consolidated the policy foundation for training management.

Refining Training System

Centred around the improvement of the employees and driven by the construction of learning map, the Bank built a new hierarchical and classified training system that was closely connected with the needs of organisational capacity improvement and the career development of employees. The first batch of seven-sequence and two-themes learning maps, including credit review and approval, and strategic customer services, were put online. The contents covers 62 professional competences and 244 learning themes, and consisted of 623 courses. By strengthening the overall planning and management of the training system, the Bank continuously consolidated the development of regulations, processes and training management system.

Partnering with Educational Institutions for Trainings

By collaborating with China Europe International Business School and other institutions, the Bank conducted trainings for bank leaders and senior management to enhance leaders' management capability in management methodology and talent cultivation. The Bank worked with Harvard Business School to carry out a cultivation programme of digital and financial main force in the form of online courses and overseas live courses. Based on the business characteristics of the Bank, it organised all middle and senior managers to study Harvard's digital transformation research framework, and peer and cross-sector cases. The programme continued for five months, benefited more than 5,000 middle and senior managers of the Bank, which continued to improve digital management knowledge and strategic transformation capability of employees at the management level. During the reporting period, the Bank consolidated standardisation and strengthened cooperation with external training institutions. Through public bidding, Zhejiang University, Shanghai Jiao Tong University, and Shanghai University of Finance and Economics have been shortlisted as training providers.

Organising Qualification Certification

Based on the planning on strategic transformation, the Bank created a training model and a learning and development mechanism featuring systematic deployment, long-lasting effect, refining management and empowerment to improve training quality and efficiency as well as employee experience. Throughout the year, the Bank completed trainings for employees with a total of 8.19 million attendances, organised qualification certification of 412 items within the Bank and 492 live streaming classes, which effectively improved employees' skills in performing their duties.

Supporting Professional Qualification Certification

The Bank encouraged and supported all employees to obtain relevant qualification certificates, provided open learning resources related to qualification accreditation to all employees on the internal learning platform, and supported employees to get the relevant certification and accreditation, as well as to participate in external training classes and lectures organised by external institutions to obtain core certificates such as Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM) during their employment, so as to enhance employee's professional skills for specific position. Upon approval, the Bank reimbursed the expenses in connection with the external core certification for all employees (including regular employees and contractors).

Key Performance Indicator Related to Employee Trainings in 2022

Training hours of employees in 2022	
Indicators	Average training hours ¹ (hour)
All employees	82.0
By rank	
Senior management	68.0
Mid-level management	81.0
General employees	85.0
By gender	5.99%
Male	81.0
Female	86.0

Percentage of employees trained in 2022 ²	
Indicators	Percentage of employees trained ³ (%)
By rank	
Senior management	97.0%
Mid-level management	98.5%
General employees	99.0%
By gender	
Male	99.0%
Female	99.0%

Notes:

- ¹ — The average training hours of employees represents the ratio of the total training time on record in the Bank as at 31 December 2022 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 31 December 2022 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.

PROTECTING HEALTH AND SAFETY

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 performed employees' safety and health management by providing them with comprehensive insurance schemes, including accident insurance, comprehensive medical insurance, etc. The Bank carried out the themed event of "Safe Production Year", implemented the special publicity work of safe production, in a bid to establish the concept of safe production, and promote the continuous improvement and consolidation of safe production across the Bank.

During the reporting period, 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 the Work Plan for Physical and Mental Health Care for Employees and the Implementation Plan for Strengthening Physical and Mental Care for Employees, and issued the Notice on Continuously Strengthening Physical and Mental Health Care for Employees. Combined with the basic functions of the Trade Union, the Bank reinforced its effort for employee caring. To achieve the national requirements on the development of healthy enterprises, and further improve the health management and service level, the Bank set up the "Minsheng Health Room" in addition to Minsheng Infirmary to provide comprehensive occupational health management services to employees, including general diagnosis, chronic disease management, first aid and health lectures.



The Bank established three lines of defence to protect employees from occupational and health risks, which were:

01

First line of defence: 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 and ensured process compliance. 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.

02

Second line of defence: 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.

03

Third line of defence: The Bank established Minsheng Infirmary and Minsheng Health Room to provide 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.

