

**Agricultural Bank of China**  
**Corporate Social Responsibility**  
**Report(Environmental Social and**  
**Governance Report) 2021**

**March 2022**

## Contents

|                                                                                                                                                   |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| I. Message from the Chairman.....                                                                                                                 | 4   |
| II. Message from the President.....                                                                                                               | 7   |
| III. Message from the Chairman of Board of Supervisors.....                                                                                       | 10  |
| IV. About Us.....                                                                                                                                 | 13  |
| V. CSR Management.....                                                                                                                            | 15  |
| Special Topics.....                                                                                                                               | 19  |
| With Country's Top Priorities in Mind Paying Tribute to the CPC Centenary.....                                                                    | 19  |
| I. Thoroughly Organizing the Campaign on Party History Learning and Education to Gather the Strength to Forge Ahead.....                          | 20  |
| II. Carrying Forward the Great Founding Spirit of the CPC and Paying Tribute to the 100 <sup>th</sup> Anniversary of the Founding of the CPC..... | 26  |
| III. Deepening Full and Strict Governance over the Party and Further Solidifying Grassroot Party Organizations.....                               | 28  |
| Practice Chapter.....                                                                                                                             | 32  |
| I. Focusing on "Sannong" Areas to Serve Rural Revitalization.....                                                                                 | 32  |
| i. Consolidating the Results of Poverty Alleviation.....                                                                                          | 32  |
| ii. Promoting Agriculture Upgrade on All Fronts.....                                                                                              | 38  |
| iii. Building Beautiful and Livable Villages.....                                                                                                 | 45  |
| iv. Helping Farmers Raise Income and Become Better Off.....                                                                                       | 51  |
| II. Focusing on Key Areas to Boost the Real Economy.....                                                                                          | 56  |
| i. Supporting Major National Strategies.....                                                                                                      | 56  |
| ii. Supporting Industrial Upgrading.....                                                                                                          | 64  |
| iii. Serving the Development of Micro and Small Enterprises.....                                                                                  | 69  |
| iv. Enhancing International Financial Cooperation.....                                                                                            | 73  |
| III. Upholding the Defining Feature of Protecting Ecological Environment.....                                                                     | 79  |
| i. Accelerating Green Financial Development.....                                                                                                  | 79  |
| ii. Striving for Zero-carbon Operation.....                                                                                                       | 87  |
| iii. Practicing Green and Low-carbon Concept.....                                                                                                 | 90  |
| IV. Putting Customers First and Focusing on People's Livelihood.....                                                                              | 93  |
| i. Injecting Intelligent Financial Power.....                                                                                                     | 93  |
| ii. Providing Warm Financial Services.....                                                                                                        | 101 |
| iii. Protecting Customer Rights.....                                                                                                              | 107 |
| V. Undertaking Responsibilities of the Times and Building a Better Society Together.....                                                          | 114 |
| i. Growing Together with Employees.....                                                                                                           | 114 |
| ii. Devoting to Public Welfare Activities.....                                                                                                    | 121 |
| iii. Contributing to Pandemic Response and Disaster Relief.....                                                                                   | 124 |
| ESG.....                                                                                                                                          | 129 |

|                                                 |     |
|-------------------------------------------------|-----|
| <b>I. Environmental</b>                         | 129 |
| i. Emissions and Use of Resources               | 129 |
| ii. Response to Climate Change                  | 129 |
| Quantitative Performance in Aspect A            | 131 |
| iii. Green Finance                              | 133 |
| iv. Green Procurement                           | 135 |
| <b>II. Social</b>                               | 137 |
| i. Economic Performance                         | 137 |
| ii. Employment Codes                            | 139 |
| iii. Health and Care                            | 140 |
| iv. Development and Training                    | 140 |
| v. Protection of Consumers' Financial Interests | 141 |
| vi. Privacy and Data Security                   | 145 |
| vii. Availability of Financial Services         | 148 |
| viii. Investments in the Community              | 149 |
| Quantitative Performance in Aspect B            | 149 |
| <b>III. Governance</b>                          | 154 |
| i. Corporate Governance                         | 154 |
| ii. Risk Prevention                             | 157 |
| iii. Operational Compliance                     | 161 |
| <b>Ending</b>                                   | 167 |
| <b>I. CSR Honors and Awards</b>                 | 167 |
| <b>II. Responsibility Commitments</b>           | 171 |
| <b>III. Third-party Assurance</b>               | 173 |
| <b>IV. Reporting Index</b>                      | 183 |
| <b>V. Compilation Statement</b>                 | 207 |
| <b>VI. Reader Feedback Form</b>                 | 209 |

## **I. Message from the Chairman**

The year 2021 was a milestone in the history of the Communist Party of China (CPC) and the country. The CPC united and led the Chinese people in achieving the first centenary goal of building a moderately prosperous society in all respects, and began a new journey toward the second centenary goal of building a modern socialist country in all respects. In the past year, facing complicated and challenging economic and financial circumstances, Agricultural Bank of China (ABC), guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented the guiding principles of the 19th CPC National Congress and all plenary sessions of the 19th Central Committee, actively fulfilled our responsibilities and moved proactively. We served “Sannong” and the real economy with full spirits, deepened institutional reforms and digitalization with full efforts, and promoted high-quality economic development with full strengths, thereby fulfilling our responsibilities and duties to benefit society with concrete actions.

### **Bearing in Mind the People and Acting on the Purpose of Serving the People**

Always putting people and customers first, we implement the people-centered development philosophy in financial services, and endeavor to provide safe, efficient and quality financial products and services to all customers in China. At the end of 2021, the number of individual customers maintained in the lead among peers, standing at 878 million, and the number of effective corporate customers reached 8.6 million. For the past year, with the deepening of the campaign of Party history learning and education, we solidly carried out the practical campaign themed “Doing Practical Work in the Interests of the Public”, launched a series of concrete measures for the benefit and convenience of the people, and addressed an array of problems and concerns troubling the public and the primary level organizations. A total of 12,200 projects of “Doing Practical Work in the Interests of the Public” were carried out throughout the year, with 114,000 practical items done for the public, thereby raising the sense of financial gains, happiness and security among the public. We launched the Warmer Services Program on all fronts, focused on key special groups when providing financial services, including more convenient services for the elderly, and popularizing “The Air Counter” to provide remote and convenient services. Saitula Sub-branch, an outlet with the highest altitude in Xinjiang Uygur Autonomous Region, and Chentang Sub-branch in Dingjie County in Tibet Autonomous Region, known as “the last isolated land island”, opened successively to further satisfy demands for financial services of people in remote areas. We also strengthened protection of consumers’ financial rights, refined the quick handling approach to customers complaints, thus to ensure the settlement of reasonable complaints, and increase the public’s satisfaction.

### **Adhering to the Original Aspiration and Mission to Support Rural Revitalization**

To rejuvenate the nation, rural areas must be revitalized. We always bear in mind the original mission of serving agriculture, farmers and rural areas, and are deeply rooted in rural areas and working at the front line of serving “Sannong”. In the past year, we actively responded to the national campaign of advancing rural vitalization on all fronts, built a modern “Sannong” financial service system, and safeguarded food security with financial strengths. We paved the way for the development of rural industries, contributed to building the countryside, and worked tirelessly to achieve

common prosperity. At the end of 2021, the balance of loans to county areas stood at RMB 6.2 trillion, with both the loan increment and loan balance hitting record highs since going public. In addition, we resolutely implemented the central government's requirements of "no withdrawal of responsibility, supporting policies, pairing assistance or supervision after poverty elimination", and focused on areas lifted out of poverty with continuous efforts to increase credit granting, especially those key counties receiving pairing assistance under the rural revitalization campaign. In collaboration with the National Rural Revitalization Administration, we launched the credit-based "Fumin Loan" with long term, high credit line and preferential interest rates, covering all key counties receiving pairing assistance, in a bid to consolidate and expand the results of poverty alleviation. At the end of 2021, the balance of loans to 832 counties lifted out of poverty was RMB 1.47 trillion, with an increase of 14.2%. We also explored new models to serve rural revitalization, built various first-of-its-kind financial scenarios such as smart agriculture, popularized the platform for the management of collective funds, assets and resources in rural areas, and brought "Hui Nong e-Loan" to countless households, empowering "Sannong" financial services with technological means.

### **Focusing on Primary Responsibility and Business to Support the Real Economy**

A prosperous and strong economy boosts prosperous and strong finance. We are always aware of the mission to serve the real economy, constantly improve the quality and efficiency of serving the real economy, and promote high-quality economic development with high-quality financial services. Over the past year, we implemented the new development philosophy in a complete, accurate, and comprehensive manner, served the building of the new development pattern. We centered on key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Yellow River Basin with full support to the construction of major projects, aiming to contribute to the implementation of national strategies and coordinated regional development. We scaled up support to inclusive financial services for micro and small enterprises and people's livelihood, and channeled more financial resources to key areas and weak links of economic and social development. As a result, the inclusive loans to micro and small enterprises increased by 38.8% from the beginning of the year. We also enhanced credit granting to manufacturing, strategic emerging industries, and high-tech industries. At the end of 2021, the balance of loans to manufacturing hit RMB 1.7 trillion, with an increase of RMB 272.4 billion from the beginning of the year and a year-on-year increase of 18.5%. We provided services to 60% of "little giant" enterprises specializing in niche sectors, and boosted technological reform and industrial upgrading with precise financial services. Moreover, we promoted digitalization on all fronts, and built a series of smart finance scenarios and digital financial products that are for the people, to bring conveniences and benefits to the people, thus improved the life qualities of the people.

### **Empowering the Green Development to Build a Beautiful China**

Clear waters and green mountains are invaluable assets. Centering on the carbon peak and carbon neutrality goals, we have implemented the green finance strategy on all fronts and protected clear waters and green mountains with financial strengths. Last year, we gave full play to the strategic planning and leading role of the Board of Directors in decision making, set up a committee dedicated to green finance in the senior management, a committee dedicated to "carbon neutrality", and the first Green

Finance Research Institute in the industry to transmit ESG concepts in a top-down manner. Taking the response to climate change as the core area of green finance support, we promoted the integration of ESG concepts in product development and business expansion. We launched new products and services of green finance, and accelerated the granting of green credit to areas such as green and livable environment, green transformation, green ecology and green energy as the starting point. At the end of 2021, the balance of green credit stood at RMB 1,977.8 billion, increased by over 30% over the previous year. These efforts poured financial resources into the development of green industries and enterprises. Moreover, we signed the United Nations' *Principles for Responsible Banking*, participated in the 15<sup>th</sup> meeting of the Conference of the Parties (COP-15) to the Convention on Biological Diversity, and firmly supported and advocated sustainable development, contributing our share to promoting green and low-carbon development.

In 2022, we will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly implement the decisions and plans of the Party Central Committee and the State Council, take solid steps to ensure stability on “six key fronts” and maintain security in “six key areas”, make stability our top priority as we pursue progress. We will advance “the three strategies”, which are the “Sannong” inclusive strategy, the green finance strategy, and the digital operation strategy with full force. We shall strive to build ourselves into a leading bank in serving rural revitalization and a main bank in serving the real economy, to contribute more to building a modern socialist country in all respects, and with concrete actions to pave the way for the 20<sup>th</sup> CPC National Congress.

## **II. Message from the President**

The year 2021 marked the beginning of the implementation of China's 14<sup>th</sup> Five-year Plan. Earnestly implementing the decisions and plans of the CPC Central Committee and the State Council, Agricultural Bank of China devoted all-out efforts to ensure stability on "the six key fronts" and maintain security in "the six key areas" through financial services, accelerated the reforms and transformation in key fields, prevented and mitigated various sorts of risks, and achieved an excellent start of the 14<sup>th</sup> Five-year Plan period with remarkable performance. In 2021, we continued ranking among the best performers in the industry by major operating indicators, reporting a total asset of RMB 29 trillion, and a net profit of RMB 241.936 billion. With our operations maintaining a good momentum of growth in size, quality and efficiency, we created a positive interplay between our economic and social responsibilities.

### **We made targeted efforts to improve the quality and efficiency of serving the real economy.**

We followed through with the new development philosophy, centered around creating a new development pattern of services, we focused on key areas such as micro and small enterprises, advanced manufacturing and livelihood security, and pain points, weak links, difficulties and obstacles arised from the development of the real economy. Given full play to our role as the benchmark and a leading major bank, we launched new financial products such as "First-time e-Loan" and "Account e-Loan", further increased the precision, coverage and availability of inclusive financial services. We fully implemented fee reductions and concessions in an all-round way by lowering interest rates of inclusive loans for micro and small enterprises by 8 base points. We supported science and technology innovation and industrial upgrading in a targeted manner, and increased financial supply to innovative high-tech enterprises, and major science and technology programs. At the end of 2021, the balance of loans for strategic emerging industries stood at RMB 859.3 billion, an increase of over 40% from the beginning of the year. We focused on resolving the weaknesses in the financial services for public well-being, in order to help urban and rural residents lead better lives. We promoted a more solid and dense social security network, accelerated the upgrading of the education cause, and supported the constant improvements of living environments, so as to empower the development of society and people's livelihood through financial services.

### **We worked diligently to push forward comprehensive rural revitalization.**

We resolutely took up the responsibility and mission of serving rural revitalization, further practiced the "Sannong" inclusive strategy, and provided comprehensive financial services for rural revitalization. At the end of 2021, the balance of agro-related loans amounted to RMB 4.757 trillion, including RMB 603.392 billion for rural households. We fully supported the consolidation and expansion of the results of poverty alleviation, and launched "Fumin Loan" in collaboration with the National Rural Revitalization Administration, which has covered all the 160 counties receiving focused assistance under the rural revitalization campaign. We strengthened financial support for the key areas of rural revitalization, and continuously guided the flow of financial resources into the development of agriculture and rural areas, centering on grain security, distinctive rural industries and new urbanization. At the end of 2021, the balance of loans for key areas of grain security was RMB 192.6

billion. We also worked to further the width and depth of inclusive finance in rural areas, closely integrated traditional outlets with new electronic channels and Internet finance, and constantly refined products and services of “Hui Nong e-Loan” ensure inclusive financial services are delivered smoothly to every corner in rural areas. At the end of 2021, we had a total of 12,600 outlets in counties, and 186 million customers in counties registered on the ABC Banking App. The balance of “Hui Nong e-Loan” was RMB 544.7 billion, benefiting 3.68 million rural households. We accelerated the building of “Sannong” industrial chain finance and smart scenarios, and popularized the use of the Funds, Assets and Resources Management Platform, which has been launched in 908 counties nationwide.

### **We vigorously carried out innovations to green finance.**

Establishing green finance, for the first time, as one of our “three strategies”, we released guiding opinions and action plans aimed to facilitate the development of the green finance businesses, and stepped up financial support for green and low-carbon areas. Focusing on carbon reduction, we adjusted industry credit policies in order to support the green and low-carbon transformation of traditional industries. We consistently rolled out new and innovative products and services of green finance, including green credits, green bonds, green funds, carbon finance, etc. The Bank was among the first batch of financial institutions to take part in carbon neutrality bonds, sustainability-linked bonds and other green bond investment and financing businesses, in an attempt to protect the lucid water and lush mountains via the power of finance. At the end of 2021, we underwrote 27 issues of green bonds, raising RMB 43.95 billion in total. To achieve the goal of building a resource-saving and environmentally-friendly society, we actively promoted carbon neutrality in our own operations. We successfully operated on a low-carbon basis by advancing green energy use, building green outlets, popularizing green offices, conducting green procurement and organizing employee volunteers to join environmental protection and public welfare activities. In 2021, we organized a total of 3,309 environmental protection and public welfare activities with our employees as volunteers.

### **We made concerted efforts to improve financial services benefiting the people.**

Remaining committed to the people-centered development philosophy, we accelerated the building of a more considerate and practical life-oriented financial service system, so as to build a smart bank delivering first-class customer experiences. In order to enhance the smart service, and integrated offline and online service capabilities of outlets, we strengthened the empowerment of financial services through science and technology, and implemented the “Smart Outlet Project” and “Mobile Banking Project”. At the end of 2021, we put in place over one hundred 5G smart banking outlets, introduced digital empowerment to 14,537 outlets, and saw over 150 million monthly active customers using the ABC Banking App. Following the “Internet-based, data-based, intelligent and open” development idea, we launched service scenarios like smart government affairs, smart campuses and smart healthcare, providing customers with all-around and multi-layered smart financial services. We deepened the program of warmer financial services, created new services in both online and offline channels, improved service environments, and optimized product and business processes, thereby raising the sense of financial gains and happiness among the public. At the end of 2021, our Remote Banking Centre reported 255 million of incoming calls in total, with a customer satisfaction rate of 99.7%.

In the new year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will implement the new development philosophy in a complete, accurate, and comprehensive manner, pursue coordinated development, guard against risks, and move forward with reforms and transformation. We will fulfill our responsibility as a major state-owned bank with determined and unremitting efforts. We continue in our efforts to build a leading bank serving rural revitalization and a main bank serving the real economy, to promote high-quality development across the Bank, and contribute greater to building a modern socialist country in all respects.

### **III. Message from the Chairman of Board of Supervisors**

“Without delay the sun and moon sped fast, in swift succession spring and autumn passed.” The year 2021 marked the 100<sup>th</sup> anniversary of the founding of the CPC, as well as the 70<sup>th</sup> anniversary of the founding of ABC. ABC, as a witness to, participant in and creator of history, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, has based its development on the new development stage, implemented the new development philosophy, and served the new pattern of development. By playing a big role in major missions such as supporting rural revitalization, deepening inclusive finance, serving the real economy, developing green finance and guarding against risks, ABC has written a brand-new chapter of the thorough fulfillment of responsibilities as a major state-owned bank.

#### **Paying Tribute to the CPC Centenary and Strengthening Party Building**

We have taken the Party’s leadership as the fundamental political principle and the Party’s political building as the overarching guideline, and thoroughly learned and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era to be better armed with the Party’s theories. As we celebrate the 100<sup>th</sup> anniversary of the founding of the CPC, we made solid efforts to advance the campaign on Party history learning and education, and moved forward with the campaign themed “Doing Practical Work in the Interests of the Public”. We mobilized Party organizations at all levels, all Party officials, all Party members to be people-centered, and to play a backbone role in serving “Sannong”, the real economy, society and people’s livelihood in general, and strive to constantly meet the diversified financial needs of the public and the real economy.

Upholding full and strict governance over the Party and the Bank, we put in great efforts to ensure that the political responsibility of Party governance is fulfilled level by level. We strengthened the rigid constraints of the Party building system, made solid efforts in Party integrity and clean governance building, and promoted the comprehensive and high-quality building of primary-level Party organizations. Bearing in mind our ambition and responsibility, we aim to create a clean, upright and sound political environment, push forward Party building with high efficiency, in order to live up to the people’s and the Party’s expectations.

We resolutely implemented the decisions and plans of the CPC Central Committee on preventing and defusing significant financial risks, practiced our core values of “Integrity, Stability and Sound Operations”, and strictly followed the requirements of risk management and economic responsibility audit. We continuously improved the financial security defense line and the emergency response mechanism, forestalled risks, and enhanced the capability in risk management, so as to promote the high-quality development of the Bank and protect the security of state-owned financial assets.

#### **Abiding by Our Duty and Achieving Remarkable Results in Serving the Real Economy**

Taking serving the real economy as our responsibility, we actively merged into the new development pattern featuring “dual circulation”, continuously improved the capability in product research and development, and innovation. We provided targeted financial support for the key areas and weak links in economic and social

development. We promoted the development of key regions including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing Economic Circle, and the Yellow River Basin, and facilitated the prosperity and growth of advanced manufacturing, innovative high-tech industries and other sectors, so as to continuously empower the high-quality development of the economy.

Keeping in mind our political responsibility of serving “Sannong”, we incumbently shouldered the glorious mission of serving rural revitalization. We implemented the “Sannong” inclusive strategy through new products and services, and allocated more resources towards rural areas, expanded channel networks, and worked to make financial services more accessible. We also offered full support for the revitalization of rural industries, talents, culture, ecology and organizations. The Bank played a major role in consolidating and extending the results of poverty alleviation, promoting the modernization of agriculture, building beautiful and livable villages, and closing “the digital divide”. Moreover, we diverted the flow of financial resources to a vast number of counties, benefiting countless rural households in China.

Pursuing the harmony between human and nature, we implemented the green finance strategy on all fronts, and continuously refined the green finance governance system, with focuses on the carbon peaking and carbon neutrality goals. We scaled up funds support to such fields as energy conservation, environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, and green services, and promoted the sustainable development of economy and society, thus to improve public well-being in all aspects.

### **Staying True to Our Original Aspiration and Writing a New Chapter in Serving Public Well-being through Financial Services**

We made public satisfaction a standard of measuring the quality and efficiency of our financial services. Centering on digital transformation, we advanced the integration of online and offline operations, deepened the innovation of products and channels, and continuously optimized and upgraded mobile banking services. We sped up the building of various kinds of scenarios including smart government affairs, smart campuses and smart healthcare, thus developing the positive interplay of science and technology empower finance, and finance empowers society, enriching people’s lives with smart financial services, and meet people’s aspiration for a better life.

Upholding the customer-centered operational philosophy, we actively carried out the popularization and public education of financial knowledge to increase consumers’ awareness of risks and self-protection abilities. We continued improving the mechanism for customer information and data security management to enhance data security and protect consumer privacy. Meanwhile, we smoothed complaint channels and ensured timely response and settlement, to safeguard the legitimate rights and interests of financial consumers.

Adhering to the CSR philosophy of “shouldering responsibilities, benefiting the people, prioritizing corporate social responsibilities, and promoting societal prosperity”, we vigorously engaged in public welfare and charitable undertakings, took an active part in public welfare activities such as COVID-19 responses, disaster relief, poverty alleviation and providing financial assistance to the needy. We pushed forward The Warmer Services Program, advocated care for vulnerable groups among organizations and employees at various levels, so as to contribute our share to the

building of a harmonious society.

The year 2022 marks a new historic starting point for us. Going forward, we will resolutely implement the decisions and plans of the CPC Central Committee and the State Council, bear in mind the top priorities of the country, and both domestic and international imperatives, lead high-quality development through high-quality Party building, and work unrelentingly to realize the Chinese dream of the great rejuvenation of the Chinese nation.

## IV. About Us

### 1. Company Overview

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 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 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. The business scope also includes, among others, investment banking, fund management, financial leasing and life insurance.

In 2021, the Bank ranked No.29 in the *Fortune*’s The Global 500, and ranked No.3 in *The Banker*’s Top 1,000 World Banks in terms of Tier 1 capital.

The Bank had a total of 22,807 domestic branch outlets at the end of 2021, including the Head Office, the Banking Center at the Head Office, three specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches (including five branches directly managed by the Head Office), 402 tier-2 branches (including business departments of branches in provincial capitals and business departments of provincial branches), 3,348 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), 18,961 foundation-level branch outlets and 50 other establishments. 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.

The Bank had total assets of RMB 29,069,155 million, loans and advances to customers of RMB 17,175,073 million and deposits from customers of RMB 21,907,127 million. The capital adequacy ratio was 17.13%. The Bank achieved a net profit of RMB 241,936 million and paid RMB 99,227 million in taxes, which contributed to RMB 2.56 Yuan of social contribution value per share.

### 2. Development Strategies

Fully aligned with the outline of China’s 14<sup>th</sup> Five-year Plan in all aspects, and taken actual conditions into account, the Bank developed the *14<sup>th</sup> Five-year Plan of the Agriculture Bank of China*. In line with “One Theme, Two Orientations and Three Strategies”, the Bank made systematic planning and strategic arrangements for the reform and development directions of the Bank in the next five years.

“One Theme”: High-quality development

“Two Orientations”: A leading bank serving rural revitalization and a main bank serving the real economy

“Three Strategies”: “Sannong” inclusive strategy, green finance strategy, digital

### 3. Philosophy on CSR

#### **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.

## V. CSR Management

### Identification of Substantive Issues

ABC has analyzed substantive topics, and identified sustainable topics.

