

Agricultural Bank of China
Corporate Social Responsibility
Report(Environmental Social and
Governance Report) 2022

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Opening Chapter

I. Message from the Chairman

The year 2022 was an extremely extraordinary and crucial year in the history of the Party, and of the country. The successful conclusion of the 20th CPC National Congress kicked off a new journey to comprehensively promote national rejuvenation through the Chinese path to modernization. Over the past year, unwaveringly taking Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era as guide, we conducted an in-depth study, promotion and implementation of the guiding principles of the 20th CPC National Congress. We spared no efforts to help serve the stabilization of the economy, actively fulfilled the social responsibilities as a large state-owned bank, and made positive contributions to promote economic and social development, and the improvement of people's lives.

We adhered to the original aspiration to fully support the building of an agricultural powerhouse. ABC looked to build itself into a leading bank serving rural revitalization, strengthening financial supply and technological empowerment to "Sannong" areas, and continuously reinforcing its role as the country's "national team" and major financial service supplier in advancing the development of "robust agriculture, beautiful landscapes and prosperous farmers". By the end of 2022, the balance of loans to county areas was RMB 7.3 trillion, an increase of RMB 1.11 trillion compared with the previous year, achieving the goal of "two higher, two improvements and one guarantee". Over the past year, we focused on serving the national food security strategy, strongly supported the construction of high-standard farmland and the revitalization of the seed industry, and strengthened financial services for the entire grain industry chain, in a way to help build a solid foundation for food security development. The growth rate of loans in key food areas was 7 percent higher than that of bank-wide loan growths. Targeted support was provided for the development and growth of rural industries, with industrial value-added driving income increases for farmers, so as to promote common prosperity. The digital service capacity related to agricultural areas was continuously enhanced, and the number of agriculture-related financial scenarios at the county level reached over 15,000, spreading the "technological wings" of financial services for rural revitalization. We continued to consolidate and expand the achievements made in poverty eradication, with the growth rate of loans in 832 counties that were lifted out of poverty and 160 key counties receiving assistance reaching 15.4% and 18.4% respectively, helping to forestall a large-scale reemergence of poverty.

We returned to our roots to promote high-quality economic development. ABC actively aligned itself with the goal of achieving high-quality economic development and continued to strengthen financial services in key areas and weak links of the real economy, injecting strong momentum for high-quality economic development. By the end of 2022, total loans was RMB 19.8 trillion, with a growth rate of 15.1%. Over the past year, we focused our efforts to help boost China's strengths in manufacturing and provided financial services to areas such as advanced manufacturing and strategic emerging industries, so as to promote the manufacturing industry's development towards being high-end, intelligent, and green, with the Bank's loan balance of strategic emerging industries reaching RMB 1.24 trillion, an increase of 44.6%. We

advanced the establishment of a sound mechanism serving regional collaboration, made all-round efforts to serve the national regional development strategies such as the coordinated development of Beijing-Tianjin-Hebei and the Xiong'an New Area, and supported major project constructions such as regional transportation, water conservancy and energy. We continued to improve the financial service system in the field of technological innovations, strengthened the integrated service system covering investments, loans and services, and supported the achievement of greater self-reliance and strengths in science and technology. Loans to innovative high-tech enterprises exceeded RMB 1 trillion, established partnerships with nearly two-thirds of the "little giant" enterprises featuring specialty, refined management, distinction and innovation on the national level. We made solid progress in advancing inclusive financial services, continued to roll out a slew of targeted measures based on specific conditions to ensure smooth financing flow, and implemented fee reduction and concessions, with the balance of inclusive loans for small and micro enterprises amounting to RMB 1.77 trillion, an increase of 33.8%, as part of our efforts to boost the healthy development of private and small and micro enterprises.

We upheld a people-centered approach to meet people's financial expectations for a better life. Chinese modernization is the modernization of common prosperity for all, and it is the responsibility of ABC to provide the general public with universal and high-quality modern financial services. Over the past year, remaining committed to providing financial services for the convenience and benefit of the people, we implemented a service improvement project, and created 21,000 "Warmth of Love" outlets to provide customers and outdoor laborers with services such as battery charging, drinking water and place to rest. We constructed elderly-friendly service demonstration sites, conducted door-to-door services for special groups on a regular basis, and supported new urban residents to live and work in peace and happiness, so as to provide financial services that deliver real benefits to the people with warmth. Adhering to the concept of customer first, openness and sharing, we worked to provide customers with "invisible, senseless but ubiquitous" financial services through the construction of an all-scenario, all-channel, all-chain financial scenarios ecosystem. We strengthened the integration of online and offline services, and constantly improved the "five-pronged" system of service channels to bridge the "last mile" gap of fundamental financial services, so that residents in remote mountainous areas, old revolutionary base areas and frontier areas can enjoy modern financial services. We integrated the protection of consumer rights and interests into the whole process of products design and services, and increased the protection of customer information to safeguard the vital interests of customers, in a bid to continuously enhance people's sense of financial access, happiness and security.

We highlighted our defining feature to safeguard the harmonious coexistence of man and nature. ABC actively implemented the strategic plan of peaking carbon emissions and achieving carbon neutrality, incorporated the concept of green development into all aspects of our business operations, and fully supported the green and low-carbon transformation of the economy and society. Over the past year, we established the Green Finance/Carbon Peaking and Neutrality Committee, formulated key points of green financing work, and comprehensively promoted the implementation of green finance strategy. We scaled up green credit supply in key areas such as the building of a new energy system, the clean, low-carbon and efficient use of energy, and pollution prevention, control and ecological restoration. By the end of 2022, the balance of green credit business was RMB 2.7 trillion, an increase of

36.4% from the end of the previous year. We continuously promoted the innovation of diversified green financial products and service models such as green bonds, green investment banking and carbon financing, and consistently improved the capacity of green financial services. During the year, we underwrote and issued 56 green bonds, raised RMB 66.6 billion. We took the lead in practicing green operations, carried out a group-wide “carbon inventory” in an orderly manner, and supported Zhejiang and Guangdong Branches to establish “carbon neutrality” outlets, so as to achieve carbon-neutral operations through exploration and practices. In 2022, the Bank's MSCI ESG rating went up to “A”.

The broadened river with the rising tide will see our sail flutter in the tailwind with ease. The year 2023 is the opening year for the implementation of the guiding principles of the 20th CPC National Congress. We will rally more closely around the Central Committee with Comrade Xi Jinping at its core. With the determination and confidence to perform miracles through hard work and perseverance, we will strive to promote high-quality economic development with high-quality financial services, and make greater contributions to the realization of Chinese modernization.

Gu Shu

Chairman of Agricultural Bank of China

II .Message from the President

The year 2022 witnessed the successful convening of the 20th CPC National Congress, as well as the remarkable results obtained by ABC through diligent and hard work. In 2022, we fully implemented the decisions and deployments of the CPC Central Committee and the State Council, pursued coordinated progress between fulfilling the inspection and rectification requirements of the Central Committee and our business operations, successfully achieved our annual targets and tasks along with good economic, social and environmental benefits. In 2022, the Group made a net profit of RMB 258,688 million and contributed RMB 2.92 per share in value to society, winning the “Bank of the Year 2022 in China” award given by *The Banker*.

We focused on national strategies to serve the real economy. We proactively served to build a new development pattern, and promoted effective improvement in quality and reasonable growth in quantity of the economy through high-quality financial services. The Bank issued 40 measures to help stabilize the economy, fully supported the real economy’s return to stability and retaining steady growth, with a total of RMB 2.59 trillion new loans and advances granted throughout the year. Focused on fields such as the new generation of information technology and biomedicine, we launched innovative exclusive products such as the “Advanced Manufacturing Loan” and the “Loan for ‘Little Giant’ Enterprises Featuring Specialty, Refined Management, Distinction and Innovation” to support enterprises in improving their innovation capabilities and making breakthroughs in core technologies in key fields. By the end of 2022, the balance of manufacturing loans was RMB 2.3 trillion, and medium- and long-term loans to the manufacturing industry increased by 52.8% year-on-year. Closely responding to the financial needs of small and micro enterprises, the Bank created an online “Inclusive e-Station”, developed supply chain financing business such as the “Government Procurement e-Loan”, and made efforts to alleviate small and micro enterprises’ financing problems. We fully supported the green transformation of the economy and society, continued to increase financial support in green and low-carbon areas. We focused our efforts on supporting key areas such as clean energy, green infrastructure upgrading, energy conservation and environmental protection, and actively adopted supporting tools of carbon emission reduction, with carbon emission reduction loans of more than RMB 100 billion issued, driving carbon emission reduction of over 23 million tons.

We served rural revitalization to advance common prosperity. We took service for “Sannong” as the top priority of our business operations, and deeply implemented the “Sannong” inclusive strategy. Moreover, we deepened our financial services and gave a greater play of our leading role in key areas such as maintaining stable production and supply of food and important agricultural products, building agricultural infrastructure, and high-quality development of rural industries. By the end of 2022, the balance of agriculture-related loans was RMB 5.53 trillion, accounting for a further increase in the Bank's loan ratio. We strengthened innovation in product and service models, launched 54 “Sannong” exclusive credit products, and promoted hit products such as the “Rural Habitat Environment Loan”, the “Farmer e-Loan” and the “Fumin loan” in innovative ways, striving to crack the contradiction of insufficient credit supply to farmers. By the end of 2022, the balance of the “Farmer e-Loan”, an all-online product serving farmers, was RMB 747.7 billion, serving a total of 15

million farmers, and the balance of the “Fumin Loan”, a pure credit preferential interest rate product for farmers in old revolutionary base areas, was RMB 11.6 billion. We deepened the construction of digital villages and accelerated the promotion of digital scenarios such as the management platform of collective funds, assets, and resources, and intelligent animal husbandry. By the end of 2022, the platform covered 1,488 counties, and the monthly active customers in the countryside version of mobile banking reached 17.44 million, as we continue the expansion of financial services coverages in rural areas.

We spared no efforts to serve people’s livelihoods and share the fruits of development. Fully observing the concept of finance for the people, we endeavored to improve the quality of financial services for people’s livelihood, so that our people can share the fruits of modern financial development. Centering on the fields of childbirth and childcare, education and employment, housing and tourism, health and elderly care, we made breakthroughs in personalized and specialized products and provided full-life-cycle financial services. By the end of 2022, the number of individual customers of the Bank amounted to 862 million, ranking first in the industry. We also strengthened digital empowerment capacities, launched and improved the construction of smart scenarios such as campus, cafeteria, government affairs and traveling, with the growth rate of high-frequency internet scenarios reaching 70.1%. We optimized and upgraded the functions of mobile banking to deliver efficient and convenient financial services to customers, with the number of monthly active customers of mobile banking reaching 172 million. We also vigorously promoted the elderly-friendly transformation of branches and systems, provided convenient services for elderly customers and other special groups through remote services, and door-to-door services by appointment, with more than 280,000 times of door-to-door services provided for special groups with mobility difficulties.

We actively engaged in public welfare to build a harmonious society. Adhering to the CSR philosophy of “shouldering responsibilities, benefiting the people, giving priority to CSR, and promoting societal prosperity”, we kept in mind the social responsibilities of a large state-owned bank and actively participated in public welfare undertakings, with a total donation of RMB 107.17 million made to the public throughout the year, and over 180,000 hours of young volunteer activities recorded. We encouraged and advocated institutions and employees at all levels to care for disadvantaged groups. We fully supported natural disaster relief such as the earthquake in Luding, Sichuan Province and the mountain fires in Chongqing, and continued to carry out special public welfare practices such as the “Mother Health Express”, to build the social responsibility brand of ABC with practical actions. We organized employees to go into schools, enterprises, communities and villages to publicize financial knowledge and fraud prevention, and carried out more than 127,600 centralized publicity activities throughout the year, reaching nearly 800 million consumers. We also created and promoted the “Warmth of Love” service brand, of which 12 were awarded “the Model Outdoor Workers’ Service Stations” by the All China Federation of Trade Unions in 2022.

Hard work make dreams come true, being driven creates the future. In the new year, we will take the guiding principles of the 20th CPC National Congress as the guidance, implement the new development concepts completely, accurately and

comprehensively, be more actively integrated into the new development pattern and strive to serve the building of it more. We will strengthen service qualities and efficiency for “Sannong” and the real economy, so as to write a new chapter of serving high-quality economic development while promoting our own high-quality development.

Fu Wanjun

President of Agricultural Bank of China

III. About Us

The predecessor of the Agricultural Bank of China (“ABC” or “the Bank”) was the Agricultural Cooperative Bank established in 1951. Since the late 1970s, the Bank has evolved from a state-owned specialized bank to a wholly state-owned commercial bank, and subsequently a state-owned commercial bank. The Bank was restructured into a joint stock limited liability company in January of 2009, and was listed on both the Shanghai Stock Exchange and the Stock Exchange of Hong Kong in July, 2010.

Being one of the major integrated financial service providers in China, ABC pursues high-quality development, highlights two positions as “the leading bank serving rural revitalization” and “the main bank serving the real economy”, and comprehensively implements three strategies, which include “Sannong” for county area development, green finance and digitalized operations. It relies on its comprehensive business portfolio, extensive distribution network and advanced IT platform to provide a diverse portfolio of corporate, and retail banking products and services for a broad range of customers. The Bank conducts financial market and asset management businesses. Its business scope also includes, among others, investment banking, fund management, financial leasing and life insurance.

[Performance]

In 2022, the Bank ranked No.3 in *The Banker’s* Top 1,000 World Banks in terms of tier 1 capital, and ranked No.28 in *The Fortune’s* Global 500.

The Bank had a total of 22,788 domestic branch outlets at the end of 2022, including the Head Office, the Banking Center at the Head Office, four specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 407 tier-2 branches, 3,329 tier-1 sub-branches, 18,959 foundation-level branch outlets and 46 other establishments. Therefore, it realized the full coverage of all administrative districts in Chinese mainland. Overseas branch outlets consisted of 13 overseas branches and 4 overseas representative offices. The Bank had 16 major subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.

[Performance]

Total assets of RMB 33,927,533 million

Loans and advances to customers of RMB 19,765,745 million

Deposits from customers of RMB 25,121,040 million

Capital adequacy ratio of 17.20%

Net profit of RMB 258,688 million

Taxes of RMB 113,777 million

Social contribution value per share of RMB 2.92

1. Corporate culture

[Logic Diagram]

Mission

Providing “Sannong” banking services, serving both urban and rural areas, maximizing shareholders returns, and assisting employee development

Vision

Forging a first-class international commercial bank group

Core values

Integrity, Stability and Sound Operation

Relevant philosophies under the guidance of core values

Operation philosophy: Market-oriented, customer-centered and value-oriented

Management philosophy: Details determine success or failure, compliance creates value and responsibility delivers achievements

Service philosophy: Customers first and always

Risk philosophy: Non-compliance poses risks and safety brings benefits

Human resources philosophy: Besides ability, employee’s integrity should be highly valued and their performance should be fairly assessed

Integrity philosophy: Be honest, upright, and disciplined, with moral fortitude and principle, selflessness, considerate, devoted and loyal

2. Philosophy on CSR

[Logic Diagram]

Shouldering responsibilities

Keeping the top priorities of the country in mind, ABC shoulders its responsibilities and stays true to its mission as a socialist state-owned commercial bank with Chinese characteristics. ABC considers social responsibility fulfillment within the context of the whole nation and the economy, and shoulders responsibilities in all aspects to promote comprehensive social progress.

Benefiting the people

Being people-centric, ABC has made efforts in promoting economic transition, reducing the gap between rural and urban areas, improving people’s livelihoods, fostering environment protection, promoting inclusive finance and supporting vulnerable groups, realizing both social awareness and profitability.

Giving priority to CSR

Committed to being an executor and defender of national macro-economic policies, ABC has focused on its original and primary businesses, and worked to play its role as a leading bank serving rural revitalization and a main bank serving the real economy.

Promoting societal prosperity

It has been a long-term responsibility and pursuit to promote the realization of the Chinese Dream, and to build a prosperous society in all respects with ABC's strength in financial services.

IV. CSR Management

1. Identification of substantive issues

[Logic Diagram]	
Identification	
Collecting feedback through various means:	
Feedback from the Senior Management of the Head Office;	
Feedback from domestic and overseas branches;	
Feedback from external stakeholders;	
Review of relevant social responsibility standards;	
Analysis from internal and external experts.	
Prioritization	
Following the <i>Guidelines for Social Responsibility of Agricultural Bank of China</i> , ABC ranks the issues by studying their importance to the sustainable development of ABC and their importance to stakeholders.	
Review	
The Board of Directors is responsible for reviewing sustainability topics, adjusting and determining the order of priority of the topics, with the help of specialized third-party organizations for reasonableness.	
Improvement	
ABC summarizes and analyzes the implementation of the sustainability topics over the year, and determines the goals and implementation plans for the next year, so as to constantly improve its sustainability.	

● Deepening the leading role of Party building ● Refining the corporate governance mechanism ● Building up risk prevention and control capabilities ● Upholding the bottom line of operational compliance	13 Climate action 16 Peace, justice and strong institutions 17 partnerships for the goals
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● Serving rural revitalization ● Fueling the transformation and upgrading of industries ● Supporting coordinated regional development ● Serving high-standard opening-up	1 No Poverty 2 Zero hunger 3 Good health and well-being 6 Clean water and sanitation 7 affordable and clean energy 8 Work and economic growth 9 Industry, Innovation and Infrastructure 12 Responsible consumption and production
● Actively coping with climate change ● Vigorously developing green finance ● Continuously supporting ecological protection ● Promoting energy conservation and carbon reduction with solid efforts	11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action 17 partnerships for the goals
● Enhancing the quality and efficiency of inclusive financial service ● Focusing on innovation in digital technology ● Upholding the customer-centric concept ● Empowering the growth and development of employees ● Undertaking public benefit initiatives	1 No Poverty 3 Good health and well-being 4 Quality education 5 Gender equality 8 Work and economic growth 9 Industry, Innovation and Infrastructure 11 Sustainable cities and communities 16 Peace, justice and strong institutions

2. Analysis of stakeholders

Stakeholders	Key expectations	Communication mode	Response
Government	● To serve “Sannong” development ● To serve national strategies ● To support the real economy ● To provide financial services related to people’s livelihood ● To provide inclusive financial services ● To pay taxes in full according to the law ● To promote employment	● Policies and instructions ● Major project cooperation ● Work report ● Routine communication, etc.	● To observe laws and regulations ● To support coordinated regional development ● To serve rural revitalization ● To support the structural supply side reform ● To pay taxes proactively ● To continue providing inclusive financial services
Regulatory authorities	● To operate according to the law ● To maintain financial stability ● To prevent risks effectively	● Policies and instructions ● Approval and supervision ● Work report ● Routine communication, etc.	● Compliance management ● To receive supervision and evaluation ● To perform comprehensive risk management
Shareholders and investors	● Sustainable investment return ● To improve corporate governance ● To protect the rights and	● Information disclosure ● Shareholders’ general meeting ● Investor activities ● Hotline, email, fax,	● To practice responsible investment ● To realize stable operations ● To create value for shareholders

	interests of shareholders ● To strengthen information disclosure	company announcement, etc.	● Truthful, accurate, and complete information disclosure
Customers	● To safeguard consumers' rights and interests ● To improve service quality ● To continuously promote product innovation	● Product marketing ● Routine communication ● 95599 call center ● Customer satisfaction surveys ● Online and office activities, etc.	● To strengthen the protection of consumers' rights and interests ● To comprehensively improve service quality ● To accelerate product innovation ● To build an IT-based bank
Employees	● To protect the legitimate rights and interests of employees ● To promote the improvement and career development of employees ● People centered	● Employees' congress ● Solicit employee comments ● Employee care actions ● Regular training, etc.	● To abide by national labor laws and regulations, and international practices ● To provide diversified training programs ● To create practical career development channels ● To advocate for healthy work-life balance ● Five actions to take care of primary-level

			employees
Suppliers and partners	● Fairness and transparency ● Integrity and honoring agreements ● Mutually beneficial cooperation	● Bidding and procurement activities ● Business exchange and cooperation, etc.	● To improve procurement management ● To innovate cooperation models
The public and communities	● To popularize financial knowledge to the public ● To promote the development of communities ● To participate in public welfare	● Information disclosure ● Financial services and activities ● Public welfare activities, etc.	● To conduct financial knowledge publicity ● To actively participate in public welfare and charity
Environment	● To manage environmental risks ● To promote green finance ● To promote green offices	● Information disclosure ● Various types of activities ● Product pricing strategy, etc.	● To support the development of green industries ● To innovate green financing products ● To practice green operations

3. CSR Performance

Economic performance

Indicator	2020	2021	2022
Total assets (RMB100 million)	272,050.47	290,691.55	339,275.33
Total loans and advances to customers (RMB 100 million)	151,704.42	171,750.73	197,657.45

Non-performing loan (NPL) ratio ¹ (%)	1.57	1.43	1.37
Capital adequacy ratio ² (%)	16.59	17.13	17.20
Net profit (RMB 100 million)	2,164.00	2,419.36	2,586.88
Return on average total assets ³ (%)	0.83	0.86	0.82
Return on weighted average net assets ⁴ (%)	11.35	11.57	11.28
Total tax ⁵ (RMB 100 million)	990.02	992.27	1,137.77
Shareholders' equity (RMB 100 million)	22,107.46	24,213.59	26,744.51
Shareholders' dividends ⁶ (RMB 100 million)	647.82	723.76	777.66

Environmental performance

Indicator	2020	2021	2022
Electronic channel financial transactions as proportion of total transactions (%)	99	99	99
Balance of green credit (RMB 100 million) ⁷	15,149	19,778	26,975
CO2 equivalent emission reduction attributed to green credit (10,000	8,713	9,554	9,783

1. The NPL ratio is calculated by dividing the balance of NPLs (excluding accrued interests) by the total loans and advances to customers (excluding accrued interests).

2. Figures were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and other relevant regulations.

3. "Return on average total assets" was calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.

4. "Return on weighted average net assets" was calculated in accordance with the *Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No.9 - Computation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision) issued by China Securities Regulatory Commission (CSRC).

5. Total tax equals the total of corporate income tax, added-value tax and other taxes.

6. Dividends of ordinary shareholders (tax included).

7. Balance of green credit is calculated according to the 2020 green financing standard of China Banking and Insurance Regulatory Commission (CBIRC).

tons)			
Green bonds underwritten ⁸ (Tranche)	7	27	56
Amount of funds raised from green bonds underwritten (RMB 100 million)	60	440	666

Social performance

Indicator	2020	2021	2022
Social contribution per share ⁹ (RMB)	2.34	2.56	2.92
Total amount of donations ¹⁰ (RMB 10,000)	19,917	10,060	10,717
Number of domestic branches	22,938	22,807	22,788
Number of county-level branch outlets	12,599	12,627	12,663
Total Huinong Cards issued (10,000)	23,079	23,543	23,411
Proportion of administrative villages covered by “Hui Nong Tong” electronic devices in the 832 poverty alleviation counties (%)	89.5	83.6	83.8
Balance of agriculture-related loans ¹¹ (RMB 100 million)	42,907	47,570	55,306
Total county-level financial business loans and advances (RMB 100 million)	53,053.05	62,183.12	73,283.36

8. The number of green bonds underwrote and the amount raising refer to the number of bond instruments underwritten by Agricultural Bank of China Limited in which the proceeds are used exclusively for financing or refinancing green projects that meet the prescribed conditions, and the amount raised by them.

9. Social contribution per share = basic earnings per share + (total tax + employee compensation and benefits + interest expense + amount of donations) / capital stock.

10. The amount of donations covers the donations made by the Bank (domestically), excluding the amount donated by its employees.

Balance of loans of village and township banks (VTBs) ¹² (RMB 100 million)	17.95	19.69	20.39
Balance of inclusive loans for small and micro enterprises ¹³ (RMB 100 million)	9,526	13,220	17,690
Total loans to western regions ¹⁴ (RMB 100 million)	33,538.20	37,490.92	42,475.85
Balance of loans to ethnic minority areas ¹⁵ (RMB 100 million)	9,350.18	10,635.71	12,201.92
Number of employees (Person)	459,000	455,174	452,258
County-level employees (Person)	191,354	187,710	187,652
Overseas employees ¹⁶ (Person)	732	726	752

11. The balance of agriculture-related loans consists of the balance of farmer loans, the balance of farming, forestry, animal husbandry and fishery loans (persons other than farmer households), the balance of loans to enterprises and organizations in rural areas, and the balance of agriculture-related loans to enterprises and organizations in cities.

12. Six village and township banks (VTBs).

13. According to the *Notice by the China Banking and Insurance Regulatory Commission on Further Promoting High-quality Development of Financial Services for Small and Micro Enterprises in 2021* (CBIRC [2021] No.49), the statistics standards were adjusted by removing data on bill discount and re-discount.

14. Western regions refer to Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

15. Ethnic minority areas refer to Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

16. Overseas institutions include overseas branches, representative offices, and subsidiaries.

Practice Chapter

I. Governance: Laying A Solid Foundation for High-quality Development

Contribution to the United Nations Sustainable Development Goals:

- 13 Climate action
- 16 Peace, justice and strong institutions
- 17 partnerships for the goals

The Bank stays true to financial development with Chinese characteristics, strengthens the leading role of Party building, improves the corporate governance mechanism day by day, fights to prevent and resolve material financial risks, seeks robust and compliant operations to greatly underpin high-quality development across the board.

i. Deepening the Leading Role of Party Building

The Bank follows the unified leadership of the CPC Central Committee on financial work, takes Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guide, thoroughly studies, promotes and implements the guiding principles of the 20th CPC National Congress, the overall requirements for Party building in the new era, and the Party's organization line in the new era, and exercises full and strict governance of the Party over itself, and over the Bank, to provide a strong political underpinning for the all-around reform and development.

1. Upholding the overall leadership of the Party

The Bank strengthens Party leadership on all fronts in the course of improving corporate governance, guides Party members and officials to thoroughly understand the decisive significance of “two establishments” (the establishment of both Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era) and “two upholds” (upholding General Secretary Xi Jinping's core position on the CPC Central Committee and in the Party as a whole, and upholding the Party Central Committee's authority and its centralized, unified leadership), and ensures the decision-making and deployment of the CPC Central Committee are implemented properly.

[Logic Diagram] Main Initiatives

Intensifying the Party's political building

- Take the Party's political building as a guiding principle, ensure the Party Committee could steer the way, manage overall interests and guarantee implementation, and always aligned with the CPC Central Committee with Comrade Xi Jinping at its core in terms of political stance, direction, principle, and path.

Arming minds with theories

- Regard the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as a long-term political mission and implement “the first topic” of the Party Committee of the Bank, “the first course” in the training of the Party members and officials, and “the first task” in

primary-level Party organizational activities.

- Fully exploit the Theoretical Learning Group of the Party Committee of the Bank, and “the three meetings and one lecture” (Branch Party general meetings, branch Party Committees meetings, and Party group meetings, as well as Party lectures) as the stronghold to truly grasp the fundamentals.
- Implement the “random checks” mechanism to supervise primary-level learning activities, to further assure the quality and efficiency of learning.
- Held a centralized all-cover rotation training to learn and implement the guiding principles of the Sixth Plenary Session of the 19th CPC Central Committee with an attendance of over 6,000 officials at the section chief level or above. Completed training courses for the cadres directly managed by the Head Office about the guiding principles of the 20th CPC Central Committee. Opened up the online learning zone on the “ABC e-Learning Platform” to study the guiding principles of the Sixth Plenary Session of the 19th CPC Central Committee and the 20th CPC National Congress, and made use of various channels to guide all levels of Party organizations and Party officials to study solidly and have deep understanding of such principles.
- Pushed forward the Party history learning campaign on a routine basis.

In 2022, the Bank was granted one May 4th Red Flag Communist Youth League (CYL) Branch at the National Level, and one Model CYL Cadre at the National Level.



The Bank holds the 2022 Party Building and Operation Conference, emphasizing the need to uphold the centralized and unified leadership of the Party, and to take political construction as the overarching principle to promote various aspects of Party building. The photo shows Gu Shu, Chairman of the Bank, delivers a speech. (Photo by Chen Shunxi)

2. Studying, promoting and implementing the guiding principles of the 20th CPC National Congress

With a high sense of political responsibility, the Bank convened the Party congresses to elect five delegates to the 20th CPC National Congress.

After the 20th CPC National Congress was held, the Bank quickly moved to study, promote and implement the guiding principles conveyed at the meeting thoroughly by carrying out special learning sessions, lectures, training courses, promotional activities and theoretical explanations around the “Five Firm Grasps”. By the end of 2022, the Party organizations at all levels of the Bank conducted more than 60,000 special studies and over 30,000 themed lectures.

[Logic Diagram] Main Initiatives

- Set up a leading group to study, promote and implement the guiding principles of the 20th CPC National Congress, issued the *Notice on Earnestly Studying, Promoting and Implementing the Guiding Principle of the 20th CPC National Congress*, and made comprehensive arrangements for the work in this regard across the Bank.
- Built an advocacy group of the guiding principles of the 20th CPC National Congress and organized principals and members of Party committees at all levels to take part in activities.
- Forwarded the guiding principles of the 20th CPC National Congress to the primary-level outlets to achieve full coverage through various forms of learning activities, including “three meetings and one lecture”, themed Party days, special workshops, knowledge competitions, speech and essay contests.
- Launched a series of reports such as “Learning Session on the 20th CPC National Congress” and “the 20th CPC National Congress in the Eye of ABCers”, and carried out the “Spirit of the 20th CPC National Congress at the Primary level” interactive activity for all to create a strong learning atmosphere.



Chiping Sub-branch in Liaocheng, Shandong Province, arranges Bu Tongliang, a delegate to the 20th CPC National Congress, to explain the guiding principles of the 20th CPC National Congress to villagers. (Photo by Liu She)

[Case] Implementing the Guiding Principle of the 20th CPC National Congress through Innovative Measures

Liaoning Branch carried out a variety of innovative activities to study and implement the guiding principles of the 20th CPC National Congress. Through the Party committee, the Theoretical Learning Group of the Party Committee, the “three meetings and one lecture” system, and the special “micro Party class”, staff studied the full text of the report to the 20th CPC National Congress word by word. The branch organized its Party members to recite the oath of Party membership, visit the exhibition of art works called “Telling Our Story Well”, and attend the themed Party day activity “What I can Do for the 20th CPC National Congress”, instilling the guiding principle of the congress into every staff member.

3. Building progressive and reliable primary-level Party organizations

[Logic Diagram] Main Initiatives

- Held a meeting to promote the key tasks of primary-level Party building across the Bank, and issued the *Opinions on Further Strengthening and Improving the Work of Primary-level Party Building* to make continuous progress in primary-level Party building.
- Optimized the network of primary-level Party organizations to consolidate and expand the coverage of such organizations. By the end of 2022, the Bank had 40,000 primary-level Party organizations and 370,000 Party members; 97% of its core and backbone outlets built their own Party branch, and ensured all standard outlets have Party member(s).
- Firmly attached particular importance to primary-level Party building. Took the list-based management of primary-level Party organizations, and the integrating system-based management for Party members as two measures to make Party building more standardized. Thus strengthening the political and organizational functions of primary-level Party organizations.
- Compiled and distributed *A Compilation of Exemplary and Typical Cases in Primary-level Party Building* and the *Meritorious Deeds under Party Flag III* to guide primary-level Party organizations and members to give full play to their “two roles”(the role of a battle fortress of primary-level Party organizations, and the exemplary role of party members).
- Selected and announced excellent internal lectures and lecturers with respect to primary-level Party building. Held training course for internal lecturers for primary-level Party building, as a way to improve the quality of team building for core personnel involved in Party affairs.
- Evaluated and appraised the performance of primary-level Party organization secretaries by assessing their work reports, to make sure their responsibilities are known at all levels, and are properly fulfilled.

4. Promoting the full and strict governance of the Party over the Bank

The Bank continuously strengthened full and strict governance over the Party, focused on key areas and the “key minority”, pressed ahead with anti-corruption, promoting

the full and strict governance of the Party over itself, thus creating a clean and upright environment for business development.

[Logic Diagram] Main Initiatives

- Took the central inspection and the rectification of problems identified as a serious political task, using the “five strengthening” (Strengthen political awareness, responsibility, the implementation of work, learning by analogy, and accountability) as a guide, adhered to the “four integration” (integration into daily work, into the deepening of reform, into the overall strict governance of the party, and into team building) and the “five-level joint action” to promote the thorough rectification. Use the role of such inspections to the fullest extent, and achieved full coverage of onsite inspections in five years.
- Carried out inspections, assessments and evaluations of how the main responsibility for improving Party conduct and upholding integrity was fulfilled, strengthened list-based management, and ensured the Party committees at all levels could assume the primary responsibilities for Party governance properly.
- Strengthened routine supervision of executives, supplemented files on the supervision of tier-1 branch principals, and intensified supervision of the “key minority”.
- Cracked down on the typical problems that violated the CPC Central Committee’s Eight-point Decision on Improving Work Conduct, perfected rules and regulations, identified and rectified problems, and strictly investigated and dealt with misconducts.
- Improved the conduct of government offices, introduced 18 measures to eliminate the “departmental bank” phenomenon to further enhance departmental cooperation, and perfected the mechanisms for community-level services.
- Carried out a four-pronged activities, and the “Year of Compliance Education” campaign to foster a culture of integrity throughout the Bank.
- Made progress in creating an atmosphere where people don’t dare to, are unable to, and do not want to commit acts of corruption, and held four warning education conferences to give briefings of cases in breach of laws and disciplines, and promote the rectification of problems identified.



