



2024 Semi-annual Sustainable Finance Report

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Declaration

Reporting Compilation Background

This report aims to summarise the progress of the Bank's sustainable finance work in the first half of 2024, present the Bank's exploration and practice of integrating ESG management concepts into practical business operation and promoting high-quality and sustainable development, enhance stakeholder communication, and respond to the concerns of all stakeholders on substantive issues in the ESG work of the Bank.

Reporting Scope

The scope of this report covers China Construction Bank Corporation and its subsidiaries.

Reporting Period

This report covers the period from 1 January 2024 to 30 June 2024. To ensure consistency in reporting, part of the content may contain information that is beyond the above-mentioned period.

Data Explanation

The data in this report mainly covers the period from 1 January 2024 to 30 June 2024. Among them, green finance, inclusive finance, agriculture-related loans and other relevant data are forecast data. If there is any discrepancy, please refer to the Bank's 2024 semi-annual report. Part of the data is beyond the above-mentioned period and contains the data from previous years. The data of this report mainly comes from the internal document and relevant statistics of the Bank.

Forms of Release

This report is published in the electronic format and can be viewed and downloaded on the Bank's official website. URL: <http://www.ccb.com/eng/home/index.shtml>

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Definition Explanation

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

"CCB New Zealand"	China Construction Bank (New Zealand) Limited
"CCB Property & Casualty"	CCB Property & Casualty Insurance Co., Ltd.
"CCB Private Equity"	CCB Private Equity Investment Management Co., Ltd.
"CCB Principal Asset Management"	CCB Principal Asset Management Co., Ltd.
"CCB FinTech"	CCB FinTech Co., Ltd.
"CCB Consumer Finance"	CCB Consumer Finance Co., Ltd.
"CCB Financial Leasing"	CCB Financial Leasing Co., Ltd.
"CCB Wealth Management"	CCB Wealth Management Co., Ltd.
"CCB Futures"	CCB Futures Co., Ltd.
"CCB Life"	CCB Life Insurance Co., Ltd.
"CCB Investment"	CCB Financial Asset Investment Co., Ltd.
"CCB Trust"	CCB Trust Co., Ltd.
"CCB Pension"	CCB Pension Management Co., Ltd.
"CCB Housing"	CCB Housing Services Co., Ltd.
"CCB Housing Rental"	CCB Housing Rental Private Fund Management Co., Ltd.
"CCB International"	CCB International (Holdings) Limited
"CCB Consulting"	CCB Engineering Consulting Co., Ltd.
ESG	Environmental, Social and Governance



“The Bank fully, accurately and comprehensively implements the new development philosophy, thoroughly undertaking the work in the Five Chapters of Finance, i.e. science and technology finance, green finance, inclusive finance, old-age finance and digital finance, in service of the high-quality development of the economy and society. Focusing on the goal of 'Carbon Peak and Carbon Neutrality', the Bank strives to become a pioneer and leader of green finance. The Bank deeply integrates ESG concepts and elements into its operation and management, actively practices social responsibilities, demonstrates the responsibility of a major bank, and keeps striving to the vision of 'become a world-leading sustainable development bank'.

——Chairman of the Board of Directors, Zhang Jinliang



“

With a firm footing on the current situation and an eye towards the future, the Bank pursues a path of integrated and refined development. The Bank steadily advances ESG-related work, comprehensively deploys and promotes the green operation of the Group, and strives to build green finance into a new pillar of its high-quality development and a new advantage in market competition. The Bank more actively integrates into the overall green development of the economy and society and contributes to the construction of beautiful China.


”

——President, Zhang Yi

ESG Planning Vision


Striving to become a world-leading sustainable development bank.

ESG Planning Principles




Comprehensive integration strategy

The Bank fully incorporates the essential parts of ESG into corporate governance and operational management and promotes the integration of ESG concepts and strategies.




High efficiency collaborative involvement

The Bank establishes a work system mechanism that includes high-efficiency collaboration and full involvement, and implements a model of horizontal coordination, vertical undertaking, bank-wide collaboration to resolutely promote the implementation of ESG work.




In-depth understanding of key points

The Bank endeavours to overcome prominent difficulties that hinder the advancement of ESG work. The Bank analyses the essence of problems, grasps the core keys, optimises solutions and strengthens the carrying out of duties, striving to achieve a dynamic combination of improved management approaches and optimised ways of implementation.



Development empowered by innovation

The Bank invests more in innovation and strengthens innovation in management mechanisms, business models, and technical applications, improving the overall ability to carry out ESG work with the force of innovation.



Keep up with the times

The Bank actively studies and evaluates trends in external supervision and industry development, expands the scope of ESG management, and improves the relevance and timeliness of ESG-related work.

ESG Planning Goals

The Bank fully incorporates ESG concepts into its corporate governance and operation management, to improve the governance system of state-owned financial enterprises with Chinese characteristics. The Bank redoubles efforts to develop green finance and strengthens green operation management, thus helping to prevent pollution and promote the low-carbon transformation of the economy and society. In addition, the Bank actively shoulders social responsibilities, improves the risk management system, strengthens consumer rights protection and enhances the planning and training of talents, aiming to improve the level and capability of sustainable development and promote high quality development.

01

GOVERNANCE



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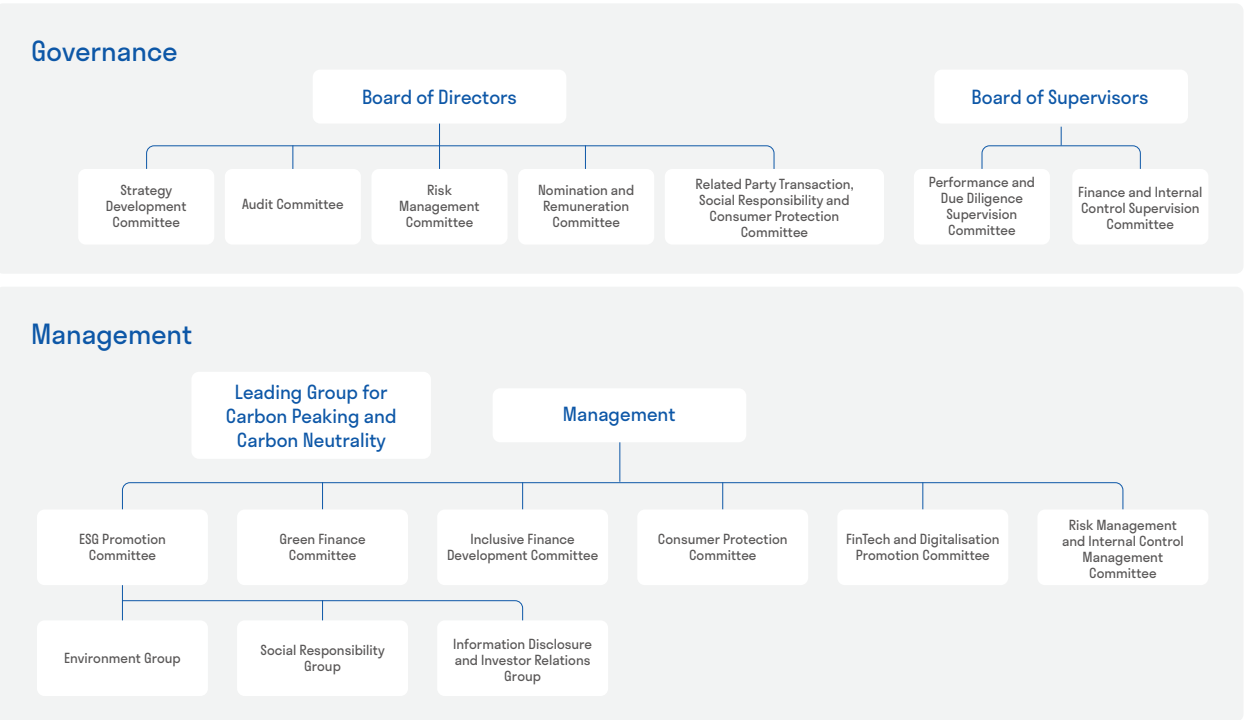
Corporate Governance

The Bank makes in-depth exploration of the long-term mechanism for ESG governance. Based on the practical development of business, the Bank incorporates advanced experience in the ESG field, builds and continuously improves a top-down, clearly defined, and well-structured framework for ESG and sustainability governance that comprehensively covers the Board of Directors, the Board of Supervisors, and the Management. At the same time, all levels collaborate efficiently, fully take part in and continuously improve the sustainability work system and promote ESG governance in an orderly manner, laying a solid foundation for achieving high-quality sustainable development across the Bank.



ESG Governance Structure

The Bank's ESG governance structure is as follows:



Board of Directors

Responsibilities

The Board of Directors of the Bank assumes ultimate responsibility for the formulation and implementation of the Group's ESG strategies. The Board specifies strategic objectives, key tasks, and management priorities, oversees and evaluates the implementation of ESG strategies, and organises comprehensive evaluations of the effectiveness of related work. Additionally, the Board guides ESG risk identification and assessment, reviews relevant objectives and progress regularly, and provides guidance on improving the paths to achieving these objectives. The Board of Directors also listens to reports from its special committees and the Management on the management progress of ESG-related matters and provides guidance on the disclosure of ESG-related information, ensuring that the disclosed information is accurate, complete, and transparent.

The Related Party Transactions, Social Responsibility, and Consumer Protection Committee of the Board of Directors coordinates and guides the orderly advancement of ESG management, and is responsible for formulating ESG management policies and strategies. The committee supervises and guides the fulfilment of social responsibility, green finance, inclusive finance, rural revitalisation finance, and related party transactions, oversees consumer protection, and regularly supervises key areas of consumer protection, such as product and service review, debt collection management, fair marketing policy, and client complaint management. In addition, the committee is responsible for the supervision, guidance and promotion of privacy and data security of personal clients.

The Risk Management Committee of the Board of Directors is responsible for overseeing and guiding the Management of ESG-related risk management, including climate risk and opportunities. The committee listens to regular reports on topics such as analysis of environmental and climate-related risk and opportunities and quantification of ESG-related risk, studies countermeasures for climate change, advances the in-depth integration of ESG elements into the comprehensive risk management system, and facilitates the organic integration of ESG elements into the client credit rating system. Additionally, the committee continuously refines climate-related risk stress testings, and guides the improvement of industry credit policies. The committee regularly listens to reports on IT risk and cybersecurity risk management, supervises and guides the management and control of IT and cybersecurity risks. The committee regularly listens to reports on product innovation and management, and oversees and guides review and risk control of product and service innovation.

According to their respective roles, the Strategy Development Committee, the Audit Committee, and the Nomination and Remuneration Committee of the Board of Directors work together to effectively supervise and guide the Bank's ESG work. Specifically, the Strategy Development Committee assists the Board in formulating ESG-related strategic objectives and deeply incorporates ESG concept into all planning and implementation of various work. The Audit Committee regularly listens to reports on internal and external audits, supervises and assesses internal controls, promotes the rectification of ESG-related problems identified in internal and external audits, and continuously improves the soundness and effectiveness of the internal control system. The Nomination and Remuneration Committee attaches great importance to the growth and development of employees, and pays continuous attention to the training of employees, the cultivation of climate change professionals, the development of a full-cycle career training system, and the career development of female employees.

Diversity of Board members

The Bank places great importance on the diverse composition of the Board of Directors, continuously improves the Board's professional competence and structure, and forms Board members composition that is highly aligned with the development of the Bank, to consolidate the foundation for long-term and stable development, and ensure strong support for the efficient operation and scientific decision-making of the Board of Directors.

In August 2013, the Board of Directors of the Bank ratified and disclosed a proposal regarding the diversity policy of the Board members. In accordance with this policy, when selecting candidates for directorships, emphasis shall be placed on the diversity of candidates' backgrounds to ensure they complement each other in terms of gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, and tenure of service. The final selection of candidates should be based on their comprehensive abilities and potential contributions to the Board. The Nomination and Remuneration Committee of the Board is responsible for overseeing the implementation of the diversity policy of the Board of Directors, periodically reviewing the composition and structure of the Board, and disclosing the composition of the Board, including the gender, age, tenure of each director, etc., in the Bank's annual report.

As of 30 June 2024, the Board of Directors consisted of 13 members, including three executive directors, five non-executive directors, and five independent non-executive directors. Among them, there were three female directors, accounting for 23.08% of the Board. The independent non-executive directors come from various regions, including North America, Europe, Oceania, and the Hong Kong SAR of China, and are well-versed in international accounting standards, capital supervision, credit rating, and financial market rules. The Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Related Party Transactions, Social Responsibility, and Consumer Protection Committee of the Board are all chaired by independent non-executive directors. The composition of the Board complies with the gender diversity requirements for Board members set out by the Listing Rules of Hong Kong Stock Exchange and aligns with the Board's diversity policy of the Bank.

Female directors in the Board

3

23.08%

ESG related skills of Board members

The Board members of the Bank possess extensive experience and a high degree of professionalism in banking-related fields. They have accumulated a wealth of professional knowledge and practical experience in strategic planning, economic research, management of state-owned financial capital, risk prevention and control, and financial accounting management. This enables them to provide strategic guidance for the Bank's sustainable development.

Among the non-executive directors and independent non-executive directors of the Bank, six members have worked for financial supervisory government departments and international organisations related to risk management, such as the Ministry of Finance of the People's Republic of China, the State Administration of Foreign Exchange, the Reserve Bank of New Zealand, the HM Treasury, the World Bank, the Basel Committee on Banking Supervision, and the International Monetary Fund. Three members formerly held positions in financial accounting-related institutions, such as the IFRS Foundation, Moody's, KPMG and Ernst & Young. Seven members had industry experience, working for Industrial and Commercial Bank of China, Bank of China, JPMorgan, Citibank and Barclays Bank, among other domestic and international financial institutions.

The Board members of the Bank have extensive experience in risk management and climate-related risk management.

Mr. Antony Kam Chung Leung has many years of experience in government and financial institutions. He served as Financial Secretary of the Hong Kong SAR, chairman of the risk management committee of the Board of ICBC, an independent non-executive director of China Merchants Bank and AIA (Hong Kong), chairman of Greater China Region of Blackstone Group and a member of the investment decision committee, chairman of Asia for JP Morgan Chase and a member of the credit management committee, head of Private Banking for Asia, Investment Banking, Treasury Department and Greater China Region of Citi, chairman of the asset and liability management committee, member of the credit management committee and senior director of global credit risk of Citibank, with rich experience in risk management of financial institutions.

Mr. Graeme Wheeler has experience in sovereign risk management, country risk analysis, and treasury management. As Treasurer of the New Zealand Debt Management Office, he was responsible for managing the New Zealand Government's borrowing program and its debt portfolio. His duties as Governor of the Reserve Bank of New Zealand included responsibility for maintaining the overall stability of New Zealand's financial market. Mr. Wheeler served as Treasurer of the World Bank and later as Managing Director of Operations. The World Bank Treasury, which undertakes all the borrowing for the World Bank and manages its asset and liability portfolios, is a highly innovative borrower and has issued more than 220 green bonds in 28 currencies and regularly issues sustainable development bonds. As Managing Director of Operations, the World Bank's six policy networks reported to Mr. Wheeler and he regularly made presentations promoting policies and other initiatives to address climate change and environmental policy, social development, inclusive finance, and poverty alleviation.

Mr. Michel Madelain was trustee of the IFRS Foundation. In that capacity he chaired the Nominating Committee and played an active role in the setting up of the new sustainability board, the ISSB and the consolidation of existing standard setters in the UK and the United States of America with the IFRS Foundation. While working for Moody's Investors Service (MIS) from 2015 onward, Mr. Madelain participated in and oversaw Moody's climate transition risk analysis based on the emission reduction scenario consistent with the 2015 Paris Agreement including scoring sectors for credit exposure to environmental risks, and evaluating how to incorporate such risks in credit analysis. In March 2016, he oversaw the development of the Moody's Green Bond Assessment (GBA) framework and product launch, which set out Moody's general approach for assessing green bonds by comprehensively evaluating the management, administration, allocation of proceeds and project reporting of green bond issuers to help investors better understand the green attributes of bonds and make decisions that are more in line with their investment philosophy.

Mr. William Coen served as Secretary General of the Basel Committee, during which time he led a working group to explore regulatory policies for climate-related financial risks, and conducted extensive research in the banking sector, laying a foundation for the issuance of policies by the Basel Committee, such as the *Principles for the Effective Management of and Supervision of Climate-related Financial Risks* issued in 2022. Mr. Coen is an experienced risk manager, having had responsibility for retail credit and residential mortgage strategy, origination, and underwriting for a NYC-based financial institution. He helped develop the Basel III global regulatory requirements for managing credit risk, operational risk, market risk and model risk and has in-depth knowledge of the regulatory expectations related to managing these risks.

Board of Supervisors

The Board of Supervisors of the Bank attaches great importance to the establishment and operations of the Bank's ESG system and the scope of supervision covers ESG management, corporate governance operations, green finance development, consumer protection and other matters. The Board of Supervisors supervises the performance of the ESG-related responsibilities of the Board of Directors and the Management, keeps following up on the implementation of ESG strategies and the advancement of key work, and provides constructive supervisory suggestions on strengthening top-level design, consolidating foundational management, enhancing risk control, and improving capacity building. The Board of Supervisors also makes efforts in improving the Bank's ESG strategies and overall business planning, ensures that various ESG measures are effectively implemented, and attains the Bank's high-quality development at a faster pace.

The Management

The Management is responsible for formulating ESG objectives and major tasks and promoting the effective implementation in relevant headquarter departments, domestic and overseas branches, and subsidiaries. Multiple committees and working groups have been established to oversee various aspects of ESG work, jointly promoting the improvement of sustainable development practices. The composition and responsibilities of the Management committees of the Bank are as follows:

Committee	Responsibilities
Leading Group for Carbon Peaking and Carbon Neutrality	Led by Chairman of the Board of Directors and assisted by the President, this committee consists of six working groups, including the corporate business group, retail business group, capital market business group, risk management group, disclosure and publicity group, and carbon footprint management group. These aim to support the achievement of the carbon peak and carbon neutrality goals through concerted efforts.
ESG Promotion Committee	The President serves as Chairman of this committee, which includes 35 member departments (operations) that are responsible for overall management of ESG strategy planning, deployment, and coordination. This committee consists of three working groups: Environment, Social Responsibility, and Information Disclosure and Investor Relations. Each working group has clear roles and closely collaborates to effectively advance various initiatives.
Green Finance Committee	Chaired by the President, this committee oversees overall promotion of green finance across the Bank, responsible for studying and making decisions on significant matters related to the advancement of green finance business, and plans and implements key directions and initiatives for the development of green finance throughout the Bank.
Inclusive Finance Development Committee	Chaired by the Bank's executives, this committee is responsible for comprehensively coordinating the development of the Bank's inclusive finance, as well as studying and implementing the inclusive finance-related work arrangements of the CPC Central Committee, the State Council and regulators and the work requirements for promoting the strategic development of inclusive finance put forward by the Party Committee, the Board of Directors, and the President's Executive Meeting of the Head Office. Within its authority, the committee reviews significant operation and management matters.
FinTech and Digitalisation Promotion Committee	Chaired by the Bank's executives, this committee is responsible for planning overall promotion, coordination, and decision-making of the Group's FinTech and digitalised operations, and studying FinTech and digitalised operation strategies, policies, and development direction for the Bank. This committee reviews significant matters such as data security related to FinTech and digitalised operations and protection of personal client information. The committee ensures compliance with regulatory requirements and undertakes responsibilities of relevant leadership groups.
Consumer Protection Committee	Chaired by the Bank's executives, this committee conducts unified planning, deployment, promotion and supervision of consumer protection. It specifically arranges consumer protection initiatives and listens to reports on their implementation, studies and addresses key and difficult issues in consumer protection, systematically organises and advances relevant efforts, and continuously tracks the implementation results.
Risk Management and Internal Control Management Committee	Chaired by the President, this committee incorporates environmental and climate risks, compliance risks, operational risks, and reputational risks into a comprehensive risk management framework, and defines accountability of relevant departments to manage these risks professionally. Regular meetings are held follow up work progress and deploy important matters.

Progress in ESG Governance

The Board of Directors and the Board of Supervisors listen to reports from the Management regarding ESG-related issues. Based on the Bank's practices in the ESG field, through benchmarking with best practices in the industry, they strengthen coordinated development, jointly explore and improve ESG management.

In the first half of 2024, the Management of the Bank conducted thematic research on ESG and corporate governance, surveying the banking industry, external institutions, and branches. The Management thoroughly assessed the current situation of ESG efforts, studied and discussed key issues, analysed the effectiveness and shortcomings of recent work, and fully incorporated directors' opinions and suggestions. Meanwhile, the Management formulated the *Opinions on Further Strengthening and Improving the Environmental, Social and Governance-related Work* and issued it to the entire Bank. This initiative aimed to further integrate ESG concepts and relevant elements into the Bank's strategic development, corporate governance, operations and management, risk and internal control, and cultural development, thereby supporting the Bank's high-quality sustainable development.

During the first half of 2024, the Board of Directors, the Board of Supervisors and the Management of the Bank, and their committees advanced their work on ESG governance as follows:

Governance	Progress
The Board of Directors and the Strategy Development Committee	In the first half of 2024, eight meetings of the Board of Directors and three meetings of the Strategy Development Committee were convened. The Board of Directors reviewed and approved proposals such as the Bank's 2023 Annual Report, the 2024 Risk Appetite Statement, the Report for the First Quarter of 2024, the Comprehensive Risk Management Report, and the Corporate Social Responsibility Report. Based on regulatory requirements and the needs for the development of ESG work, the Board reviewed and approved proposals such as the <i>Report on Consumer Protection Efforts in 2023 and Work Plan for 2024</i> , and the <i>Special Report on Related Party Transactions in 2023</i> , and referred in writing to reports such as the <i>2023 IT Risk Management Report</i> , the <i>Report on the Circular of Consumer Complaints in the Banking Industry in the First Three Quarters of 2023</i> , the <i>Impacts of the Amendment of the Company Law on the Corporate Governance of China Construction Bank</i> , the <i>Report on the Implementation of the Master Plan for Building a Digital CCB in 2023</i> , the <i>Report on Anti-money Laundering Efforts for 2023</i> , and the <i>Report on Data Governance Self-assessment for 2023</i> .
Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors	In the first half of 2024, the committee held four meetings, at which the committee listened to and discussed the Programme for the Implementation of the <i>Environmental, Social and Governance Work Plan (2023-2025)</i> , incorporated the protection of personal customer privacy and data security into the committee's responsibilities and listened to the progress of related work, reports on ESG-related work such as the performance of social responsibility, green finance, inclusive finance, rural revitalisation finance, consumer protection, and related party transactions. In addition, the committee organised ESG special meetings to oversee and guide the implementation of the ESG work plan, and discuss the improvement and initiatives in terms of climate change risks, consumer privacy and data security, as well as the division of environmental responsibilities of the Board of Directors and specialised committees.

Governance	Progress
Risk Management Committee of the Board of Directors	In the first half of 2024, the committee held a total of four meetings, at which the committee reviewed and approved the 2024 Risk Appetite Statement, incorporated environmental, climate and biodiversity risks into the Group's risk appetite, promoted the improvement of the ESG risk management system for investment and financing business, pushed forward the integration of ESG risk management into business procedure, and enhanced the capabilities of risk identification, assessment, classification, monitoring and early warning. The committee listened to and discussed the <i>Report on the Analysis of Environmental and Climate-related Risks and Opportunities</i> , and examined the effectiveness of environmental and climate risk control and measures, the development of business related to green finance, and the current challenges and the subsequent arrangements. In addition, the committee listened to and discussed the <i>Report on the Quantification of ESG-related Risks</i> , and studied the progress of the construction of the Bank's ESG rating system for corporate clients, the advancement of stress testing for environmental and climate risks, and the research on the financial standards for the transformation of some key industries. The committee listened to and discussed the <i>2023 IT Risk Management Report</i> , studied the situation of IT and cybersecurity risk management and control as well as key initiatives, paid attention to the classification standards, emergency response mechanism, and cybersecurity screening of risk events, and guided the Management to further improve the IT and cybersecurity risk management mechanism, so as to effectively enhance the capabilities of risk control and response. The committee also listened to and discussed the <i>Report on Product Innovation Management in 2023</i> , and studied the Bank's product innovation practices, product innovation management initiatives, and risk control in 2023, with a focus on the review and supervision mechanism of product innovation for branches, and the progress of AI-related product innovation and application.
Nomination and Remuneration Committee of the Board of Directors	In the first half of 2024, the committee held six meetings, at which the committee listened to reports on employee training of the CCB Learning Centre (International Institute), the training of climate change professionals and the development of a full-cycle training system for the career development of employees, and referred in writing to the report on the career development of female employees at the Bank.
Audit Committee of the Board of Directors	In the first half of 2024, the committee convened four committee meetings, one closed-door meeting with the external auditor and one pre-communication meeting on the annual financial report. In addition, the committee held one special seminar with the external auditor on benchmarking analysis of leading domestic and foreign peers, at which they discussed the rating methodologies of major international ESG rating agencies.
Board of Supervisors	In the first half of 2024, the Board of Supervisors reviewed the <i>2023 Corporate Social Responsibility Report</i> , focusing on technology finance, inclusive finance, green finance, and the development of the ESG system and information disclosure. The Performance and Due Diligence Supervision Committee of the Board of Supervisors listened to the report on pension finance development, pointing out that financial instruments should be leveraged to broaden and deepen the financial services for the "silver economy", enhance customer satisfaction, and explore sustainable pension finance models. The Finance and Internal Control Supervision Committee of the Board of Supervisors listened to the report on comprehensive risk management in 2023, urging to pay close attention to climate and environmental risks and focus on robust information disclosure practices.

Governance	Progress
Leading Group for Carbon Peaking and Carbon Neutrality	In the first half of 2024, the group and the committee thoroughly implemented the major decisions and plans on carbon peak and carbon neutrality made by the CPC Central Committee and the State Council, formulated and issued the <i>Guiding Opinions on Deeply Stepping up in Green Finance</i> , clarified the development ideas, made arrangements for key tasks, and actively promoted the green and comprehensive transformation of economic and social development to help realise the goal of carbon peak and carbon neutrality.
Green Finance Committee	
ESG Promotion Committee	In the first half of 2024, the committee studied the ISSB International Financial Reporting Sustainability Disclosure Standards and the latest disclosure requirements of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, conducted ESG-related surveys and researches, and formulated and issued the <i>Opinions on Further Strengthening and Improving the Environmental, Social and Governance-related Work</i> , which provided guidance for the Bank to promote the implementation of the ESG plan and strengthen ESG management.
Inclusive Finance Development Committee	In the first half of 2024, the committee thoroughly implemented the guiding principles of the Central Financial Work Conference, continuously improved the inclusive financial service model in terms of business promotion, service coverage, product innovation, and risk control, endeavoured to enhance the capacity as well as development quality and effectiveness of inclusive financial services, and solidly promoted the high-quality development of inclusive finance.
FinTech and Digitalisation Promotion Committee	In the first half of 2024, the committee held a total of three plenary meetings to review and approve the Bank's Action Plan for Digital Financial Business Development in 2024, the <i>Measures for Data Governance (Version 2024)</i> , the Plan for Cross-border E-CNY Pilot in Hong Kong, the Training Plan of the Technology, Channel and Operation in 2024, and the Main Arrangements for the Protection of Personal Customer Information of the Bank in 2024, and make arrangements for key work.
Consumer Protection Committee	In March 2024, the committee convened a bank-wide meeting on consumer protection and customer service enhancement to review the Bank's progress in these areas over recent years, aiming to summarise developments in consumer protection and customer service and outline key tasks for the upcoming period in both aspects. In June, the committee held the first meeting in 2024 to organise a collective study of the latest consumer protection requirements, review important institutional documents on consumer protection, and listen to the development of consumer protection such as complaint management.
Risk Management and Internal Control Management Committee	In the first half of 2024, the committee studied the risk management and control of the inclusive finance business, the implementation of the <i>Measures for Risk-based Classification of Financial Assets at Commercial Banks</i> , and the risk management and control of the Bank's data and models in 2023. The committee emphasized the learning requirements of Party discipline and studied the risk management of subsidiaries and overseas institutions, overdue loan management, inclusive finance business risk management, etc.

ESG Performance Assessment

The Bank attaches great importance to and continues to optimise the performance evaluation mechanism for the ESG work of the Board of Directors, the Board of Supervisors and the Management, continuously improves the clawback mechanism for performance remuneration, links pay to sustainability performance, and effectively strengthens the supervision and management of the Board of Directors, the Board of Supervisors and the Management.

◆ Remuneration clawback mechanism

In accordance with the *Supervisory Guidelines on Sound Compensation in Commercial Banks*, the Bank has established and continuously improved the clawback mechanism for performance remuneration of senior management personnel and key personnel, continuously refining the internal system related to the clawback of the performance remuneration, which ensure, based on the severity of the situation, the partial or total clawback of the performance remuneration within the corresponding period.

Management structure

The Bank's Board of Directors and the Nomination and Remuneration Committee are responsible for overseeing and guiding the implementation of the Bank's rules on performance evaluation system and remuneration system, and annually review the remuneration distribution and settlement plan of directors, supervisors and senior managements, covering the clawback of performance remuneration, of which the remuneration distribution and settlement plan of directors and supervisors has to be submitted for consideration by the shareholders' general meeting. The Management implements the regulatory requirements and the internal performance remuneration system, the Comprehensive Operation and Management Committee is responsible for organising the implementation of the Board of Directors' remuneration management resolutions, and the Accountability Committee is responsible for conducting deliberation and approval on accountability; the Human Resources Department of the Head Office is responsible for the concrete implementation of management initiatives on relevant clawback provisions; the Internal Control and Compliance Department of the Head Office is responsible for the pursuit of accountability for non-compliance; and the Audit Department, Risk Management Department and Finance and Accounting Department of the Head Office are responsible for supervising the implementation of the remuneration mechanism and providing feedback for improvement.

Policy requirements

The Bank strictly enforces the deferred payment and clawback policy of performance remuneration for the Group's senior management personnel and key personnel. Over 40% of performance remuneration is subject to deferment, with a minimum deferment period of three years, following the principle of equal division; clearly stipulates that, if senior management personnel and key personnel make a significant mistake, cause significant financial loss to the Bank, fail to meet performance assessment standards, falsify performance results, or violate remuneration management procedures, the recourse and clawback process will be initiated for previously distributed performance annual salary and term incentive income.



Implementation process

The Bank assesses the severity of the circumstances which lead to the clawback of performance remuneration and enacts varying proportions of payment clawback on the related staff. The category of remuneration to be clawed back is performance remuneration, including quarterly performance or annual performance, and the methods include the reduction of a fixed amount or between 5% and 100% of the performance remuneration. A clawback action will follow the specific claw back decision. When implementing, the clawback is first deducted from the performance remuneration to be paid in the current year. If that amount is insufficient, further deductions are made from the unpaid and deferred performance remuneration. If it is still insufficient, additional deductions will be preferentially taken from the employee's other remunerations. If shortfall still exists, the Bank may require relevant personnel to return salaries that have been paid.

◆ Pay linked to sustainability

The Bank has established and continuously improved the performance evaluation mechanism for executive directors, shareholder representative supervisors, and senior managements. The Bank continuously optimises the mechanism of pay link to sustainability. In accordance with regulatory policy requirements, articles of association, and annual business plans, sustainability indicators are included as part of the performance evaluation and given a high degree of attention.

Indicators

The Bank has established quantitative and qualitative sustainability-related indicators for the performance evaluation indicator system. Based on the sustainable development objectives of "striving to develop green finance, improving green operational management, helping to protect the environment from pollution and promote the low-carbon transformation of the economy and society, enhancing the protection of consumer interests, and strengthening talent planning and training", the Bank continues to improve the establishment of sustainability-related indicators and the performance evaluation mechanism, establishing a direct link between performance evaluation result and sustainability, in line with the sustainable development strategy of the Bank, ensuring the implementation of relevant management initiatives.

Quantitative assessment on sustainability	
Establishing sustainability-related indicators, such as serving the building of an ecological civilisation, fulfilling social responsibilities, and strengthening risk management, covering green finance, inclusive finance, rural finance, client protection, case prevention and control, and anti-money laundering. The total weight of such quantitative indicators accounted for over 20%.	Quantitative indicators weighting more than 20%
Qualitative evaluation on sustainability	
Establishing indicators related to sustainable development in duty performance assessments, with emphasis on "improving the green financial service system and leveraging more resources towards green and low-carbon industries", as well as on implementing new development concept, promoting business transformation and development innovation, continuously improving corporate governance, actively safeguarding shareholders' rights and interests, and fulfilling social responsibilities, and the total weight accounted for over 20%.	Qualitative indicators weighting more than 20%

Implementation

Since the establishment of sustainability-related indicators, the Bank has continuously reinforced the strong link between sustainability performance and the remuneration of executive directors, shareholder representative supervisors and senior managements, optimised the setting of sustainability-related indicators and assessment mechanism, taken the results of performance evaluation as the basis for determining the floating coefficient for annual performance salary, and directly linked to the remuneration of executive directors, shareholder representative supervisors and senior managements. Objectives and tasks related to sustainability were more effectively achieved, and remuneration effectively worked as an incentive and restraint in sustainable development.

Say on pay policy

Policy essentials

The rules of procedure of the Bank's general meeting of shareholders clearly stipulate that the general meeting of shareholders shall exercise authority to decide on matters relating to the remuneration of directors and supervisors in accordance with the law, and shall fully safeguard the decision-making power of the general shareholders in respect of the allocation of remuneration to the directors and supervisors. In the course of actual implementation, Management of the Bank formulates a remuneration distribution and settlement plan each year covering all directors, supervisors and senior managements and submits it to the Board of Directors for consideration, of which the remuneration distribution and settlement plan of directors and supervisors is also required to be submitted to the shareholders' general meeting. The remuneration distribution and settlement plan of directors, supervisors and senior managements will be disclosed to the public as required after consideration and approval.

Implementation

On 19 December 2023, the second extraordinary general meeting of 2023 of the Bank was convened to consider and approve the *Remuneration Distribution and Settlement Plan for Directors for the Year 2022* and the *Remuneration Distribution and Settlement Plan for Supervisors for the Year 2022*, details of which can be found in the Bank's *Meeting Information for the Second Extraordinary General Meeting of 2023*, with the results of the deliberations as detailed in the *Announcement on the Resolutions of the Second Extraordinary General Meeting of 2023*.

Corporate Behaviour

The Bank attaches great importance to the management of business ethics matters, establishes and continuously improves business ethics related system, strengthens anti-bribery and anti-corruption work, optimises the whistleblowing mechanism and whistleblower protection measures. Key points of anti-bribery and anti-corruption policy and whistleblower protection policy were summarised and disclosed to the public. The Bank formulates, revises and improves relevant measures for the management of employee behaviour, providing the code of conduct for all employees (including all employees and workers dispatched from labour leasing companies) on business ethics matters, effectively strengthens the field of business ethics management matters and the supervision and review of issues, striving to create a clean, healthy and progressive corporate culture and good ecology.



Anti-bribery and Anti-corruption Efforts

The Bank strictly adheres to all anti-bribery and anti-corruption laws and regulations in China and the jurisdictions where it operates, as well as international standards. The Bank is committed to upholding a fair, honest, and transparent business environment, as well as focusing on the business ethical conduct and integrity of its employees and the third parties involved in its business activities. All employees are required to adhere to business ethics, comply with market regulations, and engage in fair competition. The Bank maintains a "zero-tolerance" stance towards any form of bribery and corruption, and strives to create a healthy and good corporate culture.

Management structure

The Bank has established a supervision and management structure for anti-bribery and anti-corruption work with the Board of Directors, the Board of Supervisors and the Management, and has worked closely with the public sector, which effectively improve the quality and efficiency of anti-bribery and anti-corruption work and ensure the proper and comprehensive implementation of related initiatives. The Bank has established a complete management and supervision mechanism and the appointed public institutions conduct joint governance with the Compliance Department, the Risk Management Department, the Internal Audit Department, and other relevant departments. These departments work together to promptly identify, assess, investigate, and control potential bribery and corruption risks, effectively implementing the requirements of the Bank's anti-bribery and anti-corruption policy.

System construction

The Bank strictly adheres to legal requirements and regulatory guidelines, such as the *Law of the People's Republic of China on Banking Supervision and Administration* and the *Guidelines on Internal Control for Commercial Banks* and continues to strengthen the construction of systems in the field of anti-corruption and anti-bribery policies, systematically reviewing its existing internal systems. The Bank formulated the *Anti-bribery and Anti-corruption Policy Overview*¹, which was disclosed through official and public channels. The policy is applicable to directors, supervisors, executives, all employees, and workers dispatched from labour leasing companies of the Bank and subsidiaries. The key points of the Bank's anti-bribery and anti-corruption related systems were summarised in four aspects: application scope, general principles and requirements, key areas and requirements, and management mechanisms, clearly defining specific work requirements, working principles, review processes, accountable entities, and other details, further consolidating the line of defense against bribery and corruption.

The Bank attaches great importance to the employee behaviour management, continuously improves the relevant policy system, regularly reviews and revises the *Employee Code of Conduct*, the *Measures for Handling Employee Violations* and other systems, and follows up on the implementation. In the *Employee Code of Conduct*, which is issued and implemented for all employees, the Bank specified the legal and compliant behaviours that should be followed, behaviours that should be avoided or corrected, and violations and illegal and criminal activities that should be strictly prohibited. These include bribery and corruption, harm to the Bank or client security, infringement of citizen personal information, etc. Specific behavioural norms were also proposed, and all levels of the Bank's institutions and employees were required to strictly implement and follow them.

Furthermore, the Bank regularly analyses employee behaviour and checks for abnormal behaviour to proactively identify any improper financial transactions with clients or third parties and other abnormal behaviour. This practice effectively strengthens anti-corruption and anti-bribery management, discovers potential risks in a timely manner, further implementing the requirements of strict governance and promoting the healthy development of business operations.

¹ *Anti-bribery and Anti-corruption Policy Overview*: http://www.ccb.com/eng/2023-08/01/article_2023080117295361825.shtml

◆ Requirements for ethical behaviour

The Bank attaches great importance to the integrity of employees. The Bank specifically requires every employee to uphold the principles of integrity and self-discipline, maintaining a clear separation between personal and professional interests and conducting their work in compliance with regulations. The Bank expects employees to actively avoid and report any actual or potential conflicts of interest and prohibit any engagement in abuse of power or illegal pursuit of personal gain. The Bank clearly defines prohibited behaviours, such as accepting arrangements of hospitality, travel, fitness, entertainment and other activities that may affect the integrity of positions, and using one's authority to embezzle company assets, misappropriate public funds, engage in bribery or corruption, illegally make profits for oneself or family members, misuse of authority, insider trading in securities in violation of regulations, market manipulation, etc.

The Bank specifically focuses on potential bribery and corruption risks in personnel appointment, procurement, credit, charitable donations and cooperative institutions management, etc., clarifies work specifications in key areas and formulates corresponding risk prevention measures. The Bank implements a series of measures to continuously strengthen anti-bribery and anti-corruption management, including but not limited to conducting annual employee behaviour management self-assessment and case risk self-assessment, regularly providing compliance education and training to all employees, continuously improving reporting channels, and establishing robust provisions for whistleblower protection.

The Bank is committed to taking immediate action upon discovering any violation of anti-bribery and anti-corruption requirements. Measures were taken to halt improper conduct, conduct investigations and verifications, and either initiate internal disciplinary action or refer cases of violations to judicial authorities, in accordance with internal regulations, issuing notifications and implementing corrective measures depending on the circumstances.

Business Ethics Training

The Bank places great importance on enhancing the business ethics performance of all employees. To achieve this, the Bank has established and continuously improved a training system for business ethical standards, encouraged all employees to practice good business ethics standards, analysed and evaluated the key areas of business ethics for members of the Board of Directors, key personnel, new employees and other groups, established a differentiated special training course system to strengthen compliance awareness in a targeted manner and improve the level of business ethics performance with high standards. The Bank adopts diversified approaches to training, including centralised publicity, collective learning, online courses and tests. The Bank consistently provides training on business ethics and compliance warning education to all employees (including all employees and workers dispatched from labour leasing companies). The training covers a wide range of important topics, including anti-corruption, anti-money laundering, anti-fraud, personal information protection, sanction risks, violation handling methods, and compliance risks, jointly building a corporate integrity culture.

◆ Members of the Board of Directors

The Bank actively arranges the Board members to participate in various trainings organised by regulatory bodies, industry associations, etc., to support the Board members to keep abreast of the latest laws, regulations and supervisory requirements, and to continuously improve their abilities to perform their duties. In the first half of 2024, all of the Bank's directors participated in trainings on laws and regulations related to anti-corruption, anti-money laundering, and the new regulations for independent directors, and all directors also participated in special trainings on the revision of the company law, the key points of the performance of directors, supervisors and senior management, financial management, investor protection and investor relations, new quality productivity and high-quality development, accounting and auditing, listing rules and requirements, financial technology, the Board effectiveness, cybersecurity, generative artificial intelligence, and standardised performance of duties of independent directors, etc., so as to further enhance the ability to perform the duties and scientific decision-making.

◆ All employees (including all employees and workers dispatched from labour leasing companies)

The Bank carefully plans and regularly organises all employees to participate in rich content and various forms of business ethics training. Making full use of online and offline channels, the Bank adopts centralised publicity, collective learning, independent learning, online courses and other means to carry out business ethics related training activities such as publicity and education on the *Employee Code of Conduct*, anti-corruption system training and warning education, and convey the requirements of compliance practitioners to institutions and employees at all levels, including consciously resisting and strictly prohibiting participation in illegal acts such as money laundering, commercial bribery, insider trading, market manipulation, etc., and strictly prohibit to use their positions and work to seek illegal benefits, embezzle bank and client funds and other violations, creating a fair, transparent and integrity work environment.

The Bank's *Employee Code of Conduct* specifically clarifies the requirements for employees' business ethics, requires employees to practice in compliance and integrity, and effectively protects the legitimate rights and interests of financial consumers, including prohibiting employees from using their authority to seek improper interests, prohibiting theft, embezzlement or misappropriation of funds or other property of the Bank and clients, prohibiting improper financial transactions with stakeholders, prohibiting false and misleading statements about important information in credit granting business or investment and wealth management business, prohibiting the sale of consumer financial information, and prohibiting the unauthorised sale of non-CCB issuance, underwriting or consignment financial products, etc.

In order to continuously deepen employees' understanding of compliance education, increase the frequency of compliance education, the Bank actively organises online tests, knowledge competitions, and other interactive learning activities to reinforce the effectiveness of the learning outcomes. By utilising the employee behaviour management system, the Bank delivers diverse compliance education content through various forms, such as videos, audios, articles, messages, etc., to support online interactions and communications with employees. The Bank had actively utilised the employee behaviour management system to publish various compliance education content, covering an accumulative number of 1,213 thousand participants as of 30 June 2024, enabling the precise delivery of warning education materials and effectively reaching to the intended audience.

The Bank continues to promote the construction of a clean financial culture, and the CCB Learning Centre (International Institute) and the Discipline Inspection Committee of the Head Office actively introduce high-quality integrity education course resources, and select typical cases to carry out integrity education based on themes of financial anti-corruption, ethos construction, and integrity practice. These courses are open to all employees on the "CCB Learning" platform, effectively strengthening employees' understanding of work with integrity and promoting the cultivation of a clean financial culture across the Bank.

◆ Compliance personnel

Every year, regular compliance trainings are conducted for compliance personnel, covering areas such as employee behaviour management, case prevention and control, and accountability for non-compliance, to strengthen the cultivation of compliance experts. In the first half of 2024, the Bank organised specialised training sessions for employees in compliance-related roles within the Group. These training programmes focused on topics such as employee behaviour management, case prevention and control, and big data application, a total of 2 sessions were conducted.

◆ Key positions personnel

For key positions, such as branch managers, client representative managers, and bank clerks, the Bank regularly organises normalised warning education activities on compliance and anti-corruption every year through methods such as compiling case sets, filling online tests, and filming and watching warning education videos, further enhancing the compliance awareness of key positions personnel.

◆ New employees

The Bank pays special attention to the training of business ethics in the training of new employees, covering topics such as the code of conduct and prohibitive provisions during the annual onboarding training. The Bank adopts the combination of online and offline methods such as special campaigns, door-to-door delivery of lessons and online quizzes to comprehensively strengthen the understanding and education of business ethics behaviour standards among employees. This approach deepens employee's understandings of business ethics, improving compliance with relevant regulations, ensuring implementation effectiveness and improving employee professionalism and compliance.