#### 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 *Guidelines for Social Responsibility of Agricultural Bank of China*, ABC ranks the topics 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.

| Substantive Issues                                     | Sustainable Development Goals (SDGs)      |
|--------------------------------------------------------|-------------------------------------------|
| 1. Consolidating results in poverty alleviation        | 1 No Poverty                              |
| 2. Serving the development and upgrade of agriculture. | 2 Zero hunger                             |
| 3. Serving the Beautiful Village Initiative            | 3 Good health and well-being              |
| 4. Helping farmers increase income and become rich     | 6 Clean water and sanitation              |
|                                                        | 8 Work and economic growth                |
|                                                        | 9 Industry, Innovation and Infrastructure |
| 5. Serving national strategies                         | 8 Work and economic growth                |
| 6. Serving the development of emerging industries      | 9 Industry, Innovation and Infrastructure |
|                                                        | 12 Responsible consumption and            |

|                                                                                                                                      |                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 7. Serving micro and small-sized enterprises<br>8. Serving international cooperation                                                 | production<br>13 Climate action                                                                               |
| 9. Green finance<br>10. Low-carbon operation<br>11. Green public welfare                                                             | 11 Sustainable cities and communities<br>12 Responsible consumption and production<br>13 Climate action       |
| 12. Empowering financial technology<br>13. Providing warm financial services<br>14. Protecting the rights and interests of consumers | 4 Quality education<br>9 Industry, Innovation and Infrastructure<br>16 Peace, justice and strong institutions |
| 15. Protecting the rights and interests of employees<br>16. Facilitating the growth of employees<br>17. Caring for employees         | 3 Good health and well-being<br>5 Gender equality<br>8 Work and economic growth                               |
| 18. Staying committed to charitable volunteer services<br>19. Participating in epidemic control and disaster relief                  | 1 No poverty<br>3 Good health and well-being<br>4 Quality education<br>11 Sustainable cities and communities  |

### Analysis of Stakeholders

| Stakeholders | Key expectations                                             | Response                                           |
|--------------|--------------------------------------------------------------|----------------------------------------------------|
| Government   | To serve national strategies                                 | To observe laws and regulations                    |
|              | To serve "Sannong" development                               | To support coordinated regional development        |
|              | To support the real economy                                  | To serve rural revitalization                      |
|              | To provide financial services related to people's livelihood | To support the structural supply side reform       |
|              | To provide inclusive financial services                      | To pay taxes proactively                           |
|              | To pay taxes in full according                               | To continue providing inclusive financial services |

|                            |                                                                                                                                                                 |                                                                                                                                                                                                                         |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | to law<br>To promote employment                                                                                                                                 |                                                                                                                                                                                                                         |
| Regulatory authorities     | To operate according to the law<br>To maintain financial stability<br>To prevent risks effectively                                                              | Compliance management<br>To receive supervision and evaluation<br>To perform comprehensive risk management                                                                                                              |
| Shareholders and investors | Sustainable investment return<br>To improve corporate governance<br>To protect the rights and interests of shareholders<br>To strengthen information disclosure | To practice responsible investment<br>To realize stable operations<br>To create value for shareholders<br>Truthful, accurate, and complete information disclosure                                                       |
| Customers                  | To safeguard consumers' rights and interests<br>Improving service quality<br>To continuously promote product innovation                                         | To strengthen the protection of consumers' rights and interests<br>To comprehensively improve service quality<br>To accelerate product innovation<br>To build an IT-based bank                                          |
| Employees                  | To protect the legitimate rights and interests of employees<br>To promote the improvement and career development of employees<br>People focused                 | To abide by national labor laws and regulations, and international practice<br>To provide diversified training programs<br>To create practical career development channels<br>To advocate for healthy work-life balance |
| Suppliers and partners     | Fairness and transparency<br>Integrity and honoring agreements<br>Mutually beneficial cooperation                                                               | To improve procurement management<br>To innovate cooperation models                                                                                                                                                     |
| The public and communities | To popularize financial knowledge to the public                                                                                                                 | To conduct financial knowledge publicity                                                                                                                                                                                |

|             |                                                                                                          |                                                                                                                                    |
|-------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
|             | <p>To promote the development of communities</p> <p>To participate in public welfare</p>                 | To actively participate in public welfare and charity                                                                              |
| Environment | <p>To manage environmental risks</p> <p>To promote green finance</p> <p>To promote green office work</p> | <p>To support the development of green industries</p> <p>To innovate green finance products</p> <p>To practice green operation</p> |

## Special Topics

### With Country's Top Priorities in Mind Paying Tribute to the CPC Centenary

Evolving from “a small red boat” (where the first CPC congress concluded) that bore the great trust of the people and the hope of the nation to “a great ship” that navigates China’s stable and long-term development, the CPC, shouldering the historic mission of achieving the rejuvenation of the Chinese nation, has stayed true to its founding mission and forged ahead. While celebrating the centenary of the CPC this year, it is clear that by reviewing the past one can foresee the future, and by forging ahead with determined endeavor one can achieve sustainable development. Taking enhancing the Party’s political building as the overarching principle, the Bank has made solid efforts in organizing the campaign on Party history learning and education, and carried out in-depth activities in celebration of the CPC centenary. By making new and remarkable achievements in advancing Party building, the Bank paid tribute to the CPC centenary; upholding high-quality Party building will lead to and ensure the Bank’s high-quality development.

#### A Brilliant Chapter Written with Party Building as the Lead

Over the past seven decades since its inception, particularly the 18<sup>th</sup> CPC National Congress, the Bank has adhered to Party leadership, worked to foster the “root” and “soul” of Party building, and took the lead in five areas of Party building:

1. Leading in taking a clear-cut political stance: The Bank stepped up “Four Consciousnesses”, strengthened “Four Confidences”, and ensured “Two Upholds” during the process of serving poverty alleviation and rural revitalization, and serving the efforts to ensure stability on “Six Key Fronts”, and maintain security in “Six Key Areas”.
2. Leading in arming itself with Party’s theories: The Bank continued to arm itself with the Party’s innovative theories, and guide its practice and promote work progress with such theories.
3. Leading in building and strengthening primary-level Party organizations: The Bank accelerated the standardization of primary-level Party organizations, and scaled up “Two Managements<sup>1</sup>” in an all-round way. By doing so, the Bank continuously improved the organizational and political functions and organization capability of primary-level Party organizations, and guided Party branches and Party members to give full play to the “Two Roles<sup>2</sup>”.
4. Leading in building a team of competent and professional officials and talents: The Bank rolled out a series of implementation opinions, encouraged active assumption of responsibilities, and worked to smoothen the “Two Channels<sup>3</sup>” for talent growth.
5. Leading in tightening discipline and improving Party conduct: The Bank ensured

<sup>1</sup> “Two Managements”: The list-based management of primary-level Party organizations and point-based management of Party members.

<sup>2</sup> “Two Roles”: The decisive role of primary-level Party organizations and the exemplary role of Party members.

<sup>3</sup> “Two channels” refer to the managerial and professional career development channels.

the earnest fulfillment of “Two Responsibilities”<sup>4</sup> level by level, completed the reform of stationed institutions without any reservation, and continued to deepen the reform of streamlining administration, delegating power, improving regulation and upgrading services.

### [Commendations]

On June 28, 2021, at the Outstanding Party Members, Exemplary Party Workers, and Advanced Community-level Party Organizations Commendation Conference, the General Party Branch of Shuanghu County Sub-branch in Tibet was honored as a National Advanced Community-level Party Organization, and Comrade Bu Tongliang, Deputy Senior Manager of Chiping Sub-branch in Liaocheng, Shandong was honored as a National Outstanding Party Member.

## **I. Thoroughly Organizing the Campaign on Party History Learning and Education to Gather the Strength to Forge Ahead**

The Bank thoroughly organized the campaign on Party history learning and education, completed the required work with a high level of standards and quality, educated all Party members and officials of the Bank to study the Party’s history, understand its theories, do practical work and make new advances.

### **i. Understanding the Power of Theories and Fortifying the Ideal**

Highly aligning learning the Party’s history with understanding its theories, all party members and officials of the Bank focused on learning the guiding principles of important speeches delivered by President Xi Jinping, such as at The Mobilization Conference on Party History learning and education, the Ceremony Marking the Centenary of the CPC, and the sixth plenary session of the 19th CPC Central Committee. Through themed learning, publicity, Party lectures, trainings and organizational life and democratic life meetings, all party members and officials of the Bank studied the Party’s theories in depth. By thoroughly and systematically learning the Party’s history, they drew the wisdom and strength from it, and deeply understood the Party’s tremendous achievements and historical experiences in leading the Chinese people in the century-long struggle. They built up a correct view of Party history, enhanced their historic consciousness and confidence, and shall publicize and pass on the great founding spirit of the Party. Knowing clearly the decisive role of “Two Establishments”, all party members and officials of the Bank continuously improved the ability and the level of arming their minds with the latest innovative theories of the Party, so as to guide practices and promote work progress.

- Nearly 260,000 themed learning activities were carried out by 43,700 Party organizations cumulatively.
- Members of the Head Office Party Committee gave over 20 themed Party lectures; members of the Party committees of 49 organizations directly managed by the Head Office gave over 400 Party lectures; members of the Party committees of all-level branches gave over 17,000 Party lectures, and Party

<sup>4</sup> “Two responsibilities” refer to the primary responsibility and the supervisory responsibility of full and strict Party self-governance, with the former bore by the Party Committee and the latter bore by the Commission for Discipline Inspection.

branch secretaries gave over 38,000 Party lectures.

- Members of the Head Office Party Committee gave over 30 themed publicity speeches; main heads of Party committees at all levels gave over 7,000 publicity speeches, and members of the Party committees of all-level branches gave over 25,000 publicity speeches.
- 37,000 primary-level Party branches held themed organizational life meetings for 250,000 in-service Party members.
- Visits to red culture education bases and online tomb-sweeping activities covered over 400,000 employees.
- 117,000 themed Party day activities were carried out.



Scan the QR code to view the videos about ABC's campaign on Party history learning and education themed "One Party Lecture".

### Create New Forms of Learning Party History



Beijing Branch sets up an exhibition for the campaign on Party history learning and education, where guide services are available throughout the day. (Photo by Sun Qi)



A Communist Youth League of Zhejiang Branch is carrying out a CPC history-themed activity (Photo by Chen Yiwen)



A campaign on Party history learning and education knowledge contest themed “Learning Party History, Strengthening Conviction and Following the Party”, is held by Dalian Branch. (Photo by Lin Gang)



Invited by Guangdong Branch, Kuang Yaoshui, a 100-year-old Party member gives a themed Party lecture to the Party members of the branch, who draw on the strength to forge ahead from the stories of revolutionary forefathers. (Photo by Zhou Jieyi)



Fujian Branch sets up Rao Caifu's Deeds Exhibition Hall as a base for the campaign on Party history learning and education. (Photo by Su Xiaosheng)



Tibet Branch has CPC history learning manuals translated into Tibetan for Tibetan employees and local herdsmen to learn. (Photo provided by Tibet Branch)

## ii. Focusing on the Urgencies, Difficulties, Concerns and Expectencies of the Public and Doing Practical Work in the Interests of the Public

Upholding the principle of learning Party history to take concrete actions, the Bank actively implemented the people-centric development concept, and thoroughly carried out the practical campaign themed “Doing Practical Work in the Interests of the Public”. Based on the characteristics, responsibilities and mission of the financial industry, the Bank focused on the urgencies, difficulties, concerns and expectencies of the public, solved a host of problems that worry and upset the public and primary-level employees. In doing so, the public and primary-level employees could feel deeply the new changes and benefits brought on by the campaign on Party history learning and education.

### [Results]

- The *List of Tasks in the Practical Campaign Themed “Doing Practical Work in the Interests of the Public”* was developed. The list specified 22 key measures and 57 detailed projects in six aspects, i.e. serving the real economy, supporting rural revitalization, providing financial services related to people’s livelihood, improving services, optimizing processes and reducing burdens on grassroots-level

employees.

- A total of 12,200 projects were carried out by all community-level Party organizations under the “*Doing Practical Work in the Interests of the Public*” campaign.
- 11,392 Party branches paired with village (community)-level Party branches, conducted 114,000 practical projects for the public in communities, campuses and rural areas.
- 1,007 measures in public interests were launched at important time nodes, benefiting 16.22 million people in total.
- 1,452 projects to simplify the approval process, improve work efficiency, optimize business environment were launched, benefiting 7.57 million people in total.
- 1,103 practical work in the public’s interests related to employment, social security, healthcare and housing were done, benefiting 29.05 million people in total.
- 1,813 projects were done under the “Old and Young” program, benefiting 23.37 million people.
- The Bank helped implement 398 livelihood projects related to the “vegetable basket” (non-staple food supply), “rice bag” (grain supply), renovation of old residential communities and urban management, benefiting 4.97 million people in total.

### **[Case] Strengthening Party Building as the Lead and Boosting Rural Revitalization**

The Bank organized 55 grassroot Party organizations of the Head Office departments and the sub-branches in 57 poor counties (counties receiving pairing assistance) to collaborate with the 57 lifted out of poverty villages in respective counties on building grassroot-level Party branches, planning for development concepts, cultivating talents, and assisting needy people. Through the pairing assistance in Party building, the Bank did practical work and solved problems for the public. In 2021, the Bank guided the disbursement of RMB 7,779 million of agro-related loans by its sub-branches in the counties receiving pairing assistance from the Bank, directly purchased agricultural products worth over RMB 15 million, helped sell agriculture products worth RMB 4.92 million, and saw employees donate RMB 457,000 on a voluntary basis; it showed particular care for 2,692 Party members and masses, equipped schools, dining halls and activity rooms with computers, desks, chairs, etc., and contributed to the construction of a host of livelihood infrastructures related to drinking water, lighting, road and sanitation in rural areas. That effectively bolstered the people’s sense of happiness, gain and security. The practice was covered by *Guangming Daily*.

### Removing Public Concerns with Heart and Soul

Deeply integrated with regional economy, ABC's Shanghai Branch actively participated in the government's major livelihood projects, including renovation of old communities and construction of affordable housing, and provided fund support and financial services for the urban renewal project on the (eastern) plot of Qiaojia Road, in Huangpu District. The project covered 168,000 m<sup>2</sup> of land, with 232,300 m<sup>2</sup> of old buildings moved, and benefited more than 10,000 residents in 5,810 households.

Braving wind and snow, employees from ABC's Xinjiang Branch visited herdsmen in their homes over 4,200 meters above sea level to conduct pre-lending investigations and verify the number of livestock. Besides granting livestock loans and addressing the urgencies and difficulties for farmers and herdsmen, they also publicized the guiding principle of the 6th plenary session of the 19th CPC Central Committee to farmers and herdsmen to arouse passion for the Party and the country among people of all ethnic groups.



Gu Shu, Secretary of the Party Committee and Board Chairman of the Bank, visits Xiushan County, Chongqing to see the progress of the Bank's financial support for the building of new countryside. (Photo by Pan Yulin)



A member of the Youth Task Force of Xiamen Branch proceeds with the bank card application procedure for rural migrant workers on a construction site. (Photo by Huang Zhixiang)



## II. Carrying Forward the Great Founding Spirit of the CPC and Paying Tribute to the 100<sup>th</sup> Anniversary of the Founding of the CPC

The Bank held a series of activities in celebration of the 100<sup>th</sup> anniversary of the founding of the CPC, and contributed to the continuation of the Party's red traditions by creating new forms and carriers, and making good use of red culture resources. Through a diverse range of lively practices and activities with distinctive themes, such as the awarding of "50-year Party Membership" memorial medals, the "Red Letters to Homes" reading meetings, "100-year Spirit Spectrum" music-based Party lectures, "Party Flags Flying High in Grassroot Organizations" micro Party lectures and writing competitions, "Forging Ahead on the 100-year Journey" walks, "Always Following the Party" art work collection, "My Love for the Party" art show, "Singing a Red Song to the Party" and "Sharing My Words with the Party" offline flash mobs, the Bank celebrated the CPC, socialism, reform and opening up, the motherland, and the unity of all ethnic groups in China. Such activities manifested the good mental outlook of the employees of the Bank in the new era, and enhanced their love for the Party and the country.



As part of his trip to the contact sites of the campaign on Party history learning and education, Zhang Qingsong, Deputy Party Secretary and President of the Bank visits the exhibition hall of the former site of the 1<sup>st</sup> CPC Qiongya Congress and reviews the

CPC admission oath. (Photo by Meng Zhongde)



A micro Party lecture competition themed “Party Flags Flying High in Grassroot Organizations” is held by Shaanxi Branch. (Photo by Yang Sha)



An awarding ceremony for “50-year Party Membership” memorial medals is held by Nantong Branch in Jiangsu Province. (Photo by Huang Yingbo)



Exhibitions and shows are held by Qinghai Branch to reproduce the classical moments in Party history. The photo is a scene in the play Young Li Dazhao. (Photo by Li Yan)



A reading activity themed “Red Letters to Homes” is held by ABC’s Liaoning Branch.  
(Photo by Wang Weiwei)

### III. Deepening Full and Strict Governance over the Party and Further Solidifying Grassroot Party Organizations

The Bank continued to ensure that political responsibility for governance over the Party is fulfilled at each level of the Party organizations, preserved in the building of Party integrity, clean governance and the fight against corruption. Intensified efforts were made by the Bank to promote full and strict governance over the Party, and strict governance over the Bank, and a development environment featuring honesty and integrity was fostered.

#### i. Building Strong Grassroot Party Organizations as “Fortresses”

The Bank promoted the all-round start of the building of strong grassroot Party organizations, and has taken building such organizations as a long-term approach to solidify its foundation. By improving basic organizations, basic teams and basic systems, the Bank has continuously improved the political functions and organizational capacity of grassroot Party organizations, and built them into strong “fortresses” that fulfill their responsibilities with bravery amidst difficulties.

##### Main Steps and Results

- Improved list-based management of Party branches and point-based management of Party members, with the case of “improving the quality and efficiency of Grassroot Party building through ‘Two Managements’”, this was rated as the “Excellent Enterprise Party Building Case” by *People’s Daily*.
- Earnestly implemented the plan for Party member education and training, organized interim assessment, and continued to advance the “Leader”, the “New Force” and the “Benchmark” programs to improve the quality of the Party member teams.
- Held the first promotion meeting for Party building among its subsidiaries.
- Awarded Advanced Units for Standardized Party Building, Advanced Units for Promoting Poverty Alleviation Through Party Building, as well as Party Member Task Forces, Vanguard Teams and Service Teams with outstanding performance in poverty alleviation.

##### [Results] Solidified and Expanded Coverage of Grassroot Party Organizations

At the end of 2021,

- The Bank had 43,700 Party organizations and 365,100 Party members.
- Ensured all business outlets had Party member(s).
- Over 97% of the core and backbone outlets had Party branches.
- Over 70% of primary-level employees were Party members.

#### **[Case] Giving Play to the Role of Advanced Party Members**

The Bank held a commendation meeting to honor outstanding Party Members, Exemplary Party workers, and Advanced Community-level Party Organizations, at which 280 “Outstanding Party Members”, 160 “Exemplary Party Workers”, 160 “Advanced Community-level Party Organizations” and 100 “Jinsui Vanguard” were honored. In addition, diverse forms, including reports, talks, speeches, story-telling meetings, micro Party lectures and writing competitions, were used to tell good stories of advanced model workers, and give full play to their role in spiritual leading and demonstration.



A member of the Party Member Vanguard Team for mobile services of Balinzuo Banner Sub-branch in Chifeng, Inner Mongolia, provides door-to-door services to the farmers and herdsmen on the grassland. (Photo by Lu Na)

#### **ii. Tighten the Reins to Promote the Full and Strict Governance over the Party and Strict Governance over the Bank**

The Bank made consistent efforts to tighten discipline and improve Party conduct, strengthened institutional building, and intensified and refined the supervision mechanism targeted at the “critical minority”. The Bank took solid and detailed steps in the daily monitoring of Party members and officials, strictly investigated and punished violations against rules and disciplines, established the distinct orientation of full and strict governance over the Party, and built organizations that are clean and upright.

##### **Main Steps**

- Continued to carry out the assessment of full and strict governance over the Party, and the assessment of work reports on Party building by Party secretaries at grassroot organizations; organized top leaders at each level to report their work to the leaders at a higher level to ensure Party building is implemented at Party organizations at each and every level.

- Released the implementation opinions on strengthening the supervision over top leaders and leading teams.
- Issued the *Guiding Opinions on Strengthening Integrity Culture* to make the integrity culture part of operation, management and customer services.
- Launched 30 measures aimed to further eliminate formalism and reduce burdens on primary-level employees.
- Developed the list of entities responsible for the full and strict governance over the Party level by level, detailed the arrangements for key tasks, and established and improved the mechanism for list-based fulfillment of responsibilities.
- Developed and refined over 90 rules and measures in key areas like official vehicles, business traveling and centralized procurement.
- Held warning and education conferences across the Bank, at which cases of violations against disciplines and laws, and typical cases of violations against the CPC Central Committee's eight-point rules were reported for strong deterrent effects.

### **[Case]Drawing Comics to Promote Party Integrity and Clean Governance**

The Bank continued to strengthen publicity and education about the building of Party integrity and clean governance, in an effort to build a culture of integrity. With “learning Party history, staying true to the original aspiration and talking about clean governance” as the theme, the Bank collected over 300 publicity comic pictures from primary-level employees. During the process of drawing comics about clean governance, the Party organizations and employees at various levels deepened their understanding towards the Party's eight-point rules, disciplines and rules, and integrity culture. After the end of the collection, the works were displayed in diverse forms, educating and guiding Party members and officials to be careful about every detail, and to be clean, responsible and honest with work.



A comic picture from ABC's Shanghai Branch: Clock (Photo provided by Zhao Rui)



A comic picture from ABC's Fuyang Branch in Anhui Province: Do Not Touch  
(Photo provided by Liu Yimin)

### **[Case]Carrying forward the Integrity Concept and Creating an Enabling Atmosphere for Work and Entrepreneurship**

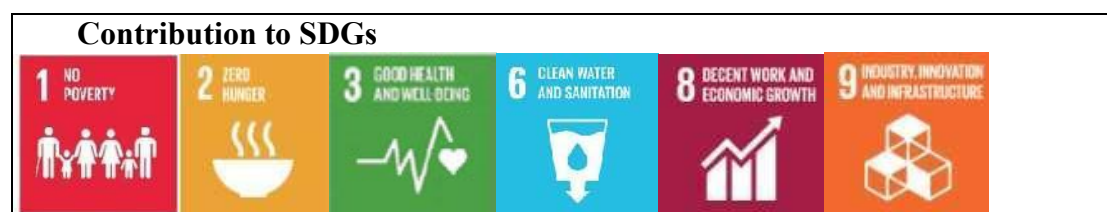
ABC's Hubei Branch vigorously carried forward the concept about being clean and upright, and created new forms of education to make integrity culture take roots in the minds of employees. It organized immersive learning activities at venues like the Exhibition Hall of the History of CPC Discipline Building, which bolstered the resolve to exercise strict governance over the Party across the branch; it carried out the program of publicizing integrity culture at outlets, departments, projects and homes and online, and solved the "last mile" problem in the building of Party integrity and clean governance; it organized warning and education speech tours themed "Explaining Laws through Cases to Keep the Alarm Bell Ringing", which featured case sharing by employees and covered all officials and employees; it carried out routine integrity prompts and warning, and urged strict self-discipline through distributing the Party Committee's prompt lists for execution of duties and special issues about Party integrity.



Hubei Branch carries out an integrity education activity themed "Learning 100-Year Party History and Building Clean and Upright Family Traditions" .(Photo by Cao Chenggang)

# Practice Chapter

## I. Focusing on "Sannong" Areas to Serve Rural Revitalization



The Bank fully implemented the strategy and arrangements of the CPC Central Committee and the State Council for rural revitalization, firmly acted on its responsibilities and mission of serving rural vitalization, and thoroughly practiced the "Sannong" inclusive strategy. The Bank launched support measures and service plans targeted at key areas, and implemented differentiated financial service policies. By vigorously introducing new financial products and service models serving rural revitalization, the Bank worked to build a modern "Sannong" financial service system, and offered full support for the revitalization of industries, talents, ecology and organization in rural areas, so as to contribute its know-how and strength to the accelerated realization of a strong agriculture, beautiful rural areas and rich farmers.

At the end of 2021, the Bank reported RMB 4,757 billion of agro-related loans and RMB 544.666 billion of "Hui Nong e-Loan" balance, benefiting 3.6811 million rural households in total.

### i. Consolidating the Results of Poverty Alleviation

The Bank has resolutely implemented the requirements of "no withdrawal of responsibilities, supporting policies, pairing assistance or supervision after poverty elimination", and prioritized consolidating the results of poverty alleviation in its efforts to provide financial services to "Sannong" areas. The Bank stepped up financial support to the areas lifted out of poverty, helped consolidate and expand the results of poverty alleviation in coordination with the extensive drive for rural revitalization, and took solid steps to promote rural revitalization with high-quality services.

#### 1. Continue providing financial services to the areas shaking off poverty

**Loans granted to counties lifted out of poverty maintained steady growth.** The Bank released the opinions on consolidating the results of poverty alleviation through financial services, which required efforts to maintain overall stable policies for the counties lifted out of poverty in the five-year transition period, and to ensure annual steady growth in the loans to these counties. The Bank offered full financial support to the areas shaking off poverty in major construction projects, modern agriculture, distinctive rural industries, rural construction, follow-up pairing assistance for the people lifted out of poverty through relocation and improvements of public services, amongst others.

**New financial products were created for the areas lifted out of poverty.** The Bank vigorously promoted the financial products aimed to consolidate the results of poverty elevation, such as "Loan for Consolidating Results of Poverty Alleviation", "Poverty Alleviation Loan for Farmers' Rights", and "Poverty Alleviation Loan for Business",

in the areas shaking off poverty, and scaled up the products, models and experience accumulated in providing financial services to help alleviate poverty into the areas of rural revitalization. The Bank refined micro-credit products targeted at the population lifted out of poverty, adopted preferential interest rates, and was persistent with loan borrowing, use and return by households, precisely supporting lenders in production and operation.

**The results of pairing assistance through consumption were improved.** The Bank launched “Xingnong Mall”, a platform designed for pairing assistance through consumption. By promoting the products and services among cooperative clients, purchasing from designated suppliers, and mobilizing employees to make purchases, the Bank continuously expanded the consumption of the products and services from the areas lifted out of poverty, and thus enlarged their product and service markets.

At the end of 2021,

- The balance of the loans to 832 counties lifted out of poverty stood at RMB 1,465.7 billion, an increase of RMB 182.6 billion from the beginning of the year, and the growth was higher than the growth of loans across the Bank.
- The Bank helped sell agricultural and sideline products worth RMB 1.13 billion produced from the areas lifted out of poverty, including RMB 260 million enabled via “Xingnong Mall”.