Jingdezhen Branch in Jiangxi Province organizes a speech contest themed on the culture of integrity. (Photo by Dai Shumei)

ii. Refining the Corporate Governance Mechanism

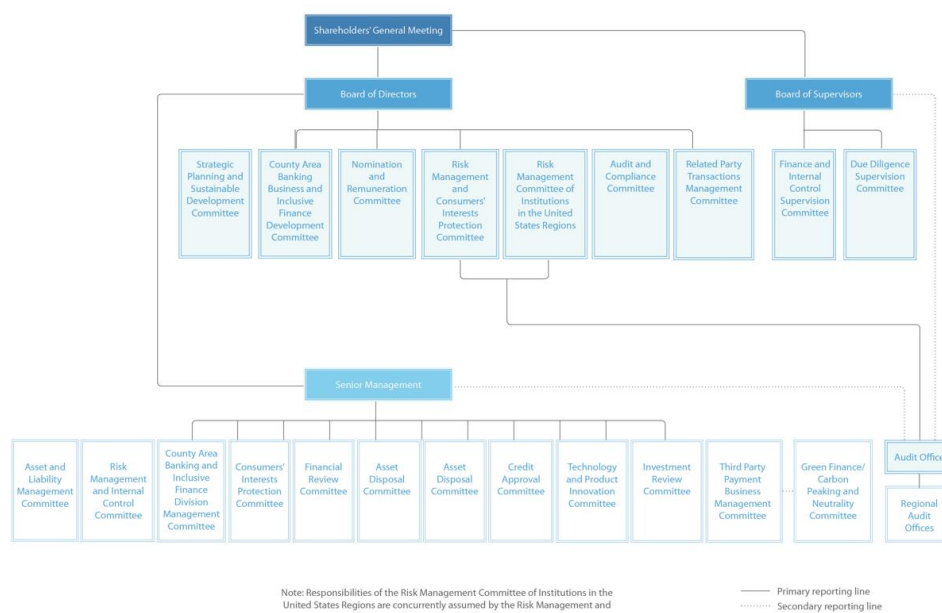
The Bank pushed forward reform with coordinated efforts, continued to improve its governance capacity, built a modern financial service system bearing the big picture in mind, to ensure the Bank's operations' safety and stability.

1. Improving the corporate governance structure

Continue to establish and improve the Party committee's leadership, the Board of Directors' strategic decision-making, the Board of Supervisors' strict supervision, Senior Management's authorized operation of the corporate governance structure, to ensure all bodies of governance fulfill their respective duties, each responsible for their own, with coordinated operations, effective checks and balances within the operational mechanism.

By the end of 2022, the Bank had 14 directors (including two female directors), of which three were executive directors, six were non-executive directors, and five were independent non-executive directors. It had eight supervisors, including two shareholder supervisors, three employee supervisors, and three external supervisors.

In 2022, the Bank held three shareholders' general meetings, at which 22 proposals were considered and adopted, and three reports heard; held 13 meetings of the Board of Directors, at which 85 proposals were considered and adopted, and 25 reports heard; held seven the meetings of the Board of Supervisors, at which 21 proposals were considered and adopted, and 34 reports heard.



Corporate Governance Structure

2. Environmental, social and governance (ESG) practices

(1) Enhancing the Organizational Structure for Management

The Board of Directors is responsible for designing ESG strategies and objectives, and regularly assessing the implementation of relevant risk policies and strategies. The Strategic Planning and Sustainable Development Committee assists the Board in the formulation and assessment of ESG strategy and objectives. The County Area Banking Business and Inclusive Finance Development Committee, the Risk Management and Consumers' Interests Protection Committee and the Related Party Transactions Management Committee are responsible for reviewing core ESG topics. Under the Senior Management, the Green Finance/Carbon Peaking and Neutrality Committee, Consumers' Interests Protection Committee, County Area Banking and Inclusive Finance Division Management Committee and other special committees are accountable for the management of ESG issues.

(2) Making full use of the Board of Directors' leading role in ESG strategy planning and decision making

The Bank promotes ESG construction on the basis of corporate governance. It specifies the ESG governance responsibilities of the Board and relevant special committees; incorporates ESG work into the work report and priorities of the Board; reports the ESG work done to the Board and the Strategic Planning and Sustainable Development Committee; and expands the scope of key ESG issues considered or reported step by step, thus giving full play to the Board's leading role in strategic planning and decision making.

3. Managing investor relations properly

The Bank continuously improves the management of investor relations and guarantees efficient, smooth channels of communication with the capital market. It timely informs investors of its corporate strategic plans, business performances and

investment highlights through convening business performance releases and business performance briefings, attending capital market summits, receiving visiting investors, organizing the collective visiting day for investors, running the investor hotline, and communicating with investors through the Shanghai Stock Exchange E-interactive Platform, online roadshows and investor-dedicated mailbox, which could effectively enhance exchange and interaction with the capital market.

4. Strengthen information disclosure

The Bank continues to increase the disclosure of ESG information, carries out the ESG information disclosure practices with its characteristics and in light of situations in China, builds a multiple-pronged information disclosure mechanism through periodic reports, CSR reports, green finance development reports, official websites and all-media, and actively responds to the concerns raised by the capital market and investors, continuously improving the effectiveness and relevance of information disclosure. In 2022, the Bank disclosed 329 information disclosure documents on the Shanghai Stock Exchange (SSE) and the Stock Exchange of Hong Kong (HKEX). Its information disclosure was rated “A” by the SSE.

[Performance]

In 2022, the Bank saw its MSCI ESG rating go up from “BBB” to “A”.

iii. Building up Risk Prevention and Control Capabilities

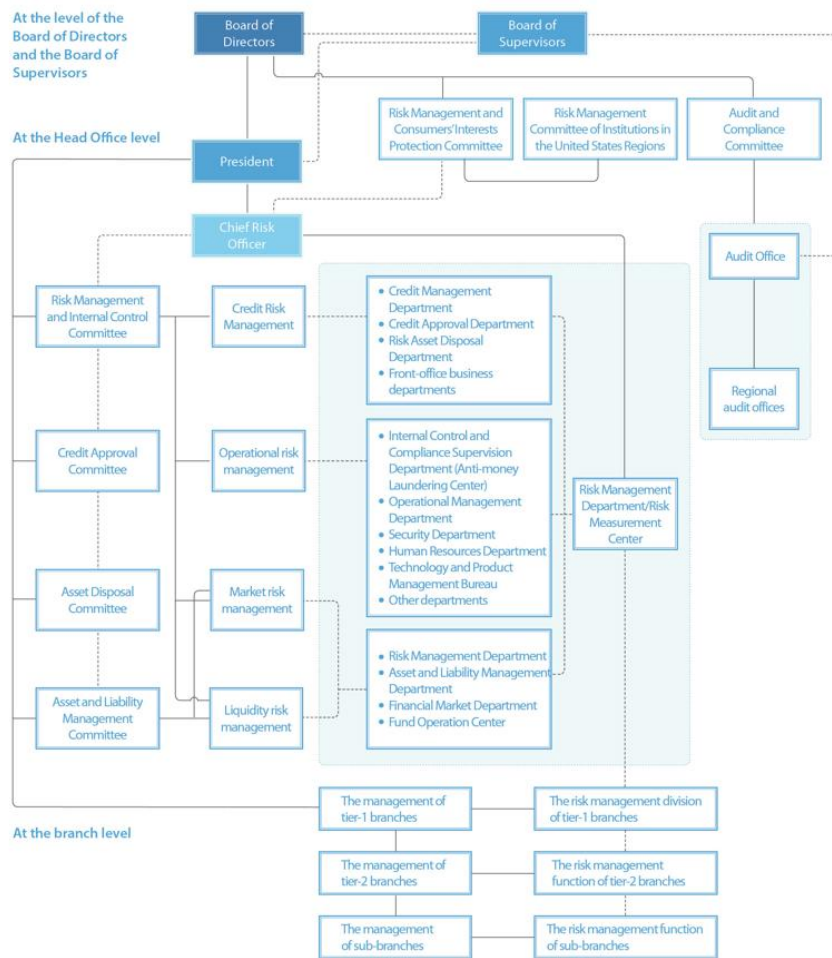
Always aware of the importance of risk prevention and control, the Bank puts forestalling and mitigating various types of major financial risks in a prominent position, keeps improving the full scale, full process, full chain risk management system, and makes efforts to systematically prevent, proactively control, and precisely resolve risks. In short, it maintains financial stability financial security through concrete actions.

By the end of 2022, the Bank’s NPL ratio was 1.37%, down 0.06 percentage point from the end of the previous year; with a provision coverage of 302.60%.

1. Deepening Comprehensive Risk Management

(1) Improving the Risk Management Structure

The Bank has set up a “matrix” organizational structure of risk management guided by the principles of “from side to side, from top to down”, establishing the “three lines of defense” for risk management that are composed of the risk bearing, risk management and the internal audit departments. It improves the risk control and management mechanism featuring the joint action between the Head Office and branches, cross-departmental coordination, and group-wide integration, and further strengthens the branches’ comprehensive risk management.



Risk Management Structure

[Logic Diagram] Responsibilities for Comprehensive Risk Management

- **The Board of Directors** is responsible for considering major risk management matters, supervising and evaluating the Bank's risk management system and risk profile, and assuming the ultimate responsibility for risk management. It performs functions related to risk management through its special committees, namely, the Risk Management and Consumers' Interests Protection Committee, the Audit and Compliance Committee, and the Risk Management Committee of Institutions in the United States Regions.
- **The Board of Supervisors** is responsible for supervising and inspecting the performance of risk management duties by the Board of Directors and the Senior Management, reporting the supervision and inspection results to the Shareholders' General Meeting on a regular basis, and urging the Board of Directors and the Senior Management to make rectifications.
- **The Senior Management** acts as the organizer and executor of the Bank's risk management, with the aid of such special committees performing risk management functions, namely, the Risk Management and Internal Control Committee, the Credit Approval Committee, the Asset and Liability Management Committee and the Asset Disposal Committee. Specifically, the Risk Management and Internal Control Committee is responsible for making overall arrangements and coordinating for the Bank's risk management and compliance management, studying and deliberating material matters related to risk management and compliance management.

(2) Optimizing risk management methods

The Bank strengthened comprehensive risk management, carried out risk screening in key areas, and kept making risk prevention and control more predictive and proactive. It continuously optimized economic capital measurement policies and systems to strictly prevent cross-contamination of risks. Meanwhile, it actively conducted special risk analysis and used risk management tools such as situational analysis and stress testing to improve the level of meticulous risk management.

2. Preventing and controlling various types of major risks

The Bank strengthened the differentiated, integrated and whole-process management of various risks, made efforts to prevent and resolve various risks, and ensured that major types of substantive risks can be manageable overall.

[Logic Diagram] Initiatives for the Management of Various Major Risks

- **Credit risk management:** The Bank optimized credit business processes and used risk evaluation as an important basis for credit business decisions. It fully implemented the system of the main responsible person for credit operation, built a digital control platform for credit risk, and drafted a letter of commitment to environmental and social risk responsibilities for credit customers, in order to enhance risk control capabilities.
- **Market risk and liquidity risk management:** The Bank built a market risk control platform, a risk management mechanism for the dispatched fund operation business, and a see-through management framework. It intensified the

organization of medium- and long-term stable funds and increased investment in high-quality liquid assets to ensure liquidity safety.

- **Operational risk management:** The Bank revised the *Categorization and Grading Specification for Operational Risk* and the *Operational Risk Monitoring and Reporting Measures* to further clarify operational risk reporting standards and optimize the operational risk monitoring process. It built a model risk management system, put in place an overall mechanism for model risk management, and consolidated the model validation.
- **Legal risk management:** The Bank increased the legal support in the process of serving the real economy with financial strengths, stepped up efforts to manage and dispose of legal risks, improved the legal risk management mechanism, realized the closed-loop management of legal risks, and carried out legal publicity and education with solid steps, achieving effective results in implementing the law.
- **Information technology (IT) risk management:** The Bank built a new generation of enterprise-level cybersecurity operation center, an integrated cloud platform, and a third division of the data center, while optimizing infrastructural framework. It developed and conducted drills against the business continuity contingency plan, and constructed the disaster recovery system to ensure various systems could operate smoothly.
- **“Sannong” business risk management:** The Bank appropriately increased the credit risk preference of the “Sannong” business, implemented differentiated policies, optimized the rating system for “Sannong” customers at the county level, and supported the credit supply to key customers in the “Sannong” areas, in an effort to actively serve the rural revitalization drive.
- **Country risk management:** The Bank verified and approved annual country risk ratings and limits, kept statistics on country risk exposures and limits occupancy, and set aside full provision for country risk impairments. It optimized the country risk limit management system, improved limit monitoring and analysis function, and enhanced country risk monitoring and reporting capabilities.
- **Related party transaction risk management:** The Bank implemented the new regulations on related party transactions, revised management policies for related party transactions, increased IT adoption in managing related party transactions, carried out special crackdowns on related party transactions, examined related party transactions of rural banks, to prevent and control the risks associated with related party transactions.
- **Climate-related risk management:** The Bank strengthened climate-related risk management requirements in basic documents on risk management, enhanced identification and assessment of climate-related risk, and carried out climate-related risks stress testing. It intensified the management of climate-related financial risks derived from subsidiaries and overseas branches to ensure sound and sustainable business development.
- **Reputational risk management:** The Bank improved basic management policies, refined reputational risks responses and disposal mechanism, and organized reputational risks screening and simulation drills across the board. It

solidified full-process management of reputational risks, worked harder to predict and prevent reputational risks in advance, properly responded to reputational risks, and made retrospective rectifications afterwards, in an effort to better forestalling reputational risks across the Bank.

- **Subsidiary and overseas business risk management:** The Bank instructed subsidiaries and overseas branches to revise their risk preference statements and risk management policies for 2022, organized subsidiaries to analyze the impact of market fluctuations and screen related risks, conducted annual risk assessments of overseas branches, and strengthened risk monitoring and analysis of overseas branches.

iv. Upholding the Bottom Line of Operational Compliance

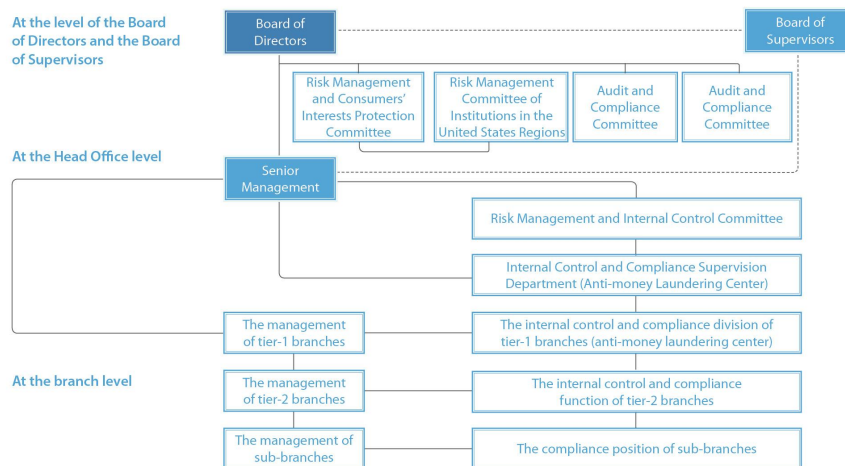
The Bank continued to improve its compliance operation mechanism, raised compliance awareness, reinforced the compliance line of defense in key areas, resolutely eliminated violations of laws and regulations, and solidified the foundation for high-quality development, thus effectively enhancing the sustainability of financial services.

1. Strengthening internal control

The Bank undertook research on building an internal control and compliance system, improved the internal control mechanism, and made efforts to raise the level of internal control management. By the end of 2022, the Head Office formulated and revised eight policies on internal control and compliance management.

[Logic Diagram] Main Initiatives

- A five-tier system of compliance risk labels was built, which featured comprehensive coverage, uniform coding, and extensive application.
- Incompatible job responsibilities were identified, assessed, and evaluated to screen risks and hidden dangers.
- The internal control evaluation scoreboards for tier-1 branches were constructed within the five-element internal control framework.
- The internal control expectation indicators were regularly monitored, evaluated, and analyzed with “gateway” of internal control management moved forward.
- The *Compliance Management Measures for Subsidiaries* was formulated to improve long-term compliance management mechanism for subsidiaries. Subsidiaries were guided and supervised to effectively strengthen their compliance management.
- The *Rules on Compliance Management of Overseas Institutions* was formulated to increase the IT adoption in overseas compliance management. The construction of a long-term compliance management mechanism for overseas institutions continued to progress.



Internal Control Management Structure

2. Complying with laws and regulations

(1) Promoting case prevention and control

Focused on key areas such as “people, power, and money”, the Bank refined the case prevention management mechanism.

[Logic Diagram] Main Initiatives

- The *Opinions on the Establishment of a Recording and Reporting System for Non-compliant Intervention in Important Matters by Executives* was formulated to improve the institutional system.
- A mechanism where key cases would be internally disclosed one by one was introduced to intensify case risk screening and governance in key areas.
- The “Sharp Arrow” case prevention and control program was continuously implemented, and Party members and executives were organized to attend the court trials of crime cases, thus intensifying employee conduct management.
- The Bank promoted the construction of case prevention and control system, made case warning education video clips, and compiled the *Confessions from Offenders*. Such steps have been proven to be a good combination for case prevention and control.

(2) Building the law-based compliance culture with intensified efforts

The Bank carried out a series of activities to enhance legal and compliant awareness, including the “Year of Compliance Education” campaign, law culture lectures, and

warning education sessions to promote compliance management in a routine and standard manner. In 2022, collective study seminars, compliance lectures, and policy interpretations numbered over 100,000 times.

[Logic Diagram] Main Initiatives for Law-based Compliance Education

- The “Year of Compliance Education” campaign was launched, where unit principals were invited to give the first compliance lecture of the year.
- The law-based compliance culture was promoted across the Bank with the theme of “Thoroughly Acting on Xi Jinping’s Thought on Ruling by the Law and Promoting Ruling by the Law at the Bank”.
- The Bank widely carried out warning education conferences on illegal credit cases, warning education on violations of laws and regulations, and the special counseling on typical cases of illegal lending.
- An online exhibition of cases in internal control compliance and clean financial culture building was held, in which 12 typical cases were selected, registering an attendance of 1.6 million times online.
- All employees were organized to re-read the *Employee Code of Conduct* and held compliance discussions.
- A legal knowledge contest was hosted to create a strong atmosphere for learning and abiding by the law among employees.

(3) Business ethics and anti-corruption monitoring

- The Bank promoted the collaboration and integration of dispatched supervision, audit supervision, internal control supervision, and due diligence supervision, focused on the “key minorities” and key areas, and continuously maintaining a high-pressured deterrent posture.
- The Bank continuously carried out economic responsibility audits of executives, with the focus put on the fulfillment of responsibilities in economic activities related to Party conduct and integrity in practice, to regulate the exercise of powers.
- The Bank implemented the “three lines and one grid” management mode, optimized the indicators used to monitor abnormal employee conducts, determined management and control priorities through quantitative assessment, and realized the accurate profiling of abnormal employee conduct.

For more information on the number of lawsuits regarding corrupt practices and other aspects, please go to the official website of the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission.

(4) Protecting whistleblowers

The Bank ensured reporting channels such as phone lines, mailing, visiting, and e-mailing were open; strictly implemented the avoidance system where staff members having a direct interest with petitioners and petitioned matters should recuse themselves; and carried out the closed-loop management of reporting matters, strictly

abode by confidentiality requirements, minimized the scope of knowledge, and protected the information of whistleblowers from being leaked according to the law.

3. Protecting intellectual property rights (IPRs)

The Bank continuously improved IPR management mechanisms, revised and improved trademark, patent and copyright management rules, built a IPR management structure, and established an online full-process management platform. The “ABC e-Learning” platform carried out IPR publicity and trainings, thus creating a good atmosphere of respecting and protecting IPRs. The Bank stepped up IPR application efforts, and forestalled and defused the risks of infringement and infringing IPRs.

4. Tightening supplier management

The Bank strictly complied with national laws and regulations on bidding and procurement and pertinent regulatory requirements to resolutely prevent and eliminate corruption-related behaviors of suppliers.

[Logic Diagram] Supplier Integrity Management Initiatives

- **Strengthening institutional safeguards.** The Bank revised the *Measures for the Management of Centralized Procurement of Agricultural Bank of China* to list the recruitment of suppliers through open channels as a principle. It intensified the implementation of the *Rules for the Management of Bad Behavior in Centralized Procurement of Agricultural Bank of China* and other pertinent documents, making suppliers’ illegal, untrustworthy, corrupt behaviors as conditions for prohibiting access.
- **Implementing procurement requirements strictly.** Prohibiting suppliers involved in violation, dishonesty, corruption and under specific association circumstances, from participating in the Bank’s invitation for bid for procurement. Implementing procurement requirements strictly. The Bank required suppliers to sign a letter of commitment to integrity, relied on channels such as www.creditchina.gov.cn and National Enterprise Credit Information Publicity System to conduct access review, and exercise strict control of the access process. The Bank hired a notary organization to supervise the full bidding process, and ensure that the evaluation process would be fair and just.
- **Conducting awareness raising and training activities.** The Bank held the annual supplier conference, to publicize the procurement system and its implementations, carry out warning education on malpractice cases, and provide guidance on bidding rules.
- **Strengthening supervision and inspection.** The Bank conducted regular monitoring of suppliers, and disposed of suppliers involved in corruption-related malpractices in accordance with the pertinent rules. It implemented information disclosure policies, followed up on relevant complaints and clues in a timely manner, and accepted the supervision of the entire society.

5. Strictly preventing financial violations

(1) Anti-money laundering (AML)

The Bank strictly complied with national laws and regulations on AML, and industry

guidelines issued by the People's Bank of China (PBOC) and other regulatory bodies, proactively aligned itself with the highest international standards and best industry practices, strengthened centralized monitoring, control and evaluation of money laundering risks, and steadily promoted the risk-based transformation of AML work. It improved the customer due diligence policies and systems, and intensified the ability to perform AML duties along the three lines of defense. Meanwhile, it continued to strengthen the construction of AML monitoring models, carried out comprehensive data governance, upgraded AML-related financial information production and forewarning with digital means, and enhanced the intelligence level of AML work. The Bank stepped up AML and sanction risk management training for the management and frontline business personnels to improve their capabilities of performances. In 2022, 4,592 special training sessions were conducted, covering more than 1.02 million person/times.

(2) Anti-telecommunications (telecoms) network fraud

In strict accordance with regulatory requirements, the Bank combined comprehensive management and source management to strengthen anti-fraud capacity building, helping people to protect their money.

[Logic Diagram] Main Initiatives

- **Combating fraud in accordance with the law through joint prevention and control.** Fulfill legal responsibilities and obligations in anti-fraud activities in accordance with the law, and upholding “whoever owns the account is responsible”, “whoever manages the merchant is responsible”, “whoever operates the terminal is responsible”, and “whoever possesses the wallet is responsible”, the Bank made sure that the primary responsibilities for anti-fraud could be strictly fulfilled. Anti-telecommunications (telecoms) network fraud was integrated into product design, business management, operational processes, and risk control systems to form a work pattern featuring joint prevention and control, and prevent financial services from being used by criminals to transfer fraudulent funds.
- **Relying on technologies to conduct accurate prevention and control.** IT means were fully used to track and study the patterns of telecommunications network fraud, summarize the characteristics of fraudulent activities, and continuously enrich and improve anti-fraud data assets, improve real-time monitoring and interception mechanism for fraud-related abnormal accounts and suspicious transactions, and achieve accurate assessment, precise implementation, and refined operation with respect fraud-related risk prevention and control. Relying on the “Tianpeng”, the intelligent anti-fraud platform, the Bank break down data barriers and brought under uniformed monitoring 507 types of high-risk transactions in the online finance business areas, credit cards, debit cards, and corporate accounts. In 2022, the intelligent anti-fraud platform monitored an average of about 360 million transactions per day, and issued early warnings against transactions worth about RMB 870 million per day.
- **Combining crackdown and prevention to achieve comprehensive coverage.** The Bank insists on vertically and deeply combating fraud risks throughout the entire chain, effectively blocking the transfer of fraudulent funds. It insists on education and prevention, comprehensively improving the potential warning and

dissuasion level of potential victims of telephone fraud, and enhancing the ability of employees and customers to identify and prevent fraud. Strengthen internal department collaboration and coordination, promote cooperation between headquarters and branches, and enhance collaboration between police and banks as well as interbank cooperation, and strictly implement the punishment mechanism for fraud, and prevent telecommunications network fraud from the source. In 2022, the Bank returned funds worth RMB 330 million to victims of fraud.

(3) Strictly managing debt collection

The Bank formulated policies related to personal loan collection and regulated the workflow for collecting overdue loans; constructed an overdue loan collection system and optimized collection strategies continuously; and regularly conducted training on personal loan risk management and overdue loan collection norm. The Bank collected overdue loans to personal customers in compliance with the law.

For details of the Bank's corporate governance, please refer to the *Annual Report 2022* separately published by the Bank.

II. Development: Facilitating the Process of Chinese-style Modernization

Contribution to the United Nations Sustainable Development Goals:

- 1 No Poverty
- 2 Zero hunger
- 3 Good health and well-being
- 6 Clean water and sanitation
- 7 affordable and clean energy
- 8 Work and economic growth
- 9 Industry, Innovation and Infrastructure
- 12 Responsible consumption and production

The Bank implemented the new development philosophy in a complete, accurate and comprehensive manner, took the initiative to serve the formation of a new development pattern, and strove to build itself into a leading bank in serving rural revitalization and a main bank in serving the real economy. Focused on major national strategies, it integrated into the opening-up drive of the State, and continuously enhanced the quality and efficiency of financial services, safeguarding high-quality development of the Chinese economy and society with financial strength.

i. Sparing No Efforts to Serve Rural Revitalization

The Bank thoroughly implemented the “Sannong” strategy for county area development. Centered on a number of key areas such as consolidation and expansion of the results achieved in poverty alleviation, national food security, high-quality industrial development in rural areas, and construction of beautiful villages where people love to live and start their businesses, it continued to increase the supply of agriculture-related finance, strengthened product and service innovation, and expanded the breadth and depth of financial services, contributing to the comprehensive promotion of rural revitalization and the construction of an agricultural powerhouse.

By the end of 2022, the balance of loans to county areas was RMB 7.3 trillion, an increase of RMB 1.11 trillion from the end of the previous year; and the balance of loans to farmers stood at RMB 780.4 billion, an increase of RMB 177 billion from the end of the previous year.

1. Consolidating and expanding the results achieved in poverty alleviation

(1) Intensifying support for key counties receiving assistance

Channeling more assistance resources. The Bank formulated the *Work Plan on Financial Support to Key Counties Receiving Assistance for Rural Revitalization in 2022* and the *Implementation Plan of Agricultural Bank of China to Support Key*

Counties Receiving Assistance for Rural Revitalization, according to which it prioritized guaranteeing the scale of credit supply, allocating special credit resources, and establishing green channels for loan approval. The Bank did its best to support the 160 key counties receiving assistance for rural revitalization.

By the end of 2022, the balance of loans granted to the 160 key counties was RMB 314.9 billion, with a growth rate of 18.40%.

Expanding and promoting the “Fumin Loan” products. Relying on the government credit enhancement and risk compensation mechanism, the Bank cemented its cooperation with the Ministry of Agriculture and Rural Affairs, and the National Rural Revitalization Administration to promote the “Fumin Loan” products by expanding the scope of trial run in a timely manner. As application grew wider, the “Fumin Loan” products could effectively meet the credit needs of farmers arising from their production and operation activities, and support more farmers in the areas just lifted out of poverty in with their development and to increase their income.

By the end of 2022, the balance of the “Fumin Loan” products reached RMB 11.6 billion, which covered 832 counties lifted out of poverty, key old revolutionary counties, large counties for oil tea cultivation, and all of Xinjiang, Tibet and Ningxia.

[Case] “Fumin Loan” Offered Precise Assistance in Old Revolutionary Base Areas

Hubei Branch prioritized supporting Hong’an County, an old revolutionary base area, with the “Fumin Loan”. In cooperation with the Rural Revitalization Bureau of Hong’an County, the branch mobilized its primary-level outlets to promote the “Fumin Loan”. Staff members of these outlets went to villages and paid visits to farmers, with a view to understanding their production and operation conditions, and funding needs. As a result, the “Fumin Loan” became available across the county. In 2022, the branch extended 2,085 “Fumin Loans” to local farmers, such as crop growers, livestock breeders, and agritainment business owners, with a total amount of RMB 219.54 million.



Fu Wanjun, President of the Bank, goes to Raoyang and Wuqiang counties in Hebei to survey the work done to facilitate rural revitalization with financial services. (Photo by Li Wei)



Qingdao Branch, together with the Rural Revitalization Bureau of Qingdao Municipality, holds the “Shandong Fumin Loan” promotional event in which eligible farmers were granted loans on site. (Photo by Cong Lianqing)

(2) Keeping the assistance policy steady and continuous

Strictly implementing the requirements of the central government for continuing policy support for areas lifted out of poverty. The Bank worked to keep its assistance policy steady and continuous in the five-year transition period, during which it would increase financial services for the areas and populations lifted out of poverty, and prioritize maintaining the loan supply to a total of 832 counties out of poverty, helping forestall a large-scale reemergence of poverty, and promote the continuous revitalization of areas out of poverty. In 2022, new loans to the 832 counties out of poverty amounted to RMB 225.3 billion, with a growth rate of 15.40%.

Consolidating the support policies for “two assurances and three guarantees”. With project access conditions in formerly impoverished areas relaxed moderately, the Bank continuously provided differentiated policy support in terms of customer rating, credit enhancement, etc. for eligible key projects in areas such as compulsory education, basic medical care, and housing security. It continued to implement the policy of prioritizing credit review and approval for such projects, and offered economic capital concessions for loans.

(3) Building a solid line of defense against the reemergence of poverty

The Bank established a monitoring mechanism to prevent the return to poverty, reduce the cost of information collection, alleviate the monitoring difficulties caused by information asymmetry, and improve the timeliness and accuracy of assistance. It formulated the *Micro-credit Operating Procedures of Agricultural Bank of China for the Populations Out of Poverty*, according to which it included the poverty-prone populations in the applicable scope of the “Micro-credit for Formerly Impoverished Populations” products, got connected to the dynamic monitoring list of local governments, and continued to ensure the supply of such micro-credit. By the end of 2022, the balance of “Micro-credit for Formerly Impoverished Populations” was RMB 10.3 billion.

[Case] Launching the First Monitoring and Assistance System for Poverty Reemergence Prevention in the Chinese Financial Sector

Chongqing Branch planned and worked with the local Rural Revitalization Bureau to launch the first monitoring and assistance system for poverty reemergence prevention in the Chinese financial sector that could provide timely and precise assistance for the populations under monitoring to prevent them from sinking back into poverty. The system supported the real-time sharing of information on the populations prone to return to poverty. In the system, changes in monitored targets would be distributed to relevant district and county outlets in a real-time manner, so that account managers could make door-to-door visits, and offer financial and non-financial services, to help related farmers increase income and prevent them from slipping back into poverty. In 2022, the branch provided precise assistance for six rural households under monitoring in Wuxi, Xiushan, and Fengjie of Chongqing by extending loans worth RMB 225,000 to them.

(4) Offering non-credit assistance

[Logic Diagram]

Intensifying consumption assistance. The Bank continuously expanded the consumption of products and services from formerly impoverished areas through a combination of online and offline means. By the end of 2022, it directly purchased and helped sell agricultural products from such areas with a total worth of over RMB 1.4 billion.

Deepening the collaboration between eastern and western branches. To further increase the collaboration of eastern and western branches for assistance, the Bank improved the pairing assistance mechanism between eastern and western branches, and helped the east-west collaboration funds and projects come in place faster and better with quality services. In 2022, it provided financing support for 43 government-backed east-west collaboration projects, and introduced 70 assistance projects for the western region.

Innovating the mode of targeted assistance. An innovative industrial development fund was set up to help Raoyang County in Hebei Province to get rid of poverty and become rich. The innovative “5G + Smart Scenario” mode was created to help Huangping County in Guizhou Province to build a micro-ecosystem where digital means could be used to raise income. The aforesaid two targeted assistance practices were rated the “Best Cases of Global Poverty Reduction” in the selection of the “Third Global Solicitation on Poverty Reduction Practices” sponsored by seven organizations such as the International Poverty Reduction Center in China, the World Bank, and the Food and Agriculture Organization of the United Nations, etc. By the end of 2022, the balance of loans extended to four targeted assistance counties was RMB 15.3 billion, with an annual increase of RMB 1,825 million. Meanwhile, the Bank offered them non-reimbursable assistance funds worth RMB 59.94 million, helped introduce non-reimbursable and reimbursable assistance funds worth RMB 360 million, and supported 15 industrial assistance projects.



The Bank's two typical practices of offering targeted assistance to Raoyang County in Hebei and Huangping County in Guizhou are selected as the "Best Cases of Global Poverty Reduction".

[Case] Helping Guizhou Sell Agricultural Products Nationwide through East-west Collaboration

Zhuhai Branch in Guangdong, a state-owned enterprise (SOE) affiliated with the government of Jinwan District, and Zhuhai Guizhou Cattle and Sheep Industry Association signed a tripartite strategic cooperation agreement - the *Strategic Cooperation Agreement for Guangdong-Guizhou Agricultural Products Supply Chain Project* to jointly build an agricultural products supply chain trade platform, where resources of Guizhou could be innovatively incorporated with enterprises in Guangdong. By matching the demand of the SOE in Jinwan District with the supply of Xishui County in Guizhou, the platform helped bolster the cattle industry chain in Xishui County, Zunyi City and sell related products nationwide. By the end of 2022, the platform contributed a cumulative output value of RMB 37.19 million to Xishui County.