As of 30 June 2024

Accumulative number of participants in compliance education of employee behaviour management system

1,213 thousand

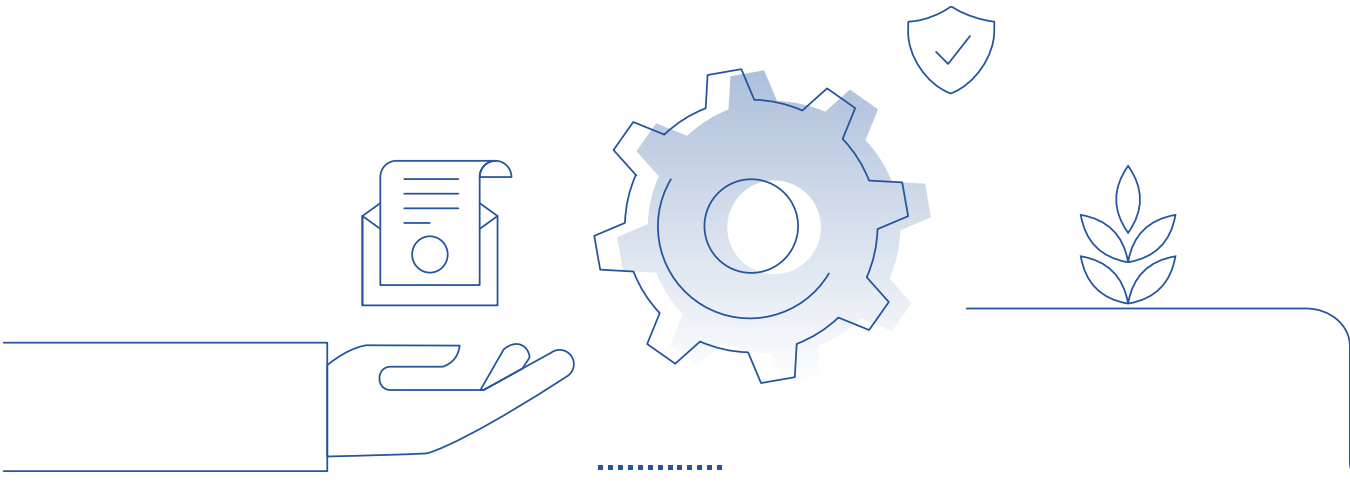
Case : Deepening anti-corruption and integrity warning education differentiated by layer and classification

The Guangdong Branch attached great importance to the work of anti-corruption and integrity, implemented various forms of education and training at different levels and categories, and took multiple measures to guide the majority of employees to firmly establish a clean and integrity style: Firstly, the Guangdong Branch paid close attention to the employees in key positions, organised and convened special warning education conferences for leading cadres at the department level and employees in the fields of inclusive, rural finance, finance and accounting, corporate business, credit approval, etc., broadcasted special films on warning education, and "promoted learning through cases" to enhance the compliance awareness of personnel in key positions; Secondly, the Guangdong Branch kept a close eye on all employees, made special warning education films for typical corruption cases, organised all employees to watch them, organised employees to observe the trial of cases on the spot, and deepened warning education with the people and cases around them; Thirdly, the Guangdong Branch innovated education and training methods, set up the "Xiaoyue Talking Discipline" micro-class, made discipline education more down-to-earth, popular and effective with short, flat and fast communication, easy-to-understand and lively expressions.

Up to now, Guangdong Branch produced 16 learning micro-videos of "Xiaoyue Talking Discipline", focusing on important holidays such as New Year's Day, Spring Festival, Dragon Boat Festival, etc., and compiled 5 mini videos of "Discipline and Law Micro-class" to strengthen discipline education and integrity reminders. Since 2024, the Guangdong Branch and institutions at all levels carried out a total of 262 sessions of Party integrity education, with an accumulated number of 100,126 people educated, including 22 sessions of warning education, and 7,109 people were educated, creating a clean and upright atmosphere for high-quality development.

Whistleblower Protection

The Bank resolutely implements management requirements of strict governance, continuously strengthening employee behaviour management. The Bank actively expands internal and external supervision and reporting channels, guides insiders to provide illegal clues, and strictly protected whistleblowers. The Bank issued a series of reporting-related policies for reporting and petitioning, encouragement of real-name reporting, clarification of false reporting, and rewards for reporting illegal or irregular activities. These measures aimed to strengthen the intensity of reporting of misconduct, enhance business ethics and integrity, and establish a high-standard and strict business ethics environment. In the first half of 2024, the Bank organised five special inspections on Letters and Visits (a form of reporting or petition) combined with inspections, guided various levels of institutions to solve complex and difficult problems related to Letters and Visits, issued an annual assessment plan for petitions, incorporated commendation activities for petition into the annual honour recognition programmes, and actively played an advanced leading role, further improving the quality and efficiency of the Bank's Letters and Visits work.



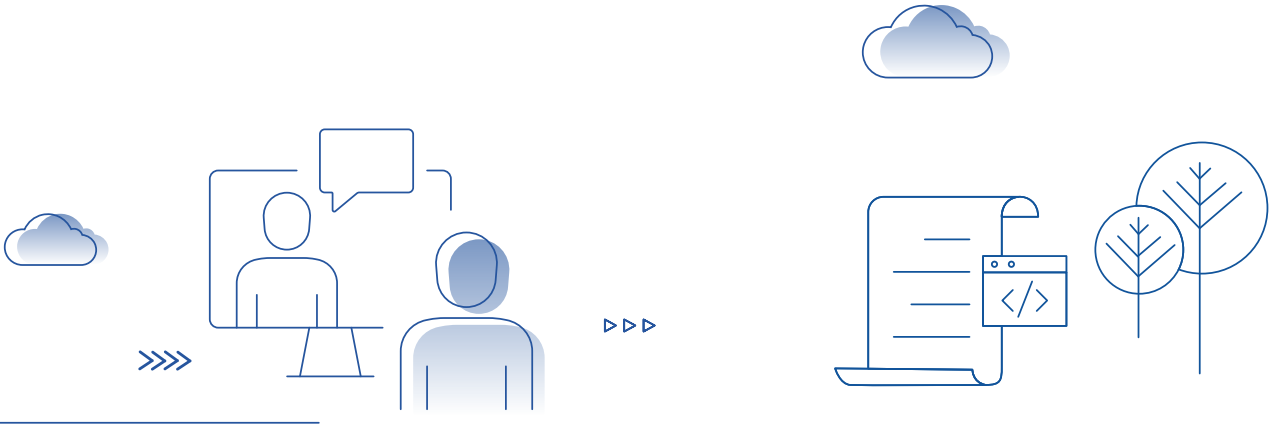
System construction

The Bank continuously optimises its whistleblower protection mechanism to actively ensure smooth reporting channels, firmly protecting the legitimate rights and interests of whistleblowers. The Bank summarised and sorted out a series of reporting policies, including Letters and Visits, encouragement of real-name reporting, clarification of false reporting, and rewards for reporting illegal or irregular activities. These practices were generalised and consolidated into the *Whistleblowing Policy Overview*¹, which was officially published, enhancing transparency and credibility, encouraging the active participation of internal and external insiders, and creating a healthy and progressive corporate atmosphere. This policy applies to whistleblowers who obtained information about misconducts in relevant scenarios within the Bank (including all employees, clients, suppliers, etc.). The scope of reported incidents includes financial issues, internal control vulnerabilities, illegal activities, and regulatory violations. Reporting channels includes letters, emails, phone calls, faxes, on-site visits, and other online and offline channels. Reporting methods includes real-name and anonymous reporting.

The Bank strictly implements the requirements of the *Regulations on Letters and Visits*. In the first half of 2024, in light of the actual situation of Letters and Visits, the Bank studied and revised the *Provisions on the Administration of Letters and Visits (2024 Edition)*, and issued it for implementation, further standardising and strengthening the management of Letters and Visits. The Bank established complete petition reporting channels at various levels, set up dedicated departments at tier-2 branches and above to receive and handle petitions and reports, provided whistleblowers including citizens, legal entities, or other organisations with various means, such as letters, emails, phone calls, faxes, and visits, extensively collected issues and suggestions on operation management, labour employment, personnel appointment, business disputes, customer services, business ethics, etc. The relevant channels were published on the Bank's website, providing convenience for reporting and complaints and ensuring timely and effective handling of reported issues.

The Bank strictly adheres to the confidentiality system for whistleblower information, ensuring the confidentiality and legal rights of all whistleblowers. The collection, storage, use, processing, transmission, provision, and deletion of whistleblower information were conducted in accordance with legal, legitimate, necessary, and honest principles. The Bank strictly abides by the relevant laws and regulations and the relevant systems of the Bank, strictly controls the scope of access to the information and prohibited unauthorised retention and disclosure of the information. The Bank relies on facts and takes legal regulations and internal rules as the criterion when handling whistleblower reports, following the prescribed procedures for processing reported matters, which includes coordinated management, assigning dedicated personnel, and prioritising the handling of significant reports.

In addition, the Bank issued the *Measures for Rewarding Blocking, Resisting, and Reporting Illegal and Irregular Behaviours* to actively encourage and guide all employees to proactively prevent, resist, and report all types of illegal and irregular behaviours, and to reward and commend relevant employees who truly reported or proactively provided information on misconduct, resolved risks in a timely manner, and reduced or avoided the loss of funds and assets of the Bank and clients, requiring all institutions to keep employees' personal information confidential. The Bank regularly reviews and revises the *Measures for Handling Employee Violations*, which clearly stipulates any behaviour that obstructs others from reporting, leaks whistleblower information, retaliate against whistleblowers, or intervene with the handling of reports, shall be subject to administrative penalties in accordance with rules and laws.



¹ Whistleblowing Policy Overview: http://www.ccb.com/eng/2023-08/01/article_2023080117451927647.shtml

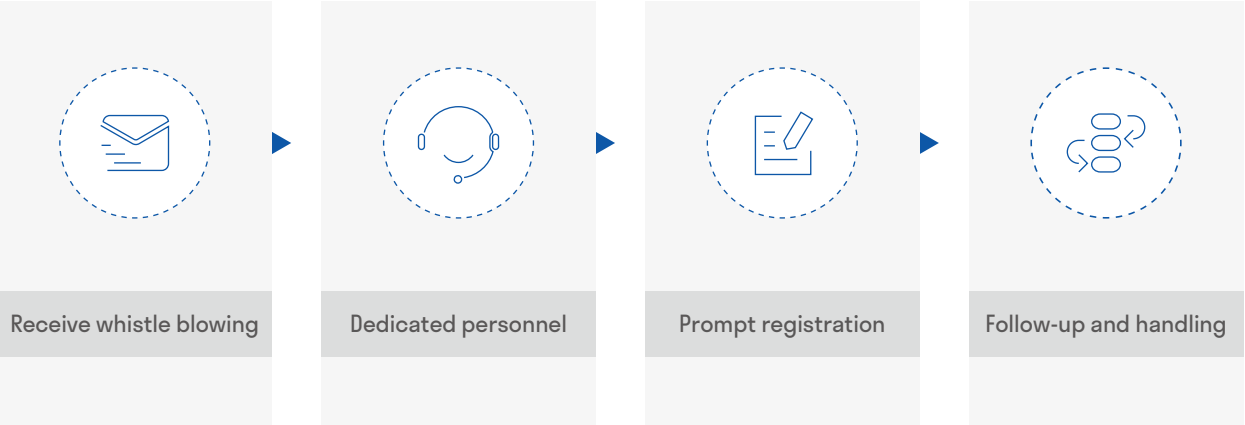
Protection measures

The Bank strictly adheres to the confidentiality system for reported matters and effectively safeguards the confidentiality of the identity and legitimate rights and interests of all whistleblowers. The Bank implements a series of protective measures for whistleblowers, including but not limited to the following aspects:

- The collection, storage, use, processing, transmission, provision, and deletion of reporting information adhered to the principles of legality, legitimacy, necessity, and integrity, in compliance with relevant national laws and regulations on personal information protection, as well as the Bank's information security policies;
- The Bank controlled the scope of access to information about the handling of reported matters and strictly prohibited unauthorised retention, concealment, access, transcription, copying, or acquisition of related issue clues and materials;
- Without the consent of the whistleblower, it was prohibited to disclose information regarding the identity of the whistleblower or the content of the report to anyone other than the authorised personnel responsible for receiving and handling the report;
- The storage of reporting information was limited to a necessary and appropriate period of time;
- Violations, such as obstructing others from reporting, leaking reporting information, retaliating against whistleblowers, and interfering with the handling of reports were dealt with in accordance with relevant laws and regulations, as well as the Bank's regulations, such as the *Provisions on the Administration of Letters and Visits* and the *Measures for Handling Employee Violations*. Depending on the nature, impact and consequences of the violation, the Bank gives punishment ranging from warning to dismissal.

Processing procedure

The Bank coordinated the management of reported matters received through various channels, assigned dedicated personnel for coordination, and promptly registered and followed up on processing procedures. For reported matters that included the whistleblowers' real name (or organisation name), with clear and accurate address and contact information, the Bank promptly informed the whistleblower of the acceptance and processing results, and according to the nature of the matter and the scope of personnel involved, different authorised institutions handled the matter according to their respective responsibilities and management authority. The Bank conducted the processing of reported matters in accordance with regulations and procedures for reporting. Significant reported matters were promptly escalated, timely reported and given priority in processing. Meanwhile, the avoidance system was strictly processed. For example, people who were closely related to the reported individual or other circumstances that may affect impartial handling were not allowed to be involved in the processing of the report. The whistleblower and other relevant individuals had the right to request recusal.



Audit of Business Ethical Standards

System construction

The Bank places great importance on the supervision and management of matters regarding business ethics. The Bank enhances the review of the areas of business ethics, such as anti-bribery, anti-corruption, anti-money laundering, employee behaviour norms, and operational risk management. In compliance with the requirements of relevant policies, such as the *Anti-Money Laundering Management Measures* and the *Operational Risk Management Policy*, the Bank regularly organises and carries out audits and inspections in the field of business ethics across the Group.

The Bank conducted data analysis related to employee behaviours covering all organisations of the Group on a regular basis, and conducted online intelligent early warning and dynamic monitoring of abnormal employee behaviours. Based on the principle of risk orientation, combined with regulatory requirements and actual business operation and development, the Bank conducted the comprehensive risk assessment of all institutions every year, dynamically determined the focus of audit attention and coverage of business ethics matters, and ensured that the audit of business ethics standards covers all operating institutions of the Bank every year through a combination of on-site and off-site methods. The Bank's examination focused on the management of business ethics matters, including but not limited to the revision, update, and implementation of relevant policies and regulations, the effectiveness of daily work procedures and systems, and the implementation of relevant policies and regulations, as well as the execution of employee behaviour management mechanisms that were either offline and grid based or online and intelligent, continuously strengthening the supervision and management of employee behaviour and business ethics.

In response to the results of audits for business ethics and the current state of employee behaviour management, the Bank developed investigation of abnormal behaviours, and studied and applied an employee behaviour management model. The Bank explored the use of intelligent technology to detect and deal with violations of employee favouritism, corruption and integrity. The Bank aimed to achieve early identification, early warning, early detection and early disposal, effectively preventing the risk of cases.

Work progress

In view of the *Management Measures for Rules and Regulations*, the Bank clearly requires that the management department in charge of rules and regulations must recheck these rules and regulations every year, revise and improve the necessary regulations in a timely manner based on the reconstruction status. In recent years, the Bank strictly followed the requirements of the internal system and conducted detailed rechecks and revisions of the *Measures for Handling Employee Violations*, the *Management Measures for Employee Behaviour*, and the *Employee Code of Conduct*, etc. The review and revision content included matters of concern in the field of business ethics, standard application scenarios and the review of mechanisms and processes. At the same time, the Bank issued the *Institutional Internal Control and Compliance Case Prevention and Assessment Plan* every year, to establish a solid institutional foundation for standardising employee behaviour, strengthening internal management, and improving business ethics. In the annual business ethics audit, the Bank conducted reviews of the re-examination and revision of the business ethics system standards, the applicability of the content, the implementation and the workflow, etc.

In early 2024, the Bank completed the formulation of the internal audit plan for 2024. The Bank will conduct case risk prevention and control management audits for 10 domestic tier-1 branches during the year, focusing on the construction and implementation of the Bank's case risk prevention and control management system based on regulatory policy requirements. For all domestic tier-1 branches (37 branches), the Bank will conduct dynamic audits on employee key operational risks, focusing on areas, such as employee behaviour management and significant violations. Anti-money laundering special audits will be conducted for 8 domestic tier-1 branches, reviewing client identification, transaction reporting, money-laundering risk assessment, sanction compliance management, and issue rectification, covering anti-money laundering related matters of other domestic branches through the operation and management audit of branches in the responsible area. The Bank pays attention to the implementation of overseas supervision and industry regulatory requirements, through audits which will be conducted on the main business operations and management or special audits of 13 overseas institutions and 5 subsidiaries relevant to money laundering risk and sanctions compliance, continuously improving the audit supervision of business ethics and compliance across the Bank.

The Bank actively plays the role of inspection in the supervision and management of the business ethics. In the first half of 2024, the Bank organised the inspection of 12 institutions. Each tier-1 branch's Party Committee conducted inspections of subordinate departments and secondary institutions, focusing on power and responsibility, strengthening supervision over the top leader and the leading group, with a focus on whether power was corrupt and responsibility was implemented, deeply finding and promoting the solution of problems of work style, corruption, and institutional mechanisms that affect and restrict high quality development of the Bank. The inspections have effectively played a role in supervising the implementation of safeguards and promoting the improvement of development.

In addition, the Bank's external audit regularly audits the effectiveness of the Group's financial reporting internal control, pays attention to the business ethics related systems such as the *Management Measures for Employee Behaviour* and the implementation, reviews the Bank's internal rules and regulations, understands the specific control processes, and implements relevant control testing procedures.

02

ENVIRONMENT



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Green Finance

The Bank actively implements Xi Jinping's Thought on Ecological Civilisation, steps up in green finance. In 2024, the Bank issued and implemented the *Guiding Opinions on Deeply Stepping up in Green Finance*, guiding the Bank to fully leverage the advantages of the Group's multiple financial licenses, stimulate the innovation vitality of all institutions and employees, continually enhance the green financial product service system, and strive to improve the green background. The Bank actively promotes green transformation and high-quality sustainable development in economic and social development, and helps to achieve the target of carbon peak and carbon neutrality on schedule. The Bank continues to promote the development of sustainable development-related financial business and product innovation. In 2023, the net interest income of green finance and inclusive finance business accounted for more than 10% of the Group's operating income.



Green Credit

The Bank continues to expand the scope of green credit products and services to proactively meet the green development needs of enterprises. As of 31 March 2024, the Bank's green loan balance was RMB4.45 trillion, an increase of 14.56% over the end of the previous year, actively contributing to the overall green transformation of the economy and society and the realisation of the goal of carbon peak and carbon neutrality.

The Bank actively utilises monetary policy tools to comprehensively and deeply support green and low-carbon development and promote the green transformation of enterprises, strongly supporting the construction of projects in the fields of clean energy, energy conservation and environmental protection, carbon emission reduction technology, and clean utilisation of coal. At the same time, the Bank consistently optimises the green credit whitelist mechanism to increase support for green enterprises and projects. The Bank actively offers differentiated policy support for green credit to high-quality clients. As of 30 June 2024, the Bank provided RMB504.2 billion in green loans to green credit whitelist clients.

Case : "Green Climate Loan" to create exclusive climate investment and financing services

Guangdong Branch of the Bank is the first financial institution in China to explore tailor-made exclusive financial products for climate investment and financing projects, and innovated the "Green Climate Loan" exclusive financial service plan, opening up special financing channels for the Guangdong-Hong Kong-Macao Greater Bay Area climate investment and financing projects. "Green Climate Loan" closely focuses on the national "Carbon Peak and Carbon Neutrality" goal, combines policy orientation with actual market demand, innovatively integrates government and bank resources, realises inter-institutional collaboration between government and financial institutions, and provides scientific basis for the green attribute of the project by introducing green identification and climate-friendly evaluation certification mechanism. Extensive support was provided for provincial enterprises to carry out the construction and transformation of climate change mitigation and adaptation projects, and as of 30 June 2024, a total of RMB499 million of "Green Climate Loan" have been invested. Among them, the Guangdong-Hong Kong-Macao climate investment and financing project "A New Energy Vehicle Lithium Battery Production Base" issued more than RMB170 million of green climate loans, expected to reduce 4.62 million tonnes of carbon emissions for the transportation sector every year.

Green Bond

The Bank proactively engages in the green bond business, promoting the issuance, underwriting, and investment of various green and low-carbon-themed bonds. By setting reasonable goals according to development situation of the Bank and the industry, the Bank works to promote the vigorous and healthy growth of the green bond business.

Green bond goals

Green bond issuance

The Bank comprehensively evaluates regulatory policies, market demand, development needs and other actual conditions, dynamically adjusts the issuance targets of themed bonds such as green finance bonds and sustainable development bonds, continues to increase investment in the field of green sustainable development and makes active efforts, and strives to achieve an average annual growth rate of double-digit in domestic and foreign green and sustainability bonds from 2024 to 2026.

The average annual growth rate target of domestic and foreign green and sustainability bonds from 2024 to 2026

double-digit

Green bond underwriting

The Bank actively underwrites innovative bond types in ESG fields such as green bonds, carbon neutrality bonds, sustainability linked bonds, and transition bonds. In 2024, the Bank plans to underwrite and issue a total of RMB25 billion of green bonds for various issuers.

The target of green bonds underwriting and issuance in 2024

RMB 25 billion

Green bond investment

The Bank sets the target that the growth rate of green bond holdings will not be less than 15% in 2024, adheres to the principle of market-oriented investment, actively participates in the green bond subscription of high-quality issuers, and actively inclines resources to issuers with outstanding ESG performance.

The growth rate target of green bond holdings in 2024

≥ 15%

Green bond achievements

Green bond issuance

The Bank actively issues green and ESG themed bonds and increases its support for green projects. In the first half of 2024, the Bank accumulatively issued RMB74.6 billion of overseas ESG themed bonds and RMB84.4 billion of domestic and foreign green bonds.

Green bond underwriting

In the first half of 2024, the Bank participated in the underwriting of 37 domestic and foreign green and sustainability bonds, with an issuance scale of about RMB59.494 billion equivalent. Among them, the Bank participated in the underwriting of 20 green non-financial corporate debt financing instruments, with an underwriting scale of RMB5.844 billion and an issuance scale of RMB20.166 billion, participated in the underwriting of 12 green and sustainability overseas bonds, with an issuance scale of about RMB28.828 billion equivalent, and participated in the underwriting of 5 green financial bonds, with an issue scale of about RMB10.5 billion.

Green bond investment

The Bank actively serves national strategy, inclines resources to excellent issuers that contribute to the green and sustainable development of the real economy and with preferable ESG performance. As of 30 June 2024, the Bank's proprietary bond investment portfolio actually invested more than RMB200 billion in green sector funds.

Green bond consulting

The Bank issued and implemented the *Green Financial Advisory Business Linkage Plan with CCB Consulting*, simultaneously issued the *Green Financial Advisory Business Guidance Manual*, actively carried out green advisory business linkage cooperation, and enhanced the comprehensive service capability of green finance. At the same time, the plan completion rate indicator of the "green consultant scale" was included in the main assessment KPI of branches, with a total scale of RMB20 billion.

Case Underwriting the first green housing rental note in China

In 2024, the Bank successfully landed the country's first "green + housing rental" double-labelled debt financing instrument, and led the underwriting of the first green housing rental medium-term note of a large real estate group in 2024, with an issue scale of RMB500 million, a term of 3 years and a par price of 2.35%, and the issue price set the lowest price of a three-year medium-term note of AAA local state-owned enterprises of the same level in the country. This business is the country's first "green + housing rental" double-labelled debt financing instrument, raising funds for the construction of 3 green talent apartment projects of the issuer's subsidiary, involving 3,591 sets of rental housing, helping new citizens and young people to upgrade their rental lives. After completion, the project is expected to save 3,262.57 tonnes of standard coal and 7,210.28 tonnes of carbon dioxide emissions per year, with significant environmental benefits.

Case Landing the first green building REITs in China

In 2024, the Bank successfully landed the country's first green building REITs. The project adopts a double SPV structure, with green commercial office buildings as the underlying assets, and the raised funds are used to return the construction financing of a building project of an issuer's corporate, with an issue size of RMB1,066 million, a maturity of 18 years and a coupon rate of 3.27 %. At the same time, the project innovates the product mechanism, helps enterprises to save taxes reasonably through share exchange, and ensures the smooth exit path of investors through reverse absorption and merger. The successful landing of the project is conducive to reducing the asset-liability ratio of an issuer's corporate, promoting the transformation and upgrading of the local construction industry and the green development of urban and rural construction.

Other Green Finance Businesses

Green funds

Since joining the United Nations Principles for Responsible Investment (UN PRI) in July 2021, CCB Principal Asset Management has actively integrated responsible investment construction and ESG investment into the strategic decisions. Focusing on the dimensions of assessment strategy, risk identification, risk response and so on, CCB Principal Asset Management has built a self-developed quantitative ESG evaluation system, established and improved the climate-related risk management mechanism, relied on responsible management to reduce the environmental and climate-related risks of investment portfolios, and improved the level of climate-related risk response.

In terms of products, CCB Principal Asset Management developed a range of ESG themed products including CCB Shanghai Securities Social Responsibility ETF, CCB Social Responsibility Fund, CCB Environmental Protection Industry Fund, CCB Guozheng New Energy Vehicle Battery ETF, CCB New Energy Fund, etc. As of 30 June 2024, CCB Principal Asset Management distributed 6 industry-related themed products, and the total scale of ESG-related themed products reached RMB3.72 billion.

Green custody

The scale of the green custody products of the Bank continues to expand, covering several major investment varieties on the market. As of 30 June 2024, the Bank had a total of 183 green custody products and the assets under custody of the Bank reached RMB132.759 billion. The varieties of the products included publicly offered funds, quasi-REITs, wealth management products, private equity funds, etc.

Green leasing

CCB Financial Leasing is closely aligned with the Bank's green finance strategy and continues to consolidate its advantages in rail transportation, green vehicles, clean energy and other fields. By increasing the differential investment guidance price of green credit, the Bank fully leverages the function of leasing in integrating the financial industry with other industries and its "personalised, customed, differentiated and universal" features, launches "Zunengtong" product and service, and effectively meets the financing and leasing demands of new energy power stations such as distributed photovoltaic, centralised photovoltaic and wind power and new energy vehicles. The growth rate of green assets exceeded the overall growth rate of leasing assets. As of 30 June 2024, RMB4.152 billion of green leasing was provided, accounting for 54.86% of general leasing business. In general leasing business, the balance of green leasing assets recorded RMB43.175 billion and took up 53.53%, and both the scale and proportion of green assets continuing to register a growth.

Case Green leasing serving the development of private enterprises and helping farmers to increase income

CCB Financial Leasing actively implemented the concept of green development, cooperated with Zhejiang Branch to focus on direct leasing business, tailored a comprehensive financial service package for a company's household distributed PV projects, gave full play to the tax deduction advantages of direct leasing business and the advantages of global service to meet the funding needs of the company's construction of household distributed PV power stations across the country, and coordinated all the resources to provide strong support for the trading of its plant assets and accelerate the return of funds. As of 30 June 2024, CCB Financial Leasing provided the company with 6 leasing businesses, amounting to RMB324 million, with an installed capacity of 121.16 MW, all of which were invested in county areas, benefiting more than 3,600 farming families, with an average annual increase of more than RMB1,000 per household, and helping farmers to increase their income for prosperity while serving the development of private enterprises with special products.

Green insurance

CCB Life adheres to the philosophy of sound management and innovation-driven, constantly exploring and launching differentiated insurance products and services to strengthen the risk protection for enterprises in the green industry and people who travel greenly. In the product rate floating management mechanism, the "green enterprise" factor is formulated according to the attributes of specific client groups, and the insurance protection cost of "green industry enterprises" is effectively reduced. At the same time, CCB Life explores business opportunities in green scenarios and provides risk protection for clients travelling in a low-carbon manner by offering insurance for green means of transport such as electric bicycles and shared bicycles. As of 30 June 2024, CCB Life provided an insured amount of RMB1.825 billion of green insurance to low-carbon and environmental protection enterprises, emerging energy-efficient enterprises, etc.

CCB Property & Casualty continuously innovates and develops in the field of green insurance, enriching the types of green insurance products and the breadth of services, implementing the development requirements of the green finance article and effectively promoting the development of green business. As of 30 June 2024, the insured amount of CCB Property & Casualty green insurance business was RMB15.3 billion, an increase of 37% year-on-year. Among them, focusing on the development of green infrastructure upgrading and clean energy industries, the insured amount accounted for 32% and 26% respectively; the development of green life insurance and energy conservation and environmental protection industries were intensified, and the insured amount accounted for 21% and 14% respectively.

Case : Diversified green insurance helping enterprises sustainable development

CCB Life customised the "Su Gong Bao" Insurance Product Plan and CCB Diamond Annual Accident Insurance Product Plan to provide comprehensive accident insurance products for the employees of green enterprises, and reduce the environmental risks of traffic, accident and medical treatment for the employees of green enterprises, promote the healthy and sustainable development of enterprises and help achieve the goal of carbon peak and carbon neutrality by lowering the rate, expanding the scope of liability, optimising online services and providing value-added health services. Among them, CCB Life served 181 technical backbone personnel of a company in Taixing City, providing a total insured amount of RMB810 million. CCB Property & Casualty underwrote an all-risk insurance for a real estate development company's green building project with a total insurance amount of RMB1.267 billion, covering the material damage or loss of the project due to natural disasters or accidents, as well as the resulting disaster prevention and mitigation costs and liability to third parties, to ensure the smooth implementation of the project.

Green futures

CCB Futures closely focuses on the green futures varieties of lithium carbonate and industrial silicon, expands the upstream and downstream industrial chain of green futures, and provides risk management services for green enterprises. As of 30 June 2024, the cumulative balance of margin occupied by green futures brokers reached RMB6.058 billion, an increase of 243% over the same period of the previous year.

Green Consulting

The Bank innovatively launches various green financial consulting services such as green building project consulting and certification services, green industry project consulting and declaration services, green financing product scheme design services, green information and financial policy supply services, and promotes the steady implementation of the Bank's green finance development strategy to help the green and low-carbon transformation of real industries. CCB Consulting continues to build a "green finance + consulting" service model, promoting green building consulting. Since the pilot launched in 2022, CCB Consulting provided services to Beijing Branch to obtain pre-evaluation certification for a total of six projects, of which one new project passed the pre-evaluation in 2024, which contributed to the issuance of an additional RMB440 million in green credits. In addition to green buildings, CCB Consulting actively collaborates with some regional branches to explore the promotion of certification services for other green industry projects.

Case : Contributing to green buildings - the country's first provincial green finance local standard

Hubei Branch of the Bank took the lead in drafting the local standard of Hubei Province, the *Specifications for the Implementation of Loans to the Green Building Industry* (hereinafter referred to as the "Regulation"), which was released in January 2023. The *Regulation* is the first provincial green financial local standard in China, and also the first financial industry local standard in Hubei Province. Financial institutions in the Hubei Province can refer to the *Regulation* to use financial standardisation to develop green financial business, and promote green finance to truly achieve commercial sustainability while supporting the development of the green building industry with the "dual-core drive" of policy and market. The *Regulation* clarifies the scope of green building industry, supports and encourages financial institutions to establish differentiated support policies for the energy saving and emission reduction effects of green buildings and green building materials, such as lowering interest rates and giving priority to approving and disbursing loans, etc., which will be conducive to the financial institutions in Hubei Province to provide various types of financial products and services according to the characteristics of different sub-fields of the business, so that the green loans can really be invested in the environmentally beneficial green building industry projects, to promote the green and low-carbon transformation and development of the construction industry in Hubei Province. As of 30 June 2024, the balance of Hubei Branch's green building industry loans had reached RMB15.1 billion, providing credit support for the construction of a number of green building projects and low-carbon demonstration projects, as well as the daily production of green building materials manufacturing enterprises in Hubei Province, and vigorously promoting the development of green finance and financial standardisation in Hubei Province.

Green investment

CCB Investment vigorously engages in green investment and actively promotes the development of green economy. As of 30 June 2024, CCB Investment landed a total of RMB27.9 billion in green investment projects, covering key green industry sectors such as wind power, photovoltaic, hydropower, environmental protection, nuclear power and new energy vehicles.

Case : CCB Investment debt-equity swap project supporting green development

In the first half of 2024, CCB Investment invested RMB200 million in a new energy development company to support the development of new energy development enterprises through financial investment and further expand green finance business. This market-based debt-to-equity swap has supplemented the capital of the company, reduced the asset-liability ratio, injected new momentum into the sustainable development of green business for the enterprise, promoted the enterprise to further expand the market scale in the key layout of household distributed photovoltaic business sector, and explored and consolidated the advantages and competitiveness of private enterprises in the DBT (development-construction-transfer) business model. It is expected that in the first half of 2024, the newly developed and put into operation of the power station can reduce the overall carbon emissions of more than one million tonnes.

CCB Private Equity focuses on key investment directions such as new energy vehicles, clean energy, energy conservation and environmental protection, synthetic biology, industrial Internet, and continues to optimise the green and low-carbon asset portfolio. As of 30 June 2024, CCB Private Equity's green investment business reached RMB2.556 billion.

CCB Principal Asset Management continues to deepen research on energy conservation, emission reduction and equipment renewal in high energy consumption industries such as metallurgy, building materials, petrochemical and chemical industries to help traditional industries transform and low-carbon transformation. As of 30 June 2024, CCB Principal Asset Management has invested more than RMB24.8 billion in clean energy, energy conservation and environmental protection, clean production, green upgrading of infrastructure, ecological environment and green services through equity investment channels. CCB Principal Asset Management independently develops bond ESG scoring system and effectively integrates the assessment results into the investment research process. As of 30 June 2024, the balance of CCB Principal Asset Management investment in green bonds (including carbon neutrality bonds) reached RMB5.518 billion, an increase of 122.89% compared with the end of last year, involving industries such as banking, municipal investment and iron and steel, and the investment varieties cover the mainstream green bond varieties including green medium-term notes, green company bonds, green corporate bonds, green financial bonds and so on.



Case : CCB Principal Asset Management cooperating launching the first UCITS fund with partners

In April 2023, the first UCITS fund co-operated by CCB Principal Asset Management and a financial group was approved by the Irish regulator and officially launched in May. The product reached a higher level of Article 8 in accordance with the EU's *Sustainable Financial Disclosure Regulation* (SFDR) audit standards, which is the highest standard among the currently existing products in China, making an exemplary role for the development of ESG fund products in the country, and promoting the domestic new energy to the world while complying with the leading international ESG standards, which is the debut of CCB Principal Asset Management for overseas investors, and also an important embodiment of CCB Principal Asset Management's efforts to vigorously promote ESG construction, carry out green finance, and practise the principle of responsible investment.

CCB Life continuously increases the insurance funding support for green industries, green technologies and green projects, and integrates ESG factors into its credit rating system. As of 30 June 2024, CCB Life's green investment balance in the "Carbon Peak and Carbon Neutrality" field reached RMB17.488 billion, an increase of 2.16% from the end of the previous year.

CCB Trust continues to enrich the supply of green financial services and serves the green financing needs of the real economy with PE equity investment, strongly supporting and promoting the development of green finance. As of 30 June 2024, the balance of CCB Trust's PE green investment was approximately RMB3 billion.

Case :: CCB International supporting green and sustainable development bond issuance

In the first half of 2024, CCB International actively supported enterprises to issue green and sustainable development bonds overseas, underwriting a total of 10 bonds, with a total issuance amount equivalent to about RMB12.9 billion. Among them, in May 2024, as a joint bookrunner and joint lead underwriter, CCB International helped the issuer successfully issue a 3-year \$1.5 billion senior unsecured sustainable development bond with a coupon of 3.40% in the overseas capital market. The funds raised from the bond, which will be used for project construction and replenishment of working capital in accordance with the sustainable development financing framework and the National Development and Reform Commission certificate, were actively subscribed by a number of mainstream investors both domestically and internationally.

◆ Green pension

CCB Pension vigorously develops green finance, continues to increase the proportion scale of green business, and increase support in key areas. As of 30 June 2024, CCB pension's green business balance increased by 10% compared with the beginning of the year, reaching a total of RMB5.2 billion.

As of 30 June 2024

RMB **5.2** billion  10%

The balance of CCB Pension in green business



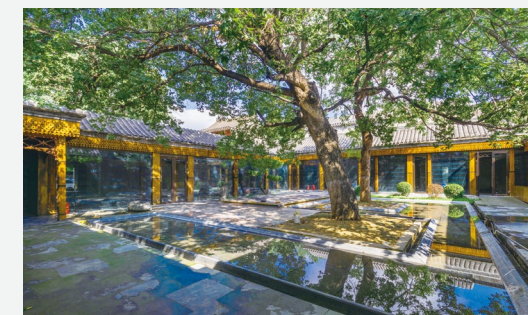
◆ Green housing

CCB Housing Rental clearly defines green requirements in project design, renovation and transformation, operation and management, and gives priority to the use of green and low-carbon building materials, green home appliances, and renewable energy systems to create a safe, healthy, and comfortable living environment. 12 of the invested projects are national-standard or provincial-standard green buildings, accounting for 48% of the total number of projects. CCB Housing Rental has formulated the *CCB Housing Rental Private Fund Management Co., Ltd. ESG Action Plan* to integrate ESG concepts into the fund strategic development, operational management and corporate culture, actively meet the needs of the majority of new urban citizens and young people for "a place to live", and pay attention to achieving the organic unity of economic and social benefits.

CCB Housing complies with the development trend of green and low-carbon, and actively implements the new development concept. Through project practice and experience summary, combined with the development results of green environmental protection technology in the construction industry, CCB Housing continuously explores and researches the relevant standards of green and low-carbon leasing, and completes the *Guidelines for Long-Term Rental Apartment Green Leasing*, and steadily pushes forward the requirements for the management of green and low-carbon leasing.

Case :: Building a new model of "green credit + green low-carbon building + green supervision"

In order to implement the new development concept of green finance and solve the "blocking point" of the mismatch between green financing and obtaining green construction certification, Beijing Branch of the Bank and the Science and Technology and Industrialisation Development Centre of the Ministry of Housing and Urban-Rural Development jointly innovate the "green credit + green low-carbon building + green supervision" model. The innovative model solves the "credible" problem through professional evaluation, the "sustainable" problem through the market mechanism, the "traceable" problem through the process management, and the "publicable" problem through the sunshine operation. Starting from the pre-project planning and design, medium-term engineering implementation, and later operation and management, the credit full-process management is closely integrated with the construction full-process management, and the green transformation of the project is continuously paid attention to in the post-credit management process, and incentives and constraints are integrated into the market-based operation mechanism, so as to complete the full-process closed-loop management covering the whole life cycle of the project, and to effectively guard against risks such as "greenwashing". Up to now, the new model has been applied to more than 40 projects covering 14 districts in Beijing, including Dongcheng, Chaoyang, Haidian, Fengtai, Tongzhou, Huairou and Fangshan, etc., with a financing demand of more than RMB60 billion and a loan balance of more than RMB16 billion. In terms of industry type, it has covered many fields such as green building, assembly building, ultra-low energy consumption building, energy saving and green transformation of existing buildings, etc., and has gained the recognition of the Ministry of Housing and Urban-Rural Development, the People's Bank of China and other departments.



◆ Green consumption

The Bank actively targets new energy vehicles as an important carrier for electric energy substitution in the "energy consumption end" of the "Carbon Peak and Carbon Neutrality" strategy, and regards credit card vehicle purchase instalment as an important lever to meet the public's green financial needs, thus continuously driving the development of green consumption. The Bank makes full efforts in the digital and online innovation of credit cards, continues to develop the instalment business of new energy car purchase, enhances the system docking efficiency of manufacturers with technology enabling, achieves a breakthrough in two-way client drainage and efficient approval of loans in the whole process, and comprehensively deepens the digital risk management of the whole process. The Bank has carried out general cooperation with 16 new energy vehicle manufacturers such as Tesla, Li Auto, NIO, ZEEKR, AITO and Xiaomi. In the "2024 China Awards Program" organised by the *Asian Banker*, the Bank's credit card new energy vehicle purchase instalment business exclusively won the "Best Auto Loan Product in China" award. As of 30 June 2024, the Bank's new energy vehicle purchase instalment was RMB29.3 billion, an increase of 205%, the loan balance reached RMB60.5 billion, the new loans added in this year amounted to RMB21.7 billion.

The Bank continues to strengthen the expansion of green consumption scenarios and set up a green consumption zone through the CCB Consumer Finance App instalment mall to provide consumers with a convenient way to purchase green products and services through online loans to meet the consumer demand for green credit.

As of 30 June 2024

RMB **29.3** billion  205%

New energy vehicle purchase instalment

◆ Green wealth management

CCB Wealth Management further promotes green asset allocation. As of 30 June 2024, the total balance of CCB Wealth Management's green assets was RMB23.68 billion, with 6 green-related wealth management products in existence, totalling RMB4.316 billion. Among them, 4 ESG products remained in existence with a balance of RMB3.71 billion, and 2 Carbon Peak and Carbon Neutrality products remained in existence with a balance of RMB606 million.

Environmental Impact of Financing

The Bank continues to improve the ESG risk management system, establishes and continuously improves the ESG risk management structure covering the Board of Directors, the Board of Supervisors and the Management, and incorporates environmental, climate and biodiversity risks and information technology risks into the Group's risk appetite to effectively prevent and control ESG risks from the perspective of comprehensive risk management. The Bank formulates and updates ESG risk-related systems, optimises credit policies for key industries, promotes the implementation of ESG due diligence principles, and builds a comprehensive ESG risk management mechanism for investment and financing businesses. Effectively strengthening ESG risk identification, the Bank conducts in-depth assessment of the impact of ESG elements on credit, market, liquidity, reputation, operation and compliance risks, and integration of ESG risk management into the entire process of investment and financing business. The Bank strengthens the management of climate-related risks and opportunities, improves the design of scenarios, and continues to expand the depth and breadth of climate risk stress tests.



ESG Risk Management System

Regulatory policies

The Bank continuously strengthens the construction of ESG risk management system and follows the *Guidelines for Comprehensive Risk Management of Banking Financial Institutions* and the *Guidelines on Green Finance for the Banking and Insurance Industries* to formulate and implement the *Measures on Environmental, Social and Governance Risk Management for Investment and Financing Businesses* (hereinafter referred to the "ESG Risk Management Measures"), which strongly guides and standardises the ESG risk management of the Bank.

As the top-level management policy for the ESG risk management system of the Bank, the *ESG Risk Management Measures* covers the Group's corporate credit business, retail credit business¹, financial market business, financial institutional business, investment banking business, etc., with clear specifications on the basic principles, management framework, functions of the organisation, risk identification and classification, risk assessment process, management tools and regulatory mechanisms, etc.

Management structure

The Board and its special committees

The Board takes the ultimate responsibility for ESG risk management. The ESG risk management related issues are supervised and instructed by the Risk Management Committee of the Board of Directors, which regularly listens to reports on ESG risk management and specifies key focus areas of ESG risk. The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors is responsible for guiding the orderly implementation of ESG management work.



¹ Refers to personal business loan.

Risk Management Committee of the Board of Directors

The Risk Management Committee of the Board of Directors of the Bank is responsible for overseeing and guiding ESG-related risk management, including climate risks and opportunities. The committee regularly receives thematic reports on the analysis of environmental and climate-related risks and opportunities and the quantification of risks of ESG-related elements, studies climate change countermeasures, promotes the in-depth integration of ESG elements into the comprehensive risk management system, facilitates the organic integration of ESG elements and the credit rating system of clients, continuously improves the stress test of climate-related risks, and guides the optimisation of the credit policy of the industry.

In the first half of 2024, the Risk Management Committee of the Board of Directors of the Bank held a total of 4 committee meetings, reviewed and approved the 2024 Risk Appetite Statement, included environmental, climate and biodiversity risks in the Group's risk appetite, promoted the improvement of the ESG risk management system for investment and financing business, facilitated the integration of ESG risk management into business processes, and enhanced the ability of risk identification, assessment, classification, monitoring and precaution. The committee also listened to and discussed the *Report on Analysis of Environmental and Climate-related Risks and Opportunities*, examined the effectiveness of environmental and climate risk management and control and measures, the development of green finance-related businesses, the current challenges and next steps. It also listened to and discussed the *Report on the Quantification of Risks of ESG-Related Elements*, studied the progress of the construction of the ESG rating system for the Bank's corporate clients, the progress of the stress testing for environmental and climate risks, and the research on financial standards for transformation in some key industries. On listening to and studying the relevant issues, the Risk Management Committee of the Board of Directors requested further expansion of the scope of climate risk stress testing and regular reporting of the results of climate risk scenario analyses. It proposed further refinement of climate risk-related elements in the risk appetite and integration of climate risk into strategic planning, capital planning and internal capital adequacy assessment. The committee encouraged the gradual expansion of the scope of accounting for Scope 3 emission data, improvement of the accounting accuracy, and the study on setting targets related to net-zero transition. It is recommended that the Management strengthen the construction of professional teams and enhance the cooperation with external institutions in order to adapt to the ever-increasing requirements for climate risk management and disclosure.