Strengthening Safety Prevention and Control System

The Bank strictly abided by the Work Safety Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Security Requirements for Banking Business Area and other laws and regulations, set up the work safety committee with the Chairman as the head, which covered the whole Bank, 42 branches and all work safety committees of its subsidiaries, and established the organisational system and working mechanism for the workplace safety of the Bank. By improving the fire prevention and control system, the security management of business outlets, the fire safety management of workplace, and the safety awareness of employees, the Bank endeavoured to provide employees with safe working environment and protect employees from occupational risks.

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, fulfill 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 safety production of the Bank. The Bank also amended and improved the 360 Degree Safety Inspection Management Evaluation System. By virtue of these policies, the Bank achieved standard, module, dynamic and scenario-based management over safety inspection, enhanced the convenience and effectiveness of safety inspection, and improved the overall management level of safety protection.

Conducting Safety Trainings for Employees

The Bank organised trainings regularly on safety knowledge and skills and conducted emergency drills. The business outlets were required to organise no less than 4 emergency drills and 2 fire evacuation drills every year. Security departments of institutions at all levels standardised arrangements of drills and developed drill plans, which were implemented by the sub-branch outlets. Constant trainings and drills have effectively improved employees' awareness of safety protection and emergency response capabilities.

Strengthening Fire Protection Management

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.

The Bank continuously rectified the fire safety issues at the Head Office, promptly resolved fire safety issues identified during maintenance and inspection, reinforced construction safety management in the office areas, conducted inspections on the construction sites to ensure fire safety, and upgraded old firefighting equipment in each office area at the Head Office to enhance emergency and disaster relief capability.

To enhance employees' fire safety awareness, protect the personal safety and properties of employees and customers, the Bank organised the "119 Fire Safety Month" trainings and drills. Each office area at the Head Office required all new joiners and employees subject to office change to participate in trainings and drills based on the office conditions. Over 2,200 attendees participated in these trainings and drills.

Key Performance Indicators Related to Employee Health and Safety in 2022

Employee health and safety in 2022		
Indicators	Headcount ²	Percentage ⁴
Number of work-related fatalities occurred in the past three years ^{1,3} (including the reporting year)		
2022	0	0
2021	0	0
2020 ⁶	1	0.002%
Indicators		Number of days
Lost days due to work injury (work injury leave) ^{5, 7}		859

Notes:

- 1 — The scope of work injury and work-related fatalities covers the Head Office, branches and sub-branches at all levels of China Minsheng Bank.
- 2 — The number of employees is the headcount as at 31 December 2022.
- 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.
- 6 — The work-related fatality accident in 2020 was caused by a traffic accident at work, and the employee passed away after the rescue. After the accident, the Bank carried out work injury recognition procedures and compensated the employee in accordance with relevant national regulations, and offered condolences to the family of the employee.
- 7 — During the reporting period, a total of 27 people were injured at work, accounting for 0.05% of the total headcount of the Bank. The Bank constantly carried out safety education for employees to enhance their awareness of self-protection and accident prevention.



Democratic Management of Employees

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, procedure on 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 Recourse and Recovery of Performance-based Remuneration of China Minsheng Bank (Trial), 2022 Employee Benefit Budget Plan of the Bank, and other rules, regulations and matters related to the employees' immediate interests.

Deepening Democratic Management

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 encourage employees to engage in corporate governance in an orderly manner. The Bank convened the 9th meeting of the first session employee representatives congress, in which employee representatives deliberated and passed a series of important proposals and key policies 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.



FINANCIAL PUBLIC WELFARE, MINSHENG'S CARE FOR THE SOCIETY

Adhering to the principle 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, congenital heart disease treatment, AIDS prevention and treatment, donation to education, environmental protection, emergency disaster relief and cultural public welfare. The Bank passed warmth and energy through its actions and endeavoured to contribute for a better society.

SUPPORTING RURAL REVITALISATION

The Bank consciously integrated itself into the national strategy to financially support rural revitalisation and facilitate common prosperity. Through innovative products and models such as "Photovoltaic Loan", "Agricultural Loan Express", "E-Grain Finance", "Cotton Grower Loan", "Common Prosperity Loan", the Bank continuously increased financial supply to the rural areas.