A worker from Weichang County Sub-branch in Chengde, Hebei Province, visits the households lifted out of poverty in a village pairing up with the Branch, learning about their production and plans for the future in order to give targeted suggestions based on their actual conditions. (Photo by Jing Shuhua)



A customer manager of Changting Branch in Fujian Province visits farmers lifted out of poverty in their homes to learn about the results of pairing assistance. (Photo by You Zonghong)

## 2. Optimizing pairing assistance

The Bank released policies and measures about pairing assistance, introduced new forms of pairing assistance, focused on key areas including investment promotion, fund donation, talent training and pairing assistance through consumption, and continued the pairing assistance for four designated counties, including Wuqiang County and Raoyang County of Hebei Province, Huangping County of Guizhou Province, and Xiushan County of Chongqing City.

At the end of 2021,

- The balance of the loans to the four fixed-point poverty alleviation counties stood at RMB 13.5 billion, an increase of RMB 1.6 billion from the beginning of the year;
- RMB 59.97 million of non-reimbursable aid funds from the Bank supported 44 projects in the four designated counties, including projects related to rural industries and trainings;
- The Bank helped introduce RMB 18.29 million of non-reimbursable aid funds to the fixed-point poverty alleviation counties.

### **Main Steps to Support Fixed-point Poverty Alleviation Counties**

- The Bank held the “ABC · Raoyang County Online Investment Promotion Meeting”, invited the CPC Raoyang County Committee and Raoyang County Government, as well as eight enterprises, including Yihai Kerry Arawana Holdings Co., Ltd., Syngenta Group and Tuli Group, for online communication.
- The “5G + Smart Scenario” program was implemented in Huangping County, Guizhou Province, offering a range of services including Party building coordination, online working, data release and statistical research, and effectively resolving the problems and difficulties arising from primary-level governance.

- The Bank supported the “Smart Hospital” construction by the TCM Hospital of Xiushan County, Chongqing by deploying self-service terminals at the hospital and launching the WeChat public account for online services. That helped make medical services more accessible to the people both online and offline.
- The Bank focused on the milk industrial chain in Hebei Province’s Wujia County, with leading milk enterprises at its core, increased support to upstream dairy farming enterprises, silage enterprises and forage growers, thus extending support for the entire industrial chain.



Guizhou Branch supports the planting of Chinese herbal medicine like radix pseudostellariae in Huangping County in Guizhou Province. (Photo by Ye Yikun)

### **3. Improving the mechanism for collaboration between eastern and western branches**

The Bank developed and released the *Opinions on Upholding and Improving the Mechanism for Collaboration between Eastern and Western Branches*. In line with the latest collaboration relationship between eastern and western provinces, the Bank adjusted the pairing assistance relationship between eastern and western branches, refined the mechanism for collaboration and pairing assistance, and actively provided all-round financial services for the industrial transfer, project cooperation and labor match between eastern and western provinces. The Bank selected 12 eastern branches with strong ability in pairing assistance to offer long-term assistance to fixed-point western branches, which provided a strong organizational guarantee for serving the rural revitalization strategy.

#### **[Case] Pairing Assistance on Talent Dispatch between Eastern and Western Branches Produces Fruitful Results**

The Bank deepened the pairing assistance on officials and talents between eastern and western branches, consolidated and expanded the campaign of “Double Hundred” Officials and Talents Pairing Assistance. Based on the established pairing assistance between 100 county-level sub-branches in deeply impoverished areas and 100 tier-1 sub-branches in developed eastern areas, the Bank brought the number of pairs under the campaign to 110 by adding the sub-branches in the key counties receiving pairing assistance in China’s rural revitalization process and the county-level sub-branches in

old revolutionary base areas to the list. Pairing sub-branches sent officials to each other for one-to-one precise pairing assistance. At the end of 2021, over 500 officials were dispatched under the campaign of “Double Hundred” to promote the collaboration between eastern and western areas.

#### **4. Serving key counties receiving pairing assistance in China’s rural revitalization process**

Targeted at 160 key counties receiving pairing assistance in China’s rural revitalization process, the Bank developed 21 special policies for financial support, and devoted special resources to ensure the pairing assistance was prioritized and effectively implemented. The Bank launched the work plan on supporting the key counties receiving pairing assistance in China’s rural revitalization process through financial services, so as to ensure the growth of overall loans to the counties receiving pairing assistance to be higher than that of the loans granted by the Bank, the growth of loans to each county to be higher than that of the loans granted by corresponding branches, over 70% of newly increased loans to be used locally, and the interest rate of the loans to the key counties receiving pairing assistance to be lower than that of other areas.

##### **[Case] “Fumin Loan” Serves as a Bridge to Richness**

“Fumin Loan” is a mortgage and guarantee-free micro-credit product launched by the Bank in collaboration with the National Rural Revitalization Administration, and handled exclusively by the Bank. Specially designed to support production and business activities, such as farming and animal breeding, processing and manufacturing, and commodity circulation, in the areas lifted out of poverty, the product features a preferential interest rate to help farmers develop production, increase incomes, and get rich to the greatest extent. Within less than one month upon product release, the first batch of loans was granted in areas including Chongqing and Anhui. At the end of 2021, the Bank disbursed RMB 55.03 million of “Fumin Loan”, supported 444 rural households cumulatively, covering all the 160 key counties receiving pairing assistance in China’s rural revitalization process.



Guilin Branch in Guangxi Province, vigorously supports the development of Multinational Autonomous County of Longsheng, a key county receiving pairing assistance in China’s rural revitalization process. (Photo by Wu Wenqiao)



Tibet Branch launches the “Rural Revitalization · Consolidating Border Area Loan” to support the building of border areas. (Photo by Duobudan)

**[Case] Consolidating the Results of Poverty Alleviation and Marching towards Rural Revitalization**

Xinjiang Production and Construction Corps Branch developed 44 policies serving rural revitalization and supporting business development in counties, thus setting up a Working Group for Promoting Rural Revitalization through Financial Services. It increased the number of employees in the sub-branches of the four prefectures in southern Xinjiang by 53, and had departments at various levels dispatch four officials and employees each to the front-line of poverty alleviation to take on responsibilities by providing financial services. It introduced new financial products including “Bing Mian Connect”, “Bing Mu Loan” and “Livestock Loan”, and strengthened the granting of loans, maintaining the increase of loan granting in the key areas of rural revitalization. At the end of 2021, RMB 31.3 billion of agro-related loans were granted, a year-on-year increase of RMB 9.8 billion.



Xinjiang Production and Construction Corps Branch creates the “Bing Mian Connect” loan product to help farmers raise yield and income. (Photo by Wei Xiaojie)

## ii. Promoting Agriculture Upgrade on All Fronts

Focusing on the key areas of rural revitalization, the Bank beefed up financial credit support for farmland water conservancy construction, revitalization of the seed industry, and various entities across the green industrial chain. It joined forces with various sides to form service synergy, added impetus to the development of rural industries, so to accelerate the modernization of agriculture and rural areas.

At the end of 2021,

- The balance of agro-related loans amounted to RMB 4,757 billion.

### 1. Creating service synergy

#### **Joining Forces with Various Sides to Form Service Synergy**

- The Bank strengthened cooperation with the Ministry of Agriculture and Rural Affairs, National Rural Revitalization Administration, Ministry of Science and Technology, Ministry of Culture and Tourism, Ministry of Commerce and All-China Federation of Industry and Commerce (ACFIC), among others, to support the development of modern agriculture, agricultural science and technology, rural commerce and trade, and private enterprises, etc.
- The Bank increased cooperation with provincial-level governments to promote the modernization of local agricultural industries, the construction of beautiful and livable villages, the building of digital villages and other key areas of rural revitalization.
- The Bank intensified cooperation with guarantee companies by expanding the scope of cooperation, increasing support for new agricultural business entities, and the construction of cold chain storage facilities for agricultural products, among others. The balance of loans it granted in collaboration with the National Agricultural Credit Guarantee Alliance Co., Ltd. stood at RMB 66.3 billion, a year-on-year increase of RMB 15.4 billion.
- The Bank strengthened cooperation with village Party branch committees and village committees, leading agricultural industrial enterprises and farmers' special cooperatives, which recommended customers to the Bank, helped the Bank with post-lending management, investigations and inspections. By doing so, the Bank enabled precise marketing, and carried out the retail business in batches.

#### **[Case] Supporting the Innovation and Application of Agricultural Science and Technology in Collaboration with the Ministry of Science and Technology**

The Bank signed an agreement with the Ministry of Science and Technology for the cooperation on providing financial services to agricultural science and technology. According to the agreement, in the next three years, the Bank will provide at least RMB 100 billion of intentional credit line to fields including modern agricultural science and technology and primary-level innovation, so as to divert more financial resources to agricultural science parks, counties, and science and technology enterprises. The financial services will cover 270 agricultural science parks and 52 state-level innovation-oriented counties (cities) to support the development of high-tech agricultural industries.

**[Case] Vigorously Supporting the “Making Villages Thrive through Enterprises” Campaign**

Taking providing financial services to the “Making Villages Thrive through Enterprises” campaign as an important aspect of supporting rural revitalization, the Bank actively joined the National Leading Group for the “Making Villages Thrive through Enterprises” Campaign, and signed a head office-level strategic cooperation agreement with All-China Federation of Industry & Commerce (ACFIC) to promote the establishment of a multi-level cooperation mechanism between its branches at various levels and the branches of ACFIC at various levels. Meanwhile, the Bank, in collaboration with ACFIC, launched the financial service model of “Lianqi Xingcun Loan” to support the private enterprises joining the “Making Villages Thrive through Enterprises” campaign and all types of entities across the industrial chain that collaborate with and empower farmers, so as to contribute to guiding and supporting the engagement of private enterprises in rural revitalization. The Bank vigorously provided financial support to the enterprises recommended by ACFIC, with RMB 1.33 trillion of credit extended and RMB 376.4 billion of loan balance reported at the end of 2021.



The State-owned Assets Supervision and Administration Commission of the State Council, central enterprises and the Bank sign the *Agreement for Strategic Cooperation on Jointly Serving Rural Revitalization* to deepen cooperation, make state-owned capital and state-owned enterprises stronger, better and bigger, and contribute greater to accelerating the modernization of agriculture and rural areas, better serving rural revitalization and promoting common prosperity. (Photo by Chen Shunxi)

## **2. Supporting the development of key sectors**

**The Bank vigorously promoted the financial services for grain security.** The Bank launched an action plan for supporting national grain security through financial services, which defined objectives, tasks and key areas of support, introduced policies supporting the purchase of agricultural machinery and autumn grain, and made all-out arrangements of the financial services backing grain security. The Bank created products at the Bank or regional level, such as “Agricultural Production Trust Loan”,

“Black Soil Granary Loan” and “New Grain Connect”, vigorously supporting the development of planting farmers, family farms, agricultural reclamation enterprises, leading agricultural industrial enterprises, agricultural socialized service organizations and other entities.

**The Bank highlighted the support for the seed industry revitalization campaign.**

It launched the financial service plan and credit policies in support of the revitalization of the seed industry, focusing on building better and stronger seed enterprises, supporting the development of the seed bases, serving the protection of germplasm resources, and the innovation-oriented research in the seed industry and some other key areas. In Jilin, Hunan, Xinjiang and Gansu Provinces, among others, the Bank actively explored and created new models like “agriculture guarantee + risk compensation fund”, supply chain financing, pledge of the right of the new plant variety and “Different Plans for Different Industries” to facilitate the development of seed enterprises and seed bases.

At the end of 2021,

- The balance of loans to key areas of grain security stood at RMB 192.6 billion;
- The balance of loans to the seed industry was RMB 15.5 billion.



Wang Jingdong, Deputy Party Secretary and Chairman of Board of Supervisors of the Bank, inspects Heilongjiang Branch to learn about the progress of serving national grain security and supporting rural revitalization through financial services. (Photo by Yuan Bin)

**[Case] Launching the “Financial Service Deepening Campaign” to Guarantee Grain Security**

Centering on grain security, focusing on grain production areas like Yili River Valley, Ta’e Basin and Qitai Reclamation Area, Xinjiang Branch selected and supported the quality customers and projects in fields like grain circulation, storage and processing to implement the “Financial Service Deepening Campaign” serving rural revitalization in an all-round way. To ensure grain purchase and processing enterprises have access to funds, it launched “New Grain Connect”, offered stock grain mortgage loans to quality grain purchase and storage enterprises, which effectively met their demand for funds. At the end of 2021, Xinjiang Branch granted RMB 495 million of “New Grain Connect” loans to six grain purchase and storage enterprise within its jurisdiction.

### **[Case] “Black Soil Granary Loan” Creates New Hope**

Jilin Branch launched a distinctive loan product named “Black Soil Granary Loan”. Through innovation in six aspects, i.e. precise customer service, brand building, guarantee methods, threshold management, credit extension model and the model of closed fund operation, it offered strong support for the fields related to the protection and use of black soil, such as high-standard farmland construction, digital agriculture, smart agriculture, land consolidation, grain processing, purchase of agricultural machinery, land circulation and returning straws to fields, in the demonstration areas of the counties (cities) under the black soil protection program. Focused support was given to new agricultural business entities and farming households like special cooperatives and family farms. At the end of 2021, Jilin Branch granted the “Black Soil Granary Loan” to 4,075 customers, with the balance of loans standing at RMB 820 million.

### **[Case] “Livestock Loan for Rural Revitalization” Facilitates Financing for the Breeding Industry**

Qinghai Branch launched a livestock mortgage product enabled by the “IoT plus” technology, namely “Livestock Loan for Rural Revitalization”. Leveraging the “Jinsui Agriculture and Animal Husbandry Cloud Platform” and based on intelligent ear tags, the product provides each livestock asset with a unique digital authentication code. By “monitoring” the quantity and movements of the biological assets at any time and any place, the code makes livestock mortgage assets “visible and controllable”. In doing so, Qinghai Branch has established a digital platform enabling smart breeding and herding for farmers and herdsmen, helped the farmers and herdsmen raise breeding efficiency, lower breeding cost, and “turned resources into assets and turned assets into funds”.



Focusing on industrial revitalization, Xingtai Branch in Hebei Province, launches new distinctive credit products based on the resources endowment of different counties.

(Photo by Zhu Lixiao)



Qinghai Branch supports the planting of red line peppers, a featured agricultural product, in Xunhua County, Qinghai Province. (Photo by Bai Yonghua)



Anlong Branch in Guizhou Province, supports sorghum planting by villagers in Haizhuang Village, Anlong County. (Photo by Chen Fangming)

### **3. Supporting the development of new agricultural business entities**

**The Bank strengthened policy support.** By developing and improving 15 policies supporting new agricultural business entities through financial services, the Bank bolstered the support for new agricultural business entities like leading agricultural industrial enterprises, family farms and farmers special cooperatives from aspects like adjusting loan access thresholds, easing loan conditions, raising the credit line for agricultural enterprises, and expanding the scope of rural collaterals.

**The Bank served the development of leading enterprises and their industrial chains.** Actively aligned with local industrial development plans, the Bank provided targeted priority services for key leading enterprises. It popularized the chain service model, extending the financial services targeted at key leading enterprises to the upstream and downstream enterprises in the industry chain with the leading enterprises at the core, thus covering the whole industry chain.

At the end of 2021,

- The balance of loans to leading agricultural industrial enterprises stood at RMB 186.4 billion, an increase of RMB 13.9 billion from the beginning of the year.

In 2021,

- Over RMB 10 billion of online supply chain loans were granted to leading agricultural industrial enterprises on a cumulative basis.

**The Bank provided quality and efficient financial services to agricultural industrialization consortiums.** The Bank, together with the Ministry of Agriculture and Rural Affairs, issued the *Opinions on Supporting the Development of Agricultural Industrialization Consortiums through Financial Services*. By calling for efforts to establish the working mechanism featuring collaboration among governments, banks and guarantee companies, increase credit support, explore effective models of financial services, diversify the channels for credit guarantee, and help agriculture industrialization consortiums improve operation and management mechanism. The policy is aimed to support and guide the sustained and healthy development of agriculture industrialization consortiums.

**[Case] “Credit Express” Creates a Green Channel of Agricultural Credit**

In collaboration with the Ministry of Agriculture and Rural Affairs, and agricultural guarantee companies, the Bank initiated the campaign of “Credit Express” targeted at new agricultural business entities across the country. Through the direct information reporting system for new agricultural business entities, the financing needs of cooperatives and family farms are known. While the national agricultural credit guarantee system provides financing guarantee services, the Bank granted loans, forming a “Credit Express” model in which “operation entities report demands, agricultural guarantee companies provide guarantee, and banks offer credit support”. By enhancing credit based on data sharing, offering door-to-door services in villages, further optimizing application handling, precise matching and access investigation processes, accelerating review and approval online and supporting entities in using and returning funds via mobile banking, the Bank provided the operation entities with more convenient and efficient financial services. At the end of 2021, RMB 1.544 billion of loans were granted on a cumulative basis, benefiting 4,505 households.

**[Case] Supporting the Development of Distinctive Industries through Targeted Measures**

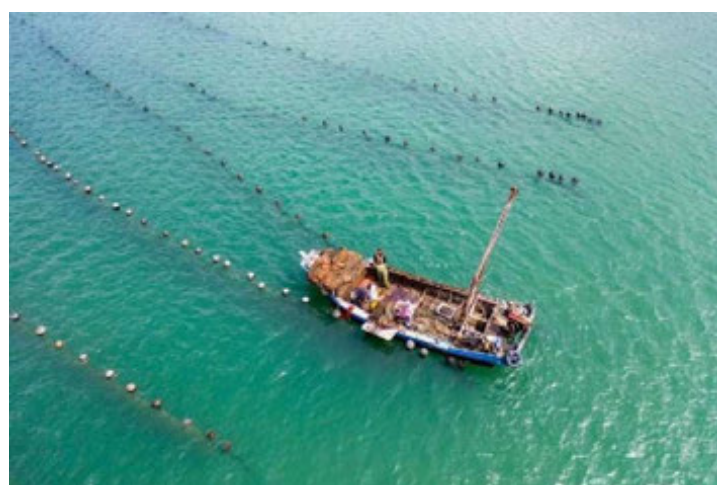
Lianjiang County, Fuzhou, Fujian Province has been reputed as the “land of abalones”, with abalone breeding a major industry of Tongxin Village, Lianjiang County. To meet the demand of abalone farmers for funds, Fujian Branch launched the “Quick Abalone Loan”, helping abalone farmers to get loans at preferential interest rates without visiting bank outlets, thereby solving the problems of difficult access to funds and high cost to use funds. At the end of 2021, Fuzhou Branch provided credit support for 90 abalone farmers in Tongxin Village, with the balance of loans standing at RMB 21.50 million.



Lianjiang Branch, Fujian Province, provides financial services to abalone farmers.  
(Photo by Zheng Peihang)



Gangzha Branch, Nantong, Jiangsu Province assists in the construction of a modern agricultural park. (Photo by Wang Yan)



Dalian Branch supports the development of fishery in Changhai County. (Photo by Li Xuejin)

### iii. Building Beautiful and Livable Villages

Focusing on key areas including the construction of rural public infrastructure, improvement of rural living environments, basic public services in rural areas, rural consumption, and the coordinated development between urban and rural areas inside counties, the Bank stepped up product and service innovation efforts, strengthened collaboration across the system, and constantly improved the quality of financial services. In doing so, the Bank contributed to the building of digital and beautiful villages.

|                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| At the end of 2021,                                                                                                                                                                                     |
| ● The balance of loans in fields related to rural construction stood at RMB 1,280.3 billion, an increase of RMB 165.2 billion from the beginning of the year.                                           |
| ● The balance of “Happiness Industry” loans granted to county-level hospitals, schools and tourism, etc. amounted to RMB 157.1 billion, an increase of RMB 28.2 billion from the beginning of the year. |
| ● The balance of loans to county-level manufacturing enterprises was RMB 746.5 billion, an increase of RMB 105.2 billion from the beginning of the year.                                                |

#### 1. Strengthening top-level design

The Bank launched the special action plan supporting rural construction through financial services, put forward the overall requirements and objectives for developing the businesses serving rural construction, and defined the key fields, key customers and key areas with focused support. The Bank coordinated efforts in marketing services, resources security and risk management, beefed up financial services to shore up the weaknesses in county urbanization, and further improved the effects of services.

| Supporting Five Major Areas of Rural Construction                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ● The Bank supported the construction of projects related to rural roads, water supply, clean energy, digital villages and village-level comprehensive services to promote the improvement and upgrading of rural infrastructure.                                                    |
| ● The Bank supported the construction of projects related to rural toilet renovation, sewage and waste treatment to improve the living and sanitary conditions in rural areas and upgrade village appearance.                                                                        |
| ● The Bank supported the construction of education, medical and elderly care facilities in counties to increase the supply of public services in rural areas.                                                                                                                        |
| ● The Bank supported the building of a rural logistical system at county, township and village levels and the construction of cold chain logistics facilities for the storage and preservation of agricultural products to better align urban and rural production with consumption. |
| ● The Bank supported the improvement of comprehensive service capabilities in counties, construction of small cities and towns, and urbanization of counties as important carriers to promote the integrated development of public services in urban and rural areas.                |

#### 2. Enriching financial products

Based on the rural construction plans of different areas, the Bank developed regional credit products, created the “Rural Construction Loan” product package consisting of 10 bank-level products and 16 distinctive regional products used for rural construction,

provided a diverse range of financial services to suit local economic development, and met local demands for financial services arising from rural construction.

**[Case] Joining the Building of the First Demonstration Area of Financial Innovation for Rural Revitalization in China**

On October 14 of 2021, the Bank, the National Rural Revitalization Administration and Sichuan Provincial Government held the launching ceremony for the joint building of the demonstration area of financial innovation for rural revitalization. The demonstration area under joint construction will focus on nine tasks, such as promoting the building of the “10+3” modern agricultural industry system, implementing the campaign aimed to raise farmers’ income and benefiting the people, and accelerating the construction of demonstration projects for empowering rural revitalization through financial technology. In nine areas including developing the financial products intended to increase farmers’ property income, expanding the scope of collaterals, creating e-CNY scenarios benefiting farmers and launching green and low-carbon financial products, it will coordinate resources of various sides, speed up innovation and breakthroughs, and build demonstration models for supporting rural revitalization through financial services. Efforts will be made to significantly enhance the financial ecological environment, constantly improve financial infrastructure, enrich financial products, continuously expand the channels of financial services and notably raise the level of financial services in the demonstration area by 2025.



Gansu Branch vigorously supports the improvement of infrastructure in Xuantou Village, Shanmen Town, Qingshui County to enhance farmers’ living conditions.  
(Photo by Zhang Zhiming)



Guangdong Branch supports the improvement of village appearance in Lecong Village, Shunde. (Photo by Ma Yongsheng)



Hechi Branch, Guangxi Province increases credit granting efforts to promote rural tourism. (Photo by Zhang Zhengjun)



Focusing on building “digital villages”, Lanxi Branch, Zhejiang Province continues popularizing ABC’s e-banking platform. (Photo by Ma Guogang)

### 3. Serving digital villages

**The Bank popularized the Funds, Assets and Resources Management Platform in rural areas.** The platform consists of six functional modules, i.e. assets and resources management, funds management, equity management, assets transaction, rural governance, and financial services. The purpose is to help rural collectives realize life-cycle management of funds, assets and resources, create new models of government management and rural governance, provide powerful support for achieving mutually promoting and integrated development between urban and rural areas, targeted and effective rural governance, and convenient and efficient public services.

At the end of 2021,

- The Bank has signed contracts with 1,275 counties on the use of the platform for the management of collective funds, assets and resources, available to 908 counties, covering 123,000 administrative villages.
- By popularizing the Funds, Assets and Resources Management Platform, the Bank has opened 116,000 new accounts for rural collective economic organizations, providing convenient payment and settlement services for a broad range of collective economic organizations in villages.

**The Bank carried out financial services based on agro-related scenarios in an all-round way.** The Bank vigorously developed the financial scenarios, such as smarter government affairs, smart medical care, smart education, smart tourism and smart life, in rural counties to meet the diversified customer needs there. Focusing on apple, tea-leaf and beef cattle industries, the Bank launched pilot projects of the financial scenario serving smart agriculture in provinces like Shandong and Fujian to promote the development of smart agriculture.

At the end of 2021,

- The Bank developed 12,000 distinctive financial scenarios of various kinds in counties.

**The Bank participated in the national initiative of building digital villages.** The Bank took an active part in national pilot projects of building digital villages. Connected to the national rural collective assets supervision platform of the Ministry of Agriculture and Rural Affairs, the Bank has undertaken the function of payment and settlement, and the module of rating credit for village collective economic organizations under the supervision platform.

#### **[Case] The Funds, Assets and Resources Management Platform Makes Rural Public Services More Digital**

Tianjin Branch continued the development of the Rural Collective Asset Management Information System of Tianjin Municipality (the platform for the management of collective funds, assets and resources). The Branch signed a cooperative agreement on the Funds, Assets and Resources Management Platform with Tianjin Municipal Committee of Agriculture and Rural Affairs. Under the cooperation, the Branch launched the platform for citywide rural collective economic organizations in 2021, organized service networks at three levels, i.e. the Branch serving the committee, sub-branches serving districts and towns, and outlets serving villages, to help realize the fully automatic, intelligent and online supervision across the city. At the end of 2021, the Funds, Assets and Resources Management Platform had been fully launched in 3,624 collective economic organizations in 153 townships of 10 agro-related districts in Tianjin, leading to an increase of 3,562 village-level

customers, with the account coverage rate reaching 75%.