In addition, the Independent Directors of the Bank conducted a thematic supervision on climate risk management and received a positive response from the Management. The Independent Directors recommended that, under the backdrop of the continuous improvement of national "Carbon Peak and Carbon Neutrality" policy and target system, the successive promulgation of sustainability disclosure standards and the expansion of the Bank's green financial investment services, the Bank should fully integrate climate-related risks and opportunities into strategy, governance and overall risk management framework, and implement the requirements of climate risk management under the guideline of "achieving disclosure compliance" and continuously promote various capacity building. The Independent Directors required the Management to report to the Risk Management Committee of the Board of Directors on the process of identifying, assessing, considering and managing climate-related risks and opportunities, the impact of the sustainability-related disclosure requirements on the Bank and the addressing measures, as well as the capacity gaps in respect of climate-related risks and opportunities and the remedial measures to be taken. This would support the Board of Directors to better oversee and promote the management of climate-related risks and opportunities, promote compliance with sustainability disclosure requirements, and maintain the Bank's leadership in sustainability.

Related Party Transaction, Social Responsibility, and Consumer Protection Committee of the Board of Directors

The Related Party Transaction, Social Responsibility, and Consumer Protection Committee of the Board of Directors of the Bank is responsible for formulating ESG management guidelines and strategies which include climate risks and opportunities, supervising and guiding the Bank's green finance, and other environment-related issues. In the first half of 2024, the committee listened to the report on the development of green finance work, followed up on the development of credit and non-credit green finance business, pushed forward the improvement of environmental and climate risk control, and supervised the enhancement of the whole process of ESG risk control, in order to improve the performance of social responsibility and strengthen the quality of environmental and ESG information disclosure.

Board of Supervisors

The Board of Supervisors of the Bank, in the context of its supervisory duties, supervises and evaluates the performance of the Board of Directors and the Management in implementing ESG and green finance strategy. The Board of Supervisors continuously pays attention to the implementation of ESG strategy, organises special research on ESG management implementation, and offers supervisory recommendations for strengthening of top-level design, enhancing basic management, and improving capacity building.

In the first half of 2024, the duty performance of the Board of Supervisors of the Bank in relation to ESG risk management was as follows:

- The Board of Supervisors reviewed the *2023 Corporate Social Responsibility Report*, focusing on the development of FinTech, inclusive finance and green finance, as well as the construction of the ESG system and the related information disclosure work.
- The Finance and Internal Control Supervision Committee of the Board of Supervisors was briefed on the status of comprehensive risk management for the year 2023 and recommended that close attention should be paid to climate and environmental risks and that emphasis should be placed on proper disclosure of relevant information.

Management

The Management of the Bank is responsible for overseeing and guiding the ESG risk management work in investment and financing business, promoting and implementing specific ESG management work, and is committed to promoting the overall improvement of the Group's ESG management. The main ESG risk management responsibilities of the Management include:

- Organising the formulation and implementation of environmental and climate-related policies and reviewing ESG risk management related policies.
- Organising the implementation of the daily ESG risks management and major risk issues handling and reporting to the Board in a timely manner in accordance with regulatory requirements and management needs.
- Strengthening ESG risk management supervision and assessment and urging branches to perform ESG risk management duties.

The Bank sets up the Risk Management and Internal Control Management Committee, with the President serving as Chairman, to promote the integration of ESG elements into the risk management process and the organic integration of environmental and climate-related risks, compliance risks, operational risks, reputational risks, etc., in the comprehensive risk management system, with the relevant departments carrying out targeted and specialised management. The committee holds regular meetings to follow up on the progress of work and deploy important matters.

The Bank sets up the ESG Promotion Committee, chaired by the President, to consistently promote the Bank's ESG strategic planning, deployment, and coordination. The committee regularly receives updates on the progress of ESG work and promotes the optimisation of ESG risk management capabilities to achieve deep integration of sustainable development with business operations and risk management.

The Bank specifies that the President, Vice President, and chief risk officer are responsible for collaboratively overseeing the management of ESG risk management in the investment and financing business, reviewing the formulation, revision, and implementation of ESG risk management policies and implementation measures, inspecting the implementation of key ESG risk management tasks, and supervising the effective implementation of ESG risk management initiatives by each institution. At the same time, they regularly organise meetings of the Risk Management and Internal Control Management Committee, the Green Finance Committee and the ESG Promotion Committee, etc., to study and formulate important systems, plans and guidance, and listen to reports on the progress of ESG risk management related work, so as to promote the effective management of ESG risk.

Professional departments

The Bank makes it clear that the Credit Management Department of the Head Office takes the lead role in ESG risk management for the entire Bank, and builds a "three lines of defenses" system for ESG risk management at the professional department level, ensuring timely and effective mitigation strategies for ESG risks in investment and financing businesses. The Bank strengthens information sharing and coordination in the process of ESG risk management, and implements strict joint prevention and control to prevent cross-contamination of risks.



Credit Policies for Key Industries

The Bank pays high attention to the ESG risks of clients and projects in various industries and formulates differentiated credit policies based on the attributes and business characteristics of different industries. The Bank has successfully issued credit policies for 78 industries, covering key industries such as agriculture, electricity, forestry, mining, petrochemical, transportation, materials, and construction. To ensure that relevant policies are closely aligned with industry developments, the Bank regularly updates and reviews the policies for key industries in real-time. During the review process, the Bank attaches great importance to the assessing the enforcement level, applicability and feasibility of policy norms. Through the combination of business development and dynamic assessment of ESG risks within the relevant industries, the Bank ensures that policies align with industry realities to achieve effective management of ESG risks. Outlined below are some examples of key industry credit policies:

◆ Agriculture and forestry



The Bank actively supports the green development of agriculture. In accordance with the *14th Five-Year Plan National for Green Development of Agriculture* and other policy documents, the Bank formulated the *Credit Policy for Agricultural Industry*. The Bank emphasises compliance, environmental protection, quality and safety in the selection criteria for agricultural clients, and implements the "one-vote veto" for environmental and climate-related risks, and denying credit access to clients and projects with significant environmental and climate-related risks. The Bank makes agriculture a priority support industry, actively supports agricultural business entities to carry out emission reduction and carbon sequestration, integrated use of resources and construction of efficient water-saving farmland drainage and irrigation facilities, increases credit investment for agricultural energy-saving clients who save fertilisers, medicines, water and land, etc. The Bank actively supports forestry development by emphasising compliance, environmental protection, quality and safety requirements in the selection criteria for forestry clients, implementing a "one-vote veto" for environmental and climate-related risks, and denying credit access to clients and projects with significant environmental and climate-related risks. The Bank makes forestry a priority industry, continues to increase credit investment, actively supports forestry production and management entities in carrying out key construction projects of the national forest management plan and key projects of the *14th Five-Year Plan for Protection and Development of Forestry and Grassland*, and actively contributes to ecological protection and restoration, enhances forest reserves, and strengthens the capacity of carbon sinks. The Bank specifies energy-saving and environmental protection requirements, requiring agricultural clients to fully apply low-toxicity or minimal-toxic pesticides and to optimise or stabilise the average amount of pesticides and fertilisers applied per mu in the past three years. It is not allowed to intervene in clients and projects involving the cultivation of high water-consuming crops located in zones of severe water overload, or those involving the illegal introduction and release of invasive alien species such as agricultural crops, forest, grass seeds and seedlings.

Focused review of elements of concern include: consideration of negative impacts of agricultural land on natural habitats/protected areas, soil erosion or degradation, fertiliser and pesticide pollution, impacts of crop types on local biodiversity, excessive consumption or pollution of water sources, and other factors.

◆ Power industry



The Bank co-ordinates energy supply preservation and energy green and low-carbon transformation, and in accordance with the *Several Opinions on Promoting the Healthy Development of the Power Generation of Non-water Renewable Energy*, the *Notice on the Issuance of Benchmarking Levels and Benchmarking Levels of Key Areas of Clean and Efficient Utilisation of Coal (2022 Edition)*, the "14th Five-Year Development Plan" for Modern Energy System, "14th Five-Year Development Plan" for Renewable Energy and other policy documents, has formulated the *Credit Policy for Wind Power Generation Industry*, *Credit Policy for Photovoltaic Power Generation Industry* and *Credit Policy for Thermal Power Generation Industry*, etc. The Bank pays attention to and actively identifies ESG risks involved in projects in the power industry, assesses the importance of relevant risks and their impact on credit risk, specifies requirements on pollutant emissions and coal consumption in the selection criteria for thermal power projects, resolutely withdraws from backward production capacity projects that have been eliminated by national regulations, and supports the "three reforms" (energy-saving and carbon-reducing reform, heat supply reform, and flexibility reform) of coal power enterprises.

Focused review of elements of concern include: consideration of high carbon emissions from the combustion of fossil fuels and exhaust emissions should be in line with the energy efficiency levels specified by national regulation, with a high degree of attention paid to environmental protection and compliance risks, and concerns that the construction of hydroelectric power generation should satisfy factors such as green and harmonious development, low environmental impact, and proper resettlement of immigrants.

◆ Mining industry



The Bank pays close attention to and actively identifies ESG risks involved in projects related to the mining industry. In accordance with the *Opinions of the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on Further Strengthening Mine Safety*, the *Guiding Opinions on Energy Work in 2024* and other policy documents, the Bank has formulated the *Credit Policy for the Coal Industry*, assessing the level of significance of the relevant risks and the degree of impact on credit risk. The Bank supports green, clean and smart mining, takes production safety, environmental protection and resource utilisation as the access criteria for client and project selection, and focuses on supporting the supply of scarce and strategic new types of minerals that are in line with green mines, conservation and efficiency, and environmental friendliness. The Bank implements a "one-vote veto" for environmental and climate-related risks, denies credit access to clients and projects with significant environmental and climate-related risks, and resolutely compresses and withdraws non-compliant production capacity, backward production capacity, and enterprises that fail to meet environmental protection and production safety standards that are not in line with the national industrial policy. The Bank does not support coal mine projects with major safety hazards such as coal and gas outbursts, spontaneous combustion and fire, impact ground pressure, and water hazards.

Focused review of elements of concern include: consideration of coal mining whether the safe and green mining technology, environmental protection standards, new capacity in accordance with the law, does not belong to the backward production capacity, no production safety hazards and other factors.

◆ Petrochemical industry



The Bank pays close attention to and actively identifies ESG risks involved in projects related to the petrochemical industry. In accordance with the *Guiding Opinions on Promoting the High Quality Development of the Petrochemical and Chemical Industry in the 14th Five-Year Plan*, the *Work Plan for Ensuring the Stable Growth of the Petrochemical and Chemical Industry* and other policy documents, the Bank formulated the *Credit Policy for Petroleum Refining Industry* and the *Credit Policy for Petrochemical Industry*, to assess the significance level of relevant risks and the degree of impact on credit risk. The Bank supports the green, low-carbon and recycling development of the petrochemical industry, takes safe production, clean production, energy consumption level, emission level, etc., as the admission criteria for client and project selection, and selectively supports energy-saving and carbon-reducing renovation and upgrading, equipment upgrading and reconstruction, product upgrading, upstream and downstream integration and development and optimisation of the layout of production capacity of high-quality enterprises in the petrochemical and chemical industries, as well as the projects with a leading energy-efficiency level in the four petrochemical industry clusters and the green industrial parks. On the premise of compliance with the law, the Bank prudently intervenes in new capacity projects in the oil refining, calcium carbide, ammonium phosphate and yellow phosphorus industries, as well as new delayed coking capacity projects. The Bank pays close attention to the impact of enterprise production and project construction on energy consumption, carbon emissions, ecological environment and biodiversity, etc., and implements a "one-vote veto" on environmental and climate-related risks, prohibits credit access to clients and projects with significant environmental and climate-related risks. The Bank optimises the layout of petrochemical projects, does not intervene in new production capacity projects in key areas for air pollution prevention and control, resolutely withdraws from projects that do not comply with national industrial planning and environmental protection policies, as well as from enterprises that do not meet the requirements for green and low-carbon development, and

that have high environmental and climate-related risks. The Bank compresses and withdraws backward production capacity and overcapacity projects, as well as projects with energy efficiency levels that do not meet the standards and cannot be renovated or upgraded on schedule.

Focused review of elements of concern include: consideration on the adoption of technologies such as fully enclosed and automated production in the oil refining process, the project's location in a chemical park, the completion of land use, environmental assessment and other formalities, and the compliance of energy efficiency, carbon emission intensity and clean production with national regulatory requirements. Attention is paid to the requirements for safe production of enterprises, and the timely withdrawal of projects with potential safety hazards. The Bank also conducts continuous tracking of enterprises' sewage discharge and environmental information, and review of ecological and environmental protection measures, as well as the impact on environmental diversity, etc.

◆ Iron and steel industry

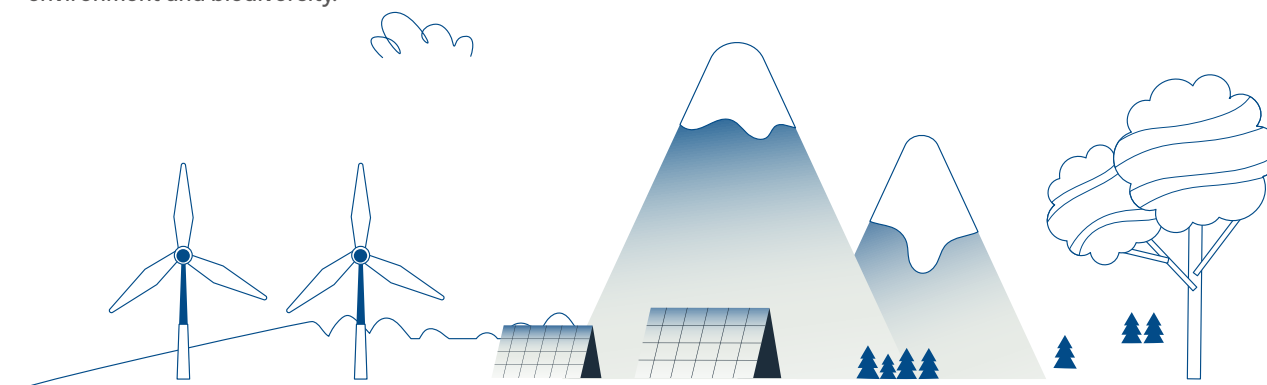


The Bank supports the green development and transformation and upgrading of the iron and steel industry. In accordance with the *Guiding Opinions on Promoting the High Quality Development of the Iron and Steel Industry*, the *Catalogue for Guiding Industry Structuring Adjustment (2024 Version)*, the *Benchmarking and Basis Levels of Energy Efficiency in Key Industrial Sectors (2023 Edition)* and other policy documents, the Bank formulated the *Credit Policy for the Iron and Steel Industry*, which incorporates the levels of energy efficiency and emissions into the admission criteria for clients and project selection. The Bank pays close attention to the impact of project construction on the dual-control of total energy consumption and intensity, carbon emissions, ecological environment and biodiversity, and implements the "one-vote veto" on environmental and climate-related risks, prohibits credit access to clients and projects with significant environmental and climate-related risks, resolutely withdraws from projects that do not comply with national industrial planning and environmental protection policies and enterprises that fail to meet environmental protection and production safety standards.

◆ Biodiversity conservation



The Bank attaches great importance to the direct and indirect impacts of business activities on ecosystems and biodiversity, and prudently evaluates the impacts of its clients on ecosystems in the credit granting process. The Bank strictly follows the laws, regulations and rules on the protection of biodiversity, initiates the signing of the *Common Action Programme for Banking Financial Institutions to Support Biodiversity Conservation*, implements the Ministry of Ecology and Environment's *Biodiversity Conservation Strategy and Action Plan in China (2023-2030)*, and does not support projects, behaviours, operations that seriously harm biodiversity, actively contributes to enhancing the diversity, stability and sustainability of the ecosystem. The Bank increases financial support in the field of biodiversity conservation, focusing on biodiversity conservation projects such as natural ecosystem protection and restoration, mine ecological protection and restoration, and marine ecological protection and restoration. The Bank supports the comprehensive prevention and control of desertification, and actively supports the construction of the "Three Norths" project and the governance of the Beijing-Tianjin wind and sand source, helping to fight the three major landmark battles. The Bank's credit policies for wind power and photovoltaic power generation industries clearly require to strengthen the awareness of ecological protection, strictly comply with the requirements of the red line of ecological protection, the bottom line of environmental quality, the upper limit of resource utilisation and the ecological environment access list, and pay close attention to the impacts of the construction of the projects on the ecological environment and biodiversity.



Due Diligence Process

The Bank pays close attention to the impact of ESG risk factors on the overall credit risk in investment and financing business activities, formulates targeted risk mitigation measures, deeply integrates ESG risk factors into the credit risk assessment and review process, and covers the key procedures of pre-loan, in-loan and post-loan management, so as to endeavour to achieve sustainable development of investment and financing business.

◆ Regulatory policies

The Bank's *ESG Risk Management Measures* clearly stipulates that for investment and financing businesses such as corporate credit business, retail credit business, financial market business, financial institutions business, investment banking business, etc., each branch shall comprehensively, deeply and carefully investigate the ESG risks of client when accepting business and conducting due diligences.

In combination with the *ESG Risk Management Measures*, the Bank formulated and implemented the *Operating Procedures for Evaluation of Fixed Asset Projects (2023 Edition)*, the *Operating Procedures for Approval of Comprehensive Financing for Corporate Clients (2023 Edition)*, issued the *Notice on Adjustment of Approval and Authorisation of Comprehensive Financing for Corporate Clients*, formulated differentiated approval processes, authorisation schemes, and approval strategies, and developed approval guidelines for key state-regulated restricted industries and industries with major risks. The Bank cooperates with assessment reports on ESG risk-related situations to gradually optimise the practical path of ESG risk assessment and management in actual business.

◆ ESG due diligence process

Basic principle

In the ESG due diligence, the Bank's business handling institutions give full consideration to the ESG risk factors such as the industry of client, region, environmental impact, social impact, operation and management capabilities, project construction management capabilities, and upstream and downstream enterprises and contractors, etc. The Bank adopts a variety of methods to analyse and judge the possible impact of specific factors on assets safety and to assess the focusing ESG risk areas in the investment and financing business process.

In response to the identified ESG-related risks, the Bank actively promotes the implementation of risk management measures and responding plans according to the nature and severity of the risks and follows ESG-related risk classification standard. The credit approval department and the investment department would implement reasonable and differentiated credit approval and investment strategies and continue to improve the risk escalation management mechanism for scenarios involving risk escalation identified during the due diligence process.

The Bank's ESG risk response initiatives include, but are not limited to: setting limit standards for environmental protection indicators, adjusting the credit scheme, increasing the capital ratio, suspending new credit, compressing the stock of business, requiring rectification of laws and regulations violations, signing special commitments, increasing frequency of enhanced reviews, and expanding focus on ESG factors, etc. The Bank strictly restricts credit granting or investment to clients who have serious violations of laws and regulations or major risks in environmental, social and governance aspects.

The Bank continues to carry out specialised research plans for business lines, with 507 projects carried out across the entire business line in 2023. 92 of which were completed under the leadership of the Head Office's Credit Approval Department, and 34 of which were focused on the environment, climate change and green credit, representing 36.96% of the total and covering energy, chemical, iron & steel, transport and other industries, to promote further enhancement of ESG risk management capabilities in key industries. In 2024, the Bank has launched more than 500 specialised research plans for credit approval, covering major industries mentioned in *2024-2025 Action Plan for Energy Conservation and Carbon Reduction*. The research plans will further clarify credit approval strategies for the above mentioned industries, guiding the Bank to standardise risk tolerance and customer selection.

Implementation performance

Through in-depth analysis of the correlation between ESG rating indicators and credit risk, the Bank incorporates ESG rating indicators that have a direct impact on credit risk into the calculation of clients' credit rating results, so that the credit rating results can fully reflect clients' differentiated ESG management level and risk characteristics. Enterprises with a better level of ESG management will be able to achieve credit rating upgrades, while enterprises with a relatively inadequate level of ESG management or those triggering negative ESG matters will be appropriately downgraded. Credit rating results are widely used in the entire credit business process of non-retail clients, including client/product admission, credit policy, line credit, credit authorisation, loan pricing, asset classification, impairment charges, economic capital/regulatory capital measurement and bank-wide performance assessment.

I Credit business

The Bank formulates environmental, social and climate-related risk management policies for all corporate clients who grant public credit, incorporates environmental, social and climate-related risks into the entire process of credit management. The Bank focuses on high-energy-consuming and high-emission projects, and takes energy efficiency levels, greenhouse gas emissions and pollutant emissions as important basis for client and project selection, credit approval and post-loan management.

The Bank explicitly requires that the initiation of project assessment should comply with the requirements of environmental, social and climate-related risk management, and provide necessary environmental impact assessment documents. If a client has a major environmental or climate risk incident, including being rated as an enterprise with an environmental protection warning or an enterprise with bad environmental protection performance in the enterprise environmental credit evaluation, being involved in a lawsuit for environmental or climate reasons and it may have significant adverse impact on the enterprise, being ordered by competent government departments to shut down, violating laws and regulations and the violation is difficult to be rectified, and other situations in which major environmental and climate risks and hidden dangers arise, a review of the group comprehensive financing and limit the single-account comprehensive financing limit shall be promptly initiated. In the entire process of credit granting business, any instances of environmental violations for which rectification measures have not been approved by the authorised environmental protection department shall not be declared, accepted, and approved, and the stock business shall be reduced and withdrawn.

Client access

- The Bank assesses the degree of environmental and climate risks of clients, pays attention to the possible impact of enterprises' production, operation and project construction on the environment as well as the completeness and effectiveness of their environmental protection measures, and implements the "one-vote veto" mechanism. The Bank pays close attention to industries with potential environmental risks and mainly assesses the coal consumption of thermal power projects.
- The Bank does not issue loans to projects without environmental impact assessment report. Regarding clients and projects that do not meet national policies or regulatory requirements or environmental protection standards, or have environmental and climate violations and have not completed relevant remediation, being rated as an enterprise with an environmental protection warning or an enterprise with bad environmental protection performance in the enterprise environmental credit evaluation, being involved in a lawsuit for environmental or climate reasons and it may have significant adverse impact on the enterprise, being ordered by competent government departments to shut down, as well as have other major environmental and climate risks, credit initiation, processing or approval will be denied and existing business will be reduced or withdrawn. Regarding those projects which have completed relevant remediation, the Bank requires institutions to comprehensively assess the severity and possibility of recurrence of the environmental violations and the overall impact of relevant penalties on enterprises' operations. For those with serious problems, bad influence, repeated violations or problems that cannot be rectified, the Bank requires reducing or withdrawing from relevant business.
- The Bank improves the application materials for the full processes involving comprehensive credit granting, project evaluation and credit approval to display information related to environmental factors such as carbon emissions, including carbon peak in regions, whether the industry belongs to the key areas for promotion and control of carbon peak and carbon neutrality, major environmental benefits, contribution to carbon emission reduction, and other relevant information.
- The Bank adds green finance evaluation contents to project evaluation and guides business handling institutions to pay attention to the energy conservation, emission reduction, pollution control, etc., of projects. It optimises the main indicator parameters for project evaluation and reflects analysis and evaluation results in the evaluation report to make the project evaluation more targeted, standardised and scientific, providing a decision-making basis for project selection and credit strategies.

In-loan review

- The Bank implements differentiated credit approval strategies based on the level of environmental and climate risks of clients. The Bank does not issue loans to enterprises or projects that fail to implement environmental, social and climate-related risk control and management requirements.

Post-loan management

- In the post-loan inspection, the Bank adds the contents of environmental, social and climate-related risks, strengthens verification and follow-up management of risk early-warnings, and checks early-warning signals in a timely manner. Regarding clients with major environmental, social and climate-related risks, the Bank strictly controls credit exposures and accelerates risks mitigation.

Bond underwriting

In the bond underwriting business the Bank requires bond issuing clients to abide by environmental and social risk management process requirements for corporate clients. In terms of client and project selection and business access, etc., the Bank strictly reviews the environmental and social performance such as energy efficiency, greenhouse gas emissions and pollutant discharge. During client and project selection, the Bank conducts stage-by-stage review for ESG risk intensive clients such as steel and coal enterprises to improve management requirements. In the business access stage, the client's environmental and social risk control system and management level, production and operation and pollution permits obtained, production process and energy efficiency utilisation level in the industry, ESG risk related factors such as regulatory authorities' environmental safety violations and rectification records, are taken as important contents of due diligence.

Investment

In financial market investment the Bank continues to optimise investment philosophy and integrated ESG factors into annual business strategy. When making investment decisions, the Bank pays close attention to the issuers' equity structures and corporate governance, and gives priority to supporting high quality issuers with better ESG performances, as well as contributing to key areas of green and sustainable development of the real economy and the supporting direction of national strategies. In daily management, the Bank continues to pay attention to the negative public opinion regarding issuers within the investment portfolio, and regularly tracks changes in external ESG evaluations of issuers within the portfolio.

Committing to the investment philosophy of "Responsibility + Value", the Bank has established the "responsible investment system for the RMB credit bond investment portfolio" to build a basic framework that covers strategy formulation, transaction execution, post-investment management and fundamental research. The Bank takes ESG-related performance such as issuer's ESG external evaluation, regulatory sanctions, and public opinion information as important references for investment decisions. The average ESG ratings of issuers within the portfolio has consistently outperforms the market average.

ESG rating tool for corporate clients

The Bank continues to optimise the functions of the ESG rating tool for corporate clients, optimises processing rules for ESG evaluation indicators, and expands the ESG rating coverage for clients to strengthen the capacity for assessing the ESG risks of corporate clients. With the quality of corporate clients' ESG-related data being further raised, the Bank realised automated ESG rating of 1.28 million clients who meet assessment conditions.

The Bank actively explores the application of ESG elements in credit ratings, and has completed the integration of ESG elements into the credit rating system for clients across the Bank, with the relevant models covering 121.8 thousand clients with credit balances of RMB14.28 trillion. In actual business, ESG elements are integrated into client credit rating models, enabling credit rating results to fully reflect clients' differentiated ESG management level and risk characteristics, and to promote the application of ESG elements in client access, credit policy formulation, credit approval, etc. This promotes the virtuous cycle and sustainable development of investment and financing business, and provides strong support for actively implementing the requirements of the Central Financial Work Conference and serving the high-quality development of green finance.

As of 30 June 2024

121.8 thousand clients RMB 14.28 trillion

Number of clients and credit balance covered by the credit rating with the ESG elements

Case ESG sustainability loan empowering the green transition

Zhejiang Branch innovated the industry's first ESG sustainable development loan based on the ESG rating tool for corporate clients, made full use of the Bank's ESG rating tool for corporate clients, innovatively designed a pricing adjustment mechanism that dynamically linked the loan interest rate to the achievement of corporate sustainable development performance indicators, and provided favourable interest rates for clients with good sustainability performance, based on the results of the ESG ratings of different clients and changes in the ratings, to help green environmental protection enterprises reduce their financing costs and promote the active emission reduction and carbon reduction of enterprises by financial means, so as to improve the ESG performance of the enterprises. As of 30 June 2024, a total of RMB2.3 billion of ESG sustainability loans has been placed.

Trigger factors and risk escalation process

The Bank requires ESG due diligence in a wide range of investment and financing businesses and projects, ensures that due diligence on ESG-related matters and risk factors is embedded in the regular review mechanism in the project management process, regularly reassesses the ESG risk classification of clients, and based on the results of the assessment, upgrades, downgrades or maintains the level of ESG risk, and accordingly adopts corresponding risk management strategies to effectively prevent ESG risks.

Classification standard

The Bank's *ESG Risk Management Measures* clearly stipulates that ESG risks of clients are classified according to the ESG comprehensive management level of the client (or project), the severity and frequency of negative ESG events, the status of rectification, and the industry or region in which the investment is invested, etc. The risk levels are classified into "four colours and five categories" according to nature and severity, namely green (normal category), blue (concern category), yellow I (observation category), yellow II (remediation category), and red (exit category), so as to strengthen ESG risk management of investment and financing business through classified measures.

- Normal Category: Clients (or projects) hold a robust level of overall ESG management with almost no negative ESG issues.
- Concern Category: Clients (or projects) with a good level of comprehensive ESG management, and in the past three years, there have been individual negative ESG events (rectification has been completed and the observation period has been exceeded) or minor negative events or public opinion; or they have invested in industries or regions that are relative sensitive in terms of ESG risks (except for cases where the clients' own ESG risk management capability is sound, etc.).
- Observation Category: Clients (or projects) with an average level of comprehensive ESG management, and there are serious and above negative events (rectification has been completed and is under observation period), or there are repeated negative events or public opinion in the past three years; or the investment is made in ESG risk-sensitive industries or regions (except for cases where the clients' own ESG risk management capability is sound, etc.).
- Rectification Category: Clients (or projects) with a weak level of comprehensive ESG management and there are negative ESG risk events for which rectification has not been completed.
- Exit Category: Clients (or projects) occur any significant negative ESG events, which represent or are likely to represent a significant risk to the Bank.

The Bank strictly implements ESG risk classification and management requirements, and clearly stipulates that branches and sub-branches to review the classification of clients by ESG risks at least once a year. Clients that are classified into red or yellow shall be evaluated at least quarterly. A review of the classification shall be initiated in a timely manner in the event of a change in relevant environmental protection laws and regulations, industrial policies, industry access policies, etc., or in the client's own ESG conditions.

Triggers

Factors triggering risk escalation management in the ESG due diligence process include negative public opinion incidents, industry/business attributes that have a significant impact on the environment, systemic risks in the governance structure, significant changes in ESG risk performance, regulatory penalty notifications, changes of third-party ESG assessment/rating. If any of these situations triggers ESG risk escalation, the Bank's handling agency will promptly initiate a re-inspection of ESG risk classification. Specific scenarios includes:

- In the last 3 months, the client (or project) received notifications, punishments, or was included in any blacklists or key monitoring lists by financial supervisory authorities, as well as by the authorities in charge of development and reform, environmental protection, food and drug supervision, or price control, or there are major disputes that adversely affect normal construction, production and business activities.
- In the last 3 months, the client (or project) experienced any issues that had a significant impact on environmental, social, and governance, such as negative media coverage, mass incidents, or changes in regional or industry environmental standards.
- Significant governance changes occur, such as asset restructuring, significant shareholding changes, frequent changes in senior management, or significant changes to the articles of association of the listed company.
- Changes occur in the client's environmental, social, and governance assessment by a qualified, independent third-party or relevant authority.
- Regulatory inspections and internal or external audits require adjustments to ESG classification results, or significant changes occur in the client's ESG risk rating results.
- The ESG risk classification results of the client are no longer valid, the validity of the classification results is about to expire, or the classification results need to be assessed or re-examined as required during the validity period, etc.

Risk escalation management

Clients whose risk level upgrades to red or yellow in the ESG risk classification re-examination will be included in the list management, and the classification and re-examination will be carried out on a quarterly basis, while corresponding management measures will be taken according to the upgraded risk level. For credit clients and investment projects involving significant ESG risks, clients are required to submit ESG risk reports, while statements and commitment terms for clients to enhance ESG risk management, and remedies in case of default by clients in managing ESG risks will be established. Where major risks arise, the allocation of funds may be suspended until terminated in accordance with the contract.

The Bank issued a *Notice on Adjustment of Approval Authorisation for Comprehensive Financing for Corporate Clients*, upwardly restricting the approval authority for loans for capacity-expanding projects in the five major industries with serious overcapacity (iron and steel, cement, flat glass, shipbuilding and electrolytic aluminium), the coal chemical industry, coking and coal production category, and thermal power generation and other industries with high environmental, social and climate-related risks, expanding the authorisation of low-carbon business and providing differentiated approval and authorisation policies for green credit whitelisted clients. Furthermore, for enterprises that fail to comply with national policies and regulatory requirements, violate laws and do not complete the rectification, hold environmental credit evaluations indicating warnings or a poor environmental protection record, are involved in environmental and climate-related lawsuits with the potential for a significant adverse impacts, or are mandated by the government to shut down, as well as for other clients and projects with significant environmental and climate risks, the Bank implements a "one-vote veto" on environmental and climate risks and does not grant credit access. Prior to the completion of rectification by existing clients, the credit balance or loan balance is not allowed to be increased (unless it is for the credit business intended for risk mitigation). Clients and projects that pose significant problems, have negative impacts, repeat offences, or cannot be rectified will be promptly reduced and withdrawn.

The reviewed aspects include:

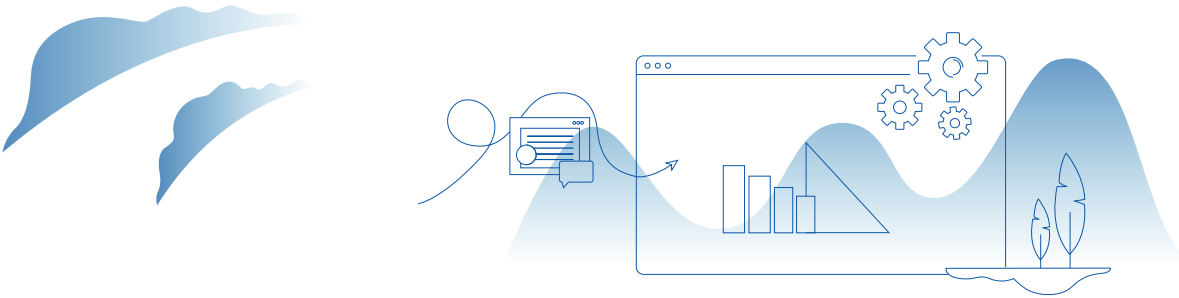
- The actual energy efficiency level, comprehensive energy consumption, energy structure, greenhouse gases and emissions of major pollutants of the client's main products, the implementation of cleaner production, ultra-low emissions renovation, and the results of environmental credit evaluation.
- The impact of the client's production and operation on the ecological environment and biodiversity, and the main measures taken by the client to reduce greenhouse gas emissions, pollution prevention and control, and ecological environment and biodiversity protection.
- Incorporated information on carbon emissions allowance approvals and on trading and clearing performance of clients in national and local carbon trading markets.
- Whether the client faces public opinion incidents on ecological protection, social impact, and biodiversity.
- Problems, penalties, and rectifications found, imposed, or required by ecological and environmental protection inspection teams, ecological and environmental departments of the government, etc.

Case Risk escalation management case

The Bank provided comprehensive financing services to a state-owned energy group. During the service period, a gas deflagration occurred in an enterprise subordinate to the group resulting in a number of deaths, which was a major production safety accident. The Bank promptly conducted a re-inspection of the group's integrated financing line, and delivered approval to a prompt the branch to focus on the follow-up handling of the production safety accident, reasonably assessing the adverse impact caused by the incident. When accepting the individual account integrated financing for the group's subsidiaries, the branch was requested to further implement the handling of the accident, regulatory requirements and the impact of the incident on the operation of the enterprises.

Case Wind power industry ESG risk due diligence

A client is a core first-level subsidiary of a large central enterprise, mainly responsible for the construction and investment of wind power, solar power, small hydropower, biomass energy and other clean energy power generation projects, belonging to the wind power industry in the power production industry. In view of the ESG risks that the client may be involved in, the Bank carried out ESG risk due diligence and evaluated wind and solar energy as renewable and clean energy, which can effectively replace fossil fuel consumption and reduce pollutants and greenhouse gas emissions in the production process. Furthermore, the enterprise reduced carbon dioxide emissions by more than 42 million tonnes through the transmission of clean electricity in 2023, which was equivalent to saving more than 16 million tonnes of standard coal. Based on the due diligence results, the Bank will increase support for enterprise green loans, continue to strengthen regular tracking and observation in and post loan management, and keep paying attention to enterprise's environmental governance, energy conservation and emission reduction, responding to climate change, and realisation of carbon peak and carbon neutrality goals.



Case : Construction engineering industry ESG risk due diligence

A water construction company's main business is river and lake management and flood control facilities construction. The company belongs to the people's livelihood industry which is vigorously supported by the state and plays an important role in the regulation of people's life and property safety and natural environment. At the beginning of 2024, after the Bank identified through an external information platform that the client had been administratively punished by a municipal water conservancy bureau, the Bank immediately suspended new credit business for the client and prudently assessed ESG-related risks. After receiving the administrative penalty, the client actively cooperated with the relevant competent authorities for rectification, held responsible persons in charge of the company accountable, paid the fine of the administrative department of the government department in time, held a good attitude towards rectification and rectification effect was remarkable, and provided the rectification report to the Bank. After the comprehensive assessment, the Bank resumed the delivery of credit products to client, and continued to pay attention to the assessment of ESG-related risks of client by various approaches such as door-to-door visits and the collection of external platform data.

Climate-related Risk and Opportunity Management

◆ Top-level design for climate-related risk and opportunity management







The Bank continues to improve the top-level design for managing climate-related risks and opportunities, continuously enhances the management capabilities, sets out clearly that the Board of Directors is ultimately responsible for the formulation and implementation of the Group's environmental and climate-related strategies, conducts in-depth studies on the disclosure requirements of climate-related information of the International Sustainability Standards Board (ISSB), Hong Kong Stock Exchange, Shanghai Stock Exchange, etc., and pushes for the incorporation of climate-related objectives into strategic decisions, and continuously optimises climate-related governance structure.







The Risk Management Committee of the Board of Directors of the Bank is responsible for overseeing the management of climate-related risks and opportunities, establishing a regular reporting mechanism, assessing the impact of climate-related risks and opportunities on the overall strategy, capital structure, business layout, financial performance, etc., and coping strategies, providing guidance on climate risk stress testing, and actively promoting the enhancement of climate risk management capabilities. In the first half of 2024, the committee listened to the *Analysis Report on Environmental and Climate-Related Risks and Opportunities*, guiding the improvement of the climate risk management mechanism, strengthening professional talent training, and enhancing risk management and information disclosure. Members of the Board of Directors of the Bank have extensive and deep experience in climate-related risk management, please refer to the relevant content of "ESG related skills of Board members" in chapter Governance.

The leading department of the Environment Group of the Management's ESG Promotion Committee (the Head Office's Credit Management Department) is responsible for the Bank's climate risk and opportunity management. Each department of the Head Office is responsible for specific work of climate risk and opportunity management according to the departmental responsibilities and regulatory requirements. All institutions work together to implement the identification, assessment and management of climate-related risks and opportunities, formulate response strategies, integrate the management of climate-related risks and opportunities into the comprehensive risk management system, and continuously improve the quality and efficiency of management.

◆ Climate-related risk analysis







The Bank actively identifies environmental and climate risks from multiple dimensions, integrates climate change risk factors into the traditional risk analysis framework, thoroughly studies the overall impact of environmental and climate risk factors on business models, operation strategies, financial position, etc., and works out targeted measures to ensure stable and sustainable business development. The examples of main environmental and climate risks identified by the Bank and corresponding measures include:







Credit risk		
	Risk factor	<ul style="list-style-type: none">• Losses in clients' assets caused by natural disasters and extreme weather, affecting continuous operation or damaging the value of collaterals.• Operation difficulties and bad debts led by cost rise and output decrease in industries with high-carbon emissions, which are resulted from the need to upgrade technology, the elimination and replacement of outdated production capacity, and the exploration of new energy sources, etc.• Strengthened regulatory requirements/issuance of new policies on environmental protection/raised environmental protection standards, etc.
	Business involved	Investment and financing business
	Major impact	Possible rise in production costs, decrease in profit, etc., for industries with high-carbon emissions as a result of the transition toward low-carbon development, leading to a rise in default risk and pressure on the Bank's asset quality and adjustment of asset structure, risk control policy, etc.
	Time frame ¹	Short term/medium term/long term
	Degree of impact ²	Depending on specific projects
	Response measures	<ul style="list-style-type: none">• Ensure energy security and financial services for the transition toward low-carbon development in a coordinated manner, actively support the development of clean energy industries, promote the steady development of and reliable substitution with new energy resources, and keep credit risk in the energy sector generally under control.• Strengthen the management of credit and investment and financing for industries with high energy consumption and high emissions and include energy efficiency level, greenhouse gas emissions, pollutant discharge, etc., as important basis for client and project selection, credit approval and post-loan management.• Stipulate in credit policies that support will be given to the development of the new energy supply and consumption system with large-scale wind and photovoltaic power bases as its foundation, surrounding clean, efficient, advanced and energy-efficient coal power facilities as its support, and stable, safe and reliable extra-high voltage transmission and transformation lines as its carrier.







Market risk		
	Risk factor	<ul style="list-style-type: none">• Changes of client preferences and investment behaviours.• Fluctuations in carbon prices or changes in the proportion of free quota.
	Business involved	Industries that have been included in the carbon trading market
	Major impact	<ul style="list-style-type: none">• Risk of client loss, decline in product and service demand, etc., if green products are not developed in a timely manner.• Decline in the obligor's profitability or decrease in value of assets as carbon prices rise and free quota decreases.
	Time frame	Medium/long term
	Degree of impact	Depending on the industries' and businesses' specific conditions
	Response measures	Develop products and services that meet the low-carbon and environmental protection demands of clients and consumers in a timely manner.







¹ Time frame: short term (1-3 years), medium term (3-5 years), long term (5-10 years).

² Degree of impact: high, moderate, low.

Liquidity risk		
 Risk factor	Severe weather, natural disasters, etc., cause clients to have operation difficulties and affect the stability of fund liquidity, causing the Bank to face risk in its own operating liquidity.	
 Business involved	The Group	
 Major impact	Restricted operations by clients and the Bank due to insufficient fund liquidity.	
 Time frame	Medium to long term	
 Degree of impact	Moderate	
 Response measures	Pay close attention to identify and assess the impact of climate-related risk factors on the operations of clients and the Bank, include climate factors into the considerations when formulating the liquidity emergency plan, improve the mechanism for integrating risk factors into liquidity management, and strengthen the capacity for preventing and controlling risks.	

Operational risk		
 Risk factor	<ul style="list-style-type: none">• Extreme weather such as rainstorms, floods and typhoons.• Raised environmental protection standards and development of low-carbon technology.	
 Business involved	The Group	
 Major impact	Extreme weather events may cause water outage, power outage, damage to office places, casualties, transportation inconvenience, etc., halting business operations and resulting in losses of assets.	
 Time frame	Short/long term	
 Degree of impact	Low	
 Response measures	<ul style="list-style-type: none">• Revise the operational risk management policy and further improve the operational risk management system framework to align them with new regulatory policies. Improve the full-process business continuity management and responsibility system, develop business emergency response plans, and specify the management requirements for unexpected extreme weather events such as emergency organisation, preparations for emergency, implementation of emergency measures, key points of emergency handling and post-disaster resumption of work and production. Improve the information reporting process, formulate mechanisms for handling different disaster situations, and strengthen Group-wide collaboration for addressing risks.• Select business buildings that meet national technical standards and requirements for preventing natural disasters, make proper preparations for prevention and response, protect the lives and property of the employees and clients, and make sure that assets such as important equipment and cash are properly transferred, protected and dealt with.• Based on the architecture design of "three centres at two locations", achieve 100% coverage of remote disaster recovery construction for important IT systems, and continuously update and iterate to ensure that the disaster recovery capabilities are always ready and effective.• Regularly organise emergency drills and conduct emergency drills for natural disasters such as freezing rain and snow, floods, etc., based on climate change, to improve the emergency response mechanism and strengthen the emergency response capacity.• Continuously pay attention to environmental protection standards, conduct in-depth research and apply advanced energy-saving and emission reduction technologies, take multiple measures to reduce energy consumption, improve server room utilisation and management efficiency, and accelerate the construction of green data centres.	

Reputational risk		
 Risk factor	As public awareness of issues such as environmental protection and climate change grows and consumer preferences shift, environmental performance can affect the Bank's reputation.	
 Business involved	Depending on the source risk that causes the reputational event	
 Major impact	Possible negative views from stakeholders, the public, media, etc., because the Bank's daily operation or business management causes damage to the environment or the Bank fails to take timely actions to address climate change, thus damaging the Bank's reputation and image.	
 Time frame	Long term	
 Degree of impact	Moderate	
 Response measures	<ul style="list-style-type: none">• Strengthen corporate culture and brand building, take on social responsibility, and build a sound social image. Take the initiative to accept public opinion supervision and disclose information in a timely and accurate manner.• Regularly conduct reputational risk investigation, take forward-looking, comprehensive, proactive and effective steps to prevent reputational risk and respond to reputational events, and remove or minimise reputational damage.	

Legal risk		
 Risk factor	Introduction of new laws and regulations and new policies on environmental protection.	
 Business involved	The Group	
 Major impact	If the Bank fails to follow up and study relevant national policies, and formulate and implement specific measures in a timely manner, it may need to pay additional costs, have negative impact on the normal operation of the Bank and even cause the Bank to face legal risks such as fines and lawsuits.	
 Time frame	Long term	
 Degree of impact	Low	
 Response measures	<ul style="list-style-type: none">• Continuously pay attention to China's legislation in the fields of green development, the environment, etc.• Strengthen collaboration of the Group and properly deal with relevant lawsuits.	

◆ The progress of climate risk stress testing

The Bank independently develops a climate risk stress testing system that suits the national conditions of China and the Bank's realities, continuously expands stress test coverage, conducts physical risk stress testing for the first time, and takes further steps to make the quantitative analysis of climate risks more scientific, systematic and practical. In the first half of 2024, the Bank completed the 2023 climate physical risk stress testing report and reported it to the Management, and actively pushed forward the formulation of the main report of the transition risk stress testing and the sub-reports of 10 industries, such as the iron and steel industry. Meanwhile, risk alert letters were sent to key branches based on the stress testing results to effectively prevent climate-related risks. With the results of the climate risk stress testing, the Bank was honoured with the Asian Banker 2023 China Climate Risk Management Achievement Award.