During the reporting period, the Bank carried out diversified assistance covering organisations, finance, industries, talents, culture, education and ecosystems, and placed RMB41,184 million loans to 832 state-level counties lifted out of poverty nationwide, realised RMB48.25 million total amount of consumption assistance to the areas lifted out of poverty nation-wide, and donated nearly RMB400 thousand of goods and materials. The Bank continued to promote the economic development of the areas out of poverty and improve the living quality of the local residents. The Bank continued to steadily promote the paired assistance to Hua County and Fengqiu County in Henan Province, implemented 73 support programmes and working plans throughout the year, provided free assistance fund of RMB37 million, introduced assistance fund of RMB32.31 million, and trained 18,000 attendees from key groups for rural revitalisation, benefiting 22,807 persons.



PARTICIPATING IN COMMUNITY BUILDING

The Bank adhered to the mission of "serving the public and caring for people's livelihood", actively participated in community building, encouraged employees to participate in volunteer services, advocated the spirit of helping those in need and helping each other, and actively gave back to the society.

Standardising Emergency Management

The Bank intensified overall planning and strict prevention and control measures, and prepared plans for floods, typhoons, earthquakes and other disasters to ensure the safety in the workplace of business outlets and the normal operation of the Bank.

Actively Participating in Volunteer Services

During the reporting period, the Bank carried out 210 volunteer activities and more than 10,700 persons participated in the activities. All branches actively cooperated with communities and sub-districts to carry out various activities to serve the community, including the free haircutting activity of "Let the warmth start from your head", caring activities for the elderly in the community, and other community volunteer services organised by the Bank with the participation of employees.

Reinforcing Online Service

During the special times, the Bank addressed enterprises' financial demands for project investment, facilities, ecosystem development and daily operation by providing online solutions and introducing a series of online-only products, in a bid to offer better services to enterprises that were unavailable for on-site business handling, and ensure the steady development of the supply chain.

Care for Areas in Difficulties

The Bank introduced a series of preferential policies designed for areas and enterprises in difficulties, including offering discounts, exempting fees and deferring loan repayments to help them go through the difficult time. The Bank collaborated with strategic customers to purchase and dispatch supplies, and delivered them in a timely manner to the government departments and enterprises which were undertaking important work in the affected areas, to meet their immediate needs, and work together to overcome the difficult times.

INITIATING PUBLIC WELFARE AND CHARITY

The Bank adhered to the principle of sharing development achievements with the society. In 2022, the Bank donated RMB101 million funds and material supplies equivalent to RMB 2,713,600, benefiting more than 2.26 million persons. The Bank continuously optimised the public welfare management mechanism, and revised the Administrative Measures on Public Welfare Funds of China Minsheng Bank. The Bank donated RMB14.7 million to host seventh session of the "Power of Minsheng's Love – ME Charity Innovation Funding Scheme", and offered funding support to 26 innovative charity plans that committed to rural revitalisation, community development, education support, health and well-being, ecological civilisation and other sectors.

The Bank solely funded the "Guangcai – Medical Care Programme for Children with Congenital Heart Disease of China Minsheng Bank" for the tenth consecutive year and has donated RMB60 million (including RMB5 million donated in the year) to provide free medical care for children with congenital heart disease in South Xinjiang. Up to now, the Bank offered treatment to 61 batches of patients, 1,010 children in total, and made contributions to the national unity, social harmony and stability. The Bank supported the AIDS prevention and control programme of China Red Ribbon Foundation for the fourteenth consecutive year, donated RMB4 million to implement the programme "AIDS Prevention and Control in Liangshan Yi Autonomous Prefecture", and co-organised with the Foundation to hold campus drama shows with the theme of anti-AIDS.

The Bank concerned about biodiversity conservation. It cooperated with the Nature Guardian Wildlife Conservation and Development Research Centre, a public welfare organisation, to support the the "Patrol Guards Growth Plan - Biodiversity Conservation" programme hosted by Yunnan Youth Development Foundation, which addressed problems in biodiversity conservation such as the shortage of patrol guards in the nature reserves, lack of professional skills and inadequate team construction of old and new patrol guards.