**[Case] Digitalization Brings More Intelligent and Higher Quality Rural Development**

Selecting Niuqiao Village, Wuzhong District, Suzhou for the implementation of the first pilot project of digital village construction, Suzhou Branch helped Niuqiao Village launch a digital village platform that integrates village affairs information, “reassuring house renting benefiting farmers”, “rankings of beautiful villagers by points” and other services to promote rural modernization. The “reassuring house renting benefiting farmers” service offers a digital channel for over 8,000 migrant people to release, search and screen house renting information, efficiently meeting house renting demands. The “rankings of beautiful villagers by points” service guides and restrains villagers through point management. The village committee may award the villagers active in village affairs with points, and freezes the points of the villagers violating village regulations.



Ningbo Branch cooperates with Liangnong Town, launches the digital village platform named “Colorful Liangnong”, to help realize the integrated operation of the agricultural tourism commercial circle both online and offline, the visibility and audibility of beautiful villages, the online and digital governance of villages, and the easy access to financial services. (Photo provided by Ningbo Branch)

#### **4. Providing talent support**

The Bank sent excellent officials to assist rural areas through financial services, so as to provide powerful talent support for the all-round progress of rural revitalization. At the end of 2021, the Bank had dispatched a total of 3,560 officials to local governments to assist in rural vitalization.

**[Case] A Thousand Officials Stationed in Towns to Promote Rural Revitalization**

Taking the lead in responding to the work arrangements of the CPC Guangdong Provincial Committee and Guangdong Provincial Government on sending officials to towns and villages for paired assistance, Guangdong Branch implemented the “campaign of sending 1,000 officials to towns to promote rural revitalization”, having one thousand excellent officials stationed in towns on a full-time basis to assist the development of towns and villages, a move unseen in its history. The Branch released management measures, developed working manuals, carried out business trainings to guide financial assistants in providing quality “financing and intelligence” services to

promote the construction and governance of beautiful towns and villages. This campaign covered 901 paired towns .



Financial assistants sent by Guangdong Branch to towns are learning about farmers' production and financial needs on a field trip. (Photo by Liang Jingting)

#### **[Case] Building a Financial Bridge Leading to Common Prosperity**

Zhejiang Branch established an “iron team” serving "Sannong", they understand agriculture, love rural areas and farmers, and have dispatched 1,817 excellent backbone officials to townships to take temporary posts for eight years in a row. For the last eight years, the officials had been active in working on the key and difficult aspects of rural work, such as primary-level Party building, water environment improvement and demolition of illegal buildings, investment promotion, and epidemic prevention and control. On a community basis, they had visited 19,000 administrative villages, 320,000 rural households and SMEs, and held 16,000 lecture tours to provide farmers with financial knowledge in a targeted manner, benefiting over 900,000 people in total. The Branch successively accelerated the approval or granting of loans under 1,400 projects, coordinated relevant parties to extend credit totaling RMB 54 billion, and granted RMB 22.8 billion of loans in total, and has become a service provider deeply trusted and relied on by the locals. In 2021, the 7<sup>th</sup> batch of 186 dispatched officials continued intensive innovation efforts in rural revitalization. To achieve rural prosperity and raise farmers' income, through one-to-one services and face-to-face guidance, they promoted the construction of livelihood projects, drove the development of distinctive economy by varying policies with villages, facilitated innovation and entrepreneurship in rural areas, and contributed to the building of beautiful homelands.



A farmer gets the first loan from ABC with the help of the working team sent by Heilongjiang Branch to villages. (Photo by Xue Jing)

#### iv. Helping Farmers Raise Income and Become Better Off

Focusing on the diversified and differentiated financial needs of farmers, the Bank developed a “six-in-one” integrated system of channels including brick-and-mortar outlet, self-service banking, “Hui Nong Tong” service stations, online channel, remote banking, and mobile services. The Bank continued diversifying financial products, created new models of services, improved the quality and efficiency of services to help farmers increase income and become better off.

##### 1. Smoothing the channels of financial services

**The Bank expanded the coverage of offline channels.** The Bank actively optimized the layout of outlets in counties, steadily increased the number of outlets in the areas lifted out of poverty, high altitude areas and border areas, and advanced the expansion of outlets into urban-rural fringe areas and key townships, constantly increasing the coverage of brick-and-mortar outlet services. The Bank upgraded the “Jinsui Hui Nong Tong” by setting up service stations in rural stores and agricultural material stores, to provide farmers with convenient inquiry, transfer, consumption, cash withdrawal and other basic financial services. In remote areas and the townships without outlets, the Bank popularized auto banking and backpack banking to effectively fill in the gap in financial services. In 2021, the Bank has provided door-to-door services, including withdrawal of small amounts of cash, self-service bill payment, cash remittance, and agency collection and payment, to over 110,000 persons in 543 townships.

**The Bank advanced technological aspects of online channels.** The Bank vigorously promoted Internet channels including mobile banking, online banking and remote call banking, and carried out the campaign of “Mobile Banking in Townships to Benefit Rural Areas and Farmers” thoroughly. The Bank also launched the rural version and the minority language versions of ABC Banking App, strengthened the construction of demonstration villages of mobile banking, and widened the coverage of financial services among rural customers with remote banking, so that farmers have easier access to modern financial services without visiting outlets.

At the end of 2021,

- The Bank had 12,600 outlets in counties, being the only commercial bank in China that has outlets in all counties.
- The personal mobile banking service saw 186 million registered customers in counties, including 63.54 million active customers on a monthly basis.

#### **[Case] Mobile Banking in Townships to Benefit Rural Areas and Farmers**

The Bank officially launched the rural version of ABC Banking App targeting customers in counties and rural areas. With a simplified operation interface and more concise functions, this version is easier to use, and focuses on the basic financial needs related to farmers, such as loans, deposits and bill payment, and has removed farmers' pain points of accessing financial services, such as high access threshold and complex operations. The Bank launched financial products, including Hui Nong Wealth Management and "Hui Nong e-Loan", to address the problem that farmers have little financial knowledge, and find it difficult to choose from financial products. The Bank carried out a series of promotion activities to render more benefits to farmers. Since the launch of the mobile banking of the rural version, the Bank has constantly introduced new financial products that are suitable for the rural customers. This has been extensively recognized by a broad range of customers in counties.

At the end of 2021,

- The Bank had over 500 outlets in extremely cold region over 3,500 meters above sea level, and over 70 outlets within 2 kilometers range along the border, demonstrating a prominent role of guarding the border with financial strength.

#### **[Case] The "ABC Green" Along the Border**

On July 30, 2021, when the 70<sup>th</sup> anniversary of the peaceful liberation of Tibet was celebrated, Chentang Sub-branch of Shigatse Branch, Tibet, a full-service financial outlet, was officially opened. Chentang Town is located on the southwestern border of Tibet Autonomous Region, on the border with Nepal. It was the only township without access to roads in Shigatse before 2011. The setup of the Chentang Sub-branch effectively removed the difficulty facing 2,529 people of 535 households in six villages in Chentang Town who had to travel 152 kilometers to Dingjie County for financial services, and extended full financial services to the frontline people on the China-Nepal border.



Chentang Sub-branch, the full-service financial outlet closest to the border in Tibet, is officially opened. (Photo by Duobudan)



An employee of Gansu Branch guides herdsmen in handling financial businesses through the Hui Nong Service Van. (Photo by Wu Peng)



Leye County Sub-branch in Guangxi Province sets up a “Jinsui Hui Nong Tong” service station in Baini Village. (Photo by Chen Deqing)

## 2. Popularizing financial products benefiting farmers

**The Bank continued promoting online products.** Leveraging financial technologies like the internet and Big Data, the Bank put in place an online loan handling system, to vigorously promote “Hui Nong e-Loan”, an online loan product targeted at rural households. The system helps farmers apply for, use and repay loans easily at any time, any place. It can also fully support the development of different industries and forms of business, such as planting and livestock breeding, production and processing, and commodity circulation in rural areas and urban-rural fringe areas, thus making loans more accessible and available to rural households. The Bank also carried out a series of promotion activities among farmers, and helped farmers develop the habit of using the internet to access financial and life services.

At the end of 2021,

- The balance of “Hui Nong e-Loan” stood at RMB 544.666 billion, an increase of RMB 191.255 billion from the beginning of the year, and benefiting 3,681,100 rural households in total.

**The Bank stepped up efforts in financial product innovation.** The Bank released the *Opinions on Strengthening "Sannong" Product Innovation and Creating Competitive Products Serving Rural Revitalization in 2021*. This policy defined the list of competitive products and quality products to be created as well as extended objectives and tasks, and required the expansion of bases for "Sannong" product innovation to better meet farmers' financial needs. At the end of 2021, the Bank had owned 10 products worth more than RMB 100 billion each, and 13 products worth more than RMB 10 billion each in support of rural revitalization.

**[Case] “Jinguo Nong Chuang Loan” Supports Women Starting Businesses in Rural Areas**

Ningbo Branch, in collaboration with Ningbo Women's Federation, launched the “Jinguo Nong Chuang Loan” to provide women starting businesses in rural areas with credit products that feature quality service, priority loans and preferential interest rates. To be specific, a qualified female entrepreneur has access to a pure online credit loan not exceeding RMB 1 million; with mortgage guarantee and government credit enhancement, a personal business loan not exceeding RMB 10 million is available; women entrepreneurs in rural areas with whatever kinds of honors at the county level and above are also supported. At the end of 2021, 233 “Jinguo Nong Chuang Loans” were granted, involving RMB 126 million in total.



Rucheng Sub-branch, in Hunan Province promotes “Ju He Code” among villagers in Shazhou Village to ensure fast and safe settlements by rural merchants. (Photo by Guan Xilin)



Chongqing Branch launches the new distinctive regional product of “Coptis Mortgage

Loan” to support coptis planting. (Photo by Li Chun)



An employee of Zhumadian Branch, in Henan Province publicizes “Hui Nong e-Loan” with farmers. (Photo by Deng Guoyong)



Yuncheng Branch, Shanxi supports local cherry planting through “Hui Nong e-Loan”.  
(Photo by Shi Xiaojie)

## II. Focusing on Key Areas to Boost the Real Economy



Adhering to the principle of serving the real economy, the Bank fully implemented the new development philosophy, and gave full play to its leading role as a large state-owned bank to serve the formation of a new development pattern featuring positive interplay between domestic circulation and international circulation. It remained committed to bringing a sustained flow of financing to the key areas and weak links of economic and social development, and made all-round efforts to contribute to ensuring stability on the “six key fronts” and maintaining security in the “six key areas” with financial services. This is to guarantee the development of manufacturing, innovative high-tech enterprises, and micro and small enterprises, etc. as well as to promote the high-quality economic and social development with high-quality financial services.

At the end of 2021, the balance of corporate loans and advances totaled RMB 9.59 trillion; the balance of loans for manufacturing exceeded RMB 1.7 trillion; the balance of inclusive financial loans for micro and small enterprises reached RMB 1.32 trillion.

### i. Supporting Major National Strategies

The Bank continued to improve product research and development, and innovate services to provide precise financial support for the development of key areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing economic circle, and the Yellow River Basin, adding to the effective implementation of national strategies and coordinated regional development.

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

Starting from the fundamental task of relieving Beijing of functions non-essential to its role as China’s capital, the Bank scaled up its financial support to key areas such as transportation integration, ecological environmental protection, industrial transfer, and upgrading and major infrastructure construction, as well as to the development of key projects, in an effort to boost the coordinated development of the Beijing-Tianjin-Hebei region.

#### Support for Key Projects Development in the Beijing-Tianjin-Hebei Region

|                                                            |                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supporting transportation integration of the three regions | The Bank provided support to various projects including the Tianjin-Daxing Airport Intercity Railway, the New Airport North Line Expressway, the Shijiazhuang-Hengshui-Cangzhou-Huanghua Port Intercity Railway, and the new route of Rongcheng-Wuhai Expressway in Xiongan New Area, to boost the |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                            |                                                                                                                                                                                                                                                             |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | <p>transportation connectivity of Beijing, Tianjin and Hebei.</p> <p>The Bank also supported 117 key projects of rail transit, expressway and airport construction in Tianjin.</p>                                                                          |
| Promoting regional industrial upgrading    | The Bank carried out cooperative projects such as the Urban Living Room Project of Beijing Huairou Science City and the Phase II Scientific Research Design of Zhongguancun Dongsheng Science Park.                                                         |
| Protecting regional ecological environment | The Bank supported the environment improvement and renovation project of Guyue Jiayuan in Beijing Municipal Administrative Center. It also supported facilities of the three public architectures in the center of Beijing Municipal Administrative Center. |



Tianjin Branch supports the construction of intelligent container terminal project in Section C of Beijiang Port Area of Tianjin Port. (Photo by Ji Xu)

## **2.Supporting the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the Shenzhen Pilot Demonstration Zone for Socialism with Chinese Characteristics**

The Bank released a list of policies to support the building of the Guangdong-Hong Kong-Macao Greater Bay Area and the Shenzhen Pilot Demonstration Zone for Socialism with Chinese Characteristics, fully contributed to the development of key areas such as infrastructure and public services in the Greater Bay Area and the Pilot Demonstration Zone. The Bank actively served the opening up of and the flourishing development of technology and innovation-driven industries in the Greater Bay Area, so as to provide financial guarantee for the industrial agglomeration and the innovation-driven development.

### **Backing the Development of Technological Innovation-driven Industries in the Area and the Zone**

**Focusing on the financing need of innovative high-tech enterprises to enhance**

**the innovation of financial products**

The Bank launched various products such as “Easy Tech Financing” credit loan, “Technological Innovation Empowerment Loan”, and “Incubation e-Loan”, an exclusive online financing product for innovative high-tech enterprises, to accurately solve the financing problems of innovative high-tech enterprises such as light-asset operation and insufficient collateral.

**Establishing exclusive service channels to improve service quality and efficiency**

By setting up financial service centers for innovative high-tech enterprises in Guangdong and Shenzhen Branches, the Bank provided financing of nearly RMB 20 billion to Huawei, ZTE, TCL China Star Optoelectronics, Foxconn, Luxshare-ICT, Shenzhen Kaifa Technology, SF Express and other innovative high-tech enterprises.

**[Case] Boosting Zhuhai-Macao Connectivity**

Zhuhai Branch in Guangdong Province actively established service channels to provide financial support for key regional projects and cross-border trade development, in a way to promote the coordinated development of Zhuhai and Macao.

**Serving people’s lives**

A total of 7 business outlets including the Frontier Port Sub-branch were established. Among all the individual customers of the Frontier Port Sub-branch, the proportion of Hong Kong and Macao customers exceeded 80%.

**Supporting infrastructure construction**

The Bank provided financing for major port facilities such as the Artificial Island of the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge, Hengqin Port and the supporting commercial facilities of Gongbei Port, as well as their supporting projects.

It also offered foreign exchange solutions and fund settlement services for water supply projects to Macao.

**Promoting regional integrated development**

The “Guangdong-Hong Kong-Macao Cross-border Business Innovation Base” was established as an innovative platform for cross-border interaction, so as to provide convenient settlement channels for trade, investment and financing of enterprises in both areas.



Guangdong Branch establishes an intelligent platform which integrates the functions of business management, property management and parking fee payment for the “Hengqin Shop” project of Guangdong-Macao In-depth Cooperation Zone in Hengqin. (Photo by Yang Li)

### **3.Promoting the development of the Xiongan New Area**

The Bank established the Financial Technology Innovation Center to delve in-depth the development of state-of-the-art technologies such as blockchain, Internet of Things, cloud computing and artificial intelligence (AI), with an aim to serve the building of key scenarios and empower the flourishing growth of the “city of the future”.

#### **Major Measures**

The Bank developed and launched a blockchain information system for fund management of the Xiongan New Area construction projects to promote safe, accurate and timely disbursement of funds and improve service quality and efficiency.

It carried out the pilot and innovation programs of e-CNY in the Xiongan New Area. Also developed and launched the e-CNY “hardware wallet”, which features dual offline and real-time transactions, managing anonymity and high security.

Focusing on “harmonious land requisition and resident relocation” and village management, the Bank launched an innovative service guarantee platform for land requisition and resident relocation, providing 75,000 residents involved with various online services in finance, social security, rental housing and psychological counseling, etc., so as to support the steady progress of land requisition and resident relocation in the Xiongan New Area.



Xiongan Branch in Hebei Province actively participates in the bank-enterprise partnering meetings for industrial transformation and upgrading of the Xiongan New Area. (Photo by Guo Xiang)

#### **4. Advancing the integrated development of the Yangtze Economic Belt and the Yangtze River Delta region**

Closely following the strategic positioning of “A Growth Driver, Three Areas and A New Highland” of the Yangtze River Delta region, the Bank further strengthened the well-coordinated interaction among regional branches, introduced a list of policies to serve the integration of the Yangtze River Delta region, and actively provided financial services in key areas such as industrial transformation and upgrading and infrastructure connectivity. Leveraging its advantages in green finance business, the Bank worked to support the ecological protection of the Yellow River Basin and push forward the integrated development of the Yangtze Economic Belt and the Yangtze River Delta region.

##### **Key Actions**

|                  |                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Zhejiang Branch  | Efforts were made to increase the supply of financial services to the agriculture industry and rural areas, in a bid to help achieve the goal of building a demonstration zone of common prosperity in Zhejiang. At the end of 2021, a total of RMB 7.8 billion loan was provided to support the comprehensive improvement and ecological restoration of rural lands in Zhejiang Province. |
| Shanghai Branch  | Support was given to the construction of the demonstration zone of green and integrated ecological development of the Yangtze River Delta. At the end of 2021, 105 enterprises in the demonstration zone were included in the Head Office’s list of innovative high-tech enterprises with key support, with the accumulated amount of loans granted reaching RMB 2.354 billion.            |
| Chongqing Branch | Relying on the “Yangtze River Green Finance Connect” information platform, project information was able to be delivered in a timely                                                                                                                                                                                                                                                        |

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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|                | manner, and credit resources were channeled to green, recycling and low-carbon fields, in an effort to support the building of the ecological shield of the Yangtze River.                                                                                                                                                                                                                                                                                                    |
| Jiangxi Branch | Following the goal of “strengthening environmental protection rather than seeking rapid growth at the cost of the environment”, support was provided to the key projects including the comprehensive water environment and system treatment project of central Jiujiang in the Yangtze Economic Belt and the comprehensive water environment treatment project of the Three Gorges of Pengze County, so as to ensure the clear water inflow and outflow of the Yangtze River. |



Anhui Branch supports the construction of the Wuhu Rail Transit Line 1. (Photo by Xu Jingran)

## 5.Supporting the construction of the Chengdu-Chongqing economic circle

The Bank formulated the *Opinions on Supporting the Construction and Development of Chengdu-Chongqing Economic Circle* and 29 differentiated supporting policies, deepened the cooperation between banks and governments, and encouraged regional branches to tap into their strengths to realize coordinated development with other branches, with the aim to bolster coordinated development of the Chengdu-Chongqing economic circle.

### Major Measures

#### Deepening strategic cooperation

The Bank signed a comprehensive strategic cooperation agreement with Sichuan provincial and Chongqing municipal governments to provide all-round financial services to the key areas of the construction of the Chengdu-Chongqing economic circle.

#### Strengthening well-coordinated interaction

Through interaction between Sichuan and Chongqing Branches, the Bank was able to

sign a strategic cooperation agreement with the Preparatory Committee of the Gaozhu New Area, taking the lead to complete the credit approval for the main entities involved in the construction of the Gaozhu New Area.



Chongqing Branch provides financial support for the construction of green transportation projects. (Photo by Pan Yulin)



Sichuan Branch supports the construction of Zhaozihe Reservoir project, the Phase II project of Shengzhong Reservoir Irrigation Area. (Photo provided by Sichuan Branch)

## **6.Boosting ecological protection and high-quality development of the Yellow River Basin**

Focusing on the key areas and projects in the Yellow River Basin, the Bank scaled up favorable policies and increased credit supply to provide comprehensive financial support for the sustainable and high-quality development of the Yellow River Basin in terms of ecology, economy and society.

At the end of 2021, the balance of various loans in the nine provinces (districts) along the Yangtze River was RMB 4.05 trillion, an increase of RMB 456.262 billion from the beginning of the year. Among them, the balance of loans in the 329 counties (banners and cities) included in the administrative division of the Yellow River Basin amounted to RMB 612.55 billion, an increase of RMB 75.513 billion or 14.06% from the beginning of the year.

## **Comprehensive Services for the Development of the Yellow River Basin**

### **Refining supporting policies**

It formulated the *Work Opinions on Supporting the Ecological Protection and High Quality Development of the Yellow River Basin* for overall planning and arrangement.

It clearly defined preferential policies for ecological protection and high-quality development of the Yellow River Basin, and implemented differentiated credit policies for key areas of the Yellow River Basin.

### **Improving services**

It encouraged branches in the nine provinces (districts) along the Yangtze River to carry out product innovation in key areas to improve the overall work efficiency.

Persisting to the principle of controllable risks and business sustainability, the Bank opened a “green channel” for the review and approval of businesses related to the ecological protection and high-quality development of the Yellow River Basin.

### **Serving key areas and projects**

Focusing on key projects such as ecological and environmental protection of the Yellow River Basin, the Yellow River Anlan Project (harnessing the Yangtze River for the tranquility of China) and the construction of the green ecological corridor, it continued to scale up its green credits. By the end of 2021, the balance of green loans to the 329 counties (banners and cities) in the Yellow River Basin reached RMB 59,300 million.

It increased its credit loan for key projects such as high-standard farmland, modern seed industry and characteristic agriculture. Specifically, Shanxi Branch granted Shanxi Dadi Environment Investment Holdings Co., Ltd. a credit of RMB 600 million to support the “land consolidation + high-standard farmland development project” which involves one million Mu of farmland.

It continuously scaled up the credit granting to the strategic emerging industries in the Yellow River Basin. In particular, Qinghai Branch issued a total of RMB 2,800 million of loans to support the photovoltaic power generation project, vigorously promoting the building of national solar power demonstration bases.

Focusing on construction of the new types of infrastructure, the convenient and intelligent green transportation network and the cross-regional corridors in the Yellow River Basin, it provided credit support for large backbone transportation enterprises such as Lanzhou-Chongqing Railway Co., Ltd., Ningxia Intercity Railway Co., Ltd. and China Railway Lanzhou Group Co., Ltd. At the end of 2021, the balance of loans for the transportation industries of the 329 counties (banners and cities) in the Yellow River Basin totaled RMB 129.3 billion.

**[Case] Shandong Branch Wins the Green Contribution Award of the Tenth Mother River Awards**

Shandong Branch formulated the *Ecological Map of Financial Services for the Ecological Protection and High Quality Development of the Yellow River Basin*, and sorted out the resource endowment and industrial structure of the 9 cities and 25 counties along the Yellow River Basin within the province. The Branch also studied and identified 84 ecological protection projects and 39 high-quality development projects to be prioritized in support, and launched the “Jinsuiqilu - Yangtze River Series Loan” product to promote the sustainable development of the Yellow River Basin in Shandong. By the end of 2021, the Branch’s green loans to the 9 cities along the Yangtze River increased by RMB 8,683 million, with a growth rate of 61.17%. In the 10th “Mother River Awards” in 2021, Shandong Branch won the “Green Contribution Award”, with only 20 institutions nationwide nominated.

## **ii. Supporting Industrial Upgrading**

Based on the historic crossroad featuring a new round of technological revolution, industrial transformation and China’s accelerating transformation of economic growth model, the Bank steadfastly promoted the technological transformation and industrial upgrading with financial services, and continued to refine the allocation of credit resources. It created a number of exclusive financial products for manufacturing industry and innovative high-tech enterprises to bolster the development of advanced manufacturing industry and high-tech enterprises, as well as to promote the modern industry to play a leading role in high-quality development.

### **1. Boosting the development of manufacturing industry**

Keeping an close eye on the strategy of building a manufacturing power, the Bank stepped up the building of specialized institutions for manufacturing, strengthened product and service innovations, and took concrete measures to support the transformation and upgrading, as well as the quality and efficiency enhancement of the manufacturing industry, in an effort to consolidate the building of a manufacturing power.

By the end of 2021, the balance of loans to the manufacturing sector totaled RMB 1.7 trillion, and number of borrowers from the manufacturing sector was 320,000, with the growth rate of advanced manufacturing loans increasing by 26%.

#### **Improving Service Quality and Efficiency**

##### **Building specialized institutions for manufacturing**

Specialized sub-branches for manufacturing industry were established to focus on serving manufacturing enterprises.

##### **Driving innovation in distinctive products and service models**

Advanced manufacturing loan products were tailor-made for advanced manufacturing industry and high-tech manufacturing enterprises.

Five major financial service models for the manufacturing sector were launched, including mass service for industrial cluster, platform cooperation, industrial chain finance, digital finance and diversified finance.

### **[Case] Serving to Build Better and Stronger State-owned Manufacturing Enterprises**

The Bank worked persistently to scale up its financial support for the high-quality development of the manufacturing industry, and provide diversified and comprehensive financial services for state-owned manufacturing enterprises directly under the central government, with the aim to promote the high-end, intelligent, green and international transformation of these enterprises.

The Bank remained to be a supporter of the advanced manufacturing industry. It provided support to a large number of central state-owned enterprises such as CRRC and SINOMACH to develop advanced manufacturing industries with focuses on strategic emerging industries such as information technology and new materials, as well as high-end facilities manufacturing such as electric power facilities and high-speed railway.