Climate-related risk scenario design

In 2023, the Bank developed climate risk stress test scenarios that suit the national conditions of China and fully align the internationally accepted Central Banks and Supervisors Network for Greening the Financial System (NGFS) scenarios. Four scenarios were designed, namely 1.5°C scenario, 2°C scenario, current policy scenario and carbon peak and carbon neutrality goals scenario, which integrated various factors including China's economy, energy and carbon emissions, climate and environmental policies, global climate governance, etc.

The carbon peak and carbon neutrality goals scenario developed by the Bank is the first of its kind in the industry. It integrates the "1 + N" policy system and relevant policies under the carbon peak and carbon neutrality goals and has formed a set of indicator systems with quantitative indicators as the mainstay, which can help provide decision-making reference for managing and addressing climate risks of the Bank.

Transition risk stress testing

Testing range and method

In 2023, the scope of industries of the transition risk stress test of the Bank was expanded to cover 10 carbon-intensive industries, including eight major carbon-intensive industries, namely thermal power, steel, chemical, aviation (including airports), petrochemical, building materials, nonferrous metals and papermaking, and carbon-intensive upstream and downstream industries, namely coal and road transport.

The Bank keeps optimising transition risk stress test methods. On the basis of carbon emission rights prices, the Bank fully includes factors such as output, price, cost of raw materials, energy, fixed asset investment, asset stranding, etc., of different carbon emission reduction paths into the driving factors of transition risks. The transmission path of transition pressure from the policy end to the enterprise end and its rules for measurement of financial statements are clarified.

Testing results

The base period of the transition risk stress test is the end of 2022 and the test period is from 2023 to 2060.

The test results show that if effective measures are not taken and climate change is not addressed proactively, under the four set scenarios, the loan repayment capability of the clients in the 10 carbon-intensive industries all see declines of varying degrees, a rise in probability of default, and a downgrade in credit rating. The aviation, thermal power, steel, and petrochemical industries are impacted most under the carbon peak and carbon neutrality goals scenario.

In the medium to long term, the impacts on the Bank's capital adequacy ratio decline under all the scenarios. Under the 1.5°C scenario, the 2°C scenario, the current policy scenario and the carbon peak and carbon neutrality goals scenario, the capital adequacy ratio declines by 4.15, 3.11, 1.61 and 1.65 percentage points in 2030 from the base period respectively, and by 5.21, 5.03, 3.44 and 4.93 percentage points in 2060 from the base period respectively. Under the carbon peak and carbon neutrality goals scenario, the capital adequacy ratio declines markedly after 2033 due to a significant increase in policy pressure.

Climate physical risk stress testing

The Bank actively expands the depth and breadth of climate risk stress testing and conducted physical risk stress testing for the first time in 2023.

Testing range and method

Based on meteorological observation data of China, disaster loss data, the coupled model intercomparison programme in phase 6 (CMIP6) and NGFS scenario data, for the three major disasters of floods, typhoons and droughts which occur relatively frequently in China and cause large losses, the Bank designed physical risk stress scenarios down to the prefecture-level city and linked to the transition risk stress scenarios, and constructed disaster loss curves by region and by type of hazard-bearing body, to quantitatively analyse the impact of the relevant disasters on the value of the Bank's real estate collaterals and loans to agricultural clients.

Testing results

The base period of the physical risk stress testing is the end of 2022.

Real estate collaterals: The test results show that under the existing policy scenario and the carbon peak and carbon neutrality goals scenario, and due to the joint impact of floods and typhoons, the coverage ratio of real estate collaterals to financing exposures of the Bank declines by 7.91 and 6.78 percentage points from the base period respectively. However, after conversion using risk-weighted assets (RWA), the final impact on the Bank's capital adequacy ratio is very small. In terms of disaster type, compared to typhoon, flood disaster has more significant adverse impact on the value of real estate collaterals.

Agricultural loans: The test results show that with the combined effect of floods, typhoons, and droughts, under the existing policy scenario and the carbon peak and carbon neutrality goals scenario, the loan repayment capability of all agricultural clients of the Bank declines at varying degrees and their probability of default rises. However, because relevant risk exposures are small, their impact on the Bank's capital adequacy ratio is very limited. In terms of disaster type, drought is the primary disaster type causing yield reduction and rating downgrading of agricultural clients.

Green Operations



The Bank actively implements the concept of green operation, strengthens green operation management, strictly complies with the *Energy Conservation Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, and other laws and regulations, actively promotes the green office, advocates the implementation of green procurement, strengthens the construction, renewal and operation of green outlets, builds green data centres, improves the green service quality, and carries out green activities. The Bank popularises the concept of low-carbon development and strives to build an eco-friendly bank.

Building a Green and Low-Carbon Bank

The Bank constantly improves green operation capability and continues to build a green and low-carbon bank by promoting green office, advocating green services and green procurement, and advancing the construction of green outlets and green data centres. The Bank comprehensively strengthens the refined management of energy, implements energy-saving technological transformation, adopts high-efficiency and environmental protection equipment, and reduces energy consumption. At the same time, the Bank conducts energy audits throughout the Bank, improves the energy management system, and explores energy-saving potential. The Bank continues to optimise the waste management process, reasonably dispose of all types of hazardous and non-hazardous waste, to ensure the controllability, safety and environmental friendliness of waste disposal.

Green office

Enhancing the management of carbon emissions: The Bank optimises the management system for carbon emissions, upgrades the statistical and accounting functions and adds the function of data analysis. The Bank prepares for building an energy conservation technical renovation project library, further consolidating the foundation for the management of carbon footprints, making the management of carbon emissions more systematic and digital, and providing a strong basis for promoting energy conservation and emission reduction across the Bank. The Bank organises training classes for the management of carbon emissions, which targets the key personnel responsible for the management of carbon emissions at branches, CCB Learning Centre (International Institute), directly affiliates institutions and comprehensive operation subsidiaries and aims to train a talent team dedicated to the management of carbon emissions.

Energy consumption monitoring: The Bank carries out energy audit across the entire bank, comprehensively monitoring, diagnosing and evaluating the economic and environmental benefits of energy use efficiency, energy consumption levels, energy utilisation etc., for all institutions of the Bank, to obtain a clear picture of the current use of energy. The Bank checks main energy-consuming equipment, optimises device operation, improves the efficiency of energy use, analyses and taps the potential of energy conservation, and identifies the directions and focuses of energy conservation.

Energy consumption: The Bank advances the construction of green and energy-efficient facilities, and carries out comprehensive upgrading of office lighting, solar water heaters, air conditioners and other energy-consuming equipment, with the aim of improving the efficiency of resource utilisation and reducing energy consumption. In terms of electricity management, the Bank advocates electricity conservation, optimises the operation pattern of office elevators and refrains from using lights in the daytime, leaving them constant-on or without persons in offices. In terms of water management, the Bank regularly inspects the water supply system to stop the waste of water resources. In terms of the use of official vehicles, the Bank prioritises new energy vehicles to reduce fuel consumption and exhaust emission.

Paperless office: The Bank fully implements paperless office, actively deploys new green and low-carbon digital equipment, and is committed to the digitisation and low-carbonisation of the business process. The Bank scales up the application of the paperless office system, and fully leverages online tools, including the collaborative office platform, email, "Long Video" system, instant messenger and "CCB Employee" to electronise document drafting, circulation, review and signing, settlement and filing and bank information, etc., so as to reduce printing as much as possible, cut the use of paper documents and disposable office supplies, lower energy consumption and enhance the circulation efficiency.

Waste disposal: In combination with the *Operation Specifications for the Management of IT Assets*, the Bank actively optimises the disposal of various types of hazardous and non-hazardous waste. For electronic and hazardous waste, the Bank selects compliant recyclers through open bidding and ensures compliant disposal; for non-hazardous waste, the Bank standardises the disposal of domestic waste, actively implements environmentally friendly disposal methods, cleans and sorts domestic waste regularly, removes food waste and enhances the efficiency of recycling to reduce environmental pollution.

Green outlets

- The Bank formulated and distributed the *Guidelines on Taking Orderly and Effective Steps to Build Green Outlets*, to promote the construction of green and low-carbon outlets, and is committed to building green outlets that are environmentally friendly, energy-saving, and intelligently operated. As of 30 June 2024, the Bank has built and opened a cumulative total of 293 green outlets. The proportion of recyclable materials used in renovated or newly built outlets reached 67.15% by the end of 2023, thus completing the preliminary emission reduction target.
- In terms of the construction of overseas branches, as the first Chinese-funded bank in New Zealand awarded the "Carbon Neutral" certificate by Toitu (a local authoritative agency), CCB New Zealand received certification in 2023 again since receiving certification in 2022. In 2021, after being awarded the "Carbon Neutral" certificate by Climate Active, an official institution in Australia, Sydney Branch has been awarded the certificate for three consecutive years, becoming the only Chinese-funded enterprise granted the certificate for three consecutive years in Australia. For two consecutive years, Frankfurt Branch has been certified "Carbon Neutral" by a local German certification organisation.

Green service

- The Bank promotes electronic business transactions, actively promotes the use of electronic certificates, and accelerates the expansion of the pilot work for deepening the accounting data standard of electronic certificate. As of 30 June 2024, the Bank has issued a total of 9,099.7 thousand bank e-receipts, 4,757.5 thousand electronic detailed lists and 677 digital e-tickets. On the receiving end, a total of 1,011.6 thousand electronic vouchers related to the funding category that met the standards were processed. Of which, 558.7 thousand were digital invoices, 6.4 thousand were electronic non-tax revenue general payment letters, 444.1 thousand were bank electronic receipt, and 2.4 thousand were bank electronic statements. Comprehensively reducing the printing cost of paper vouchers, as of 30 June 2024, the printing cost of vouchers and accounts for the whole bank decreased by 44.45% year-on-year compared to 2023, saving more than 200 million sheets of paper for printing vouchers year-on-year, which is equivalent to an emission reduction of approximately 2,800 tonnes of carbon dioxide.
- The Bank upgrades credit card paper form and billing media, and boosts the substitution of paper bills with electronic ones by refining the rules for sending application forms and bills, WeChat transaction tailing, and publicising electronic bills. As of 30 June 2024, 92.23% of paper bills were substituted by electronic ones, increased by 0.9% year on year, over 1 million paper bills were reduced in total.

Green data centre

- The Bank revised the *Management Measures of Capacity of Data Room Infrastructure*, the *Management Measures of Energy Efficiency of Data Room Infrastructure* and the *Guidelines on Green and Energy-saving Operation* to standardise low-carbon and environmentally friendly operation management of data centres. The Bank issued the *Implementing Rules for Energy Conservation Management of IT Room in Operational Data Centre (Trial Version)* to promote the scientific, reasonable and green use of basic environmental resources in server rooms, to reduce energy consumption in server rooms and to reduce carbon emissions from server rooms.
- The Bank actively promotes the construction of low-carbon and green financial-grade data centres. With PUE of below 1.2 as the core indicator, the Bank benchmarks against the national green data centre selection standard, actively promotes the construction of the new data centre in Inner Mongolia, and lands on energy-saving requirements during the design process of the new data centre in Guizhou in terms of power supply and distribution system, air-conditioning system, and intelligent system.
- The Bank continues to promote the refined management of server room space to reduce fragmented space in the server room, with a focus on optimising the cabinet-level deployment model for innovative equipment for IT applications.
- The Bank gradually carries out green transformation of the old server rooms of the data centres. The transformation of one server room module each at the Yangqiao Centre in Beijing and the Nanhu Centre in Wuhan has been completed, with the adoption of cold aisle closure technology to improve cooling efficiency and reduce energy consumption.
- In winter and transitional seasons, natural cooling of the server room is achieved by making full use of the external natural cooling source through the plate heat exchanger, which minimises the working hours of mechanical cooling, thus cutting down the energy consumption of the air-conditioning system operation.
- Water-source heat pump technology is used to recycle the large amount of heat generated in the server rooms to supply the office area for winter heating and year-round domestic hot water.
- Maintenance plan is strictly implemented, replaces worn parts in a timely manner, and adds lubricating oil, to ensure infrastructures to be in sound conditions, sustained and efficient operation, and reduce unnecessary wear. The quality of cooling water is controlled on a real-time basis, with various indicators of water quality under precise control. This effectively reduces the scale formed in the heat exchangers of water-cooling units and improves heat exchange efficiency. Sustained monitoring is conducted on the temperature difference of the water-cooling units, and the heat exchangers of the main cooling machine are cleaned in a timely manner to boost heat exchange efficiency.
- Establishment of energy consumption analysis and management mechanism, through energy consumption data collection, baseline summarisation, regular meeting analysis and other measures, to detect abnormal energy consumption, to provide a data base for all energy saving and optimisation.
- Carrying out energy-saving transformation of data rooms. The Wuhan Production Data Centre has completed the frequency conversion transformation of all cooling water and chilled water pumps in the data room, optimising the control logic and automatically adjusting the operating power of the pumps in accordance with operational requirements; precision air conditioners have been retrofitted with group-control controllers and air-supply temperature sensors, so as to realise group-control management of precision air conditioners in sub-regions and precision air-supply. The traditional fluorescent light source in the server room building is transformed into LED light source.
- The implementation of ICIM system of the "Smart Park" project in Beijing Daoxianghu Production Data Centre has achieved predictive management of operation and maintenance activities driven by data, statistically analysed the laws and formed the basis for decision-making through the collection and correlation analysis of operation data, which has precisely and accurately improved the resource utilisation rate and management efficiency.
- Beijing Daoxianghu Production Data Centre carries out precision air-conditioning air temperature and fan speed tuning tests by researching and analysing the tolerable ambient temperatures of various types of IT equipments, combining with the load data of cabinets, equipment inlet temperatures and precision air-conditioning systems, and determines the tuning and promotion plans according to the actual conditions of different loaded server room modules, so that the energy consumption of the server room is reduced under the premise of controllable risks.

Green procurement

- The Bank continues to promote the implementation of green and low-carbon procurement, follows the requirements on green procurement across the process of procurement for the commodities listed in the *Green Procurement Catalogue*. In product selection and testing, the Bank adds green assessment indicators. In candidate selection, the Bank prioritises the suppliers with more green qualifications under equal conditions. In procurement, the Bank raises the weight of green indicators.
- The Bank vigorously promotes digital procurement, continuously improves its digital capability, and promotes online operation across the process of procurement while bringing risks under control, to enhance the quality and efficiency of green procurement.
- The Bank dynamically releases the *Bulletin on Green Procurement*, sharing the strategies and guidelines for green procurement to guide green procurement across the Bank.

Case Promoting the construction of green outlets

The Bank actively promotes the construction of green outlets and makes the Xiaolan Sub-branch in Zhongshan, Guangdong a green outlet. The outlet adopted a green decoration process, selecting standard green building materials that meet the requirements of non-toxicity, harmlessness and recyclability to reduce on-site construction pollution; applied an intelligent energy consumption monitoring platform to monitor the electricity consumption of each area in real time, and installed intelligent



lighting equipment that automatically adjusts indoor brightness according to the flow of people and reduces energy consumption; constructed an interactive scene of a financial environmental protection tree and EV charging posts, and encouraged employees and clients to travel green through intelligent interaction; actively carried out green publicity by placing green and low-carbon posters, brochures and videos in prominent positions at the entrance, and placing a series of books on green and low-carbon environmental protection in the reading corner of the Caring Station, which are available to clients for free, so as to comprehensively popularise knowledge of green and low-carbon environmental protection and to fulfil social responsibility.

Case Creating an interactive zone for "Employee Carbon Footprint"

The Bank has fully responded to the call for green development and comprehensively promoted low-carbon operation strategies by creating "Employee Carbon Footprint", a special interactive zone. Through online approval, online training, online meetings, smart canteens and other concrete scenarios as well as interesting design, the interactive zone is designed to encourage employees to work in a green office and live in a low-carbon life, deepen their understanding and recognition of environmental protection and the concept of green and low-carbon, and create a green business card with the slogan of "Low-Carbon CCB, Better Life", which is now being promoted on a pilot basis by the Zhejiang Branch.

Establish the Concept of Green Environmental Protection

The Bank continuously promotes green concepts internally and externally, conducts extensive green and low-carbon research and sharing, and creates a green culture throughout the Bank. In combination with World Earth Day, National Energy Conservation Awareness Week and National Low Carbon Day, the Bank launched publicity on energy conservation and carbon reduction throughout the Bank; organised environmental public welfare activities such as voluntary tree planting and waste sorting, and cooperated with external organisations to carry out environmental protection projects such as the "Caring Station Public Welfare Forest", thereby expanding environmental protection thematic activities and knowledge publicity; launched external publicity on carbon footprint management and effectiveness of the Bank, and released ESG-related articles that gained wide attention from domestic and foreign institutional investors and the public.

Case Popularising green and low-carbon concepts, guiding the practice of low-carbon behaviours

The Bank popularised green and low-carbon concepts, such as green travel, recycling and digital payment, through "China Construction Bank" WeChat official account, encouraged clients to actively practice green and low-carbon concepts, and supported users to record low-carbon behaviours through the "Low-carbon Life" of "China Construction Bank" Mobile Banking App. "Low-carbon Life" is a personal carbon account service launched by the Bank in early 2022, which collects data on 24 types of "financial+non financial" low-carbon behaviours of personal clients, accounts for carbon emission reduction, evaluates the ability to reduce carbon emissions, and carries out carbon inclusive incentives, so as to build a "personal green footprint" measurement infrastructure with the power of finance. As of 30 June 2024, "Low-carbon Life" has provided 2 billion carbon emission reduction accounting services for nearly 10 million users, and has led to a cumulative carbon emission reduction of more than 36 thousand tonnes.

In April 2024, the Bank carried out the online operation activity of "How much do you know about waste sorting" relying on the "Caring Station" App, allowing the public to further understand the knowledge and concept of low-carbon environmental protection through interesting interactive ways such as online quizzes. During the period, the activity page was visited more than 52.66 million times and the number of visitors exceeded 5.1 million.



Steadily Advancing Towards Environmental Goals

The Bank actively implements the strategy of "Carbon Peak and Carbon Neutrality", always adheres to its commitment to energy conservation and emission reduction, strengthens green operation management, steadily promotes environmental objectives such as emission reduction, energy conservation, waste reduction and water conservation, continuously improves the level of refinement of green operation management, formulates targeted green operation initiatives, regularly reviews the progress of various environmental objectives, closely monitors the implementation of energy conservation and emission reduction initiatives, and continues to optimise the path of goal achievement, thus contributing to the sustainable development. For details of the Bank's environmental objectives, please refer to the section "The Impact of Operating Activities on the Environment" in the Bank's *Environmental Information Disclosure (TCFD) Report 2023*¹.

¹ *Environmental Information Disclosure (TCFD) Report 2023*: <http://www.ccb.com/eng/esg/report/index.shtml>

03

SOCIAL

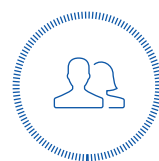


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Human Capital Development

The Bank regards human capital as the core driver of high-quality and sustainable development. The Bank follows the guidance of the talent development strategy, adopts an equal and diverse hiring policy, has an employee training mechanism that is scientific and systematic and conforms to employees' strengths and job-specific characteristics, and fully taps into employees' potential. The Bank provides all employees with comprehensive, diverse, scientific and rigorous benefits and care measures, builds open and transparent employee communication and feedback channels, improves the mechanism for employees to give advice and get feedback, puts forth effort to create an equal, friendly and enterprising working atmosphere, and pursues common development with employees.

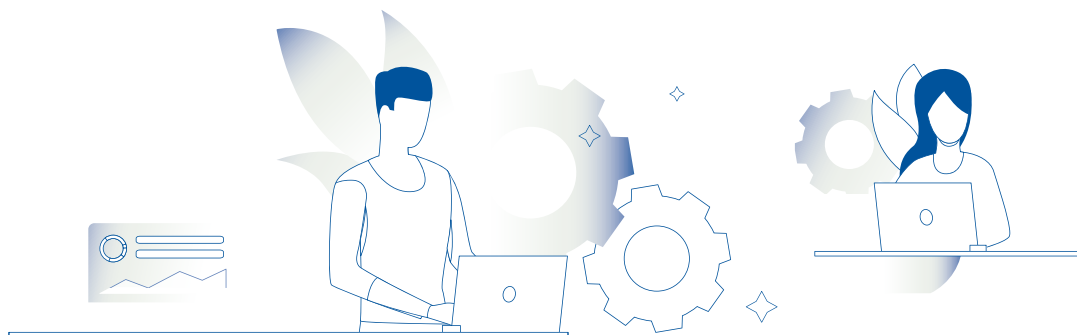


Equal and Diverse Hiring

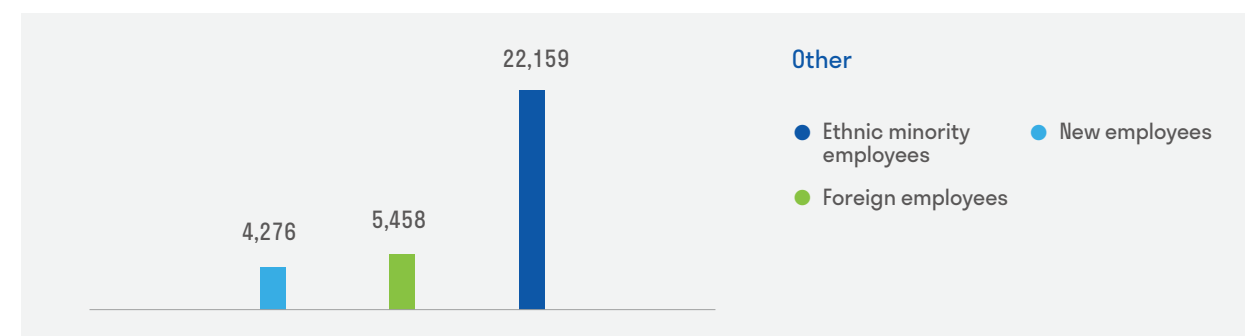
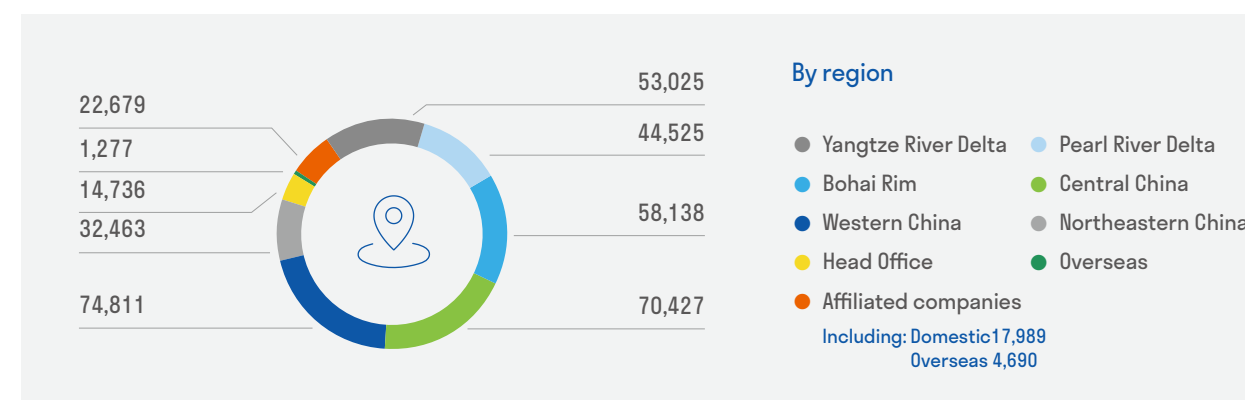
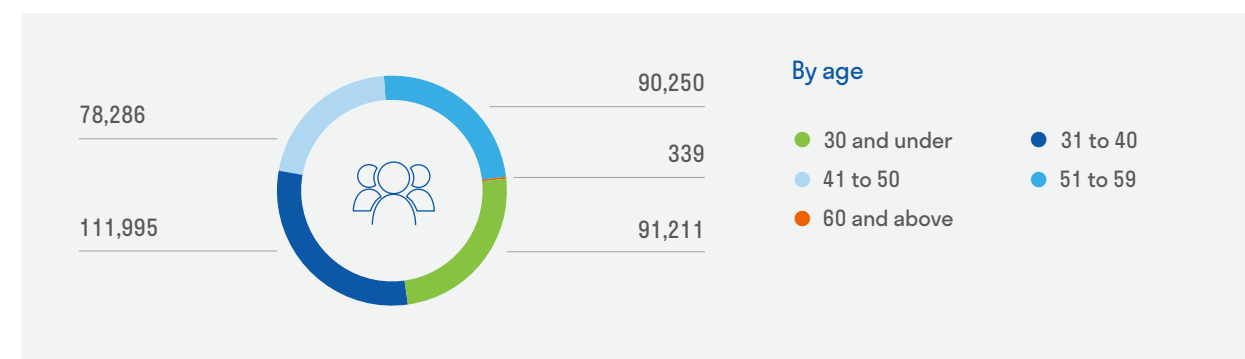
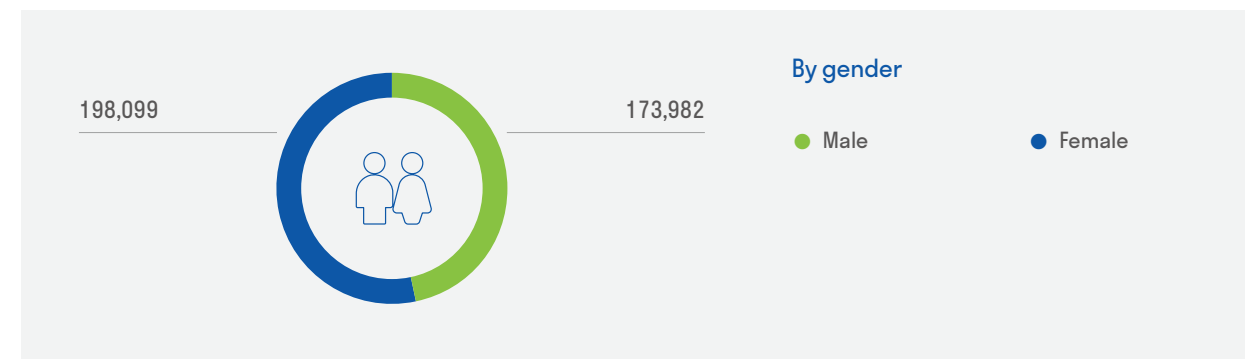
The Bank actively implements the national "employment-first" strategic requirement, earnestly fulfils social responsibilities as a large state-owned bank, and conducts open recruitment strictly in accordance with laws and regulations. The Bank actively expands hiring channels, upholds the principles of openness, equality, competition, and merit-based selection in hiring, and looks for diverse excellent talent. The Bank firmly safeguards equality in employment, prohibits discrimination based on gender, ethnicity, region, religion, etc., and is committed to creating a diverse, inclusive, equal and fair employment environment. In recent years, the Bank has continuously expanded its hiring, providing diverse job opportunities from different regions, institutions, and professional areas to people with different professional background. The Bank strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other relevant laws and regulations, performs labour contract management for all employees, keeps refining and strengthening employment related policies and procedures, safeguards employees' legitimate labour rights and interests, and prevents all forms of child labour and forced labour, to make sure that employees have an equal and fair working environment.

Meanwhile, the Bank has continuously enhanced support for employment and improved the level of refined management, striving to create a stable and orderly employment environment and provide job seekers with employment service with a human touch. In December 2023, the Bank won "Top 100 of China Best Employers" in the selection of "China Best Employer Award 2023". In May 2024, with outstanding performance in campus recruitment work, the Bank was awarded "Outstanding Campus Recruitment Award 2024".

As of 30 June 2024, the number of employees hired by the Bank by employment type was as follows:



Unit(persons)



Note: The data statistics for ethnic minorities and new employees are based on the China Construction Bank and do not include subsidiaries.

Talent Development Strategy

◆ Talent development plan

The Bank attaches great importance to talent development. It has implemented the "14th Five-Year Plan" *Talent Development Plan* and carried out major talent programmes and specialised talent training plans in key areas such as FinTech, wealth management, risk compliance, digitalised operation, platform operation, green finance, rural revitalisation, and fund business. Through special campus recruitment, precise market-oriented talent introduction, and establishment of talent training bases, the Bank continuously promotes integration of production and education, actively carries out joint training programmes and graduate training plans, refines and puts in place key talent training measures, and fosters high-calibre financial talent and facilitates their growth.

◆ Analysis of human capital

The Bank conducts analysis of human capital on a regular basis. It thoroughly analyses the personnel structure and efficiency based on the strategic objectives and business development of the Bank and develops scientific and reasonable human resource allocation strategies, to realise sustainable and high-quality development. The analysis of human capital of the Bank includes:

Total number of employees

The Bank keeps up with talent reserve at real time. The Bank assesses and analyses the requirement on the total number of employees from multiple perspectives using the tools embedded in the human resource management information system, based on the Bank's strategic planning, business development, operating budget and other factors.

Employee structure

The Bank dynamically tracks business development and needs, takes into full account factors such as business volume, working efficiency of employees, etc., conducts precision quantitative evaluation of personnel needed for key positions, continuously improves the employee structure, and provides scientific suggestions and reference for the employee allocation of the Bank. The Bank applies digital analysis tools to conduct fine analysis based on scenes, intelligently match expert talent, and strengthen the building of diverse talent pools.

Employee hiring and screening

The Bank strictly manages the employee hiring and screening procedures. It uses the intelligent hiring system and the resume analysis tool to analyse received resumes and pays major attention to key attributes of candidates such as educational background and qualification. By doing so, it has systematically and intelligently improved the hiring efficiency and quality and provided strong support for the talent selection of the Bank.

Employee turnover

The Bank highly values the importance of employee stability to development. It uses the human resource management information system to ensure the fundamental work of turnover monitoring and analysis, guides and urges operations at all levels to strengthen turnover management, refines the employee turnover management process, and takes targeted improvement measures to strengthen workforce stability.

◆ Building of specialised talent teams

The Bank constantly enhances introduction of specialised talents in key areas, continuously expands the breadth and depth of talent selection, further refines the employee specialty structure, and actively promotes the development of specialised talent pools, so as to provide diverse talent reserve and support for business development and transformation. Based on its actual business needs and major strategies, the Bank attaches great importance to introduction of talents with science and engineering educational background, including specialised talents in key areas such as FinTech, digitalisation and green finance, and further enhances the diversity of professional background of employees.

The Bank continuously strengthens the reserve of professional talent and promotes the online management of expert talent pools that covers the whole Bank. More than 10 specialised talent pools including anti-money laundering, data analysis, investment banking, legal, industry research, inclusive finance, wealth management investment research and consumer protection have been established, and the information systems for the talent pool have been continuously enhanced. Meanwhile, the Bank refines the overseas talent pool, reserves and trains international talents, and puts forth effort to build a professionally competent elite team, to meet the global development needs of the Bank.

Empowering Employee Growth

The Bank attaches great importance to employee growth and development, continuously deepens employee career development training, and empowers employees to realise their personal career goals. The Bank formulates targeted career development plans for employees of different positions, levels and professional backgrounds to help them become more competent for their jobs and gain a better understanding of career cycle and development direction. Meanwhile, the Bank establishes a broad employee development platform, strengthens cooperation with external educational institutions, supports employees obtaining professional qualifications and academic degrees, stresses leadership training, and seeks common improvement and development with employees.

◆ Education and training system construction

Under the guidance of the talent development strategy, the Bank continuously strengthens the overall planning of employee education and training, focusing on serving the high-quality development of the entire organisation and talent construction. The Bank develops a tiered and categorised training system, integrates high-quality training resources both inside and outside the Bank, and promotes the construction of an online learning platform. Therefore, employee training facilitates strategy execution, business development and employee growth.

Full-cycle training system for employee career development

Based on the strategy advancement and business development, the Bank has continuously improved the enterprise-level learning product system, and has now developed a full career cycle learning product, from new employees, core team members to intermediate and senior management and professional ranks. In addition, the Bank has developed a learning map covering all the business segments according to the sequence of professions, and established a four-in-one knowledge system of "teaching materials, question bank, training, examination" to smooth the growth paths of employees' learning, assessment, development and promotion, and promote education and training as an important engine for the building of a learning organisation.

"CCB Learning" platform

The Bank keeps improving and upgrading "CCB Learning", connects internal and external resources, refines learning functions, and steadily strengthens digital learning service capacity. The Bank continuously improves digital learning tools such as "CCB Learning" training camp and open learning communities, accelerates the building of the digital library, examination and assessment systems, and qualification management systems, and builds an efficient and convenient basic service platform for digital learning, so as to promote the transformation and upgrading of the Bank's digital learning concept.

Education and training resources

In order to comprehensively enhance professional education and training, the Bank establishes a three-in-one faculty system with "full-time teachers, part-time teachers and teachers from outside the Bank". As of 30 June 2024, the faculty number reached 6,015. 418 learning projects were launched in the enterprise-level learning product library. The bank-wide teaching material library had a total of 99 sets and 172 volumes of teaching materials in use.

◆ Specific career development training programmes

The Bank continuously improves the training development system that covers all employees, upholds the principles of coordinated development and sharing, actively integrates internal and external quality training resources of the Bank, and implements targeted and effective training strategies. Based on the requirements of each business segment for business growth and talent team building, the Bank analyses in depth the characteristics of professional qualifications or skills required for different business lines and positions, carries out targeted and highly feasible specific career development training programmes, and makes sure that the training programmes precisely match both business and talent development needs. In the implementation of the training programmes, the Bank carries out classified and hierarchical training in multiple forms via multiple channels according to job responsibilities and competency requirements.

The Bank provides resource support and guarantee measures for specific career training. On the basis of improving the internal training and teaching systems, the Bank actively introduces excellent resources from outside the Bank to provide more professional and refined training. To meet training needs, the Bank invites external experts to give lectures to help employees gain insight into the frontier trends of the industry and master core knowledge and skills. The Bank deepens cooperation with external educational institutions such as universities, plans and develops characteristic talent training programmes. Besides, the Bank provides resources for employees to participate in external professional training to further strengthen professional competence.

Job level examination system for professional and technical positions

The Bank has established an internal learning and examination system that covers all employees, making "learning and applying" the primary way for professional talent to advance in their positions. On the basis of setting up a dual career path of management positions and professional and technical positions, the Bank further deepens the employee career development path planning, refines the career system for each position, and continues to improve career promotion rules. The Bank stresses the importance of community-level practice and selects excellent personnel through scientific and reasonable competition mechanisms. By continuously improving the hierarchical job level examination system for professional and technical positions that covers all employees, the Bank scientifically and reasonably establishes examination subjects that cover areas such as corporate finance, personal finance, risk management, and financial accounting, and encourages employees to continue to dig into their professional fields and strengthen their skills and specialty literacy.

Themed labour and skill contests for all employees

The Bank actively holds themed labour and skill contests for all employees to fully stimulate employees' enthusiasm for labour and work. By promoting "training" through "contests", it can stimulate their enthusiasm for increasing knowledge, enhance capabilities and strengthen skills, guide them to motivate themselves and make contributions. In 2023, in the themed labour and skill contests for all employees of the Bank, the Head Office's strategic special competitions covered the Bank's five major business segments and were launched for employees in 15 business lines, involving a wide range of projects including the development and application of intelligent risk control tools, corporate client manager capability enhancement, wealth management professional capacity enhancement, operational capability of the "binary star" platforms, AI, etc. A total of 621 collectives were rewarded, and 1,149 employees were rewarded, creating a favourable atmosphere of entrepreneurship and achievement throughout the Bank. The Head Office has integrated competition activities carried out independently by all the Bank's institutions, allocated special expenses to each tier-1 institution to support the development of themed competitions for branches and sub-branches, and created a "big-picture" competition pattern.

Training for personnel at primary-level outlets

The Bank attaches great importance to the service work at primary-level outlets. It implements strategies and upgrades service quality of outlets, improves the training system for outlet operations directors, outlet client managers and outlet customer service managers, and strengthens the job adaptability of employees. By doing so, it empowers outlet employees and reduces their burdens and helps them better serve clients and promote sustainable and healthy business development of outlets.



Training programme
for outlet operations
directors

Focusing on the key contents of the routine work of outlet operations directors in business operation management and compliance operation risk control, the programme has five module curricula, those are, management enhancement, risk prevention, service upgrading, competence improvement, and communication and sharing, and aims to foster outlet operations directors' capabilities in coordinated management, client service, compliant operation and risk control, and improve the operation quality and efficiency of outlets. In the first half of 2024, seven on-site training classes were held, training 420 outlet operations directors in total.



Training programme
for outlet client
managers

The Bank focuses on the pain points and difficulties facing outlet client managers in digital marketing and wealth management, and embeds the concept about digitalisation, specialisation and integration into project design. The Bank develops three types of courses, including leadership by Party building, business development and improvement of comprehensive literacy, and establishes a full-chain learning path that combines "special online section for learning, systematic offline training and post-training tracking and tutoring". The diverse learning ecosystem helps regulate and professionally upgrade the service team, serves the building of a tiered outlet client manager team, and contributes to the greater value-creating capacity of outlets. In the first half of 2024, 11 on-site training sessions were held, training 613 client managers in total.



Training programme
for outlet customer
service managers

Focusing on the key aspects of the daily work, such as customer service, counter operation and outlet operation, of outlet customer service managers, the Bank establishes a core course system. Through diverse ways like operation manual learning, micro-lesson learning, onsite training, focus livestream and pre-exam tutoring, the Bank helped outlet customer service managers raise the awareness of their positions, strengthen protection against risks, and enhance professional literacy. Meanwhile, the Bank strengthened the development of the special online learning section, created a digital learning environment and met the learning needs of outlet customer service managers for exams, certification, improvement of abilities and exchanges. In the first half of 2024, 14 on-site training sessions were held, training 827 outlet customer service managers in total.



建证成长
BE BETTER WITH YOU
网点客户经理学习项目

Training of international talents

The Bank continues to deepen the training of international talents and specialised talents, expands the cooperation network, and introduces internationally advanced financial concepts and best practices, to build a professionally skilled team with a global vision and international competitiveness. To meet the needs for internationalisation, the Bank, through the "CCB Learning" platform, provides all employees with diverse foreign language learning materials, to foster and expand the team of international talents. The Bank draws from international experiences in promoting high-quality business development, and launches "Global Webinars", inviting world-renowned professors and industry experts to share their insight through online lectures, which cover topics such as macroeconomic situation, internal control and compliance, green finance, housing finance, etc. The Bank continues to build an international financial talent team, and uploads learning resources including those for "Chartered Financial Analyst (CFA)" onto the "CCB Learning" platform, to support employees preparing themselves for relevant qualification certification exams.

Training in collaboration with external institutions

The bank continues to enhance the training of professional talent, increases resources support for internal and external training, and enhances talent reserves for various business lines. In doing so, the Bank aims to improve employees' expertise and skills specific to their positions, as well as their professional service abilities and practices.

Talent type	Measures	Training results
International finance talents	The Bank developed the "Exploration Trip Learning Programme under the CCB Learning Programmes for Enhancing International Competitiveness", "Training Programme on RCEP Region-ASEAN Financial Connectivity" jointly with the Southwestern University of Finance and Economics. The move aims to continuously train talents dedicated to international finance, and help the Bank compete internationally.	Six training sessions are planned for 2024, aiming to provide the Bank's employees with professional and systematic training on international business.
Risk management talents	Established the Systematic Risk Research Centre jointly with Nankai University, and the Credit Risk Management Teaching and Research Centre jointly with Zhongnan University of Economics and Law. The move aims to boost employees' professional abilities and literacy in areas like systematic risk, credit risk and green finance.	One training session themed credit risk management was held in 2024, aiming to help employees improve the professional literacy and abilities in credit risk management.
Legal talents	The Bank collaborated with Zhongnan University of Economics and Law and leveraged its state-level key disciplines, state-level law experiment and teaching centre and other unique advantages to develop the "Learning Programme for Improving Legal Abilities".	One training session was held in 2024, aiming to raise the practical abilities and legal awareness of the personnel in the legal line across the Bank.

◆ Graduate training/internship programmes

The Bank continuously enhances the training for young talents with great potential, tailors a variety of plans for the cultivation of college graduates, provides them with clear career paths, and helps them integrate into the Bank's culture, better understand the Bank's values, and grow with the Bank.

Graduate training programme

The Bank presses ahead with the online talent programme, which targets the students with excellent academic achievements at the universities partnering with the Bank. After going through strict screening, excellent university students will be admitted to a 5-month online talent training programme. In each month, they engage in deep learning with different themes. Through interactive workshops and online learning programmes, they are guided to explore their potential and discover more self-development opportunities, thereby laying solid groundwork for their future career.

"CCB Intern" internship programme

Since 2019, the Bank has carried out the "CCB Intern" summer internship programme, targeting the on-campus students of all universities and majors both at home and abroad. The Bank provides banking internship and occupational experience to help students learn about banking operations and accumulate practical experience. The Bank has also provided on-campus students of the IT major with a fintech-themed summer internship programme. This allows the students to deeply engage in the fintech project research and development, exploration of innovative technologies, big data analysis and application, and the building and operation of digital platforms at the Bank. It also helps them deepen their understanding of the Bank's fintech capacity and related positions, and enables the Bank to attract more high-potential fintech talents to its reserve talent pool. During the summer internship period, "CCB Intern Star" selection and the "FinTech superstar" competition are held concurrently to commend the students with outstanding performance in internship. Also, campus recruitment policies are also provided to reserve excellent graduates for the Bank. Since 2019, the "CCB Intern" programme has drawn nearly 60 thousand on-campus students to the Bank for internship, significantly boosting the Bank's image and appeal as an employer in the job market.



"Your Future with CCB" new employee training mechanism

The Bank offers full support and guidance for employees who are at the initial stage of their career. By forging the "Your Future with CCB" new employee training brand and further refining the training model backed by onboarding training, integration follow-up cultivation, and management trainee training, the Bank empowers the growth of young employees in all aspects.

- New employee training programme.** The Bank organises integrated onboarding training for new employees. Relevant department heads from the Head Office are invited to offer online training on core contents like corporate culture, products and services, leadership building, etc. The training covers new employees of the Head Office, tier-1 branches, institutions directly under or managed by the Head Office, as well as a number of domestic subsidiaries and overseas institutions, ensuring the standardisation and consistency of new employee training across the Group.
- Young employee integration programme.** The Bank tracks and trains the young employees at primary-level institutions serving the Bank for less than three years, helping them get familiar with business developments within the Bank and identify their career paths. The programme focuses on two key positions, namely outlet client manager and counter teller. Based on the ability vulnerabilities and learning preference of the employees in the integration period, the Bank has developed five modules, i.e., online training camps, offline demonstration classes, practice tracking and tutoring, mentor empowerment, and post-training solidification, for the programme, and provided support for programme implementation at branches. The move aims to help the employees in the integration period better adapt to their positions, integrate with the teams and grow fast.
- Management trainee programme.** Relying on the "2+N" high-potential youth talent training system, the Bank explores a tracking-based and tiered talent training model, and fosters future-oriented young talents with innovative awareness and outstanding comprehensive abilities, so as to forge its brand as an employer and build a strategic talent pool. Leveraging the innovation incubation model, the Bank guides management trainees to identify problems arising from business development, and explore solutions to such problems. The Bank drives the organic integration of innovation concepts, design thinking and operations across the Bank, promotes door-to-door teaching and continuously updates learning resources.

◆ Supporting employees in obtaining occupational qualifications and academic degrees

The Bank further deepens the training related to employees' professional abilities and qualifications. It promotes a comprehensive programme supporting professional qualification certification for all employees (including workers dispatched from labour leasing companies), offers professional resources support, and encourages employees to pursue higher academic degrees, broadening their horizon and sharpen their competitiveness. Meanwhile, the Bank constantly improves the internal qualification certification system, ensuring employees' professional abilities to be accurately assessed. Also, the Bank further promotes the grade exams for professional technical positions, pushes employees to improve their professional literacy and skills, and advance with employees together.

Establishing an internal qualification certification system

The Bank continuously improves its self-developed training system for the certification of wealth management professionals, and leverages the "CCB Learning" platform to develop systematic qualification certification courses and an online learning section. As of 30 June 2024, the Bank had cumulatively trained and certified 121 thousand "China Construction Bank Financial Planner (CUFP)" professionals. To improve the professional literacy and service abilities of outlet customer service managers across the Bank, the Bank launched a qualification certification system for outlet customer service managers. Furthermore, the Bank independently developed initial, intermediate, and advanced qualification certification courses for outlet customer service managers and organised online learning. As of 30 June 2024, a total of 69 thousand employees were certified as outlet customer service managers.