PROMOTING CULTURAL 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. The Bank successfully explored an effective path to meet the requirements of national culture and knowledge popularisation strategy, and the needs of social and public art education. In 2022, Beijing Minsheng Art Museum held five key exhibitions, including "The Trace of Civilisation - The Great Art of Dunhuang", organised 33 public education events, directly serving 147,000 public participants, and benefiting 4.62 million participants through online services. Meanwhile, Beijing Minsheng art Museum broke down the "walls" of art palace and adopted diversified ways, such as "going global", "concerting online and offline efforts", "Minsheng Art Empowerment Project (MA+)" to inject fresh artistic nutrients and the cultural force of the Bank to public aesthetics education and rural revitalisation.
- In terms of social responsibility, the Bank won a number of honours and awards, including the "Top Ten NSOEs" (No. 1 in the banking industry) in the "Social Responsibility Development Index of Chinese Enterprises 2022" by Chinese Academy of Social Sciences, and the "Responsibility Golden Bull Award" by the China Social Responsibility 100 Forum.



STEADY OPERATION, ENHANCED COMPLIANCE AND RISK CONTROL

The Bank insisted on operating with integrity and compliance, and continuously improved 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.

8

GOVERNANCE PROTECTION

STRENGTHENING COMPLIANCE MANAGEMENT

- The Bank continued to improve the internal control and compliance system, strengthened the development of compliance culture, and enhanced the awareness and ability of the whole bank to operate in compliance with laws and regulations.
- The Bank strictly complied with requirements of the Law of the People's Republic of China on Commercial Banks, Guidelines on Compliance Risk Management of Commercial Banks and other relevant laws and regulations, and has established a compliance management system with the Administrative Measures of China Minsheng Bank on Compliance Management as the basic rule, and comprised of the rules the compliance management departments and the rules of other functional departments. In addition, the Bank has formulated various systems, such as the Basic Regulations of China Minsheng Bank on System Management, Administrative Measures of China Minsheng Bank on Internal Control and Compliance Inspection, Operating Instruction of China Minsheng Bank on Internal Control and Compliance Inspection, Administrative Measures of China Minsheng Bank on Rectification of Internal Control and Compliance Issues, Regulations of China Minsheng Bank on Prohibited Conduct of Employees (Trial), Code of Conduct for Employees of China Minsheng Bank (Revised), Administrative Measures of China Minsheng Bank on Monitoring the Conduct of Employees (Trial), Administrative Measures of China Minsheng Bank on Criminal Cases, Administrative Measures of China Minsheng Bank on Exemption of Liabilities in Performing Due Diligence, Administrative Measures on Self-Assessment of Operational Risks and Control, Administrative Measures on Key Risk Indicators of Operational Risks, and Administrative Measures of China Minsheng Bank on Outsourcing Risks, etc.
- During the reporting period, the Bank strengthened the development 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 review, and comprehensively enhanced employees' behaviour management mechanism. In terms of in-process management, the Bank strengthened case risk control and standardised the inspection and rectification standards. In terms of post-event management, the Bank established the working mechanism for risk compliance accountability determination. The Bank focused on reshaping compliance culture, strengthening investigation and rectification, clarifying assessment orientation, paying attention to operational risks, controlling related party transactions, strengthening AML

management, and upgrading compliance technology. The Bank consolidated the "three-dimensional case prevention system" and the "grid-based management system for practitioners", improved the level of 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 (senior management, mid-level management, regular employees, and contractors) on the bottom lines of employee behaviour during the year, and about 60 thousand employees of the Bank completed the course study, examination and certification and signed the Acknowledgement of Information. During the reporting period, the Bank conducted a total of 5,475 compliance training sessions for a total of 330 thousand attendances.

Compliance Training Fact Sheet

Indicators	2022
Number of legal training (times)	4,077
Number of employees covered by legal training (attendances)	322,654
Number of compliance training (times)	5,475
Number of employees covered by compliance training (attendances)	326,210
Number of anti-corruption training (times)	1,498
Number of employees covered by anti-corruption training (attendances)	168,552
Number of anti-money laundering training (times)	5,927
Number of employees covered by anti-money laundering training (attendances)	469,103
Audience for anti-money laundering publicity activities (attendances)	17,774,516

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 Implementing Public and Private Separation in Performing Duties and Powers (Trial), which clarified the anti-bribery and anti-corruption system, standardised the operation of power, seriously investigated and addressed violations of rules and regulations and prevented the risk against honesty and cleanness. The Bank attached great importance to creating a culture of honesty and cleanness and raised employees' awareness of self-discipline.