A tea industry base in Xiushan County of Chongqing receives the targeted assistance of the Bank. (Photo by Dong Xiuyi)



Dong'e Sub-branch in Shandong holds a live-streaming marketing activity to help enhance the sales and visibility of local special agricultural products.

(Photo by Liu Ting)

(5) Continuing to offer follow-up support for people relocated from inhospitable areas

The Bank increased the supply of credit at preferential interest rates to help relocated people find stable employment. It promoted exclusive products to support the construction of public service facilities and industrial infrastructure in the resettlement areas.

[Case] “Yifu Asset Loan” Helps Formerly Impoverished People Become Self-sustaining

The follow-up support for people relocated from inhospitable areas has been taken as a priority by the government of Guizhou Province to resolutely forestall a large-scale reemergence of poverty. Guizhou Branch pioneered “Yifu Asset Loan” to explore a commercial and sustainable mode of providing follow-up financial services for people relocated from inhospitable areas. By the end of 2022, it granted credit lines of RMB 624 million to support the construction of workshops, farmers’ markets, kindergartens, and other industrial employment and public service facilities in 17 relocation sites in Shuicheng, Puding, Yinjiang and other counties recently out of poverty, which benefited 126,400 relocated people, and created 4,832 jobs in resettlement areas.

2. Increasing support in key areas

(1) Safeguarding food security in China

The Bank strengthened the resource policy support, innovated products with regional characteristics, and focused on providing financial services in key food areas such as crop growing, processing, distribution and storage, revitalization of the seed industry, improvement of arable land quality, agricultural machinery, and agricultural funding.

By the end of 2022, the balance of loans in key food areas was RMB 235.9 billion, with a growth rate of 22.5%. Among them, the balance of loans in areas related to the seed industry was RMB 28.2 billion, with a growth rate of 81.7%.

[Logic Diagram] Initiatives to Safeguard Food Security in China

- **Supporting the revitalization of the seed industry.** The Bank issued the *Credit Policy for the Crop Seed Industry* to increase financial support for the revitalization of the seed industry. It provided namelist-based precise services to enterprises engaged in the seed industry, seed enterprises integrating breeding, propagation expansion and promotion, and high-tech enterprises in the seed industry, among others, through differentiated support policies. Meanwhile, it accelerated the pace of product innovation, launching featured products such as the “New Plant Species Ownership-pledged Loan” in the industry, “Qindao Seed Loan”, “Seed Loan for Rural Revitalization”, and “Seed Industry Security Loan”.
- **Supporting the development of the food industry chain.** The Bank provided precise financial services for the upstream, midstream and downstream sections of the industrial chain, by supporting upstream crop growers in their production activities, serving midstream enterprises to increase food circulation, and helping enhance the vitality of downstream enterprises. Meanwhile, it supported the sales terminals represented by various markets and large supermarkets, promoting the development of the whole food industry chain from the “farmfield” to the “dining table”.
- **Meeting farmers’ production funding needs.** The Bank provided crop growers with financial services throughout the whole production process of “planting, harvesting, storage, and selling”. A financial services team was recruited to provide efficient special credit to cover the production funding needs of farmers during critical periods, such as spring plowing, summer farming, autumn harvest and planting.
- **Underpinning the construction of agricultural infrastructure.** To implement the strategy of “sustainable farmland use”, the Bank actively promoted the financial service model that combined “high-standard farmland development and integrated agricultural operation”. It issued with the Ministry of Water Resources the *Guiding Opinions on Financial Support for Water Conservancy Infrastructure Construction*, according to which differentiated policy support for loan terms, capital ratios, interest rate pricing, etc., would be available in key areas such as construction and renovation of irrigation areas, and construction of rural water supply projects.
- **Deepening the collaboration of multiple parties continuously.** The bank-government, bank-guarantee, bank-insurance, bank-enterprise, and inter-bank cooperation was intensified to produce a synergy of serving “Sannong”.

[Case] Helping Make Critical Technical Breakthroughs in Seed Sources

Acting on the arrangements made by Henan Province to build a strong modern seed industry, Henan Branch held bank-customer talks, promoted the joint operation of front, middle and back offices, and opened up green credit service channels to cultivate leading seed enterprises, help enterprises develop the modern seed

industry, construct seed banks, and put biological breeding technologies into commercial use, thus making critical technical breakthroughs in seed sources and improving self-reliance in superior seeds. By the end of 2022, loans worth RMB 724 million were granted to key enterprises in the seed industry, such as Dishen and Huaichuan, effectively facilitating the development of the seed industry.

[Case] Supporting the Autumn Harvest

In 2022, the total grain output of Heilongjiang Province reached 155.26 billion killograms, ranking first in China. Heilongjiang Branch, as the main bank serving the grain production in the “two major plains” (Songnen Plain and Sanjiang Plain), precisely met the financing needs of grain acquisition enterprises, by putting in place the “Intelligent Grain Warehouse” system to make the whole acquisition process IT-based and efficient, greatly facilitating the autumn harvest in the two plains. By the end of 2022, loans for grain acquisition amounted to RMB 7,204 million, which supported the acquisition of grain of approximately more than 5 billion killograms.

[Case] Finance Supports the Thriving Development of the Seed Industry

Hunan Branch placed supporting the revitalization of the seed industry in a prominent position, focused on key areas such as enterprise support, base enhancement, germplasm resource conservation and utilization, and innovation and research breakthrough, and rolled out innovative financing modes such as “special loans - grain seed industry loan” and “equity-debt combination”. The branch strengthened investment and loan linkage to support key enterprises in the seed industry, such as enterprises integrating breeding, propagation expansion and promotion, enterprises rated at AA or above by the seed industry association, and enterprises featuring specialty, refined management, distinction, and innovation, as well as dealers, seed farmers, farmers’ cooperatives and brokers along the industry chain. By the end of 2022, the branch provided credit of RMB 5,741 million for its customers in the seed industry, with the total loans reaching RMB 1,296 million, which achieved the full coverage of the whole industry chain of R&D, conversion of research results, breeding, seed production, and sales.

[Case] Going All Out to Support High-standard Farmland Development

According to the high-standard farmland development plan in the province, Jiangsu Branch focused on supporting large grain-producing counties in central and northern Jiangsu. After summarizing the mature operation experience of agriculture-related projects, the branch innovated the market-oriented operation mode that combined high-standard farmland development and comprehensive land operation. By exploring effective ways to support high-standard farmland development with financial strength, it helped the province accelerate the

development of high-standard farmland. By the end of 2022, it granted credit worth RMB 3.7 billion to 24 high-standard farmland development projects in the province, with the total loans reaching RMB 2.4 billion, which supported the construction of 1.8 million Mu.



Zhang Xuguang, Vice President of the Bank, goes to Henan Branch to survey “Sannong” related financial services.

(Photo by Henan Branch)



Hainan Branch helped build the “Silicon Valley of Southern Seed Breeding” base into a stronghold of China’s innovative seed industry, which focused on supporting the development of high-quality seed industry, modern agriculture, agricultural science and technology, and other areas to ensure food security nationwide.

(Photo by Meng Zhongde)



Hubei Branch provides financial support for the acquisition of autumn grain.

(Photo by Hubei Branch)



Zhaoping Sub-branch in Guangxi Province helps the local rice harvest.

(Photo by Wei Xingqi)

(2) Empowering industrial development in rural areas

Focusing on key industries. The Bank actively served the steady operation of the cotton, oil and sugar industries, supported the development of high-quality enterprises and growers in key areas such as Xinjiang, the Yellow River and Yangtze River basin cotton production reserves, and large cotton-producing counties, underpinned the national projects for soybean and oilseed production capacity enhancement, and introduced the credit policy for the edible vegetable oil processing industry. To support the high-quality development of the stock farming industry, it co-issued the *Work Plan for Financial Assistance to the High-Quality Development of the Stock Farming Industry* with the Ministry of Agriculture and Rural Affairs, while promoting the “Smart Livestock Loan” on a pilot basis. Moreover, the Bank listed the dairy industry as one of the sectors receiving key support and increased the credit supply. By the end of 2022, the balance of loans for industrial development in rural areas was RMB 1.39 trillion, an increase of RMB 255.6 billion compared with the end of the previous year.

Focusing on key areas. Centered on the areas recently out of poverty and rural low-income populations, the Bank prioritized supporting the development of special industries as a way to consolidate and expand the results achieved in poverty eradication. While improving loan products for tourist attractions, it introduced differentiated policies for key counties of leisure agriculture, beautiful recreational villages, and national key tourism villages, to promote the integration of agricultural production with vacation travel, recreation and leisure, and cultural preservation. With respect to the integration of production, processing and marketing of agricultural products, the Bank supported the development of advantageous and characteristic industrial clusters, agricultural industrial parks, and agricultural modernization demonstration zones. It rolled out innovative featured products such as “E-commerce Loan” to facilitate the boom of new industries and business models such as rural e-commerce. Special products such as “Business Start-up Loan for Rural Revitalization” were launched to support key groups such as farmers who chose to start their businesses or get employed in rural areas.

Focusing on key areas. To support the development of leading enterprises and consortia in agricultural industrialization, the Bank introduced special policies in favor of new agricultural business entities such as family farms, farmers’ cooperatives, and rural collective economic organizations. It innovated and promoted service modes such as “Loans for Central Enterprises to Support Rural Revitalization” and “Loans for Joint Ventures to Support Rural Revitalization”, supporting central and private enterprises to serve rural revitalization. Moreover, the Bank innovated and improved a series of exclusive products such as “Rural Collective Economic Organization Loan”, “Trustee Loan” and “Loan for Leading Enterprises” to help key entities in rural industries operate steadily and grow larger and stronger.

[Case] “One Program for One Park in One County” Supports the Development of Modern Agricultural Industrial Parks

Guangdong Branch devised the strategy of “One program for One Park in One County” to serve the development of modern agricultural industrial parks and the whole industrial chain of “production, processing, technology, and marketing”, thus covering all provincial agricultural industrial parks and over 90% of leading agricultural enterprises at the provincial level and above.

Categorized guidelines pointed out the development path. Guided by the “One Program for One Park in One County” strategy and the list of industrial parks under construction, the Bank assembled the list of clients, drafted guidance documents, and standardized business processes. Training courses themed on modern agricultural industrial parks were hosted to improve professional skills and service capacities.

Pilot programs came before extensive replication and promotion. After selecting a number of industrial parks to run pilot programs such as the Wengyuan Orchid Industrial Park in Shaoguan, the Yingde Black Tea Industrial Park in Qingyuan, and the Huazhou Citrus Maxima Industrial Park in Maoming, the Bank devised differentiated financial service plans for them and arranged dedicated teams to provide them with one-on-one services integrated online and offline. These pilot programs were replicated and promoted across the province fast.

Joint innovation was made to improve service quality. The innovative “Loan for Leading Agricultural Enterprises” product was rolled out to moderately lower the

credit entry threshold, allocate special credit lines, and provide preferential loan interest rates, with a view to continuously expanding the coverage of industrial park services.

[Case] Boosting the Development of an RMB 100 billion-level Corn Industry Cluster

Inner Mongolia Branch actively helped the autonomous region realize its strategic positioning to build “Nationally Important Agricultural and Livestock Products Base”. The branch focused on supporting the development of an RMB 100 billion-level corn industry cluster in the region. Centered on key areas such as corn seeds, standardized production bases, corn processing enterprises (industrial parks), and corn brand construction, it rolled out innovative special products and increased financing support for leading enterprises to provide integrated financial services for the corn industry (production, processing, circulation, technological development, and support services). By the end of 2022, the balance of loans the branch granted to the whole core industry chain amounted to RMB 9.87 billion, with an annual increase of over RMB 4.1 billion.

[Case] “Blueberry Loan” Drives the New Development of the Industry

Anhui Branch supported the development of the local blueberry industry. Given that it takes about three years for blueberry bushes to produce fruit, the branch innovatively launched “Blueberry Loan”. As per the principle of “lending on demand and using funds as earmarked”, it granted credit lines to five other rural ecological development companies in addition to the original 12 ones, to support the expansion of blueberry planting areas in about 8,000 Mu, which were distributed in more than 90 villages (communities), and helped more than 6,000 persons to increase income.

[Case] Supporting the Development of Rural Ice-and-snow Tourism

Focused on the rural ice-and-snow tourism industry, Jilin Branch started from regional tourist projects to increase bank-government cooperation and prioritize support the development of key tourist villages within the province like Zhibei Village, actively setting a good example in financial support for rural tourism. By the end of 2022, the balance of rural tourism loans across the Bank was RMB 2.26 billion. Financial services and products were effectively combined with rural tourism by creating intelligent tourism scenarios that could integrate accommodation, catering, ticketing, and retail to improve the management efficiency of tourist attractions.



On May 20, 2022, the Yuan Longping Charitable Trust was established with the Bank acting as the financial advisor and custodian bank. The trust funds and returns on investments would be mainly used to reward individuals and groups making outstanding contributions in the fields of modern agricultural technology and production development. The photo shows Lin Li, Vice President of the Bank, attending and addressing the inauguration ceremony of the trust via video link. (Photo by Duan Yudong)



People in a Yao Autonomous County of Guangxi vigorously develop dried persimmon industry with the financial support of Guangxi Branch.

(Photo by Wu Wenqiao)



Ningde Branch in Fujian supports the development of “Muyang Extra-thin Noodles” to help rural revitalization. (Photo by Pan Guangsheng)



Xiushan Branch in Chongqing extends “Intangible Culture Heritage Loan” to support Xiushan wedding candles “go abroad”. (Photo by Gong Xuejia)



Employees of Zhejiang Branch visit family farms to understand their production and operational conditions.

(Photo by Ke Liling)

(3) Contributing to the construction of beautiful villages where people love to live and start their businesses

Supporting the rural infrastructure construction. Relying on products such as “Loan to Support Build Strong Villages” and “Loan Supply Safe Drinking Water in Rural Area”, the Bank increased credit supply in areas such as rural road construction, rural clean energy development, and rural drinking water safety to facilitate rural infrastructure construction. Meanwhile, it actively served the infrastructure construction in key areas such as National Urban-rural Integration Development Pilot Zones, Beautiful Leisure Villages Demonstration Sites, and New Urbanization Demonstration Counties. By the end of 2022, the balance of loans for rural infrastructure construction was RMB 1,473.01 billion, an increase of RMB 358.32 billion from the end of the previous year.

Supporting the improvement of basic public services in rural areas. Focused on the financial needs of the well-being industries such as county-level health care, education, and elderly care, the Bank prioritized increasing the supply of loans for equipment procurement and upgrade, with the aim to accelerate the equalization of public services in urban and rural areas. By the end of 2022, the balance of loans in areas related to basic public services for rural residents was RMB 36.55 billion, an increase of RMB 14.69 billion from the end of the previous year.

Supporting the improvement of rural habitat environment. Through direct loans, PPP, and other diversified financing modes, the Bank prioritized supporting a number of projects such as the collection, transportation, disposal and recycling of rural household waste, the treatment of black, malodorous water bodies in rural areas, water purification, toilet renovation and integrated domestic sewage treatment. Combined with rural areas development plans in different places, the Bank encouraged regional innovative credit products. For example, the “Rural Habitat Environment Loan” was launched to help improve the appearance of villages.

Boosting the revitalization of rural organizational culture. The Bank pressed ahead with the project of creating “credit villages and credit farmer households” and got actively involved in the pilot development of a rural governance system, and the building of civilized villages and towns. The “Action of Sending Financial Talents to Counties, Towns, and Villages for Common Prosperity” was launched, which created a new model of selecting and dispatching core personnel in support of rural revitalization for the Chinese financial industry. By the end of 2022, nearly 4,000 rural revitalization support cadres were dispatched, which covered all of the 160 key counties receiving assistance for rural revitalization.

[Logic Diagram] Facilitating the Revitalization Practices of Rural Organizations

- In Guangdong, the Bank continued to conduct the “Thousand Employees Support Rural Revitalization Action”, by the end of 2022, nearly 1,000 financial assistants of the Bank built files for 12,800 farmers, created contacts with over 3,300 administrative villages, introduced loans to more than 1,500 featured projects, and activated nearly 200 online digital village platforms.
- In Anhui, the Bank worked with village Party organizations to promote the “Party Building Leading Credit Villages” campaign, achieving the full coverage

of 1,814 credit villages.

- In Shandong Province, the Bank promoted “Strong Village Loan” to make collective economic organizations in rural areas grow larger and stronger, thus helping farmers increase income.

[Case] Joining Hands with the All-China Federation of Industry and Commerce to Promote the “Making Villages Thrive through Enterprises Action”

The Bank constantly deepened its strategic cooperation with the All-China Federation of Industry and Commerce. Focused on the arrangements of the “Making Villages Thrive through Enterprises Action”, it made the “Lianqi Xingcun Loan” financial service model more practical, and jointly launched the “Financial Services Entering Private Enterprises Special Campaign” to support private enterprises in rural revitalization. By the end of 2022, it provided financial support for 50,900 enterprises with a credit balance of RMB 513.5 billion; it helped nearly 5,000 enterprises launch agency payroll services such as “Payroll Manager”, providing a solution that could integrate personnel, payroll, and finance; and it guided branched at all levels to cooperate with the 505 “Meritorious Private Enterprises” in the National Poverty Alleviation Commendation, providing credit support for 384 enterprises with a credit balance of RMB 35.2 billion.

[Case] Promoting Transportation Infrastructure Construction in Rural Areas through Joint Efforts

Focused on the key areas of rural transportation infrastructure construction, Heze Branch in Shandong Province strengthened cooperation with the local government to implement a PPP credit project for building, managing, maintaining and operating rural highways properly. The branch opened up a green channel to serve the construction of the project, efficiently extending a credit line of RMB 200 million to it. The funds would be used to improve the supporting facilities for provincial, county and rural roads, and solve the problems of insufficient interconnection, inconvenient access, dilapidated bridges and traffic safety hazards in villages and towns, thus helping Dongming County improve the level of urban infrastructure construction.

[Case] The “Mutual Assistance Fund Account for Rural Welfare Medical Services”

Wuzhong Sub-branch in Suzhou, Jiangsu Province continued to strengthen financial services for rural revitalization by successfully rolling out the first mutual assistance fund account for rural welfare medical services in the province, which would help to further improve the level of medical service in rural areas, and promote the equalization of public services in urban and rural areas. The account

raises funds from multiple sources that include, individual voluntary contributions, charity donations, funding from the village collective economy, and government subsidies, to better ensure basic medical needs can be met, effectively reduce the medical cost of farmers, and enhance the people's sense of fulfillment, happiness and security.



The first secretary dispatched by the Bank to Jiaomeng Village, Leishan County, Guizhou Province, visits villagers door-to-door, to better understand their living conditions. (Photo by Ye Yikun)



Chongqing Branch extends the Bank's first "Rural Habitat Environment Loan" in Ayihe Community, Pengshui County, to help improve the rural living environment. (Photo by Peng Gaoyong)



Zhejiang Branch helps build beautiful villages in Deqing, Huzhou.

(Photo by Liu Feng)



Guangxi Branch helps build a beautiful new rural village in Yao Township.

(Photo by Wu Wenqiao)

3. Strengthening “Sannong” service innovation

Driven by innovation in product and service modes, the Bank formulated differentiated agriculture-related credit policies for “year+industry+region+special needs”, and optimized the tiered innovation mechanism of “Sannong” products that featured “Head Office coordination, branch as the mainstay, and bases coming first”. Meanwhile, it delegated the authority of product innovation in the field of rural revitalization to tier-1 branches, created a number of competitive products for rural revitalization such as the “Food Security Loan”, the “Rural Construction Loan”, and the “Jinsui Shaanxi Fruit Loan”, and upgraded flagship financial products for rural revitalization such as the “Leading Enterprises Loan” and the “Agricultural Trust Loan” to meet the diversified and multi-level financial service needs arising from the process of rural revitalization.

In 2022, the Bank innovated and revised 54 “Sannong” exclusive credit products. The total number of “Sannong” financial products for the “Sannong” will reached 273, 11 had a loan balance exceeding RMB 100 billion, and 12 had a loan balance surpassing RMB 10 billion.

[Case] “Industry Revitalization Loans - Chinese Herbal Medicine Loan”

Aware of local resource endowment, Minxian Sub-branch in Gansu actively supported the development of the local Chinese herbal medicine industry. Informed that the industry had long suffered from poor access to financing guarantee, it innovatively launched the “Industry Revitalization Loans - Chinese Herbal Medicine Loan”, which was extended fast with preferential interest rates, to support local farmers in developing the pillar industry for a rich and strong county.



Hebei Branch innovatively launches the “Chili Pepper Loan” in Wangdu County to help invigorate the local chili pepper industry. (Photo by Gao Yunhan)



Jiangsu Branch introduces the “Farmer e-Loan” to help farmers with good harvests. (Photo by Zhang Liangliang)



Yuncheng Branch in Shanxi launches the “Large Livestock Mortgage Loan” to boost the development of the local livestock industry. (Photo by Liang Chenxiao)



Kenli Sub-branch in Dongying, Shandong Province, increases the supply of aquaculture loans to support the development of the marine economy.

(Photo by Zhang Junchen)



Members of the Party vanguard team from Shexian Sub-branch in Huangshan, Anhui Province, understand the financial needs of customers and introduce special credit products to them. (Photo by Zhang Dawei)

4. Empowering rural revitalization with digital means

Continuously innovating online loans for farmers. Using big data, artificial intelligence (AI), and other technologies, the Bank innovated and promoted a series of online products, such as the “Farmer e-Loan” - a credit product exclusive for farmers, the “Leading Enterprise e-Loan” for leading agricultural enterprises, and the “Smart Livestock Loan” to enhance the online financing service capacity for “Sannong”, and provide efficient and convenient modern financial services for farmers. By the end of 2022, the balance of the “Farmer e-Loan” was RMB 747.7 billion, an increase of 37.3% compared with the end of the previous year.

Improving the ecosystem of digital rural scenarios. The Bank developed and launched smart scenario platforms such as smart farms, smart scenic spots, smart investment bidding, smart grain depots, and smart markets in key areas including the circulation of agricultural products, animal husbandry, and rural tourism, to better meet the demand for digital services in rural areas. By the end of 2022, the Bank had accumulatively build over 15,000 of these service scenarios.

Promoting the platform to manage the collective funds, assets, and resources in rural areas. The Bank worked hard to make the services of the platform widely available, with a view to increasing the adoption of IT and digital means in rural governance. By the end of 2022, the platform went online in 1,488 counties (districts), covering 148,000 administrative villages.

[Case] Creating a Digital Financial Cloud Platform for Intelligent Animal Husbandry

As livestock's ownership and monitoring are hard to confirm, and as is using livestock as mortgage, related business entities usually have poor access to financing. In order to address the dilemma, the Bank relied on its data, products and risk control measures to build a digital financial cloud platform for intelligent animal husbandry, which aimed at "turning resources into assets, and assets into funds". In 2022, the platform won the Silver Prize of the "17th Revitalization Cup of the National Youth Vocational Skill Competition" sponsored by the the Central Committee of the Communist Young League.

Solid data: The Bank devised the first dual filing mode for both business entities and livestock in the industry, labeling livestock to create high-value data assets.

Innovative products: The Bank built the industry's first credit middle office, realized "building block" style product innovation, and quickly launched products such as the "Smart Livestock Loan" to meet market demands.

Reliable risk control: The Bank pioneered the "cattle face recognition" technology to effectively prevent the risk of "one cow for multiple collateral loans"; made an inventory of livestock through AI means to issues early warnings against abnormal health conditions of livestock; and used the technology integrating stream and batch computing to monitor the flow of funds, so as to comprehensively prevent the risks associated with "people, animals and money" in the animal husbandry industry.

[Case] The "Smart Tours to Countryside Platform" Builds a New Digital Rural Tourism Ecosystem

With new-generation information technologies such as big data and 5G, Qinghai Branch launched the "Smart Tours to Countryside Platform" considering local conditions, which could provide one-stop rural tourism services in the fields of "dining, accommodation, playing, traveling, shopping and entertainment". Through a host of features such as mobile recommendations, special offers, one-click navigation, and panoramic view, the platform could extend business loans to agritainment entities, helping them open up more channels for customer acquisition and activation. In this sense, it efficiently integrated the supply side and consumption side of rural tourism.



Liaoning Branch innovatively launched the “Transparent Loan” project to better serve rural revitalization with financial strengths. The photo shows Cui Yong, then Vice President of the Bank, attending the launching ceremony of the “Transparent Loan” system/policies and products for financial assistance to rural revitalization. (Photo by Wang Tingting)



The account manager of Dongyang Sub-branch in Zhejiang Province, visits the smart farm to learn about the crop growth from the farmer. (Photo by Zhang Yongchao)

5. Improving the “five-pronged” system of service channels

Starting with customer needs and extending service reach to lower levels, the Bank continuously improved a “five-pronged” system of service channels, which is, “staffed outlets + self-service outlets + ‘Hui Nong Tong’ service stations + online channels + mobile financial services”, in order to provide financial services that can cover more, reach more, be experienced more. By the end of 2022, 12,600 outlets were set up in counties, which accounted for 56% of the Bank’s total.

[Logic Diagram] A System of Online and Offline Service Channels

- **Channeling more outlet resources towards “Sannong” in county areas.** The Bank continuously optimized the network of county outlets by integrating existing outlet resources. It made every effort to enhance the convenience and availability of financial services in county areas, thus promoting the integrated development in urban and rural areas. In 2022, over 65% of the Bank’s new

and relocated outlets were located in semi-urban areas, as well as villages and towns.

- **Enriching the functions of “Hui Nong Tong” service stations.** The Bank updated and upgraded the services and functions under the “Hui Nong Tong” device module, introduced more service items such as business appointments, and provided farmers with a variety of convenient financial services including inquiry, fund transfer, spending, and cash withdrawal. By the end of 2022, the Bank set up 197,000 “Hui Nong Tong” service stations, which covered 94.1% of villages and towns, and 100% of key counties receiving assistance for rural revitalization.
- **Promoting the rural version of mobile banking.** The Bank continued to enrich the functions of mobile banking, carried out the “Mobile Banking in Townships to Benefit Rural Areas and Farmers Campaign” , and accelerated the construction of “Mobile Banking Demonstration Village”. By the end of 2022, the rural version of mobile banking had 17.44 million monthly active users.
- **Setting up the “Sannong” customer service centers.** The Bank enabled human customer service and voice customer self-service to provide multi-channel, one-stop comprehensive customer service around the clock. It launched the online customer service “Cloud Expert”, which could provide services in many ethnic minority languages such as Mongolian, Tibetan, Yi, and Uyghur to better meet the needs of customers in ethnic minority areas.
- **Developing banking services in transit.** In remote areas, villages and towns where there were no outlets, the Bank provided auto banking, motorcycle banking, horseback banking, and backpack banking to fill the gap in financial services. Through the financial service vehicles, it provided mobile services in 661 townships 1,616 times. Besides, the Bank formed 17,300 teams in the vanguard of rural revitalization, which established business contacts with 353,900 villages, visited villages 1.28 million times, and directly served more than 5.7 million customers.

[Case] “Hui Nong Tong” Bridges the “Last Mile” Gap in Rural Financial Services

Pulandian Sub-branch in the City of Dalian actively promoted the “Jinsui Hui Nong Tong” applet and established the “Hui Nong Tong” service stations by going into the countryside and selecting the stores with the intensive flow of people, logistics and information, such as supermarkets and agricultural supply shops. Meanwhile, it provided door-to-door training for these service stations to ensure that each store owner could operate the “Hui Nong Tong” devices proficiently. In this way, local residents could get the financial services they need without leaving home.



The account manager of Pulandian Sub-branch in the City of Dalian assists the store owner of a “Hui Nong Tong” service station with using the “Jinsui Hui Nong Tong” applet. (Photo by Zheng Shuang)



The account manager of Chuxiong Branch in Yunnan Province assists the villager in using the Bank’s mobile banking application at a “Hui Nong” payment point. (Photo by Zhang Xin)



The team of financial services in transit from Chawalong Business Office in Chayu, Linzhi, Tibet, crosses the Nujiang River to provide financial services for residents in Abing village, 20 kilometers away. (Photo by Hu Bo)

ii. Fueling Transformation and Upgrading of Industries

Focused on the transformation and upgrading of advantageous traditional industries and strategic emerging industries, the Bank strengthened research and policy formulation in related fields, supported industrial agglomeration and ecosystem-based development, and served industrial foundation reconstruction and industrial chain upgrading, as well as helped to build a modern industrial system, as an effort to become the main bank serving the real economy.

1. Contributing to the stable development of the manufacturing industry

Centered on the five major national projects, which include manufacturing innovation center building, intelligent manufacturing, industrial base consolidation, green manufacturing, and high-end equipment innovation, the Bank optimized resource allocation, supported manufacturing enterprises in improving their innovation capabilities and developing core technologies in key areas, and promoted the manufacturing industry toward high-end, intelligent, green development. In 2022, the Bank had 390,000 loan customers in the manufacturing industry, with the balance of such loans RMB 2.3 trillion, of which medium- and long-term loans surged by 52.8% compared with the end of the previous year.

[Logic Diagram] Main Initiatives

Expanding a reserve of projects

- Continued to expand a pool of key customers and a pool of key projects in the manufacturing industry, with more than RMB 160 billion of loans extended to such two pools.
- Supported the projects under the Ministry of Industry and Information Technology (MIIT)'s Orientation Program for Technological Transformation and Upgrading of Industrial Enterprises by providing 3,100 projects with financing worth over RMB 81.8 billion.

Optimizing products and services

- Assembled and released two lists of leading group customers, continued to increase policy support in terms of FTP concessions, differentiated pricing authorization, green channel for approval, product innovation, etc., and pressed ahead with related service programs.
- Launched a number of featured products such as the “Advanced Manufacturing Loan”, the “Green, High-quality Manufacturing Loan”, and the “Power Loan”, with the balance of advanced manufacturing loans exceeding RMB 460 billion.

Helping to go green

- Supported green manufacturing projects, and promoted the aggregation of credit resources to green and low-carbon areas.
- Served green manufacturing demonstration factories and industrial parks by providing customized financial services for enterprises in key manufacturing industrial parks.

[Case] Financial Action Empowers “Intelligent Manufacturing in China”

To help a steel enterprise enter a new stage of development mainly characterized by old-new drivers transition and intelligent manufacturing, Lixia Sub-branch in Ji'nan, Shandong Province, after providing it with financing loans worth RMB 5 billion, continued to grant manufacturing medium-term working capital loans worth RMB 1.5 billion and manufacturing short-term working capital loans worth RMB 1.6 billion. With these funds, the enterprise could make important attempts in the “adoption of 5G technology” and “replacement of humans with machines”. The sub-branch made every effort to fuel the development of intelligent manufacturing enterprises with financial strength.

[Case] Supporting the Development of Manufacturing and Industries with Regional Characteristics

A Tibetan medicine production enterprise located in Linzhi City, Tibet Autonomous Region, is mainly engaged in the production, research and development of Tibetan medicine, as one of the first innovative enterprises recognized by the State and a leading manufacturing enterprise in the autonomous region. In 2022, the enterprise planned to build an industrial park to enhance its R&D capabilities, which required huge financing. Informed of this situation, Linzhi Branch in Tibet set up a business team to visit the enterprise and survey the park construction. Then, the branch customized a financing service program for the enterprise and quickly met its financing needs through joint action at multiple levels.

“It is beyond our expectation that this business can be done so quickly, which helps us a lot. Upon completion, the industrial park will effectively enhance our innovative medicine R&D capacity, provide a platform for displaying the Tibetan medicine culture, and facilitate the building of a rehabilitation center with Tibetan medicine characteristics, thus taking us to a new level” the enterprise owner said.



Guangxi Branch supports the industrial upgrading drive of local manufacturing enterprises. (Photo by Guangxi Branch)



Shunde Branch in Guangdong Province provides comprehensive financial support for a leading gas apparatus enterprise to finance its R&D and manufacturing activities.
(Photo by Guangdong Branch)



Employees of Huian Sub-branch in Fujian provide door-to-door financial services for a local manufacturing enterprise. (Photo by Liu Huahua)

2. Supporting high-tech enterprises to accelerate innovation

The Bank took providing financial support for strategic emerging industries and high-tech enterprises as an important initiative to promote the development of the real economy. It strengthened resource integration and business coordination, made every effort to facilitate the transition from old to new drivers, and injected financial momentum for innovation-driven development in China.

By the end of 2022, the balance of loans to strategic emerging industries reached RMB 1.24 trillion, with a growth rate of 44.6%; and loans to high-tech industries such as electronics and communications equipment, computers, pharmaceuticals, and aerospace equipment surged by 47.7% from the end of the previous year.

Main Initiatives

Stepping up top-level design	● The Bank assembled a list of key clients and projects in strategic emerging industries to increase the supply of industrial credit loans, and medium- and long-term loans for them. ● A system of integrated financial services such as
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	investment and loan was constructed to serve about 50,000 high-tech enterprises.
Strengthening bank-government cooperation	● The Bank signed strategic cooperation framework agreements with provincial governments, and via the governments' information sharing and release platforms provide emerging industries' customers with a full package of financial services to help them raise financing, credits, and intelligence.
Promoting product innovation	● The Bank has launched online and offline products such as "Loan for 'Little Giant' Enterprises Featuring Specialty, Refined Management, Distinction and Innovation", the "Science, Technology and Innovation Loan", and the "New Talent e-Loan", and instructed branches to develop five types of credit products according to local conditions: R&D investment-lending linkage, online scenario construction, corporate-personal banking linkage, government credit enhancement, and refined customer groups.
Supporting the development of industrial clusters	● The Bank set up 16 financial service centers for high-tech companies to provide precise services for high-tech industry clusters.
Optimizing service mode	● Taking advantage of group-wide collaboration, the Bank provided comprehensive financial services such as direct financing and financial counseling for strategic emerging industries and high-tech enterprises, and established seven equity investment funds for high-tech enterprises with a size of over RMB 6 billion. ● The Bank helped the Ministry of Industry and Information Technology build a hierarchical system for cultivating high-quality enterprises, launched the "one ring and two chains" mode of featured products and services, and established partnerships with nearly two-thirds of the "little giant" enterprises featuring specialty, refined management, distinction and innovation on the national level.