Supporting employees in obtaining external professional qualification certificates

The Bank supports all employees in obtaining external professional qualification certificates, and encourages them to continuously improve their professional literacy. Specifically, the Bank provides free Chartered Financial Analyst (CFA) exam tutoring resources for all employees, and annually organises them to participate in international anti-money launderer qualification certification. As of 30 June 2024, the Bank recorded over 2,500 trainees with international anti-money launderer certificates. For professionals in related fields, such as client managers, wealth consultants, and compliance managers, those who have taken and passed the tests for professional qualification certifications, such as Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), CFA ESG Investment, Financial Risk Manager (FRM), Associate Financial Planner (AFP), Certified Financial Planner (CFP), Certified Tax Adviser (CTA), Corporate Finance Consultant (CFC), Certified Treasury Professional (CTP), Certified Private Banker (CPB), Certified Anti-money Laundering Specialist (CAMS), etc., will receive fee support. Under equal conditions, they will be given priority for professional and technical job positions.

Additionally, the Bank vigorously encourages employees to enhance their professional skills, and collaborates with universities at home and abroad on professional certification training programmes, to provide employees with specialised platforms for learning and development and help them obtain professional qualification certificates. The Bank carries out the "Data Analyst Certification Training Programme" jointly with the University of Hong Kong. As of 30 June 2024, a total of 218 trainees passed all the assessments under the programme, and received the professional qualification certificates certified by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.

Launching academic degree programmes for employees

The Bank encourages employees to improve their professional literacy and practical abilities in the financial field. Also, the Bank collaborates with colleges and universities and other institutions on academic degree programmes for employees, leveraging their resources to broaden employees' horizon, deepen their understanding of professional knowledge, and enable them to achieve long-term career development. As part of the cooperation between the Bank and the Hong Kong University of Science and Technology, the "financial technology talent professional master's programme" provides employees of the Bank with a one-year full-time further learning opportunity, and the Joint Research Centre for Financial Technology has developed and improved the financial technology course system.

◆ Leadership development training

The Bank continuously improves the leadership training mechanism for employees at different positions and levels and scales up input and support for leadership training to boost employees' management abilities. The Bank also implements a succession plan for key positions, to ensure the continuity and stability of the talent team, strengthen the reserves of management talents at various levels, and further consolidate the foundation of sustainable development.

Exploring the theories and practices of leadership training

The development of leadership is important for a state-owned enterprise to fulfill its duties and missions and sustain healthy development. The Bank developed and actively implemented the *Opinions on Strengthening and Improving Talent Work in the New Era* to align the abilities of its leaders at various levels with the Bank's high-quality development. The Bank gained a full understanding of the important instructions of General Secretary Xi Jinping, and relevant guiding principles of the CPC Central Committee, analysed future developments and competition trends and reviewed the Bank's business development. Built on these efforts, the Bank innovatively drew wisdom from the history and Party building work of the CPC, and launched the "Excellence-pursuer" model based on the core requirements in three aspects, i.e. "highlighting politics, understanding operations and excelling at management".

Meanwhile, centring on the "Good Builder" leadership model, the Bank further developed the model use manual, leadership training manual, micro-courses for the leadership model, and other supporting tools and teaching activities, and applied them to classes like "Main Class" and "Lanying Class". The Bank designed leadership teaching modules with the model at the core, and carried out activities like leadership model salons and leadership boards, to help trainees use the model and supporting tools to refine personal leadership. By unifying training standards, clarifying training paths and providing auxiliary tools, the Bank created a panoramic view for improving the leadership of its leaders, effectively empowering the high-quality development of the Bank and the growth of leaders.

Core courses system for leadership training

To boost the quality and efficiency of training on the abilities of leaders to perform their duties and foster a talent team that highlights politics, understands operations and excels at management, the Bank centres on its core work and functions, and constantly launches and improves leadership courses respectively themed Red (Party building), Blue (operations) and Green (leadership) under the framework of the "furnace-like" three-coloured training system. By far, the Bank has developed featured courses including the *Party's Legacy at CCB*, the *High-Quality Party Building Leads High-Quality Business Development*, the *Strategy Accelerator*, the *Comprehensively Improving Leadership at CCB*, and the *Leadership Salon*. Also, the Bank constantly introduces new training methods and approaches and actively develops featured courses based on lecturing, cases, simulation or experience to continuously improve the practical effects of teaching and training work. For example, novel and impressive, the *Case on Party Spirit Cultivation by Zhang Fuqing, an Excellent CPC Member* has kept expanding its influence, and been taught at branches and outside the Bank on multiple occasions, truly giving the Bank's voice, telling the Bank's stories and demonstrating the Bank's quality.

In the first half of 2024, the Bank's Party School further refined the experience course of *Identifying People by Discriminating Colours-4D Leadership*, and updated or revised auxiliary all teaching tools and course manuals, and gave lectures for key classes including the 48th maining class of the 2024 Party School Spring Semester. Focusing on the pain points and difficulties in actual management, the course offers real and vivid enterprise operation and management scenarios, and introduces scenario simulation and group decision discussions, among other lecturing ways. Through practical, quality and efficient training and immersive course experience, it helps the leaders raise self-awareness and enhance abilities in effective communication, efficient management and client acquisition.



Leadership training for front-line management personnel

The Bank attaches importance to improving the abilities of front-line management personnel, increasing input and support for leadership training and enhancing employees' management abilities. A three-tiered leadership training system, comprising training for outlet heads, heads of county sub-branches and heads of tier-2 branches, has taken shape.

Learning programme to boost the abilities of outlet heads

Based on training requirements, the targets of training covered newly appointed outlet heads, part-time lecturers for outlet heads, and reserve talents for outlet heads. Standard course systems have developed for each type of training targets. Diverse training forms, including livestreams, online training camps, offline centralised training, and door-to-door teaching, were available, to better meet the demand of tier-1 branches for the regular training of outlet heads. Meanwhile, the Bank tailored training contents and organisational forms based on the personalised demands of branches, and helped branches summarise experience in employee training, creating a unique model for training outlet heads and a template for the outlet head training programme. As of 30 June 2024, 21 training sessions were organised, training 1,191 outlet heads and reserve talents.

Learning programme to boost the abilities of heads of county sub-branches

Heads of county sub-branches play an important leading role in driving the operations of county-level institutions. The Bank launched the learning programme to boost the abilities of the heads of county sub-branches, and designed two modules, namely "must-knows" and "practice", based on the actual work of the heads of county sub-branches. The programme aims to cultivate the group's commitment to the Party and improve their abilities in risk control and compliance operation. The programme applies MBTI and other personality analysis tools to organise competency assessment of trainees, helping them understand their own qualities, while providing a basis for organising learning content and selecting teaching methods, so as to effectively enhance the relevance of training.

Learning programme to boost the abilities of heads of tier-2 branches

Heads of tier-2 branches are the central force for the Bank's strategic implementation and business development. The programme is built on the case teaching model that combines training with practice. The heads of the Bank's tier-2 branches with outstanding performance in operation, management and innovative reforms were invited to share cases and operation practice, improving the effectiveness of training. Additionally, trainees were organised to extract knowledge and compile cases, reproducing the real working scenarios of the heads of tier-2 branches. By connecting the knowledge points about leadership through scenario-based cases and combining business practice with theories, the programme helped trainees enhance professional and management abilities.



Key position succession system

Highlighting overall talent planning and systematic arrangements, the Bank strengthens the building of senior management teams of institutions at multiple levels, and vigorously identifies, cultivates and selects excellent young talents, to provide a constant stream of new forces to empower the Bank's sustainable development. The Bank actively improves the career path for employees, defines a clear position system, and formulates and implements the succession plans for management personnel. Targeting young employees, the Bank comprehensively refines the mechanism for selecting, cultivating and managing management personnel, and specifies the normal target of young managers as a proportion of the management. In the first half of 2024, the Bank carried out various management work centring on the key position succession mechanism.



Implementing the supporting mechanism

Highly valuing the cultivation of successors for key positions, the Bank has established a succession mechanism for the management and standardised the process for succession management, so as to provide a strong talent support for the Bank's sustainable development and steady operation. The Bank developed relevant policies, specifying the selection criteria, cultivation plans, file management, assessment and other detailed requirements for successors, and standardising the succession process and successor management work. The Bank's Management takes part in and guides the succession work for key positions and supervises its effectiveness. The HR Department of the Head Office is responsible for execution, and heads of business departments take charge of successor management in a coordinated manner.

The Bank regularly analyses team composition and personnel demands, and identifies the mobility risk associated with the employees in key positions. For the key positions exposed to high mobility risk, the Bank summarises the professional skills required by specific positions based on the characteristics of such positions, defines selection criteria, works out detailed successor training plans, and searches potential successors suitable for the positions. Furthermore, the Bank implements a rigorous and fair selection mechanism to select the promising and competent successor candidates for the succession cultivation plan. Also, successor files and a successor assessment mechanism are established to regularly assess the candidates' performance and abilities. The results will be used as a major basis for appointment to ensure the successors most suitable for the positions are selected.

The Bank reviews the successors annually, with a focus on their performance, assessment results, comments and the proficiency of their skills needed for the positions, and tracks them continuously. These efforts ensure the successors for key positions are competent for the positions and the succession process is fair, just and effective.

Carrying out joint talent cultivation programmes with educational institutions

The Bank keeps deepening cooperation with educational institutions, including the first-class universities like Peking University HSBC Business School, Beijing Foreign Studies University and Shanghai International Studies University, and vigorously creates a unique mechanism for joint talent cultivation. In doing so, the Bank aims to provide employees with a variety of learning and exchange opportunities, cultivate the financial talents with exceptional abilities and professionalism, and build a higher-quality and more professional talent team. The Bank actively cooperates with specialised educational institutions and fully leverages external resources to offer layered, classified and internationalised training for members of middle and senior management and the overseas talent pool.

The Bank develops and implements joint cultivation programmes together with prestigious universities at home and abroad, with the aim to foster and improve the professional skills and comprehensive quality of the talents in key positions.

- In cooperation with Xi'an Jiaotong University, the Bank launched a two-year minor training programme called the "CCB Financial Technology Elite Class" to cultivate interdisciplinary talents with insight into emerging and cutting-edge technologies and a solid foundation in the financial discipline. The programme enrolls the undergraduate, graduate, and doctoral students majoring in science and engineering at Xi'an Jiaotong University annually. After completing the programme, the students can obtain bachelor's degrees in economics and relevant certificates. As of 30 June 2024, a total of 49 students completed the program and graduated.
- The Bank furthered the cooperation with the Hong Kong University of Science and Technology. As part of their collaborative initiatives, the "financial technology talent professional master's programme" provides employees of the Bank with a one-year full-time further learning opportunity, and the Joint Research Centre for Financial Technology has developed and improved the financial technology course system. The Bank has actively advanced the cooperation with third-party institutions and developed talent training plans to foster competitive financial talents and promote the balanced development of the financial industry.

Non-salary Benefits

Being people-oriented, the Bank prioritises the protection of employees' rights, cares for employees, and adopts a non-salary benefits system covering all employees (including workers dispatched from labour leasing companies). The Bank is committed to satisfying the diversified demands of employees, creating a sound enterprise atmosphere characterised by equality, solidarity, and mutual progress, and driving the sustainable development of the Bank.

◆ Safeguarding rest and leave rights

The Bank attaches great importance to and effectively protects the rest and leave rights of all employees (including workers dispatched from labour leasing companies). The Bank provides paid annual leave, home leave, marriage leave, funeral leave, maternity leave, breastfeeding leave, sick leave, work-related injury leave, personal leave, special leave for public duties and some other types of leaves, seeks opinions and suggestions from employees, constantly improves relevant benefits, and improves and adjusts the policies about senior parent care leave, paternity leave for male employees, and parental leave for couples based on local policies and regulations, so as to create a harmonious and sound working atmosphere.

◆ Providing employees with insurance and supplementary medical insurance

In strict accordance with state policies, the Bank pays in full its contributions to basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, as well as the housing provident fund. The Bank also establishes an enterprise annuity plan and a supplementary medical insurance plan for all employees, with the latter mainly including commercial group medical insurance. In addition, the Bank sets up a health insurance group-buying platform that offers employees highly cost-effective health insurance products, and collaborates with social insurance agencies to provide female employees with services related to the application for Maternity allowances, establishing a multi-channel healthcare support system that covers all aspects.

◆ Caring for employees' physical and mental health

The Bank always prioritises employees' physical and mental health, and cares for employee's health in every aspect of their work and life. The Bank urges employees to have health check-ups regularly to identify potential health problems in time. The Bank provides health check-up benefits for all employees every year. The Bank pays consistent attention to employees' mental health, provides employees with mental health services, and actively organises a variety of activities to relieve their mental stress, such as giving mental health lectures, offering hotline services, and building a talent team dedicated to promoting mental health. In the first half of 2024, the Head Office provided the employees at the Head Office with 93 hours of one-on-one mental consulting services.

◆ Caring for female employees

The Bank always places importance on female employees' benefits and shows special care to them. By developing a series of measures targeting female employees, the Bank continuously deepens its special care for female employees, with the aim to create an inclusive, equal and warm working environment. Focusing on protecting female employees' rights, the Bank actively addresses issues that female employees are concerned about, such as salary distribution, rest and leaves, education and training, career development, protection during menstruation, pregnancy, perinatal and lactation periods, and other benefits, and advances work related to the synchronous consultation, signing and performance of collective contracts for female employees. To celebrate the International Working Women's Day, the Bank organised the 3rd campaign themed "New Era-New Journey-New Women", and organised a reading and writing activity themed "Rose Fragrance and Joyful Reading" among all female employees across the Bank, creating a warm festive atmosphere. The Bank furthers the building of care rooms for female employees, and channels resources further into primary-level institutions, to make them places where female employees can breastfeed, relax, learn and communicate. The Bank also conducts a bank-wide survey about the building of care rooms for female employees to learn about the latest development, and summarises and quantifies the achievements of the initiative. As of the end of 2023, 3,720 care rooms for female employees were built across the Bank. These efforts have been highly recognised by female employees.

◆ Refining the employee mutual aid system

The Bank implements a complete mutual aid system to provide employees with a working environment where they support each other and grow together. The Bank further improves the labour union aid mechanism to provide the employees in difficulties with targeted assistance, address their urgent and special needs, and constantly improve the quality and efficiency of aid-related work. The Bank continues to advance the work of labour union, providing aid both regularly and in special cases. The Bank focuses on the employees at primary-level institutions, in areas under tough conditions and with difficulties in life, as well as the special groups like model workers in difficulties and female employees who raise children as single parents, and shows special care to them.

The Bank supports the workers' homes with difficulties in economically less developed areas, carrying out an assistance campaign themed "Caring for Workers' Homes and Warming All Employees". Being employee-oriented, the workers' homes and workers' corners focus on the biggest concerns and most pressing problems of employees, improve conditions for employees to rest, exercise and relax based on local realities, and provide activity rooms and corners to empower employees, relief their stress, and enhance their sense of gaining, happiness and safety. As of the end of 2023, the Bank had 11,409 workers' homes and workers' corners in total, with employees reporting a sharp rise in the sense of gaining, happiness and safety.

◆ Normalised caring activities on festivals

The Bank launches normalised caring activities on festivals to boost employees' sense of belonging and happiness and make them feel cared. The Bank continues to visit the employees or their families who live in difficulties because of critical illness, work-related injuries or death, disasters or accidents, providing targeted assistance based on varied policies. The Bank increases visits to the officials dispatched to other areas for training, poverty alleviation or exchanges, as well as the officials and employees, model workers and skilled talents at primary-level institutions, in old revolutionary base areas, areas with concentrations of ethnic minorities, border areas, and areas with relatively high incidences of poverty, or still working during festivals. The Bank pays visits to employees during the Spring Festival and the New Year's Day holiday. During the Spring Festival and the New Year's Day holiday of 2024, the labour unions of various levels across the Bank raised money and materials worth over RMB54 million, visited 9,944 outlets and more than 90 thousand employees in difficulties, front-line employees, model workers and officials dispatched to other areas, and provided the employees in difficulties with assistance related to life, medical treatment and their children's access to education.

◆ Diverse cultural and sports activities

The Bank encourages employees to develop their interests and hobbies after work, and carries out diverse cultural and sports activities regularly. Based on employees' interests and needs as well as local conditions, the labour unions of various levels across the Bank organise a variety of cultural, sports, reading and writing, publicity and display, and public welfare activities, to enrich employees' life after work and boost teams' vitality and cohesion. In the first half of 2024, the Bank held bank-wide themed painting, calligraphy and photography exhibitions and the 7th badminton competition, among other cultural and sports activities for employees, demonstrating employees' vigor and building the momentum for the Bank's development. The "Outlet Employee Festival" was held as ever across the Bank, further enhancing the sense of happiness among employees at primary-level institutions.



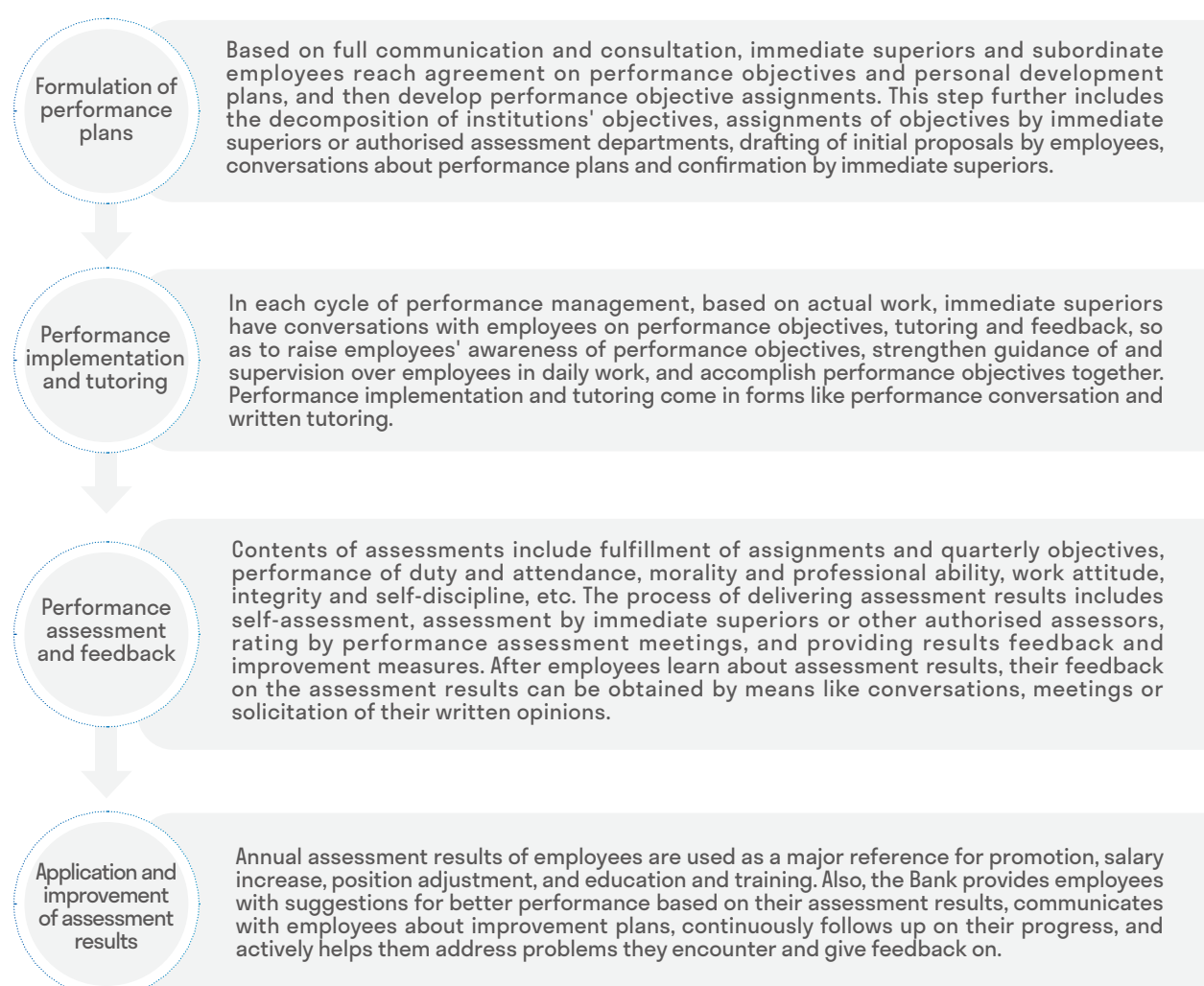
Strengthening Democratic Management

The Bank firmly protects employees' legitimate rights, attaches great importance to democratic employee management, and continuously improves the democratic communication mechanism. The Bank intensifies performance assessment, and builds a bridge for communication with employees on performance. The Bank expands the channels for democratic communication, encourages employees to provide feedback, and highlights the protection of employees' privacy and safety. The Bank conducts extensive surveys about employee satisfaction, listens to employees' opinions and suggestions, drives continuous improvements, and is committed to fostering a democratic, equal and open corporate atmosphere.

◆ Regular performance assessment and feedback

The Bank has established a performance management system that covers all employees, and continuously improves the regulations and policies about performance management, specifying requirements on assessment methods, processes and results feedback, and unifying the orientation for performance assessment. After going through democratic procedures, including soliciting opinions and suggestions from employees and holding employee representatives' meetings or general staff meetings, institutions of various levels formulate assessment methods and release them to all employees, to make sure employees understand assessment contents and relevant requirements, and ensure the process is fair, open and transparent. The Bank has established a regular assessment mechanism, which mainly comprises quarterly and annual assessments of employees. Annual assessment is based on the results of quarterly assessment, so as to integrate long-term assessment and short-term assessment.

The performance assessment process mainly consists of the following four steps:



◆ Reporting of employees' opinions and complaints

The Bank always listens to employees' voice, seeks employees' opinions through diverse channels, and actively guides employees to provide feedback. The Bank is committed to building an opinion feedback mechanism for employees of all levels. These channels include staff representative meetings and the voice of experience (VOX) platform. The Bank utilises official websites, internal notices, emails and internal communication tools to publicise the channels among employees and encourage active engagement by employees.

Employees are allowed to submit opinions anonymously and strict regulations are in place to govern the authorisation and access to employees' personal information and feedback. The Bank strictly adheres to information confidentiality requirements throughout the feedback handling process and strictly controls data retention time to ensure the security of employees' personal information. The Bank pays great attention to employee feedback regarding labour rights and development opportunities, including opinions and suggestions on career development, labour relations, remuneration and benefits, labour safety, rest and leave, skill training, etc. The Bank supports employees in expressing their opinions and suggestions via email, internal communication tools, employees' communities, mailbox, etc. The departments responsible for the feedback channels, such as labour unions and human resources departments, periodically handle and reflect employees' opinions and suggestions, fostering a continuous flow of communication and improving the interactive feedback mechanism. These efforts ensure employees' feedback to be effectively implemented and responded to.

Employee representatives' meeting:



The Bank has established a corporate democratic management system with the employee representatives' meeting as its basic form. The Bank continuously deepens the multi-tiered system of employee representatives' meetings within the Group, and promotes it covers all tier-2 branches and sub-branches and above. By carrying out diverse activities like employee representatives visiting primary-level institutions, the Bank constantly enriches the channels for democratic participation, improves working efficiency, and motivates employees across the Bank to deeply engage in the Bank's decision-making management and supervision process through employee representatives' meetings and other forms of democratic management. This aims to enhance employee representatives' abilities to perform duties and build harmonious labour relations characterised by common development, mutual benefits and win-win outcomes. Meanwhile, the Bank gives full play to the role of labour unions as bridges linking the Party and employees, continuously improves the election mechanism of the labour union member representatives' meeting and labour unions, implements the proposal solicitation and handling mechanism, and seeks employees' opinions in diverse ways to promote the democratic, standardised and law-based development of labour unions. The Bank works to build a mechanism that facilitates the expression of opinions by members of labour unions, improve their engagement in and satisfaction with labour union affairs, and advance democratic corporate management, so as to foster harmonious labour relations that promote the development of both the Bank and employees.

Voice of experience (VOX):



The Bank has innovatively developed the voice of experience (VOX) community, providing a convenient channel for employees to take part in the Bank's management from the bottom up and listening to employees' voices. All outlet employees are encouraged to express themselves anonymously or with real names in the "VOX community". The opinions presented are analysed, sorted and supplemented by the back-office support team. The Bank fully respects the privacy of employees, and the information of employees who choose to use their real names is visible only within the community. This information will not be disclosed outside the community without the consent of the employees themselves, ensuring the security of employees' personal information.

To ensure the problems reflected by employees are effectively addressed, the Bank strictly implements the closed-loop management mechanism of "collect-sort-solve-track-feedback" of the "VOX community". The Channel and Operation Management Department of the Head Office is responsible for leading and coordinating related matters. After the opinions are analysed and categorised, different types of problems will be forwarded to relevant departments for in-depth analysis, and the progress in addressing these problems is continuously tracked and supervised. After experience-related problems are solved, results will be provided to employees in time. When necessary, further comments from employees will be sought. Additionally, in order to enhance the efficiency of problem resolution, a cross-department green channel has been in place, ensuring quick response and coordination among various departments to jointly address the problems encountered by employees. Through the "VOX community", the Bank effectively enhances employees' working experience and boosts their satisfaction and sense of belonging. From June 2020 when it was launched to 30 June, 2024, the "VOX community" collected a total of 4,652 problems raised by employees, 97% of which have been resolved or are being dealt with, winning wide praises from employees.

"Love-Home Harbour" advice column:



"Love-Home Harbour" is one of the platforms for employees across the Bank to take part in democratic management and contribute ideas on the Bank's development in all respects. It is also an essential channel for the Bank to follow employees' needs and provide care for employees' development. Employees are allowed to share opinions and express their demands through the Information portal or administrative process management system login platform. The platform's designated personnel collect and organised the feedback and submitted the feedback to relevant departments for handling, and the whole process is supervised by dedicated individuals. These efforts ensure that all employee opinions are responded in a timely and effective manner, thereby removing the last crucial hurdle to the democratic management demanded by employees at primary-level institutions.

◆ Employee satisfaction survey

The Bank always regards employees as the most valued assets, attaches great importance to employees' demands, and makes resolving employees' problems a major part of employee management services.

To deeply understand employees' demands, the Bank has established a complete mechanism for employee satisfaction surveys, annually conducting satisfaction surveys at various levels, from different perspectives, in diverse forms and under varying themes that target employees in all positions and of different types across the Bank. The move aims to build a bridge for effective communication with employees and create a platform for engagement and exchanges. After the end of each satisfaction survey, the Bank analyses, sorts and summarises the collected data in time, and submits them to senior management and relevant management organisations as a major reference for decision-making. Meanwhile, targeting the key issues or areas that employees are generally concerned about, the Bank conducts in-depth researches and formulates corresponding policies, to ensure employees' rights to be effectively protected, enhance employee's sense of belonging and loyalty, continuously improve employee satisfaction, and jointly promote the steady development of the Bank.

In the employee satisfaction survey conducted in 2023, the Bank designed the satisfaction survey questionnaire based on employees' common concerns, involving career development, training, salary and benefits, strategy recognition, corporate culture, immediate superiors and working environment, and distributed them to all employees. Over 220 thousand valid questionnaires were recovered. Results show, bank-wide employee satisfaction was 95.33%, with the rate of satisfaction with training, strategies, corporate culture and working environment exceeding 95%.

The Bank further analysed the results of the 2023 satisfaction survey, and carefully sorted employees' feedback. The Bank took timely moves to improve human resources management for the common or prominent problems reported by the employees; further improved the policies about the training of fintech talents and employees' rest and leave rights; and made consistent efforts to ensure the implementation of policies about promoting the career development of employees at primary-level institutions and channeling more salary resources into primary-level institutions, etc. Through these efforts, the Bank has formed a closed-loop management mechanism for reporting, identifying and resolving problems, and delivered better occupational experience for employees at primary-level institutions, fostering a situation where the Bank and its employees support each other and grow together.



Protecting Consumer Rights

The Bank puts people at the heart of its values and strictly observes regulatory requirements. Centring around its business development strategies, the Bank works to form a new landscape for comprehensive consumer protection and build itself into a domestically leading and world-class benchmark for the protection of financial consumers' rights. The Bank implements the *Work Plan for the Protection of Consumer Rights (2023-2025)*, practises the general ideas for consumer protection work, and actively reviews the progress of work at each stage, with an aim to create an active, standardised and intelligent consumer protection management system that covers all levels, employees and processes.



The Bank is committed to establishing an integrated consumer protection management system, further refines the management model characterised by clearly defined responsibilities and coordinated efforts among all, and incorporates the concept about consumer protection and customer services into all businesses and processes. The Bank advances the shift of consumer protection work from resolving problems to creating values, and changes the traditional approach increasingly into a digital and intelligent one, so as to forge the core competitiveness of customers services backed by consumer rights protection. The Bank continues to consolidate its industry-leading capacities in consumer protection management, and charts a blueprint for consumer protection together with clients for common prosperity and mutual benefits.

The Bank strictly implements the requirements specified in the *Consumer Rights Protection Audit Management Measures*, and continuously strengthens the mechanism for supervising work related to consumer rights protection. The Audit Department organises special audit teams and audit agencies annually to conduct consumer protection audit, which covers the performance of duty in consumer protection across the Bank. The Bank's Related Party Transaction, Social Responsibility and Consumer Protection Committee regularly listens to the results of consumer protection audit and relevant work reports, and urges rectifications to produce substantial results.

Trainings on the Protection of Consumers' Financial Rights and Interests

◆ Institutional requirements

The Bank continuously carries out diverse trainings on consumer protection, reinforces the practical foundation for consumer protection work, and is committed to raising all employees' awareness and abilities in the area of consumer protection. The Bank developed the *Management Measures for Education and Publicity on Consumer Rights Protection*. The policy standardises the forms, contents and duties of employee training on consumer protection as well as matters worth attention. It requires all levels of institutions to organise specialised training on consumer protection within respective jurisdiction at least once a year and the annual training organised by the Party committee central group to include at least two sessions on consumer protection, and suggests proper increases of training frequencies for the business positions prone to financial consumer complaints and higher risks.

◆ Trainees

The Bank strictly requires all the employees related to client at all levels of institutions across the Bank to annually join consumer protection training, which covers all middle and senior management staff, business personnel at primary-level institutions, employees dedicated to consumer protection and newly recruited employees. Ensure that they can fully understand and effectively practise the concept about consumer protection in practical business process. For outbound call related personnel across the Bank, annual training on consumer protection is organised under themes like policy interpretation and risk control, to further raise their awareness of consumer protection and professional literacy, and ensure consumer rights to be fully protected during the service process.

◆ Training methods and contents

The Bank carries out a variety of employee training programmes on consumer protection, which mainly include special training on consumer protection, training embedded in business lines, daily trainings at outlets, online training via internal platforms, and Party committee central groups learning. The contents of training mainly include national laws, regulations and the Bank's policies about consumer protection, as well as the developments of consumer protection and operation & management approaches. Such training covers various aspects including complaint management, consumer protection review, consumer protection education and publicity, consumer protection assessment, client information security, regulation of marketing and publicity activities, appropriateness management, information disclosure, traceability of sales behaviours and debt collection. The Bank actively built the online course system on consumer protection, and carried out the "Colourful Consumer Protection, Intelligent Classroom" themed course-making campaign for four consecutive years based on the "CCB Learning" platform. The Bank publicised courses on consumer protection knowledge and excellent cases of branches, constantly improved the standardised and distinguished consumer protection course system. As of 30 June 2024, the Bank released a total of more than 500 courses that recorded a total of over 4.66 million learners.

◆ System support

The Bank has established and constantly refines the features of consumer protection training system. The Bank requires the Head Office departments, tier-1 branches and tier-2 branches (sub-branches), etc., to enter training information in the system right after providing special consumer protection training, training embedded in business lines and Party committee central group training either online or offline, to count training times and participants and urge relevant work to be advanced in an orderly manner.

◆ Work progress

In 2023, institutions at all levels within the Bank conducted over 13 thousand consumer protection-related training sessions, with more than 2.3 million participants. In the first half of 2024, the Bank continued to organise consumer protection training for all customer service-related employees. Targeting specific positions and business lines, the Bank advanced varied consumer protection training and ability building initiatives, producing good results.

The number of participants in consumer protection related trainings in 2023

over **2.3** million

Product and Service Review

The Bank continuously enhances the product and service review mechanism. The Board and the Management faithfully perform their duties to oversee product and service review, formulate relevant policies and rules and supervise their implementation. The Bank actively conducts product risk evaluation and review strictly observes pre-launch review requirements, and supervises product quality and safety so as to ensure the rigorousness and compliance of products and services and protect client rights from being harmed.

◆ The Board and its special committees

The Bank's Board reviews the strategies for product and service innovation as well as the risk management policies adapted to them, and supervises and reviews the execution of relevant strategies and policies. The Board's Related Party Transaction, Social Responsibility and Consumer Protection Committee supervises and guides consumer protection work related to product and service review, and pays consistent attention to matters related to consumer rights protection. The Board's Risk Management Committee supervises and guides the work related product and service innovation review and risk control, and regularly listens to reports on product innovation management.

In the first half of 2024, the Board's Related Party Transaction, Social Responsibility and Consumer Protection Committee actively performed its duty in overseeing product and service review. It reviewed the *Report on the Consumer Rights Protection-Related Work in 2023* and the *Report on the Work Plan for Consumer Rights Protection in 2024*, listened to and discussed the *Report on the Internal Assessment of Consumer Rights Protection within the Bank in 2023*. It focused on the quality and efficiency of complaint response, monitoring over complaint data, and problem analysis, tracing and rectification, required continued improvement of the consumer protection mechanism, and drove the implementation of consumer protection requirements across business processes. The Board's Risk Management Committee listened to and discussed the *Report on Product Innovation Management in 2023*, and analysed product innovation practices, product innovation management moves, and control of risks associated with product innovation across the Bank in 2023, with the focus on the review and supervision mechanism for product innovation at branches, and the innovation and application of AI-related products.

◆ The Management

The Bank continuously improves the digitalisation and professionalism of consumer protection review, establishing a digital and intelligent platform for consumer protection review, and launching the AI-enabled feature of consumer protection review to cover all branches and subsidiaries. The Bank refines the management system for consumer protection review, supports the deeper integration between consumer protection review and operations, and deepens the linkage between the consumer protection review system and the business system, so that the business system can initiate application for consumer protection review, thereby avoiding harm to consumers' legitimate rights at the source.

The Bank makes consumer protection review a critical move in the control of the whole consumer protection process, reviews all the products and services provided to consumers, and ensures that consumer protection review covers the whole lifecycle of products and services, including design and development, pricing management, agreement formulation, marketing and promotion. As of 30 June 2024, the Bank completed 112.9 thousand consumer protection reviews, and raised 45.2 thousand review opinions.

To effectively avoid the potential risks associated with new products or services, the Bank's Product R&D Department has established a complete review mechanism to conduct risk evaluation and review of new products or services before their launch. Meanwhile, departments related to risk control, compliance, consumer protection and legal affairs, etc., join the review as well, responsible for confirming whether the reviewed products or services satisfy the requirements for market launch. The new products or services that fail to pass the review are not allowed to be put into market. This ensures all the launched products or services meet the industry's regulatory requirements and the Bank's policies and rules.

As of 30 June 2024

The number of consumer protection reviews completed

112.9 thousand

The number of review opinions raised

45.2 thousand

Loan Contracts Modification

When signing loan contracts with clients, the Bank fully considers the protection of consumer rights. The Bank also highlights the evaluation of clients' financial status and ability to fulfill contracts, and provides clients with reasonable and appropriate loan contract modification options. The Bank fully understands clients, actively helps them address practical, reasonably adjusts credit lines granted to clients, and offers them easier access to loan products and more efficient services.

◆ Management mechanism

The Bank formulated the *Loan Contracts Modification Policy Overview*, specifying the applicable conditions, options and notification channels for loan contract modification that clients can obtain. The Bank's Consumer Protection Committee is responsible for supervising work related to loan contract modification and reviewing the execution of relevant policies. The Head Office is responsible for establishing a complete loan modification management system, and formulating and improving relevant policies and systems. Branches are responsible for concrete execution and operation. The Audit Department regularly conducts audit of consumer rights protection, which covers matters related to the implementation of loan modification.

◆ Applicable conditions

During the process of clients' performance of contracts, the Bank pays great attention to the changes of clients' financial status and related impacts on clients' repayment abilities. After identifying that clients are in conditions such as severe disasters or accidents, serious health problems, poor operations, unemployment, serious financial difficulties and extreme bad weathers, the Bank will conduct objective evaluation of the actual impacts of such conditions on clients' financial positions, and formulate proper relief policies based on their financial positions and repayment abilities. After reaching agreement with the Bank through consultations, clients can be provided with special support on the basis of loan modification options. In addition, after fully evaluating clients' assets and risk levels, the Bank will dynamically adjust credit lines granted to clients, and support the clients with sound credit records in applying for higher credit lines online or offline.

◆ Loan modification options

The Bank fulfills its social responsibilities as a large bank. Based on the communication with clients during the debt collection process and the comprehensive evaluation of clients' financial status, the Bank provides relief support as appropriate for the clients who wish to repay loans but have temporary difficulty in the turnover of funds. For the clients who demand advance repayment, the Bank provides facilitation plans on repayment terms or changes in amounts of instalment repayment, etc. where appropriate. After reaching agreement with the Bank through consultations, clients are allowed to apply for modification of loan terms, instalment amounts, repayment modes, guarantee and accounts authorised to make payment, among others. The Bank also dynamically adjusts clients' credit lines based on their credit ratings. Specifically,

- ◆ To meet loan clients' demand for advance repayment, the Bank can lower monthly instalments with the remaining repayment term unchanged, or shorten the remaining repayment term with monthly instalments unchanged.
- ◆ To support loan clients' demand for deferred repayment, the Bank allows some loan clients with declining income or temporary liquidity problems to repay in instalments.
- ◆ For the clients with good credit, the Bank offers credit escalation options like raising their credit lines or allowing the increase of collaterals or guarantees.
- ◆ For the clients with poor credit or declining repayment abilities, the Bank takes moves like stop raising credit lines, lowering credit lines, or account control.

◆ Access to information about rights and interests

For the loan products or services involving loan modification options, the Bank clearly presents relevant modification terms in loan contracts, informing clients of relevant rights and interests.

◆ Application channels

To support clients in exercising the rights to loan modification, the Bank allows clients to apply for loan modification via offline outlets, mobile banking, online banking, and WeChat applet "CCB Intelligent Personal Loan", among other easily accessible channels, providing clients with convenient services. Relevant institutions continue to improve the quick response mechanism, learn about clients' demand for loan contract modification in time, and actively address the concrete problems involved in actual operation, providing clients with convenient services and honoring the commitment to client protection.

◆ Review mechanism

The Bank conducts consumer protection audit every year and reports the audit results to the Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board. The audit covers loan contract modifications, focusing on whether consumers are fully informed and have easy access to the services, and whether there are hurdles to consumer services, such as insufficient notification, artificial barriers and increased transaction costs, in business scenarios like loan contract modification. Audit opinions are issued and management recommendations are put forward to further safeguard consumers' legitimate rights and interests.

Debt Collection Management

The Bank strictly abides by relevant national laws and regulations about debt collection management. In accordance with industrial standards including the *Guidelines for Credit Card Debt Collection of the China Banking Association (Trial)*, and based on its realities, the Bank has developed the internal policy on debt collection management, and formulated and publicised the *Debt Collection Policy Overview*¹, with the aim to establish a strict, compliant and standardised debt collection process, and ensure the protection of consumers' legitimate rights and interests during the debt collection process. In the consumer protection audit every year, the Bank strengthens the supervision over and review of debt collection work, and guides the improvement of the quality and efficiency of debt collection management.

◆ Applicable scope

The debt collection policy of the Bank is applicable to all employees of the Bank and subsidiaries, covering retail loan services and products including operation loan, housing loans, consumer loans and credit card loans, etc. The policy consists of management measures, management rules and operation specifications, and specifies the working mechanism for debt collection that covers collection methods, frequency and requirements. The policy requires fulfillment of the duty to protect consumer rights during the debt collection process, regular organisation of training on debt collection, and strict implementation of the standardised collection procedures.

◆ Division of duties

The Consumer Protection Committee of the Board of Directors of the Bank is responsible for overseeing and reviewing the implementation of the debt collection policy. The Head Office establishes a sound debt collection management system, reviews and improves the policy and system for debt collection, develops debt collection plans, and organises training, supervision and inspection, to ensure the effective implementation of the policy. Branches are responsible for the execution and operation of debt collection in specific businesses. The Bank's audit of consumer rights protection covers the audit of debt collection, the Audit Department inspects the implementation of the debt collection policy as well as the protection of consumers' legitimate rights and interests in the debt collection process.

◆ Working mechanism

Debt collection methods: The Bank's debt collection methods include manual collection and non-manual collection. Manual collection methods include sending overdue reminders via telephone, face-to-face collection or collection through judicial authorities. Non-manual collection methods include sending overdue reminders via intelligent voice, SMS, correspondences, emails or other internal channels of the Bank (e.g., outlet counters, STM, ATM, mobile banking, online banking). The Bank also outsources collection business depending on actual conditions.

Repayment reminder: Taking the "AI + human" approach, the Remote Intelligent Banking Centre of the Bank provides considerate and differentiated repayment reminder services to clients with loans approaching maturity, matured or overdue. The centre gives advance reminders to some clients with personal loans and farmer's loans that are approaching maturity, and timely repayment reminders to some clients with due personal loans. For the non-risk credit card loans that are overdue for less than 60 days and the personal loans, small and micro business loans and farmer's loans that are overdue for less than 30 days, it provides differentiated repayment reminder services to the clients concerned.

◆ Measures for protecting client rights and interests

The Bank requires all collection personnel to strictly observe national laws, regulations and regulatory requirements, follow the Bank's standardised operation procedures for debt collection, and faithfully fulfill the rules about the protection of consumer rights and interests. During debt collection, the collection personnel are required to act in compliance with laws and regulations, reasonably arrange collection reminding time, and maintain fair, polite and clear communications with consumers. The Bank continuously adjusts and improves collection strategies based on market environment and client demands, dynamically adjusts the proportion of credit card debt collection robot and manual collection, refines and details the identification of client groups, and carries out targeted debt collection with a human touch. The Bank continuously strengthens supervision, assessment and management of debt collection, and firmly forbids violent debt collection of any form.

¹ *Debt Collection Policy Overview*: https://en.ccb.com/eng/2023-08/01/article_2023080117461677979.shtml

Applying the concept of consultation on the basis of equality

The Bank promises to reduce the use of jargons that are difficult for clients to understand, provides clients with practicable solutions after fully evaluating their actual conditions, and shows great care to clients during the process.

Providing repayment reminders in a standardised and orderly manner

The Bank does not initiate any collection from a third party irrelevant to the debt, or falsely use the name of an administrative or judicial authority or use wording involving threat, intimidation or fraud. The Bank avoids calling clients during 21:00-8:00, or disclosing clients' account information to any third-party contacts so as to ensure high-quality client experience.

Strengthening intelligence application

The Bank actively expands intelligent services and makes its best effort to contact clients so as to reduce clients' cost of forgetting repayment.

Refining the compliant collection process

Based on fair, polite and clear communication, the Bank provides collection reminders in compliance with laws and regulations, reasonably arranges collection reminding time, requires relevant personnel to conduct collection by lawful means, and strengthens relevant supervision, evaluation, training and management.

Respecting client privacy

The Bank processes clients' personal information in line with the principles of legality, legitimacy, necessity, and integrity. The Bank minimises the collection and retention of personal information to achieve the processing purpose, and strictly prohibits disclosing clients information.

Enhancing the management of outsourced collection

The Bank improves the outsourced collection system, provides clear working requirements and operating specifications for outsourced collection, and strengthens the supervision over and assessment of outsourced collection agencies. The Bank requires strict compliance with requirements on protection of consumer rights and interests and personal information protection, and further standardises the management of the outsourced debt collection process.

◆ Collection review mechanism

Supervision and review by the Board of Directors. The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors oversees the execution of the debt collection policy, and regularly listens to relevant reports by the Management. The Audit Department of the Bank conducts consumer protection audit every year. The audit covers debt collection-related work, with the focus on the improper collection acts of collection agencies and the access and exit management of third-party partners, etc. Also, the Audit Department reviews the implementation of the debt collection policy, and reports the audit results to the Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors.

Management of outsourced collection agencies. The Bank strictly manages outsourced collection agencies, formulates complete policies to ensure that debt collection is regulated, standardised, and compliant with the Bank's requirements on consumer rights protection, and continuously strengthens the execution of such policies. The Bank sets out strict access and exit criteria to select collection partners and ensure they comply with industrial standards and legal requirements. In the outsourced collection of overdue and non-performing personal loans, the Bank relies on the collection system in the whole process, implements the outsourced agency assessment mechanism, and strengthens the management of post-collection assessment, to ensure standardised operation of the outsourced collection of overdue and non-performing loans. Also, the Bank regularly conducts inspection of outsourced collection work, with the focus on collection wording and code of conduct.

Improvement of the collection system. The Bank continues to strengthen the use of system control over the outsourced collection system, guides branches in daily supervision and publicity to increase the application of the system, relies on the system for the outsourced collection business, and forbids any offline initiation of the outsourced collection process. The Bank keeps improving the features related to the outsourced collection of overdue and non-performing personal loans, refines the charging rate maintenance and reconciliation features for the outsourced collection of personal loans, and improves the efficiency of machine control over information throughout the collection process. The Bank advances the building of systems related to the data transmission technology for the cloud platform of outsourced collection, boosting the efficiency of debt collection and information transmission while ensuring compliance.