Standardised Mechanism 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 the president, the 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 addressed violations by employees in accordance with their authority and relevant regulations. The Bank has formulated the Accountability System of China Minsheng Bank for the Senior Management's Performance of Duties and improved the accountability management mechanism for the performance of their duties to promote the senior management to wholeheartedly perform their duties. The accountability committees at the three levels, i.e., the Head Office, the branches or SBUs, and tier-2 branches shall, within their accountability authority, seriously investigate and address, 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 stricter governance of the bank by laws, strengthened the supervision and management over abnormal employee behaviour and promptly helped and monitored them to effectively prevent from 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, which clearly defined the provisions regarding anti-bribery and anti-corruption, such as giving and taking bribery and misappropriation of office, in an aim to improve the systems and the supervision and constraint mechanism. 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 mechanism for investigating and dealing with disciplinary violations, and urged officials and employees to abide by laws and regulations, so as to provide support and protection for the smooth reform and transformation and the healthy business development of the Bank. There were no concluded legal cases regarding corrupt practices brought against the Bank or its employees during the reporting period.

Standardised Complaint Reporting Management

The Bank has made the complaint reporting channels 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) to define 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, reception addresses for visits, complaint reporting telephone numbers, e-mail addresses and other diversified channels to promptly accept relevant prosecution and accusation.
Standardising the Handling Procedures for Complaints	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 hierarchically in accordance with their management authority and continuously optimised the working systems and handling procedures of complaints.
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 prosecution and accusation materials and relevant information to the person being reported. 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 stipulates the behaviours and penalties for damaging the legitimate rights and interests of whistleblowers, including serious investigation and accountability for unauthorised disclosure and spread of the content of the relevant reporting materials, the situation of the whistleblower, the source of the report, and failure to protect the whistleblower in accordance with the regulations resulting in their infringement.
Respecting Employees' Right to Appeal	The Disciplinary Measures of China Minsheng Bank on Staff Violations specified the reconsideration and appeal process and the handling mechanism for employees who were subject to accountability treatment. When an employee disagrees 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. Where the employee still disagrees with the reconsideration decision, he/she may appeal to the accountability committee at a higher level, which will deal with the reconsideration and appeal 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 great energy 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, the Measures on Internal Control Evaluation of China Minsheng Bank. The Bank strictly investigated and addressed issues 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 full-scope audit, special audit, economic responsibility audit and subsequent audit with focuses on deceptive behaviours that violated laws, regulations and internal systems to seek individual or special benefits, in an aim to have more effective control and prevention on 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 comprehensive internal control evaluation on operating units once every three years and incorporated employees' ethical 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 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 posts 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 for issues identified by 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

During the reporting period, the Bank promoted anti-corruption training, 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 of China Minsheng Bank on Staff Violations and the typical cases of violations of ethical standards by employees as training content, made training courseware and required all operating units to do the training. The Bank also carried out various educational activities on employee ethical conducts, and ensured them to cover all employees (including regular employees, contractors and outsourced employees). The Bank totally carried out 1,498 anti-corruption trainings in the year, covering 168,552 participants.



PREVENTION OF MONEY LAUNDERING RISKS

The Bank strictly abided by the Anti-Money Laundering Law of the People's Republic of China, Provisions on Anti-Money Laundering through Financial Institutions (PBOC Order [2006] No. 1), Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions (Trial) (Yin Fan Xi Fa [2018] No. 19), Administrative Measures on Anti-Money Laundering and Counter-Terrorist Financing of Banking Financial Institutions (CBIRC Order [2019] No. 1) and other 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 internal control system of AML, intelligently reconstructing the AML system, and consolidating the foundation of AML.

Optimising System Construction

During the reporting period, the Bank comprehensively assessed the effectiveness of the AML systems, and revised 6 existing systems, abolished 1 system, and further improved and streamlined the bank-wide anti-money laundering system. The Bank newly formulated the Detailed Rules for the Implementation of Anti-money Laundering Information Security of China Minsheng Bank to strengthen the protection of security of customers' financial information. At the level of business line systems, the Bank has newly formulated 3, revised 5 and abolished / invalidated 6 specific AML related systems, to further embed the refined AML risk management requirements into business processes and operations. At the level of subsidiaries, the Bank has conducted the special AML system inspection on the four subsidiaries to promote the standardisation process of the Group-based AML system.



Improving Risk Management

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

01 >>

The Bank enhanced the leading roles of top management, increased the frequency and the extent of duty performance of the Board of Directors, the Board of Supervisors and the senior management, which led the bank-wide AML works to innovate and develop continuously.