[Case] Serving the Top Enterprises in the Aviation Industry Chain

While strengthening the Head Office-to-headquarters connection, the Bank established a service team for corporations in the aviation industry, and worked with branches to provide the industry with comprehensive and diversified financial services, which strongly underpinned the high-quality development of advanced manufacturing industries.

Undertaking major projects

- The Bank exclusively sponsored the syndicated loans for a number of major projects in the advanced manufacturing industry, such as Tianma’s 8.6-generation new display panel project and 6-generation flexible AMOLED production line project in Xiamen, as well as Shennan Circuits’ electronic components base project, with a total investment volume of over RMB 80 billion.

Establishing strategic partnerships

- The Bank signed a bank-enterprise cooperation agreement with Chengdu Aircraft Industrial (Group) Co., Ltd. to become a payroll bank for the retired employees at the headquarters of the group, and opened the special account for the IPO proceeds of AVIC (Chengdu) UAS Co., Ltd.
- The Bank established a business partnership with Harbin Aircraft Industry (Group) Co., Ltd. (HAIG) for the first time and exclusively granted a loan of RMB 1 billion for the group headquarters, topping the industry in terms of market share.

Focusing on innovative businesses

- The Bank successfully opened a number of custody accounts for the proceeds from private placement for Shennan Circuits and Tianma Microelectronics.
- The Bank invested RMB 600 million in corporate bonds of core subsidiaries such as AVIC International Holdings Limited and AVIC Industry Finance Holdings Co., Ltd.
- The Bank provided the agency payroll service for about 70 core subsidiaries such as Xi’an Aircraft Design Research Institute and Chinese Flight Test Establishment. In 2022, it made the payroll worth more than RMB 3.6 billion by proxy to about 70,000 persons.

[Case] Improving the Quality and Efficiency of Financial Services for High-tech Enterprises

Xiamen Branch closely followed the changes in financing needs of high-tech enterprises. For high-tech enterprises raising funds abroad and reinvesting profit at home, the branch provided full-process consultancy support and helped them access low-cost cross-border financing channels. Given the characteristics of high-tech enterprises, such as high operating cost, long investment period and high risk exposure, it explored a distinctive technological and innovative capability evaluation system, and launched a series of credit products such as the “Loan for National High-tech Enterprises”, the “High-tech e-Loan”, and the “Technology-guaranteed Loan” to help enterprises turn their intellectual property rights (IPRs) into assets. By the end of 2022, the Bank served more than 1,930 high-tech enterprises, including more than 1,340 high-tech enterprises on the national level and 112 “little giant” enterprises featuring specialty, refined management, distinction and innovation on the national level.



Shenzhen Branch releases “Qianfan Zhiyuan”, an intelligence-raising sub-brand, and establishes the “Qianfan Zhiyuan Intelligence-raising Alliance” to empower the development of high-tech enterprises. (Photo by Huang Tong)



Zhejiang Branch supports the capacity expansion efforts of enterprises featuring specialty, refined management, distinction and innovation. (Photo by Wu Dengchang)



A staff of Jiangsu Branch goes to a local high-tech enterprise to learn about the production of automation equipment. (Photo by Chen Yao)

3. Getting supply chains unimpeded

The Bank optimized a system of supply chain financing services that were whole-process-online, improved the “ABC Smart Chain” online supply chain finance

platform, promoted financial services designed to bolster and complement supply chains, and provided innovative, portable and safe financing solutions for the upstream and downstream enterprises of core enterprises in industrial chains, thus making industrial chains and supply chains more resilient and secure.

[Case] Exploring to Create a New Supply Chain Financial Service Model

Guangxi Branch focused on the financing needs of key industries such as construction, health care, electronic information, machinery, and automobile, to devise an innovative supply chain financial service mode. Relying on the Bank's and third-party financial service platforms, it provided upstream construction units or labor service companies in the industrial chain with a diversity of supply chain financing services such as non-recourse factoring, corporate settlement, and cash management. By the end of 2022, the Bank disbursed loans worth RMB 3,535 million under industrial chain and supply chain financing business to more than 300 upstream and downstream enterprises.

[Case] Serving Industrial Chain Enterprises in a Reliable Way

Guangdong Kingshine is a high-tech enterprise engaged in the R&D, production and sales of high-density printed circuit boards. In its operations, the enterprise's upstream suppliers encountered problems such as the extended payback period of accounts receivable, poor access to financing, and urgent demand. Dayawan Sub-branch in Huizhou, Guangdong Province, devised the "Smart Chain Financing" service mode to help the enterprise and its upstream suppliers ease their funding woes. Meanwhile, it provided services for the enterprise's non-local suppliers to relieve their financial pressure from production and operation, payroll, etc. What the branch had done won high recognition from the enterprise and its suppliers.



Shandong Branch launches a supply chain financing product for the downstream dealers of an auto group, which allowed dealers to apply for loans online through a self-service mode. (Photo by Chen Mingqiang)



Shanghai Demonstration Area Sub-branch provides supply chain financial services for logistics enterprises in Qingpu District, promoting the accelerated development of the grand logistics industry in the district. (Photo by Shanghai Branch)

iii. Supporting Regional Coordinated Development

To actively respond to national major regional strategies and the strategies for coordinated regional development, the Bank established a committee for serving national regional development strategies at the Senior Management level, optimized the “1+N” policy system, realized the closed loop of “program formulation, implementation, and effect evaluation”, increased the readiness of resources, made progress in policy integration and intra-city availability of financial services, and enhanced the quality and efficiency of financial services, facilitating inter-regional integration, interaction and supplementation.

1. Serving the coordinated development of the Beijing-Tianjin-Hebei region

While intensifying product innovation and enhancing service awareness, the Bank coordinated the provision of financial services in the areas of transport integration, industrial transformation and upgrading, ecological protection, and major infrastructure construction to provide a financial impetus for the coordinated development of the Beijing-Tianjin-Hebei region. By the end of 2022, the balance of loans for the coordinated development of the regional institutions exceeded RMB 1,500 billion, of which nearly RMB 200 billion went to four major areas, which include, Beijing-Tianjin-Hebei region transportation integration, optimization of urban functions, industrial transfer and upgrading, and ecological protection.

[Logic Diagram] Main Initiatives

Supporting transport integration	● The Bank served the construction of regional high-speed railroads, passages connecting Beijing with other cities, and urban rail lines. It extended loans to key rail transit projects such as the Beijing-Shenyang Passenger Dedicated Railway, Beijing-Zhangzhou Intercity Railway, Beijing-Xiongan Intercity Railway, Tianjin-Daxing Intercity Railway, and Fengtai Station Renovation Project, as well as key highway projects including the Capital Area Loop Expressway, Airport South Line and Xingyan Expressway. Meanwhile, the Bank participated, full process, in five new PPP metro
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	projects in Tianjin.
Helping ecological protection	● The Bank provided integrated financial services such as credit and green bonds for clean energy projects in the fields of solar photovoltaic (PV) power generation, wind power, and natural gas. It issued China's first carbon emission rights-pledged bonds for Datang International Power Generation Co., Ltd. ● The Bank cooperated with enterprises in key areas of ecological protection and enterprises involved in key projects, and increased investment and lending support for enterprises engaged in forest conservation, water source protection, environmental protection equipment, environmental protection technology, and other related fields.
Optimizing urban infrastructure facilities	● The Bank worked harder to serve regional projects such as urban integration, shantytown reconstruction, urban renewal as well as agricultural and rural infrastructure to improve the living environment in the region.
Pushing forward industrial transformation and transfer	● A specialized institution for technology finance was set up in the Beijing-Tianjin-Hebei region to fuel the development of strategic emerging industries and high-tech enterprises, and promote the integration of industries and urban areas in the region. ● The Bank served a string of key industrial transfer projects such as the relocation of Beijing Xinfadi Market to Hebei and the relocation of Shougang Jingtang Iron & Steel United Co., Ltd., and helped the relocated enterprises well integrate into the regional economy.

2. Supporting the construction of the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area)

The Bank issued the *Differentiated Policy for the Guangdong-Hong Kong-Macao Greater Bay Area* in 2022, the *List of Policies to Support the High-quality Development of Free Trade Business in Guangdong*, and other documents to underpin the construction of major projects in the Greater Bay Area, and realize interconnection within it.

[Case] Guangdong Branch Facilitates the Coordinated Development of the Guangdong-Hong Kong-Macao Greater Bay Area

Safeguarding the implementation of major projects

- The Bank supported the construction of the third-phase expansion of Guangzhou Baiyun International Airport by providing financing support for the project.

- Laser-focused on the infrastructure sector, the Bank increased support for infrastructure projects such as gas pipelines, rail transportation, and highway transport network.

Supporting the development of key industries

- The Bank innovated guarantee and credit modes, launched a number of featured products such as the “Greater Bay Area Technology e-Loan”, the “Science and Technology Loan”, and the “Industrial Renovation Loan” for emerging manufacturing industries, high-tech industries, and other key industries. It provided financing support for enterprises in strategic industrial clusters in Guangdong Province.

Developing cross-border trade business

- The Bank took the lead in launching free trade (FT) accounts, improved FT infrastructures and supporting services, formed a diverse lineup of financial products (deposit, financing, remittance, and exchange), and developed the “FT+” business scenarios innovatively.
- The Bank set up “The Greater Bay Area Cross-border Business Innovation Base” in Nansha, Guangzhou and Hengqin, Zhuhai, to unveil innovative businesses such as the FT version of capital pooling, and cross-border asset transfer in the Greater Bay Area.
- The Bank took the lead in carrying out businesses on a pilot basis in the Nansha Free Trade Zone, which included facilitating the receipt and payment of funds under the current account for high-quality enterprises and lifting the management requirements for the capital account - exchange settlement account for subsequent payment purposes.



Guangdong Branch goes all out to support the construction of the Guangdong-Macao In-depth Cooperation Zone in Hengqin. (Photo by Li Zijie)

3. Promoting the development of Xiongan New Area

The Bank signed a strategic cooperation agreement with Xiongan Area of China (Hebei) Pilot Free Trade Zone, to deepen the pilot program for serving trade innovation and development, help introduce key industries, and explored a host of business and service modes such as digital economy, green finance, home and foreign

currency account (on a pilot basis), and offshore trade. In doing so, it came in the vanguard of serving Xiongan New Area with financial strength.

[Case] Main Initiatives

Proactively reaching out to Beijing's non-capital function relieving enterprises

- The Bank established and improved the “one solution for one company full-processed” inter-branch cooperation mechanism to contact and provide door-to-door services for these companies.
- The Bank promptly followed up on the progress of functional relief and took the lead in opening basic accounts for many relocated central enterprises in the fields of green energy, construction, etc.

Going all out to support the construction of major projects and key areas

- The Bank supported the enterprises involved in major projects. It opened a “Xiongxin” business channel for Hebei Xiongan Rail Transit Company, becoming one of the first financial institutions to get fully connected to the Xiongxin platform in the new area.
- The Bank provided financial services for the resettled populations and developed special service programs for the collection and disbursement of resettlement housing allowances.



Xiongan Branch in Hebei Province supports the construction of PowerChina Smart City (Plot 1) project in Rongdong Sub-district. (Photo by Wang Jing)

4. Promoting the integrated development of the Yangtze River Economic Belt and the Yangtze River Delta

In addition to issuing the *Differentiated Support Policy for the Integration of Yangtze River Delta*, the Bank relied on its comprehensive service advantages in the Yangtze River Economic Belt and the Yangtze River Delta to provide high-quality financial services for cities along the Yangtze River Economic Belt, participate in major projects such as the grand protection project for the Yangtze River and the ecological restoration project for the Yangtze River Economic Belt, promoting the accelerated integration of the Yangtze River Delta and gathering financial strength for the ecological environment conservation along the Yangtze River. In 2022, the cumulative increment of corporate loans in 11 provinces along the Yangtze River Economic Belt

exceeded RMB 1 trillion, and the increment of corporate loans in the Yangtze River Delta Integration Demonstration Zone exceeded RMB 650 billion.

[Case] Results Achieved

- Chongqing Branch facilitated the construction of the “Grand Yangtze River Protection” projects in Chongqing, approving loans worth RMB 3.3 billion for nine similar projects.



Chongqing Branch provides financial support for the water environment enhancement efforts in Wushan County. (Photo by Gao Feng)

- Hubei Branch promoted the construction of ecological restoration projects in the Yangtze River basin. The branch launched a number of innovative products such as the “Sewage Discharge Rights-pledged Loan”, the “Lucid Water and Lush Mountain Loan”, the “Ecological Restoration Loan”, the “Loan for Green Aquatic Products” for environmental restoration projects including the return of greenery to ore tailings and water environment improvement. Meanwhile, it also pioneered the “ABC - Carbon Pledged Loan Index” and issued a number of carbon emission rights-pledged loans for chemical engineering, thermal power, and other companies in Hubei.



Hubei Branch helps Yichang-based Xingfa Group go green for the ecological restoration in the Yangtze River basin. (Photo by Yang Qing)

- Anhui Branch set up a service team for the grand Yangtze River protection program. Through joint actions at three levels, it supported more than 10 integrated water environment improvement projects along the Yangtze River, such as the integrated water environment enhancement project in Liuan City.



Anhui Branch actively supports the grand Yangtze River protection projects. (Photo by Xu Jingran)

- Surrounding the key areas of the grand Yangtze River protection program, such as environmental governance of trans-boundary water environment improvement, comprehensive pollution prevention and control, Jiangsu Branch provided a full range of financial services for a number of projects such as the ban on fishing in the Yangtze River basin, water management of Taihu Lake and Hongze Lake, and coastal afforestation with the green credit balance reaching over RMB 240 billion.



Rugao Sub-branch in Nantong, Jiangsu Province supports the Longyou Bay Ecological Landscape Belt project along the Yangtze River. (Photo by Dai Lijun)

- Shanghai Branch launched onto the Yangtze River Delta “Government On-line and Off-line” platform, promoted the construction of the Yangtze River Delta Green Integrated Development Demonstration Zone, included 118 enterprises on the list of key support high-tech enterprises receiving, and gave loans worth RMB 4.1 billion.



Shanghai Branch supports the construction of Jiangjiasha 300 MW offshore wind farm project. (Photo by Shanghai Branch)

5. Promoting the development of Chengdu-Chongqing economic circle

The Bank issued the *Differentiated Policy for the Chengdu-Chongqing Economic Circle* in 2022, signed the *Comprehensive Strategic Cooperation Agreement to Promote the Development of Chengdu-Chongqing Economic Circle in the 14th Five-Year Plan Period* with the Sichuan Provincial Government and Chongqing Municipal Government, and formulated the *Work Plan to Support the Development of Chengdu-Chongqing Economic Circle*, facilitate the interconnection of major infrastructures such as Chengdu Tianfu International Airport, Chengdu-Mianyang-Cangxi-Bazhong Expressway, Chongqing Jiangbei International Airport, and Dazu-Neijiang Expressway by providing comprehensive financial services for the development of the economic circle.

[Case] Loans Help Accelerate Infrastructure Interconnection

Jiangjin Sub-branch in Chongqing continued to cement its cooperation with Chongqing Rail Transit Jiangtiao Line Construction and Operation Co., Ltd., supporting the construction of Jiangjian Line, the first double flow suburban railway line in China. By formulating a tailored service plan, the sub-branch provided the company with a portfolio of working capital loans, supply chain loans, fixed asset loans, etc. as per the differentiated policies available in the Chengdu-Chongqing economic circle. It extended early stage loans and general fixed asset loans worth RMB 1,468 million to fully meet the capital needs of the project throughout all construction stages. On August 6, 2022, the approximately 28.22-kilometer-long Jiangtiao Line was officially opened to traffic.



The Chongqing Rail Transit Jiangtiao Line is officially open to traffic. (Photo by

6. Propelling ecological protection and high-quality development in the Yellow River Basin

The Bank introduced the *Opinions on Supporting Ecological Protection and High-quality Development in the Yellow River Basin*, conducted innovative practices of green finance and industrial finance to support the sustainable development of the Yellow River Basin in terms of ecological protection, industrial development and cultural heritage, blazing a trail in nourishing the economy of the basin with financial resources. In 2022, the balance of various loans extended in 68 prefecture-level cities in the Yellow River Basin was RMB 2.06 trillion, an increase of RMB 222.336 billion compared with the end of the previous year.

[Presented by Map] Practice Initiatives

Qinghai Branch	Bearing in mind the “ecological province” strategy, the Branch put into action the credit policy oriented at “prioritized ecosystem and green development”, and innovated products and services to support the management of the Yellow River Basin and safety of drinking water for people and livestock and improve the water conservation capacity of the Yellow River.  Qinghai Branch supports the Yellow River water governance efforts. (Photo by Guo Deheng)
Gansu Branch	The Branch actively aligned with the plans of the government and relevant departments, created a major project database with the infrastructure construction, green agriculture and cultural tourism in the Yellow River Basin, and increased financial support. By the end of 2022, RMB 38.7 billion had been granted to 17 projects.
Ningxia Branch	The branch formulated the <i>Implementation Opinions on Supporting the Construction of the Pilot Area for Ecological Protection and High-quality Development in the Yellow River Basin</i>, to channel credit, financial and human resources toward six key areas such as ecological protection, economic transformation, infrastructure construction, etc.
Inner	The branch worked with the governments of seven

Mongolia Branch	leagues/prefecture along the Yellow River, developed the “Jinsui Yellow River U-shaped Bend - Manual of Key Products for Rural Revitalization”, and optimized a diversity of financial services such as loans, bonds, and investment and financing counseling.
Shaanxi Branch	The Branch assigned loan growth targets in key areas to the eight tier-2 branches located in places through which the Yellow River flows. To help prevent and control environmental pollution in the Yellow River Basin, the Branch focused support on such projects as rural domestic sewage treatment, and earnestly prevented and controlled water pollution.
Shanxi Branch	The Branch introduced the implementation plan for financial services for high-quality development in the Yellow River Basin, increased credit grant to and provided comprehensive financial services for key areas such as ecological protection, characteristic industries and urban-rural integration. As at the end of 2022, the balance of loans to 86 counties (districts) in the Yellow River Basin stood at RMB 213.4 billion.
Henan Branch	The branch participated in six projects such as the Yellow River Security Project, the Ecological Restoration Project along the Yellow River, and the South-to-North Water Diversion Project, and served 26 green credit projects for infrastructure construction along the Yellow River, making efforts to promote the development of tourism and cultural industries along the Yellow River.
Shandong Branch	The branch released a special policy for ecological protection and high-quality development of the Yellow River Basin, launched the “Yellow River Loan” and the “Great Yellow River” credit card, drew the <i>Financial Blueprint for Ecological Protection and High-Quality Development in the Yellow River Basin</i>, and provided credit support worth RMB 32.6 billion for a pool of provincial-level projects engaged in ecological protection and high-quality development of the Yellow River Basin.  Shandong Branch promotes ecological protection in the Yellow

7. Contributing to common growth of eastern, central, and western regions

The Bank improved differentiated support policies, refined a mechanism deepening the linkage and collaboration of regional institutions, and increased financial support for key regions, major projects and key projects. It continued to promote the development efforts in the western region, the comprehensive revitalization of the northeastern region, the rise of the central region, and the leading development of the eastern region, helping build a pattern of strategic development that featured efficient cooperation and mutual supplementation. By the end of 2022, the balance of loans in the western region was RMB 4,247.6 billion; that in the northeastern region was RMB 634.5 billion; and that in the central region was RMB 3,092.8 billion.

[Logic Diagram] Specific Initiatives

Unified consensus

- The Bank issued guiding opinions and formulated differentiated support policies, which included support for the comprehensive revitalization of the northeastern region, support for the high-quality development of the central region, support for Guizhou to break new ground in the development of the western region in the new era, and support for the Inner Mongolia Autonomous Region to build “two barriers”(an important ecological security barrier, and a security and stability barrier in northern China), “two bases” (a nationally important energy and strategic resources base, and an agricultural and livestock products base)and “one bridgehead” (an important bridgehead for opening up China to the north).

Efficient promotion

- The Bank specified annual key tasks in different regions, focused on key areas such as infrastructure construction, upgrading of traditional industries, and agricultural and rural area modernization to optimize the structure of loans for regional economies, and increased financial supply to the central, western, northeastern regions, and remote areas.
- By cementing bank-enterprise cooperation, exploiting superior customer resources, and taking the initiative to undertake industrial transfer, the Bank assisted enterprises in different regions in attracting investments, and innovated service modes to promote the development of featured industries in the central and western, northeastern, and other regions.

Coordination and collaboration

- The Bank intensified inter-branch collaboration and promoted policy integration and intra-city availability of financial services. It organized and held joint meetings such as “the Joint Meeting to Serve the Comprehensive Revitalization of the Northeastern Region / “221” Key Development Strategy in Inner Mongolia to establish a regular, institutionalized exchange and collaboration mechanism between branches.

[Case] Helping to Build an International Air Corridor in the Northeastern Region

Heilongjiang Branch won the bid of the RMB 1.47 billion syndicated loan for the second-phase expansion project of Harbin Taiping International Airport, helping to build an international air corridor in the northeastern region. As a large-scale infrastructure facility in Heilongjiang Province, the project is of great significance for improving the comprehensive transport network in the northeastern region and promoting local economic and social development.



Heilongjiang Branch supports the construction of Harbin Taiping International Airport.
(Photo by Heilongjiang Branch)

[Case] Supporting the Transportation Infrastructure Construction in the Western Region

Xinjiang Branch continued to increase credit supply for highway construction to accelerate the transportation infrastructure construction in Xinjiang. By the end of 2022, the balance of its loans in the highway industry reached RMB 26 billion, which financed the construction and operation of 11,000 kilometers of highways in Xinjiang. The branch helped accelerate the implementation of a large number of key transportation infrastructure projects in the northern and southern parts of Xinjiang, further enhancing the traffic capacity of a well-connected transportation network.

iv. Serving High-standard Opening-up to the Outside World

Bearing in mind the new pattern of development that features positive interplay between domestic and international economic flows, the Bank continued to enhance its collaboration at home and abroad, actively integrated into the country's opening up, strove to promote the two-way interaction between China and the world, and continued to expand its advantages in globalized operations. It played an active role in supporting "the Belt and Road" Initiative (BRI), serving "bringing in" and "going out" enterprises, and advancing the RMB internationalization process and international financial cooperation in an orderly fashion, to help build a new pattern of high-standard opening up in financial terms.

1. Supporting the BRI

Responding to the BRI and focusing on the "going global" plan of Chinese enterprises, the Bank created diversified products and services, facilitated the implementation of regional interconnection and major projects, and financially supported the development of the BRI.

By 2022, overseas institutions of the Bank covered 17 countries and regions around the world, including five along "the Belt and Road". The Bank handled USD 177.5

billion worth of international businesses involving the countries/regions along “the Belt and Road”, conducted international settlement businesses worth USD 155.07 billion, and trade financing businesses worth USD 15.03 billion for trade transactions between enterprises and the countries/regions along “the Belt and Road”. Loans, letters of guarantee, bonds issued abroad, and other businesses for enterprises going global to the countries/regions along “the Belt and Road” amounted to USD 7.4 billion.

[Logic Diagram] Specific Initiatives

Enhancing top-level design

- The *Operating Procedures for Overseas Loan Business by Domestic Institutions* was formulated to better serve “going global” enterprises and key projects invested by China abroad.
- The *Action Plan for High-quality Services to the Regional Comprehensive Economic Partnership Agreement (RCEP)* was issued to enhance the service capacity in the RCEP markets.

Optimizing products and services

- The “going global” related product policies were optimized to adapt to changes in market demand.
- The export credit insurance financing services were provided for the enterprises on the white list.
- The use of RMB was increased in the countries/regions along “the Belt and Road”.
- Foreign letters of guarantee were used to support the BRI projects.

Supporting development in key areas

- Served the green and sustainable projects under the BRI.
- Supported the cooperation projects in the field of energy resources.

Deepening financial cooperation

- Strengthened cooperation with financial institutions in the countries/regions along “the Belt and Road”.
- Supported the 5th CIIE Hongqiao International Economic Forum: Parallel Session on Economic and Trade Cooperation for Global Food Security and Rural Revitalization.

[Case] Participating in the Syndicated Loan for Sinopec’s Largest Refinery Project in Saudi Arabia

Dubai International Financial Center (DIFC) Branch participated in the syndicated loan for Yanbu Aramco Sinopec Refining Co., Ltd., which is the first overseas refining project of Sinopec, and the largest Chinese investment project in Saudi Arabia.

[Case] Trade Financing Loans for Key Projects under the BRI

As one of the first key projects under the BRI, the Hengyi PMB Refinery and Petrochemical Project is not only the first overseas petrochemical project that has fully implemented Chinese standards, but also the largest solely foreign-invested project in Brunei in recent years. Fengxian Sub-branch in Shanghai has long maintained a good partnership with the contractor of the project and successfully extended a trade financing loan worth USD 30 million to the project.



The Hengyi PMB Refinery and Petrochemical Project in Brunei is supported by Shanghai Branch. (Photo by Huang Ruoyi)



In the exhibition hall of the 7th China-Eurasia Expo, Xinjiang Branch displays the Bank's financial products and services to exhibitors and visitors with the theme of "Financial Integration for the Joint Implementation of the BRI". (Photo by Liu Xiangtian)

2. Supporting the Construction of Free Trade Zones (FTZs) and Free Trade Ports (FTPs)

The Bank continuously set up branches/institutions in FTZs. Focused on regional infrastructure facilities, key projects, and key enterprises, it provided diversified and whole-process quality financial services to facilitate the construction of FTZs and FTPs in all aspects.

Specific Initiatives

Supporting the development of FTZs

- The Action Plan to Support the High-quality Development of the Pilot Free Trade

Zones was issued to promote the coordinated implementation of regional strategies in light of favorable, innovative opening-up policies available in FTZs.

Fueling the construction of the Hainan FTP

- The *2022 List of Differentiated Policies in Support of the Construction of Hainan Free Trade Port* was issued to provide differentiated policy support in terms of credit policy, product innovation, and business training, with a view to strengthening financial support for the construction of the Hainan FTP.

[Case] Supporting the Construction of China (Guangxi) Pilot Free Trade Zone

Nanning Branch in Guangxi Province endeavored to build a financial service platform and a cross-border RMB business center, promoted the opening-up of Guangxi to the world, and advanced the development of China-ASEAN Free Trade Zone (ACFTA) and the implementation of the BRI. Since the inauguration of Nanning Area of the China (Guangxi) Pilot Free Trade Zone, Nanning Branch in Guangxi Province has extended loans worth over RMB 19 billion to major projects and key enterprises, and handled cross-border RMB settlement worth RMB 3.1 billion, international settlement worth USD 1 billion, and large-amount foreign exchange settlement and sale worth USD 300 million for the enterprises in the FTZ, contributing to the expansion of business presence in both domestic and overseas markets.



Hainan Branch supports the infrastructure construction in the Hainan FTZ/FTP.

(Photo by Pan Zhiguo)

3. Enhancing the Cross-border Financial Service Capacity

Relying on the lineup of cross-border financial products and the globalized platform, the Bank expanded service modes for cross-border business, enriched products for cross-border trade financing, adopted integrated operation of home and foreign currencies, stimulated the potential in digital services, and enhanced financial services for new foreign trade forms/modes. With the constantly enhanced cross-border financial services, it helped build a new stronghold for opening up, and facilitate the domestic and international economic flows.

(1) Helping develop new forms of foreign trade

The Bank listed support for new forms of foreign trade as a priority of international

business, and formulated the *Guiding Opinions on Accelerating the Development of New Forms of Trade* to maintain stability and improve quality of foreign trade. By the end of 2022, it provided cross-border settlements worth over USD 28.2 billion for new forms of trade enterprises.

[Logic Diagram] Categorized and Targeted Measures for Six New Forms of Trade

- Market procurement trade: Promoted capacity expansion and quality enhancement to further stimulate the vitality of small and micro export enterprises in the market.
- Cross-border e-commerce: Launched and landed the first independent payment deal under cross-border e-commerce banking, and accelerated product innovation and system development for import and export e-commerce enterprises.
- Comprehensive foreign trade services: Provided small and medium-sized foreign trade enterprises with intensive and large-scale comprehensive financial services.
- New offshore trade: Rendered new types of honest and law-abiding enterprises engaged in offshore international trade with cross-border fund settlement facilities.
- Overseas warehouses: Offered financial support for the construction and operation of overseas warehouses through products such as global cash management, overseas loans under domestic guarantee, and foreign-related non-financial letters of guarantee.
- Maintenance services in bonded areas: Supported enterprises in the comprehensive bonded zones to carry out high-tech, high value-added, and eco-friendly maintenance businesses.

(2) Diversifying cross-border trade financing products and services

Seizing the opportunities for trade development such as the upgrading of the China Cross-border E-commerce Comprehensive Pilot Zone, and the entry into the Regional Comprehensive Economic Partnership Agreement (RCEP), the Bank consolidated its business foundation under the trade account, expanded its business under the capital account, and provided cross-border trade enterprises with one-stop comprehensive financial services such as online settlement, foreign exchange (FX) settlement and sale, and financing. In 2022, international settlement conducted by domestic institutions for the regions under RCEP amounted to USD 197.8 billion.

[Case] Landing Cross-border E-commerce RMB Settlement Payment Business

Beijing Branch provided cross-border e-commerce RMB settlement and payment business for a cross-border e-commerce platform enterprise, which marked a major breakthrough made by the Bank in providing cross-border settlement services directly to transaction entities in the market. The business could offer one-stop, convenient cross-border financial services through directly connecting with the systems of cross-border e-commerce customers, and linking together various business steps, such as account opening, fund collection and payment, and data reporting. With information gathered and matched intelligently through the system, it could ensure trade background's authenticity, effectively prevent compliance risks, streamline the business chain to the maximum extent, further reduce settlement costs, and improve

the quality and efficiency of cross-border e-commerce customer services.

(3) Promoting digital transformation of cross-border business

Advancing the reform of cross-border business towards the directions of online, scenario-based, and intelligent operation, digital service, digital risk control, and local characteristics, the Bank built a system of online cross-border financial products and services through all channels such as corporate online banking, corporate mobile banking, bank-enterprise direct connection, and SWIFT direct connection. It also launched a number of online brands for cross-border financing such as “ABC Cross-border e-Remittance Connect”, “ABC Cross-border e-Documents Connect”, and “ABC Cross-border e-Financing Connect”, to promote the high-quality development of digital economy and digital trade. In 2022, the online cross-border remittance amounted to USD 193.23 billion, up 49.3% year on year, benefiting 18,200 Chinese and foreign customers.

[Case] Launching Cross-Border Financial Businesses and Products

Tianjin Branch actively sought financial technology (FinTech) innovation, put into operation a string of cross-border financial products on the mobile terminals, and incorporated cross-border outward remittance in local and foreign currencies, and settlement and sale of foreign exchange into mobile banking, with business scenarios covering various fields of cross-border settlements and fund transactions. IT allowed enterprises to go through the entire business flow over their mobile terminals, thus gaining a quality, efficient, and intelligent service experience without leaving home.

(4) Supporting the RMB internationalization process

The Bank stepped up its support for RMB internationalization, continuously improved its product development and service innovation capabilities, and got actively involved in policy formulation and research. In 2022, the cross-border RMB clearing business handled by the Bank amounted to RMB 5.19 trillion, a year-on-year increase of over 31.35%, and the cross-border RMB settlement completed came in a volume of RMB 2.32 trillion, a year-on-year increase of 9.58%.

Practice Results

- Formulated the *Action Plan for Promoting the International Use of RMB to Better Serve Trade and Investment Facilitation*, and formed a cross-border RMB business system covering multiple sectors.
- Optimized the RMB cross-border interbank payment system (CIPS), cooperated with the “first account” initiative for cross-border RMB business, actively participated in the development of the offshore RMB market, and continuously unified forces available at home and abroad to serve the cross-border use of RMB.
- Increased comprehensive financial services for the cross-border RMB businesses of domestic and foreign customers, provided cross-border RMB settlement services for market trading entities, reduced business processing costs for such entities, and made cross-border RMB business more efficient for customers.



Dushanbe Representative Office, together with Xinjiang Production and Construction Corps Branch, organized the 2022 China-Tajikistan Cross-border RMB Business Promotion Event to further promote the process of RMB internationalization and build cross-border RMB clearing channels. (Photo by Dushanbe Representative Office)

4. Deepening international cooperation and exchange

The Bank continued to expand its global circle of friends by actively participating in renowned international conferences and forums. It kept consolidating the foundation of cooperation with international financial peers, innovated modes of business cooperation, and worked with others to create a new win-win situation.