◆ Debt collection training

The Bank continuously enhances the professional abilities and consumer protection awareness of the personnel dedicated to debt collection in various business lines, and requires all collection personnel, including post-loan management personnel, client managers and the repayment reminding personnel at the remote intelligent banking centre, to participate in training regularly. The training covers contents like the debt collection policy, system application, complaint management, experience in pilot projects and classic cases, and is organised at least once a year to ensure that the employees are familiar with relevant laws and regulations and internal policies. By regularly holding pre-shift meetings and conducting special training and case sharing, the Bank provides pre-job training and on-the-job training for repayment reminding employees. Also, the Bank organises bank-wide training sessions for the improvement of retail NPL collection abilities every year, and requires tier-1 branches to regularly provide training and retraining to employees within respective jurisdictions so as to ensure relevant policies and processes are properly interpreted and enhance employees' awareness of compliant collection.

In the first half of 2024, the Bank achieved the following results in debt collection training:

- ◆ The Bank continuously drove the transformation of the repayment reminding business, and guided employees to advance the debt collection process with an attitude of equal consultation by strengthening training on improving repayment reminder wording.
- ◆ The Bank organised training on debt collection in counties. Targeting the heads of nearly 80 key county-level institutions, the Bank provided training sessions on reminding services for maturing "Yunong Loan", management of overdue loan collection, and the application of relevant tools and features of the collection system. The move aimed to help the employees at county-level institutions better understand the collection policy and use collection tools more proficiently.
- ◆ The Bank launched training on the post-loan management of personal loans, covering the interpretation of the collection policy, system application, and consumer rights protection. This helped employees comprehensively enhance their abilities in the post-lending management of personal loans.
- ◆ The Bank held training on outsourced collection of credit card loans, highlighting the importance of compliant collection through policy interpretation and case study. This raised the collection personnel's professional abilities and compliance awareness, helped protect client rights and avoid improper collection behaviours, and ensured compliant and efficient outsourced collection business operations.
- ◆ The Bank regularly carried out training on non-performing retail and inclusive loans, and provided special training on the key points and practical operations of the outsourced collection of non-performing personal loans for employees in the preservation line across the Bank, to ensure branches faithfully implement policy requirements during the collection process and collect debts in compliance with laws and regulations when collaborating with outsourced agencies.

Fair Marketing Policy

The Bank continuously refines and practises fair marketing policy in strict accordance with laws and regulations such as the *Advertisement Law of the People's Republic of China* and regulatory requirements including the *Notice on Further Regulating Financial Marketing and Publicity Behaviours*. The Bank fully incorporates consumer rights protection into the whole process of marketing activity design, and formulates and issues internal policies including the *Advertisement Management Measures* and the *Management Measures for Marketing among Individual Users and Clients*, which are applicable to all the financial products and services provided by Bank. Based on its policies and practices about fair marketing, the Bank has developed the *Personal Customer Marketing Policy Overview*¹ and disclosed it through open and official channels, with the aim to boost the quality and efficiency of client marketing management across the Bank, ensure marketing to be carried out in a regulated, systematic and professional manner, and effectively implement various measures devised to protect consumer rights.

◆ Applicable scope

The *Personal Customer Marketing Policy Overview* is applicable to all employees, departments and domestic branches relating to marketing, and subsidiaries are required to use it as reference. In the policy, personal client marketing includes marketing planning and advertisement design, financial marketing and business promotion, event organisation and application execution, private domain connection and traffic operation, business opportunity coordination and client reach, contact interaction and experience feedback, network fission and digital communication, process supervision and monitoring & tracking, performance evaluation and validation & conclusion, etc.

¹ *Personal Customer Marketing Policy Overview*: https://en.ccb.com/eng/2023-08/01/article_2023080117422440796.shtml

◆ Policy requirements

The *Personal Customer Marketing Policy Overview* sets out provisions on marketing tools, marketing publicity, marketing execution, and review and supervision, etc. Specifically, it requires complying with the basic specifications for individual client marketing, not violating the basic provisions on marketing, not carrying out misleading publicity, not harming client rights to know, not collecting or using user client information in violation of regulations, not publishing marketing information in violation of regulations, and not violating other mandatory regulations stipulated by laws, regulations or financial regulatory authorities, or involving in cases recognised as not compliant with laws or regulations. Also, the policy clearly stipulates the mechanisms for review and monitoring, employee behaviour management, and execution and supervision in the marketing process, to raise employees' awareness of compliance and risks, and ensure marketing campaigns to be regulated and professional. Please refer to the full text published by the Bank for details.

◆ Practical measures

Upholding the client-centric philosophy, the Bank works to improve client experience and safeguard consumers' rights and interests. The Bank has taken a series of practical moves to ensure fair marketing:

The Bank strictly protects clients' tranquility rights. The Bank fully aligns with client' rest time and personal willingness, not making outbound calls from 21:00 to 8:30, only reaching clients with authorisation, and setting call barring for clients who do not accept outbound call marketing.

The Bank has established the rights middle office, built a rights centre, developed an online mall, and enriched the types of rights, to ensure a stable and sustained supply of rights and make sure rights are given in a fair and transparent manner.

The Bank has integrated the precision marketing platform, the intelligent direct sales platform and the digital marketing campaign management platform, and included bank-wide marketing opportunities and campaigns into the system for management, so as to enable more efficient and precise marketing services.

The Bank has established a full-chain operating platform, and migrated marketing campaigns from third-party operating platforms to the platform. Also, the Bank has strengthened routine monitoring and penetrating management of marketing campaigns through uniform position authority, to ensure every marketing campaign to be strictly monitored and managed.

◆ Training on fair marketing

The Bank organises special training on fair marketing every year, to continuously deepen employees' understanding of fair marketing and raise marketing personnel's professional literacy. Such training comes in diverse forms, including training for specific business lines, daily training at outlets, and online training through the CCB Learning Centre, etc. Contents of training cover fair marketing-related laws and regulations, policies, code of conduct, compliance risk and case study. The Bank requires every employee in direct contact with clients to attend fair marketing-related training at least once a year, ensuring that all the relevant personnel can deeply understand and faithfully practice the principle about fair marketing. Also, the Bank regularly organises exams about the contents of training, to consolidate and deepen the results of training.

◆ Management and oversight mechanism

The Bank continues to consolidate the comprehensive management and oversight structure for fair marketing that comprises the Board, the Management and execution levels. The Bank strengthens management of employees as system users, establishes and improves the job responsibility system, and strictly follows the review and approval process before pushing marketing information to clients, to ensure every service is marketed in compliance with laws and regulations.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board oversees the implementation of consumer protection work including fair marketing. The Consumer Protection Committee of the Management supervises and guides marketing moves by relevant departments, to ensure marketing campaigns are fair and compliant with laws and regulations.

The product and service management department of the Bank conducts comprehensive review of advertisement, marketing and promotions, including marketing plans, common Q&As, event pages and publicity materials, etc. It supervises the implementation of consumer protection review opinions, guards against the risk of infringement upon consumer rights, and pays attention to consumer feedback. Also, it puts in place a whole-process control mechanism for consumer protection, focuses on client demands, and helps clients identify their financial needs and make corresponding decisions.

The audit department of the Bank conducts internal consumer protection audit every year, and reports the audit results to the Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board. The audit scope covers the implementation of the fair marketing policy, with the focus on whether the evaluated risk levels of the wealth management products the Bank sells as an agent are accurate, whether the disclosed information about where the funds raised through the products are invested is complete and comprehensive, and whether a service is provided to a client who is misled or not well informed. Based on the audit results, management recommendations on future work will be provided, to ensure the fair marketing policy is strictly implemented and there is no false advertising in marketing campaigns, thereby protecting consumers' legitimate rights and interests.

◆ Management of cooperative institutions

The Bank attaches great importance to the supervision and management of consumer rights protection by cooperative institutions, advances the implementation of the *Opinions on Further Strengthening Supervision and Management of Consumer Rights Protection by Cooperative Institutions*, and puts in place a list-based management mechanism for consumer protection. For the items of cooperation involving consumer rights, the Bank sets and strictly follows access and exit criteria for cooperative institutions, and assesses the cooperative institutions in terms of consumer protection every year. In the cooperation agreements, the Bank specifies the responsibilities and obligations of both sides on consumer protection, including but not limited to control of information security, management of service prices, service continuity, information disclosure, financial marketing and publicity, dispute settlement mechanism, assumption of default responsibilities, and emergency response, to prevent external risks from transmitting to the Bank.

Client Complaint Management

The Bank places great importance to client complaints management. The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board supervises the client complaint-related matters, and establishes a complaint management system with clearly defined authorities and responsibilities. Based on business reality and complaint analysis, it continuously improves the working mechanism for complaint management, works to build a smoother and more efficient complaint handling process, strictly reviews and supervises complaint response, and improves the complaint management mechanism, to ensure the quality and efficiency of relevant management work.

◆ Management structure

Board of Directors and special committees

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors is responsible for overseeing work related to client complaint management. It listens to the complaint notification transferred by regulators on a quarterly basis and listens to client protection assessment by regulators on an annual basis, studies and analyses the changes in the number of complaints and the reasons, and provides guidance on improving the quality and efficiency of complaint handling. It oversees the comprehensiveness, timeliness and effectiveness of the complaint management work by the Management and the consumer protection departments. In the first half of 2024, the committee listened to the *Report on the Notification of Customer Complaints in the Banking Industry from Q1 to Q3 in 2023* and the *Report on the Notification of Consumer Complaints in the Banking Industry in 2023*, emphatically studied and discussed the measures and effects of reducing complaints. It guided the Management to regularly track and examine the changes in client complaints, improve the monitoring mechanisms of public opinions on consumer protection, and continue to enhance consumer satisfaction.

The Management

The Consumer Protection Committee of the Management of the Bank is responsible for making unified planning and overall arrangements for consumer protection work as well as implementing and promoting the work. It organises meetings periodically for the discussion and analysis of complaints in key areas across the Bank, grasps the trend of complaints dynamically and guides the departments to improve products and services by using complaint information. It formulates briefs on complaint and consumer sentiment, submits them to the leadership of the Bank for review every month, and regularly reports relevant situations to the Board and special committees, so as to continuously improve customer service. The Chairman of the Board of Directors and the Bank's executives attach great importance to complaint management, lay down special arrangements for reducing consumer complaints, promote and follow up on the effects in a systematic way, and ensure that complaints are resolved timely and effectively. In March 2024, the Bank held a conference on consumer rights protection and customer service improvement, where it reviewed the work of consumer rights protection and customer service in recent years, analysed the current situation of consumer protection and mapped out the key tasks of consumer protection and customer service. In June 2024, the Bank held the first meeting of the Consumer Rights Protection Committee for 2024, organising collective learning on the latest consumer protection work requirements, reviewing important institutional documents related to consumer protection, and hearing reports on the progress of complaint management and other consumer protection efforts.

Consumer protection departments at Head Office and tier-1 branches

In the first half of 2024, the Bank initiated the establishment of a group-wide integrated consumer protection management system, improved the consumer protection management structure in subsidiaries, and focused on forging an all-encompassing matrix consumer protection management model. The Bank established consumer protection departments and full-time positions at the Head Office and branches, and equipped all levels and business lines with consumer protection professionals to deal with client complaints. The consumer rights protection department of the Head Office takes the lead in organising and implementing management, guidance and evaluation of consumer complaint handling work, coordinates and supervises operations to properly handle consumer complaints, and provides standardised guidance on the consumer complaint handling process and management. Tier-1 branches undertake the primary responsibility for consumer complaint management and fully implement the consumer complaint management requirements and criteria specified by regulators and the Head Office, ensuring that the rights and interests of consumers are effectively protected. The Bank sets up a consumer protection expert pool and builds a professional and dedicated team of consumer protection experts across the Bank to jointly study and resolve difficult complaints through expert consultation.

◆ Complaint management targets

Adhering to a client-first service concept, the Bank values the communications and interactions with clients. It builds and maintains well-functioning communication mechanisms and smooth channels to efficiently respond to and properly address client feedback. The Bank continues to review and improve complaint management procedures, strengthens clients service experience and provides warm, considerate, efficient and timely financial services for clients. The Bank implements the *Consumer Protection Work Plan (2023-2025)*, in which it states the specific work targets concerning consumer protection and complaint management, including conducting consumer protection review and inspection of 100% of products and services, reducing the number of complaints per million personal clients, improving client satisfaction, etc. Besides, it formulated the *Environmental, Social and Governance Work Plan (2023-2025)* and set "the conclusion rate of complaint work order within 15 days" as a key target of complaint management, requiring that the complaint conclusion rate should be maintained not less than 90% between 2023 and 2025.

◆ Complaint management working mechanism

Strengthening the complaint management system

The Bank keeps improving the complaint management system. It formulated the *Consumer Complaint Management Measures*, the *Individual Client Issue Resolution Management Measures*, the *Emergency Management Measures for Major Consumer Protection Events* and the *Emergency Plan for Major Consumer Protection Events* to standardise complaint handling management. It guides operations at all levels to implement a multidimensional complaint management system, including complaint management, handling of major complaints, reconciliation, and diversified solutions. It issued the *Notice on Strengthening Consumer Complaint Management* to further raise the attention of all operations across the Bank to complaint management. It urges all operations to assume their primary responsibilities, increase the quality and efficiency of complaint handling, strengthen complaint management at the source and constantly improve client experience.

Pushing for implementation of responsibilities

The Bank continues to implement its primary responsibilities for complaint handling, improves the "four-top leaders' responsibility system" for complaint management, in which the head of corresponding operation shall personally investigate, advance and participate in the resolution of major complaints. The Bank enhances the support and guarantee for complaint handling in lower-level operations and promotes all branches to strengthen the Management of tier-2 branches and sub-branches. It ensures that the responsibilities on complaint handling channels are fully fulfilled, strictly implements the guaranteed satisfactory solution system and assigns specialised personnel at every level and every business line to handle client complaints, requiring to make satisfactory responses to consumers timely and succinctly. In doing so, it increases the quality and efficiency of resolving clients' concerns, so that consumers can make claims through the bank's own channels in a timely and efficient manner.

Improving monitoring and early warning

The Bank constantly improves the "whistleblower" mechanism of risk information sharing and joint assessment. It has established front-end monitoring in key business areas and key regions, and applied effective public opinion prevention and control into all aspects of bank-wide operation management and business development. It monitors the number of complaints on a daily basis and upgrades the real-time warning of complaints and other functions in the consumer protection management system, so as to discover, warn and handle negative public opinions at the earliest opportunity and strive to effectively reduce the complaints in advance.

Improving the response mechanism

The Bank has established a "tiered response" problem solving mechanism and comprehensively reviewed and analysed the client problem handling process according to the "funnel principle" to improve problem solving timeliness and effectiveness. It implements rapid processing mechanisms for urgent issues raised by clients, where the customer service staff cooperate with relevant operations efficiently for rapid processing and the processing results will be supervised. The Bank puts into place a diverse dispute resolution mechanism and actively participates in and supports the organisation of dispute resolution at all levels. When it is difficult to reach an agreement with clients, it makes full use of third-party mediation to facilitate problem solving, and strengthens multi-party collaboration to properly solve clients' problems from multiple dimensions.

Promoting technology empowerment through innovation

The Bank promotes complaint management system across the Bank, improves big data and AI technology, advances the application of analytical tools for smart complaint early warning and big data analysis. With professional data analysis and full-aspect display, it improves management and monitoring efficiency and makes consumer protection management data traceable, empowering and give early warning. The Bank improves and promotes the complaint labelling system and classification standards. The Bank categorises complaints based on six key dimensions, so as to transform unstructured complaint information into statistical and analysable structured data, and accurately locate product and service problems. Through refined classification of complaint data, the Bank effectively supports the monitoring system in consumer protection dashboard, intelligent complaint early warning, and normal big data analysis.



Emphasising problem source tracing and rectification

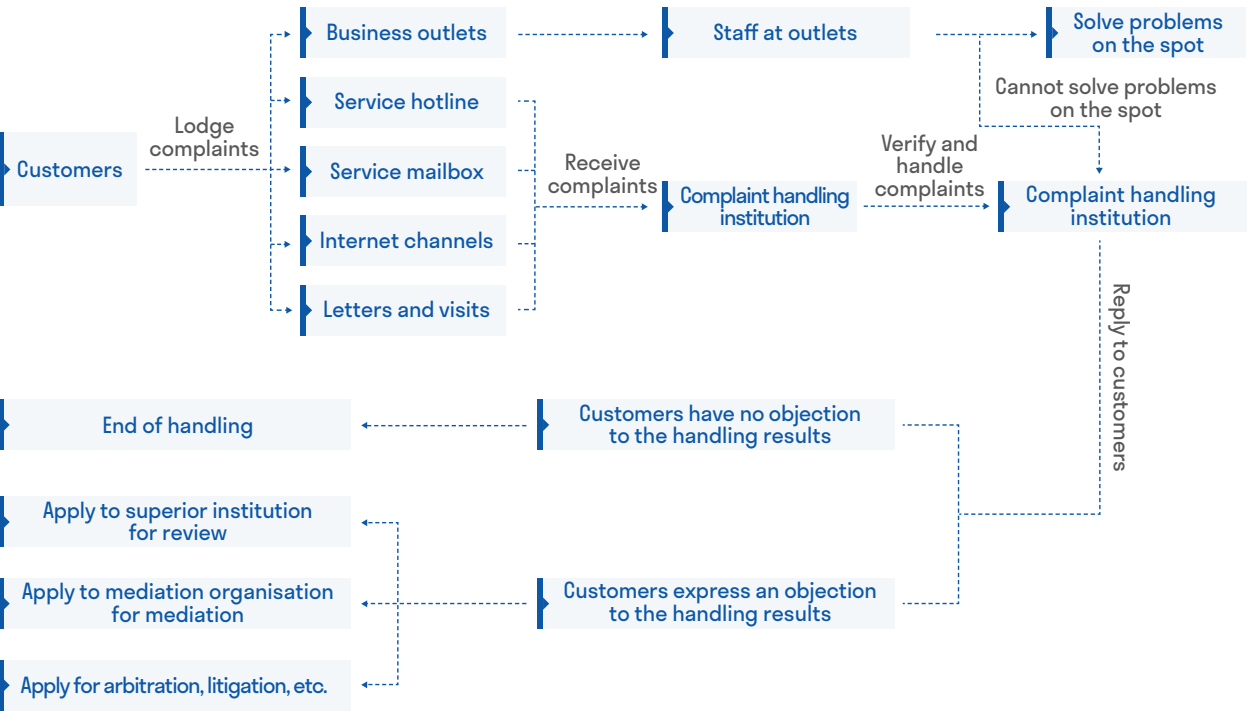
The Bank continues to apply complaint information to product and service improvement. The Bank conducts real-time monitoring, periodical notification and comprehensive analysis of major products, key institutions and major problems. It organises relevant departments of the Head Office and branches to carry out targeted problem source tracing and make improvements, coordinates business lines to jointly identify the root causes of complaints and draws lessons from other cases to resolve complaints at the source. The Bank has established a normalised feedback mechanism in which complaint data is forwarded to product design and channel operation departments, urging relevant departments to focus on applying complaint feedback to improve products and services through various forms such as risk warning, work recommendations, source tracing proposals, etc. As of 30 June 2024, the Bank's consumer protection department of the head office has carried out 255 special inspections and sent 86 source tracing proposals, work recommendations and risk warnings to the departments at the Head Office. By doing so, they keep monitoring and analysing complaint data and improving products and services.

Complaint handling process

The Bank continuously improves the complaint handling process, unclogs client complaint channels and handling procedures, updates public information through online and offline complaint channels, improves complaint handling quality and efficiency, and ensures transparent and accurate information processing. It has established a comprehensive compliant handling and review mechanism, implemented various measures including reporting to superior institutions level by level, classification-based transferring and complaint supervision, and provided a variety of dispute resolution channels to ensure that every complaint was properly addressed, and no issue was left unsolved.

Complaint handling process

The Bank promotes the establishment of complaint acceptance channels on all fronts and further improves the complaint handling process. It displays "client complaint channels and handling processes" via offline channels such as the outlets of the whole bank and private banking centres, as well as online channels such as the official website, mobile banking of both personal and corporate versions, WeChat official accounts such as "China Construction Bank", mini programmes such as "CCB Customer Service", and Apps such as "CCB Huidongni", and listed relevant information in the business client agreement. The Bank's complaint handling process is as follows:



Compliant channels	Clients can make complaints and voice their concerns through various complaint channels (such as business outlets, service hotline and online channels, etc.) published by the Bank.
Compliant handling	Complaints are addressed on site by staff at outlets, or handled by the complaint handling institutions, which shall reach a conclusion within 15 days and inform the client of the conclusion. For complex complaints, the deadline can be extended to 30 days, and the maximum processing period shall not exceed 60 days.
Result feedback	After handling a complaint, the complaint handling institution will inform the client of the results. If the client has no objection to the handling results, the handling will be ended.
Complaint verification	If the client has objections to the complaint handling results, he/she may submit an application in writing to the superior authority of the complaint handling institution for verification within 30 days from the date of receipt of the handling decision. Where there are objections to the verification decision, he/she may apply to the higher authorities of the complaint handling institution for verification step by step. If the client still disagrees with the verification results, he/she can ask the complaint handling institution for the contact information of the local financial consumer dispute mediation organisation and apply for mediation, or resolve the dispute through arbitration, litigation or other channels.

Complaint channels and special verification

The Remote Intelligent Banking Centre of the Bank provides diversified complaint channels. Through multiple service approaches such as the 95533 customer service hotline, "CCB Customer Service" WeChat official account, mobile banking live chat, online banking live chat, and SMS platform and by leveraging a variety of media interactions, including audio, text, and video, the Bank provides clients with enterprise-level, intensive, intelligent, multi-functional, multilingual, and 24/7 services in a "human + AI" manner. In addition, the customer service centre was launched on the "CCB Lifestyle" App, which includes functions of hot issue guidance, robot customer service, online manual customer service, hotline customer service, complaint guide display and third-party service provider contact, so as to provide clients with clear, convenient and smooth complaint service, ensuring that client complaints and feedback can receive timely, professional and efficient response and processing.

The Remote Intelligent Banking Centre is staffed with specialised client complaint handling personnel to respond to client complaints in a timely manner. When receiving client complaints, the complaint handling personnel immediately provide solutions within the limits of authority, pacify the client and address the complaint by explaining online or quickly discussing with corresponding branches. For complaints that cannot be resolved online or exceeds the limits of authority, the centre records the complaints and relevant information via the unified customer service platform, generates complaint work orders, quickly transfers them to the complaint handling institution, and urges and supervises the second-call complaints from clients or overdue work orders. Meanwhile, the Remote Intelligent Banking Centre handles complaints transferred from external institutions in a timely manner, regularly conducts sample surveys on client satisfaction to understand the outcomes of complaint handling and gives feedback to the responsible complaint institutions.

Complaint handling upgrading mechanism

The Bank has established a sound consumer complaint handling upgrading mechanism and published through public official channels. According to the mechanism, the problems that cannot be solved by the complaint handling institutions or exceed their limits of authority shall be reported to the superior management institutions of the business line level by level for coordination.

- Product-related complaints:** transferred to the superior product management department;
- Service-related complaints:** transferred to the superior channel and operation management department;
- Major and difficult complaints:** transferred to the superior consumer protection department for overall and coordinated handling.

This upgrading handling and coordination mechanism based on different complaint categories prevent buck passing among institutions, ensuring that the complaints are addressed properly. Consumers who have objections to the consumer complaint handling results may submit a written application for verification to the superior institution of the handling institution. Consumers who have objections to the verification decision may apply for re-verification to the institutions with higher authority level by level. If consumers still have objections to the final results, they may ask the complaint handling institution for the contact information of the local financial consumer dispute resolution organisation and apply for mediation, or resolve the dispute through arbitration, lawsuit, etc.

◆ Supervision and audit mechanisms on complaint management

Supervision and verification of complaint handling

The Bank has established a special supervision and verification mechanism for complaint handling. If clients are not satisfied with the results, they can apply to superior institutions for verification and appeal. In terms of special verification, for issues that clients have reported to the Bank and have not get satisfied results, the Bank organises relevant departments at the Head Office as well as relevant branches to carry out special verification. When notifying clients of the handling decisions, the Bank explains to clients the relief approaches including applying for verification, mediation, arbitration and litigation. In terms of diverse dispute resolution, when it is difficult to reach an agreement with clients, the Bank makes full use of third-party mediation to facilitate problem solving, resolving clients' problems from multiple dimensions. In terms of supervision and management, the Bank incorporates the quality and efficiency of complaint handling into the assessment scope for operations at all levels, and regularly carries out special inspections on the complaint handling and management at branches, so as to ensure that clients' claims get timely response, proper settlement and effective supervision.

In order to handle consumer complaints and disputes more effectively, the Bank sets up a complaint supervision hotline at the Head Office. In case clients are not satisfied with the results of hotline handling, they can report the situation to the complaint hotline at the Head Office. The consumer protection department of the Head Office designates professional ombudsman to handle client feedback and follow up on the progress, organises, coordinates and examines the solutions of key complaints, and evaluates the areas for improvement in which complaints were made, so as to increase the quality and efficiency of complaint handling, ensuring that client problems receive timely response, proper handling and effective settlement.

Audit on complaint management

The Audit Department of the Bank is responsible for conducting internal consumer protection audits, covering the implementation of complaint management work. The audit results are reported to the Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors. The audit items include regular concerns about complaint handling results, checking the effectiveness of the complaint handling framework, the completeness of the complaint management system, the timeliness and standardisation of complaint handling tracking, statistical analysis of client complaints and improvement effect, etc. It oversees the performance of consumer protection responsibilities such as complaint management across the Bank, provides management recommendations, and reports to the Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors, so as to effectively safeguard consumers' legitimate rights and interests. In the first half of 2024, the Audit Department of the Bank organised special audits on consumer protection as planned, focusing on the governance on key problems in client complaints, the handling of complaints transferred by regulators and the source tracing, rectification and accountability of complaints, etc.

Financial Education

Upholding the philosophy of "financial services for the people", the Bank actively implements the regulatory requirements, carries out financial education and publicity initiatives, helps the public enhance financial security awareness and foster a sound financial vision, vigorously promotes the deep integration of financial literacy into the national education system, so as to fulfill social responsibilities as a financial enterprise with concrete actions.

◆ Public financial education and publicity

The Bank attaches great importance to public financial education, keeps improving the financial education and publicity mechanisms, explores diversified communication channels and expands the delivery coverage, opening a new chapter of public financial education. In the first half of 2024, the Bank formulated the *2024 Work Plan on Financial Consumer Education* to clarify the tasks of and requirements on financial consumer education for the year, and guided the whole bank to carry out consumer protection education and publicity work in an orderly manner. The Bank implements regulatory arrangements and promotes financial education and publicity activities on a regular basis through offline outlets and online channels. In March 2024, the Bank organised the "3·15" consumer rights protection education promotion programme through unified arrangements via both online and offline channels, and publicised the programme via the whole media and network. The Bank held a total of 65 thousand activities, which were participated by 730 million consumers, receiving good social response. In June 2024, the Bank initiated financial education activities themed on "Popularise financial literacy and keep your money bags", accumulatively holding a total of 55 thousand activities.

The Bank attaches great importance to the partnership with various educational institutions in financial education and publicity work. First, the Bank cooperates with financial education institutions such as universities, specialised societies and industry associations, where the professional advantages of the two sides are given full play to increase the professional level of financial consumer education. Second, it cooperates with educational institutions such as universities, community colleges, universities for the elderly, primary and secondary schools, carries out diversified activities, expands the reach of financial education and improves the financial literacy of the public. The Bank has established close partnerships with a number of financial education institutions. In 2023, all 37 tier-1 branches of the Bank cooperated with local financial education institutions to carry out financial education and publicity activities. In the first half of 2024, 20 tier-1 branches collaborated with local financial education institutions on financial literacy education and publicity programmes.

◆ Financial education for key client groups

The Bank continues to expand the coverage of financial education and publicity, increases efforts in the popularisation of financial education through the "five entrances" (into schools, communities, countrysides, enterprises and business districts). The Bank reaches out to rural areas, ethnic minority areas, remote areas and other areas where financial service resources are underserved, targets on the elderly, students, new citizens, ethnic minorities, people with disabilities, rural clients and other key clients groups, the Bank has dedicatedly planned and implemented special financial knowledge education and publicity activities with practicality and attractiveness, so as to create a social atmosphere of "learning finance, understanding finance, trusting finance, and using finance".

The elderly clients

Towards 269 million elderly clients, the Bank actively carries out a variety of elderly-friendly financial service activities. In terms of physical channels, it continues to strengthen the building of elderly-friendly infrastructure at outlets, including setting up facilities such as barrier-free walking paths, seated smart teller machines, auxiliary crutches and wheelchairs, reading glasses and first aid kits, as well as compiling large print version of financial knowledge folders for elderly clients. In terms of electronic channels, the 95533 hotline provides elderly clients with green channels where they can access manual services. The hotline sets a voice button menu displaying commonly used functions for the elderly, and shows manual service entrance at the prominent position, reducing the difficulty of elderly clients in using intelligent services. The Bank improves the client protection service of "smart bank" on mobile banking, so that the elderly can learn financial knowledge by listening to stories in leisure time. The Bank's branches publicise personal finance at communities, helping the elderly adapt to digital life. For example, Shanxi Branch cooperated with local universities for the elderly on a regular basis to carry out education events. It organised movie-watching activities for the elderly people, playing legal education movies on site. The branch's executives taught financial knowledge in person to aware the elderly of financial risks. Jiangxi Branch carried out door-to-door activities with the theme of "Guard against elder fraud", making financial security knowledge publicity lectures and giving one-to-one advice to the elderly.

New citizens clients

The Bank provides 137 million new citizens with heartwarming financial education services. The Bank has opened the "Colourful Consumer Protection" channel on the "CCB Home" App to provide convenient services for new citizens, enabling them to learn financial consumer protection knowledge anytime and anywhere, and accumulatively extended to 52 million people. In accordance with the local policies on household registration and school enrolment for new citizens, the Bank carries out customised financial services, provides employment and school guidance and payroll credit service, and extend knowledge of account security. For example, Shenzhen Branch went into partner enterprises to hold consumer protection education activities for the children of employees, helping them better integrate into urban life.

Ethnic minorities clients

The Bank provides vivid financial education services for ethnic minorities clients, continuously broadcasts 8 original consumer protect songs of Miao, She, Dong, Mongolian, Uygur and other ethnic groups, which were rolled out through the whole network media, reaching a total of 32 million people. For example, Tibet Branch's resident work team explained financial knowledge to farmers and herdsman through cases. Hunan Branch and Guizhou Branch went into Hmong villages, and Ningxia Branch to the residential areas of the Hui to extend financial knowledge in lively and attractive forms, and carried out publicity on housing credit policies and credit investigation knowledge.

Teenagers and students

The Bank actively carries out special financial education and publicity activities tailored to teenagers and students. The Bank established a section of financial knowledge for college students on the "CCB Smart Campus Application" platform, which provides financial knowledge online for 2.8 million teachers and students in 400 contracted colleges and universities. A number of branches went into universities and primary and secondary schools, proactively promote financial consumer protection knowledge and provide case studies on preventing illegal campus loans, help them stay away from illegal financial activities. For example, In cooperation with Harbin Institute of Technology, Heilongjiang Branch kept a close eye on social concerns and hot issues, helped people have fully understand "capital chain" governance on combating fraud as well as payment services that benefit enterprises and the people, and other policies, so as to increase the anti-fraud capacity of the public. Shaanxi Branch, together with Xidian University, local public security bureau and other institutions, launched fun and interesting financial education activities in the campus where the teachers and students can learn knowledge by playing games, strengthening their understanding of financial consumer protection knowledge.



Clients with disabilities

The Bank provides convenient financial education services for people with disabilities. It issued the *Barrier-free Service Standards at Business Outlets* to comprehensively improve the barrier-free services at outlets. It kept updating 39 "Wan Bao Sign Language Class" and sign language courses of national standard to help people with disabilities learn knowledge of financial consumer protection education. For example, Liaoning Branch carried out special classroom teaching activities in the communities together with volunteers to help people with disabilities learn wealth management knowledge. Heilongjiang Branch visited the service centres for the disabled, sent service manual to the centres, and helped them learn consumer protection knowledge.

Clients in rural areas

The Bank has built 3,167 "Yunong School", and carried out a variety of financial knowledge publicity activities, cultivating a culture of integrity in rural areas. It organised young employees to extend financial knowledge to people in rural areas during spring ploughing and ploughing preparation. For example, Beijing Branch cooperated with the Central Agricultural Broadcasting and Television School to record online training courses for farmers, reminding them to pay attention to the risk of telecom fraud, enhancing risk prevention capability.

◆ Upgrading digital financial education

The Bank incorporates various real-life scenarios into financial education by using digital methods, empowering business development. It continues to build the digital consumer protection education section that integrates knowledge, functions and interactions. In major digital marketing campaigns of "Benefit Season" and "Fighting Season" in 2024, the education section accumulated 235 million visits. The Bank has created a "Colourful 3D Digital Exhibition Hall on Consumer Protection" which has a total of 6.82 million registered users. It has established a collaborated exhibition hall matrix of the Head Office and branches. The exhibition hall at the Head Office has launched the "3-15" special zone and the "Protecting Money Bags" activity zone where the contents of activities are fully displayed. 31 characteristic halls at branches have been opened to give financial education with local characteristics.

Accumulated visits to the education section in major digital marketing campaigns of "Benefit Season" and "Fighting Season" in 2024

235 million

Accumulated registered users of "Colourful 3D Digital Exhibition Hall on Consumer Protection"

6.82 million

Privacy Protection and Data Security

The Bank attaches great importance to privacy protection and data security. It keeps refining the management structure, improving policies and norms, strengthening protection measures, consolidating education and training, promoting audit and oversight, and enhancing third-party data and privacy management, etc., increases the capability of privacy and data security protection, and strives to protect personal clients privacy and data security.



Privacy and Data Security Management Structure

◆ The Board of Directors

The Board and its special committees pay great attention to privacy and data security protection and are responsible for approving information security strategies and monitoring the implementation of the strategies. They integrate IT risk into the Group's risk preferences, continuously strengthen security operation and maintenance capabilities, and improve the capabilities for preventing and controlling IT and cybersecurity risks, protecting clients' privacy and the Bank's information and financial security. They keep deepening IT system disaster recovery and drills and improve information security and privacy protection capabilities through concrete efforts.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board is responsible for overseeing, guiding and promoting the work on personal client privacy and information protection. The committee studies the progress of work relating to privacy and data security on a regular basis, guides the Management to strengthen system, procedure, tools and talent team building concerning privacy and data security, promotes the work on privacy and information protection in an orderly manner, and oversees the implementation and execution of relevant measures. In the first half of 2024, the committee carried out thematic study about the report on the progress of the work related to privacy and data security protection, emphasised the importance of privacy and data security work to the development of the Bank and to the protection of clients' rights and interests, and focused on the results of on-site inspections of personal information protection and the rectification of problems therein. It guided the Management to keep in line with the best international practice standards, set KPI of privacy and data security, and further improved the management of privacy and data security.

The Risk Management Committee of the Board is responsible for overseeing and guiding IT and cybersecurity risk control and management, and regularly listening to reports on IT and cybersecurity risk management and control. In the first half of 2024, the committee listened to and discussed the *Report on IT Risk Management in 2023*, studied the situation and key measures on IT and cybersecurity risk management and control, focused on risk event grading standards, emergency response mechanisms as well as cybersecurity check, and guided the Management to refine IT and cybersecurity risk management mechanisms, so as to effectively improve the capabilities of risk management and control and response.

◆ The Management

FinTech and Digitalisation Promotion Committee

The Management of the Bank sets up the FinTech and Digitalisation Promotion Committee headed by executive of the Bank. The committee has 12 member units, including the Head Office departments, institutions directly under the Head Office, subsidiaries, etc. The committee is responsible for executing the strategic guidance and decision-making on FinTech and digital operation put forward by the Party committee of the Head Office, the Board of Directors and the President's Office. It coordinates important work such as FinTech, digital operation, information security, data governance, etc., studies and deliberates on major issues such as preparation of plans, reports to the Board, the President's Office, etc. for decision-making according to required procedures and ensures the effective implementation of bank-wide strategies for FinTech and digital operation. In the first half of 2024, the FinTech and Digitalisation Promotion Committee held three plenary sessions, deliberated on and approved the self-assessment report on the Bank's data governance in 2023, *the Measures for Data Governance (Version 2024)*, as well as the main arrangements for personal client information protection across the Bank in 2024.

Chief Information Officer

The Management assigns Chief Information Officer (CIO) to co-oversee the operations of the Digitalisation Promotion Office, the Data Management Department, the FinTech Department and the Operational Data Centre. The CIO takes the overall charge of the planning, development, promotion and management of the Bank's information systems and information security control measures as well as the sharing and integration of relevant resources, so as to improve the Bank's efficiency of information security management in all respects and ensure the sound development of the Bank's digital business.

◆ The execution

The Bank's functional departments and business lines have clearly defined job responsibilities, working together to establish an effective execution system of privacy and data security protection:

The FinTech Department of the Head Office coordinates the protection of personal client information across the Bank. The Data Management Department of the Head Office leads the data security management work across the Bank, organises the planning and implementation of data security management and data security risk assessment. The data security division, as the special designated office of data security management, carries out specific work. The FinTech Department, the Operational Data Centre, etc. of the Head Office are jointly responsible for implementing the work relating to data security in IT field and business departments are responsible for putting in place data security management requirements in their corresponding business areas. The Risk Management Department and the Internal Control & Compliance Department of Head Office conduct data security risk management, internal control evaluation, accountability and penalties, etc. within their scope of duty and the Audit Department of the Head Office performs information security and privacy protection related audits. All branches and subbranches assume primary responsibility for data security within their jurisdiction and perform localised administration. They strictly implement local policies and regulations relating to data security and actively control and manage data security risk within their jurisdiction, ensuring data and information security.

Privacy and Data Security Policies and Specifications

◆ Privacy protection

The Bank fully respects and protects individuals' rights of personal information. It continues to deepen the protection of clients' personal privacy and keeps intensifying specifications and rules. The Bank has established personal information protection policies covering all business lines and subsidiaries, guiding all employees to comply with personal information security protection requirements and implement protection measures in business practices and work processes. The Bank specifies relevant requirements such as informed consent and minors' information security in the process of providing products and services, and makes sure to obtain clients' authorisation before using their personal information. The Bank applies the functions of obtaining client consent, withdrawing consent, re-obtaining consent and case-by-case authorisation and consent on mobile banking and other platforms. In the first half of 2024, the Bank organised all tier-1 branches to sort out and improve relevant systems such as the implementation rules for personal client information protection, so as to consolidate and improve institutional systems.

Privacy protection principles

The Bank upholds the following principles in protecting clients' privacy, including matched right and responsibility, explicit purpose, informed consent, minimal necessity, hierarchical authorisation, security assurance, fairness and reasonableness, openness and transparency, integrity and information quality. It strictly abides by laws and regulations, and takes appropriate measures to fully protect clients' personal information.

Privacy protection policy

In accordance with the *Personal Information Protection Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China* and other legal requirements, the Bank has issued and implemented the *Management Measures for Personal Customer Information Protection (Version 2023)*, further regulating the handling process of personal client information. The Measures is the overall institution for the work of personal client information protection, clarifying the division of responsibilities of the departments of the Head Office and tier-1 branches in this regard, as well as the requirements on the full lifecycle management¹, emergency management mechanisms, and supervision over and management of personal client information, so as to further regulate the handling process of personal client information, guide the high-quality and orderly implementation of personal information protection across the Bank, and continue to develop the Bank's institutional system on personal client information protection.

The Bank issued and implemented the *Work Plan to Further Strengthen the Personal Customer Information Protection (Version 2023)*, clarifying the detailed measures and basic requirements for strengthening the protection of personal client information, guiding the whole bank to keep strengthening business processes that involve the handling of personal client information, and ensuring that relevant work was carried out as per requirements.

The Bank regularly conducts re-examination work on regulations and rules related to privacy protection, organises all 37 tier-1 branches to re-examine and improve the regulations and rules related to personal client information protection of their institutions, establishes and improves the personal client information protection system of their institutions, and clarifies the organisational structure and working mechanism. According to the requirements of laws and regulations, the Bank continuously revises the personal information protection policies of channels, product services, privacy authorisation agreements and other agreement texts, and improve the "notification – authorisation" business processing procedure.

¹ Full lifecycle covers client notification-consent, the collection, transmission, use and cross-border provision of information, the right of portability, deletion, destruction, third-party cooperation management, impact assessment and so on.

The Bank has publicly disclosed the *Personal Information Protection Policy Overview*¹, reviewed and updated it in 2024, which presents its institutional framework of personal information protection policies in a systematic way with the focus on the functional division, management mechanisms, implementation process and standardised measures:

- Regulating the collection and use of personal information and defining personal information, which means all kinds of information that have been recorded electronically or by other means and relating to identified or identifiable natural persons, excluding information that has been anonymised. The above-mentioned personal information mainly include identity information, property information, account information, identification information, financial transaction information, borrowing information, and other information that reflects certain situations of specific individuals.
- The purpose of collecting and using personal information is to provide clients with quality products or services according to laws and regulations. This includes identifying and verifying personal identity for the protection of account and e-CNY wallets security; assessing the capability and conditions of contract fulfillment for business access and risk prevention and control; necessity for the provision of products or services; protecting fund security; improving client relationship and service experience; fulfilling statutory obligations (e.g., anti-money laundering obligations); other purpose prescribed by laws and administrative regulations or approved by clients.
- The methods for collecting personal information include: collecting information offered by clients on their own initiative when providing financial services; collecting service-related information formed during the process of providing financial services; collecting credit information and behaviour information of clients from credit investigation agencies, credit management companies, credit evaluation agencies or similar agencies permitted by relevant legal and regulatory institutions; collecting information that is necessary for services from government bodies, judicial authorities, and public institutions; collecting information that is necessary for the services provided by the Bank, when authorised by the clients, from natural person, legal person and other organisations that retain client information; any other methods prescribed by laws and administrative regulations or permitted by clients.
- The scope and purpose of personal information collection: when providing products or services for clients, the Bank will collect information entered by clients on their own initiative in the process of using the Bank's products or services or generated during the use of products and services. The types of personal client information collected herein shall be directly related to the realisation of the business functions of products and services and no client information irrelevant to the business will be collected.
- Scenarios involving the use of personal information include: maintaining and improving business functions when providing clients with the Bank's products or services authorised by the client; continuously collecting and using information with client authorisation during the ongoing financial service period; summarising, statistically analysing and processing the usage of services (excluding identification information) to improve product or service experience and prevent risks; sending service status notifications and commercial information about related products or services to clients on the premise of obtaining their independent and voluntary consent; other purposes authorised by the client, are necessary for the performance of statutory duties or obligations and permitted by laws and administrative regulations.
- Filing, protecting and retaining time boundaries of clients' personal information. When the Bank ceases to provide financial products or services, it will immediately stop client information collection and data analysis and application activities, unless otherwise regulated by relevant governing departments of the state and the industry.
- Relevant provisions on using Cookie and similar technologies, and on sharing, transferring or disclosing clients' personal information.
- Granting rights to control personal information, including acquisition/access, correction, deletion, portability, restriction of processing, withdrawal of authorisation, and refusal of processing.

◆ Data security

The Bank keeps refining the policy system for data security and information protection. The Bank formulated and issued multiple regulations and policies on data governance and information security, including the *Management Measures on Data Security*, the *Management Measures on External Data*, the *Implementation Rules for Classified and Hierarchical Data Protection* and the *Emergency Plan on Data Security Incidents*. The Bank specifies the division of responsibilities, refines management strategies, establishes a sound institutional management system concerning data security, information security and privacy protection. The Bank's data security policies have already covered all business lines and domestic and overseas institutions. Overseas institutions are required to abide by laws and regulations and industry regulatory requirements of the countries (regions) where they are located.

¹ *Personal Information Protection Policy Overview*: https://en.cob.com/eng/2023-08/01/article_2023080117440210471.shtml

Granting Clients Rights to Control Personal Information

The Bank strictly abides by relevant laws, regulations, and regulatory requirements to fully safeguard clients' rights to control their personal information. The scope and specifications of exercising the rights include the right to know, acquiring/accessing, correcting, deleting and transferring personal information; the owner of personal information cancelling account; restricting the automated decision-making by information systems, and responding to the above-mentioned requests of clients.

◆ Right to acquire/access information

Clients have the right to acquire a copy of personal information when accessing personal information. When clients request to consult and copy their personal information or request explanations of the information processing rules, the Bank provides relevant information or process such requests within the scope permitted by laws, regulations, and industry norms and ensures that the legitimate rights and interests of other institutions and clients are not infringed upon. Clients have the right to access personal information through the Bank's international website, online banking, mobile banking, telephone banking and other channels, unless otherwise prescribed by laws and administrative regulations.