02 >>

The Bank optimised the Group's joint control of money laundering risks and promoted the integration of money laundering risk management into the comprehensive risk management strategy. The Bank conducted special system reviews, performance list counseling and AML training for its subsidiaries, such as rural banks. The Bank organised on-site AML research visits to three subsidiaries, namely Minsheng Financial Leasing, Minsheng Royal Fund and CMBC Wealth Management, to strengthen "one-to-one" inspection and supervision.

03 >>

The Bank thoroughly implemented the Self-Assessment Guidelines for Money Laundering and Terrorist Financing Risks of Legal Person Financial Institutions, conducted self-assessment on money laundering risks from multi-dimensions at multi-levels, continued to improve the pertinence and effectiveness of money laundering risk management based on the risk assessment results, and strove to reduce the inherent money laundering risks of the Group.

04 >>

The Bank supervised the full establishment of the AML performance list system throughout the Group, refined and clarified more than 3 thousand performance items, and laid a foundation for "duties are known for all".

05 >>

The Bank strengthened sci-tech empowerment, launched the brand-new smart AML system, which reconstructed 7 major system modules, added more than 200 new functions, and improved the automation, digitalisation and precision of money laundering risk management.

06 >>

The Bank solidified the AML-related rewards and punishment, enhanced the "positive guidance" of rewards and "negative warning" of punishments, and guided all staff to actively practise money laundering risk management.

07 >>

The Bank refined the mechanisms and measures, strengthened the guidance on AML from aspects including resources, awareness, responsibilities, processes and value discovery, helped sub-branches save resources, focus on risks, reduce pressure, and effectively fulfill AML duties as "the first line of defence".

Strengthening Risk Monitoring

The Bank has introduced the group-wide AML monitoring and analysis system, and comprehensively strengthened its ability to identify, monitor and control money laundering risks, and resolutely defended the safety of financial assets of the general public. Detailed measures include:

Strengthening quality management

Through refining inspection schemes and optimising monitoring rules, the Bank accurately identified reports on problems, analysed new money laundering crime modes, and steadily improved the screening quality and efficiency of suspicious transactions.

Refining process supervision

Relying on the "three-in-one" money laundering risk monitoring and supervision platform, the Bank interpreted regulatory policies, notified typical problems, supervised all operating units to effectively optimise customer base structure of the whole bank, and steadily improved the effectiveness of monitoring and analysis of money laundering risks.

Solidifying professional construction

The Bank explored the application of new technologies in case investigation, and targeted and identified 42 clues of gang crime cases based on smart monitoring models and special class of major and key cases.

Refining risk research and judgment

The Bank improved the ability to analyse the laws of suspicious transactions in key areas of regulatory concern, such as national security, key special projects and new business forms, solidified the regulatory reporting mechanism of money laundering risk monitoring results. The Bank formulated five important research results, two of which were shared in the special chapters by the People's Bank of China, and three were included in the annual special issue of the People's Bank of China.

Expanding the scope of education

- The Bank continued to strengthen the building of the culture of money laundering risk management, conducted external publicity and education and internal training, and effectively fulfilled the AML social responsibility of financial institutions. In terms of publicity, the Head Office released four AML publicity videos through multiple channels to warn and educate the public against money laundering by focusing on areas prone to money laundering and new types of crimes. All branches actively launched various forms of AML publicity activities to enhance the public's AML awareness and risk identification ability, and the publicity activities reached about 17,774,516 participants.
- In terms of training, the Bank conducted flexible and diversified AML publicity and training covering all staff, fitting for different positions, giving full play to its institutional characteristics, and continued to improve the AML ability of all staff. During the reporting period, the Bank carried out a total of 5,927 AML training sessions, and trained a total of about 470 thousand participants. The Bank vigorously promoted the AML qualification certification. During the year, 4,173 employees passed the AML qualification certification of the People's Bank of China, and the proportion of employees holding the AML qualification certificate issued by the Bank increased significantly to 59.7% as at the end of 2022.