Intensifying international cooperation

- Participated in the 14th China-ASEAN Summit Forum on Financial Cooperation and Development
- Attended the annual meeting of the United Nations Global Investors for Sustainable Development (GISD) Alliance
- Took part in the World Economic Forum's "Davos Agenda" Dialogue and Special Virtual Dialogue with Global Business Leaders, and published an article titled *Promoting Concerted Green Financial Development* on the Forum's official website.
- Participated in the 2nd Sustainable Finance Summit of the Institute of International Finance (IIF)
- Participated in the 2022 Asia Financial Summit/Financial Street Forum
- Participated in the 2022 International Green Finance Summit - Dianchi Forum
- Participated in the 16th Asia Financial Forum
- Held the "Invest in the Chinese Market" video marketing meeting for foreign institutions

III. Environment: Drawing a Beautiful Blueprint for Green and Low-carbon Development

Contribution to the United Nations Sustainable Development Goals:

- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 17 partnerships for the goals

The Bank has always taken the responsibility of contributing to green, low-carbon and sustainable development, thoroughly practiced the “two mountains” concept (We want both green waters and green mountains, as well as “golden and silver mountains”; we prefer green waters and green mountains to “golden and silver mountains”; and green waters and green mountains are “golden and silver mountains”), integrated the “dual carbon” requirements (peak carbon dioxide emissions and carbon neutrality) into all processes and all fields of operation and management, and assumed its due CSRs as a large bank in protecting the ecological environment, addressing climate change, and promoting the comprehensive green and low-carbon transformation of the economy and society. It is committed to preserving lucid waters and lush mountains with its financial strengths, and facilitating the construction of a beautiful China where people and nature coexist harmoniously.

i. Actively Addressing Climate Change

As a supporting organization of the Task Force on Climate-Related Financial Disclosure (TCFD), the Bank has taken scientific measures to monitor and assess the impact of climate risks on the financial system by referring to the TCFD recommendations report and continuously exploring climate-related risk management tools and models. It is dedicated to improving its climate risk management capabilities and ensuring sustainable business development.

Management Framework for Addressing Climate Change

Governance Governance of climate-related risks and opportunities	The Board of Directors assumes ultimate responsibility for climate risk management, the Senior Management is responsible for organization and implementation, and the Board of Supervisors fulfills oversight responsibility. The Green Finance / Carbon Peaking and Neutrality Committee and Risk Management Committee are established as part of the Senior Management to push forward climate risk management as a priority.
Strategy Impact of climate-related risks and opportunities on the business,	The <i>Carbon Peaking and Neutrality Plan of Agricultural Bank of China</i> was distributed to clarify work functions, mechanisms, and processes, so that the Bank could march towards energy conservation and carbon reduction in a steady and orderly manner.

strategy and finance	
Risk management Process of identifying, assessing and managing climate-related risks	Under the TCFD initiative, the Bank conducted climate risk stress tests, monitored and assessed the impact of climate risks on business and operations, and continuously improved climate risk management in terms of management mechanisms and tools.
Indicators and targets Indicators and targets for assessing and managing climate risks and opportunities	The Bank developed an energy conservation and emission reduction plan, to specify annual and monthly usage control standards for electricity and water. It carried out carbon footprint management and made annual statistics on greenhouse gas emissions.

Analysis of climate-related risks and opportunities

The Bank pays close attention to the impact of climate risk changes on financial assets, conducts climate risk sensitivity stress tests on key industries, and quantifies the risk shock and financial impact faced under specific scenarios.

[Logic Diagram]

Credit risks: Climate risk sensitivity stress tests were conducted on eight carbon-intensive industries such as power, iron and steel, building materials, non-ferrous metal smelting, petrochemicals, aviation, chemical engineering, and paper making. The test results show that the credit risks of customers in these carbon-intensive industries have increased under the scenario of rising carbon emission costs, but the impact on the Bank's capital adequacy level is still manageable overall.

Market opportunities: Achieving carbon peaking and neutrality will trigger extensive and profound systemic changes, which is expected to usher in a comprehensive innovation in quality, driving force, and efficiency of economic and social development. The deep adjustment of economic structure, energy mix, and industrial structure will bring a large amount of demand for green investments and financing. As new industries, new business forms, and new development modes flourish, the Bank will see significant development opportunities in terms of business expansion, business mode, product innovation, asset allocation, etc.

[Logic Diagram] Initiatives to Manage Climate-related Risks

- **Exploring the development of climate-related financial risk management mechanisms.** The Bank studied how to incorporate climate risks into its corporate governance and internal control framework, strengthened climate-related risk management requirements in the fundamental documents

for risk management such as the Banking Group's risk preference and comprehensive risk management strategies, further intensified the identification and assessment of climate risks in investments and financing businesses, and implemented relevant risk management requirements into all aspects of business.

- **Conducting climate risk stress tests.** On the basis of the climate risk stress test for the coal-fired power industry conducted independently in the previous year, the Bank continued to conduct the climate risk stress test for the petrochemical industry. Also further expanded the coverage of the transition risk stress test to eight carbon-intensive industries, assessed the impact of carbon emissions and other factors on the Bank's asset quality and capital adequacy level, preventing transition risks prospectively.
- **Improving climate-related risk management tools and information disclosure.** The Bank incorporated climate and environmental risks into its economic capital measurement policy; added environmental and climate risk-related policies to the annual rating policy to further enhance the role of environmental and climate risk factors in customer ratings; and properly disclosed the information on climate-related risk stress tests to fully demonstrate its technical capacity in risk management and the progress achieved in green and low-carbon development, a prerequisite for improving its ESG rating.

ii. Vigorously Developing Green Finance

The Bank attaches great importance to the development of green finance, makes steady progress in providing comprehensive green financial services, continues to enhance top-level design, optimize the product lineup and cement communication and cooperation, and keeps improving green financial service capabilities, forging a distinctive and widely recognized green financial brand.

1. Strengthening integrated planning

[Logic Diagram]

Strengthening organizational leadership. The Board of Directors is responsible for determining the green finance development strategy for the Bank, and assessing the implementation of the strategy. The Senior Management is responsible for setting green finance business objectives, establishing related mechanisms and processes, and implementing the green finance development strategy. It has established the Green Finance/Carbon Peaking and Neutrality Committee to coordinate the implementation of strategic planning and overall arrangements, and to consider major policy measures and related important matters for work related to the development of green finance and "dual carbon".

Optimizing a set of policies. The Bank improved a set of policies, consisting of annual policies, industry policies, and differentiated support policies. It clearly integrated green and low-carbon requirements into the key areas of rural revitalization, inclusive finance, and high-quality development of the real economy, promoting policy coordination and cooperation. It revised industry credit policies to indicate industrial and green development directions. Moreover, differentiated

policy arrangements were made for eligible green credit businesses.

Promoting the implementation of related plans. The Bank released the summary of work done in relation to green finance, and set the annual objectives, key tasks, and safeguard measures.

[Logic Diagram] Green Credit Policies for Industries

Agriculture, forestry, animal husbandry and fishery: Credit policies in grain, seed industry, forestry, cotton, animal husbandry, aquaculture, and other agriculture-related fields were formulated to indicate the direction of green, low-carbon, and eco-friendly development, continuously strengthen environmental risk control, and serve the national strategy of food security.

Energy: Credit policies for thermal power, hydropower, wind power, solar power, biomass power, and other related fields were formulated, to support the development of the clean energy industry and the clean and efficient use of traditional energy sources in line with the trend of energy transformation, and promote the green and low-carbon transformation of energy production and consumption.

Manufacturing industry: The Bank improved policies and measures, actively supported the development of strategic emerging industries and advanced manufacturing industry, pushed forward green transformation of traditional industries, and accelerated the establishment of a modernized industrial system.

Mining industry: Credit policies for coal, petroleum and natural gas, metal mining, and other related fields were formulated to put forward requirements for the management of corporate environmental protection and work safety, and to serve the green and low-carbon development of the mining industry.

Transportation: Credit policies for railroad, highway, urban rail transit, airport, air transport, and other related fields were formulated to put forward requirements for the management of environmental, social and governance risks, and to serve the green and low-carbon development of the transportation industry.

Materials: Credit policies for petrochemical, iron and steel, non-ferrous metals, building materials, and other related fields were formulated to actively guide enterprises to promote clean production, raise energy efficiency, and serve the green and low-carbon development of industrial enterprises.



Gansu Branch supports the development of the photovoltaic industry. (Photo by Wu Peng)



Guangxi Branch supports the construction of a wind farm project. (Photo by Huang Xiangzhi)

2. Building a diversified business structure

Being innovation-driven, the Bank built a system of three-dimensional, diversified green financial services covering green credit, green bonds, green consumption, carbon finance, and innovative businesses.

(1) Green credit

Forming a sequence of green credit products. Green finance products such as the “Green Transportation Loan”, and the “Green Energy-saving Building Loan” were continuously promoted to serve different financial scenarios in four areas, such as, credit products in key fields, new types of equity-pledged products, carbon finance products, and products with specialized features in local branches.

Strengthening the management of credit business risks. The Bank carried out environmental, social and governance risks due diligence, and used the evaluation results as an important basis for credit business decision-making. According to the potential environmental, social and governance risks faced, differentiated management measures could be taken. The “one ballot veto” system was adopted for non-eco-friendly customers and projects.

By the end of 2022, the balance of green credit was RMB 2,697.5 billion, an increase of RMB 719.7 billion from the end of the previous year, which was equivalent to saving 45.85 million tons of standard coal, reducing 97.83 million tons of carbon dioxide, saving 97.50 million tons of water per year, 250,000 tons of chemical oxygen demand, 20,000 tons of ammonia nitrogen, 2.28 million tons of sulfur dioxide, and 1.24 million tons of nitrogen oxides.

[Case] Supporting for SPIC’s photovoltaic sand control project

The Bank disbursed green loans worth RMB 171 million to the 100MW solar PV power generation and sand control projects of State Power Investment Corporation Limited (SPIC) in Alxa League, Inner Mongolia, which are the first projects of its kind that have come under construction after the signing of the *Cooperation Agreement on Financial Support for the “Comprehensive Intelligent Zero Carbon Power Plant and Solar Photovoltaic Sand Control” Demonstration Project*

between the two sides. After their completion, these projects are expected to combat 1.33 million square meters of deserts, saving about 60,000 tons of standard coal and reducing carbon dioxide emissions by about 110,000 tons per year, with good economic, social and environmental benefits.



The Bank rolls out a special loan for national reserve forests to help attain green and low-carbon development, and has a trial run in Wanyuan, Dazhou, Sichuan Province.
(Photo by Sichuan Branch)



Shandong Branch issues loans for green finance projects to support solar PV power generation in the province. (Photo by Li Yanhui)



Baoding Branch in Hebei Province provides credit to support a local traditional carmaker in developing new energy vehicles.

(Photo by Hebei Branch)

(2) Green bonds

The Bank issued green financial bonds innovatively, released the *Measures for the Management of Funds Raised by Green Financial Bonds*, and got itself aligned with the *Common Ground Taxonomy*, a joint initiative of China and the European Union, to support high-quality green credit projects. It continued to promote a number of featured products such as transition bonds and sustainability-linked bonds, broadened the scope of green bond underwriting services, and underwrote the first transition bonds, carbon revenue-pledged bonds, blue bonds in the Guangdong-Hong Kong-Macao Greater Bay Area, and the “carbon neutrality + rural revitalization + technological innovation” three standards bonds.

In 2022, the Bank underwrote 56 tranches of green bonds, raising funds of RMB 66.6 billion; underwrote 12 tranches of carbon neutral bonds, raising funds of RMB 19.8 billion; underwrote one tranche of sustainability-linked bonds, raising funds of RMB 2 billion; and issued two varieties of green financial bonds worth RMB 20 billion. By the end of 2022, the balance of self-managed green bonds invested in by the Bank was RMB 121.64 billion, an increase of 37.8% from the end of the previous year.

[Case] Underwrote and Issued The First “Carbon Neutrality, Rural Revitalization, Technological Innovation” three standards Bonds

The Bank underwrote and issued China’s first “carbon neutrality + rural revitalization + technological innovation” three standards bonds, with an issue size of RMB 700 million, and all the funds raised would be used for the green, low-carbon projects, which could reduce 171,100 tons of carbon dioxide emissions and save 72,500 tons of standard coal per year. Therefore, with great effectiveness in carbon emission reduction.

[Case] Supporting a Leading Non-ferrous Metal Enterprise to Save Energy and Reduce Emissions

The Bank underwrote two tranches of green bonds worth RMB 1.1 billion for Aluminum Corporation of China, the largest non-ferrous metal enterprise in China.

The 2022 Chalco MTN002 (Transition) for which the Bank acted as the main underwriter, is one of the first transition bonds in the interbank bond market of China, and the funds raised would be specifically used for the upgrading to the eco-friendly and energy-saving electrolytic aluminum technology, effectively reducing energy consumption and pollutant emission in the production process.



Fujian Branch supports the construction of CATL Cheliwan clean energy lithium battery base.

(Photo by Pan Guangsheng)

(3) Carbon finance

The Bank made full use of carbon emission reduction support tools to provide low-cost financing support for green enterprises and projects significantly effective in carbon reduction. Since the implementation of carbon emission reduction support tools by the People's Bank of China, and by the end of 2022, it issued carbon emission reduction loans of over RMB 100 billion on a cumulative basis, which helped reduce over 23 million tons of carbon emissions, a figure that topped the industry.

[Case] Supporting the Energy Conservation and Emission Reduction Efforts of a Central Enterprise to Attain Green Development

To implement the national strategy of ecological progress and sustainable development, the Bank connected with China State Shipbuilding Corporation Limited (CSSC) and granted loans worth RMB 200 million to its subsidiary, CSSC Guijiang Shipbuilding Co., Ltd. in line with the preferential interest rate policy for “Guangxi Concessional Loan”, to support the “Green Pearl River” project in the Pearl River Delta region. The project was intended to help more than 5,000 inland river vessels on the Pearl River route go green through renovation and upgrading. As a demonstration project for clean-powered vessels in the inland river basins, it plays a leading role in the development of green shipping in China.

(4) Innovative businesses

[Logic Diagram] Business Results Achieved

Green Investment Banking: Provided financing for enterprises in areas such as environmental governance, clean energy, and green transportation through green syndicated loans, and mergers and acquisitions loans. The Bank have supported the reserve work of projects proposed to be invested by the National Green Development Fund, and have recommended over 50 projects with a total amount of over RMB 40 billion.

Agricultural Bank of China Wealth Management Co., Ltd.: With 43 ESG-themed wealth management products in existence, with a total time-point size of RMB 49 billion.

ABC-CA Fund Management Co., Ltd.: With 2 ESG-themed investment funds in existence, with a combined time-point size of RMB 17.1 billion.

ABC Financial Asset Investment Co., Ltd.: It focused on investing in new energy power plants, solar PV module manufacturing, power batteries, natural gas, and other clean energy fields through a number of methods such as direct investment, green debt-to-equity swap investment plan, and green science and technology debt-to-equity swap fund. By the end of 2022, it invested in green projects worth RMB 40.2 billion in total.

ABC Financial Leasing Co., Ltd.: By the end of 2022, the balance of green leasing assets was RMB 55.1 billion, an increase of RMB 6.3 billion compared with the end of the previous year.

3. Increasing exchange and cooperation

[Logic Diagram]

In-depth participation in high-level national and international exchange seminars

The Bank attended a number of international conferences to share advanced experiences and work together with various parties to seek green development, which included the 2nd Sustainable Finance Summit of the Institute of International Finance (IIF), the 2022 Annual Meeting of the Green Finance Committee, China Society of Finance and Banking, the Global Asset Management Forum (GAMF) International Summit, the Annual Meeting of the United Nations Global Investors for Sustainable Development (GISD) Alliance, and the “China Corner” side meeting at the second phase of the 15th Meeting of the Conference of the Parties to the United Nations *Convention on Biological Diversity*.

Increased exchange of business experience

Peer exchange. The Bank hosted an experience exchange meeting on sustainable development and green finance, in which foreign institutions such as BNP Paribas and HSBC were invited to have thematic discussions. Meanwhile, it actively participated in ESG experience sharing sessions with foreign institutions such as BNP Paribas and Citibank.

Cooperation and exchange. The Bank strengthened cooperation with professional

institutions, introduced consultants for ESG rating upgrading, and properly managed its ESG ratings.

iii. Continuing to Support Ecological Protection

The Bank practiced the concept of ecological progress in the new era, channeled more credit policies and resources toward the field of environmental protection. It continued to offer financial solutions for maintaining ecosystem stability and biodiversity, thus helping the steady the development of ecological civilization.

[Logic Diagram] Main Initiatives

Increasing policy support. The Bank actively supported the preservation of forest, grass, river, lake, and wetland ecosystems, and animal and plant resources, as well as the construction and protective operation of nature reserves and national parks, introduced special policies to support the construction of key eco-functional zones of the country, such as the protective barriers for eco-security in the Qinghai-Tibet Plateau, the important ecological areas along the Yangtze River, the Yellow River, and the coastal zones, and fully implemented the “one-vote veto” system for environmental, social and governance risks.

Rolling out innovative credit products. The Bank promoted the application of special products such as ecological restoration loans and ecological protection loans to increase credit support for ecological/environmental protection industries. It rolled out innovative featured products such as national reserve forest loans, lucid water and lush mountains loans, forest carbon foreign exchange loans, and ecological common wealth loans to promote green, low-carbon development and realize the value of ecological products.

Deepening exchanges and cooperation. The Bank signed with the Ministry of Ecology and Environment of China the *Memorandum of Cooperation on Implementing the Dual Carbon Strategy, Innovating Financial Services, and Improving the Ecological Environment* to strengthen collaboration in the field of ecological protection and climate change response.

Carrying out public welfare activities. The Bank worked to enhance the awareness of biodiversity protection and advocate harmonious coexistence between human and nature among the public.

[Case] Being a Good Guardian of Nature Reserves in the New Era

Jiuzhaigou National Nature Reserve is the core area and corridor for Population Group A giant pandas in the Minshan Mountain. It has a typical natural ecosystem, and is one of the key areas for biodiversity conservation nationwide. In recent years, Jiuzhaigou Sub-branch in Aba, Sichuan Province has continued to support the environmental improvement efforts of Jiuzhaigou Nature Reserve, helping to protect a variety of rare plants and animals, as well as natural landscapes in the reserve. By the end of 2022, the sub-branch issued loans worth RMB 3.8 billion to it.



Aba Branch in Sichuan supports the protection of rare animals in Jiuzhaigou Valley Scenic Area. (Photo by Liu Xuesong)



Yunnan Branch supports the construction of eco-friendly paddy fields into scenic spots. (Photo by Liang Zhiqiang)



Jilin Branch innovates and promotes “Black Soil Granary Loan” to help protect and utilize black soil. (Photo by Zhang Liming)



Maoming Branch in Guangdong Province joins hands with a number of institutions to carry out a public welfare activity that aims at raising bird loving and protection awareness. (Photo by He Jinfang)

iv. Promoting Energy Conservation and Carbon Reduction with Concrete Efforts

With the goal of building a resource-saving and eco-friendly bank, the Bank has formulated its action plan for carbon peaking and neutrality, coordinated efforts to realize its own green and low-carbon operations, continuously strengthened its carbon footprint management, and made progress in energy conservation, carbon reduction, and green development across the board in a steady and orderly fashion.

[Logic Diagram] Energy Saving and Carbon Reduction Initiatives in the Head Office Building

- **The overall target for energy management: The consumption of water, electricity, and heat in 2023 to be reduce by 1% compared with that in 2022 (by the same standards).**

Carbon inventory

Strengthened the management of carbon footprints in the Head Office building, collected and verified data on water, electricity, heat, and natural gas consumption, calculated CO₂ emissions, etc. Hired a professional agency to verify and confirm relevant data on an annual basis as required by the Beijing Municipal Government, to ensure compliance with the applicable local standards as well as the accounting reporting guidelines.

Energy conservation and emission reduction

Carried out energy-saving consultation and energy analysis to formulate scientific and reasonable energy-saving plans. Stepped up energy management and monitoring efforts, made a database for carbon emissions of the office building, and realized the routine display of carbon emission data in the building. Intensified the assessment of the building in terms of energy conservation and emission reduction, optimized energy-intensive equipment systems, and increased the application of eco-friendly and energy-saving equipment.

Water resource management

Analyzed the water consumption in light of actual conditions, explored ways to save water, established a water conservation responsibility system, strengthened water consumption records, statistics, and analysis. Set up an inspection and maintenance system to regularly check and replace the aging water supply pipelines, and promptly find and stop the waste of water from leakages. (Notes: All water used by the Bank is taken from the municipal network, and natural water is not used. The company has no relevant problems in obtaining suitable water sources.)

Sewage and waste management

Non-hazardous waste. Sorted domestic waste properly and advanced the “clean plate campaign” to reduce the generation of non-hazardous waste at the source.

Hazardous waste. Earnestly implemented the *Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and disposed scrap materials in a centralized manner.

Providing green services

Relied on digital technology to promote the construction of digital platforms, further safeguard digital operation, and continuously improve the quality and efficiency of online services. Worked hard to reduce resource consumption and cut greenhouse gas emissions, helping achieve the dual carbon target.

Category	Number of registered users
Corporate online banking	10.66 million
Personal online banking	444 million
Personal mobile banking	460 million
Corporate mobile banking	5.27 million

Conducting green procurement

Green procurement requirements (such as energy conservation, environmental protection and product priority) were emphasized in the centralized procurement system and bank-wide centralized procurement catalogue. The requirements of “bade products and services must meet national green certification standards, full consideration shall be given to human health, safety, resource saving, recycling, reduction of impact on environment and other factors” were included in the bidding document template for promotion and implementation across the Bank. In terms of specific project review indicators, more efforts were made in the investigation of authoritative qualification and certification (such as environmental label product certificate, environmental management system, and occupational health and safety

management system). Suppliers were encouraged and guided to implement energy-saving and emission-reduction requirements of the State. More investment was made in environmental protection. Employee health and safety management was strengthened. Social responsibilities were fulfilled. In strict accordance with relevant national technical specifications and in order to achieve the electronic operation of the whole process of bidding and procurement, the construction of the electronic bidding platform and other related systems were sped up, and the social transaction costs and resource consumption related to bidding and procurement activities will be effectively reduced in the future.

In 2022, the Head Office had 457 performing suppliers. These suppliers are broken down by region as follows:

Region	Quantity
Yangtze River Delta	108
Pearl River Delta	63
Bohai Rim	243
Central China	8
Northeast China	2
Western China	12
Overseas	21

Promoting green office work

The Bank increased the IT adoption in file management, developed a comprehensive office platform and an official document management information system, put them into use at all institutions of various levels, and optimized or upgraded 458 system functions, making the entire process of official document circulation go electronic. Institutions at all levels of the Bank adopted the developed electronic meeting system, sent electronic meeting notices and materials through the comprehensive office platform, and reduced paper usage at meetings by advocating online reading and forwarding. When printing was necessary, double-sided printing was required to cut paper usage.

Using more green energy

The Bank strengthened the management of fixed assets, prioritized implementing energy-saving renovation projects, such as the technical renovation of facilities in old properties (elevators, air-conditioning systems, and lighting systems, etc.), as well as the coal-to-electricity and coal-to-gas renovation projects in the northern region. Besides, it set out energy-saving technical standards for new machine rooms, and planned to introduce efficient energy-saving technologies such as indirect evaporative cooling, liquid cooling, waste heat recovery, and natural cooling in three projects, that

is, the Inner Mongolia Project, the Daxiang Lake Project, Phase II and the Shanghai Intra-city Project.

Building green outlets

The Bank formulated the *Plan for Green Outlet Construction of Agricultural Bank of China* to promote green operation of outlets guided by the principles of “clear emphasis, categorized policies, detailed measures, and peer comparability”. It drafted the *Green Outlet Construction Guidelines (Trial)*, which could be used as the basis in this regard. The Digital Operation Center (Hefei) was designed and constructed in accordance with the green building concept to reduce the energy consumption brought by cash business. The Bank improved the unified access control and operation management of the counter business system to strengthen the electronic management of counter business vouchers at the source.

[Case] Building Carbon-neutral Bank Outlet

Sian Sub-branch in Huzhou, Zhejiang Province made every effort to go carbon neutral. It constructed an energy consumption control platform. Relying on intelligent sensing technology, the platform could automatically collect and analyze energy consumption data and issue early warnings against energy usage, helping the sub-branch intelligently monitor and manage power generation and energy consumption, thus to reasonably control carbon emissions. The sub-branch also installed rooftop distributed solar PV panels for green, clean electricity, and cemented cooperation with enterprises in building carbon sink forests to absorb and capture carbon dioxide through afforestation and forest protection measures to offset its carbon emissions. In 2022, it obtained the *Voluntary Cancellation Certificate from the United Nations Framework Convention on Climate Change (UNFCCC)* and the *Carbon Neutral Certificate from Shanghai Environment and Energy Exchange*, becoming the first bank outlet in the Bank’s Zhejiang Branch that became carbon neutral in its own operations.



Sian Sub-branch in Huzhou, Zhejiang installs rooftop distributed solar PV panels.
(Photo by Liu Feng)

Carrying out green activities

Green travel. The Bank held a series of activities called “Green Travels Low-carbon Lifestyle”, in which a green travel-themed video clip was produced and played in more than 4,200 offices to enhance the awareness of environmental protection and green travels among employees.

Green public welfare. The Bank carried out green public welfare initiatives, and organized youth volunteers to plant trees and keep cities clean, setting a new trend of green, low-carbon development.



Shenzhen Branch actively creates an atmosphere where all employees are encouraged to join green living and office with practical actions. (Photo by Li Rouhua and Huang Tong)

Quantitative Environmental Performance

Indicator	2022
Total greenhouse gas emissions¹	
Scope 1: Direct greenhouse gas emissions (Tons of carbon dioxide equivalent)	222,353.26
Scope 2: Indirect greenhouse gas emissions (Tons of carbon dioxide equivalent)	1,931,555.78
Total greenhouse gas emissions (Tons of carbon dioxide equivalent)	2,153,909.04
Greenhouse gas emissions per capita (Tons of carbon dioxide equivalent/person)	4.70

¹ The calculation of greenhouse gas emissions:

Direct greenhouse gas emissions: The Bank's consumption amount of natural gas, liquefied petroleum gas, gasoline, diesel and coals multiplied by the corresponding emission factors. As for the factors, you may refer to the *Fifth Assessment Report 2014* of the Intergovernmental Panel on Climate Change (IPCC). Indirect greenhouse gas emissions: The Bank's consumption amount of electricity and purchased heat multiplied by the corresponding emission factor. You may refer to the *Guidelines for Assessment Report on Greenhouse Gas Emission of Enterprises (for Trial Implementation)* promulgated by the Ministry of Ecology and Environment. Total greenhouse gas emissions: The total sum of direct greenhouse gas emissions and indirect greenhouse gas emissions.

Energy and resources consumption²	
Electricity (kW·h)	2,774,074,697.94
Use of electricity per capita (kW·h/Person)	6,057
Natural gas (Cubic Meters)	23,243,502.03
Use of natural gas per capita (Cubic meters/Person)	50.75
Liquefied petroleum gas (Tons)	1,817.52
Gasoline (Tons)	31,518.07
Diesel ³ (Tons)	1,741.58
Power purchased (MkJ)	2,907,439.86
Comprehensive energy consumption ⁴ (Tons of Standard Coal)	523,078.61
Comprehensive energy consumption per capita (Tons of Standard Coal/Person)	1.14
Water consumption (Tons) ⁵	1,883,777.40
Water consumption per capita (Tons/Person)	72.81
Discharged wastewater ⁶ (Tons)	1,601,210.79
Waste from the Head Office Institutions in Beijing	

² The statistics related to greenhouse gas emissions and energy consumption are of the Group's standard, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels.

³ Diesel was mainly used for backup generators in the office buildings and for self-owned corporate vehicles.

⁴ The conversion of energy consumption into standard coals was based on the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).

⁵ The statistics covered the Head Office institutions in Beijing (including the Southern and Northern Building of ABC Plaza, the office building at Zhanlan Road, Chemsunny Plaza, Glorious Oriental Plaza, Fengtai Science and Technology Plaza, the office building at Gongzhufen, Jintang International Financial Building and the Technological Innovation Park at Daoxiang Lake) and the office buildings of the 37 tier-1 branches (excluding data centers, archive rooms, training rooms, cash centers and other non-office buildings).

⁶ Wastewater was calculated by water consumption*0.85, and the GB 50318-2017 *Code for Urban Wastewater and Stormwater Engineering Planning of the People's Republic of China* and relevant documents of the Bureau of Statistics were used as reference for the wastewater discharge coefficient.

Office paper consumption (Tons)	68.26
Per capita office paper consumption (KG/person)	10.12
Total hazardous wastes	
Disposed toner cartridges (Pieces)	731
Disposed fluorescent lightbulbs (Tons)	2.48
Total non-hazardous wastes	
Disposed electronic information products	
Number of disposed desktop computers (Mainframe) (Sets)	371
Number of disposed displays (Sets)	370
Number of disposed laptops (Sets)	1,407
Number of disposed printers (Sets)	37
Number of disposed servers (Sets)	0
Number of disposed dry batteries (KG)	17.5
Per capital number of disposed dry batteries (KG/Person)	0.003

For details of the Bank's green finance, please refer to the *2022 Annual Report for the Development of Green Finance* separately published by the Bank.

IV. Society: Meeting the People's Financial Expectations for a Better Life

Contribution to the United Nations Sustainable Development Goals:

- 1 No Poverty
- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 8 Work and economic growth
- 9 Industry, Innovation and Infrastructure
- 11 Sustainable cities and communities
- 16 Peace, justice and strong institution

The Bank always bears the top priorities of the State in mind, adheres to the people-centered development philosophy, and actively meets the needs and expectations of the people. Taking the digital reform as a guide, it is devoted to building a high-quality and efficient integrated system of financial services, continuously improving customer satisfaction, and getting actively involved in public benefit initiatives, in a bid to help people realize their aspiration for a better life.

i. Improving the Quality and Efficiency of Inclusive Financial Services

Actively playing the leading role as a large bank, the Bank continued to expand the breadth and depth of inclusive financial services, intensified such services' development, and smoothed out service channels. By doing so, it strove to improve the coverage, convenience and accessibility of inclusive financial services, so that more entities could benefit from finance.

1. Intensifying the development of inclusive financial services

(1) Supporting the development of small and micro enterprises

Active in integrating into and serving the formation of a new development pattern, the Bank endeavored to help stabilize market players and ensure employment, and continued to increase the supply of credit to small and micro enterprises. By the end of 2022, the balance of inclusive loans for small and micro enterprises was RMB 1,768,994 million, an increase of 33.8% over the end of the previous year, and the Bank had more than 2,528,600 customers with loans.

[Logic Diagram] Main Initiatives to Boost the Development of Small and Micro Enterprises

- **Improving the balance of services.** The Bank focused on channeling more inclusive credit resources toward the northeastern and northwestern regions, gave priority to guaranteeing the credit scale, and increased the supply of credit to greatly boost regional development.
- **Expanding the coverage of services.** The Bank constantly improved the digital customer service platform - the "Inclusive e-Station", for inclusive financing, extended its service extensions and provided around-the-clock, one-stop financial services for small and micro enterprises. It connected service channels for small and micro enterprises in 22,000 business entities, built 8,735 outlets committed to developing financial services for small and micro enterprises, and provided

face-to-face financial services for small and micro enterprises in remote areas.

- **Supporting healthy development.** The Bank implemented the policies for the expired loan repayment deferral policy for small and micro enterprises, comprehensively used the renewal of loan without principal repayment, extension, grace period, and other ways to reduce the pressure on small and micro enterprises, offered deferred loans with credit protection and exemption from penalty interest, and took a range of measures to boost the development of small and micro enterprises.

[Case] Renewal of Loans without Principal Repayment Helps Lift Small and Micro Enterprises out of Financial Dilemma

In operation and development, Xinchang Changcheng Air-conditioner Components Inc. in Zhejiang Province saw its sales on the decline, which brought the company under repayment pressure. After learning of this situation, Xinchang Branch quickly opened up a “green channel” and devised a financial service plan that not only supported the renewal of the existing loan without principal repayment but also lowered the original loan interest rate. As the loan could be renewed automatically upon expiration, the company no longer needed to bear the costs incurred by raising money all over again. In addition, the reduction of the original loan interest rate by 19 basis points alone would save the company tens of thousands of Yuan a year, conducive to its smooth production and operations.



Zhejiang Branch staff members visit the company to understand its financial needs.
(Photo by Chen Yanyan)



Hohhot Branch in Inner Mongolia actively serves small and micro enterprises. (Photo by Bai Xuyu)



Account managers of Dadukou Sub-branch in the City of Chongqing provide a door-to-door visit to help a local enterprise develop steadily. (Photo by Wu Lingxiao)

(2) Helping new city citizens pursue their dreams

Focused on a variety of financial needs of new city citizens in terms of housing, medical care, elderly care, and children's education, among other aspects, the Bank launched the "5-2-1" comprehensive financial service program for new city citizens and made every effort to render such citizens with quality financial services.

[Logic Diagram] "5-2-1" Comprehensive Financial Service Program for New Citizens

● Five-pronged protection/coverage provided by financial services

Basic rights and interests. The Bank launched the "Gong Xin Bao" platform, a system for supervising the agency payment of migrant workers' wages, where products such as letters of guarantee for payment of migrant workers' wages and the "Migrant Worker Wage Financing" products were provided to facilitate the timely and

full payment of migrant workers' wages. The "Zhufu Card", a tailor-made product for new city citizens, could offer holders privileges such as fee waivers, SMS notifications, and exclusive products.

Medical insurance coverage. ABC Life Insurance exerted professional advantages of its subsidiary in commercial insurance, promoted distinctive critical illness insurance products applicable to new city citizens, and strengthened the protection function of commercial health insurances.

Pension coverage. The Bank increased financial services for various types of elderly service institutions, and enriched the variety of financial products such as pension annuities, pension savings, and pension wealth management, to provide pension-related financial services for new city citizens.

Education and training. The Bank actively implemented national student loan policies, and supported the children of new city citizens with financial difficulties to attend school. It promoted student group safety insurance products, and supported the schooling of new city citizens' children.

Anti-fraud. Using various channels such as mobile banking, outlets, and WeChat official accounts, the Bank disseminated knowledge on preventing fraud, illegal fund raising, and other topics to new citizens and raise their awareness of anti-fraud.