◆ Right to rectify information

Clients can choose to rectify personal information at outlets. In principle, this shall be conducted by the clients themselves. However, certain information such as fixed telephone numbers, contact addresses, work addresses, occupation information, nationality, and document expiration dates could be handled by representatives on behalf of the clients, subject to verification of the representatives' and the clients' valid identification documents and related supporting materials at outlets, where the information of the representatives should also be collected. Where the regulatory authorities regulate otherwise, the relevant regulations shall prevail. Clients have the right to correct and update personal information through the Bank's international website, online banking, mobile banking, telephone banking and other channels, unless otherwise prescribed by laws and administrative regulations.

◆ Right to delete information

Clients are entitled to delete their personal information. Deletion of personal client information refers to the act of removing personal client information from the systems involved in the realisation of daily business functions, so that it is impossible for the information to be retrieved and accessed. Under any of the following circumstances, the Bank shall voluntarily delete personal client information. If the Bank fails to delete relevant information, clients have the right to request deletion:

- The processing of personal information by the Bank violates laws and regulations;
- The Bank collects or uses personal information without client consent, or the consent has been withdrawn;
- The processing of personal information by the Bank violates the agreement with clients;
- Clients cease to use the Bank's products or services, or cancel the accounts;
- The Bank ceases to provide products or services, or the storage period of personal client information has expired;
- The purpose of personal client information processing has been achieved, cannot be achieved, or is no longer necessary for achieving the processing purpose;
- The Bank unavoidably collects personal client information that is unnecessary or is not permitted by the clients when using automated collection technology; or
- Other circumstances as prescribed by laws, regulations, or administrative regulations.

If the Bank decides to respond to the request of deletion, it will, at the same time, notify the entities that obtain personal information from it, requiring them to delete the information in a timely manner, unless otherwise prescribed by laws and regulations, or the entities obtain independent authorisation by clients. When clients delete information from the Bank's services, the Bank may not immediately delete the corresponding information from the backup system, but it will delete the information when the backup is updated. Where the storage period as prescribed by laws and administrative regulations does not expire, or it is difficult to technically realise the deletion of information, the Bank will stop processing personal information other than storing and taking necessary security measures.

◆ Right to transfer information

Clients are entitled to transfer their personal information. If the conditions prescribed by laws and administrative regulations are met, clients have the right to request the Bank to transfer their personal information to other personal information processors. The Bank will provide personal information in a format that facilitates subsequent processing, and use technical means to ensure data security during transferring. The Bank shall provide the means for such transfer if it is technically feasible or the conditions prescribed by the State cyberspace administration are met. When assisting clients in the transfer of their information, the Bank will delete data that may violate the rights of others.

◆ Right to cancel accounts

The registered users of the Bank's products or services can go to the outlets for account cancellation through channels such as the counter of the Bank, E-mobile terminals or self-service devices. They can also choose to cancel accounts by themselves via mobile banking, online banking, SMS financial services, international websites and other channels according to the relevant regulations of business management.

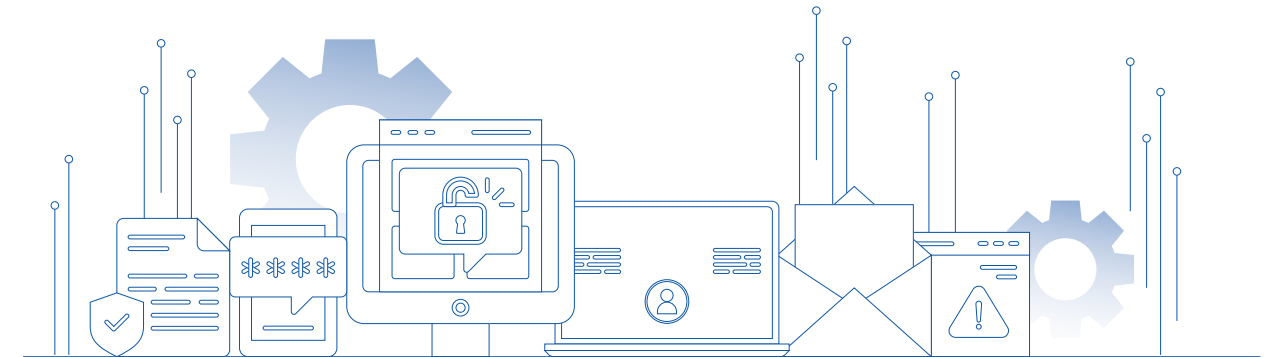
◆ Restricting automated decision-making in information systems

In some business functions, the Bank may make decisions based solely on non-human automated decision-making mechanisms including information systems and algorithms. Clients have the right to seek an explanation from the Bank if these decisions significantly affect their legitimate rights and interests, and the Bank will provide appropriate solution. The Bank follows the principle of fairness and reasonableness when using automated decision-making. When carrying out information push and marketing to clients through automated decision-making, it also provides options that are not targeted at personal characteristics, or offers convenient refusal methods to individuals. When making decisions that have significant impacts on the clients' rights and interests through automated decision-making, the Bank will make an explanation to clients. Clients have the right to refuse decision-making solely by automated means.

◆ Right to know the collecting and processing of personal information

Before processing client information, the Bank will notably inform clients of the processing of personal information in an authentic, accurate and complete manner through privacy protection policy, personal information authorisation agreement, etc. in clear and understandable language and noticeable way. Where processing of sensitive personal information is involved, the Bank will inform clients of the necessity of processing their sensitive information and the impact on them. The processing of personal client information by the Bank is based on client consent, which is voluntarily and explicitly given by the clients on the premise that the clients are fully informed of, except for where laws and administrative regulations require no consent of individuals. Before providing client information for overseas parties, the Bank will obtain the independent consent of clients and fulfill the security assessment process required by the State cyberspace administration.

Other rights of control over personal information granted to clients are defined in the *Personal Information Protection Policy Overview*.



Privacy and Data Security Protection Measures

The Bank continuously improves information security and privacy protection measures. The Bank built a data security technical protection system featuring "prevention from external attacks and theft, prevention from internal data leakage, and comprehensive security monitoring", covering the entire data lifecycle for protecting client privacy and data security. The Bank formulated IT solutions for personal information privacy protection that cover client information access control, corporate client information de-sensitisation and other key sectors. The Bank pushes for the development of the data access control security platform to achieve precise access control and dynamic de-sensitisation of personal information data during the use. The Bank keeps refining the business control mechanisms on personal client information protection, continuously improves the privacy policy system, strengthens authorisation control, and takes security control measures for the use of personal information that combine authorisation approval and machine control.

Minimal data collection and retention

Minimal data collection

The Bank strictly abides by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other relevant laws and regulations. It follows the principle of minimal necessity during the collection of personal client information, clearly informs clients of the processing measures through full lifecycle of data including personal information collection, storage, use, processing, transmission, provision, public disclosure, deletion, etc. in the text of publicly disclosed privacy policy and authorisation agreement.

Before collecting client information, the Bank follows the "client notification-consent" process, informs notably clients of the processing of personal information in an authentic, accurate, complete and obvious manner in clear and understandable language, whereby clients voluntarily and clearly make well-informed decisions about giving consent. The types of personal client information collected by the Bank are directly related to the functions of the products or services provided.

During the collection of personal client information, no fraudulent, deceptive, or misleading methods are used, and the Bank does not conceal the function of collecting personal client information associated with products or services. Personal client information is not obtained from illegal channels and is not collected by using improper means or coercion. Clients are not required to provide generalised authorisation for the processing of personal client information. The Bank pays attention to the quality of information to avoid the adverse impact on the rights and interests of clients caused by inaccurate and incomplete information. When clients request to correct or supplement personal information due to inaccuracy or incompleteness, the Bank will correct and supplement it in a timely manner after verification. When collecting client information through automated means, the frequency of collection is the minimum frequency necessary to fulfil the functions of the products or services.

When it ceases to provide relevant financial products or services, the Bank will stop the information collection and data analysis and application of the clients. Where national or industry authorities have independent provisions, the relevant provisions shall prevail.

Minimal data retention

The Bank retains personal client information for the shortest period necessary to achieve the purposes for which clients provided authorisation, except as otherwise required by law or administrative regulations. Once the retention period mentioned above expired, personal client information is either deleted or anonymised. If it is technically difficult to delete personal client information or if the retention period stipulated by law or administrative regulations has not expired, the Bank will cease processing the personal client information, except for retention and necessary security measures. When it ceases to provide relevant financial products or services, the Bank will stop the information collection and data analysis and application of the clients. Where national or industry authorities have independent provisions, the relevant provisions shall prevail.

The Bank follows the Management requirements of data classification system in storing personal client information and data. For paper materials, it specifies detailed requirements for the protection of paper files of personal client information in business management system or process, determines the risk control process and authorisation approval mechanism for the storage and transfer of paper files, so as to strictly control the management of paper documents containing personal client information.

Retention regulations	Retention period
Anti-money laundering regulations	Documents acquired and prepared for the prevention and detection of money laundering and terrorist financing (including identity information, transaction records, large transaction and suspicious transaction reports, etc. of clients) shall be kept for no less than five years after the completion of the transaction or the termination of client relationship.
Enterprise annuity custody regulations	According to the <i>Measures for the Management of Enterprise Annuity Funds</i> , the business activity records, accounting records, statements and other relevant materials of enterprise annuity custody shall be kept for at least 15 years from the date of the termination of the contract.
Fund custody regulations	According to the <i>Law of the People's Republic of China on Funds for Investment in Securities</i> , the fund share registration institution shall properly keep the registration data, and back up the name, identity information and fund share details of the holders to the institutions recognised by securities supervision and administration of the State Council. The retention period shall not be less than 20 years from the date of the cancellation of fund accounts.
Fund agency sales regulations	According to the <i>Measures for the Supervision and Administration of Sales Agent of Publicly Offered Securities Investment Funds</i> and other fund management regulations, fund sales agents shall establish a sound file management system, and properly keep investors' account opening information and other information relating to fund sales business. The investors' identity information shall be kept for at least 20 years from the year in which business relationships end, and other information relating to fund sales business shall be kept for at least 20 years from the year in which the business occurs.
Regulations on wealth management products agency sales	According to the <i>Interim Measures for the Administration of Sales of Wealth Management Products of Wealth Management Companies</i> , wealth management products sales agents shall establish a sound file management system and properly keep investors information relating to wealth management products sales, and the retention period shall not be less than 20 years.
Bank card acquiring regulations	According to the <i>Measures for the Administration of Bank Card Acquiring Business</i> , the card acquiring institutions shall keep the application materials, qualification review materials, handling agreements, training and inspection records, information changes, termination of cooperation and other files of special merchants for at least five years after the termination of the service. Where payment institutions cooperate with banks in bank account payment or collection business, the <i>Measures for the Administration of Bank Card Acquiring Business (Notice No. 9 [2013] of the People's Bank of China)</i> , the <i>Administrative Measures for the Online Payment Business of Non-Banking Payment Institutions (Announcement No. 43 [2015] of the People's Bank of China)</i> and other regulations shall be strictly abided by to ensure the authenticity, integrity, traceability and consistency of transaction information in the whole payment process, and no transaction information shall be tampered with or hid. Transaction information shall be kept for at least five years.
Regulations on management of credit investigation materials	The paper authorisation materials and credit report of clients whose offline applications are not approved shall be kept together with the application material folder for at least three years; the electronic authorisation materials and the application materials of clients whose online applications are not approved shall be kept by relevant business application system for at least three years.
Remote intelligent banking call-in regulations	All kinds of tables and documents generated by call-in business including electronic documents, voice data, written data, etc. shall be kept for at least five years from the date of business completion.
E-CNY regulations	The e-CNY wallet belonging institution shall keep the wallet information for at least five years after the cancellation of e-CNY wallet.

Promoting hierarchical data security protection

The Bank has issued the *Implementation Rules for Classified and Hierarchical Data Protection*, established data classification and recognition specifications, specified classified and hierarchical data management and protection requirements, and conducted data classification and grading based on sorting of data resources. The Bank clearly defines the working steps for the implementation and dynamic adjustment of data classification and hierarchy, as well as hierarchical protection requirements for data at different security levels in activities such as collection, processing and use. It has developed an automatic grading model of data security by using machine learning, and realised the automatic preliminary decision of data security level. With this model, combined with manual recheck, it has classified, graded and labelled the data based on the whole bank's data dictionary, and made the labelling results an important basis for adopting differentiated security protection measures.

◆ Continuously improving technology-enabled data security protection capability

The Bank continues to improve its technology-enabled data security protection capability, promotes the application of enterprise-level security components and application integration, enhances data protection, and supports to meet the data security needs in a convenient way. It strengthens the whole process control mechanism of production data, checks the consistency between extracted production data and the application, and improves the security management of the usage of data downloaded to the office desktop. It promotes application printing and digital watermark of documents and strengthens terminal security management and control. The data sharing security computing platform supports the execution guarantee of cross-platform privacy computing tasks so as to improve shared data security and give full play to the value of data.

◆ Conducting unified management of privacy authorisation across the Bank

The Bank has established a client privacy authorisation management platform, integrated client privacy data authorisation contracting information from various business lines, and developed a cross-line and cross-system management component for client authorisation management. It strengthens the compliance management and security control of the use of personal data, develops approval procedures of authorisation template, authorisation agreement and authorisation record, standardises agreement information management and data authorisation management procedure, and conducts unified management of authorisation for personal tranquility rights, privacy, individual consent, and other scenarios. In addition, the Bank comprehensively implements scenario-based and differentiated management of client information service, minimises the disturbance to clients and fully protects the relevant rights and interests of personal clients.

◆ Comprehensive monitoring and analysing data breaches

The Bank continues to monitor internal and external sensitive information and improve technology-enabled data security monitoring scenarios. In terms of internal monitoring, it intensifies technology-enabled monitoring on scenarios such as using production data and employee copying data through USB drive. In terms of external monitoring, it focuses on scenarios such as data breaches through external Internet, and phishing sites, spoof website and fake Apps masquerading as the Bank cheating clients out of their information.

◆ Verifying the effectiveness of the technology-enabled data security protection system

The Bank actively participates in the cyber attack and defense drills organised by the State and the industry, regularly conducts internal cyber security attack and defense drills, and verifies the technology system that protects the cyber and data security of the information system through practice, so as to improve the security protection capability and build a high-level technology team of data security protection and control. The Bank carries out Internet system penetration testing on a regular basis with the focus on matters concerning network security and data security. In the first half of 2024, the Bank held internal cyber security attack and defense drills that simulate real cyber attack and defense scenarios, conducted tests of cyber attack on operational data centre, domestic branches, overseas institutions and subsidiaries in production environment, so as to verify the level of technology systems protecting the cyber and data security of all operations and improve security protection capabilities.

◆ Emergency response plan

The Bank is committed to building emergency management mechanisms on privacy and data security and keeps improving emergency response procedures of data security incident. It consolidated the institutional system including the *Measures for Personal Customer Information Protection (Version 2023)*, the *Measures for Data Security Management (Version 2023)*, and the *Emergency Plan on Data Security Incidents*, clarifying the division of responsibilities for data security risk monitoring and emergency management of data security incidents, grading of data security events, response and handling of key scenarios and events, the reporting procedures, and the main points for handling key event scenarios. The Bank has established emergency contact mechanisms and coordination mechanisms to improve the emergency handling procedure of data security incidents and enhance emergency management capability of data security incidents.

Proactive measures

The Bank attaches great importance to the prevention of and monitoring over information security incidents, refines the emergency plan and drill management of information protection, and continuously expands the emergency handling mechanisms of information protection in various situations. All operations establish and improve emergency management mechanisms in accordance with the Bank's regulations on personal client information protection emergency management and handling, as well as local regulatory requirements, industry management requirements, and actual work conditions. The Bank has added data security monitoring in daily public opinion monitoring, included personal information protection label into the complaint management system and monitored data security incidents through media and complaint channels. It carries out emergency plan training and organises emergency drills on a regular basis to continuously improve the emergency response capacity for data security.

Reactive control

In the event of data security incidents such as information leakage, tampering, or loss of personal clients, the Bank immediately takes effective response measures, controls the situation, removes potential risks and makes a report in accordance with relevant rules. In the event of an information breach that causes serious harm to the legitimate rights and interests of personal clients, the relevant institution where the incident occurred will timely notify the affected personal clients of the situation in accordance with relevant provisions in the contract or agreement, except as expressly provided by laws and administrative regulations notice may not be given. Notification can be made through email, letter, phone call, push message, etc. and includes the information types, causes and possible harms of personal client information leakage, tampering or loss that have occurred or may occur, the remedies taken by the Bank and the measures the client can take to reduce the harm, as well as relevant contact information of the Bank's personal client information protection emergency response.

In view of the fact that data security incidents are often intertwined or concurrent with cyber and information security incidents, information system production incidents, regulatory cases, business continuity incidents, reputation incidents, and major events of consumer rights protection, the Bank emphasises the requirements and principles of coordinated handling in the *Emergency Plan on Data Security Incidents* to ensure that all parties fulfill their own responsibilities, cooperate closely and respond in a timely and effective manner. The Bank explicitly requires that confirmation with data security management department at the same level should be made immediately after the occurrence of data security incidents in accordance with relevant provisions. The corresponding competent authority shall immediately initiate the emergency response and handling and handle and report the issue according to the hierarchy of the incidents. It shall take control measures from both business and technology perspectives, conduct in-depth analysis of the cause of the incident, and promptly implement remedial measures to effectively control the situation, so as to ensure business continuity in emergency situations and prevent further spread of negative effects.

Third-party Privacy and Data Security Management

◆ Institutional basis of third-party privacy and data security management

The Bank keeps strengthening the security management on third parties in their handling of client information, privacy and data. It formulated internal regulations such as the *Work Plan of IT Outsourcing (2023-2025)*, the *Management Measures for IT Outsourcing (Version 2023)* and the *Management Measures for Personal Customer Information Protection (Version 2023)*. It clarifies the requirements on the protection and management of personal client information in third parties, strictly restricts the purposes and use of authorising third parties to handle client information, standardises the process of third-party data processing and improves the supervision and inspection mechanisms of third-party data processing, so as to effectively improve the security and compliance of third-party data processing and create a safer and more reliable financial service environment for clients.

◆ Requirements and authorisation on commissioning third-party institutions to process personal data

The Bank respects client privacy. The Bank does neither rent, sell or provide personal privacy data of clients to any third party for purposes other than completing transactions or services, nor share client information with financial partners, associates or business partners without clients' authorisation. It requires the third parties to clarify their responsibilities for information security, limits the purpose and use of information collection, processing and retention by third parties, controls data scope and supervises the third parties to take effective protective measures to ensure the security and confidentiality of client information. In the event of the Bank commissioning third parties to process personal client information due to business needs, the regulations on commissioned institutions processing personal data and the limits of authority in this regard are as follows:

- Agreeing with the commissioned institutions on the purpose, period, processing methods, information types, protection measures, security and confidentiality requirements of the commission and rights and obligations of both parties;
- Following the principle of minimal necessity in providing data and authorising data access for third parties. The localised deployment of the system and data shall be preferably completed in the bank;
- Regularly organising supervision over and inspection on personal client information processing activities carried out by the commissioned institutions;
- Requiring commissioned institutions to process personal client information in strict accordance with the agreement and the processing shall not exceed the agreed purposes and methods;
- If the commissioning contract does not go into effect, is invalid, revoked or terminated, the Bank requires the commissioned institutions to return relevant personal client information to the Bank and deletes and destroys the information instead of retaining it and takes it down from the relevant systems;
- Without the consent of the Bank, the commissioned institutions shall not recommit other parties to process the Bank's personal client information.

◆ Requirements on third parties cooperating with the Bank in products and services

The Bank strictly regulates the product and service cooperation with the third parties, and clearly requires that:

- The Bank shall clarify the responsibilities and obligations of both parties for the protection of personal client information in agreements or contracts, implement security control measures, and supervise third parties to strengthen information security management;
- Clients shall be fully informed when the Bank's Apps, mini programmes, WeChat official accounts direct them to third parties. Where the collection of personal client information is involved, the party performing information collection shall ensure that there is a clear notification to clients that the products or services are provided by third parties. Before processing client information, clients shall be informed according to the law and consent shall be obtained from clients;
- In the case of providing de-identification information, the Bank shall require the relevant third parties not to re-identify clients through technical means.

◆ Management requirements for internal operations in the Bank

Relevant operations of the Bank are required to strictly control and review the selection and access of cooperative institutions on the principle of "those who introduce, access and benefit from the cooperation assume full responsibility for it" before carrying out cooperation with third parties. They shall conduct impact assessment of personal client information on cooperative institutions, assess the business risks involved, the impact on clients' rights and interests, the effectiveness of the institutions in terms of system security, transaction risk control and information protection. They shall assess whether the purpose and methods of processing personal client information are legal, legitimate and necessary, and whether the protection measures taken by the institutions are legal and effective and are in line with the degree of risks. At the same time, the Bank strengthens supervision over and management of the cooperation with third parties. In case of any violation of law or agreement, the relevant cooperative institutions shall be held accountable. The scope of cooperation shall not be expanded before rectification is completed. The Bank will inform the clients of the identity and contact information of the receivers, the processing purpose and methods and information type when it provides client information for third parties, and obtain the clients' independent consent.

◆ Management measures on IT outsourcing or third-party cooperation involving personal information of the Bank's clients

For the services of IT outsourcing or third-party cooperation that involve personal information of the Bank's clients, the Bank carries out risk assessments before procurement, and conducts detailed due diligence on the service providers to fully understand the risk prevention and control situation of them. It clarifies the data security responsibilities in agreements, keeps improving emergency management mechanisms, and monitors and manages cybersecurity and data security of service providers. It implements on-site inspection and follows up on the problems found in the inspection and require timely rectification. The inspection covers all important outsourcing service providers. It is for IT outsourcing service providers and requires all of them to conduct all-encompassing "security and confidentiality" training for all personnel involved in the services, so as to continually enhance the awareness of information security among outsourced personnel.

Regarding the data that the Bank commissions a third party to process in business outsourcing, the Bank controls the scope of commissioned data according to the "minimal necessity" principle. Meanwhile, the Bank adopts de-sensitisation or encryption methods to share data in a secure and controllable environment. It signs an agreement with the commissioned institution to clearly define the rights and responsibilities and agrees upon the purpose, period, processing methods, protection measures, and security and confidentiality requirements of the commission, as well as the data security responsibilities and obligations of the commissioned party. The third party shall notify the clients and obtain their consents before processing the information in accordance with the law. In the *Measures for Data Security Management*, the Bank specifies the regulations on data collection from personal information owners and external institutions and the access to third-party ecosystems or external systems, further clarifying the requirements on data collection from third parties.



◆ Supervision over and inspection on third-party data processing

Supervision and management mechanisms

The Bank keeps improving the management system on third-party data and privacy security, and strengthens the guarantee of security standards for data cooperation with third parties. It formulated the *Measures for Data Security Management*, the *Implementation Opinions on Further Standardising Oversight and Assessment of Consumer Protection at Intermediaries and Third-party Institutions* and sample data security provisions for data cooperation with third parties. It guides operations of the Bank at all levels to comply with laws, regulations and regulatory requirements on data security, clarifies third parties' responsibilities and obligations in data cooperation security, safeguards data owners' legitimate rights and interests and ensures compliance and security in the data processing process.

Before introducing third-party partners, the Bank implements strict privacy and data security access audit mechanisms, carries out comprehensive business impact assessment, ensures the compliance of partners in terms of privacy and data security. At the same time, the Bank clearly defines the responsibilities and obligations of both parties in the protection of personal client information through standardised agreements and contracts and implements strict security control measures. If the cooperative relationship has changed or terminated, the Bank requires the commissioned institution to return relevant personal client information to the Bank and deletes and destroy the information instead of retaining it and taking it down from the relevant systems, so as to protect client privacy and information security.

During the duration of the contract with third parties, the Bank will keep supervising the implementation of the commissioned parties' data security protection measures to ensure that the third-party service providers comply with the applicable provisions of personal information protection laws and data security laws, fulfil their obligations of protecting user information and perform appropriate confidentiality/non-disclosure obligations. It urges the third parties to maintain effective system security, transaction risk control, information protection, etc., oversees the legality, legitimacy and necessity of personal information processing purposes and methods and ensures that the protection measures taken by the third parties are in line with the degree of risks. It urges the third parties to timely rectify problems identified and effectively carries out the supervision over and inspection on the third parties on their obligations of personal client information protection, so as to protect clients' right of personal information security through concrete actions.

The Bank requires tier-1 branches, CCB Learning Centre (International Institute), institutions directly under the Head Office, audit institutions, overseas institutions and domestic subsidiaries to implement the impact assessment and inspection on data security protection before conducting business outsourcing and external data sharing, analyse data security risks and the impact on the rights and interests of data subjects in accordance with the purpose, nature and scope of data processing as well as the requirements of laws, regulations and codes of ethics, and assess the necessity and compliance of data outsourcing, the effectiveness of data security risks and preventive and control measures, so as to strengthen data security protection.

Special inspections on personal client information protection

In 2023, the Bank systematically organised two special inspections over domestic branches on personal client information protection. It included "third-party cooperation management" into the scope of the inspections to check the standardisation of third-party management and the performance of third-party personal client information protection. The scope of the inspection mainly includes:

- Whether the cooperation agreement specifies the cooperative institution's responsibilities for personal information security protection and risk management (including data protection responsibility, confidentiality obligation, liability for breach of contract, contract termination and handling provisions in emergencies, etc.);
- Whether the branch strictly controls the behaviour and authority of the cooperative institutions, and takes means such as encrypted transmission, security isolation, authority control, monitoring and alarm to prevent the risks of data abuse or disclosure;
- Whether the branch effectively monitors the fulfilment of personal information protection responsibility of third-party cooperative institutions, and timely handles any violation of personal information security by cooperative institutions;
- Whether the branch supervises the third-party cooperative institutions in a timely manner to delete or destroy personal client information obtained during the cooperation after the termination of the cooperation.

Through the special inspections on personal client information protection, the Bank further strengthens the supervision over and review of third-party cooperative institutions in fulfilling the responsibilities for personal client information protection, timely identifies non-standardised problems in third-party management, and facilitates the rectification of the problems, so as to ensure that data collection, processing, transmission, management and security measures are standardised and effective during the cooperation between the Bank and third parties.

Special inspections on third-party management

In the first half of 2024, the Bank carried out special inspections on areas vulnerable to the risks related to personal client information protection and kept strengthening the management of third-party cooperative institutions with the following two focuses:

First, it inspected the standardisation and integrity of cooperation contracts or the contents of agreements. It organised relevant operations within its jurisdiction to check the cooperation contracts or agreements with third-party cooperative institutions, ensuring that cooperation contracts or agreements clearly specify the provisions including the personal client information protection responsibilities, rights and obligations of both parties, security and confidentiality requirements, protection measures, as well as the liability for breach of contract, contract termination and handling in emergencies. In particular, in the event of commissioning a third party (such as an outsourcing manufacturer) to process the Bank's personal client information, it is necessary to ensure that the purpose, period, processing methods, information types of the commission are agreed upon in the cooperation contracts or agreements.

Second, it inspected the fulfilment of personal client information protection responsibility of third-party cooperative institutions, covering all personal client information processing scenarios in the cooperation, ensuring that the third parties use the Bank's personal client information in accordance with laws and regulations.

Special supervision over and audit on data security

As of 30 June 2024, the Bank has organised the whole group to carry out data security inspections on the scenarios of data sharing with external parties. It focused on the fulfilment of data security responsibilities stipulated in cooperation contracts, the control over cooperative institutions' behaviours and authorities, etc. Through self-inspection together with on-site sampling inspection, it strengthened the third-party cooperation management, and ensured the standardisation and effectiveness of data collection, processing, transmission, management and security measures during the cooperation with the third parties.

Privacy and Data Security Related Training

The Bank attaches great importance to the training and education of employees in information security, privacy data protection and trade secret protection. It has established a multi-level and systematic training system for all employees and third-party employees including workers dispatched from labour leasing companies and outsourcing, which covers the basic knowledge and professional capabilities trainings in terms of personal information protection, data security, etc. At the same time, it expands the coverage of training by using online learning platforms, enterprise portals and other channels, strives to enhance employees' professional capabilities and compliance awareness in the field of data information security, and ensures the effective implementation of privacy and data security protection measures across the Bank.

◆ Training for all employees

Routine training of personal client information protection

The Bank carries out routine trainings of personal client information protection for all employees, including the special training of personal client information protection, thematic training of the *Regulation on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, training in client information security, thematic training of the *Interpretation of Key Points of Personal Customer Information Protection and Practical Cases*, etc. In the first half of 2024, the Head Office and branches of the Bank held 912 trainings of "personal client information protection" for all employees with a total of 286 thousand participants.

The Bank carries out online training by relying on "CCB Learning". It developed one general course for personal client information protection (interpretation of key points of personal client information protection and practical cases) and five mini courses (fair and reasonable automated decision-making, information storage and transmission in accordance with the regulations, fulfilling the obligation of notice and obtaining client consent, collecting client information in accordance with laws and regulations, and risk prevention in the scenarios of cooperation with third parties). It conducted online training based on the training courseware of the *Employee External Information Security Knowledge Manual (Version 2023)*, set up the "section of personal client information protection", and organised the whole bank and its subsidiaries to carry out routine training and learning, so as to enhance the awareness of all employees on personal client information protection and prevent risks and problems. As of 30 June 2024, a total of four million people have studied in this section.

In the first half of 2024

Number of "personal client information protection" trainings for all employees

912 trainings

286 thousand participants

Regular data security training

Relying on "CCB Learning" platform, enterprise portals and other channels, the Bank issues training courses and posts about data security management system introduction and data security assessment videos to the whole bank, covering laws, regulations and regulatory requirements on data security, the introduction of the Head Office's data security regulations and management systems, data security assessment requirements, etc. The data management departments and business departments at the Head Office and branches, as well as sub-branch outlets carry out data security training according to their actual work. Through data security mini class, case training for warning and education, training of data security self-inspection and knowledge quiz in ways of online teaching and offline group learning, the Bank integrates the idea of data security into daily work. In the first half of 2024, 245.1 thousand employees participated in data security studies across the Bank. At the same time, the Bank held CTF skills trainings, security attack and defense drills, security R&D and technical trainings and other information security related trainings for all employees, so as to help them improve their data security technical capabilities.

In the first half of 2024

Number of employees participated in data security studies across the Bank

245.1 thousand

Trade secret protection training

The Bank regularly conducts trainings on trade secret protection, including the introduction of relevant laws and regulations and CCB's management requirements on trade secret protection. The training courses are designed for all employees to improve their capabilities of protecting the Bank's trade secrets, client information and privacy data. In 2023, 54.5 thousand employees participated in the trainings. Relevant trainings are underway in 2024.

Training for third-party employees involved in workers dispatched from labour leasing companies and outsourcing

The Bank continues to expand the categories of personnel covered by trainings related to privacy and data security protection. On the basis that all regular employees are covered, the Bank carries out special privacy and data security trainings encompassing relevant work scenarios for third-party personnel involved in workers dispatched from labour leasing companies, outsourcing, etc., strengthens the awareness of relevant personnel on data privacy protection, implements supervision over risk procedure, and ensures the full coverage of all personnel.

In terms of personal data protection, in the first half of 2024, the Head Office and branches of the Bank carried out 123 trainings for workers dispatched from labour leasing companies, with a total of 1,618 participants. The trainings involve personal client information protection, information security, data security, business compliance and other relevant regulations and management requirements. 417 trainings were conducted for outsourcing-involved personnel and other third-party personnel with, a total of 14.4 thousand participants. The trainings involve the company's information security management system and compliance management requirements, the company's information security examinations, terminal security management systems and requirements, the law on personal information protection, confidentiality education, cybersecurity, confidentiality agreements, code of conduct, etc.

In terms of data security, in the first half of 2024, the Head Office and branches of the Bank provided various courses for workers dispatched from labour leasing companies, with more than 800 participants. The trainings involve the interpretation of data security laws and regulations, data protection by classification and hierarchy, required knowledge of data security management measures, etc. A variety of data security related courses were carried out for outsourcing-involved personnel and other third-party personnel, with more than 2,600 participants. The trainings cover the laws and regulations on data security, the introduction of data security systems, requirements on data security of outsourcing management, etc.

◆ Training for specialised personnel

Data security courses series

The Bank keeps improving the data security training system. In the first half of 2024, the Bank carried out data security training for data security management personnel, involving the basic knowledge of data security, data classification and hierarchy, data security assessment, data security inspection requirements, etc. The bank has incorporated data security training into the curriculum system for fostering data talents and included the basic knowledge of data security into various training contents, covering multiple business lines such as personal finance, corporate finance, risk management, science and technological and channel operations.

Themed training for personal client information protection

The Bank further expands the training channels of personal client information protection, and includes the training courses on personal information protection management measures into the training class for business lines of client rights and interests protection and FinTech across the Bank. It enhances employees' compliance awareness regarding personal client information protection. All tier-1 branches independently carry out personal client information protection trainings that cover all staff (including regular employees, workers dispatched from labour leasing companies, outsourced personnel, etc.) to keep strengthening publicity and education. For outsourcing service providers, personal information security training requirements are specified in agreements or contracts, and trainings are organised by relevant internal operations for personnel from outsourcing service providers according to the principle of "whoever introduces is responsible".

Training for client information protection

The Bank regularly holds training classes for management personnel of consumer rights and interests protection and personal finance business, covering the heads of consumer rights and interests protection departments at tier-1 branches and relevant subsidiaries. Through the in-depth trainings on key requirements of client information protection, the Bank keeps increasing the professional capabilities of frontline personnel, improves their compliance awareness, enhances the implementation effects of key protection points in real work, and ensures that client information is effectively protected.

Privacy and Data Security Audit

The Bank continues to build supervision and management systems in the field of privacy and data security, comprehensively implements audit and supervision mechanisms on privacy and data security internally and externally, timely reviews the progress of work in relevant fields, and dynamically identifies the priorities for improvement. Through concrete efforts, the Bank ensures that institutional standardisation, protective measures, training and development and other work in privacy and data security are carried out effectively. During the audit, the Bank focuses on core areas such as data security, personal information protection and cyber security, conducts various tests such as network penetration, code scanning, security authentication, research and development asset and data access control, and data security processing, ensures the effectiveness of data security control, and facilitates the classification and hierarchy management of privacy and data security, so as to further strengthen the prevention and control of privacy and data security.

External audit of information systems

The Bank engages a third-party accounting firm to conduct an external audit of information systems that encompasses the operations across the Bank every six months. The audit covers all major information systems of the Bank, including IT governance, system development and launch management, system operation and maintenance management, and system security access management, etc. Tests are conducted on the development, operation and maintenance, and security management of the systems as well as the automated control of the systems with a focus on system access security, business continuity and other processes. In addition, the audit pays close attention to data security, personal information protection, cybersecurity and other key fields.

Information security assurance

The Bank engages a third-party accounting firm every year to perform assurance of the IT services provided by the Head Office to overseas institutions. The ISAE3402 of 2023 (International Standard on Assurance Engagements 3402) - an assurance report on controls at a service organisation, the SOC2 report on the system and institutional control, the IT-related control assessment report on personal information protection and the data centre threat and vulnerability assessment report have been issued, and the assurance matters for 2024 are underway to ensure the continuous and effective implementation of control.

Grade-based cybersecurity protection evaluation and cryptography application security assessment

According to the grade-based cybersecurity protection criteria for the financial industry and a series of standards for information system commercial cryptography application, the Bank engages a qualified third-party appraisal institution to evaluate the filing systems at Grade III or above of cybersecurity every year. As of 30 June 2024, the evaluation has been initiated.

Information security special audit

The Audit Department of the Bank conducts data and information security special audits annually, achieving the full IT audit coverage of the Head Office, branches and CCB FinTech within a three-year cycle. In the first half of 2024, the Bank carried out data security special audits at seven tier-1 branches, five Head Office departments and directly managed institutions, CCB FinTech and other institutions. The audits cover data security management, personal client information protection, etc., including data security organisational structure and institutional development, data security technology systems, and data security operation systems and other matters. The Bank carried out IT outsourcing management audits at six tier-1 branches, six Head Office departments and directly managed institutions, CCB FinTech and other institutions. The audits cover management mechanisms, business operation compliance, outsourcing risk management, outsourcing resource allocation of the IT outsourcing business and other sectors, including data security in processing important data and sensitive personal information of clients, as well as other matters.

Comprehensive gap assessment

The Bank conducts a comprehensive gap assessment of applicable control measures based on the results of audits on information security. It takes targeted measures to expand the testing coverage of build-in mini programmes and micro applications in mobile Apps, including improving security test, security design resources, enhancing development quality, etc. In doing so, it ensures that all kinds of security systems and measures of the Bank are implemented effectively and that its important information assets are fully protected.

Data and Information Security Management Certification

The Bank continues to strengthen the establishment of data and information security management systems, works to improve the overall information security and privacy protection capabilities, stays committed to promoting internationally recognised information security management system certification, and keeps expanding the coverage of operations and systems under certification. The Bank has passed the ISO27001 Information Security Management System Certification and successfully passed the review and renewal of certificate. The business scope of the certification includes the operation and maintenance of the Head Office's information systems and the CCB cloud platforms and cloud services, as well as the planning, development and technical operation management of infrastructure across the Bank. The Bank has realised unified enterprise-level architecture management, applications at branches have basically migrated to CCB cloud, and ISO27001 certification has covered more than 95% of the business-related systems. The Head Office of the Bank has passed the SOC2 assurance of the security and availability of the Head Office's technology services.

ISO27001 certification coverage

more than 95%

of the business-related systems.



Access to Finance

The Bank profoundly grasps the financial work's nature of politics and people, adheres to the unity of economic and social benefits, upholds to the concept of promoting social justice through finance, actively expands the coverage of financial services. Through continuous business model innovation and optimisation on financial services quality, the Bank endeavors to enable the public to enjoy fair access to financial resources and opportunities for development, contributes financial strength to the development of services to the real economy, the alleviation of difficulties of enterprises, and the protection of people's livelihood and employment. As of 31 March 2024, the Bank had a balance of RMB3.28 trillion in inclusive finance loan, RMB4.21 trillion in agriculture-related loan, and a balance of RMB0.35 trillion in corporate housing rental loans, fully and effectively reached out to the financial service-poor population with underserved demographics.



Management System

The Related party transaction, Social responsibility and Consumer protection Committee of the Board of Directors of the Bank is responsible for overseeing and guiding the Management in promoting the work related to inclusive finance and rural revitalisation finance and other businesses. In the first half of 2024, the committee listened to the *Report on the Progress of the Work on the Inclusive Finance*, guiding the further strengthening of risk management and control of inclusive finance, promoting product optimisation and structural adjustment, and enhancing the comprehensive ability of inclusive finance for sustainable development. The committee listened to the *Report on the Progress of Financial Services for Rural Revitalisation*, further strengthened co-ordination, continued to enhance the innovation of agriculture-related loan products, and raised the level of risk management and control of agriculture-related financial business.

The Inclusive Finance Development Committee of the Management of the Bank is responsible for coordinating the development of the Bank's inclusive finance strategy, studying and implementing the deployment of the CPC Central Committee, the State Council and the regulatory institutions on inclusive finance, as well as the requirements of the Bank's party committee, the Board of Directors and President's Office Meetings of the Head Office on the development of the Bank's inclusive finance strategy, and deliberating on and making decisions on major operation and management matters.

The Inclusive Financial Development Department of the Bank's Head Office is responsible for leading the work related to inclusive finance business and coordinating the Management of the Bank's inclusive finance business and integrated management services for small and micro enterprises. In the first half of 2024, the Bank fully implemented the spirit of the Central Financial Work Conference, went all out to do a great job in the major article of inclusive finance, issued and implemented the *Key Points of Inclusive Finance Business in 2024*, clarified the development direction of inclusive finance business and made deployment of inclusive finance work for the whole year.

The Rural Revitalisation Finance Department of the Bank's Head Office is responsible for promoting the development of the Bank's county and rural finance business. In the first half of 2024, the Bank actively focused on the coordination of new urbanisation and comprehensive revitalisation of the countryside, and strived to promote the high-quality development of county and rural finance. The *Key Points of County and Rural Finance Work in 2024 and Opinions on Coordinating and Promoting Financial Services in the County and the Countryside* were issued and implemented, to further clarify the overall strategy of county and rural financial services, and optimise the resource guarantee and co-ordination mechanism.

Serving Inclusive Client Groups

Focusing on inclusive clients, the Bank continues to increase financial support for inclusive client groups such as small and micro-business owners and self-employed individuals, and enrich the connotation of inclusive financial services, strengthen the construction of intelligent risk control system, and effectively enhance the coverage, accessibility and satisfaction of inclusive financial services.

◆ Increasing financial support for inclusive clients

The Bank constantly improve the institutional mechanisms of inclusive finance, carry out inclusive finance business in depth, and continuously enhance the service quality for various types of inclusive client groups. As of 31 March 2024, the balance of the Bank's inclusive finance loan reached RMB3.28 trillion, an increase of RMB234.903 billion compared with the end of last year. The number of inclusive finance loan clients was 3.41 million, an increase of 240.1 thousand compared with the end of last year.

The Bank continues to carry out a wide range of inclusive financial services in underserved regions, such as Tibet, Qinghai, Ningxia, Gansu and Xinjiang, cumulatively provided over RMB56 billion in loan support to 98 thousand local inclusive clients, comprehensively helping to solve the financing problems of local small and micro-enterprises and boosting the long-term development of local enterprises. In addition, the Bank is committed to promoting credit loans, first-time loans and other diversified services. In the first half of 2024, the Bank served 65 thousand first-time loan clients of small and micro enterprises.

◆ Improving the quality and efficiency of online and offline services

Focusing on the data characteristics and personalised needs of inclusive financial clients, the Bank continuously enriches the types of digital online services, innovatively expands the scope of inclusive financial services, the coverage of demographics and geography, adheres to the concept of digital management, and strives to improve the quality of the service platform.

"CCB Huidongni" 4.0 integrated eco-service platform has been upgraded to provide 7×24-hour online and mobile services for micro and small enterprises, self-employed individuals, farmers and other inclusive clients based on the three main lines of "financing, growth, and ecology", and provides intelligent and accompanying service experience around the client's business and growth journey to empower the operation and growth of small and micro enterprises. As of 30 June 2024, the cumulative number of visits to and downloads from "CCB Huidongni" App exceeded 350 million and 40 million respectively, serving 13.26 million enterprise clients, an increase of 1.09 million over the previous year.

The Bank promote the construction of featured inclusive finance outlets, give full play to the advantages of the outlet channels, and promote the integration and connection of efficient and fast online support and warm and quality offline services. As of 30 June 2024, the Bank has listed more than 2,700 featured inclusive finance outlets, accounting for 19.6% of the total number of outlets; there are approximately 14 thousand outlets providing inclusive financial services, accounting for 99% of the total number of outlets, with more than 20 thousand inclusive finance specialists configured, and a cumulative total of more than 280 inclusive finance service centres established, serving the society with the power of finance.



◆ Striving to enhance the comprehensive service capabilities

The Bank focuses on key areas and weak links in the social economy, aiming at the diversified demands of inclusive finance groups such as micro and small enterprises, individual business owners, agricultural-related clients, science and innovation client groups, and client in the upstream and downstream of the supply chain. It improves the inclusive finance service model. The "CCB Huidongni" platform integrates comprehensive financial services such as credit financing, account settlement, investment and wealth management, merchant services, and e-CNY, providing clients with online and mobile business processing experiences. It expands non-financial scenarios such as financial management, legal services, business travel services, cross-border matchmaking, and local life, providing clients with one-stop enterprise operation and management solutions. With the theme of "Benefiting Hundreds of Industries and Ten Thousands of Enterprises", it organises activities such as the Preferential Season for Granting Loans to Small and Micro Businesses, New Year Blessing Season, and Entrepreneurship Welfare Season, sending services, discounts, and rights to enterprises, increasing profits, credit, and value for enterprises, and strengthening efforts to assist enterprises in difficulties.

◆ Improving the business model and product system

The bank continuously strengthens the innovation of the digital inclusive finance model, continuously expands the application scope of data, constructs hundreds of multivariate data models around scenarios such as client marketing, application access, loan approval, quota calculation, early warning monitoring, collection and disposal, renewal loan management, and operation management. With data as the key production factor and models as the main production tools, the Bank continuously optimises and improves the digital and online inclusive finance operation model. The Bank optimises and upgrades the key products, accelerate the promotion of adaptable products, and optimise the product system.

Supporting Rural Revitalisation

The Bank continues to improve exemplary and scalable development model of financial support for rural revitalisation, actively helps to optimise the top-level system for rural revitalisation, focuses policy resources, deepens rural cooperation, and grasps the direction of the construction of a technology-enabled rural financial scenario platform. Focusing on the key areas, regions and client groups of rural revitalisation, the Bank continues to expand diversified services to meet the diversified and multi-level financial needs of agriculture-related clients, and gives full play to own strengths to enhance the accessibility of financial services in financially scarce areas.