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 is a special working body established by the Board of Directors in accordance with the Articles of Association of the Bank, which is responsible for the Board of Directors, provides professional advice for the Board of Directors' decision-making or makes decisions on professional matters authorised by the Board of Directors. There were 7 members in the Related Party Transactions Supervision Committee of the 8th Session of the Board of Directors. Among the 7 members, there were 4 independent non-executive directors, all of whom were experts in audit, finance, law and management, 2 non-executive directors, who were the main responsible persons of well-known companies in China, and 1 executive director, who was an Executive Vice President of the Bank, who had rich management experience and mature financial and legal expertise. In 2022, the Related Party Transactions Supervision Committee of the Board of Directors of the Bank totally held 8 meetings, deliberated 21 topics, listened to 7 reports, and disclosed 7 related party transactions to the public as required.

Strengthening the management of related party transactions

During the reporting period, the Bank promoted the implementation of the new regulations in accordance with the Administrative Measures on Related Party Transactions of Banking and Insurance Institutions issued by the CBIRC. The Bank optimised the organisational structure and management mechanisms, and set up at the management level a cross-department management office for related party transactions. The Bank improved the basic system and systematically revised various systems for the management of related party transactions. The Bank improved the name lists of related parties, reorganised the criteria for identification of related parties according to the scope of related parties set forth in the new regulations, and organised the whole bank to adjust the name lists of related parties. The Bank upgraded and transformed the system, and transformed the related party transaction management system according to the requirements of the new regulations by optimising 12 function and added 5 new functions, and comprehensively optimised management functions. The Bank strengthened the training and publicity, conducted the training on the new regulations of management of related party transactions within the Bank, launched the courses for interpretation of the new regulations of supervision over related party transactions throughout the Bank, and listed such courses as compulsory courses for all staff, strengthened all staff's awareness of management of related party transactions, and improved their ability to perform their duties.

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 benefit in the whole industry. 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.
- The Bank built up an management system including the Administrative Measures on Centralised Procurement, the Administrative Measures on Decentralised Small Procurement (Trial), 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 Staffs, 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, and 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 evidences 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.

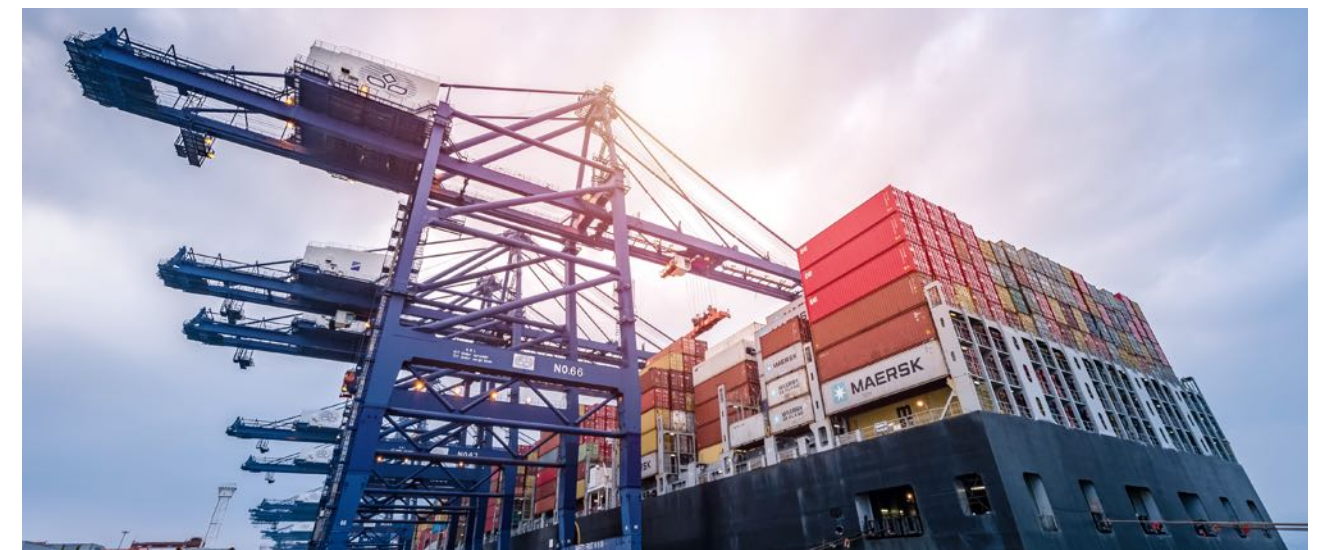
- In the procurement process, the Bank has established the working system of centralised procurement management committee, clarified the composition of the committee and its decision-making mechanism, and implemented collective decision-making. The division of procurement duties and segregation of positions 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 2022

Indicators	2022
Total number of suppliers ¹	2,009
East China	522
Central China	84
North China	1,018
South China	269
Northwest China	16
Northeast China	35
Southwest China	65

Notes:

¹ — The supplier statistic only includes those suppliers in the Chinese mainland.