The Bank supported the transformation and upgrading of traditional manufacturing industries such as meeting the financial needs of central state-owned enterprise customers like CHINALCO and Xinxing Cathay International, as they need high-end, intelligent, and low-carbon transformation and upgrading

The Bank stood behind the green manufacturing needs of central state-owned enterprises. It focused its efforts on areas such as green resources development, green upgrading and transformation, efficient recycling of resources as well as the building of green manufacturing system, and provided support for green industries development including the green industry base project of Baosteel Desheng's fine stainless steel.

To support central state-owned enterprises in the financial services for industrial chain, the Bank actively built the supply-chain financial platform together with central state-owned enterprises such as China Baowu to boost the establishment of an industrial ecosystem, and strongly supported the supply-chain financial business of central state-owned enterprises.

It also promoted the in-depth integration of industrialization and information-based development of central state-owned enterprises in the manufacturing sector, and contributed to the scenario building of digital operation of central state-owned enterprises in the manufacturing sector with technology finance.



Xiangtan Branch in Hunan Province visits local manufacturing enterprises to get to know their needs. (Photo by Luo Yuenan)



Chongchuan Sub-branch in Nantong, Jiangsu Province supports the supporting industrial cluster development of local shipping equipment. (Photo by Lu Nan)



Sichuan Branch supports the workshop production of China National Heavy Machinery Corporation. (Photo by Yang Yougang)

## 2. Supporting the development of innovative high-tech enterprises

The Bank endeavored to support innovative high-tech enterprises to make breakthroughs in key technologies with stranglehold problems and revolutionary influence, and industrialize the achievements of these technologies with multi-layered and all-round financial services. It accelerated the replacement of old growth drivers with new ones, in an effort to contribute to the flourishing development of strategic emerging industries.

At the end of 2021, the balance of loans to strategic emerging industries was RMB 859.3 billion, an increase of over 40% from the beginning of the year.

### Efforts to Promote the Continuous Growth of Strategic Emerging Industries

|                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>Guiding preferential allocation of credit resources</b>     | For strategic emerging industries, the Bank established differentiated credit policy systems, allocated separate business resources, and urged branches to strengthen their service initiative.<br><br>To support key areas, product and service innovation, and risk control, the Bank put forward specific implementation requirements to promote the preferential allocation of credit resources towards strategic emerging industries.                                                                                      |
| <b>Effectively improving diversified service capabilities</b>  | For core customers at the Head Office level, key customers in the industry, and leading enterprises in the emerging industries, services were provided directly by the Head Office of the Bank.<br><br>The Bank established an inter-agency and multi-layered service system with stronger coordination between the Head Office and branches, bank and subsidiaries, and between corporate and individual businesses. For major projects, the Bank set up teams, held intensive discussions, and organized parallel operations. |
| <b>Driving innovation to meet personalized financial needs</b> | The Bank incorporated key customers and projects of strategic emerging industries into its major lists databases and formulated a full range of supporting policies.                                                                                                                                                                                                                                                                                                                                                            |
| <b>Providing exclusive integrated services</b>                 | The Bank established a technological finance ecosystem incorporating the government, parks, associations and other institutions, to provide enterprises with exclusive services integrated with financing, credit and intelligence.                                                                                                                                                                                                                                                                                             |

### Efforts to Activate “Little Giant” Enterprises Specializing in Niche Sectors

|                                         |                                                                                                                                                                                                                             |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengthening product innovation</b> | The Bank launched a number of innovative products for mass financing of technological innovation, such as “Technological Innovation Loan”, “Technology Credit”, “Technology e-Loan”, and “Incubation e-Loan”.               |
| <b>Improving service capabilities</b>   | For “little giant” enterprises, the Bank customized financial solutions to meet their production and operational needs according to their characteristics.<br><br>The Bank organized professional service teams to focus on |

|                                   |                                                                                                                                                                                                                                      |
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|                                   | the promotion of financial services for “little giant” enterprises.                                                                                                                                                                  |
| <b>Expanding service channels</b> | The Bank accelerated the construction of the financial service centers for innovative high-tech enterprises. In 2021, a total of 16 branches undertook the pilot program of financial services for innovative high-tech enterprises. |

### **[Case] Syndicated Loan to Support National Strategic Emerging Industries**

The Bank led the syndicated loan project of RMB 1 billion for for a semiconductor company in Shanghai for the Phase I of a mass production line of compound semiconductors in Lingang. The successful landing of the project is supposed to attract a number of excellent enterprises’ regional headquarters to Lingang, forming an industrial cluster to break the dependence of China’s core semiconductor devices on imports.

### **[Case] Helping the Growth of “Little Giant” Enterprises Specializing in Niche Sectors**

Focusing on the financial needs of “little giant” enterprises, Ningbo Branch made use of the new service model of debt-equity combination financing, as well as risk compensation funds, industrial guidance funds, policy guarantees, policy insurances and other credit enhancement mechanisms, to provide credits and investments and financing services for “little giant” enterprises. In October 2021, Ningbo Branch facilitated ABC International Investment (Suzhou) Co., Ltd. and Hangzhou Jiuzhi Investment Management Co., Ltd. to set up the first specialized fund within the Bank’s system in Ningbo, with a scale of RMB 5 billion, focusing on investment for new specialized enterprises in niche sectors in the Yangtze River Delta region.



Ningbo Branch supports optical film production of a new material technology company. (Photo by Chen Yurong)



Shenzhen Branch builds the exclusive financial service brand of “Qianfan Qihang” for innovative high-tech enterprises to support the development of technological innovation industry. (Photo provided by Shenzhen Branch)

### iii. Serving the Development of Micro and Small Enterprises

To tackle problems such as micro and small enterprises having difficult access to financing, the Bank continued to broaden the coverage of its financial services, and drive innovation in products and service models to improve its service quality and efficiency. The Bank was dedicated to building an inclusive financial service system featuring greater, faster, better and more economical services, so as to provide financial driving force for the growth of micro and small enterprises.

At the end of 2021, the balance of inclusive financial loans for micro and small enterprises reached RMB 1.32 trillion; 1.9155 million such enterprises received loans from the Bank, and over 5 million such enterprises enjoyed financial services from the Bank.

#### 1. Expanding financial service coverage

Leveraging its advantages in digital transformation and outlets network across the country, the Bank further improved its digital service channels and stabilized offline service channels for higher efficiency. With effective coordination between online and offline channels, the accessibility of financial services for micro and small enterprises was continuously enhanced.

##### Major Measures

The Bank deepened the “two-wheel drive” inclusive financial service system of “Sannong” + micro and small enterprises”, established 1,000 headquarter-level and 1,000 branch-level specialized institutions, in a way to comprehensively enhance its inclusive finance services at the primary level.

Inclusive financial services were available in 22,000 outlets, allowing micro and small enterprises in county areas, remote areas and poverty-stricken areas to enjoy safe and convenient financial services through offline channels.

“Inclusive e-Stations” were exported to various digital government affair platforms of national ministries and local governments to fill in the offline service gaps, so as to further enlarge the coverage of digital inclusive finance.

### **[Case] Inclusive Finance Empowers Development of Old Revolutionary Base Areas**

Since China listed Ganzhou and Ji'an of Jiangxi Province as the pilot zones for inclusive financial reform, Jiangxi Branch kept in step with the construction of the pilot zones, actively built specialized institutions for inclusive financial services, and launched pilot programs in the zones for inclusive financial services, effectively improving the accessibility of inclusive financial services in the pilot zones.

By the end of 2021, the number of specialized institutions in Ganzhou and Ji'an reached 11, accounting for nearly 27% of such institutions in the whole Bank, and contributing more than 45% of the business volume of branches in the pilot zones.



Jinzhou Sub-Branch in the City of Dalian conducts on-site investigation of the influence of COVID-19 to micro and small enterprises, and supports them to resume work and production. (Photo by Qu Wenpeng)



Zibo Branch in Shandong Province visits to understand the production and operation, and inspects the “Easy Loan” business on the spot. (Photo by Chen Peng)

## 2. Improving service levels

The Bank deepened its research on FinTech, drove innovations in the financial products and service models, and improved the quality and efficiency of inclusive financial services, so as to reduce the financing costs of micro and small enterprises, and provide greater, faster, better and more economical inclusive financial services.

### **Continuously Improving the Inclusive Financial System Featuring Greater, Faster, Better and More Economical Services**

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Greater number of products and services</b> | <p>Differentiated credit policies were formulated based on the principle of “one solution to one cluster” and “one measure to one park”.</p> <p>Digital product scenarios were continuously enriched, covering three major digital product lines of credit, credit enhancement and industrial chain.</p> <p>Innovative products were launched, including the “First-time e-Loan” for first-time borrowers and the credit loan products of “Account e-Loan” and “Benefit e-Loan”.</p> <p>The “Acquiring e-Loan”, a personal online self-service loan for small business, was promoted with automated approval, credit granting and pricing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Faster loan granting</b>                    | <p>Making use of big data analysis, artificial intelligence and other technological means, the Bank was able to carry out comprehensive profiling, accurate assessment of micro and small enterprises, and realize loans application and repayment in a convenient and instantaneous manner.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Better customer experience</b>              | <p>The Bank launched “Inclusive e-Station” at mobile and online banking platforms and WeChat applets to provide online, one-stop and round-the-clock customer services for micro and small enterprises.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>More economical financing</b>               | <p>The Bank fully utilized digital means to optimize the credit process and streamline business procedures. It bore the mortgage valuation fee, mortgage registration and mortgaged property insurance fee for micro and small enterprises.</p> <p>The Bank continued to strengthen fee reduction and concession, introduced a series of fee reduction measures such as payment handling fees and ATM inter-bank cash advance fees for micro and small enterprises and individual businesses, etc., and scaled up the strength and scope of fee concessions.</p> <ul style="list-style-type: none"> <li>-The scope of corporate settlement account with preferential account opening fees for micro and small enterprises and individual businesses was extended from the first (or designated one) account required by the proposal to all accounts.</li> <li>-The Bank proactively exempted micro and small enterprises and individual businesses from the payment handling fees of domestic Letter of Credit.</li> <li>-The Bank gave a 50% discount on the account opening</li> </ul> |

|  |                                                                                     |
|--|-------------------------------------------------------------------------------------|
|  | fees of foreign exchange capital accounts and foreign exchange settlement accounts. |
|--|-------------------------------------------------------------------------------------|

**[Case] Building the First Comprehensive Micro and Small Business Platform in the Bank**

In response to the financing needs of micro and small enterprises, Hebei Branch built the Easy Inclusive Loan Platform, the first comprehensive micro and small business platform in the Bank's system, which serves as the carrier of multiple products and models, with the aim to form an "e-series" product line with micro and small characteristics, as part of its efforts to promote the rapid development of small and micro enterprises with online, data-based and intelligent inclusive financial services.

**[Case] "Timely Rain" for Micro and Small Start-ups**

Zhangzhou Branch in Fujian Province set up a first-time borrower expansion team for micro and small enterprises, and actively went into parks and markets to promote the "First-time e-Loan" for small and micro start-ups. Making use of the achievements made in the Bank's digital transformation, it effectively lowered the credit access threshold for micro and small enterprises, and provided precision loan support for micro and small enterprises with less than one year of business registration.

By the end of 2021, a first-time loan business center and 12 business handling windows for first-time borrowers were set up, achieving full coverage of first-time loan business services across the region.



The one-stop exclusive service window for corporate account opening of Taicang Branch in Suzhou comes into service. (Photo by Gong Yuqian)

#### **iv. Enhancing International Financial Cooperation**

In active response to national strategies, the Bank stood behind the Belt and Road Initiative (BRI) and the construction of free trade zones/ports in various regions, and continued to refine its international business through innovative domestic and overseas collaboration, and closer international cooperation, so as to serve the development of export-oriented economy and high-level opening up to the outside world.

##### **1. Supporting the Belt and Road Initiative**

Strictly following the “going global” strategy for Chinese enterprises, the Bank optimized products and services, and deepened strategic cooperation, in a bid to provide financial guarantee for the connectivity and the implementation of major projects along the Belt and Road.

At the end of 2021, the Bank set up 6 branches in major countries along the Belt and Road. It completed nearly USD 157 billion of international businesses covering 64 countries along the Belt and Road.

##### **Major Measures**

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Optimizing products and services</b>                                           | <p>The Bank refined policies on optimizing the products oriented to the “going global” strategy to meet the changing market demands.</p> <p>The Bank pushed forward the exclusive export credit insurance financing services for enterprises on the white list.</p> <p>The Bank promoted the cross-border use of RMB in countries along the Belt and Road.</p>                     |
| <b>Supporting key areas and projects</b>                                          | <p>The Bank provided diversified and integrated cross-border financial services for the “going global” of agriculture-related enterprises.</p> <p>The Bank served green and sustainable projects under the Belt and Road Initiative.</p> <p>The Bank supported energy resource cooperation projects.</p>                                                                           |
| <b>Strengthening strategic financial cooperation for better foreign relations</b> | <p>The Bank set up a representative office in Dushanbe, Tajikistan.</p> <p>The Bank strengthened the financial support to Sino-Congolese Bank for Africa.</p> <p>The Bank enhanced the cooperation with financial institutions in countries along the Belt and Road.</p> <p>The Bank participated in the 13th China-ASEAN Financial Cooperation and Development Leaders Forum.</p> |

##### **[Case] Helping the “Century-old Port” Horgos to Open Up to the West**

Keeping a close eye on the planning of the Belt and Road Initiative, Horgos Branch in Xinjiang Uygur Autonomous Region provided strong support for the opening up of Horgos, the core hub of the western border of China, in a way to help build an

important window for the opening-up of China to the west.

The Branch created an innovative cross-border financial service scenario of China-Europe Railway Express, with ABC characteristics, to serve the smooth operation of China-Europe Railway Express.

The Branch developed in-depth cooperation with import and export trading enterprises in the fields of foreign currency accounts, cross-border settlement, cash management, trade financing, etc. By the end of 2021, more than 3,200 transactions involving foreign exchange settlements, sales and payments were completed for micro and small enterprises engaged in foreign trade, involving a settlement amount of USD 320 million.

### **[Case] Participating in Indonesian 2.5 million Tons of Integrated Stainless Steel Smelting Project**

Xiamen Branch played a role in the syndicated loan for Indonesia 2.5 million tons of integrated stainless steel smelting project, a key project of the Belt and Road Initiative, with a contribution of RMB 800 million, including RMB 100 million of export buyer's credit and RMB 700 million of project loan. The completion of this loan business provided financial guarantee for the construction of the project, strongly promoting the international industrial capacity cooperation between China and the countries along the Belt and Road to a higher level.



Shaanxi Branch participates in the cross-border financial service system of China-Europe Railway Express, helping enterprises go abroad by the China-Europe Railway Express Chang'an. (Photo provided by Shaanxi Branch)

## **2. Boosting the construction of free trade zones and ports**

The Bank persistently pushed forward the construction of branches in free trade zones, provided all-round, diversified, whole-process and high-quality financial services for infrastructure, key projects and key enterprises in the region, so as to boost the construction of free trade zones and ports.

### **[Case] Serving the First CICPE , Supporting the Construction of Hainan Free Trade Port**

As a global strategic partner of China International Consumer Products Expo (CICPE), Hainan Branch leveraged its advantages in global network and financial resources to provide one-stop financial services for the first CICPE.

The Branch set up two exhibition booths to provide customers with smart financial services such as off-bank business acceptance, e-CNY transactions, smart shelf products and VR photo-taking. Mobile financial service vehicles were placed outside the venue, based on advanced self-service facilities such as wireless network transmission technology and super counters, these vehicles provided customers with the whole-process mobile financial services including inquiries, card opening, cash withdrawal, money transfer, loss reporting, foreign currency exchange, foreign exchange settlements, and sales and payments.

During the expo, Hainan Branch and Hainan Provincial Bureau of International Economic signed the *Strategic Cooperation Agreement of China International Consumer Products Expo*, aiming to jointly build a sustainable future for CICPE and fully serve the construction of Hainan Free Trade Port.



The Bank's exhibition booth at the CICPE. (Photo by Gao Wentao)



Qinzhou Branch in Guangxi Province supports the intelligent construction of Qinzhou Port Area of the Guangxi Pilot Free Trade Zone. (Photo by Li Haoming)

### 3. Driving innovation in domestic and overseas collaboration model

The Bank strengthened product innovation, actively served RMB internationalization, and continuously improved the comprehensive service system of cross-border finance, in a bid to provide a full range of financial services for cross-border businesses of enterprises.

In 2021, the volume of cross-border RMB settlement was RMB 2.11 trillion, up 22.5% year-on-year. The business volume of cross-border RMB through domestic and oversea collaboration amounted to RMB 592.806 billion, an increase of 54.6% year-on-year.

#### Major Measures

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enriching product series</b>            | The Bank strengthened the whole-process online product supply of cross-border finance, such as foreign currency accounts, international settlement, trade financing, global cash management, etc., and established three major online brands of international business, including “ABC Cross-border e-Remittance Connect”, “ABC Cross-border e-Documents Connect” and “ABC Cross-border e-Financing Connect”.                                                                                                                                       |
| <b>Supporting RMB internationalization</b> | <p><b>Enhancing the service capacity for connectivity projects</b></p> <p>The Bank was engaged in the connectivity of capital market, and became one of the first clearing banks for the “Stock Connect” and one of the first market makers for “Bond Connect”.</p> <p><b>Popularizing CIPS system</b></p> <p>The Bank actively encouraged domestic and overseas banks to join the Cross-border Interbank Payment System (CIPS). By the end of 2021, a total of 58 domestic and overseas banks were developed as indirect participants in CIPS.</p> |

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|  | <p>The Bank promoted the cross-border high-value payment to migrate from the second generation channels to CIPS.</p> <p><b>Strengthening guidance and services for the use of cross-border RMB</b></p> <p>The Bank popularized the use of cross-border RMB in key regions such as the Guangdong-Hong Kong-Macao Greater Bay Area and free trade zones/ports.</p> <ul style="list-style-type: none"> <li>-The Bank became one of the first pilot banks to undertake the cross-border RMB asset transfer platform of Shanghai Commercial Paper Exchange Corporation Ltd., dedicated to enhancing the market influence of cross-border RMB business.</li> <li>-The Bank became one of the first pilot banks with domestic and foreign currencies integrated settlement accounts in Guangdong Province,, actively established a cross-border account management and payment system to support the facilitation of capital exchange.</li> <li>-The Bank held the Forum on Serving Hainan Free Trade Port and Cross-border Finance, and publicized knowledge on cross-border RMB and other related cross-border financial services.</li> </ul> <p>The Bank actively handled cross-border RMB settlement business for central state-owned enterprises. In 2021, the settlement amount of cross-border RMB business for central state-owned enterprises reached RMB 124.05 billion.</p> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**[Case] Granting Cross-border Mergers and Acquisitions Syndicated Loans for High-tech Enterprises**

Hunan Branch, as the major participating bank, successfully completed the granting of a cross-border mergers and acquisitions syndicated loan of USD 70 million for Lens Technology Co. Ltd. Lens Technology is a listed company mainly engaged in the research and development, production and sales of high-end window touch protective glass panels, touch modules and new window touch protective materials, as well as a state-recognized high-tech enterprise. The cross-border M&A enabled Lens Technology to further integrate the upstream and downstream part of industrial chains, enhancing the international competitiveness of the company and supporting the global layout strategy of “going global”.

**[Case] Emergence as Direct Participating Bank in CIPS**

Dubai Branch completed the application of direct participating bank in Cross-border Interbank Payment System (CIPS), and the relevant system development and internal system building step by step, with the system coming into service in June 2021. The

CIPS direct participating bank system, which was developed by Dubai Branch, realized seamless interfacing with CIPS and real-time automatic conversion of straight-through messages based on the new overseas version of integrated clearing platform. Furthermore, the launch of the CIPS clearance night service extended the service duration of RMB clearance. The emergence as the CIPS direct participating bank created a “highway” for cross-border RMB clearance as the Bank’s continuous effort to boost RMB internationalization.

#### 4. Expanding international cooperation

The Bank continuously extended the breadth and depth of international cooperation, actively made its voice heard by the world, and joined hands with international counterparts to achieve opening-up with mutual benefits.

##### **[Case] Joining Hands with Overseas Counterparts to Achieve Opening-up with Mutual Benefits**

During the China International Fair for Trade in Services (CIFTIS) in 2021, the Bank signed relevant strategic cooperation agreements with Standard Chartered Bank, Mizuho Bank and Bank of Montreal respectively, as part of its efforts to continuously drive the innovative cooperation in cross-border RMB, financial markets and trade financing, and to jointly promote global economic and trade cooperation and exchanges, as well as economic recovery and development.

##### **[Case] Participating the Annual Meeting of the GISD Alliance**

In October, 2021, the Bank was invited to attend and deliver a keynote speech at the Thrid Annual Conference of The Global Investors for Sustainable Development (GISD) Alliance. The Bank introduced major measures taken, work results achieved and future actions planed in order to mobilized funds to advance the implementation of the UN 2030 Agenda for Sustainable Development.



Zhang Xuguang, Member of the Party Committee, Executive Director and Vice President of the Bank, attends the 13th China-ASEAN Financial Cooperation and Development Leaders Forum. (Photo by Li Guifeng)

### III. Upholding the Defining Feature of Protecting Ecological Environment

#### Contribution to SDGs



At the end of 2021,  
the balance of green credit was RMB 1,977.8 billion;  
the Bank underwrote 27 green bonds, raising RMB 43.95 billion of funds.

The Bank strived to be a pioneer in promoting carbon peaking and carbon neutrality goals, and integrate the green development philosophy into the development strategy of the whole Bank. Taking on green and livable home, green transformation, green ecosystem and green energy as the starting point, the Bank scaled up green credit granting, enriched green financial products, and accelerated to cultivate new advantages in green finance, aiming to protect the clear waters and green mountains with financial power. It remained committed to promoting operation transformation under the guidance of green and low-carbon concept, popularizing the formation of a green lifestyle, creating a good atmosphere featuring energy saving and carbon reduction, and actively promoting the comprehensive green transformation of economy and society.

#### i. Accelerating Green Financial Development

The Bank worked to advance green finance business from a strategic perspective, continued to increase financial support for green and low-carbon industries, and persistently improved its comprehensive capacity of green finance services, with the aim to promote the development of ecological civilization. In 2021, the Bank was awarded the “Best Green Financial Bank of the Year” by *Asiamoney*.

##### 1. Adhering to strategic guidance

Macro perspective: Centering on the strategy to peak carbon emissions and achieve carbon neutrality, the Bank made green finance one of its “three strategies” comprehensively pushed forward the green transformation in operation and management, and endeavored to establish an advantageous green finance brand with defining features and wide recognition. The bank set up a committee dedicated to “carbon neutrality” and a committee dedicated to green finance to strengthen organizational leadership in terms of green finance.

Medium perspective: The Bank distributed the *Green Finance Development Plan (2021-2025)* to clarify the objectives, visions and priorities of green finance business during the 14<sup>th</sup> Five-Year Plan period. It pushed ahead a series of key tasks by building a diversified and three-dimensional business system, improving policy resources and systems and mechanisms, and accelerating the building of a green and low-carbon bank. During the 14<sup>th</sup> Five-Year Plan period, the Bank will work to

achieve larger scale of green finance business, more advantages in brand influence and greater risk control capabilities.

Micro perspective: The Bank released the guidance on and action plan of accelerating the development of green finance business to further refine the specific efforts and policy measures of accelerating the development of green finance business from the business promotion aspect.

- Four major lines of development: Accelerating green finance business, striving to build a first-class green brand, improving systems and mechanisms guarantee, and strengthening environmental and credit risk management.
- Six key industries to support: clean energy, green upgrading of infrastructure, energy conservation and environmental protection, clean production, ecological environment, and green services.



On July 20, 2021, the Bank set up the Green Finance Research Institute. Focusing on green finance policies, market development and product innovation, the Bank aims to build a leading integrated platform featuring industry, academy and research cooperation with effective combination of theoretical research and practices of green finance in China. The photo shows that Lin Li, Member of the Party Committee, Executive Director and Vice President of the Bank, attends the opening ceremony.

(Photo by Ma Chuantao)

## 2. Increasing green credit supply

The Bank conscientiously implemented national industrial and environmental protection policies as well as the financial regulatory requirements, strengthened its policies efforts in green credit, and strongly promoted energy conservation and environmental protection. It proactively advanced the green transformation of credit structure and strived to maintain the sustained flow of financing to green industries

and enterprises.

At the end of 2021:

Outstanding green credit loans totaled RMB 1,977.8 billion

An increase of RMB 462.9 billion compared with the beginning of the year

A growth rate of 30.6%

Equivalent to

saving 46.88 million tons of standard coal per year

Reducing equivalent of 95.54 million tons of carbon dioxide per year

Reducing 410,000 tons of chemical oxygen demand per year

Reducing 80,000 tons of ammonia nitrogen per year

Reducing 1.34 million tons of nitrogen oxides per year

Saving 72.55 million tons of water per year

**The Bank continued to improve its credit policy system.** It incorporated green finance requirements into the annual credit policy guidelines, as well as the policy guidelines for "Sannong" and inclusive finance credit. It also clarified the overall requirements and management measures of green finance, and promoted the development of green finance business with priorities put in areas such as green and low-carbon development, environmental quality improvement, enhancement of ecosystem quality and stability, and improvement of resource utilization efficiency.

**The Bank stepped up to increase financial support for green industry.** It continuously increased financial support in the fields of energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, and green services, etc. On the basis of consolidating the traditional advantages in green transportation and clean energy loans, the Bank continuously scaled up its support to various fields such as industrial energy conservation, emission reduction, ecological restoration, pollution prevention and treatment, and afforestation. Through scientific allocation of credit resources and development budget, improvement of incentive and evaluation systems and other measures, the Bank was able to provide effective guidance for the green credit business.