● Two engines of financing growths

Housings needs of new city citizens. The Bank promoted a number of products such as corporate rental housing loans, loans for shared ownership housing, and loans for renovation of old urban residential areas to reduce the fund costs of housing rental enterprises and help provide more government-subsidized housing for new city citizens. It improved the intelligent housing provident fund management system, and developed special loans for government-subsidized rental housing. It innovatively launched the "Housing Loan for New City Citizens", provided new citizens with personal housing mortgage services, and helped them to ease repayment pressure through diverse methods. Meanwhile, the Bank also provided credit products such as "Le Fen Yi" (Happy to Pay in Instalments) and home decoration installments to cover the needs of new city citizens for home renovation and the purchase of furniture and home appliances.

Employment needs of new citizens. The Bank increased financial support for small and micro enterprises that could employ large numbers of new city citizens. It promoted personal business start-up loans and optimized the process of business start-up credit products, to meet the financing needs of new city citizens who would like to start their own businesses.

● Integrated quality basic financial services

In cooperation with Internet platform companies, the Bank launched the "Deliveryman Card" and the "Small and Micro Merchant Card" programs to provide a wide range of financial services such as account opening, payroll, settlement, wealth management, and insurance for new city citizens such as deliverymen, and small and micro business owners who joined these platforms. In addition, it also unveiled a credit card in the version of new city citizens, and carried out multiple special offers/concessions for cardholders to help improve their quality of life.



Tang Jun, the head of the Disciplinary Inspection and Supervision Office of the Central Commission for Discipline Inspection and the National Supervisory Commission at ABC, goes to Chengde Branch in Hebei Province to learn about financial services for improving the people's well-being. (Photo by Li Wei)

(3) Providing personal pension financial services

The Bank built a “matrix” personal pension service system with online and offline integration, and collaboration to provide customers with high-quality and diversified inclusive financial services with respect to pension.

- **Creating a system of services.** The Bank developed the functions of personal pension fund accounts such as account opening, contribution and pension receipt, and provided purchase services for savings, wealth management, funds, insurance and other products. It offered account opening services through such smooth channels as counter, mobile banking, WeChat official account, and WeChat banking. In addition, personal pension fund accounts were exempted from annual fees, account management fees, SMS fees, fund transfer fees, etc. Moreover, the Bank launched a series of promotional sessions called “Micro Classroom on Personal Pension Business of ABC”, formulated a plan to promote personal pension accounts among institutional customers, and unremittingly publicized relevant policies.
- **Highlighting the leading role of technology.** The Bank strengthened the industry-technology integration, accelerated development and iteration, and created an “internal channels + open banking” system service architecture, to provide customers with stable and smooth service experience.
- **Strengthening standardized management.** The Bank developed a business management system to integrated risk management of personal pension business into the comprehensive risk management system. It reminded consumers of investment risks properly, implemented consumer protection full-processed, always adhered to the basic principle of “voluntary account opening”, and fully protected customers’ right to information and the right of choice.

2. Rolling out innovative inclusive financial products

With technologies such as the Internet, AI, and big data, the Bank continued to improve the three lineups of digital products, which are, credit, credit enhancement, and industrial chain, to fully meet the financing needs of various types of customers under inclusive finance, such as small and micro enterprises, self-employed individuals, and farmers.

[Logic Diagram] Enriching the Lineup of Inclusive Financial Products

- Upgraded the credit loan product the “Wei Jie Loan” (Micro and Convenient Loan) to support comprehensive profiling and accurate assessment of multi-dimensional data, and meet the financing needs of small and micro enterprises under diverse scenarios.
- Cooperated with the National Financing Guarantee Fund to develop the “State Guarantee e-Loan” to realize large-scale and online government credit-enhanced loans, which may ease the lack of financing guarantee for small and micro enterprises.
- Launched “Technology e-Loan” and “Business Start-up Guaranteed Loan” to meet the financing needs of small and micro technology start-upss.
- Rolling out a number of financial products such as the “Rong Tong e-Credit”, the “Bill e-Financing”, and the “Government Procurement e-Loan” to enrich the supply chain financing scenarios, and provide small and micro enterprises, both upstream and downstream, with a package of financial services throughout the process.

[Case] “Hand-in-Hand e-Loan” Helps Small And Micro Enterprises Renew Loans Easily

Hubei Branch continued to promote its first online loan renewal product the “Hand-in-Hand e-Loan”. Aiming to renew all eligible loans, this convenient and preferential product could relax conditions and lower the threshold for loan renewal moderately, ensure not to call in loans in advance or suspend loans, and help small and micro enterprises who are otherwise unable to renew their loans according to the original product contract or loan amount, in an effort to help small and micro enterprises development soundly.

By the end of 2022, Hubei Branch extended the “Hand in Hand e-Loan” worth RMB 833 million to 1,100 small and micro enterprises, and disbursed loans worth RMB 384 million to 542 accounts.



Yanbu Sub-branch in Nanhai, Guangdong Province uses products such as the “Mortgage e-Loan”, the “Wei Jie Loan”, and the “Business Loan” to promote inclusive financial services. (Photo by Pang Dongmei)

ii. Focusing on Digital Technology Innovation

Seizing the new opportunities presented by technological revolution, the Bank better exploited the empowering role of data, continued to press ahead with digital transformation, actively improved online information security management, and built an ecosystem of financial scenarios, putting the “wings of technology” on financial services.

1. Accelerating digital transformation

While upholding the overall principle of “use while building and accurate identification”, the Bank put customers at the center, “data” as the main line, and FinTech innovation as the driving force, focused on four key areas, such as, channel development, big data application, business foundation, and technology support, and implemented the strategy of digital operation thoroughly to further enable financial services.



The Bank holds the 2022 Annual Technology Conference where the annual innovation report is released and technical experts from the Bank and beyond are invited to explore an approach to FinTech innovation and development, as well as a pathway to digital transformation. (Photo by Han Rubing)

2. Optimizing digitalized service channels

(1) Upgrading mobile banking

The Bank released the 8.0 version of mobile banking with the comprehensively upgraded functions, to get online service channels further unimpeded. By the end of 2022, it had 460 million registered users of personal mobile banking and 172 million monthly active users, a figure continuing to lead the industry.

[Logic Diagram] Mobile Banking Functions

- **Fund management.** Supported real-time summary display of asset dynamics and launched personal pension products such as pension funds, wealth management programs, and deposits.
- **Special offers.** Promoted special offers such as concessions over WeChat, red envelope subsidies, and discounts, and launched featured activities such as tours to nearby places and folk-custom tours.
- **Convenient customer service.** Enhanced the online “one-to-one” service capabilities such as “Account Manager Online” and “Online Customer Service”.
- **Support for rural revitalization.** Strengthened the rural version of mobile banking and launched the “Rural Revitalization” channel.
- **Age-friendly design.** Developed the big font version of mobile banking, which supported enlarged page display, streamlined service functions and optimized transaction processes.



Account managers of Shannan Branch in Tibet show the functions of mobile banking to the people in Zari Township. (Photo by Pan Xiaoling)

(2) Promoting the application of e-CNY

Utilizing its superior business and customer resources, the Bank intensified the application of corporate products. It applied e-CNY to serve “Sannong”, the real economy, and governments in light of the economic and social development needs in the pilot areas. It worked to solidify the base of customers, create good business scenarios, and devise competitive products.

[Logic Diagram] Improving e-CNY Services

- **Serving rural revitalization.** The Bank actively implemented the strategy of empowering rural revitalization with e-CNY, built the first “demonstration village for supporting rural revitalization with e-CNY”, and promoted the effective integration of e-CNY with rural life, industrial development and village governance. It upgraded inclusive financial service stations with intelligent equipment, and increased e-CNY-related functions, further geared up for facilitating rural revitalization with financial services.
- **Serving the real economy.** Giving full play to the advantages of e-CNY, the Bank granted e-CNY inclusive loans to small and micro enterprises, and brought e-CNY functions to supply chain platforms, with a view to providing enterprises with efficient and reliable financial services. It developed the corporate wallet and sub-wallet products to help enterprises better address their financial management problems.
- **Serving the handling of government affairs that concern the people’s well-being.** The Bank used e-CNY for corporate tax payment in the Provinces of Hainan, Hunan and the City of Qingdao, for personal social security contribution in the City of Chengdu, and for issuance of personal housing provident fund loans in the City of Xiamen and Shaanxi Province, to enrich the application scenarios of e-CNY.

[Case] Issuing the First e-CNY Inclusive Loan in China

To help Yitong New Material Technology Co., Ltd. in Taicang, Jiangsu Province to solve the problem of shortage of production and operational funds, Taicang Branch in Suzhou issued a loan of RMB 1.5 million to the company in the form of e-CNY. Considering that e-CNY loans could be disbursed fast as they support real-time payments, the company could directly transfer money to its upstream suppliers in the corporate wallet to buy raw materials in time, effectively solving the problem of slow capital flows. This is the first e-CNY inclusive loan issued by a bank in China, marking the first breakthrough in the application scenarios of e-CNY.

[Case] Applying e-CNY in the Supply Chain Field for the First Time

Shenzhen Branch teamed up with Linklogis Digital Technology Group Co., Ltd. (hereinafter referred to as “Linklogis”), a leading enterprise in the Chinese supply chain industry, to embed the functions of corporate e-CNY wallets such as fund transfer, payment, and agency payroll to the platform of Linklogis. In this way, 679

core enterprises on the platform could use e-CNY to handle the supply chain financing business in a “one-stop” manner, thus helping them reduce funding costs and improve capital efficiency.



Chongqing Branch and Southwest University jointly carry out an activity where people could take the sightseeing bus for the price of RMB 0.01 if paid via ABC e-CNY wallet. (Photo by Hua Kai)



Cixi Branch in Ningbo City visits a local enterprise to open e-CNY accounts for its employees. (Photo by Cheng Kanli)



Xiamen Branch lands the first “Innovative e-CNY Application Scenario on the Agricultural Carbon Sink Trading Platform” project in China, creating a new model that combines agricultural carbon sink, e-CNY, and rural revitalization. (Photo by Huang Zhixiang)

3. Making strides in the construction of service scenarios

After continuously developing and promoting intelligent scenarios, the Bank built an all-scenario, all-channel, all-chain financial ecosystem that could cover G, B, and C ends and provide customers with “invisible, contactless and ubiquitous” financial services.

[Logic Diagram] Optimizing Services under Life Scenarios

- **Campus scenario.** Enriched functions such as health reporting, receipt of notification, and homework punch cards to promote home-school interactions. Launched the education bureau service mode to support education authorities in the unified management of schools under their jurisdiction. By the end of 2022, the Smart Campus program cooperated with more than 32,000 schools.
- **Cafeteria scenario.** Used the Cafeteria applet to provide integrated services such as top-up, ordering food, and face-scanning payment, which helped improve dining experiences and reduce management costs.
- **Travel scenario.** Launched the “Car Owner Service” applet to provide one-stop services such as car selection and purchase, ETC, parking and refueling, traffic ticket payment, and annual vehicle inspection.
- **Government affairs service scenario.** Accelerated the connection of the “Government Affairs” zone in mobile banking to provincial and municipal government affairs platforms, and built “social security and medical insurance” and “medical care” zones to provide a variety of services concerning the people’s well-being such as electronic social security cards, electronic payment bills for medical insurances, and mobile payments via medical insurance.
- **Medical care scenario.** Constructed a smart medical care platform with rich content and convenient operations, which consisted of many modules such as diagnosis and treatment, management, medical insurance, medicine, and health,

enabling patients to make appointments with doctors and buy medicine conveniently. By the end of 2022, the platform had more than 5,000 partner hospitals.

- **Tourism scenario.** Relies on the hotel system, WeChat official accounts, applet and other online channels, the Bank provided financial scenarios which included scenic spot ticketing, catering retail, parking, home stay and other consumption functions that empowered the tourism industry.



Huishan Sub-branch in Wuxi, Jiangsu Province helps a local hospital launch the “Smart Canteen” project, ensuring medical and nursing staff could have quality meals.
(Photo by Qi Yujin)



Sichuan Branch launches the “Smart Scenic Area Management Platform” for Bipeng Valley Scenic Area, which is available in the visitor service terminal, scenic area management terminal, and bank management terminal to help realize intelligent management. (Photo by Sichuan Branch)



The Bank signs a comprehensive strategic cooperation agreement with Tongji University to jointly promote the development of a smart campus and a smart educational system. The photo shows Zhang Qingsong, then President of the Party Committee of the Bank at the time, attending the signing ceremony via video link.
(Photo by Chen Shunxi)

4. Casting a closely-woven net of digital security

The Bank has established a three-tier organizational structure of cybersecurity that encompasses the Technology and Product Innovation Committee, technology departments, and specialized divisions/offices. It also set up a cybersecurity operation center, an arm of the data center, at the Head Office, and a cybersecurity and data security division at each tier-1 branch, in an effort to increase the input of cybersecurity resources. It is stipulated in the *Cybersecurity Management Measures* that, the Chairman is the Bank's primary responsible person for cybersecurity, and the heads of all levels of institutions are in charge of cybersecurity, they serve as the direct responsible person, thus adopting to the cybersecurity responsibility system.

In 2022, there were no cybersecurity incidents affecting business operations at the Bank.

[Logic Diagram] Cybersecurity Management Initiatives

- **Optimizing policies and standards.** As per the latest national laws/regulations and regulatory requirements, the Bank formulated or revised seven policies such as the *Implementation Rules for Cybersecurity Management of Internet Application Assets* and the *Implementation Rules for Cybersecurity Emergency Response Management*, as well as five standards including the *Security Vulnerability Grading and Categorization Standards* and the *General Technical Inspection Norms for Penetration Testing*, further improving the cybersecurity management systems and mechanisms.
- **Improving the technical protection system.** Guided by the principle of "defense in depth", the Bank improved the in-depth system of security technology protection. It promoted the enterprise-level security operation

center (SOC) platform, and got all security logs and important regional traffic logs connected to the platform, where more than 400 analysis rules were enabled to process over 3.5 billion logs per day. A cloud security protection system was built with 1,946 cloud security containers deployed as nodes to cover more than 330 subsystem modules for cloud application. The installation or deployment of the host intrusion protection system reached 100%. So did the activation of the security policy. Web application security monitoring equipment was promoted to strengthen the construction of an important border and intranet protection system.

- **Building up application security capabilities.** The Bank promoted the application security R&D management system (SDL), built the application security R&D management platform (SDLC), and improved related management mechanisms. It introduced the new-generation source code security inspection and interactive application security testing (IAST) tools to improve security testing capabilities. In addition, the application security testing service framework was introduced to intensify awareness-raising and training activities for security testing personnels.
- **Strengthening vulnerability governance.** The new-generation vulnerability scanning tools were promoted to realize distributed vulnerability scanning based on the vulnerability management system, and to make progress in the routinization of vulnerability scanning. The Bank continued to strengthen the management of infrastructure vulnerabilities, and achieved zero vulnerabilities in the service domain and channel domain for seven consecutive quarters. It established “three lines of defense” of security testing, penetration testing and crowdsourced testing, and formed a life-cycle closed-loop process of vulnerability discovery, analysis and disposal. In addition, the Bank formulated the *Information Security Vulnerability Grading and Categorization Standards* and released the *General Technical Inspection Norms for Penetration Testing*, to make application security governance more standardized. It established a routine attack and defense drill mechanism in which regular drills would be organized across the Bank to realize the goal of “promoting defense with attacks and improve in both defending and attacking”.
- **Conducting multi-level protection for critical information infrastructure and cybersecurity.** According to the critical information infrastructure security protection regulations, the Bank implemented the work related to such protection, by adopting 18 specific measures in four areas from the perspectives of organization, mechanism and project. An external evaluation agency was hired to conduct one to two assessments per year on the systems at the protection level 3 and above to safeguard cybersecurity.

[Logic Diagram] Strengthen Data Security Management

- **Strengthening the management of sensitive data.** The Bank issued a directory of sensitive data in all domains, deployed the new version of terminal data leakage prevention tools at a large scale, carried out special activities to manage sensitive personal data of customers, formulated working guidelines for security assessment of outbound data transfer, and standardized data management.
- **Dealing more efficiently with data privacy leakage emergencies.** In response

to scenarios such as illegal/non-compliant information inquiry by employees, improper information provision or disclosure in business, improper use of information by third-party cooperation agencies, exploitation of application vulnerabilities, and data leakage after databases are compromised, the Bank formulated and promptly updated the contingency plan for information security incidents and information system emergencies to set out the scope of application of emergency disposal, collaborative departments, duration of emergency response, standardize the forewarning, drill, reporting and disposal mechanisms and processes, and strengthen the operability of the contingency plan. In addition, it regularly carried out emergency response drills to enhance business continuity assurance.

- **Conducting employee training on privacy and data security.** The Bank organized the Application Security Training Course for the IT line and carried out lectures on the *Cybersecurity Law of the People's Republic of China*, the compliance mechanism for outbound data transfer, personal information protection laws and data security, and other topics, to enhance employees' awareness of cybersecurity and application security-related technical capabilities.
- **Refining the information security management system.** According to ISO27001 international standard, the Bank continued to improve the standardized information security management system that featured comprehensive coverage and passed the certification audit of China Cybersecurity Review Technology and Certification Center (CCRC) in recent years.
- **Conducting IT audits properly.** The Bank's internal audit departments implemented special audits of IT management on the Head Office and 37 tier-1 branches as per the requirement of achieving the full coverage of audit targets on a rolling basis every three years, and such audits covered a wide range of fields like IT governance, network information security, system operation and maintenance, business continuity, data governance, and data security. At the same time, external auditors were engaged to test specific control points in the areas of IT development planning, security, internal supervision, organizational structure and personnel, and risk management.



Xu Han, Vice President of the Bank, attends the 5th Digital China Summit. (Photo by

iii. Upholding the Customer-centric Concept

The Bank always puts customers' financial needs in the first place, actively responds to their concerns, comprehensively promotes service innovation, effectively protects consumers' legitimate rights and interests, and continues to provide customers with borderless, caring, and diversified services. It better serves society and people's well-being with practical actions.

1. Protecting customers' rights and interests.

To effectively assume the primary responsibility for consumer protection, the Bank established a dedicated consumer protection agency, continuously developed the consumer protection work mechanism, strove to improve the level of complaint management, steadily promoted the implementation of the *Personal Information Protection Law*, and increased consumer education and staff training, thus propelling the high-quality development of consumer protection and safeguard the legitimate rights and interests of consumers. In 2022, there were 174,000 cases registered and classified as personal customer complaints through all channels of the Bank, down 5% from the previous year, with a customer complaint settlement rate of 100%.

[Logic Diagram] Main Initiatives

Putting in place a complete set of management policies and systems	● Considering regulatory requirements and internal needs for operation and development, the Bank developed and revised 10 special policies/systems for consumer protection, covering seven major areas, that is, deliberation mechanism, assessment and evaluation, consumer protection review, complaint management, personal information protection, education and publicity, and emergency response. ● The <i>Management Measures for Consumer Protection Review of Agricultural Bank of China</i> was formulated to set out the review content, process, authority, and responsibilities, attach equal emphasis to online and offline means, and bring forward the timing of risk control. For matters related to personal information protection, the key points of consumer protection review were compiled and released to form consistent review standards and issue professional review opinions. In 2022, 10,200 consumer protection reviews were conducted at the Head Office and branches. ● A coherent joint service mode and a contact network for the Head Office and branches were created to properly handle urgent and complicated requests of customers. ● The Bank improved a mechanism for the
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	hierarchical processing of problems, got the internal cooperation channels unimpeded, and added the function of prompting early warnings/alerts when customer complaints escalate to the “E Shi Tong” system to enhance the sensitivity of complaint handling, reduce the intermediate steps, and shorten the time required by complaint response effectively. ● The Bank deepened employees’ understanding of the consumer protection concept, and worked hard to create a pattern featuring “all personnel in the Bank manage consumer protection and are responsible for it”. In 2022, more than 2,700 consumer protection training sessions were conducted, benefiting more than 890,000 person-times.
Optimizing the complaint handling process	● Complaint handling process: According to its complaint handling guidelines, the Bank’s complaint handling process consists of the following six steps: complaint acceptance - complaint distribution - complaint handling - information feedback - disagreement verification - return visit, to ensure timely acceptance, smooth distribution and efficient handling of complaint issues. ● Channels through which complaints are taken: The information on complaint channels is released and upgraded through the Bank’s portal, mobile terminal, WeChat official account, business outlets/offices, and other channels in a timely manner. ● Whistleblower protection: In strict accordance with its customer complaints management measures, the Bank shall verify the identity of customers, guarantee the security of customer information, and prevent state secrets, business secrets and personal privacy from infringement in the complaint handling process.
Safeguarding information security	● The Bank revised the <i>Administrative Measures for Customer Information Protection</i>, the <i>Implementation Rules for Personal Customer Information Protection</i>, and the <i>Implementation Rules for Corporate Customer Information Protection</i> to set out the management requirements and division of duties for customer information protection and establish a mechanism for the protection of personal information throughout the life cycle, such as collection, storage, use,

	processing, transmission, provision, disclosure, and deletion. ● The Bank improved the working mechanism needed by the implementation of the <i>Personal Information Protection Law of the People's Republic of China</i>, made headway in many spheres such as the revision of contracts and systems, system transformation, and data security management, strengthened publicity and training efforts, and raised the legal awareness of personal information protection among employees.
Ensuring compliance and transparency	● The Bank continuously updated its privacy policy, listed the personal information that needs to be handled by the core business functions through the main service channels, informed customers of the rules for handling and protecting personal information, expressed the rights enjoyed and how the relevant rights were realized, and published such information through multiple channels, online and offline, for customers to review. ● The Bank revised all standard contracts, improved the clauses for personal information protection, and fulfilled the obligation to get informed consent in accordance with the law. ● The Bank published and updated the <i>Collection of Personal Comprehensive Banking Service Agreements (Frequently Used in Counter-Based Business)</i> in time for customers' reference.

[Case] Building the Fengqiao-style Financial Consumer Protection Service Station

The business department of Kizilsu Branch in Xinjiang set up the first Fengqiao-style financial consumer protection service station to build a one-stop financial consumer service platform that could integrate the functions of business policy notification & consultation, financial knowledge dissemination and education, straight-line consumer complaints handling, diversified resolution of disputes, enhancement of financial service experience, and display of the public-spirited image to improve the comprehensive governance capacity in terms of consumer protection. Since its establishment in 2022, the station solved 23 customer disputes and problems, with the customer complaint rate maintained at 0 and the customer satisfaction rate at 100%.

2. Enhancing financial literacy

While making routine and centralized financial literacy enhancement go in parallel, the Bank fully exploited the superior network of outlets, introduced various publicity channels, diversified financial education scenarios, responded to needs of the public, carried out financial literacy activities such as “Financial Knowledge Publicity

Month”, to enhance financial literacy and risk prevention awareness among consumers and create a good financial ecosystem. In 2022, it carried out more than 127,600 promotional activities of various forms at 22,000 business outlets, in which more than 670,000 staff members participated to reach nearly 800 million consumers. The Bank was awarded the “Excellent Organization of the Joint Financial Literacy Improvement Campaign” by the CBIRC.

[Case] Organizing the Launching Ceremony of the Joint Financial Literacy Improvement Campaign in China

On September 2, 2022, the “Months of Financial Knowledge Popularization, Financial Knowledge in Ten Thousand Households, Striving to be a Rational Investor and Good Financial Netizen” national campaign was held in Beijing by the Beijing Branch. At the launching ceremony, volunteers from institutions of the Bank disseminated financial knowledge, revealed common forms of financial fraud and showed how to prevent illegal finance through a variety of engaging activities such as scene play, chorus, poetry recitation, and Peking Opera performance to enhance financial literacy among consumers focusing on the hot issues in the field of financial consumption that society is concerned about and the public is interested in.



The launching ceremony of the “Months of Financial Knowledge Popularization, Financial Knowledge in Ten Thousand Households, Striving to be a Rational Investor and Good Financial Netizen” national campaign. (Photo by Beijing Branch)

[Case] Financial Literacy Helps Seniors Cross the “Digital Divide”

Shandong Branch, together with the PBOC Jinan Branch, Ji’nan University for the Aged, Daguangyuan Sub-district Office of Shizhong District, and other units, carried out the “Promoting Financial Literacy and Keeping the Wallet Safe/Financial Literacy for the Elderly in the Community” activity. Through a variety of means such as the arrangement of exhibition boards, distribution of promotional materials, playing of financial knowledge videos, cultural performance, prize quiz, and interaction, staff members patiently answered the questions from older people, disseminated financial knowledge to them, and showed them how to make digital payment and raise anti-fraud awareness.

[Case] Holding a Campus Seminar on Financial Knowledge for Preventing Illegal Finance and Fraud

Shijiazhuang Branch in Hebei, together with Hebei GEO University and Yuhua District Anti-fraud Center of Shijiazhuang, organized a financial knowledge seminar

on the theme of “Preventing Illegal Finance and Fraud” in the form of live-broadcasting, where anti-fraud and related knowledge was disseminated through PPT presentation and citation of anti-fraud cases. All students and teachers of Hebei GEO University attended the seminar via video link. With an attendance of over 15,000, the activity improved the awareness of anti-fraud among students and teachers and helped create a civilized, safe and harmonious campus.



Yunnan Branch employees send financial knowledge to the village at the foot of Yunling Mountain precisely. (Photo by Luo Zongrui)



Lishan Sub-branch in Anshan, Liaoning carries out the “Little Banker” activity. (Photo by Zhang Qionguo)



Alitesong Sub-branch in Tibet carried out rural mobile service, and customer managers sat on the floor to popularize financial knowledge for farmers and herdsmen. (Photo by Basang Tsering)

3. Improving customer service experience

Upholding the service philosophy of “Customers First and Always”, the Bank innovated service modes to build a smart bank with first-class customer experience. In 2022, the customer satisfaction rate for remote banking reached 99.73%.

(1) Providing more considerate financial services

The Bank implemented the “service improvement” project, created the “Warmth of Love” service brand, optimized the service standards and processes, and strove to provide customers with more convenient and efficient quality services. By the end of 2022, the Bank had a total of 21,000 “Warmth of Love” outlets, of which 12 were awarded “the Model Outdoor Workers’ Service Stations” by the All-China Federation of Trade Unions.

[Logical Diagram] Initiatives to Build the “Warmth of Love” Outlet Service Brand

Promoting top-level design

- Issued the *2022 Work Plan for the Service Improvement Project/Plan for Creating/Building the “Warmth of Love” Outlet Service Brand* to continuously improve customer experience and outlet services.

Regulating service measures

- Issued the *User Manual for the “Warmth of Love” Outlet Service Brand* to standardize the outlet service facilities and items equipped, which included 11 basic service facilities such as cell phone chargers, umbrellas, and water fountains, and provided a number of considerate services like giving directions, emergency contact, and door-to-door counseling.
- In addition to standard services in the lobby, calling on outlets to reach seven criteria for considerate services, that is, “greeting at the door, service with a smile, assistance for the elderly and the weak whenever needed, conciliation for customers waiting in line, reminding customers when it’s their turn, efficient business handling, and saying goodbye to customers”. In 2022, the Bank provided various types of convenient services for 600 million customers.

Setting examples for others to follow suit

- Carrying out the solicitation of “Warmth of Love” outlet service stories, model outlets, model individuals, etc. to set good examples and further promote/enhance the service image of outlets.

[Case] Launching the “Online Card Customization and Issuance” Project

Firmly oriented to product innovation, the Bank launched the “Online Card Customization and Issuance” project, in which customers could apply for debt cards online and customize their card number and face as a solution for the problems of identity authentication and card number selection, thus improving customer service capabilities. By the end of 2022, the project was piloted in Henan, Beijing, Shaanxi and Shenzhen branches, with the scope of application to be further expanded in the future.



The plaque unveiling ceremony for the outdoor workers' service stations co-created by the Bank and the All-China Federation of Trade Unions/the “Warmth of Love” outlet brand launching ceremony takes place in Beijing. The photo shows Wang Jingdong, then Chairman of the Board of Supervisors of the Bank, attending the event and accepting the plaque. (Photo by Operation Management Department)



Guangdong Branch and a local community jointly set up a convenient service station called “Feng Xiang Station” to provide considerate services for outdoor workers such as deliverymen and take-away riders. (Photo by Guangdong Branch)



Panjin Branch in Liaoning, in cooperation with the Panjin City Federation of Trade Unions, establishes the “Outdoor Workers’ Service Station” to provide drinking water and rest areas for sanitation workers, traffic police, and other persons working outdoors. (Photo by Zhao Mingyue)



Xinjiang Production and Construction Corps Branch sets up “Warmth of Love” stations at its outlets to offer customers rest areas along with some commonly used items such as photocopiers, glasses, and face masks. This move is well received by customers. (Photo Bian Changyan)

(2) Care for special groups

Paying great attention to the financial well-being of special groups, the Bank formulated the *Work Guidelines for Outlets to Serve Special Groups and the Elderly* and other documents, committed to providing user-friendly and personalized financial services for older people, migrant workers, ethnic minorities, veterans, people with disabilities, etc. In 2022, it put in place 10,230 sets of super counters, self-service cash machines and ATMs in minority languages, and provided door-to-door services for special groups more than 280,000 times.

[Case] Starting the Card-type Veteran Preferential Treatment Certificate Project

In cooperation with the Ministry of Veterans Affairs of China, the Bank developed and launched the preferential treatment certificates for veterans and eligible groups. It worked with service stations for retired military personnel across the country to support customers to apply for such certificates conveniently. It optimized the processes of card making, card issuance and account opening, and introduced the service of reissuing cards on a non-local basis to improve the service experience, which was highly recognized by customers. At the same time, the Bank also developed a portrait photographing applet of the preferential treatment cardholders, offered door-to-door account opening service, coordinated efforts to meet the demands of special groups, and opened up fast application channels.

[Case] Cooperating with CDPF to Provide Financial Services for the Disabled

In 2022, the Bank and the China Disabled Persons' Federation (CDPF) co-issued the *Notice on Financial Services for Persons with Disabilities*, to provide financial services for persons for three types of key service targets, that is, persons with disabilities, family members of persons with disabilities, and entrepreneurial individuals leading persons with disabilities to increase income. The primary-level CDPF organizations relied on their extensive contact with disabled persons and the “ABC e-Customer Referral” scenario platform developed by the Bank, to carry out online recommendations and get related information directly connected to the credit

system of the Bank. Account managers of the Bank paid door-to-door visits and extended loans with preferential interest rates to families with disabilities, with a view to meeting their pressing needs. There emerged a financial assistance service mode in which employees of the Bank would go to families with disabilities and grant them loans upon online recommendation of CDPF organizations. Since the launch of the cooperation initiative, the financial assistance service has become available in 29 provinces (autonomous regions and municipalities directly under the central government), covering nearly 900 counties (including 145 key counties receiving assistance for rural revitalization) and providing loans for more than 2,000 families with disabilities. Therefore, it has been highly recognized by CDPF organizations at all levels and widely praised by disabled people.

[Case] Going All out to Serve the Elderly Customers

Lishui Branch in Zhejiang strove to create a financial atmosphere of “facilities friendly to the elderly, services benefiting the elderly, and cultures respecting the elderly”, where the elderly could gain a greater sense of fulfillment, security and happiness in the financial field. Its business premise is always equipped with presbyopic glasses, hearing aids, magnifying glasses, wheelchairs and other tools, as well as barrier-free waiting areas, so that the elderly with reduced mobility could move smoothly. It has put the city’s first barrier-free ATM machine in its 24-hour self-service area, and allowed older people aged over 65 to take sequence numbers that started with “Z”, a design that ensured that the service personnel could identify and take care of senior customers. In short, the branch did everything possible to create more convenient financial service scenarios for elderly customers.



An account manager of Lishui Branch in Zhejiang is serving elderly customers.
(Photo by Guo Yiwen)

[Case] Visiting the Construction Site of the Sichuan-Tibet Railway Project to Provide Much-needed Financial Services

Kangding Sub-branch in Ganzi, Sichuan sent a team of core business personnel along with mobile equipment, brochures, etc., to station at the construction site of Kangding Erdao Bridge Tunnel in the Ya'an-Linzhi section of the new Sichuan-Tibet Railway project, contracted by China Railway 12th Bureau Group Co., Ltd. The team provided considerate financial services such as bank card issuance, mobile banking business, and SMS for migrant workers on the construction site. It provided door-to-door

services 15 times and issued 944 payroll cards to migrant workers, winning the high recognition of customers.

“The move of sending financial services to the construction site could help migrant workers meet their financial needs, enable the company to ease its management pressure, and cause no delay to the construction schedule.”

-- Mr. Yang, a section head from the China Railway 12th Bureau Group Co., Ltd.



Jinchuan Sub-branch in Chifeng, Inner Mongolia organizes employees to learn sign language, with a view to better serving the hearing impaired people. (Photo by Jiang Xiaoli)



Employees from Pulan County Sub-branch in Ali, Tibet provide wheelchairs for customers with reduced mobility and arrange them to handle related businesses through special service passages. (Photo by Ciren Jiba)



Employees from Weihai Branch in Shandong are praised for their door-to-door services to old war heroes. (Photo by Ju Lingling)

iv. Empowering Growth and Development of Employees

The Bank regards talent as its primary resource, tries its best to create a comfortable workplace environment and build a diversified development platform, meets the needs of employees to be self-fulfilling, and generates a synergy to grow and develop together with employees.

1. Supporting employee career development

Implemented the strategy of developing a quality workforce in the new era, pursued an approach to all-around personnel training, introduction and use, focused on turning out the compound, high-level, innovative talent and the personnel in dire need, and led the comprehensive development of various types of talent at all levels.