Conducting Green Procurement

To better implement green procurement policies, 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 fulfill their social responsibility for green development and facilitating their improvement in environmental performance.

The Bank adhered to and implemented the concept of green procurement, and took into full consideration environmental protection, resource conservation, safety and health in its procurement, while taking into account economic and environmental benefits. During the year, the Bank followed the regulations on centralised procurement management and small-scale 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.

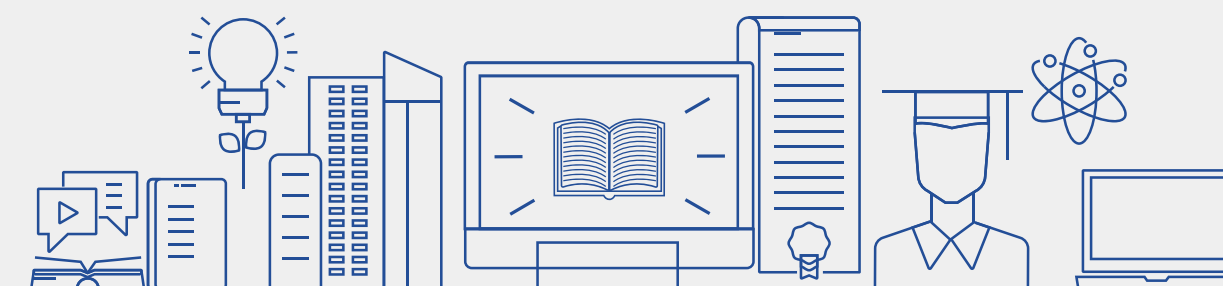


PROTECTING INTELLECTUAL PROPERTY

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, 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.

In response to the new requirements of the development of "Metaverse" for the Bank's IP right work in the era of digital economy, the Bank formulated and issued the Guidelines for the Protection of "Metaverse" IP Rights of China Minsheng Bank, and carried out special training on the protection of "Metaverse" IP rights throughout the bank to promote the brand innovation related to Metaverse development, strengthened the creative design and protection methods, updated the employees' legal concept of IP right protection and improved their awareness of IP right protection.

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 24 patent applications, 34 trademark registration applications, and 51 copyright applications, completed 1 patent authorisations, 33 copyright registrations, and 11 trademark registrations. To ensure the validity of digital financial IP rights, the Bank completed 36 renewals of domain names upon expiration and 6 renewals of trademarks upon expiration.



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 PUBLIC
WELFARE
MINSHENG'S CARE
FOR THE SOCIETY

STEADY
OPERATION
ENHANCED
COMPLIANCE
AND RISK
CONTROL

APPENDIX: HKEX ESG GUIDANCE

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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.	P29-P32
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).	P3-P4
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.	P3
"Comply or Explain" Provisions		
A.Environmental		
Aspect A1: EmissionsAspect A2: Use of Resources		
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.	P29-P32
KPI A1.1	KPI A1.1 The types of emissions and respective emissions data.	P35-P37
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P35-P37
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P38-P39

KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P38-P39
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P35
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.	P35
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P31-P32
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P37-P38
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P37-P38
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P35
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.	P33
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.	P29-P35
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P29-P35
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.	P28-P29
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.	P28-P29
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.	P76-P77
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P82-P84
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P84-P85
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.	P76-P77
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P95-P96
KPI B2.2	Lost days due to work injury.	P95-P96
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P92-P97
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P88-P90
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P90-p92
KPI B3.2	The average training hours completed per employee by gender and employee category.	P90-p92

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.	P77
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P77
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P77
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P113-P115
KPI B5.1	Number of suppliers by geographical region.	P115-P116
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.	P115
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P114-P117
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P116-P117
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.	P58-P76
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.	P65-P66
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P117-P118
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.	P69-P76
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.	P101-P113
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.	P105
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P103-P108
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P108
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.	P97-P100
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P97-P100
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P97-P100