#### **Strengthening Credit Management of High-Carbon Industries**

**The Bank managed credit limit by industry.** It incorporated credit of high-carbon industries into the management system of annual industry credit limit, developed plans year by year, and persisted to classified guidance so as to promote the improvement and adjustment of industry credit structure.

**The Bank strengthened credit policies as guidance.** It issued annual credit policy guidelines and industry credit policies for key industries, supported and provided guarantees to certain sectors, curbed and scaled back others, to lead such industries to green development, transformation and upgrading.

**The Bank strengthened classified management of customers.** It strengthened

classified management of customers engaged in high-carbon industries, and guided increased reduction of credit to customers with high risk hazards.

**The Bank adopted stringent review and approval.** It strictly controlled risk exposure of high carbon industries, and prohibited access of new customers and projects that were not qualified in environmental protection and energy consumption.

### **[Case] Helping the Green Transformation of Fluorine Chemical Enterprises**

Zhejiang Branch granted a credit of RMB 393 million to an advanced manufacturing group engaged in fluorine chemical in Quzhou with a term of 5 years to help its green transformation through acquiring green enterprises. At the end of 2021, the group had used RMB 250 million of credit. Benefiting from the research and development, and implementation of green technology reform projects, the group achieved remarkable progress in energy saving and emission reduction, and the total amount of sewage discharge decreased year-on-year while the scale of production capacity expanded.

### **[Case] Supporting Sewage Treatment Projects**

Liaoning Branch granted a credit of RMB 96.5 million for the construction project of domestic sewage treatment plant in Haicheng City Development Zone, with a RMB 44 million of loan granted to meet the project construction and initial working capital need of the bid-winning enterprise, as part of its efforts to overcome the difficulties and pain points of corporate financing guarantee. At the end of 2021, a total of RMB 88.69 million of loan was granted to the project, witnessing the Bank's concrete actions to keep skies blue, waters clear, and lands pollution-free.



Taizhou Branch in Jiangsu Province supports the ecological conservation of Qinhu Wetland. (Photo by Huang Shurong)



Shenzhen Branch supports clean energy projects. (Photo provided by Shenzhen Branch)

### 3. Driving innovation in green financial products

The Bank accelerated product innovation according to regional and customer characteristics, via green bonds, green funds actively participated in green investments, and further enriched the green financial product system.

In 2021,

The Bank launched a number of green credit products such as renewable energy subsidy confirmation loan, pledge loan of future income right of energy performance contracting projects, ecological restoration loan, green transportation loan, green building loan, etc.

It supported branches to launch distinctive products such as ecological protection loan.

At the end of 2021:

The Bank underwrote 27 green bonds, raising RMB 43.95 billion with an underwriting share of RMB 23.37 billion.

The Bank underwrote 16 carbon neutrality bonds, raising RMB 32.2 billion with an underwriting share of RMB 17.15 billion.

The Bank underwrote 2 sustainability-linked bonds, raising RMB 2.3 billion with an underwriting share of RMB 1 billion. It also underwrote one sustainability bond, raising RMB 150 million with an underwriting share of RMB 75 million.

Fifteen existing ESG-themed wealth management products, with a scale of RMB 18.5 billion.

#### **[Case] Completing the Issuance of the First Sustainability Bond in China**

On November 18, 2021, the “Fourth Medium Term Notes (Sustainability and Bond Connect) of Far East Horizon Ltd. in 2021” with the Bank as the lead underwriter,

was successfully issued. This “Panda bond” (overseas RMB bonds) was the first sustainable development bond in the inter-bank market in China. The funds raised were used to support projects such as sewage treatment, intelligent public transportation, new energy vehicle procurement, and health care for the elderly.

### **[Case] Forest Redemption Project Loans Turn Green Mountains Into "Gold Minds"**

Jiangxi Branch strongly supported the pilot project of the redemption of non-state-owned commercial forests in key national ecological areas, and launched the first loan of forest redemption project in the province. The successful implementation of the project put the abundant local forest resources into good use, formed a beneficent cycle of the development of the local primary, secondary and tertiary industries, and effectively activated the local natural resources endowment and labor force in the fields of forest plantation, processing, transportation, tourism, logistics, etc.

By the end of 2021, the Bank granted a total of RMB 98 million of credit project loans, and completed the redemption of 92,000 Mu of commercial forest. More than 5,000 rural households were motivated to participate in forest nurturing, low-yield forest improvement, and wood and bamboo harvesting activities. Over 150 households lifted out of poverty were designated as ecological forest rangers.



Hubei Branch increases carbon financial product innovation, issues the “New Energy Vehicle Points Right to Income Pledge Loan”. In the photo, Huanggang Branch in Hubei Province issues the first “green vehicle loan” of RMB 10 million to a new energy intelligent vehicle company. (Photo by Zhao Ming)

### **[Case] Green Financing Framework Receives “Full Alignment” Opinion from Rating Agencies**

New York Branch actively practiced the green development philosophy, closely integrated the financing strategy with the Branch’s sustainable development goals, and enhanced the international influence of ABC in the field of green finance. It established a green financing framework covering the four major requirements regarding proceeds use, project selection, fund management and regular reporting,

committed to report annually on the allocation of proceeds and environmental impact of financed projects until the proceeds were fully allocated, and outlined this commitment in its green financing framework. In January 2022, the framework received a “Full Alignment” certification from S&P Global Ratings.

“We think that the ABC New York Branch Green Financing Framework is considered fully aligned with the *Green Bond Principles* and the *Green Loan Principles*, because it commits to using net proceeds of financing issued under the framework to finance eligible green projects, which will contribute to climate change mitigation and pollution prevention and control.”

--Lead analyst, S&P Global Ratings



Liaoning Branch supports the development of local photovoltaic industry. (Photo by Shi Zheng)



Fujian Branch supports the development of Wuyi Mountain National Park. (Photo by Chen Chao)



Tang Jun, head of the Discipline Inspection and Supervision Office of the CCDI and NCS at ABC, and Member of the Party Committee of the Bank, visits Tibet Huatailong Mining Co., Ltd, to understand the construction of green mines with financial services. (Photo by Li Bo)

#### 4. Supporting biodiversity protection

The Bank paid great attention to the impact of financial activities on biodiversity. It introduced a number of credit policies for seed industry, traditional Chinese medicine and other areas that are pertinent to biodiversity protection. It released a working guidance to support the ecological conservation and high-quality development of the Yellow River Basin, and launched innovative distinctive products such as ecological restoration loans, ecological protection loans, and beautiful countryside loans to promote biodiversity protection and ecological restoration. In 2021, the Bank actively participated in the 15th meeting of the Conference of the Parties (COP-15) to the Convention on Biological Diversity and signed the *Joint Declaration of the Banking Sector to Support Biodiversity Conservation* to further strengthen support for biodiversity conservation with financial strengths.

##### **[Case] Ecological restoration loan making ecological system more stable**

The Bank innovatively launched the “Ecological Restoration Loan”, in order to support National land and space ecological restoration and ecological environment governance, channeling financial support for projects for the overall protection, systematic restoration and comprehensive management of landscapes, forests, fields, lakes, grass and sand ecosystems. After the product has been launched, it has supported many ecological restoration projects in Shanxi and Hubei Provinces, effectively helped improve regional ecological systems’ stability and bearing capacities.

##### **[Case] Supporting the Protection and Treatment of Erhai Lake**

Yunnan Branch actively leveraged its financial strength to support the key projects of source protection and waste water treatment of Erhai Lake, in an effort to contribute to the Erhai Lake waste water interception project. By the end of 2021, the Bank granted a total of RMB 650 million of loans, with a balance of RMB 570 million. The

project made a substantial contribution to the protection and treatment of Erhai Lake, provided a new model for the protection of sensitive water environment areas and plateau lakes.



Yunnan Branch supports biodiversity protection around Erhai and Lashihai Lakes.  
(Photo by Liang Zhiqiang)

## ii. Striving for Zero-carbon Operation

Centering on the target of building a resource-conserving and environment-friendly society, the Bank actively promoted the “carbon neutrality” of its operation. It carried out a bank-wide carbon inventory, continuously reduced the total amount of carbon emissions and the per capita emission density of the Bank by promoting green energy use, building green outlets, implementing green offices, advocating green travel, conducting green procurement, and fostering green culture, as part of its efforts to achieve zero-carbon operation.

### **Emission Reduction Measures of the Head Office**

#### **Measures for Energy Conservation**

**Data analysis:** The Bank completed the statistics, reporting and analysis of monthly data on energy use, carbon dioxide emissions (carbon indicators, verification, compliance, etc.), and real-time energy use of the office building, and conducted supervision on the energy management and conservation performance of relevant institutions.

**Strategies optimization:** The Bank strengthened the management of air conditioning by reasonably controlling indoor temperature and operating hours. It improved lighting system management to considerably reduce electricity consumption of the buildings. It also took effective measures to downsize equipment with low performance, effectively.

**Stricter appraisal:** The Bank conducted more stringent appraisal of energy conservation and emission reduction efforts in office buildings, and urged relevant energy-using and energy management institutions to promote energy conservation and emission reduction. It was expected that by 2030, the energy consumption per unit of building area will drop by 10% as compared to 2020.

**Centralized printing:** The Bank implemented centralized document printing in some of its office buildings, significantly downsized equipment use, and effectively cut

energy consumption and carbon emissions. Upon this implementation, about 15,000 kWh of electricity will be saved and about 11.2 tons of carbon emissions will be reduced per year.

Broader publicity: The Bank strengthened management on the publicity of office equipment use, posted slogans and signs in buildings, and regularly produced publicity materials for energy conservation.

### **Measures for Water Saving**

Situation analysis: The Bank conducted analysis of the current situation of water consumption in accordance with the management requirements of the Water Balance Test for Water-consuming Institutions in Beijing, in a bid to tap into the Bank's potential in water saving.

Strengthened inspection: The Bank established post accountability and an inspection and maintenance system for its water saving endeavor, regularly checked and replaced aging water supply pipelines, prioritized the solving of water leakage problem, in an effort to eliminate the occurrence of "a constant flowing of water".

Equipment upgrade: The Bank reinforced the management and maintenance of water facilities and equipment, prohibited the use of water devices explicitly eliminated by the state, and vigorously encouraged the use of water saving devices.

Publicity and education: The Bank carried out in-depth publicity and education on water conservation, aiming to fostered a firm awareness of water conservation through posting water conservation signs and videos, demonstrating publicity board, hosting festival activities, and conducting surveys, etc.

### **Work Measures for Waste Sorting**

Coordinated arrangement: The Bank held a special meeting to consider the sorting of domestic waste in office buildings and dormitories, and make coordinated arrangement.

Clear division of labor: Under the unified supervision, each responsible unit was required to set up a working group on waste sorting with a clear division of labor. The main person in charge of the unit served as the group leader, fully responsible for the organization and coordination of waste sorting.

Orderly progress: Taking into account of practical situation, each responsible unit further refined the annual plans to strictly push forward the domestic waste sorting in each building.

Publicity and training: The Bank carried out publicity by means of electronic screens, waste sorting brochures, posters, banners, display boards, and WeChat pushes, etc., and organized publicity staff to provide on-site guidance on waste sorting during the sorting hours. It also organized special trainings to raise employees' awareness of waste sorting.

### **[Case] Building a Data-based and Visualized Carbon Emission System**

The Bank developed an innovative project for the visualization of carbon emission to summarize and analyze energy consumption data and carbon emission reports of office buildings. Relevant energy consumption and carbon emission data of the buildings, as well as the progress on carbon emission reduction targets were shown on large screens in office buildings to foster an atmosphere of energy conservation and emission reduction, and provide data support for the realization of green operation. By the end of 2021, the Bank successfully completed the function optimization and

online promotion of the system, and visualized the carbon emission information of the 3 office buildings of the Head Office, Zhejiang and Guangdong Branches.

### [Case] Successful Listing of “Zero-carbon Outlet”

By conducting research and demonstration, coordinating with third-party authorities, and piloting innovative carbon footprint tracking and carbon point model algorithm programs, Tianjin Branch was able to complete carbon inventory of its business outlets. It was able to offset the annual carbon emissions generated during the operation of the business department of Binhai Branch in Tianjin by introducing the Chinese Certified Emission Reduction (CCER) mechanism of Tianjin Climate Exchange, and was successfully listed as a “zero-carbon outlet”. This provided a reference for the promotion of zero-carbon operation across the Bank. (Photo by Zhou Xuyao)



Hong Kong Branch receives recognition from the Hong Kong Environmental Campaign Committee for its green operations, and is awarded the “Waste Reduction Certificate” and “Energy Saving Certificate”. (Photo provided by Hong Kong Branch)

### iii. Practicing Green and Low-carbon Concept

The Bank attached great importance to the cultivation of green lifestyle of its employees, actively carried out public welfare activities on environmental protection. It persistently strengthened communication and cooperation with all parties to promote green development philosophy in the whole society, and increase the public's awareness and involvement in environmental protection, with the aim to jointly build a better home.

#### **Actively serving the development of the national carbon market**

- The Bank signed a strategic cooperation agreement with China Carbon Emission Rights Registration and Clearing Co., Ltd. (hereinafter referred to as "China Carbon Registration") and the National Carbon Emission Right Trading Institution (hereinafter referred to as "China Carbon Exchange").
- The bank helped to develop the exclusive online service system "ABC Carbon Services" for China Carbon Registration, and provided convenient, efficient capital settlement, reconciliation and liquidation, and other services for the national carbon market and member enterprises.
- At the launching ceremony of China's National Carbon Market Online Trading, the Bank joined in initiating an alliance for carbon neutrality action, and together with other financial institutions, issued a *Joint Initiative on Supporting the Construction of Shanghai International Carbon Financial Center by Financial Institutions*.
- The Bank signed the *Cooperation Agreement on Jointly Establishing Wuhan Carbon Peak Fund* with Wuchang District Government of Wuhan, Hubei Liangshan Green Industry Investment Fund Management Co., Ltd., and industrial capital, with a total scale of RMB 10 billion.

#### **[Case] Adhering to Original Aspiration to Actively Respond to Climate Change**

The theme of the 2021 Call for Code Global Challenge was "Finding IT Solutions to Climate Change Challenges". With 70 years of experience in "Sannong" services, the Bank took green agriculture as the starting point, and made use of augmented reality/virtual reality technology, blockchain, federal learning (an artificial intelligence technology that aggregates data from multiple sources for modeling to break the isolated data island and unleash the potential of AI applications), cloud computing, and other cutting-edge technologies to build a CSA (Community Supported Agriculture, which was designed to connect farms and community consumers by regularly delivering the agricultural products of the farms to consumers in the local community) business model. The "Green Farm", which was designed and submitted by ABC as entry, was awarded Second Prize in the global competition, providing the world with a digital solution for sustainable agricultural production and green lifestyle.



The awarding ceremony of Call for Code Global Challenge 2021. (Photo by Wen Weibin)

### **[Case] Greening Yellow River Banks to Build a River of Happiness**

Shandong Branch worked hand in hand with the Public Network to launch the 2021 “Blue Sky Responsibility” tree-planting action of “Greening Yellow River Banks to Build a River of Happiness” on the banks of the Yangtze River in Jinan. It motivated youths to actively engage in green ecological development, consciously establish the awareness of ecological civilization, and strive to be practitioners and promoters of green development. This is the ninth time of the Branch to name the activity, with a total input of RMB 6.5 million and more than 7.5 million trees planted. (Photo by Ma Chuantao)





Luohe Branch in Henan Province carries out cleaning activities in Shalihe scenic spot.  
(Photo by Zhao Yuanyuan)



Employees of Tianjin Branch carry out low-carbon and energy-saving creative activities. (Author: Li Rihui)

## IV. Putting Customers First and Focusing on People's Livelihood

### Contribution to SDGs



The Bank unswervingly practiced the people-centered development concept, held to its primary responsibility and business, and considered the people's longing for a better life as its goal. As part of its efforts to help achieve common prosperity, the Bank strived to build a more meticulous and life-friendly financial service system, foster a smart bank with first-class customer experience, continuously introduced new measures to bring benefits to the people, and actively created a harmonious and healthy environment for financial consumers.

By the end of 2021, ABC had 410 million personal mobile banking customers, 401 million personal online banking customers, and 180 million WeChat banking customers.

### i. Injecting Intelligent Financial Power

With the aim to benefit people's lives with intelligent financial services and foster an interactive cycle that technology empowers finance and finance empowers society, and to build an "online ABC" through digital transformation, the Bank closely followed the two main lines of "integrated service support and innovation-driven incubation" to continuously improve the online operation system and promote integrated online and offline development.

#### 1. Establishing smart outlets

By applying 5G communication, artificial intelligence and other new technologies to empower financial services, the Bank continued to establish light and scenario-based outlets which provide a smart experience space with ubiquitous connection, omnipotent service and meticulous insight for customers, so as to bring customers a service experience full of intelligence and technology.

By the end of 2021, the Bank built more than 100 "5G+" Smart Banking outlets.

### Efforts to Promote Service Upgrading of Outlets

|                                       |                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Optimizing outlet distribution</b> | <ul style="list-style-type: none"><li>● In line with the national strategies of rural revitalization and coordinated regional development, the Bank introduced a bank-wide outlet development plan to accelerate the outlet distribution in urban new areas, rural-urban fringe zones, villages and townships.</li></ul> |
| <b>Improving business efficiency</b>  | <ul style="list-style-type: none"><li>● The Bank promoted "the Mobile Butler System" and launched functions such as mobile review and approval, mobile training, electronic registration and data quick inquiry, to provide convenient digital management</li></ul>                                                      |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | <p>instrument for primary-level outlets and improve the business handling efficiency of employees under the mobile office scenario.</p> <ul style="list-style-type: none"> <li>● The Bank realized the digitalization of the manual registers of counter businesses. By the end of 2021, the Bank eliminated a total of 10 types of paper registers, such as the work log of operation supervisors, drove the digitalization of 46 businesses that used to require manual registration, and realized fully automated registration of various businesses, such as ATM card swallowing without manual intervention, greatly improving the work efficiency at the primary level.</li> </ul> |
| <b>Serving the people</b> | <ul style="list-style-type: none"> <li>● The Bank put the “Smart Shelf” into service to provide information such as preferential activities of the surrounding business district for the convenience of the customers. By the end of 2021, the Bank put online a total of over 30,000 “Smart Shelves” and 20,000 outlets, with the outlet coverage reaching 98.57% and over 30,000 merchants transacting on the “Smart Shelves”, including more than 20 national merchants.</li> </ul>                                                                                                                                                                                                   |

#### **[Case] Promoting the Building of Scenario-based “5G+ Smart Banking” Outlets**

Jilin Branch developed the business department of Kuancheng Sub-branch in Changchun into the first “5G+ Smart Banking” outlet in Jilin Province, and by upgrading “5G+ Scenario Integration” and “5G+ Smart Experience”, it was able to achieve fast business handling, outstanding customer experience and lively business scenarios.

- A “gourmet map” of Changchun City and a “tourist map” of Jilin Province were displayed through outdoor screens, with the aim to popularize regional culture and advance the integration and interaction of outlet services with the life scenarios of the surrounding residents.
- The “Smart Shelf” was launched to showcase distinctive financial products closely related to clothing, food, housing and transportation.
- Relying on intelligent devices such as financial interactive screens and QR code display walls, the products and preferential information about the surrounding merchants were offered.
- An AR precious metal fitting area and a Hongqi automobile culture exhibition area were set up to further improve customers’ experience of intelligent financial services.



Zhejiang Branch promotes the digital transformation of outlets and takes the establishment of “5G+ Smart Banking” outlet as the benchmark to comprehensively boost the digital and intelligent upgrading of outlets. (Photo by Zhou Xuejun)



The “5G+ Smart Banking” outlet in Shenzhen Branch. (Photo by Gu Xinyi)

## 2. Accelerating service innovation

Taking the model of “finance + technology + data” as the driving force, and focusing on the financial needs derived from people’s lives, the Bank accelerated the innovation of online products and services, improved the service level of online channels, and continuously explored new areas for people’s convenience.

By the end of 2021, ABC had 410 million personal mobile banking customers, 401 million personal online banking customers, and 180 million WeChat banking customers.

### Deepening the Building of Online Business Systems

|                                          |                                                                                                                                                                                                                                        |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Upgrading mobile banking services</b> | <b>Intelligent recommendation service</b> <ul style="list-style-type: none"> <li>● The Bank realized the personalized menus for 24 customer groups, supported personalized recommendation through rotating advertisement on</li> </ul> |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            | <p>the home page and pop-up screens on the wealth management page, as well as in the recommendation of county and large-font version to targeted customer groups.</p> <ul style="list-style-type: none"> <li>● The Bank made innovation in credit and debit details service to realize real-time intelligent statistics and analysis.</li> </ul> <p><b>Intelligent interaction service</b></p> <ul style="list-style-type: none"> <li>● The Bank launched an intelligent voice assistant to support voice search.</li> <li>● It upgraded the online customer service and launched the video customer service function in the large-font version of the wealth management column of mobile banking.</li> </ul> <p><b>Typical scenario application</b></p> <ul style="list-style-type: none"> <li>● The “ABC Banking Applet” and other typical scenarios such as “Cafeteria”, “Party building” and “Campus” were launched.</li> </ul>                                     |
| <b>Driving innovation of online payment products</b>       | <ul style="list-style-type: none"> <li>● The UnionPay Transit QR code was introduced into the mobile banking platform of the Bank, supporting the bus and subway systems of more than 70 cities, and realizing personal receipt and payment in UnionPay and WeChat/Alipay through the “Scan-to-Pay” function of mobile banking.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Improving quality and efficiency of remote services</b> | <ul style="list-style-type: none"> <li>● The Bank launched the WeChat public account of “ABC Cloud Customer Service” to focus on the spotlight of customer consultation. Six commonly used query-based transaction function modules were launched initially to provide customers with more convenient and high-quality remote financial services.</li> <li>● The Bank set up the “Remote Banking Center” news column to continuously update and publish short videos and long illustrations on the guidance for relevant operations.</li> <li>● The Bank promoted the establishment of intelligent quality inspection system, developed and put into service the intelligent monitoring model of sensitive vocabulary, so as to cover 3 types of high-risk scenarios such as tabooed vocabulary, active complaints guidance and hidden reputation risks. By the end of 2021, the peak coverage rate of intelligent quality inspection system reached 65.48%.</li> </ul> |

### **[Case] Building a Digital China Flower Expo**

As the sole commercial bank partner of the 10th China Flower Expo (hereinafter referred to as “the Expo”), Shanghai Branch gave full play to its advantages in financial technology to promote the coordination between various projects of the

Expo in all aspects, in an effort to support the success of the Expo.

- The Bank set up a “10th China Flower Expo” special zone in its mobile banking app, enabling visitors to purchase tickets for the Expo online through the ABC Banking App.
- It customized the China Flower Expo Mall for the organizers of the Expo and integrated the China Flower Expo Mall into the e-Mall of the Bank’s mobile banking, so as to help the preparatory team and licensed dealers of the Expo to promote licensed products.
- It supported the Shanghai Flower Expo Development Co., Ltd. to launch e-CNY business, created the scenario of the scale application of e-CNY and provided business support for the digital currency payment through POS payment terminals.

### **[Case] E-CNY Innovation Empowers Transit Card**

Taking advantage of the innovative e-CNY product, Suzhou Branch cooperated with local company engaged in integration of transportation card in Suzhou to create the transit card hardware wallet with the health code. The transit card hardware wallet not only supports online transactions such as top-up, query and payment, but also can load and display personal health codes, providing convenient travel experience to the elderly and not-of-age groups who do not know how to use smartphones.



Cui Yong, Member of the Party Committee and Vice President of the Bank, and his team inspects the Credit Card Center, to get to know the center’s efforts in streamlining credit card business and product consignment processes based on customers’ needs. (Photo by Zhang Ruizhu)



A staff member of Dalian Branch demonstrates how to buy coffee with e-CNY at the China International Digital and Software Service Fair 2021. (Photo by Song Wei)



Wuhu Branch in Anhui Province launches the mobile banking QR code for rail transit. (Photo by Wang Jun)

### 3. Establishing a scenario-based ecosystem

Following the developmental idea of “Internet-based, data-based, intelligent and open”, the Bank took the scenario application as the starting point to develop various scenarios such as “smart government”, “smart campus” and “smart medical care”, as part of its efforts to support the modernization of China’s governance system and capacities, and enable smart finance to benefit people’s livelihood.

By the end of 2021, “Smart Campus” was introduced into more than 30,000 schools; “Smart Cafeteria” were launched in nearly 7,000 cafeterias; “Smart Government Affairs” were introduced into nearly 9,000 outlets, and the Government Affairs Zone of ABC Banking App were integrated with 23 provincial and municipal government affairs platforms; “Smart Medical Care” was introduced into more than 3,000 hospitals, and the total number of authorized activation of medical insurance

e-certificates amounted to more than 36 million.