[Honors]

- Three outstanding institutions and two outstanding employees were awarded the “National May Day Labor Certificates and Medals” and the “National Worker Pioneer”.
- 17 outstanding institutions and 58 outstanding employees were awarded the “National May Day Labor Commendations and Medals for Finance Sector” and the “National Financial Pioneer”.
- Four outstanding institutions and six outstanding employees were awarded the “National May Day Women’s Financial Pacesetter Station for Financial Sector” and “National May Day Women’s Financial Pacesetter for Financial Sector”.
- 150 outstanding institutions and 118 outstanding employees were awarded the “May Day Labor Certificates and Medals of Agricultural Bank of China” and the “Worker Pioneer of Agricultural Bank of China”.
- Five employees were selected as “Global Outstanding Employees of Agricultural Bank of China”.

(1) Optimizing the talent development systems and mechanisms

Formulated the talent development plan in the 14th Five-year Plan period, strengthened top-level design, deployed a number of major talent projects and special talent programs, and coordinated talent team building across the Bank. Issued the notice about building a categorized and graded pool of professional talent, innovated talent training modes, and trained professional talents in FinTech, marketing, emerging business, rural revitalization, green finance, and other fields. Revised the management measures for the selection and recruitment of professional post holders and optimized the talent promotion mechanisms to broaden the space for talent development. Provided new means of training to strengthen team building by relying on the online knowledge contest system. In 2022, 348 knowledge contests of various kinds were held with an attendance of over 57,000.

[Case] Holding A Legal Knowledge Contest for Staff

To enhance the legal awareness among all staff members, the Bank held a legal knowledge contest for employees, in which about 100,000 employees of the Head Office and branches participated. The contest was widely carried out by units through the formulation of separate incentive mechanisms, selection of contestants on merit,

mock tests, and clarification of the participation ratio of non-legal staff to achieve the purpose of promoting learning and application of legal knowledge in a law-biding atmosphere.



Zhang Yi, then Vice President of the Bank, attends and addresses the final round of the legal knowledge contest for employees. (Photo by Qiang Zhe)

(2) Strengthening the training and selection of young managers

The Bank strictly implemented the criteria for good officials in the new era, worked hard to train and select outstanding young managers, intensified ideological refinement, political testing, hands-on practice and professional training for them, and continuously enhanced their skills to promote high-quality development, serve the people, and guard against financial risks.

Main Initiatives

- Improved the regular training and selection mechanism for outstanding young managers, newly selected more than 4,900 outstanding young employees.
- Implemented the “Manager Team Building Project” to build a pool of outstanding young managers, which could consist of 500 managers directly under the Head Office, more than 5,000 division-level managers, and more than 28,000 section-level managers.
- Pressed ahead with the “Working at the Primary Level” campaign among young officials, in which the Head Office sent 274 young managers to work at the primary level, have inter-provincial and inter-divisional exchanges, and hold government posts in an acting capacity.
- Increased staffing to serve major national strategies for regional development and rural revitalization, and took rural revitalization as a broad stage to train managers.

[Case] Strengthening the Training of Outstanding Young Managers

The Bank attaches great importance to the work related to young managers and strives to build a team of outstanding young managers who are politically strong, sufficient in number, and excellent in competence. For the second consecutive year, it provided the “Financial Executive Management Training (EMT) Program” for young managers born in the 1980s to empower young managers in their self-improvement efforts.

Enriching the training content. A four-pronged training system was built, through which more than 30 experts and more than 10 bank leaders at the Head Office and branch levels were invited to answer questions from young managers and pass experience on to them.

Innovating training forms. Set up the “Trainee Forum”, organized thematic seminars, cited advanced leadership cases of branches in teaching activities, and held seminars for trainees guiding them to improve their quality and bring back useful management experience to improve the business management standards of the institutions to which they belong.

Optimizing the training organization. Designed a five-pronged learning approach that encompassed online lectures, on-cloud self-study sessions, reading activities, classroom teaching, and action sharing. Adopted the points management measures to create a good atmosphere where learning from each other is advocated.



Employees in two places could study together through the video system. (Photo by Lang Changbing)

(3) Reinforcing personnel training and development

The Bank trained all kinds of talents in a tiered and categorized way, and carried out key training projects to create a workplace where everyone could succeed by achieving their fullest potential.

Main Initiatives

Special Training on Strategies	● The Bank formulated the <i>Education and Training Plan</i> with topics such as “Rural Revitalization”, “Green Finance”, “Digital Operation”, and “Talent Training” to give penetrating policy dissemination training on three strategies. By the end of 2022, the Bank held 17,000 training sessions with an attendance of 1.46 million. ● The Bank organized 24 alternative training sessions on the topics of “dual carbon” goal and green finance for all heads of tier-1 sub-branches, which posted an attendance of 2,500, bridging the
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	“last mile” gap in communicating the guiding principles and work arrangements made by the CPC Central Committee and the State Council. ● The Bank launched a series of live-streamed courses “Account Manager Dream Factory”, built an innovative “Account Manager Learning Cockpit”, and created a series of “Voyage” online training sessions for young employees. ● The Bank conducted 64 online discussions on topics such as consumer protection, ESG, green finance, and care for female employees throughout the year, delivering quality training resources from the Head Office directly to the front-line and primary-level employees.
Improving the online training system	● The “ABC e-Learning” platform was optimized and upgraded to provide employees with a better online learning experience. By the end of 2022, nearly 15,000 courses were available and nearly 4,000 examinations were conducted on the platform, with all employees accessing online learning. ● The Bank built intelligent classrooms and studios, strengthened the organization and management of online intensive training, and continued to enhance the quality and efficiency of such training. ● The Bank increased the supply of quality learning resources, introduced 1,718 audio books and courses from outside, explored an internal lecturer training mode, independently developed 9,967 courses, and compiled 30 job qualification examination textbooks and other learning materials.
Carrying out compliance culture training	● The Bank extensively carried out a series of special training courses such as compliance culture spreading, interpretation of employee code of conduct, courses on Party conduct and improvement, AML compliance management, and confidentiality knowledge dissemination to enhance employees’ compliance awareness and skills.
Enhancing professional qualifications of employees	● The Bank promoted the construction of knowledge system of post qualification certification examination, and 392,200 people participated in the post qualification certification examination, and 598,400 people with certificates completed follow-up education and on-the-job learning. ● The Bank encouraged employees to obtain 40 professional qualifications at home and abroad, including the Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), Association of Chartered Certified Accountants (ACCA), Certified Anti-money Laundering Specialist (CAMS), by providing continued support for employees in their after-work

	learning activities.
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Training Indicator

Name of indicator		2022
Participation in training (10,000 Person/times)		146
Employee training coverage (%)		99.1
Employee training coverage by gender (%)	Male	98.8
	Female	99.5
Employee training coverage by employee type (%)	Staff from tier-2 branches or above	98.5
	Staff from institutions below tier-2 branches	99.3
Average length of employee training (Hours)		117.6
Average length of employee training by gender (Hours)	Male	111.9
	Female	124.6
Average length of employee training by employee type (Hours)	Staff from tier-2 branches or above	111.3
	Staff from institutions below tier-2 branches	119.3



The Bank innovatively adopts the mode of “online live-streamed lectures in

universities and offline intensive training for branches” to organize the training on “dual carbon” goal and green finance. (Photo by Zhao Boyang)

2. Protecting Essential Rights and Interests of Staff

Sticking to the “people-oriented” concept, the Bank respects and protects the legitimate rights and interests of employees, improves and enriches the staff benefits system, values democratic communication with employees, and listens to the voices of employees, to build harmonious and stable labor relations.

(1) Equal employment

In strict accordance with the *Labor Law*, the *Labor Contract Law*, and other national laws and regulations related to labor and employment, the Bank eliminates discrimination against ethnicity, race, gender and religious beliefs, enters into labor contracts with employees in accordance with the law, and provides equal and fair career opportunities for employees, effectively protecting the legitimate rights and interests of employees.

Actively answering the call of the central government to implement the national policy for prioritizing employment, the Bank strove to expand employment, assumed CSRs, and achieved comprehensive coverage of colleges, majors, and jobs. It made every effort to provide a broad employment space for graduates at different academic levels and from different professional backgrounds. The Bank continuously increased investment in rural revitalization, and recruited more staff members in county areas and attract graduates to return to their hometowns for employment. In 2022, the Bank hired more than 24,000 persons, with the labor contract signing rate reaching 100%.

Staff Structure

Name of indicator	2022
Number of employees (Formally contracted) (Person)	
Total number	452,258
Female	205,148
Male	247,110
By type of employment (Person)	
Formally contracted workers	452,258
Dispatched workers	7,306
By age (Person)	
Aged 30 and below	96,583

Aged between 31 and 40	110,549
Aged between 41 and 50	103,269
Aged 51 and above	141,857
By education background (Person)	
PhD	580
Master	37,565
Bachelor	263,507
Diploma of junior college and vocational technical schools	125,365
Below junior college	25,241
By region (Person)	
Head Office	13,640
Yangtze River Delta	63,423
Pearl River Delta	50,300
Bohai Rim	64,118
Central China	92,566
Northeast China	41,523
Western China	117,321
Overseas branches and representative offices	752
Comprehensive operation subsidiaries and rural banks	8,615
Employee proportion (%)	
Proportion of female employees	45.36

Proportion of ethnic-minority employees	8.78
Employee turnover	
Employee turnover rate (Overall)	1.04
Work-related injury	
Work-related casualties (Person)	17
Ratio of work-related casualties (%)	0.004
Number of working days lost due to work-related injury incidents (Day)	38,830
Creation of jobs	
On-campus recruitment (Person)	23,594
Off-campus recruitment (Person)	78
Recruitment of the demobilized (Person)	414
Dispatched workers (Person)	1,614
Others (Person)	27

(2) Salary and benefits

The Bank built an institutionalized and standardized salary and benefits system, upheld the principle of equal pay for equal work between men and women, continuously optimized and improved the salary incentive mechanism, and provided reasonable salaries. In strict accordance with national laws and regulations, it bought employees social security insurance and housing provident fund as well as supplementary medical insurance and enterprise annuity, and ensured employees could take paid annual leave in accordance with national regulations. All employees of the Bank were covered by social security insurance in 2022.

(3) Democratic management

The Bank improved the democratic management system in the form of employees' congress, and consulted the staff or staff representatives in accordance with the regulations when formulating, modifying or deciding on policies and measures or programs on major matters of immediate interest to the staff. It smoothed the channels for the expression of employees' demands, coordination of interests and protection of rights and interests, and realized equal dialogue and common development with employees. The representatives of the employees' congress increased effective communication with the staff through smooth channels such as face-to-face talk, phone call, and the Internet, and collected more than 700 suggestions in the areas of

health, growth, burden alleviation and home building.

The Bank respected and safeguarded employees' rights to know, participate, express and supervise, and organized employee representatives to review and forward opinions and suggestions about the *Measures for Handling Employee Violations of Agricultural Bank of China (Draft for Review)* and other policies.



The Fourth Session of the Fifth Employees' Congress held by Jiangsu Branch. (Photo by Yu Yiqi)

3. Taking care of employees' well-being

Always taking good care of employees and bearing their demands in mind, the Bank pushed forward the “five actions” to care for primary-level employees and the building of “Workers' Homes”, gradually improved the living conditions of employees, and continuously carried out various types of cultural activities to enrich the after-work life of employees and enhance their sense of well-being.

(1) Making the physical and mental health of employees a top priority

The Bank organized employee health checkups on a regular basis to raise health awareness of the staff, and provided a healthy and safe working environment for employees. In 2022, 94.64% of employees at the Head Office had health checkups.

Main Initiatives

- **Building a health guarantee system.** Each tier-1 branch spent 10% - 20% of the supplementary medical insurance funds on serious illness relief and serious illness insurance, to form a four-in-one health guarantee system composed of “basic medical insurance + supplementary medical insurance + serious illness relief + serious illness insurance”.
- **Paying attention to the mental health of employees.** The Bank organized physical and mental health checkups for employees, conducted a survey on reading and psychological guidance needs, invited psychologists to record ten psychological counseling courses, and played the courses on the “Sunshine e-Station” psychological care platform, which drew more than 3 million view counts.
- **Supporting women's health in the workplace.** The Head Office provided hygiene products for female employees and strengthened the daily management

of nursing rooms to create a healthy and convenient working environment for female staff. In 2022, 84% of the Head Office's female employees across the Bank received special health checkups.



Shenzhen Branch invites professional emergency services to give a lecture on the CPR basics and the use of an automated external defibrillator (AED), so that employees could grasp first aid knowledge and skills. (Photo by Xie Huangyu)

(2) Promoting the building of “Workers’ Homes”

The Bank further built “Workers’ Home” facilities at the primary level, supplemented and improved related facilities according to a three-year plan, prepared the *Space Design Plan for Workers’ Home Facilities at Outlets (Trial)*, promoted the construction of “Workers’ Homes” in units with demand and conditions, and supported branches in supplementing and improving “Workers’ Homes’ facilities in branches to further improve the working and living conditions for primary-level employees.

In 2022,

upgraded or renovated 2,894 “Workers’ Homes”

built 4,747 separate functional areas such as “five small” facilities and lunch break rooms

newly built and renovated 651 female employee care (nursing) rooms

installed 90 sets of water purification equipment, put in place five hyperbaric oxygen chambers, and renovated 41 latrines for outlets in alpine areas



Liu Jiawang, Vice President of the Bank, goes to Xiushan County, Chongqing to survey and provide guidance for the work of targeted assistance, and visits the employees stationed by the Head Office and branches to work in the county. (Photo by Gong Xuejia)



The Workers' Home of Liaoning Branch. (Photo by Zhang Qionguo)



Yangzhou Branch in Jiangsu builds an audio reading room for employees. (Photo by Sun Zhenxing)

(3) Visiting and offering assistance to employees in need

The Bank took care of and provided assistance for employees in difficulty, paying visits to employees with disabilities due to work-related injuries, family members of employees killed on duty, retired employees, model workers in difficulty, and single-parent female employees, etc. and promptly distributing allowances and supplies to them. In 2022, the Bank's staff care and assistance covered 122,886 person-times.



Linyi Sub-branch in Dezhou, Shandong visits retired employees. (Photo by Zhang Tian)

(4) Enriching the cultural life of employees

The Bank carried out a wide range of cultural activities for employees, including a brisk walking called “Embarking on a New Journey after the 20th CPC National Congress” and a solicitation of cultural and artistic works with the theme of “Telling Our Story Well”, to showcase the charm of employees and create a relaxing working atmosphere.

[Case] Launching the “Yueshu Academy” Online Training Program

With the theme of “Enjoying Work and Life at the Same Time”, the online training program “Yueshu Academy” was launched by the Head Office Labor Union for all female employees of the Bank to help them sharpen professional competence and skills, broaden their vision, and better adapt to the development requirements in the new era through a series of courses related to cultural attainment, health, family bond, and aesthetics. By the end of 2022, the program introduced eight special courses, with an attendance of 1.74 million, which were recognized and loved by female employees.



Changsha Branch in Hunan conducts a cloud-based rope skipping competition. (Photo by Peng Weilin)



Xilingol Branch in Inner Mongolia holds an ice race for employees. (Photo by Hai Rihan)



Xingye Sub-branch in Yulin, Guangxi carries out the police-bank staff running activity around the lake. (Photo by Liang Yuanxian)



Yinzhou Branch in Ningbo holds a large outdoor team building activity. (Photo by Qu Jiaying)



Shaanxi Branch carries out a staff walking activity. (Photo by Liu Juan)

v. Undertaking Public Benefit Initiatives

The Bank has been deeply involved in the field of social welfare for a long time. While carrying out innovative public welfare practices, it continuously undertook a diversity of public benefit projects, and encouraged employees to actively participate in public interest volunteer activities, serving and repaying society with concrete actions and sharing dividends of development with others.

1. Public interest volunteer activities

The Bank continued to spread the spirit of volunteering and build volunteer teams. Focused on education, environmental protection, elderly care, and other public welfare fields, it carried out featured public benefit activities such as “From Small Points to Big Dreams” and “My Voice, Your Eyes” to help build a harmonious society. In 2022, 3,673 volunteer teams were organized to conduct 12,165 public interest volunteer activities where 84,700 employees participated to provide more than 180,000 hours of voluntary service.

[Logic Diagram] Featured Public Interest Practices

“Mother Health Express” public benefit program

In 2022, the Bank donated RMB 5 million to the China Women’s Development Foundation’s “Mother Health Express” program, which would be used to purchase 28 medical vehicles, medical equipment, and first aid kits. The program is to send medical vehicles to less developed areas where they could provide local women, children, and families with medical services such as health check-ups, disease treatment, and maternal health care.



Medical vehicles in the "Mother Health Express" public benefit program. (Photo by the Labor Union Work Department)

“From Small Points to Big Dreams” youth volunteering action

The Bank’s Youth League Committee, together with the China Youth Development Foundation, launched the “From Small Points to Big Dreams” youth volunteering action. Focused on the western region and the key counties receiving assistance for rural revitalization, it in 2022 provided schooling subsidies for 800 left-behind children and donated money to build “Happy Reading Corners” in 16 rural primary schools, on which RMB 1.1 million was spent. In the seven years since its launch, the program used cardholder points and social donations for public welfare undertakings. It raised a total of RMB 5,796,700, funded the establishment of reading corners for 631 classes in 106 schools, provided scholarships for 2,696 children from poor families in rural areas, and built about 905 Mu of “ABC Youth Forest” and three “Youth Homes”.



Youth volunteers of the Bank participate in the “From Small Points to Big Dreams” youth volunteering action. (Photo by the Labor Union Work Department)

“My Voice, Your Eyes” campaign to help the blind

Since its establishment, the Bank’s “My Voice, Your Eyes” volunteer team has cooperated with the Hong Dan Dan Service Center for the Visually Impaired for 9 consecutive years to provide volunteer services such as movie narration, accompanying trips, and recording audio books. By the end of 2022, the team narrated 95 movies, recorded audio books with nearly one million words, and written scripts in nearly two million words. It provided over 9,600 hours of volunteer services, which directly benefited over 8,700 visually impaired persons.



The volunteer team carries out activities to help the visually impaired. (Photo by Ye Lvlai)

[Case] Holding a Series of Public Interest Activities in NTN Region

Hong Kong Branch sponsored the Social Service Division of the Hong Kong Council of Social Service to organize a series of public interest activities for primary-level families in the New Territories North (NTN) region, including six movie night sessions, 12 parent-child workshops for environmental protection and a Thanksgiving Day celebration, to tighten the bond of primary-level families and promote cultural exchange between Hong Kong and the Mainland.



Hong Kong Branch holds a movie night as part of the public interest activities in the NTN region. (Photo by Hong Kong Branch)

[Case] Helping Vancouver’s Charitable Organizations to Carry out Public

Interest Activities

The preparatory group of Vancouver Branch donated to the local hospital foundation and made monthly donations to the local charitable organizations for underprivileged children to help them realize their dreams. Before Christmas, all employees were encouraged to participate in the Shoebox Project, which provided necessities for homeless women by donating shoeboxes of toiletries, gloves and chocolates, etc. to fulfill social responsibilities.



Xiamen Branch donates money to build Chaba-Xiamen ABC Primary School in Linxia, Gansu Province, as part of its continued “one-to-one” education aid efforts.
(Photo by Huang Jianlin)



Hebei Branch carries out a tree planting activity in March. (Photo by Hebei Branch)



The volunteer service team of Fengze Sub-branch in Quanzhou, Fujian carries out a

garbage pickup campaign in local scenic areas. (Photo by Zhuang Ying)



Employees of Laiwu Branch in Shandong actively donate blood. (Photo by Wu Xiujin)

2. Disaster relief

Faced with natural disasters like floods, droughts, and earthquakes as well as emergencies, the Bank immediately launched the emergency protection mechanism, under which it would go all out to provide financial services and make timely donations to the affected areas while ensuring the safety of its employees and property, in the hopes of tiding over the difficulties with the affected areas and people.

Internal rules and policies such as the *Measures for the Management of Donations of Agricultural Bank of China* were formulated to regulate external donations. In 2022, the Bank made external donations worth RMB 107.17 million.

[Case] Helping drought relief through “finance”

Since the summer of 2022, due to continuous high temperatures and a significant decrease in precipitation, many counties and cities in Hubei Province have experienced different levels of drought. Faced with the severe situation of drought relief, Hubei Branch has maintained close communication with local departments of water conservancy, agriculture and rural areas to keep track of the financial needs of drought relief, set up a financial service team for drought relief and stable yields, opened up a green channel for financial services, unblocked online and offline lending channels, supported drought relief projects (such as farmland water conservancy and drinking water projects), and assisted Hubei Province to fight against drought and ensure stable yields.

[Case] Joint fight against typhoon

In July 2022, Typhoon Muifa came menacingly. Ningbo Cixi Branch quickly entered an emergency state, and arranged its external business outlets in time to make every effort to provide financial services to customers on typhoon days. For customers unable to handle business at outlets, green service channels were opened, and online services were made available for customers via mobile banking and enterprise WeChat, so as to respond to customer needs at the first time. Party members' vanguards and youth commandos were set up in various outlets to go to the surrounding temporary refuge centers to assist villages and towns in coordinating order, and delivering mineral water, instant noodles, toothpaste, toothbrushes and

other necessities to the people in the refuge centers, highlighting the "human touch of ABC" in the special period.



Benxi Branch in Liaoning publicized disaster relief. (Photo by Wang Yimeng)

[Case] Supporting Earthquake Relief Efforts in Sichuan

On September 5, 2022, a 6.8-magnitude earthquake hit Luding County, Ganzi Tibetan Autonomous Prefecture, Sichuan. After the earthquake, Sichuan Branch started the emergency response mechanism immediately to support the rescue work with the local government.

Activating the emergency response mechanism. The branch set up a leading group and a commando team for earthquake relief, adopted emergency response measures, promptly checked employees, physical assets and network lines, and sent two working teams to Luding County and Moxi Town for earthquake relief.

Opening up a green lane. The branch opened up a green lane of financial services, to meet the funding needs of the prefecture for emergency response, and reassigned a financial services vehicle from Baiyu County to serve the disaster-stricken areas.



Ganzi Branch in Sichuan sends a financial service vehicle to help the disaster-hit areas. (Photo by Ye Quan)

Introducing support policies. The branch rolled out the credit policy in support of post-earthquake reconstruction and put forward 20 financial measures, which included “renewing the existing loans of the affected customers as much as possible” and “granting loans, making investments, and forgoing profit to new eligible customers as appropriate as possible” to provide convenient, efficient and strong financial support for earthquake relief and post-disaster reconstruction.

[Case] Helping to Extinguish Wildfires in Chongqing

In August 2022, extreme high temperatures led to wildfires in some areas of Chongqing. Branches and sub-branches of the Bank in Chongqing moved fast to set up a volunteer team in support of the fight against forest fires. Informed of the latest development of the fires, it gathered supplies from various sources and provided food for those on the front line, doing its bit to help deal with the crisis.



Beibei Sub-branch in Chongqing delivers relief supplies to the fire-fighting forces.
(Photo by Hou Azhe)

[Case] Getting Involved in Flood Relief in Many Places

In mid-June 2022, heavy rains lashed many places in China. The Bank acted swiftly and organized staff to participate in flood relief. While providing uninterrupted financial services, it helped to build a solid “dam” against floods.



The youth commando team of Leye County Sub-branch in Baise, Guangxi goes to Renli Village to help villagers with dredging. (Photo by Chen Deqing)



Employees stationed by Guangdong Branch in Qiaotou Town throw themselves in flood control. (Photo by Guo Zhiwei)



The staff of Xinjiang Sub-branch in Shangrao, Jiangxi get involved in the flood rescue in an assault boat. (Photo by Jiangxi Branch)

Ending

I. CSR Honors and Awards

China Banking and Insurance Regulatory Commission (CBRIC)	● Excellent Organization of the Joint Financial Literacy Improvement Campaign in the Category of Banking and Insurance Institutions in 2022
<i>The Asset</i>	● 2022 Digital Bank of the Year in the Category of FinTech and Digital Institutions ● 2022 ESG Platinum Award for Banks ● The Second Best Investment Institution in Asian G3 Currency Bonds for 2022
<i>Southern Weekly</i>	● 2021 Outstanding Responsible Enterprise of the Year ● 2022 Exemplary Responsible Enterprise of the Year ● 2022 Responsibility Governance Award of the Year
The Central Committee of the Communist Youth League of China, Ministry of Human Resources and Social Security of the People's Republic of China	● The Silver Prize in the Innovative Management Project Category in the 17th “Revitalization Cup” National Youth Vocational Skill Competition
<i>The Banker</i>	● 2022 Bank of the Year in China
<i>The Banker & Brand Finance</i>	● No. 3 on the rankings of 500 Most Valuable Banking Brands in the World ● No.1 in terms of brand value increase ● Top of the Most Valuable Retail Banking Brands in the World
<i>The Banker Magazine (China)</i>	● Top 10 Innovations in Risk Management ● Top 10 Innovations in Retail

	Banking ● Top 10 Innovations in Inclusive Financial Service ● Top 10 Innovations in FinTech
Shanghai Commercial Paper Exchange Corporation Ltd.	● 2021 “Excellent Market Institution” ● 2021 “Excellent Acceptance Institution” ● 2021 “Excellent Discount Institution”
China.com.cn	● 2022 Excellent Cases of Banking Industry in Serving Rural Revitalization
China Economic Information Service (CEIS) and Rural Economic Research Center, Ministry of Agriculture and Rural Affairs	● Typical Cases of Financial Support for Comprehensive Promotion of Rural Revitalization
China Foreign Exchange Trade System (CFETS)	● 2021 Best RMB Foreign Exchange Market Maker ● 2021 Best RMB Foreign Exchange Spot Market Maker ● 2021 Best RMB Foreign Exchange Forward/Swap Market Maker ● Outstanding Money Market Dealer of the Year 2022 ● Top of China’s Big Four Bans by Shibor Quotes
<i>21st Century Business Herald</i>	● 2022 Bank of the Year in Serving Rural Revitalization ● 2022 Excellent Retail Bank of the Year ● 2022 Digital Transformation Product of the Year
<i>Caijing Magazine</i>	● 2022 Sustainable/Green Award
<i>Financial Computerizing Magazine</i>	● Award of Outstanding Contribution

	to FinTech Ecosystem Building ● Award of Outstanding Contribution to Financial Channel Innovation
hexun.com	● 2022 Brand Impact Bank of the Year ● 2022 Excellent Mobile Banking of the Year
finance.sina.com.cn	● Most Influential Bank of the Year ● Bank of the Year in Rural Revitalization ● Bank of the Year in Carbon Neutrality Innovation ● Most Popular Mobile Banking of the Year ● Sustainable Enterprise of the Year
<i>Economic Observer</i>	● Trustworthy Wealth Management Bank ● Trustworthy Private banking ● Excellent Private Bank of the Year ● Bank of the Year in Inclusive Finance
CNABS.COM	● Most Popular Product Award for Sub-Investors
China International Fair for Trade in Services (CIFTS)	● “Global Service Practice Case” Award
China Academy of Information and Communications Technology (CAICT)	● Model Cases in Quality and Efficiency of Research and Operation ● Top 10 Cases in Innovative Application of FinTech ● Cases of Leading Companies and Outstanding Innovations
Shanghai Gold Exchange	● 2021 Best Market Maker for Inquiry Trading

	● 2021 Best Bid Trading Member ● Special Contribution Member of International Business in 2021
<i>National Business Daily</i>	● 2022 Inclusive Finance Award of the Year ● 2022 Private Banking Award of the Year
jiemian.com	● 2022 Excellent Commercial Bank of the Year
<i>China Times</i>	● Social Responsibility Award of the Year
ifeng.com, iFeng News	● Rural Revitalization Action Award
news.qq.com	● Outstanding Enterprises for Rural revitalization
<i>Retail Banking, Digital Banking</i>	● Best Retail Bank

II . Responsibility Commitment

The year 2023 is the first year to fully implement the guiding principles of the 20th CPC National Congress and build a modernized socialist country on all fronts, which also puts forward more demanding requirements for financial work. In this context, the Bank will take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, earnestly act on the decisions and deployments made by the CPC Central Committee and the State Council, and facilitate high-quality development with quality financial services, in hopes of making greater contributions to the building of a modernized socialist country on all fronts.

Laying a Solid Foundation for High-quality Development	● Adhere to the leadership of party building, make persistent endeavors to improve Party conduct, enforce Party discipline, and combat corruption, and improve the system of full and strict Party governance at a faster pace. ● Make financial risk prevention and control further forward-looking and accurate, and spare no efforts to safeguard the security of assets.
Facilitating the Process of Chinese-style Modernization	● Deepen and expand financial services for rural revitalization, prioritize ensuring the financial supply in county areas and rural areas, strengthen financial support in key areas such as food security, income raising industries in rural areas, and building of beautiful villages where people love to live and start their businesses, continue to consolidate and expand the results achieved in poverty alleviation, and help build an agricultural powerhouse in every respect. ● Continuously increase the supply of loans to the manufacturing industry, especially medium- and long-term manufacturing loans. ● Comprehensively upgrade financial services in the fields of science, technology, and innovation to create a more diversified, professional and efficient service system.
Drawing a Beautiful Blueprint for Green and Low-carbon Development	● Thoroughly implement the “dual carbon” strategy, focus on increasing loan supply and bond investment in key areas such as clean energy, green infrastructure upgrading, energy conservation and environmental protection, and carbon emission reduction, and expand the scale of green finance. ● Innovate featured products of green finance, and continuously create a green financial brand with distinctive features
Meeting the People’s Financial	● Increase the supply of inclusive loans to expand the coverage of inclusive finance.

Expectations for a Better Life	● Press ahead with digital transformation to empower customers and primary-level outlets. ● Strictly abide by all labor laws and regulations, take good care of employees, effectively enhance the sense of belonging and satisfaction among employees, and seek common growth with staff. ● Encourage employees to participate in public interest volunteer activities and promote the routinized engagement in public welfare.
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III. Third-party Assurance

Appendix Basis of Reporting

1. Category 1: Direct greenhouse gas emissions (Tons of carbon dioxide equivalent):

Direct greenhouse gas emissions (Category 1) is the consumption of natural gas, liquefied petroleum gas, gasoline, diesel and coals consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels multiplied by the corresponding emission factors refer to the Fifth Assessment Report 2014 of the Intergovernmental Panel on Climate Change (IPCC).

2. Category 2: Indirect greenhouse gas emissions (Tons of carbon dioxide equivalent):

Indirect greenhouse gas emissions (Category 2) is the amount of electricity and heat purchased by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels multiplied by the corresponding emission factors, which refer to the Guidelines for Assessment Report on Greenhouse Gas Emission of Enterprises (for Trial Implementation) promulgated by the Ministry of Ecology and Environment.

3. Total greenhouse gas emissions (Tons of carbon dioxide equivalent): Total greenhouse gas emissions is the total sum of direct greenhouse gas emissions (Category 1) and indirect greenhouse gas emissions (Category 2).

4. Greenhouse gas emissions per capita (Tons of carbon dioxide equivalent/Person):

Greenhouse gas emissions per capita is derived by dividing the total Greenhouse gas emissions by the number of employees on the payroll corresponding to the scope of collection.

5. Electricity (kW h): Electricity is the total amount of electricity consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

6. Use of electricity per capita (kW·h/Person): Use of electricity per capita is obtained by dividing the total amount of electricity by the number of employees on the payroll corresponding to the scope of collection.

7. Natural gas (Cubic Meters): Natural gas is the total amount of natural gas consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

8. Use of natural gas per capita (Cubic meters/Person): Use of natural gas per capita is derived by dividing the total amount of natural gas by the number of employees on the payroll corresponding to the scope of collection.

9. Liquefied petroleum gas (Tons): Liquefied petroleum gas is the total amount of liquefied petroleum gas consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

10. Gasoline (Tons): Gasoline is the total amount of gasoline consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

11. Diesel (Tons): Diesel is the total amount of diesel consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

12. Power purchased (MkJ): Power purchased is the total amount of external purchased heat by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year.

13. Comprehensive energy consumption (Tons of Standard Coal): The comprehensive energy consumption is the consumption of natural gas, liquefied petroleum gas, gasoline, diesel, coal, electricity and heat consumed by the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels throughout the year, converted into standard coals based on

the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

14.Comprehensive energy consumption per capita (Tons of Standard Coal/Person): Comprehensive energy consumption per capita is derived by dividing comprehensive energy consumption by the number of employees on the payroll in the corresponding to the scope of collection.

15.Water consumption (Tons): The water consumption is the total amount of water consumed by the Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches throughout the year.

16.Water consumption per capita (Tons/Person): The water consumption per capita is derived by dividing the total water consumption by the number of employees on the payroll corresponding to the scope of collection.

17.Discharged wastewater (Tons): The discharged wastewater is the total amount of sewage discharged by the Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches throughout the year, calculated by multiplying the water consumption by 0.85. The calculation is based on the GB 50318-2017 Code for Urban Wastewater and Stormwater Engineering Planning of the People's Republic of China and relevant documents of the Bureau of Statistics.

18.Total assets (RMB 100 million): Total assets is the book value of total assets of Agricultural Bank of China Limited in the Group's consolidated financial statements as of the end of each year.

19.Total loans and advances to customers (RMB 100 million): Total loans and advances to customers represent the gross amount of loans and advances issued by Agricultural Bank of China Limited in the Group's consolidated financial statements as of the end of each year.

20.Non-performing loan (NPL) ratio (%): Non-performing loan ratio is calculated by dividing the balance of nonperforming loans (excluding accrued interests) by the total loans and advances to customers (excluding accrued interests).

21.Capital adequacy ratio (%): The capital adequacy ratio is calculated in accordance with the Capital Rules for Commercial Banks (Provisional) and other relevant regulations.

22.Net profit (RMB 100 million): Net profit is the amount of net profit in the consolidated income statement of the Group for each year of Agricultural Bank of China Limited.