Building agricultural related financial service system

The Bank continues to improve business model of serving all scenarios, client segments and industry chains, and has built a special financial service system based on the ecological scenarios of six special agriculture-related industry chains, including food security, dairy revitalisation, beef cattle, vegetables, fruits and flowers, and has made great efforts to develop production and operation loan for farmers. As of 31 March 2024, the Bank's balance of agriculture-related loans was RMB4.21 trillion, an increase of RMB387.611 billion compared with the end of the previous year.

As of 31 March 2024

Balance of agriculture-related loans

RMB 4.21 trillion

▲ Increase of RMB387.611 billion

Innovating agriculture-related credit products

For individual business entities involved in agriculture, mainly farmers, using farmers' credit information, asset and transaction records, agricultural insurance information and other agricultural production and operation data, the Bank has innovatively launched the "Yunong Quick Loan" online product package and the "Yunong Loan" offline product series to meet the fund needs of people from counties and villages in production and operation. By focusing on the promotion of three key models, namely enterprise-level information archiving, high-quality direct external data connection and offline "Yunong Loan", the Bank has been able to solve the credit problems in rural areas and enhance the accessibility of credit resources. As of 30 June 2024, the balance of the two product packages "Yunong Quick Loan" and "Yunong Loan" exceeded RMB280 billion, and the client number of production and operation loan for farmers exceeded 1.2 million. For agriculture-related enterprises and various types of organisations, the Bank has innovatively launched "Rural Revitalisation Loan" products, such as "Agricultural Machinery Loan" and "Co-operative Quick Loan", to accurately meet the financing needs of clients in the agricultural machinery and equipment industry as well as those of farmers' co-operative societies.

Establishing the "Shanrong Commerce" support platform

The Bank, in conjunction with "Shanrong Commerce", supports consolidate and expand the results of poverty alleviation and rural revitalisation, relying on "Shanrong Commerce" to continuously carry out the "Harmonious Countryside and Promoting Revitalisation" series of assistance marketing activities. As of 30 June 2024, the sales turnover of "Shanrong Commerce" was RMB297 million, of which RMB148 million was the sales turnover of Ankang and RMB15.40 million was the sales turnover of the joint support by central enterprises. The Bank actively responded to the "New Year Action of Assistance through Consumption" held by PBOC, coordinated and integrated the resources and capabilities of the Bank's institutions at all levels, organised and mobilised the Bank's institutions at all levels, linked up with national ministries and commissions, central enterprises, colleges and universities, domestic and foreign cooperative enterprises, merchants of the "Shanrong Commerce" platform and other social forces, and actively carried out the assistance through consumption. During the activities, the Bank helped to sell RMB71.54 million of agricultural products from formerly poverty-stricken areas, directly purchased RMB10.13 million of agricultural products from formerly poverty-stricken areas, and helped formerly poverty-stricken areas sell RMB76.94 million of tourism and other services.

Case Embedding a digital "core" for corn planting - building Dunhuang seed industry's digital agriculture cloud platform to support revitalisation

Relying on the Internet and IoT technologies, the Gansu branch builds the Dunhuang seed industry digital agriculture cloud platform, which includes "one centre + four platforms + one App", and brings together the government, enterprises, banks, and farmers in the agricultural production and operation to build a "industry + finance" digital ecosystem service system, which has been fully affirmed by the local government and won the first prize in the 6th "Bloom Cup" 5G application competition of the Ministry of Industry and Information Technology. The digital platform vertically connects the industrial chain links of "cultivation, planting, management, harvesting and processing", and horizontally connects the supply chain links of agricultural materials, agricultural machinery and labour transfer, helping the government to strengthen market supervision and promote the precise implementation of policies to help agriculture, helping enterprises to enhance their intensive operation capability and achieve integrated management of "purchase, sale, inventory", and helping banks to grasp the seed industry "first-hand" data, to help seed households to obtain "pure online, pure credit, low interest rate" loans. With the help of this platform, the efficiency of corn seed production field operations has doubled, the average cost per mu has been significantly reduced, and the average income per mu has been increased by RMB100-200. In addition, the Gansu branch has innovated an exclusive credit product for seed producers called "Seed Industry Cloud Loan" relying on the data from the platform, and has put in a cumulative total of RMB79.42 million in loans to precise assistance for rural revitalisation.



Promoting New Models of Housing Finance Services

Continuous optimisation of housing rental credit services

In response to the characteristics of the financing needs of the housing leasing industry, the Bank is the first in the industry to create housing leasing loans, establish a loan system that supports multiple entities, covers the full cycle and has controllable risks, and increase the financing support for market-based long term and guaranteed rental housing. As of 31 March 2024, the Bank's corporate housing lease loans had a balance of RMB348.615 billion, serving more than 1,600 clients, continuing to expand the scope of coverage of housing leasing credit services and helping to alleviate livelihood issues.

Housing rental fund

The Bank is actively engaged in the housing rental fund business. As of 30 June 2024, CCB Housing Leasing Fund signed 28 projects located in Beijing, Shanghai, Chengdu and other cities, with a total asset size of RMB12.693 billion and a fund contribution of RMB7.239 billion, which can provide about 22.7 thousand long term rental flats to the market. 11 sub-funds were jointly invested and set up with market-oriented entities, with a total fund-raising scale of RMB33.11 billion.

Innovation in Diversified Cooperation Distribution Channels

The Bank continues to deepen the construction of diversified cooperation service system, innovate and expand financial service channels and applications, and cooperate with multiple parties to build a diversified and high-performance financial service network. Through in-depth analyses of the pain points of the people's needs in areas where financial services are underserved, the Bank cooperates extensively with more accessible business channels or service models, and launches financial products and services that meet their needs to further extend financial service channels. At the same time, the Bank adheres to the concept of technology sharing, strengthens the construction of a comprehensive service platform for rural revitalisation, and provides rural clients with basic financial services, as well as non-financial services related to people's livelihood payment, social security and medical insurance, and grassroots governance.

Building "Yunongtong" online and offline service models for rural revitalisation

The Bank is deeply engaged in the new mode of financial services for rural revitalisation, vigorously develops applied digital technology, and innovatively launches the "Yunongtong" comprehensive service platform for rural revitalisation, which continues to expand financial service coverage and optimise functionality and experience, and is committed to providing more convenient and efficient financial and non-financial services, including agriculture-related loans, people's livelihood payment, social security and medical care, etc. The platform effectively enhances the accessibility of financial services in underserved areas and better promotes the economic development of rural areas in counties.

"Yunongtong" online service channels

Through the "Yunongtong" App and "CCB Yunongtong" WeChat ecosystem, the Bank sinks the centre of gravity of financial services to the countryside with financial technology as the driving force, realising a deep connection with the social resources in the countryside, and providing rural clients with comprehensive services such as financial services, intelligent village affairs, convenient affairs, e-commerce, policy publicity, and training and education, effectively breaking down the barriers to financial services in the countryside and making the "last mile" of rural financial services unimpeded. In the "Yunongtong" App, the Bank launches agriculture-related credit product shelf led by "Yunong Loan", which covers a wide range of agricultural subjects of "farm households, village collectives, cooperatives and agricultural enterprises", and provides a wide range of services cover multiple agricultural-related scenarios such as "production, consumption and operation". The Bank has also expanded the scope of livelihood services, and promoted the sinking of a variety of services to villages, including social security and medical insurance, living expenses payment, government affairs and village affairs. The branches have responded positively to the requirements of local government affairs, farmers' credit and rural industry development, and have launched regional functions with regional characteristics according to local conditions. CCB "Yunongtong" has become the main online platform for agriculture-related publicity, further extending and expanding the service ecosystem to meet the growing and diversified needs of rural clients.

As of 30 June 2024, the number of registered users on "Yunongtong" App was 16.96 million, an increase of 3.3 million from the end of 2023, with a cumulative total of RMB118.4 billion in agricultural loans issued and 10.64 million bill payment transactions completed. "CCB Yunongtong" WeChat eco-users 8.2 million, fully meeting the diversified and regionalised financial service needs of remote areas.

As of 30 June 2024

Number of registered users on "Yunongtong" App was

16.96 million

Number increased from the end of 2023

3.3 million



Number of "CCB Yunongtong" WeChat eco-users

8.2 million

Cumulated agricultural loans issued on "Yunongtong" App

RMB 118.4 billion

Cumulated payment transactions completed on "Yunongtong" App

10.64 million

Fully meeting the diversified and regionalised financial service needs of remote areas

"Yunongtong" service sites

The Bank cooperates with high-quality partners such as village committees, supply and marketing cooperatives, village supermarkets, health clinics and service stations for ex-servicemen, and builds "Yunongtong" service sites by means of platform interoperability, channel co-construction, product co-creation and brand development, and deploys intelligent POS, smart farming terminals, and other devices and equipment to provide basic payment services such as deposit and withdrawal services for assisting farmers, convenient services such as social security and medical insurance, and living expenses payment. It also provides grassroots governance services such as governmental affairs and village affairs, as well as public welfare services such as anti-gambling, anti-fraud, anti-money laundering, anti-counterfeit money publicity and financial literacy, to meet the diversified financial and non-financial service needs of villages, creating a safe, convenient, comprehensive and accessible financial service environment, and has become the first nationwide rural inclusive financial service site with the function of issuing electronic social security cards.

As of 30 June 2024, the Bank served more than 68 million rural clients through "Yunongtong" service stations and handling more than 1.2 billion transactions for rural clients. The Bank issued 36.61 million "Rural Revitalisation Yunongtong Card" focusing on large-scale rural farming and breeding households, and people returning to rural areas for innovation and entrepreneurship, with a net increase of 4.9 million cards in the first half year, actively extending the "Yunongtong" service network to the service channels of designated partners in rural areas of the county, so as to enhance the accessibility of financial services in rural areas.

- Village committee service sites: The Bank built about 200 thousand "Yunongtong" service sites in cooperation with the village committees, Party branch committees, "Yunongtong" was stationed at village service centres, providing rural clients with livelihood payments and smart governance services.
- YiNong Information Society service sites: YiNong Information Society refer to village-level information service sites established by the Ministry of Agriculture and Rural Affairs as part of the Information Access Project. The Bank built about 15 thousand "Yunongtong" service sites in cooperation with YiNong Information Societies to enrich the life information services available to rural clients, and expand access to rural financial services audiences.
- Village health clinic service sites: The Bank built nearly 14 thousand "Yunongtong" service stations in cooperation with village health clinics to provide more comprehensive medical insurance, social security, and financial service support to rural clients.
- Chain supermarket service sites: The Bank cooperated with supermarket chains to deploy "Yunongtong" to nearly 13 thousand supermarket outlets.
- Supply and marketing cooperative service sites: The Bank cooperated with supply and marketing co-operatives to deploy "Yunongtong" to nearly 11 thousand supply and marketing co-operatives.
- Telecommunication operator service sites: The Bank cooperated with telecom giants to deploy "Yunongtong" in over 3,100 telecom service sites. With China Telecom, the Bank opened a dedicated "Tianyi Digital Life Supermarket" section within the "Yunongtong" App and launched the "Yunongtong" App lightweight application on the "XiaoyiGuanjia" App.
- Cooperation with Technology company: Partnering with Golden Security Insurance Card Technology Co., Ltd., the Bank introduced an "Electronic Social Security Card" service section within the "Yunongtong" App, integrating functions such as electronic social security card issuance, application, and inquiry, to promote the adoption of electronic social security cards.
- Cooperation with government agency: In cooperation with the Department of Agriculture and Rural Affairs of Hebei Province, the Bank established distinctive service models combining "Integrated Service sites + Yunongtong", "Yunong Market", land custody, industry stimulation, and leading enterprise-driven services. Additionally, practical features such as homestead inquiries were launched on the "Yunongtong" App. Collaborating with Hebei Provincial Rural Revitalisation Bureau, the Bank assisted farmers at risk of returning to poverty in declaring and querying poverty status through "Yunongtong". Coordinated with the Anhui Provincial Department of Agriculture and Rural Affairs, the Bank developed the "Yunongtong (Anhui)" Rural Revitalisation Comprehensive Service Platform, which carries sub-systems for contracted land, homesteads, village collectives, rural industries, rural property rights, etc., promoting the supply-side reform of rural financial services.

◆ Yunong industry platform

The Bank continues to improve the "Yunong Industry" platform construction, deeply integrates and promotes financial services in the ecological scenarios of the agricultural industry chain by coordinating efforts between Head Office and branches, providing comprehensive and multi-level financial services to meet the production, operation, digital management, and digital supervision needs of livestock and farming enterprises, as well as industry association clients along the agricultural industry chain. The Bank is committed to filling service gaps in underserved areas of financial services and established the "Yunong Industry" platforms such as the Gansu "Blue Sky Potato Platform" and "Kangyuan Agricultural Products Industrial Chain Platform", the Guizhou "Hongliang Purchase Platform", the Xinjiang "Kuerle Fragrant Pear Platform", the Sichuan "Jiajiang Tea Platform", and the Shaanxi "Annuo Dairy Platform", to provide digital services such as agricultural procurement, warehousing, order management, and sales for core enterprises in the local characteristic agricultural industry chain, to provide digital services such as agricultural resource procurement, agricultural technology consultation, agricultural product sales, and land transfer for farmers, and to provide digital windows such as market supervision and policy transmission for local governments, helping local characteristic agricultural industries to become online, intelligent, visual and inclusive. As of 30 June 2024, the platform had attracted 31 core enterprises, 481 chain enterprises, registered 29.9 thousand farmers, with a transaction amount of RMB1.06 billion.

◆ Yunong market platform

The Bank focuses on national agricultural wholesale markets and other client groups, pinpoints market needs, actively promotes the "Yunong Market" brand to provide comprehensive financial services such as credit and settlement to market managers, affiliated merchants, and upstream and downstream operators. This effort aimed to help the National Top 100 markets, designated markets by the Ministry of Agriculture and Rural Affairs, specialised markets for characteristic agricultural products, and specialised markets for rural counties to upgrade their portfolios, and solve the financing difficulties and expensive problems for market managers and merchants. The "Yunong Market Comprehensive Service Platform" was launched, integrating functions such as market management, stall services, property services, operational management, data analytics, and large-screen displays to facilitate the digital transformation and upgrading of market entities, and operated on 47 markets nationwide. As of 30 June 2024, the balance of loans related to the "Yunong Market" was RMB31.3 billion.

◆ Yunong cooperation platform

The Bank continues to explore innovative models of financial services for farm cooperatives, improves the "Yunong Cooperation" comprehensive service platform, leveraging information technology to enhance the operational efficiency of farm cooperatives. It innovated exclusive credit products "Cooperative Quick Loan" tailored for farm cooperatives and provided comprehensive services including credit, payment settlement, and assistance in agricultural product sales. This initiative supported farm cooperatives in fully playing their radiating role in connecting and disseminating agricultural resources, promoting innovation and development of agricultural financial services. Relying on the "Yunong Cooperation" service model, with agricultural cooperatives at the core, the Bank provided comprehensive services such as credit, settlement, and digitalised operations to related agricultural entities. As of 30 June 2024, the "Yunong Cooperation" comprehensive service platform was online with 60 clients, reaching more than 5,000 farming households.

◆ Boosting the transformation of Wanfeng Lake into a "gold mountain"

The Bank fully implements the concept of "Lucid waters and lush mountains are invaluable assets", and jointly plans with the Supreme People's Procuratorate to create an ecological model for rural revitalisation, focusing on the two core areas of ecological management of Wanfeng Lake and fishermen's access to the shore, and promoting the transformation of the results of public interest litigation management into the results of economic and social development.

"Fishermen going ashore" to protect "lucid water and lush mountains". In the mode of "leading enterprise + financial co-operative + farmers", the Bank provided credit support of RMB130 million to the project of "Qian Fang You Yu" to support unemployed fishermen of Wanfeng Lake to go ashore to start their own business, and to promote the project to become the largest capacity land-based fish-farming project in Guizhou Province, and to realise the transformation from traditional net box fish-farming to high-tech land-based ecological fish-farming.

"Vegetables out of the mountain" into "golden mountain". The Bank granted a credit of RMB200 million for the "Guangdong, Hong Kong and Macao Bay Area 'Vegetable Basket' Distribution Centre Project" in Southwestern Guizhou, helping the enterprise to renovate its cold chain and warehousing facilities, and empowering the industrial chain operation model of "Company + Vegetable Base + Distribution Centre + Cooperative + Farmers". The industrial chain business model drove more than 8,000 fishermen and new citizens ashore to seek employment and increase their income.

"Finance in the village" to help increase income and prosperity. From focusing on "guarding the city" to "serving the countryside", the Bank provided RMB3 million in credit funds for the Qianguidian Wanfeng Lake Fishery Company to develop the fishery and tourism integration industry, and issued loans of RMB2.325 billion for large and medium-sized enterprises, RMB2.092 billion for small and micro-enterprises, and RMB417 million for farm households in the vicinity of Wanfeng Lake, which led to the employment and wealth of neighbouring farmers.

◆ "Deputy village chiefs in charge of financial affairs" help solve financial service difficulties in rural areas

In order to promote the new mode of services for rural revitalisation and coordinate development of bank and government, the Bank extends financial services to villages, builds transaction scenarios to villages, sinks training classrooms to villages, and effectively plays the role of "village chiefs in charge of financial affairs" mode as a demonstration in assisting rural revitalisation and supporting industrial development. Adhering to the development concept of "people-centred", the Inner Mongolia Branch has carried out the "village chiefs in charge of financial affairs" service model in the whole region. With the core of "building a base + structuring a platform + strengthening the team", the Bank has set up "setting points + connecting lines + expanding coverage" in villages of banner counties, educated college student village officials with the organisation departments of the banner county CPC committees, and set up a team of financial talents for rural revitalisation, so as to enhance the quality of services for rural revitalisation and development. The financial talent team has been formed to help rural revitalisation. In order to enhance the practical effectiveness and demonstration-led effect of the "deputy village chiefs in charge of financial affairs", Inner Mongolia Branch has innovatively organically integrated the village chiefs with the owners of "Yunongtong" by integrating the eligible village chiefs with the owners of "Yunongtong". The dual drive of "Deputy village chiefs in charge of financial affairs" and "Yunongtong" not only solves the problem of low stickiness of "deputy village chiefs in charge of financial affairs", but also provides a stable and reliable channel for the expansion of rural financial business.

Innovation in Outlets and Offline Service Channels

The Bank is committed to optimising the reach model of financial services, actively expanding the breadth and depth of financial service coverage, and striving to enhance the convenience of financial services, so as to provide a warmer financial service experience for a wider range of people.

◆ Expanding physical and online channels

The Bank continues to optimise the construction of branches, self-service facilities, professional service institutions and electronic banking service platforms to provide convenient and high-quality banking services to clients. As of 30 June 2024, the Group had a total of 14,836 operating institutions. The Bank had a total of 14,253 operating institutions. Among them, there are 14,219 domestic institutions, including head office, 2 branch-level franchise institutions, 37 first-level branches, 362 second-level branches, 13,794 sub-branches, 23 sub-branch outlets, and 34 overseas institutions. The Bank has 24 major subsidiaries with a total of 583 institutions, including 451 domestic institutions and 132 overseas institutions. The Bank further promoted the integrated development of "Binary Star" platform, and the scale of individual clients on the online platform continued to expand, reaching 551 million, covering more than 70% of individual clients at 30 June 2024. The number of personal mobile banking users reached 472 million, an increase of 4.80% over the same period of the previous year.

◆ Supporting financial services at the county level

The Bank continues to extend outlet coverage in new urban planning areas and counties. The Bank formulated and issued the *Guidelines on Business Expansion in Counties*, and strictly implemented it. As of 30 June 2024, the Bank set up 10 new county-level outlets, accounting for 71.43% of the total number of new outlets. To further improve financial services accessibility in counties, the Bank strongly supports the construction and development of new county-level outlets. As of 30 June 2024, the Bank had a total of more than 14 thousand outlets, of which 4,260 are based in county-level, accounting for 30.16% of the total. The Bank had 1,041 outlets within the 832 counties that used to identify as national-level-poverty-stricken-counties. Through these outlets, the Bank continues to expand the breadth and depth of financial services, strengthen the capability to serve rural revitalisation and the strength and effectiveness of services for rural development.

As of 30 June 2024

County-level outlets account for newly set up outlets

71.43%

◆ Strengthening construction of characteristic outlets

Focusing on client needs, the Bank builds special benchmark outlets for technology finance, inclusive finance, pension finance and so on based on the "five articles", and does a good job in the construction of green outlets and digital outlets, to accelerate the transformation and upgrade of the outlet service function to a scenario-based ecological service function that combines both comprehensive services and featured services across financial and non-financial sectors. The Bank constantly enrich the service connotation of the "Caring Station+", opening 13,878 "Caring Station" to the society, upgrade and improve the facilities for the benefit of the people in combination with the national standards for outlet service and industry evaluation standards. Continuously deepen the "Caring Station+" model, cooperates with 3,278 institutions at all levels such as CPC and government organs, trade unions, disabled persons' federations, and charity organisations to create and continuously improve characteristic services such as elderly-friendly and caring services, integrated government affairs services, rural revitalisation, green and low carbon transformation, educational aid, legal aid and popularisation, and barrier-free services.

◆ Elderly-friendly and barrier-free renovation

The Bank adheres to the relevant work of serving elderly clients in detail, implements a number of elderly-friendly and barrier-free renovation measures, formulates and supervises the implementation of work requirements such as *Outlets Barrier-free Service Capacity Enhancement Implementation Plan* and *Special Guideline of Barrier-free Construction for Outlets*, so as to effectively improves the scope of coverage of and support of financial services for elderly client group, and endeavour to safeguard the financial rights and interests of the elderly client group. As of 30 June 2024, more than 14 thousand outlets of the Bank were fully equipped with service facilities such as courtesy seating, reading glasses and magnifying glasses, along with a total of 11,282 wheelchair ramps. Additional equipment was provided at suitable outlets, including wheelchairs, vibrating pager, blood pressure monitors, handwriting boards for communication, mobile tables for filling forms, and sugar-free drink supplies. 217 outlets were certified by the group standard certification of *Requirements for Elderly Services for Bank Outlets* of the Financial Technology Certification Centre (Beijing), and the number remains the first in the industry. The Bank also established a number of "barrier-free service exemplary outlets" in Beijing and Shanghai, further refining barrier-free facilities such as barrier-free entrance, client assistance hotline, wheelchairs, guide dog-friendly signs, lobby guide services, sign language services and door-to-door services to meet the needs of the disabled and people that seek special care. In the first half of 2024, the Bank formulated and issued the *Rules for Elderly Client Service of Outlets*, which guided the staff of the outlets to continue to do detailed and practical work for the elderly clients. In order to strengthen the level of sign language service skills of the staff, the Bank launched the 2nd video teaching course "Wanbao Sign Language Class" and organised sign language learning activities in all outlets.

Innovating Mobile and Online Channels

The Bank actively innovates mobile and online business service channels, and continuously improves the usability and user experience of the Bank's online financial platform in accordance with the characteristics of regions and people with poor financial services, helps promote and popularize financial products and services, and effectively practices the connotation of public finance.

◆ Mobile banking

The Bank continues to optimise the operation process of mobile banking, focusing on special needs groups such as the elderly, the disabled, foreigners in China and ethnic minority compatriots, to enhance the accessibility of financial services.

In terms of serving elderly clients, the Bank continues to optimise the elderly-friendly features of mobile banking and launches an elderly-friendly version of mobile banking, with a Chinese style of light ink painting as the main style, overall elegant tones, large and clear fonts, and eye-catching and intuitive information on the page. The large-character version of mobile banking provides clients with account inquiry, transfer, remittance, living expenses, credit card repayment, and other common financial services, as well as electronic social security cards, provident fund, medical insurance cards and other common non-financial services. Moreover, fast and direct services are provided to the elderly, such as one-touch operation, which allows senior clients to check their assets and transaction data, consult client services, and access intelligent speech services by touching one button, to further optimise the experience of the elderly clients. As of 30 June 2024, mobile banking has cumulatively provided more intimate online services to over 36 million elderly clients.

In terms of serving disabled clients, the Bank optimises accessibility functions and breaks down barriers for disabled clients to use online services. The entire process of the commonly used function modules of mobile banking has been reformed and interface elements have been optimised. The Bank's mobile banking can accurately identify the client groups who need screen readers, personalised procedures are optimised. Clients can smoothly access common services, such as account inquiries, transfers, and remittances, by touching the screen and following the voice guide, after opening mobile banking via screen reader software. As of 30 June 2024, mobile banking has provided over 50 thousand accessibility services to clients with disabilities.

In serving ethnic minority compatriots, considering the practical difficulties of using online financial services in Tibetan and mountainous areas, a Tibetan version of mobile banking has been developed by the Bank and launched in Xizang, Sichuan, and Qinghai, which provided intimate services for clients using Tibetan. High-frequency financial demands, such as account inquiries, transfers, remittances, credit card repayment, and reminder services are available to them. The Tibetan version has been recognised and supported by local ethnic and religious committees and regulatory authorities.

The Bank strives to enhance the convenience of financial services for expatriates. Foreigners in China are allowed to use electronic banking business, such as mobile banking and personal online banking, by signing a contract with a domestic outlet offline or opening such services via online registration, based on the relevant identity documents, bank cards opened in the Chinese mainland, or a mobile number assigned by telecommunication operators in Chinese mainland, Hong Kong, or Macao. Additionally, an English version of mobile banking is available. Selected financial functions are provided to ensure that foreigners in China can smoothly access online financial services. As of 30 June 2024, the English version of mobile banking provided services to expatriates for about 140 thousand visits.

◆ CCB Lifestyle

The "CCB Lifestyle" App of the Bank, positioned as a "Guide to a Better Life" platform, offers one-stop services for spending, saving, borrowing, and making money. Leveraging internet and big data capability, the App enables financial resources to reach underserved areas with difficulty in accessing financial services in the past. As of 30 June 2024, the App currently has more than 139 million registered users, with about 4 million DAUs. It has attracted 380 thousand high-quality merchants, undertook 153 cities to disburse RMB1,267 million in promotional fee funds and supported more than 5,000 organisations to digitally upgrade their traditional canteens.



◆ Remote intelligent banking

The Bank continuously provides high-quality and remote comprehensive financial services to clients through multimedia interconnection, multi-scene penetration, and multi-functional outreach. The intelligent applications have been deeply expanded into multiple fields, such as voice navigation, consultation services, bill payment reminders, and intelligent invitation. Telephone voice navigation serves nearly 510 thousand clients daily, and our online intelligent consultation services serve over 840 thousand clients daily. Intelligent payment reminders cover 9 business scenarios, including credit cards, personal loans, small and micro business loans, and agricultural loans, while the intelligent invitation has reached more than 7.96 million clients. As of 30 June 2024, 257 million client inquiries were handled and the customer satisfaction rate has exceeded 98%. The Bank committed to advancing intelligent services, and added convenient service features such as "smart prediction" and "cloud delivery". The Bank also innovatively launched its official account on Toutiao, Xiaohongshu and Weibo named "CCB client service" with over 38.89 million followers and serving more than 440 thousand users daily. Meanwhile, the Bank launched remote consultation services for areas and people with scarce access to financial services such as counties and rural areas. By building a three-level response service capability of "AI client service +live agent+ outlet employee", the Bank instantly identifies client needs and provides immediate answers to frequently asked questions.

As of 30 June 2024



Client inquiries handled

257 million



Client satisfaction rate

over 98%

◆ "CCB Doorstep Service" financial service

The "CCB Doorstep Service" focuses on building a contactless service model, extending outlets service channels, efficiently integrating online and offline channels. The "CCB Doorstep Service" coordinates the Bank's delivery capabilities and third-party logistics companies, and extends outlet services by directly delivering products or services involving physical delivery to clients. It provides a quality financial service experience without clients leaving their homes, enabling clients with limited mobility to access convenient financial services. As of 30 June 2024, the "CCB Doorstep Service" financial service has supported 39 "at-home" products including personal credit certification and bank inquiry letter delivery services and provided over 31.9 million times home services to more than 18.11 million clients. It greatly expanded the radius of financial services and enabled citizens in underserved regions to access convenient financial services.

As of 30 June 2024

Clients number and times of clients served by "CCB Doorstep Service" financial service

more than 18.11 million clients

more than 31.9 million times

◆ Digital services for outlets

The Bank promotes the implementation of digital service capacity construction for outlets, and deploys the "outlet service" application in online channels such as mobile banking, "CCB Lifestyle" App, official WeChat applet, and "CCB Huidongni" App, providing clients with services such as outlet business information enquiry, number reservation, number scanning, pre-filling and pre-processing of business, "CCB Doorstep Service", business handling guide enquiry, business consulting, etc., to reduce clients' queuing time in outlets and enhance the efficiency of over-the-counter business processing by front-loading service process links in an online manner. As of 30 June 2024, a cumulative total of 28.9 million people have been provided with financial services such as appointment booking, order filling and "CCB Doorstep Service".

◆ "Longyixing" mobile intelligent terminals

The Bank's outlets are equipped with 22.1 thousand "Longyixing" mobile intelligent terminals, including 5,806 in county areas, providing clients with 175 mobile financial services in eleven major categories, such as account opening, credit card application, and mobile banking sign-up. For disabled and elderly people, urban migrant workers, and residents of villages in high-altitude or remote areas where financial services are scarce, employees of outlets provide door-to-door service by carrying the "Longyixing" mobile intelligent terminal. As of 30 June 2024, the Bank conducted approximately 242.7 thousand external expansion services using "Longyixing" (including 23.3 thousand targeted services in county areas), with transactions volume reaching 15.76 million and transaction amounts exceeding RMB1,131 million, with a year-on-year increase of 18.3%.

As of 30 June 2024

Number of external expansion services using "Longyixing"

approximately 242.7 thousand

Transactions volume of external expansion services using "Longyixing"

15.76 million

◆ "CCB Smart Campus Application": A one-stop platform of comprehensive intelligent campus services

The Bank actively responds to the national goal of establishing a "high-quality education system" and relies on the R&D capability of financial technology to build the "CCB Smart Campus Application" comprehensive service platform, which is a one-stop smart campus service integrating App, WeChat and Alipay applets, and other mobile channels, realises 240 functions covering nearly 1,000 matters requiring "online + offline" services. "CCB Smart Campus Application" offers online services to teachers, students, and parents in campus scenarios, such as enrolment, payment, classroom learning, campus life, internships and employment, alumni services. As a result, financial and non-financial services for teachers and students have been reinforced. It solves the pain points of campus information technology such as inconsistent management system of universities, slow process of teachers and students, and long queues for payment and charging. As of 30 June 2024, the service scope of "CCB Smart Campus Application" platform covered 35 provinces and cities across the country, with a cumulative total of 930 colleges and universities and 45.4 thousand K12 schools on line, providing comprehensive campus financial services for more than 17.65 million teachers, students and parents.

◆ "CCB Smart Healthcare Application": A one-stop platform of comprehensive health management services

The Bank actively responds to the construction goal of "Healthy China" and builds a multi-channel, multi-functional and full-scene one-stop health management integrated service platform "CCB Smart Healthcare Application" through financial empowerment, applying Internet, cloud computing, big data and other technologies to create a new "internet + health" ecosystem in the digital era, aiming to support areas with a lack of financial services and medical resources, enhance the level of information-based medical care, provide clients with full-process online medical and health services, Internet hospital services, cloud HIS output services, etc., and enable more patients to enjoy convenient and efficient medical services. "CCB Smart Healthcare Application" platform builds dozens of ecological scenarios, hundreds of function outputs and nearly 1,000 health services, creating the Bank's GBC synergistic development of the health ecosystem. G-end helps government departments to realise the management of medical care, medical insurance and medicine, builds a healthy city platform, and improves the level of medical and healthcare public services; B-end empowers hospitals to improve their informatisation and medical capacity, and builds core HIS systems and internet hospital medical service platforms; C-end provides patients with full-process online medical services, helping patients to solve the problem of "difficult to see a doctor" and "difficult to register", simplifying the medical process, and solving the problem of "three longs and one short".

In the first half of 2024, the main work of the "CCB Smart Healthcare Application" platform progressed:

- Grasping the opportunity of the National Health Insurance Bureau to promote health insurance mobile payment 2.0, the Bank opens up the "last kilometre" of health insurance services, and realises that the public can enjoy the health insurance treatment on their mobile phones. As of 30 June 2024, the platform of "CCB Smart Healthcare Application" has been on-line for 30 hospitals to provide financial services of health insurance mobile payment, with more than 432 thousand service users, effectively solving the demand of patients for health insurance payment, providing the insured people with more convenient, efficient and safe financial services of health insurance mobile payment, and bringing more benefits to the general public.
- The Bank tailors financial service plans of "credit-based medical treatment" for medical platforms in multiple provinces and cities, addressing the issue of repeated queuing for payment during the diagnosis and treatment process by adopting the mode of "treatment before payment" and effectively reducing the time spent by patients in queuing for payment. As of 30 June 2024, the "CCB Smart Healthcare Application" platform has provided credit-based medical services for seven regional medical platforms, including the smart medical insurance platform in Jilin Province, Hebei Provincial Government's "Jishiban" App, and Qingdao's Health Qingdao platform, truly achieving the goal of more work done by the system and less time of the people wasted.
- The Bank continues to empower the construction of medical informationisation in counties by providing a variety of medical intelligent products and financial service solutions, such as medical services, internet hospitals, payment reconciliation, etc., to effectively enhance the level of informationisation of county hospitals. As of 30 June 2024, the "CCB Smart Healthcare Application" platform has served more than 200 county hospitals across the country, assisting in the high-quality development of county medical and healthcare systems, and enabling grassroots people to enjoy high-quality healthcare services close to the home.

◆ The "Elderly Care Platform": An innovative platform of pension fund supervision services

The Bank pays close attention to the market demand in the field of elderly care, and creates the "Elderly Care Platform", which is centred on innovative elderly care fund supervision service scenarios. It strictly adheres to the measures and rules of local civil affairs departments on the advance collection of funds for elderly care institutions, and efficiently manage data such as bed information, check-in information, etc., of elderly care institutions. Closed-loop management is implemented for the collection of fees, fund disbursement, refunds, and other fund flows in elderly care institutions through the opening of a supervised account, and abnormal behaviour is monitored and warned to effectively prevent potential risks. Relying on the "Elderly Care Platform", it realises the automation and standardisation of business processes such as agreement signing, check-in and check-out, bill management, termination and cancellation, which greatly improves the service efficiency, fully protects the fund security and legal rights and interests of the elderly, and effectively helps the civil administration departments in strengthening the supervision and management of the prepaid funds collected by the elderly care institutions, and further enhances the social credibility of elderly care service institutions. As of 30 June 2024, the Bank applied the scenarios of prepaid funds supervision in more than 240 elderly care institutions in provinces and cities, including Beijing, Shandong, Henan, Hunan, Chongqing, Guizhou, etc. The "Elderly Care Platform" was applied in 198 prefecture-level cities and 858 districts and counties in 30 provinces, serving 33 thousand elderly care institutions and service providers. The App had 730 thousand real-identity elderly registration.

◆ The "Smart Village Affairs": Creating the rural online service platform

The "Smart Village Affairs" comprehensive service platform is designated to serve as an efficient and convenient tool for areas that are remote and short of government services, providing diversified services by supporting rural Party construction, conveying information from Party branch committees and village committees, sending village notices, disclosing collective rural funds, assets, and resources, all while focused on the common concerns of villagers. The Bank innovated and launched the products of "Credit Scorecards for Rural Collective Economic Organisations" and "Collective Credit Loans". It established the certification system for financial service applicants of rural collective economic organisations, qualifying them to apply for credit and other financial services online, and innovatively solving financing problems of rural collective economic organisations. Rural collective economic organisations can conveniently access financial services online, such as management of collective rural funds, assets, and resources, and preferential financing, through the "Credit Scorecards" and the "Collective Credit Loans". Credit loans can be used to purchase means of production and for daily production and operations. By resolving the previous difficulties in application, development, and financing, the innovative initiative not only strongly promoted rural collective economic development but also provided strong support for farmers to achieve common prosperity. As of 30 June 2024, the "Credit Scorecards" cumulatively served more than 30 thousand rural clients. The "Collective Credit Loans" cumulatively served 1,806 rural collective economic organisations. The credit balance was RMB3.39 billion.

As of 30 June 2024

Total number of rural clients served by "Credit Scorecards"

more than **30** thousand

Total rural collective economic organisations and credit balance served by "Collective Credit Loans"

1,806 clients RMB **3.39** billion

◆ Ulaan Mochir financial service team

Inner Mongolia Branch of the Bank organised the Ulaan Mochir financial service team to provide financial services to ethnic minority people in pastoral areas, holding more than 50 financial service activities, touching many rural pastoral areas and reaching more than 1,000 herdsman. The financial service team selects staff members who are proficient in Mongolian and Chinese bilingualism to handle account opening for ethnic minority people, explaining in Mongolian the correct usage of bank cards, including how to set passwords and how to make secure transactions, to provide herders with convenient financial services and rich financial knowledge, which effectively enhances the trust and acceptance of financial services by ethnic minority people. In order to make the publicity activities more vivid and interesting, the Ulaan Mochir financial service team skillfully integrates financial knowledge with artistic performances, vividly conveys financial knowledge through songs and dances, skits and other forms, improves the security awareness of herdsman, and helps them stay away from telecom network fraud.

Charity

The Bank actively participates in charity activities, takes the initiative to fulfil the social responsibility of a large bank, bases the public welfare culture of "helping others, openness and sharing", adheres to the public welfare concept of "leading employees to participate in public welfare, leading clients to participate in public welfare, leading institutions to participate in public welfare, and integrating business with public welfare" ("Three Leadings and One Integration"), explores the public welfare innovation model of "charity + finance", leads the development of diversified public welfare activities and volunteer services with a deep patriotic sentiment and for the people, to deliver true love to the society and warm thousands of people.



The Bank pays close attention to the demands of socially disadvantaged groups, and regularly carries out long-term public welfare projects such as the CCB Hope Primary School, Mother's Health Express, Programme for High School Students, and "Build a Good Home" Rural Revitalisation Public Welfare Project, and continues to innovate and plan colourful public welfare activities to positively empower social progress.

From 2023 to 2024, the Bank launched "Charity Together" online campaign for two consecutive years based on the "Binary Star" platforms of "Mobile Banking + CCB Lifestyle" to collect and disseminate the demands for public welfare projects in various regions, and invite the Bank's employees, clients (users) and the public to participate in the voting process and help fulfil the wishes of the charity projects, allowing hundreds of millions of CCB clients (users) to become initiators, supporters, and disseminators of public welfare, thus setting off a public welfare and love craze. Among them, a total of 10.06 million times of people participated in online charity activities in 2023, and 64 charity projects or needs were supported by the Bank's donations. In 2024, the Bank launched the "Welcome to the 70th Anniversary of the Bank's Celebration, CCB's Public Welfare Together" public welfare activities to study and publicise the advanced deeds of Zhang Fuqing, cultivate and carry forward the financial culture with Chinese characteristics, and create an atmosphere of warmth and goodwill for the celebration of the Bank's anniversary, the activities are currently underway.

In 2023

Total people participated in online charity activities

10.06 million times

Total number of charity projects (needs) supported by the Bank

64



The Bank upholds the spirit of fostering selflessness and dedication, and actively advocates and encourages employees to participate in various voluntary activities, practice public charity through practical actions, and work together to create a warm and harmonious social culture. As of 30 June 2024, the Bank has a Young Volunteers Association and 48 branches around the world, with a total of 96 thousand registered young volunteers across the Bank, carrying out volunteer services for a total of 42.4 thousand hours and covering 331.9 thousand service recipients.

As of 30 June 2024

Total number of the Young Volunteers Association and branches around the world

48

Total hours of volunteer services carried out

42.4 thousand hours

Total number of registered young volunteers across the Bank

96 thousand

Total number of service recipients covered

331.9 thousand

Case : "Donation of Bonus Points to Make Dream Come True" public welfare projects

In 2013, the Bank launched the "Donation of Bonus Points to Make Dream Come True" project, signed cooperation agreements with the China Youth Development Foundation and other organisations, established an innovative platform for donating CCB card points to the public welfare fund, and launched the "Care for Children of Migrant Workers" project, "Happy Music Classroom" and "Training for Rural Music and Art Teachers" projects to help students in impoverished areas to realise their dreams and grow up.

Over the past ten years, the programme has received a total of 6.485 billion points, equivalent to RMB12,970.3 thousand, with 652.6 thousand donors and RMB5.982 million points. It has donated 164 happy music classrooms across the country, trained more than 200 rural music teachers, and supported the Youth League Central Committee in building 14 "Home for Youth". During the COVID-19 epidemic, the project launched the "Special Donation Campaign to Combat the Epidemic" and organised donations amounting to RMB10.04 million.

The "Donation of Bonus Points to Make Dream Come True" project has been incorporated into the "China Youth Volunteers Dream Action" of the Youth League Central Committee and the "Financial Youth Volunteer and Public Welfare Dream Action" of the Central Financial Youth League Committee, and has been awarded the Gold Award of the Second "China Youth Volunteer Service Project Competition" and the Outstanding Project Award of the Fourth "China Youth Volunteer Service Project Competition".

Case : "Do Good, Be Wise" public welfare projects

In 2016, the Bank launched the "Do Good, Be Wise" public welfare project, aiming to mobilise and organise employees and clients to provide precise assistance to poor youths and left-behind children in ethnic minority areas, old revolutionary areas and remote and backward areas, and to negotiate the funding criteria and donation methods based on the demands, and to complete the paired support in a combination of one-to-one, one-to-many, and many-to-one ways.

Up to now, at the level of the Head Office and branches, nearly a hundred donations and paired support activities have been carried out, with a cumulative donation of nearly RMB9 million, donating funds and goods to more than 28 thousand teachers and students in impoverished areas; and four "Do Good, Be Wise" summer (and winter) camps have been held, with more than 1,900 teachers and students from impoverished areas taking part in the activities.

On 22 May 2024, the first CCB Hope Primary School - CCB Hope Primary School in Dabudar Township, Tashkurgan Tajik Autonomous County, located on the Pamir Plateau - carried out the CCB's "Do Good, Be Wise" voluntary public welfare activities, donated RMB166 thousand to the Xinjiang Youth Development Foundation, provided RMB1,000 per student for 166 students in compulsory education, helping them to better complete their studies and grow up healthily and happily. It led more people to devote to public welfare activities and allowed more witnesses of public welfare practice to become peers and participants of CCB's public welfare.

As of 30 June 2024, the Bank mainly implemented the following public welfare projects:

Programme	Partner	Timescale	Progress
Building the Future - CCB Sponsorship Programme for High School Students	China Education Development Foundation	2007-Present	Donated RMB174 million and funded 101.6 thousand high school students.
CCB Sponsorship Programme of "Mother's Health Express"	China Women's Development Foundation	2011-Present	Purchased 562 Mother's Health Expresses and put them into use in medical institutions below the county level in 24 provinces, districts and cities including Xinjiang, Tibet, Gansu and Qinghai.

Programme	Partner	Timescale	Progress
CCB Hope Primary School	China Youth Development Foundation	1996-Present	Supported the construction of 50 Hope Primary Schools, equipped these schools with 93 music, art, PE, technology, and moral education rooms, funded the training for over 800 teachers, and organised 320 teachers and students to participate in the CCB Hope Summer Camp Programme.
Love in Tibet - CCB and JIC Scholarship (Grant)	China Foundation for Rural Development	2007-Present	Donated RMB3.68 million and funded 1,760 students in Tibet.
"Build a Good Home" Rural Revitalisation Public Welfare Project	China Charity Federation	2021-Present	In 23 provinces and districts in the central and western regions, carried out the plan to light up solar streetlights in rural areas, donating 3,660 streetlights; conducted training of rural revitalisation leaders, with 100 people trained.
Sanjiangyuan Ecological Protection Project	The Sanjiangyuan Ecological Protection Foundation	2022-Present	Established the ecological value of harmony between humanity and nature for the development of ecological demonstration villages at the Three-River-Source National Park.
"Do Good, Be Wise" Caring Student Action	CCB Youth Volunteers Association, local league committees of branches	2016-Present	Donated RMB8,968.5 thousand and goods to over 28 thousand teachers and students in underdeveloped areas and organised over 1,900 teachers and students to participate in summer (winter) camp activities.
"Donation of Bonus Points to Make Dream Come True - Micro-Charity"	China Youth Development Foundation, China Literature and Art Foundation, China Youth Volunteer Association, League Central Committee Young Volunteer's Guidance Centre	2012-Present	Donated RMB10,261.2 thousand for the construction of 164 "Happy Music Classrooms", trained rural music teachers, and built the "Home for Youth" of the Chinese Young Volunteers Association and the Youth Volunteers' Guidance Centre of the League Central Committee.
"Workers' Stations (Harbours)" Public Welfare Programme	China Worker Development Foundation	2021-Present	Launched the "Workers' Stations (Harbours)" public welfare initiative with the China Worker Development Foundation and opened the "Donation of Bonus Points to Make Dream Come True - Workers' Stations (Harbours)" points donation public service platform at the same time. Charitable groups can participate in public welfare activities and make donations by donating their "Long" credit card bonus points. As of 30 June 2024, the platform obtained RMB1.53 million worth bonus point donations.



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