### Active Arrangement of “Smart+” Scenarios

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Smart campus</b>             | <ul style="list-style-type: none"> <li>● The Bank provided refined, personalized and integrated solutions for the education industry to create an omnichannel, full-scenario and full-chain ecosystem of campus services.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Smart cafeterias</b>         | <ul style="list-style-type: none"> <li>● The Bank launched the “Smart Cafeteria” applet to provide comprehensive services such as meal pickup code, top-up, meal ordering and announcement.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Smart government affairs</b> | <ul style="list-style-type: none"> <li>● The Bank promoted the Government Affairs Zone of ABC Banking App, so as to accelerate the integration of the zone with the provincial and municipal government affairs platforms.</li> <li>● The Bank continuously promoted the development of the “i Xiangyang” App, which was designed to extend the comprehensive financial services of “financial services + industry applications” and “online integration + offline extension” while fully meeting the basic service functions of the smart government affairs platform. By the end of 2021, the app covered more than 2,200 government services and was awarded the “Triple A FinTech Awards 2021 – Best Public Sector System” by the Hong Kong magazine <i>The Asset</i>.</li> <li>● The Bank established the “Smart County” app, putting online over 500 functions based on the five major areas of “Party building, superior governance, agricultural revitalization, secure accommodation, and enjoyable job”. The App was promoted and piloted in six counties in Hebei, Jiangsu, Anhui and Guangxi Provinces, serving more than 3 million county residents.</li> </ul> |
| <b>Smart medical care</b>       | <ul style="list-style-type: none"> <li>● The Bank developed a smart medical care platform to provide closed-loop services in the whole process, such as appointment register, remote consultation, electronic report and medical record, activation of medical insurance code, and medical insurance mobile payment.</li> <li>● The Bank launched super counter medical insurance services, established offline access to medical insurance services, and strengthened support for the medical insurance services for "Sannong" areas and elderly customers.</li> <li>● The Bank pushed forward the online social security services and the development of county medical communities, contributing to the digital transformation of medical care, medical insurance and social security. It also developed pilot mobile payment for medical insurance, obtaining 19 provincial qualifications out of the 23 provinces with confirmed cooperation qualifications for mobile payment and clearing of medical insurance.</li> </ul>                                                                                                                                            |
| <b>Smart travel</b>             | <ul style="list-style-type: none"> <li>● It set up a “Car Owner Service Platform” for the car owner customer group, providing services such as parking, refueling, car selection and purchase, charging, maintenance, ETC (Electronic Toll Collection System), fine payment and annual</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | inspection.                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Smart payment</b> | <ul style="list-style-type: none"> <li>● The Bank designed a brand new interactive experience of ABC Banking App, providing new users with operation guide videos to reduce the using barrier of new customers.</li> <li>● The Bank deepened the convenient payment services in terms of water, electricity, gas, heating, cell phone recharge, and the Party, League and Labor Union.</li> </ul> |

### **[Case] Empowering Regional Development with Smart Finance**

Guizhou Branch took “digitalization +” as an opportunity and fully integrated data resources and technical advantages to meet the diversified development needs of the region.

#### **Smart Government Affairs**

- The Branch signed a strategic cooperation agreement on smart government financial services with the Guizhou Government Affairs Service Center, becoming one of the first financial institutions introduced into the provincial government affairs zone. It also put in place the provincial government affairs service on the super counter at outlets.

#### **Smart Campus**

- It cooperated with 20 universities in Guizhou, including Guizhou University of Finance and Economics and Guizhou University, to build the “Bank-University Connect” project to provide comprehensive services such as smart finance and smart school affairs for students and teachers.

#### **Smart Medical Care**

- It launched “Bank-Hospital Connect” in cooperation with Guizhou Provincial Orthopedic Hospital, the Second Affiliated Hospital of Guizhou University of Traditional Chinese Medicine, Guizhou Cancer Hospital and other medical institutions.
- The Branch established cooperation with People’s Hospital of Suiyang in Zunyi City on the medical care platform of ABC Banking App, becoming the first in the Bank’s system to put online the financial transaction function in the smart medical care platform.

#### **Smart Travel**

- Through the coordinated development of the “online ticketing + aggregated payment” scenario, the ABC payment and settlement was integrated into the scenic spot platform, helping tourist attractions such as Huangguoshu Waterfall and Ahsilisi Steppe to realize smart settlement.

### **[Case] Serving the Peaceful China Initiative**

The Bank worked to create a product system and a service brand of “Police-Bank Connection, ABC With You”, with the aim to empower the digital transformation of the political and legal fronts with FinTech and contribute to national security, social stability and people’s peaceful lives. In 2021, the Bank built 570 digital platforms of smart police, smart courts, smart prisons, etc., serving tens of thousands of political and legal institutions.



The Bank holds the 2021 Annual Technology Conference with the theme of “Value Creation with Technology”, focusing on various cutting-edge FinTech areas such as cloud computing, artificial intelligence and blockchain, to showcase technological achievements. In the photo, Xu Han, Member of the Party Committee and Vice President of the Bank, presents at the conference. (Photo by Jin Youming)



Chongqing Branch sets up the “Smart Campus” financial service center for Chongqing University. (Photo by Pan Yulin)

## ii. Providing Warm Financial Services

Adhering to the service concept of “Always Taking Customers First”, the Bank made sustained efforts to promote the parallel development of traditional services and intelligent innovation, and advance the building of service standardization system, in a bid to effectively meet the diversified and personalized financial needs of different groups and provide first-class service experience with heart and soul.

In 2021, the Bank’s Remote Banking Centre received a total of 255 million incoming calls, with a customer satisfaction rate of 99.7% and a customer complaint settlement

rate of 100%.

## 1. Deepening the Warmer Financial Services Program

With the goal of improving environment, services and brand image, the Bank continued to optimize the service environment of outlets, enhance service consciousness and provide meticulous financial services to the public.

### Key Measures of Warmer Services Program

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>Institutional guarantee</b> | <ul style="list-style-type: none"> <li>The Bank formulated various policies such as <i>Guidelines for Special Groups and Age-friendly Services in Outlets (Trial)</i>, <i>Work Plan on Effectively Solving the Difficulties of the Elderly in Using Intelligent Technologies with Financial Services</i>, <i>Guidelines for Service Facilities and Items Allocation in Outlets (Trial)</i>, <i>Age-friendly Sub-book of Standards for Outlets Image Building</i>, etc. to coordinate service resources.</li> </ul> |
| <b>Improved mechanism</b>      | <ul style="list-style-type: none"> <li>The Bank incorporated warm-hearted and other related services into the service inspection standards of outlets.</li> <li>The Bank conducted customer satisfaction surveys to collect customers' opinions and suggestions on products and services, so as to improve service management.</li> </ul>                                                                                                                                                                          |
| <b>Benchmark guidance</b>      | <ul style="list-style-type: none"> <li>The Bank carried out a bank-wide collection activity on outlet service brand and slogan, aiming to create an outlet service brand.</li> <li>It launched warmer services thematic activities to select the "Warmest Outlet" and "Warm-hearted Person" of the outlets across the Bank.</li> </ul>                                                                                                                                                                             |

| Improving Customers Experience                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>Starting fingerprint verification program</b> | <p>By the end of 2021, the program was put into operation in 7 branches on a pilot basis.</p> <ul style="list-style-type: none"> <li><b>Fingerprint verification:</b> In the case that face recognition was not available for or failed in online verification, fingerprint verification was supported at the counters as a customer identity recovery method.</li> <li><b>Fingerprint payment:</b> Through fingerprint verification payment, problems that lower business efficiency, such as customers in minority areas, and elderly customers who may easily forget their passwords were solved, further improving service experiences.</li> </ul> |
| <b>Promoting card-less program</b>               | <ul style="list-style-type: none"> <li><b>Cardless business handling at super counters:</b> Functions such as face scan deposit and card-less withdrawal were put into service, of which card-less withdrawal function was promoted across the Bank. Customers did not need to carry their bank cards and</li> </ul>                                                                                                                                                                                                                                                                                                                                   |

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|                                                        | <p>could easily access their money through face scanning or ABC Banking App QR code scanning.</p> <ul style="list-style-type: none"> <li>● <b>Card-less transformation of counter transactions:</b> Customers did not need to carry their bank cards, they were able to complete financial service applications by scanning the QR code presented on the “Out-of-the-counter Clearing” device with ABC Banking App, and entering their card number. By the end of 2021, card-less businesses were able to cover all types of bank cards, with 332 types of counter businesses completing card-less transformation and over 620,000 transactions completed.</li> </ul>            |
| <b>Optimizing business processes in super counters</b> | <ul style="list-style-type: none"> <li>● Increasing agent service models. The Bank piloted the business of guardian handling debit card activation for the minor in 7 branches to further divert counter business volume.</li> <li>● Realizing continuous processing of different businesses for the same customer. For the problem of customers inserting and removing their bank cards or ID cards and conducting identity verification repeatedly when having self-help services, the relevant solution was put in place to improve the efficiency of business handling. By the end of 2021, the service was launched in 21 apps and promoted throughout the Bank.</li> </ul> |

### **[Case] Creating “People’s Most Satisfied Bank in Shanxi”**

Shanxi Branch continued to promote the “Warmer Service Program”, and strived to build “People’s most satisfied bank in Shanxi”.

#### **Improving outlet environment**

- In the weekly “Environment Cleaning Day”, all outlets of the Branch carried out cleaning and rectification of the business premises in accordance with the “4S standard”.
- Special guidance and recording of approval were carried out in 121 outlets that were in need of roll-up banners and gift tables, to ensure orderly and tidy environments in the outlets.

#### **Actively building “Probationary 1,000 Demonstration Outlets”**

- The Bank developed 168 service standards to regulate operations and management, and to promote the building of “Probationary 1,000 Demonstration Outlets”.

#### **Comprehensively improving elderly-friendly financial services**

- All outlets were equipped with 9 types of facilities such as courtesy seats, barrier-free access, umbrellas and etc.
- Door-to-door service was provided for the elderly, seriously ill, disabled, customers with limited mobility, and those that were incapable of self-care but

with consciousness.

- All branches and outlets were encouraged to actively publicize financial knowledge to the elderly customers through outlet micro salons, small classes in the outlets and publicity in the communities on a regular basis.

By the end of 2021, a total of 21 outlets were selected as “Probationary 1,000 Demonstration Outlets”.



Qingdao Branch promotes the “Warmer Service Program” and improves the environments of outlets. (Photo by Chen Gongjian)



Xiamen Branch carries out the “Most Beautiful Smile” activity. (Photo by Huang Zhixiang)

## 2. Caring for special groups

For special customer groups, the Bank worked to resolve their problems in the form of “special services for special issues”, “green channels”, and deliver attentive and meticulous door-to-door services, aiming to break the “digital divide” with professional and high-quality services, as well as efficient and convenient technical means, and benefit more people with high-quality financial services.

In 2021, the Bank provided over 230,000 times door-to-door services for special groups with limited mobility, and placed 10,230 super counters, self-service cash terminals and self-service terminals in minority ethnic groups languages at outlets.

### **Fully Meeting the Financial Service Needs of Special Groups**

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <b>Serving the elderly</b>         | <p><b>Better outlet services</b></p> <ul style="list-style-type: none"> <li>● The Bank developed an electronic fingerprint signature system.</li> <li>● The Bank provided priority service for elderly customers.</li> </ul> <p><b>More friendly online services</b></p> <ul style="list-style-type: none"> <li>● The Bank launched a large-font version of the ABC Banking App, with the home page retaining key functions commonly used by the elderly, with the transaction process streamlined to make it easier for the elderly to operate.</li> <li>● The Bank realized “one-click” access to manual services for elderly customers through voice and online channels.</li> <li>● The Bank streamlined the operating procedures by linking voice recognition and search with voice assistant function.</li> </ul> <p><b>More straightforward remote operation</b></p> <ul style="list-style-type: none"> <li>● The Bank launched remote appointments and outlet door-to-door services.</li> <li>● The Bank launched the innovative “Air Counter” providing remote customer with emergency services.</li> </ul> <p><b>More comprehensive standardized services</b></p> <ul style="list-style-type: none"> <li>● The Bank formulated a script for services and carried out elderly-friendly special training. Some branches launched short videos on elderly-friendly services to instruct the elderly customers to complete common financial service application with their smartphones.</li> <li>● The Bank strengthened the quality inspection of incoming call services friendly to the elderly, and conducted surveys on the elderly customers’ satisfaction with complaints handling services.</li> </ul> |
| <b>Serving the disabled</b>        | <ul style="list-style-type: none"> <li>● The Bank launched the voice broadcast function in chat rooms as a complement to the voice input function of ABC Banking App, in an effort to serve the visually impaired group.</li> <li>● The Bank placed “priority windows” and courtesy seats in outlets, and equipped outlets with amenities and accessible facilities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Serving the ethnic minority</b> | <ul style="list-style-type: none"> <li>● The Bank added and improved five ethnic</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| <b>groups</b>                            | <p>minority languages in interface display and voice navigation on outlet devices.</p> <ul style="list-style-type: none"> <li>● The Bank developed multi-lingual services including Tibetan and Uyghur in ABC Banking App.</li> <li>● The Bank was the first in the industry to launch an innovative “Cloud Expert” online customer service in Tibetan and Yi.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Serving the rural migrant workers</b> | <ul style="list-style-type: none"> <li>● The Bank launched exclusive financial services for migrant workers, including developing an exclusive service of “Zhufu Card”, the exclusive products such as “Smart Construction Site”, “Warm Employment” service zone for migrant workers, and “Gongxin Bao” platform on salary payment and supervision on behalf of enterprises. This is to meet the needs of migrant workers in terms of salary payment, job recruiting and seeking, returning hometown to start businesses, investment and wealth management, and daily life. By the end of 2021, a total of RMB 90 billion of salary was paid by the Bank to migrant workers, benefiting more than 2 million rural migrant workers.</li> </ul> |

#### **[Case] Building Outlets Friendly to the Elderly**

Chengguan Sub-branch in Lahsa of Tibet Branch continued to improve the efficiency of services friendly to the elderly, and enhance the elderly-friendly service scenarios by upgrading hardware environment and software services, with sincerity and meticulousness, aims to comprehensively enhance the financial service experience of elderly customers .

- Chengguan Sub-branch set up barrier-free access in outlets, created priority windows and courtesy seats, and publicized “call for help” service numbers to reduce obstacles for elderly customers with using e-banking, and help them bridge the “digital divide”.
- Free reading materials and sugar-free snacks were provided in the waiting area, and elderly-friendly tools such as presbyopic glasses, magnifying glasses, medical kits, wheelchairs and braille cards were also provided.
- It made a timely arrangement of door-to-door services for special groups such as elderly customers with limited mobility.

#### **[Case] Strong Support for the Military and Servicemen**

With the Bank’s advantages in integrated intelligence financial services, adhered to the concept of “two-line service” for the military and servicemen, continuously optimized the exclusive product and service system of “Nong Qing Yong Jun”, aiming to create an integrated technology platform to serve the military and servicemen. Meanwhile, relying on the “four-in-one” fund guarantee system of “outlets + mobile banking vehicles + military debit cards + integrated platform”, the

Bank was able to provide 24/7, comprehensive, all scenarios fund protection services for the military.



Qiqihar Branch in Heilongjiang Province organizes employees of primary-level outlets to learn sign language, so as to improve financial services for customers with hearing impairments. (Photo by Liu Li)



Kashgar East Road Sub-branch in Urumqi, Xinjiang Xinjiang Uygur Autonomous Region, creates a “Demonstration Site for Respecting the Elderly”. In the photo, employees of the Sub-branch go to the home of the elderly to carry out door-to-door services. (Photo by Qin Yaru)

### **iii. Protecting Customer Rights**

Focusing on improving the risk awareness and self-protection capabilities of customers, internally, the Bank actively optimized the consumer protection mechanism and strengthened the prevention and control of financial crimes, externally, enhanced consumers’ awareness of financial consumption safety in the form of education and publicity, so as to cultivate a good financial consumption ecosystem, and contribute to

the protection of consumers' legitimate rights and interests.

## 1. Preventing financial crimes

The Bank worked unremittingly to consolidate its anti-fraud efforts from the source, making scientific and technological means to carry out monitoring, early warning and screening for the prevention and control of case risks. It continued to strengthen communication and cooperation with public security institutions and regulators to jointly prevent and control illegal financial activities.

### Key Measures to Prevent Telecom Fraud

|                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>Addressing issues at the source and laying a solid foundation for the anti-fraud endeavor</b></p> | <p><b>Sound organizational leadership</b></p> <ul style="list-style-type: none"> <li>● The Head Office set up a leading group for combating telecom and cyberspace fraud, and all branches were required to set up a promotion teams to crack down on telecom and cyberspace fraud.</li> </ul> <p><b>Stringent control of account trading</b></p> <ul style="list-style-type: none"> <li>● The Bank clearly defined the primary responsibility of account management and reviewed the opening of new accounts.</li> <li>● The Bank optimized online risk control strategies and implemented graded control of online transaction limits for personal accounts.</li> <li>● The Bank carried out strict control of K-Bao and open online e-banking services in a prudent manner.</li> </ul> <p><b>Controlling the number of new accounts and reducing the old ones</b></p> <ul style="list-style-type: none"> <li>● The Bank took stringent measures to control the opening of new accounts and conducted an inventory to reduce existing accounts with risks.</li> <li>● The Bank strengthened identity verification and due diligence of customers, further regulated repeated opening and closing of personal accounts in all channels, and carried out screening and cleaning of customers with multiple accounts.</li> <li>● The Bank enhanced control over accounts opening for corporate customers, verifying corporate tax information and transaction limits.</li> <li>● Through innovative modeling, the Bank was able to extract suspicious account information and carry out risk screening of existing accounts.</li> </ul> |
| <p><b>Solidifying technological platform and strengthening support for anti-fraud system</b></p>        | <p><b>Risk identification in account opening</b></p> <ul style="list-style-type: none"> <li>● The Bank promoted individual customer due diligence systems to automatically identify customer risk profiles during account opening and other processes.</li> <li>● The Bank conducted joint enhanced due diligence on high-risk customers and raised the level of approval authority.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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|                                                                                      | <p><b>Transaction monitoring</b></p> <ul style="list-style-type: none"> <li>● The Bank established an enterprise-level intelligent anti-fraud platform, and adopted rule-based models of anti-fraud to provide system support for risk monitoring and strengthen technical countermeasures.</li> </ul> <p><b>Assisting in investigation and control</b></p> <ul style="list-style-type: none"> <li>● The Bank implemented the restructuring of the judicial investigation and control platform and put it into operation, enabling a number of functions such as unit debit card details query and credit card investigation and control.</li> </ul>                                                                                                                                                                                                                                                    |
| <b>Sticking to joint management and forming an anti-fraud interception mechanism</b> | <ul style="list-style-type: none"> <li>● The Bank took various measures such as strengthening police-bank collaboration, bank-enterprise cooperation, communities coordination to build a connectivity mechanism.</li> <li>● The Bank dispatched employees to the National Anti-Fraud Center and local anti-fraud center of the public security organs to collaborate in the fight against fraud.</li> <li>● The Bank cooperated with communication operators in data, establishing an anti-fraud information exchange and intelligence sharing mechanism.</li> <li>● The Bank carried out publicity and education activities in parallel to enhance the general public's awareness from "not being cheated" to "reminding others not to be cheated", and then "remaining alert to fraud", so as to effectively enhance the anti-fraud awareness of the elderly and other vulnerable groups.</li> </ul> |

#### **[Case] Cooperating with Public Security Institutions to Establish Anti-fraud Centers**

Baoding Branch in Hebei Province set up an innovative anti-fraud center, which was the first specialized anti-fraud institution established in cooperation with public security institutions in the Bank's system nationwide. Relying on the Head Office's "Tianpeng" intelligent anti-fraud platform, the center took effective measures in the process of "pre-event identification and in-event transaction", and carried out the efficient investigation and monitoring of the early warning information. At the same time, within the scope of regulatory policies, the center piloted the "second-level suspension of payment" and "intelligent five-level suspension of payment" to intercept fraudulent funds, transfer clues involved in a timely manner, and pool controlling strengths with public security and peer institutions to crack down on new types of telecom and cyberspace fraud.



Dongying Branch in Shandong Province joins hands with the local police station to carry out “Working Together to Protect Tranquility and Prevent Telecom and Cyberspace Fraud” publicity event. (Photo by Liu Ying)



Zhejiang Branch, in collaboration with the public security organizations, launches a large-scale publicity campaign on combating telecom and cyberspace fraud. (Photo by Fang Yanfen)

## 2. Popularizing financial knowledge

Based on the concept of “one core, two changes, three enhancements, four adherences and five focuses”, the Bank worked unremittingly to promote the parallel development of the normalization and centralization of financial knowledge publicity and education. By creating long diagrams, short videos, micro plays and other innovative approaches, the Bank pushed forward the publicity of consumer protection knowledge, launched a series of more than 130 articles in the new media, such as “Miss ABC customer service series” and “Maizijun talking about finance”, and continued to develop online financial publicity brands such as “consumer protection mini-class” and “Kaka micro class” to improve the public’s awareness of properly understanding financial products and preventing financial risks. In 2021, the Bank was selected as an excellent organizer of the “3·15” Education and Publicity Week by the Consumer Rights Protection Bureau of the China Banking and Insurance Regulatory Commission.

At the end of 2021, the Bank carried out more than 95,000 intensive publicity activities involving nearly 580,000 employees and 190 million consumers in over

22,000 business outlets.

### **Work Concept of Financial Knowledge Publicity and Education**

|                    |                                                                                                                                                                                                                                                                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| One core           | <ul style="list-style-type: none"> <li>● Finance for the people</li> </ul>                                                                                                                                                                                                                                                                         |
| Two changes        | <ul style="list-style-type: none"> <li>● Changing from “offline publicity” to “online publicity”</li> <li>● Changing from “publicity as a priority” to “equal emphasis on publicity and services”</li> </ul>                                                                                                                                       |
| Three enhancements | <ul style="list-style-type: none"> <li>● Actively expanding online channels to enhance influence</li> <li>● Consolidating the formation of outlets enhance momentum</li> <li>● Launching diversified offline activities to enhance coverage</li> </ul>                                                                                             |
| Four adherences    | <ul style="list-style-type: none"> <li>● Adhering to demand-oriented services</li> <li>● Adhering to meticulous services</li> <li>● Adhering to precision services</li> <li>● Adhering to the long-term mechanism</li> </ul>                                                                                                                       |
| Five focuses       | <ul style="list-style-type: none"> <li>● Focusing on motivating employees’ enthusiasm</li> <li>● Focusing on leveraging distinctive ABC features</li> <li>● Focusing on publicity and education of special groups</li> <li>● Focusing on internal training for employees</li> <li>● Focusing on the supervision of publicity activities</li> </ul> |

#### **[Case] Driving Innovative Approach to Popularize Financial Knowledge through Livestreaming**

On the 3·15 Financial Consumer Rights Day, Hunan Branch organized a charitable livestreaming activity of “Financial Knowledge in the Countryside – Lighting up the New Digital Life” at the Changsha County Sub-branch, a Financial Education Demonstration Base of Hunan Province. With the theme of “Rights, Responsibilities and Risks”, the event was designed to popularize financial knowledge around the topics of identifying illegal financial advertisements, preventing telecom and cyberspace fraud, Actions Against Fraud Involved with Cards,, preventing and addressing illegal fund-raising, deposit insurance, etc., with the live traffic peaking at over 66,500 people.

#### **[Case] Popularizing Financial Knowledge to the Hearing Impaired Group**

Weinan Branch in Shanxi Province held a activity for the hearing impaired group with the theme of “Popularizing Financial Knowledge and Enriching the Lives of the Hearing Impaired”. The Branch invited a sign language teacher to interpret on site and explain to the hearing-impaired group about various financial services, the operation of intelligent teller machines and the prevention of telecom fraud, effectively improving their financial literacy.

**[Case] Emphasis on the “First Lesson” of Financial Knowledge for College Students**

Guiyang Branch in Guizhou Province launched the activity of “Month of Financial Knowledge Popularization, Financial Knowledge in Ten Thousand Households, Striving to be a Rational Investor and Good Financial Netizen” in 17 universities, including Guizhou University, Guizhou University of Finance and Economics, and Guizhou Medical University. Through setting up publicity stands, hanging publicity slogans, giving out publicity materials, holding financial knowledge mini-classes, etc., Guiyang Branch popularized financial knowledge such as the prevention of telecom and cyberspace fraud, Actions Against Fraud Involved with Cards, vigilance against online loans, and safe use of bank card to college students, with the aim to strengthen the risk awareness of young consumer groups.



West Branch in Baiyin, in Gansu Province, carries out the thematic activity of “Little Bankers, Big Life Winners” to popularize financial knowledge to children. (Photo by Meng Tingting)



Baise Branch in Guangxi Province visits Baida Village in Lizhou Town, Tianlin County, Baise City, to promote anti-counterfeit currency knowledge to the middle-aged and elderly villagers with limited access to information, so as to improve the villagers' ability of counterfeit identification and protect the villagers' personal wealth. (Luo Yongyao photo)

## V.Undertaking Responsibilities of the Times and Building a Better Society Together

### Contribution to SDGs



In 2021,

Multi-level and classified training was provided for 2.372 million employees;

The training coverage reached 100%;

The external financial donations amounted to RMB 100.6 million.

Considering employees as valuable assets and upholding a people-centered approach, the Bank took practical measures to protect the legitimate rights and interests of employees, remained concerned about the lives of employees, and established a development platform for employees to cultivate outstanding talents. The Bank also actively participated in social welfare, and carried out financial volunteer activities, with the aim to share the fruits of development with the public, and contribute to social harmony and stability.