23.Return on average total assets (%): Return on average total assets is calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.

24.Return on weighted average net assets (%): Return on weighted average net assets is calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the CSRC.

25.Total tax (RMB 100 million): Total tax equals the total of corporate income tax, value-added tax and other taxes actually paid by the Agricultural Bank of China Limited Group for the year.

26.Shareholders' equity (RMB 100 million): Shareholders' equity represents the total amount of total equity attributable to equity holders of the Bank and non-controlling interests in the consolidated financial statements of Agricultural Bank of China Limited as of the end of each year.

27.Shareholders' dividends (RMB 100 million): Shareholders' dividends represents dividends of ordinary shareholders for each year (tax included).

28.Social contribution per share (RMB): $\text{Social contribution per share} = \text{basic earnings per share} + (\text{Total tax} + \text{employee compensation and benefits} + \text{interest expense} + \text{amount of donations}) / \text{capital stock}$.

29.Total amount of donations (RMB 10,000): The total amount of donations is the amount of public welfare donations (for domestic organization only) by the domestic bank and branches of Agricultural Bank of China Limited. Public welfare donations are made to the public welfare, as defined in the Law of the People's Republic of China on Donations for Public welfare.

30.Number of domestic branches: The number of domestic branches includes the headquarters of the Head Office of Agricultural Bank of China Limited, Business Department of the Head Office, specialized institutions managed by the Head Office, training institute, tier-1 branches (including the directly subordinate branch), tier-2 branches (including the branch of the provincial capital city and business department of branches in provincial capitals), tier-1 sub-branches (including business departments of branches in municipalities, business departments of branches directly managed by the Head Office and tier-2 branches), foundation-level branch outlets and other establishments.

31.Number of county-level branch outlets: The number of county-level branch outlets includes tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the foundation-level establishments under their administration listed in the directory of County Area Banking Division under the jurisdiction of Agricultural Bank of China Limited.

32.Number of employees (Formally contracted) (Person): The number of employees (Formally contracted) refers to the total number of employees who hold labour contracts within the group of Agricultural Bank of China Limited, including those working in domestic branches, overseas branches, subsidiaries and representative offices, comprehensive operation subsidiaries and rural banks, excluding labour dispatch workers.

33.Proportion of female employees (%): Proportion of female employees is defined as number of female employees divided by the number of total employees (formal contracts). The number of female employees is defined as the number of female employees who hold labour contracts within the group of Agricultural Bank of China Limited, including those working in domestic branches, overseas branches, subsidiaries and representative offices, comprehensive operation subsidiaries and rural banks.

34.Proportion of employees of ethnic minority (%): Proportion of employees of ethnic minority is defined as number of ethnic minority employees divided by the number of employees (formal contracts). Specifically, the number of ethnic minority employees is defined as the number of ethnic minority employees who hold labour contracts within the group of Agricultural Bank of China Limited, including the total employees of domestic institutions, overseas branches, subsidiaries and representative offices, comprehensive operation subsidiaries and rural banks.

35.Number of County-level employees (Persons): The number of County-level employees include employees who hold labour contracts at tier-2 branches, tier-1 sub-branches, business departments of tier-2 branches and the primary-level establishments under their administration listed in the directory of County Area Banking Division, excluding labour dispatch workers.

36.Participation in training (10,000 Person/Times): Participation in training is defined as the total number of employees attending in all channels and offline training for which Agricultural Bank of China Limited sends formal notices.

37.Customer satisfaction rate (%): Customer satisfaction rate = $(1 - \text{the amount of dissatisfaction} / \text{the amount of participation}) \times 100\%$.

38.Customer complaint settlement rate (%): Customer complaint settlement rate = $(1 - \text{the number of outstanding customer complaints} / \text{total customer complaints}) \times$

100%. Customer complaints are customer complaints received through the 95599 channel of remote banking in domestic branches.

39.Total Huinong cards issued (10,000): Huinong cards include general debit cards and debit cards with social security functions, and the total number of Huinong cards issued is the total number of Huinong cards issued by domestic branches.

40.Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 poverty alleviation counties (%): Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 poverty alleviation counties = the number of counties covered by "Hui Nong Tong" e-machine in the 832 poverty alleviation counties / total number of counties in the program ×100%.

41.Balance of farmer loans (RMB 100 million): The balance of farmer loans includes the balances of micro loans for farmers (offline), personal loans to production and businesses in rural areas (offline), loans for farmers purchasing or building houses, and “Huinong e-Loan”, etc.

42.Balance of agriculture-related loans (RMB billion): The balance of agriculture-related loans consists of the balance of farmer loans, the balance of farming, forestry, animal husbandry and fishery loans (persons other than farmer households), the balance of loans to enterprises and organizations in rural areas, and the balance of agriculture-related loans to enterprises and organizations in cities.

43.Total county-level financial business loans and advances (RMB 100 million): Total county-level financial business loans and advances is the total loans and advances issued by Agricultural Bank of China Limited to county customers through all operating institutions located in counties and county-level cities (i.e. county areas) nationwide.

44.Balance of loans of village & township banks (VTBs) (RMB 100 million): Balance of loans of village & township banks is the loan balance issued by rural

banks, including Hubei ABC Hubei Hanchuan Rural Bank Limited Liability Company, ABC Hexigten Rural Bank Limited Liability Company, ABC Ansai Rural Bank Limited Liability Company, ABC Jixi Rural Bank Limited Liability Company, ABC Xiamen Tong'an Rural Bank Limited Liability Company and ABC Zhejiang Yongkang Rural Bank Limited Liability Company.

45. Balance of inclusive loans for small and micro enterprises (RMB 100 million): The balance of inclusive loans for small and micro enterprises was loans balance according to the Notice by the China Banking and Insurance Regulatory Commission on Further Promoting High-quality Development of Financial Services for Small and Micro Enterprises in 2021 (CBIRC [2021] No.49), the statistics standards were adjusted by removing data on bill discount and rediscount.

46. Balance of green credit (RMB billion): The balance of green credit is calculated according to the green financing caliber set by the CBIRC in 2020.

47. Total loans to western regions (RMB 100 million): Total loans to western regions is the total balance of loans and advances issued by the branches of Agricultural Bank of China Limited in Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

48. Balance of loans to ethnic minority areas (RMB 100 million): The balance of loans to ethnic minority areas is the total balance of loans and advances issued by the branches of Agricultural Bank of China Limited in Inner Mongolia, Guangxi, Tibet, Ningxia and Xinjiang (including Xinjiang Production and Construction Corps).

49. Number of green bonds underwrote (No.), and amount raising (RMB billion): The number of green bonds underwrote and the amount raising refer to the number of bond instruments underwritten by Agricultural Bank of China Limited in which the proceeds are used exclusively for financing or refinancing green projects that meet the prescribed conditions, and the amount raised by them.

50.Number of carbon neutral bonds underwrote (No.), and amount raising (RMB billion): The number of issues of carbon neutral bonds underwrote and the amount raising refer to the number of bonds underwritten by Agricultural Bank of China Limited that raised funds to meet the requirements of the Notice on Clarifying the Mechanism Related to Carbon Neutral Bonds of the China Interbank Market Dealers Association, and the amount raised by them.

51.Number of sustainability-linked bonds underwrote (No.), and amount raising (RMB billion): The number of sustainability-linked bonds underwrote and amount raising refer to the number of debt financing instruments underwritten by Agricultural Bank of China Limited that link the terms of the bonds to the issuer's sustainable development goals, and the amount raised by them.

52.Existing ESG-themed wealth management products (No.), the scale (RMB billion): Existing ESG-themed wealth management products were wealth management products, focusing on avoiding and exiting enterprises with poor ESG performance in the investment process, giving priority to investing in green and environmental industries such as clean energy, energy conservation and environmental protection as well as ecological protection, practicing social responsibility, helping green industries and promoting sustainable development, while committing to bringing sustainable excess returns to investors, with ESG contains in the product name. The scale refers to the balance of existing ESG-themed wealth management products as at December 31, 2022.

53.Existing ESG-themed investment funds (No.), the scale (RMB billion): Existing ESG-themed investment fund refers to the ESG-themed investment fund managed by ABC-CA Fund Management, and the main investment assets are green energy-related entities. The scale refers to the size of existing ESG-themed investment funds as at December 31, 2022.

Independent Limited Assurance Report

[Auditor's Report No. 2300050]

Board of Directors of Agricultural Bank of China Limited:

Entrusted by the Board of Directors of Agricultural Bank of China Limited, we carried out a limited assurance engagement on the selected key data of 2022 (hereinafter referred to as “key data”) disclosed in the Corporate Social Responsibility Report 2022(“2022 CSR Report”) of Agricultural Bank of China Limited (“the Bank”).

I.Key data

In this report, a limited assurance procedure was implemented for the following key data of 2022 CSR Report of the Bank:

- Category 1: Direct greenhouse gas emissions (Tons of carbon dioxide equivalent)
- Category 2: Indirect greenhouse gas emissions (Tons of carbon dioxide equivalent)
- Total greenhouse gas emissions (Tons of carbon dioxide equivalent)
- Greenhouse gas emissions per capita (Tons of carbon dioxide equivalent/Person)
- Electricity (kW·h)
- Use of electricity per capita (kW·h/Person)
- Natural gas (Cubic Meters)
- Use of natural gas per capita (Cubic meters/Person)
- Liquefied petroleum gas (Tons)
- Gasoline (Tons)
- Diesel (Tons)
- Power purchased (MkJ)
- Comprehensive energy consumption (Tons of Standard Coal)
- Comprehensive energy consumption per capita (Tons of Standard Coal/Person)
- Water consumption (Tons)
- Water consumption per capita (Tons/Person)
- Discharged wastewater (Tons)
- Total assets (RMB 100 million)
- Total loans and advances to customers (RMB 100 million)
- Non-performing loan ratio (%)
- Capital adequacy ratio (%)
- Net profit (RMB 100 million)
- Return on average total assets (%)

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- Return on weighted average net assets (%)
 - Total tax (RMB 100 million)
 - Shareholders' equity (RMB 100 million)
 - Shareholders' dividends (RMB 100 million)
 - Social contribution value per share (RMB)
 - Total amount of donations (RMB 10,000)
 - Number of domestic branches
 - Number of county-level branch outlets
 - Number of employees (Formally contracted) (Person)
 - Proportion of female employees (%)
 - Proportion of employees of ethnic minority (%)
 - Number of County-level employees (Persons)
 - Participation in training (10,000 Person/Times)
 - Customer satisfaction rate (%)
 - Customer complaint settlement rate (%)
 - Total Huinong cards issued (10,000)
 - Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 poverty alleviation counties (%)
 - Balance of farmer loans (RMB 100 million)
 - Balance of agro-related loans (RMB billion)
 - Total county area loans and advances (RMB 100 million)
 - Balance of loans of village & township banks (VTBs) (RMB 100 million)
 - Balance of inclusive loans for small and micro enterprises (RMB 100 million)
 - Balance of green credit (RMB billion)
 - Total loans to western regions (RMB 100 million)
 - Balance of loans to ethnic minority areas (RMB 100 million)
 - Number of green bonds underwrote (No.), and amount raising (RMB billion)
 - Number of carbon neutral bonds underwrote (No.), and amount raising (RMB billion)
 - Number of sustainability-linked bonds underwrote (No.), and amount raising (RMB billion)
 - Existing ESG-themed wealth management products (No.), the scale (RMB billion)
 - Existing ESG-themed investment funds (No.), the scale (RMB billion)

Our assurance engagement is limited to the key data disclosed in the 2022 CSR Report. Other information disclosed in the 2022 CSR Report and information of 2021 and previous years are not included in our scope of engagement. We have not implemented assurance procedures for the year-on-year change trend and historical

information of the new sustainable performance information disclosed in the 2022 CSR Report (i.e. not disclosed in the previous years' Corporate Social Responsibility Report). In addition, the purpose of our work is not to express opinions on the relevant effectiveness of internal control of the Bank.

II. Standard

The standards adopted by the Bank to prepare the key data of the 2022 CSR Report are listed in the Basis of Reporting of key data in Appendix before this report (hereinafter referred to as "Basis of Reporting").

III. Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors of the Bank to compile the key data of the 2022 CSR Report according to the Basis of Reporting. The Board of Directors design, implementation and maintenance of internal control related to the compilation of the key data, so that there is no material misstatement caused by fraud or error in these data.

IV. Our independence and quality control

We comply with the independence and other professional ethics requirements in the International Code of Ethics for Professional Accountants (including International Standards of Independence) issued by the International Ethics Standards Board for Accountants. The basic principles of the code of professional ethics are honesty, objectivity, professional competence, due care, confidentiality and good professional behaviour.

We follow the International Quality Control Standard No.1, and maintain a comprehensive and systematic quality control system, including policy and procedure documents related to compliance with professional ethics requirements, professional standards and applicable laws and regulations.

V. Responsibilities of Certified Public Accountants

Our responsibility is to issue our conclusions on the key data of the 2022 CSR Report on the basis of procedures performed.

We performed the assurance engagement according to the International Standard on Assurance Engagements 3000 (revised): Assurance Engagement Other Than Audits or Reviews of Historical Financial Information, which requires us to plan and implement the engagement to form the assurance conclusion.

VI. Summary of the Procedures Performed

The nature and duration of the procedures implemented by limited assurance engagement differ from those of reasonable assurance engagement, and the scope is smaller. Therefore, the assurance extent of limited assurance engagement is significantly lower than that of reasonable assurance engagement. We will not offer reasonable assurance opinions on whether the key data disclosed in the 2022 CSR Report were compiled according to the Basis of Reporting in all major aspects. Our assurance engagement includes assessing whether the key data of the 2022 CSR Report have material misstatement risks caused by fraud or errors, the assurance procedure chosen depends on the judgment of certified public accountants and our assessment of risks. Our procedures includes:

- 1)Interview the staff of relevant departments involved in providing the key data disclosed in the 2022 CSR Report;
- 2)Implement analysis procedures for key data;
- 3)Carry out sampling inspection on the key data in the 2022 CSR Report;
- 4)Recalculate the detailed total amount or related indicator results of some key data.

VII. Inherent limitations

We draw users' attention to the fact that there is no recognized evaluation and measurement standard system available for non-financial data, so a non-uniform measurement method was adopted, which would affect the comparability of inter-company data.

VIII.Conclusion

Based on the implemented procedures and obtained evidence, we did not notice anything that would lead us to believe that the key data disclosed in the 2022 CSR Report were not compiled according to the Basis of Reporting in all major aspects.

IX.Limitations on use

We will not assume any responsibility for the contents of this report towards any person other than the Board of Directors of the Bank.

KPMG Huazhen LLP

Beijing, China

30 March, 2023

IV. Reporting Index

Content Index of GRI Standards

Standard number and description	Disclosure status	Note
GRI 1: Foundation 2021		
GRI 2: General disclosures 2021		
2-1 Organizational details	About Us/Compilation Statement	
2-2 Entities included in the organization's sustainability reporting	Compilation Statement	
2-3 Reporting period, frequency and contact point	Compilation Statement	
2-4 Restatements of information	Protecting Essential Rights and Interests of Staff	
2-5 External assurance	Third-party Assurance	
2-6 Activities, value chain and other business relationships	About Us	
2-7 Employees	Empowering Growth and Development of Employees	
2-8 Workers who are not employees	Protecting Essential Rights and Interests of Staff	
2-9 Governance structure and composition	Improving the corporate governance structure/Environmental, social and governance (ESG) practices	
2-10 Nomination and selection of the highest governance body	Refer to Annual Report	
2-11 Chair of the highest governance body	Refer to Annual Report	
2-12 Role of the highest governance body in overseeing the management	Environmental, social and governance (ESG) practices	

of impacts		
2-13 Delegation of responsibility for managing impacts	Environmental, social and governance (ESG) practices	
2-14 Role of the highest governance body in sustainability reporting	Identification of substantive issues	
2-15 Conflicts of interest	Refer to Annual Report	
2-16 Communication of critical concerns	Improving the corporate governance structure	
2-17 Collective knowledge of the highest governance body	Identification of substantive issues	
2-18 Evaluation of the performance of the highest governance body	Third-party Assurance	
2-19 Remuneration policies	Protecting Essential Rights and Interests of Staff	
2-20 Process to determine remuneration	Refer to Annual Report	
2-21 Annual total compensation ratio	Refer to Annual Report	
2-22 Statement on sustainable development strategy	Corporate culture/Philosophy on CSR	
2-23 Policy commitments	Improving customer service experience/Protecting Essential Rights and Interests of Staff	
2-24 Embedding policy commitments	Tightening supplier management/ Conducting green procurement	
2-25 Processes to remediate negative impacts	Tightening supplier management	
2-26 Mechanisms for seeking advice and raising concerns	Analysis of stakeholders	
2-27 Compliance with laws and regulations	Complying with laws and regulations/ Protecting customers' rights and	

	interests/Protecting Essential Rights and Interests of Staff	
2-28 Membership associations	CSR Honors and Awards	
2-29 Approach to stakeholder engagement	Analysis of stakeholders	
2-30 Collective bargaining agreements	Analysis of stakeholders	
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Identification of substantive issues	
3-2 List of material topics	Identification of substantive issues	
3-3 Management of material topics	Identification of substantive issues/ Governance: Laying A Solid Foundation for High-quality Development/Development: Facilitating the Process of Chinese-style Modernization/The environment: Drawing a Beautiful Blueprint for Green and Low-carbon Development/Society: Meeting the People's Financial Expectations for a Better Life	
Economy		
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed	About Us/ CSR Performance	
201-2 Financial implications and other risks and opportunities due to climate change	Preventing and controlling various types of major risks/Optimizing risk management methods/ Analysis of climate-related	

	risks and opportunities	
201-3 Defined benefit plan obligations and other retirement plans	Intensifying the development of inclusive financial services/Rolling out innovative inclusive financial products /Protecting Essential Rights and Interests of Staff	
GRI 203: Indirect Economic Impacts 2016		
203-1 Infrastructure investments and services supported	Increasing support in key areas/ Fueling Transformation and Upgrading of Industries/ Supporting Regional Coordinated Development/ Serving High-standard Opening-up to the Outside World/ Intensifying the development of inclusive financial services/Rolling out innovative inclusive financial products	
203-2 Significant indirect economic impacts	CSR Performance/Intensifying the development of inclusive financial services/Fueling Transformation and Upgrading of Industries/Supporting Regional Coordinated Development/Serving High-standard Opening-up to the Outside World/Intensifying the development of inclusive financial services	
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	Promoting the full and strict governance of the Party over the Bank/Complying with laws and regulations/Tightening	

	supplier management	
205-2 Communication and training about anti-corruption policies and procedures	Promoting the full and strict governance of the Party over the Bank/Complying with laws and regulations/Tightening supplier management	
205-3 Confirmed incidents of corruption and actions taken	Complying with laws and regulations	
Environment		
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	Quantitative Environmental Performance	
302-2 Energy consumption outside of the organization	Quantitative Environmental Performance	
302-3 Energy intensity	Quantitative Environmental Performance	
302-4 Reduction of energy consumption	Quantitative Environmental Performance	
302-5 Reductions in energy requirements of products and services	Building a diversified business structure	
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	Energy Saving and Carbon Reduction Initiatives in the Head Office Building	
303-2 Management of water discharge-related impacts	Energy Saving and Carbon Reduction Initiatives in the Head Office Building	
303-3 Water withdrawal	Quantitative Environmental Performance	
303-4 Water discharge	Quantitative Environmental Performance	

303-5 Water consumption	Quantitative Environmental Performance	
GRI 304: Biodiversity 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Continuing to Support Ecological Protection	
304-2 Significant impacts of activities, products and services on biodiversity	Continuing to Support Ecological Protection	
304-3 Habitats protected or restored	Continuing to Support Ecological Protection	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Continuing to Support Ecological Protection	
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	Quantitative Environmental Performance	
305-2 Energy indirect (Scope 2) GHG emissions	Quantitative Environmental Performance	
305-3 Other indirect (Scope 3) GHG emissions	CSR Performance/ Green credit/ Green bonds/ Building green outlets	
305-4 GHG emissions intensity	Quantitative Environmental Performance	
305-5 Reduction of GHG emissions	Quantitative Environmental Performance	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Green credit	
GRI 306: Waste 2020		

306-1 Waste generation and significant waste-related impacts	Promoting Energy Conservation and Carbon Reduction with Concrete Efforts	
306-2 Management of significant waste-related impacts	Promoting Energy Conservation and Carbon Reduction with Concrete Efforts	
306-3 Waste generated	Quantitative Environmental Performance	
GRI 308: Supplier Environmental Assessment 2016		
308-1 New suppliers that were screened using environmental criteria	Conducting green procurement	
308-2 Negative environmental impacts in the supply chain and actions taken	Conducting green procurement/ Green credit	
Society		
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Protecting Essential Rights and Interests of Staff	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Essential Rights and Interests of Staff/Taking care of employees' well-being	
401-3 Parental leave	Taking care of employees' well-being	
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Taking care of employees' well-being	
403-3 Occupational health services	Taking care of employees' well-being	
403-4 Worker participation, consultation, and communication on	Protecting Essential Rights and Interests of Staff	

occupational health and safety		
403-5 Worker training on occupational health and safety	Taking care of employees' well-being	
403-6 Promotion of worker health	Taking care of employees' well-being	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Taking care of employees' well-being	
403-8 Workers covered by an occupational health and safety management system	Taking care of employees' well-being	
403-9 Work-related injuries	Protecting Essential Rights and Interests of Staff/Taking care of employees' well-being	
403-10 Work-related ill health	Taking care of employees' well-being	
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	Supporting employee career development	
404-2 Programs for upgrading employee skills and transition assistance programs	Supporting employee career development /Taking care of employees' well-being	
404-3 Percentage of employees receiving regular performance and career development reviews	Supporting employee career development	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Improving the corporate governance structure/ Supporting employee career development	
GRI 413: Local Communities 2016		

413-1 Operations with local community engagement, impact assessments, and development programs	Undertaking Public Benefit Initiatives	
GRI 414: Supplier Social Assessment 2016		
414-1 New suppliers that were screened using social criteria	Tightening supplier management	
414-2 Negative social impacts in the supply chain and actions taken	Tightening supplier management	
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories	Upholding the Customer-centric Concept/Casting a closely-woven net of digital security	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Casting a closely-woven net of digital security	
GRI 417: Marketing and Labeling 2016		
417-1 Requirements for product and service information and labeling	Protecting customers' rights and interests	
GRI 418: Customer Privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting customers' rights and interests	

ESG Content Index

Indexes		Disclosure status
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Promoting Energy Conservation and Carbon Reduction with Concrete Efforts
A1.1	The types of emissions and respective emissions data.	Green credit
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Quantitative Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Quantitative Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Quantitative Environmental Performance
A1.5	Description of measures to mitigate emissions and results achieved.	Promoting Energy Conservation and Carbon Reduction with Concrete Efforts
A1.6	Description of how hazardous and non-hazardous wastes are handled,	Promoting Energy Conservation and Carbon

	reduction initiatives and results achieved.	Reduction with Concrete Efforts
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Saving and Carbon Reduction Initiatives in the Head Office Building
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Quantitative Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Quantitative Environmental Performance
A2.3	Description of energy use efficiency initiatives and results achieved.	Promoting Energy Conservation and Carbon Reduction with Concrete Efforts
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Energy Saving and Carbon Reduction Initiatives in the Head Office Building
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Vigorously Developing Green Finance/ Continuing to Support Ecological Protection/ Promoting Energy

		Conservation and Carbon Reduction with Concrete Efforts
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Vigorously Developing Green Finance/ Continuing to Support Ecological Protection/ Promoting Energy Conservation and Carbon Reduction with Concrete Efforts
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Actively Addressing Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Analysis of climate-related risks and opportunities
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protecting Essential Rights and Interests of Staff

B1.1	Total workforce by gender, employment type, age group and geographical region.	Protecting Essential Rights and Interests of Staff
B1.2	Employee turnover rate by gender, age group and geographical region.	Protecting Essential Rights and Interests of Staff
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Taking care of employees' well-being
B2.1	Number and rate of work-related fatalities.	Protecting Essential Rights and Interests of Staff
B2.2	Lost days due to work injury.	Protecting Essential Rights and Interests of Staff
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Taking care of employees' well-being
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Supporting employee career development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Supporting employee career development

B3.2	The average training hours completed per employee by gender and employee category.	Supporting employee career development
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Protecting Essential Rights and Interests of Staff
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Protecting Essential Rights and Interests of Staff
B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Essential Rights and Interests of Staff
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Tightening supplier management
B5.1	Number of suppliers by geographical region.	Conducting green procurement
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Tightening supplier management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are	Tightening supplier management/ Conducting green procurement

	implemented and monitored.	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Tightening supplier management/ Conducting green procurement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Casting a closely-woven net of digital security/ Protecting Essential Rights and Interests of Staff
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
B6.2	Number of products and service related complaints received and how they are dealt with.	Protecting Essential Rights and Interests of Staff
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting intellectual property rights (IPRs)
B6.4	Description of quality assurance process and recall procedures	Not Applicable
B6.5	Consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Essential Rights and Interests of Staff

Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Promoting the full and strict governance of the Party over the Bank/Complying with laws and regulations/Tightening supplier management/Strictly preventing financial violations
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Complying with laws and regulations
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Complying with laws and regulations
B7.3	Description of anti-corruption training provided to directors and staff.	Promoting the full and strict governance of the Party over the Bank/Complying with laws and regulations
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Strictly preventing financial violations/Intensifying the development of inclusive financial services/Rolling out innovative inclusive financial products/Accelerating digital transformation/Optimizing digitalized service channels/Making strides in the construction of service scenarios/Casting a closely-woven net of digital

		security/ Undertaking Public Benefit Initiatives
B8.1	Focus areas of contribution (such as education, environment, labor's needs, health, culture and sport).	Public interest volunteer activities
B8.2	Resources contributed to focus areas (such as money and time).	Disaster relief

PRB Content Index

Reporting and Self-Assessment Requirements		Reference(s) / Link(s) to bank's full response/ relevant information
Principle 1: Alignment		
1.1 Business model	Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	About Us/ Analysis of stakeholders/ Fueling Transformation and Upgrading of Industries/ Supporting Regional Coordinated Development/ Serving High-standard Opening-up to the Outside World/ Upholding the Customer-centric Concept
1.2 Strategy alignment	Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional	About Us/Governance: Laying A Solid Foundation for High-quality Development/Development: Facilitating the Process of Chinese-style Modernization/The environment: Drawing a Beautiful Blueprint for Green and

	frameworks. Does your bank also reference UN Guiding Principles on Business and Human Rights, International Labour Organization fundamental conventions, UN Global Compact, UN Declaration on the Rights of Indigenous Peoples or any applicable regulatory reporting requirements on environmental risk assessments, any applicable regulatory reporting requirements on social risk assessments in its strategic priorities or policies to implement these?	Low-carbon Development/Society: Meeting the People's Financial Expectations for a Better Life
Principle 2: Impact and Target Setting		
2.1 Impact Analysis	Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d): a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas,	About Us / Identification of substantive issues/ Analysis of stakeholders

	products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.	
	c)Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis. This step aims to put your bank's portfolio impacts into the context of society's needs.	Identification of substantive issues/ Analysis of stakeholders
2.2 Target Setting	Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or	Identification of substantive issues/

	quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1.	
	b)Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven	CSR Performance

	targets, please disclose these.	
	c)SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.	CSR Performance
	d)Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.	Identification of substantive issues/ Analysis of stakeholders/ Sparing No Efforts to Serve Rural Revitalization
2.3 Target implementation and monitoring	For each target separately: Show that your bank has implemented the actions it had previously defined to	CSR Performance

	meet the set target. Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2. Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.	
Principle 3: Clients and Customers		
3.1 Client engagement	Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition,	Tightening supplier management/Intensifying the development of inclusive financial services/Rolling out innovative inclusive financial products/Accelerating digital transformation/Optimizing digitalized service channels/Making strides in the

	selected indicators on client engagement and, where possible, the impacts achieved. This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank .	construction of service scenarios/ Fueling Transformation and Upgrading of Industries/Supporting Regional Coordinated Development/Serving High-standard Opening-up to the Outside World/Upholding the Customer-centric Concept
3.2 Business opportunities	Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).	Intensifying the development of inclusive financial services/Rolling out innovative inclusive financial products/Accelerating digital transformation/Optimizing digitalized service channels/Making strides in the construction of service scenarios/Casting a closely-woven net of digital security/ Supporting Regional Coordinated Development/Serving High-standard Opening-up to the Outside World/Upholding the Customer-centric Concept
Principle 4: Stakeholders		

4.1 Stakeholder identification and consultation	Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	Analysis of stakeholders
Principle 5: Governance & Culture		
5.1 Governance Structure for Implementation of the Principles	Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about • which committee has responsibility over the sustainability strategy as well as targets	Identification of substantive issues/Improving the corporate governance structure/Environmental, social and governance (ESG) practices

	approval and monitoring (including information about the highest level of governance the PRB is subjected to), • details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as • remuneration practices linked to sustainability targets.	
5.2 Promoting a culture of responsible banking	Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).	Promoting the full and strict governance of the Party over the Bank/Strengthen information disclosure/Complying with laws and regulations/Tightening supplier management/ Empowering Growth and Development of Employees
5.3 Policies and due diligence processes	Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe. Please describe what due diligence processes your	Environmental, social and governance (ESG) practices / Strengthening integrated planning/Deepening Comprehensive Risk Management/Preventing and

	bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.	controlling various types of major risks
Principle 6: Transparency & Accountability		
6.1 Assurance	Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? If applicable, please include the link or description of the assurance statement.	Third-party Assurance
6.2 Reporting on other frameworks	Does your bank disclose sustainability information in GRI, SASB, CDP, IFRS Sustainability Disclosure Standards (to be published), TCFD or any other of the listed below standards and frameworks?	Identification of substantive issues/Governance: Laying A Solid Foundation for High-quality Development/Development: Facilitating the Process of Chinese-style Modernization/The environment: Drawing a Beautiful Blueprint for Green and Low-carbon Development/Society: Meeting the People's Financial

		Expectations for a Better Life/Reporting Index/Compilation Statement
6.3 Outlook	What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.	Responsibility Commitment

V. Compilation Statement

Reporting scope

The Report covers the Head Office, tier-1 (directly subordinate) branches within the territory, directly subordinate institutions, financial training institutes and overseas institutions of the Agricultural Bank of China Limited. This is an annual report that covers the period from January 1 to December 31, 2022. Part of the content is in excess of the above scope.

Reference basis

This Report was prepared to comply with relevant standards and guidelines, including *GRI Sustainability Reporting Standards* (GRI Standards) issued by Global Sustainability Standard Board and *GRI Financial Service Sector Supplemental Guidelines*; *ISO 26000 Social Responsibility Guidelines (2010)*; the *Opinions on Strengthening Social Responsibilities of Banking Institutions* issued by the China Banking Regulatory Commission; the *Guidelines on Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association; the *Guidelines of Shanghai Stock Exchange No. 1 for the Application of Self-Regulation Rules for Listed Companies – Standardized Operation* and the *Guidelines for the Preparation of Reports on Performance of Corporate Social Responsibilities* issued by the Shanghai Stock Exchange; *SEHK Environmental, Social and Governance Reporting Guide* and other relevant opinions.

Data

Some financial data in this Report were originally included in the Bank’s annual financial statement for 2022 (which had been audited by KPMG Huazhen LLP). Other data mainly originates from internal system statistics and the affiliates of the Bank for 2022.

Assurance method

This Report is submitted to KPMG Huazhen LLP for limited assurance of the key data disclosed therein in accordance with the *International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

Publication

This Report is released both in hardcopy and electronic form. The latter is available at our official website (www.abchina.com).

This Report is published in Simplified Chinese, Traditional Chinese and English. If there is any conflict or inconsistency among the three versions, the Simplified Chinese version shall prevail.

References

For readability, the “Agricultural Bank of China”, “ABC” and “the Bank” in this report refer to the Agricultural Bank of China Limited.

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VI. Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2022 (ESG report). To provide you and other stakeholders with more valuable information and improve our ability to fulfill CSR, we sincerely welcome any opinions and suggestions you may offer on the report.



Scan the QR code and fill in the feedback form

Which of the following stakeholder types apply to you?

- ☐ Government ☐ Regulator ☐ Shareholder and Investor ☐ Customer ☐ Employee
☐ Supplier and Partner ☐ The Public and Community ☐ NGO ☐ Others ()

Do you think the report covers all that you expect to see about the CSR work of Agricultural Bank of China?

- ☐ Yes ☐ No, what else do you expect to see in the report ()

What do you think about the content and layout design of the Report in readability?

- ☐ Very good ☐ Average ☐ Poor

What other opinions and suggestions do you have on our social responsibility work and this CSR Report?

In 2022, we selected 17 key CSR topics by studying their importance to the sustainable development of Agricultural Bank of China and importance to stakeholders and disclosed them herein. Please select five topics that you are most concerned about. We will prioritize these topics according to the feedback and respond in future CSR fulfillment and report compilation.

- ☐ Deepening the leading role of Party building
☐ Refining the corporate governance mechanism
☐ Building up risk prevention and control capabilities
☐ Upholding the bottom line of operational compliance

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- ☐ Serving the rural revitalization
 - ☐ Fueling the transformation and upgrading of industries
 - ☐ Supporting coordinated regional development
 - ☐ Improving the level of opening to the outside world
 - ☐ Actively coping with climate change
 - ☐ Vigorously developing green finance
 - ☐ Continuously supporting ecological protection
 - ☐ Promoting energy conservation and carbon reduction with solid efforts
 - ☐ Enhancing the quality and efficiency of inclusive financial services
 - ☐ Focusing on innovation in digital technology
 - ☐ Upholding the customer-centric concept
 - ☐ Empowering growth and development of employees
 - ☐ Undertaking public benefit initiatives