### i. Growing Together with Employees

#### 1. Caring for employee development

The Bank sees talents as the primary driving force to lead the reform and development of the whole Bank. With the aim to build a high-quality and professional talent team, it fully implemented the strategy of developing a quality workforce of the Bank, continuously improved the talent structure, and enhanced the overall quality of the team. Focusing on the improvement of employee quality, the Bank proactively supported all employees to obtain professional qualifications and certifications, and provided them with convenient training channels and quality training resources both online and offline. In 2021, the Bank provided multi-level and categorized training for 2.372 million people cumulatively, with 100% coverage in all channels.

### [Honors]

In 2021, three outstanding institutions and three outstanding employees were awarded the “National May Day Labor Certificates and Medals” and the “National Worker Pioneer”.

14 outstanding institutions and 60 outstanding employees were awarded the “National May Day Labor Commendations and Medals for Finance Sector” and the “National Financial Pioneer”.

149 outstanding institutions and 119 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”.

Two employees were selected as “Global Outstanding Employees of Agricultural Bank of China”.

### **Strengthening Team Building**

- The Bank put into implementation the youth talent program featuring rural-urban coordination and bank-wide coverage, stepped up the training and selection of outstanding young leaders, and promoted the teams building of bank leadership at all levels based on the principles of age gradations matching and complementary to professional advantages. It continuously carried out inter-provincial exchanges between the East and West, selected outstanding young talents to serve in the forefront areas of reform, and highlighted the investigating, cultivation and arrangement of talents in the front line of rural revitalization.
- The Bank pushed forward the implementation of the *Talent Development Plan for the Period of 2019-2022*, and took advantage of various approaches such as recruitment, job transfer and promotion, examination-based selection, and two-way exchange of business and technology to vigorously strengthen the team building of talents in digital transformation. As a result, the teams of product managers, data analysts and technology project managers continued to grow across the Bank.
- The Bank carried out confirmation and external entrusted evaluation of professional titles, with more than 6,400 people obtaining titles at all levels throughout the Bank, further strengthening the team of intermediate and senior professional, and technical talents.
- The Bank organized the selection and recruitment of intermediate and senior professionals on a regular basis to effectively stabilize the team of core and backbone talents. It developed a career development mechanism combining promotion and remuneration raise to continuously optimize the bank-wide post system and further stimulate the vitality of high-caliber personnel.
- The Bank actively followed the national requirements of stabilizing and securing employment, with more than 20,000 people recruited throughout the year. Paying great attention to the importance of employee diversity, the Bank ensured the recruitment of people with differences in degrees, educational backgrounds, professional and working experiences. It also intensified its efforts in team building to serve the areas incorporated into the national strategies for regional development, as well as the rural revitalization.

### **[Case] Launching the First Financial Executive Management Training Program**

The Bank attached great importance to the team building of young officials and conducted centralized rotation training and special training on a regular basis. In 2021, the Financial Executive Management Training (EMT) Program was launched for bank leaders of divisions or equivalents born in the 1980s, which is the first financial EMT

program of the Bank and the first customized special training program specifically designed for the leaders of divisions or equivalents born in 1980s. Through the training, young officials further solidify their dreams and beliefs, broadened their horizons, and improved their capabilities of science-based decision-making and team management.



The Bank's Financial EMT conducts training on group discussion. (Photo by Chen Song)

### **[Case] Conducting Digital Rotation Training for Corporate Businesses**

The Bank launched special trainings for corporate business with a focus on digital transformation and green finance development, covering more than 4,000 employees at all levels. In collaboration with Renmin University of China, Shanghai Jiao Tong University, Zhejiang University, Southwestern University of Finance and Economics and Sun Yat-Sen University, three modules were designed for the training courses, namely, “Head Office strategy transmission, cutting-edge practical training, and capability and quality enhancement”. Focusing on green finance, carbon neutrality, inclusive finance, supply chain and other courses, the training kept up with the highlights of business and social development to enhance the service capability of the whole Bank for corporate businesses.



Gansu Branch pays attention to the development of young employees and conducts special symposiums. (Photo by Tang Bingxuan)



Young talents exchange and learn from each other during the training of the Leadership Excellence Workshop held by Peking University. (Photo provided by Human Resources Department)

## 2. Enhancing democratic management

The Bank made continuous efforts to improve the system for the democratic management of enterprises and public institutions in the form of employees' congress, enrich the ways of democratic participation of employees, and facilitate the democratic participation channels for employees, in an effort to safeguard the employees' right of information, participation, expression and supervision, according to the law. In 2021, to address the most troublesome and long-standing problems that beset the primary-level employees, the Bank collected a total of 109 opinions and suggestions from the employee representatives of the Head Office, covering various aspects such as health, development, burden alleviation and home building. Accordingly, the Head Office proposed seven specialized measures, which also served as the specific actions of the "Doing Practical Work in the Interests of the Public" campaign and the key tasks of the "Five Actions" to care for the primary-level employees in 2021. It also organized employee representatives to discuss

*Management Measures of Agricultural Bank of China for the Evaluation and Identification of Credit Risk Event, Regulations of Agricultural Bank of China on Wage Payment, Execution Scope of Special Working Hour Positions of Agricultural Bank of China Group, Management Measures of Agricultural Bank of China for Deferred Payment of Employees Performance Wages (Draft Amendment), and other policies, to put forward their opinions and recommendations.*

### **3. Caring for employees' lives**

**Paying attention to the physical and psychological health of employees.** All employees of the Bank have at least one physical examination per year, and the preferential policies on physical examination for female employees and employees over 50 years old were formulated and implemented. Furthermore, the Bank also incorporated education of psychological health into the general curriculum of employee training, and established a “Sunshine e-Station” psychological counseling column On the ABC e-Learning platform to help employees increase their “psychological immunity”.

**Promoting the establishment of Workers' Home.** Focusing on improving the basic services functions of Workers' Homes, and supplementing the facilities of township outlets, 6,306 “five small” facilities such as small cafeterias and small activity rooms were newly built throughout the system. The Bank established 1,489 new lounges in county and township outlets, allocated 9,997 reclining chairs or folding beds, 9,976 pieces (sets) of basic sports equipment, and 338,232 books, and put in place or replaced 4,431 refrigerators and disinfection cabinets in small cafeterias, so as to further improve the working and living conditions of the primary-level employees.

**Providing assistance to employees.** The Bank kept a close eye on the dynamics of the pandemic and disasters, allocated special funds in a timely manner, and purchased materials for pandemic prevention and control, and disaster relief to provide assistance to the affected employees. For migrant workers who stayed alone in the local area during the Spring festival, the Bank organized the “six-one” activities (organizing an assistance visit before the Festival, providing a Chinese New Year's Eve dinner, sending a New Year's blessing, allocating compensation, carrying out festive activities, and establishing a service hotline). The Bank also launched special assistance to employees who volunteer for pandemic prevention and control, with the aim to boost morale in the fight against the pandemic. It also provided precision assistance and warm care to employees in difficulties, assisting 22,800 employees in need throughout the year.

**Carrying out the campaign of caring for female employees.** The Bank issued the *Notice on Launching Activities on the Theme of “Enhancing Women's Happiness”*, and with an aim to foster a harmonious and happy home culture, within the whole system, carried out practical activities focused on increasing female employees' capability in securing happiness.

#### **Enhancing Female's Capability in Securing Happiness**

In an effort to guide female workers to build up their own sense of achievement, the Bank carried out female achievement activities, revised the methods of outstanding women selection and recognition, and issued a notice to organize the evaluation and selection of outstanding women.

The Bank actively organized training on women leadership to guide female workers to obtain a sense of happiness in acquiring new ideas, new knowledge and new skills.

The Bank also stepped up the construction of care room for female workers, allocated special funds to improve equipment and facilities, and carried out relevant activities such as health salons, expert consultations and psychological counseling regularly. It also incorporated the “Care Room for Female Workers” into the coordinated development of “Workers’ Home”.

The Bank also launched special themed activities to deliver fun and happiness to female workers.



Songjiang Sub-branch in Shanghai establishes a care room for female workers. (Photo provided by Shanghai Branch)



Zhang Yi, Member of the Party Committee and Vice President of the Bank, visits the Xueba Village in Huangping County, in Guizhou Province, to investigate the poverty alleviation in villages, inspects the Party Service Center and other projects, and pays a visit to the First Secretary of Xueba Village dispatched by the Bank. (Photo by Ye Yikun)



Xiamen Branch organizes employee sports meetings. (Photo by Huang Zhixiang)



Changchun Institute of Financial Studies holds a chess competition for employees.  
(Photo by Yang Ying)



Zhejiang Branch organizes employees to participate in an international marathon.  
(Photo by Zhou Boliang)

## ii. Devoting to Public Welfare Activities

At the end of 2021,

A total of 3,307 youth volunteer organizations were established;

58,000 volunteers were mobilized to participate in volunteer activities.

Upholding the philanthropic philosophy, the Bank remained committed to public welfare undertaking, spread the volunteer spirit, made every effort to promote a series of volunteer activities such as “green planting and maintenance”, “respecting the elderly and loving the young” to push forward the routine promotion of public welfare undertaking, as part of its efforts to actively carry forward civilized and harmonious social morals.

### [Honors]

- Zhao Chuang from Hubei Branch was awarded the “China’s Positive Kind-hearted Young Person” Award given by the Central Committee of the Communist Youth League, the only individual receiving such award in the financial system.
- The Youth Volunteer Service Team of Liuzhou Branch in Guangxi Prpovince was awarded “the 13<sup>th</sup> Excellent Organization Award of Chinese Youth Volunteers” by the Central Committee of the Communist Youth League and the Chinese Young Volunteers Association, which is the only award-winning group in the financial system.

### [Case] Focusing on Education in Mountainous Area, Receiving Extensive Social Recognition

Guangxi Branch carried out the youth volunteers services of “Hand in Hand to Help Students in Gaeml” for the 18th consecutive year, and organized young volunteers to pair up with impoverished students for education assistance. By the end of 2021, the Bank donated a total of more than RMB 700,000, brought about social donations of more than RMB 2 million to fund the construction of two “Hope Primary Schools” and two “Roads of Hope”, enabling nearly 1,000 impoverished children to successfully complete their education.



Guangxi Branch carries out “June 1” activities to provide financial aid to students.  
(Photo provided by Guangxi Branch)

### **[Case] Ongoing Volunteer Activities to Help the Blind**

The “Loving Caring for the Blinds” volunteer team of the Bank organized volunteer activities on a long-term basis, including conducting “monthly lectures”, recording audio books for the visually impaired, and organizing volunteer escort run activities. In 2021, the Bank joined hands with Beijing Public Transport Group to provide volunteer services with the theme of “Carrying Forward Love, Helping the Blind” and jointly release the initiative of “Stopping for a Few More Seconds and Reporting the Stop One More Time”, to continuously scale up the influence of volunteer services to help the blind.

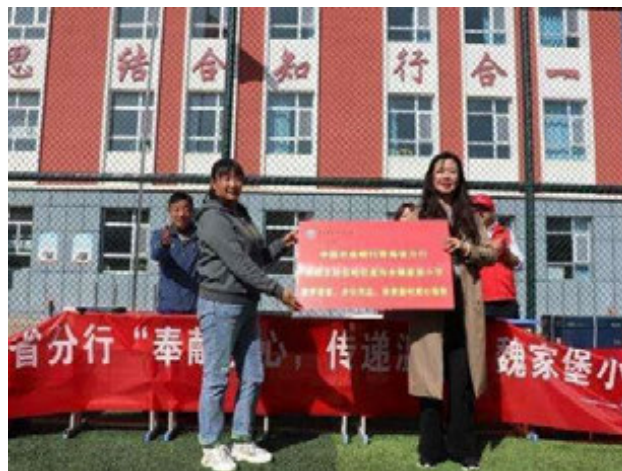
By the end of 2021, a total of 88 movies were narrated for the visually impaired, and nearly 1 million words of audio books were recorded. More than 8,600 hours of volunteer services were provided, directly benefiting over 7,600 visually impaired persons.



Young Party members of Dalian Branch carry out volunteer activities to serve the elderly. (Photo by Zheng Shuang)



Suzhou Branch carries out caring activities for special children. (Photo by Shen Zhuwen)



Qinghai Branch holds a charitable money donation activity for students in need. (Photo by Yang Xiaozhen)



Hong Kong Branch carries out activities to deliver warm services to communities. (Photo provided by Hong Kong Branch)



An employee of Shanghai Branch participates in voluntary blood donation. (Photo by Lu Jiayi)

### iii. Contributing to Pandemic Response and Disaster Relief

In the face of rare heavy rainfall, the COVID-19 pandemic and earthquake, the Bank put great importance to disaster relief to the disasters, made timely and quick responses to carry out a full range of financial services, and assistance in an orderly manner. Starting from the safety of customers and employees, the Bank made every effort to guarantee the normal provision of financial services in affected areas, promote post-disaster reconstruction, and provide continuous financial support.

#### 1. Strengthening pandemic prevention and control

The Bank implemented stringent measures to prevent and control the pandemic, organized institutions at every level to conduct routine pandemic prevention and control in scientific, precise and orderly manner, and encouraged vaccine administration, risk screening and health protection of employees.

In the areas suffering from sudden pandemic outbreaks, the Bank initiated the emergency response plan for pandemic prevention and control, and actively abode by the local pandemic countermeasures, as part of its efforts to strengthen its own pandemic prevention while ensuring the coordinated development of both pandemic control and financial services. Furthermore, the Bank established a volunteer team to maintain the order of the affected areas, assist in the delivery materials, and provide mobile services to ensure ongoing financial services during the pandemic.

#### **[Case] Supporting Pandemic Prevention and Control at the Border**

Ruili, in Yunan Province, located at the border of China and Myanmar, witnessed repeated resurgences of the COVID-19 pandemic in 2021, placing great pressure on the local control of the pandemic. Against this backdrop, Yunnan Branch organized young volunteers to participate in urgent, difficult, dangerous and important tasks such as grid community management and nucleic acid tests, helping complete 34 nucleic acid tests with 44,200 people involved. In response to the government's call for "a thousand officials to safeguard the border", Yunan Branch personnel stationed at the front line of the border provided round-the-clock services, making contributions to preventing the border pandemic from spreading inland. A total of 2,000 people were dispatched by the Branch, including 420 members of the Communist Youth League, and 700 people were designated to station at the border, including 175 members of the Communist Youth League.



Volunteers of Yunnan Branch assist at a local nucleic acid test. (Photo by Liang Zhiqiang)

### [Case] Supporting Vaccination of Chinese Citizens in Vietnam

In July 2021, the “Spring Vaccination Campaign” for overseas Chinese citizens was officially launched in Vietnam, and Hanoi Branch played an active role in translation and other volunteer services. In September, Hanoi Branch organized employees to donate to the COVID-19 Vaccine Fund of Vietnam. The Vietnam Fatherland Front Committee of Dong Da, Hanoi highly recognized the contribution made by Hanoi Branch and issued a certificate of honor for the donation.



The worksite of “Spring Vaccination Campaign”. (Photo provided by Hanoi Branch)



Employees of Gansu Branch instruct customers to scan the health code and check their body temperatures. (Photo by Wang Li)



During the pandemic, the lobby manager of the outlet of Shaanxi Branch instructs customers to use the super counter for cash withdrawal. (Photo by Zhang Tao)



Employees of Jilin Branch deliver living materials to community residents. (Photo by Wang Yong)



Ningxia Branch delivers assistance materials to key pandemic prevention institutions. (Photo by Wang Yuanyuan)

## 2. Supporting flood control and earthquake relief

### **[Case] Consolidating Flood Control with the Financial Line of Defense**

In late July, Henan Province was hit by a huge flood. Henan Branch quickly activated the emergency response mechanism, strengthened emergency response efforts, and put in place flood control and relief in an orderly manner.

Supporting the flood control and relief: Henan Branch set up several “vanguards” and “commandos” of Party members for flood relief, to assist in smoothing the delivery of relief supplies, clean up the mud in streets, and promote the communities recovery to normal life.

Safeguarding outlet safety: Henan Branch mobilized its employees to keep on duty during the flood to ensure the safety of key areas such as bank vaults, computer and technical equipment rooms. After the flood, the Branch actively carried out mud cleaning and other relevant work to quickly restore business. In the seriously affected areas, the Branch provided mobile and door-to-door services to ensure the normal operation of basic financial services.

Organizing charitable donations: Henan Branch proactively launched internal monetary donation activities, with the Head Office donating RMB 20 million. The Branch also mobilized more than 20,000 employees across the province to donate over RMB 2 million. Moreover, it supported the Henan Charity General Federation to open donation accounts and handled various kinds of social donations businesses, with a total of over RMB 40 million received.

Supporting post-disaster reconstruction: The Head Office issued 19 supporting policies in 5 categories, and Henan Branch issued 17 credit measures, as part of their efforts to allocate more resources to support the financial service for flood relief, as well as the post-disaster recovery and reconstruction. In 2021, a total of RMB 2.1 billion of loans was issued to 375 enterprises devoted to flood and pandemic control or hit by the disaster.



Employees of Henan Branch assist in the evacuation of flood-affected people. (Photo provided by Henan Branch)

### **[Case] Financial Strength to Support Earthquake Relief**

On May 22, a sudden 7.4 magnitude earthquake hit the Mado County, Tibetan Autonomous Prefecture of Golog, Qinghai Province. Qinghai Branch immediately made detailed arrangements in terms of supply distribution, financial services, employee health checks and documenting property loss, and made all-round emergency preparations. In accordance with the principle of “special services for special situations”, Qinghai Branch created a “green channel” for the allocation of earthquake relief funds, so as to provide financial services to the affected area to its utmost efforts, and support the post-disaster reconstruction and the resumption of work and production of enterprises.



On May 21, an earthquake occurred in Yangbi County, Dali Bai Autonomous Prefecture, in Yunnan Province, and Yangbi Sub-branch in Yunnan quickly set up an earthquake relief financial service site to ensure financial services to customers.

(Photo by Zhang Yi)



Sichuan Branch takes financial service mobile vehicle as the convenient service site to provide financial services to people in earthquake-stricken areas. (Photo by Deng Yu)

# ESG

## I. Environmental

### i. Emissions and Use of Resources

The Bank actively responded to and conformed to the State's regulations on and callings for energy conservation and emission reduction, and attached great importance to work related to energy saving and reduction in carbon dioxide emissions. The Bank earnestly implementing the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, the *Regulations of Beijing Municipality on the Administration of Household Garbage*. It released the *Measures of Agricultural Bank of China for Energy Management at the Head Office*, arranged property management companies of the office buildings of the Head Office to formulate rules governing the management of garbage sorting, safety management of construction sites and clearance of building garbage, refined the recording ledgers such as the *Ledger of Garbage Sorting and Recycling*, the *Ledger of Incoming and Outgoing Hazardous Wastes* and the *Record of Self-Inspection and Monitoring on Harmful Wastes*. Substantial efforts were put into energy conservation, emissions reduction and classification of household garbage. (ESG Context Index Aspect A1: Emissions; Aspect A2: Use of Resources; Aspect A3: The Environment and Natural Resources. As for specific measures, please refer to the chapter "Striving for Zero-carbon Operation". Aspect A2.5: Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. This is not applicable to the Bank.)

### ii. Response to Climate Change

**Enhancing risk management.** The Board of Directors and the Risk Management and Consumers' Interests Protection Committee deliberated and passed the revision to the *Comprehensive Risk Management Strategy*. The revision included climate risks into the comprehensive risk management system. They developed the management and control strategy for climate risks as a key area in credit risk management, proposed to establish a climate risk analysis framework for the Bank's credit businesses, strengthened the delicacy management of climate risks, further intensified climate risk identification and assessment of investments and financing businesses, and promoted the implementation of relevant risk management requirements in all aspects of customer due diligence, reviews, and post-lending or post-investment management. They also incorporated climate risk management in the report of comprehensive risk management, and required regular reports to the Board of Directors.

**Conducting stress tests.** In active response to risks related to climate change, the Bank conducted in-depth research and analysis on the transmission path of climate risks in the coal power industry with high intensity of carbon dioxide emissions, and conducted stress tests on climate risks. The test measured the impacts of hypothetical

payment for carbon dioxide emissions on a coal power enterprise's solvency, as well as the influence on the quality of the Bank's relevant credit assets. Mainly referencing the carbon pricing scenario of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and changes in the carbon price on the domestic carbon emission trading market, the test designed four stress scenarios – orderly transformation, disordered transformation, greenhouse world and policy planning, and thoroughly examined changes in such variables as carbon price, coal-powered electricity generation capability, electricity price and energy structure under different paths of carbon dioxide emission reduction. With the end of 2020 as the base period, a testing period of 30 years and a hypothesis that enterprises do not make low-carbon transformation during the testing period, the test measured impacts of risks related to climate-prompted transformation under different scenarios, estimated future financial performance of coal power enterprises, and quantitatively assessed changes in risks associated with the Bank's credit asset portfolios in terms of rating migration, probability of default (PD) and expected loss (EL). The test was designed to promote efforts in preventing transformation-related risks. The test results showed that customers from the coal power industry are relatively more vulnerable to factors of low-carbon transformation, their credit ratings are to downgrade to some extent, PD to increase, but overall risks to remain controllable in general under the stress scenarios.

In addition, the Bank actively participated in the climate risk stress test organized by the People's Bank of China (PBOC) that was designed to assess potential impacts of transformation towards the carbon peak and carbon neutrality goals on the Bank's credit assets. The test result revealed that under the stress scenario, the credit risks associated with customers from the thermal power, iron and steel, and cement industries will rise to some extent, but the influence on the Bank's capital adequacy level is overall controllable.

**Organizing training programs.** Training sessions on climate risk stress testing were organized at the Head Office department level and at the branch level to further deepen the staff's knowledge and understanding of the decarbonization initiative and climate-related financial risks, disseminate the significance, ideas and methods of climate risk stress testing, and ultimately truly enhance the staff's capability of delivering green finance services, and coping with risks associated with low-carbon transformation.

**Deepening exchanges and cooperation.** In 2021, the Bank joined the *Principles for Responsible Banking* (PRB), became an endorser of the Task Force on Climate-Related Financial Disclosures (TCFD), attended the Conference on G-SIFIs of Financial Street Forum 2021, and signed the *Beijing Initiative of Climate-Friendly Banks*. It continuously enhanced its business competence and management level through getting integrated into the international standards.

## Quantitative Performance in Aspect A

|                                                                                   |                   |
|-----------------------------------------------------------------------------------|-------------------|
|                                                                                   | 2021 <sup>5</sup> |
| <b>Total greenhouse gas emissions<sup>6</sup></b>                                 |                   |
| Category 1: Direct greenhouse gas emissions (Tons of carbon dioxide equivalent)   | 20,663.74         |
| Category 2: Indirect greenhouse gas emissions (Tons of carbon dioxide equivalent) | 237,531.54        |
| Total greenhouse gas emissions (Tons of carbon dioxide equivalent)                | 258,195.28        |
| Greenhouse gas emissions per capita (Tons of carbon dioxide equivalent/person)    | 9.03              |
| <b>Energy and resources consumption</b>                                           |                   |
| Electricity (kW·h)                                                                | 310,158,563.97    |
| Use of electricity Per capita (kW·h/Person)                                       | 10,843.95         |
| Natural gas (Cubic Meters)                                                        | 5,348,851.81      |
| Use of natural gas per capita (Cubic meters/Person)                               | 187.01            |
| Liquefied petroleum gas (Tons)                                                    | 1,024.50          |
| Gasoline (Tons)                                                                   | 1,194.39          |

<sup>5</sup> 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).

<sup>6</sup> 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.

|                                                                            |              |
|----------------------------------------------------------------------------|--------------|
| Diesel <sup>7</sup> (Tons)                                                 | 632.95       |
| Power purchased (MkJ)                                                      | 439,125.46   |
| Comprehensive energy consumption <sup>8</sup> (Tons of Standard Coal)      | 64,698.05    |
| Comprehensive energy consumption per capita (Tons of Standard Coal/Person) | 2.26         |
| Water consumption (Tons)                                                   | 3,852,301.41 |
| Water consumption per capita (Tons/Person)                                 | 134.69       |
| Discharged wastewater <sup>9</sup> (Tons)                                  | 3,274,456.19 |
| <b>Waste from the Head Office Institutions in Beijing</b>                  |              |
| <b>Hazardous wastes</b>                                                    |              |
| Disposed toner cartridges (Pieces)                                         | 629          |
| Disposed lead acid batteries (Tons)                                        | 10.72        |
| Per capita disposed lead acid batteries (KG/Person)                        | 1.53         |
| <b>Office paper consumption (Tons)</b>                                     | 76.63        |
| <b>Harmless wastes</b>                                                     |              |
| Disposed electronic information products (Sets)                            |              |
| Number of disposed desktop computers (Mainframe) (Sets)                    | 446          |
| Number of disposed displays (Sets)                                         | 362          |

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

8 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).

9 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.

|                                                          |       |
|----------------------------------------------------------|-------|
| Number of disposed laptops (Sets)                        | 537   |
| Number of disposed printers (Sets)                       | 28    |
| Number of disposed servers (Sets)                        | 2     |
| Number of disposed dry batteries (Tons)                  | 0.032 |
| Per capital number of disposed dry batteries (KG/Person) | 0.005 |

### iii. Green Finance

#### 1. Strategy guidance

Refining the governance structure. The Board of Directors is responsible for determining the green finance development strategy for the whole Bank, and assessing the implementation of the strategy. The Board of Supervisors is responsible for overseeing the implementation of the Bank's green finance strategy. The Senior Management is responsible for the establishment of green finance business goals, mechanisms and processes, and carrying out internal control inspections, assessments and evaluations. The Green Finance Committee set up under the Senior Management makes overall arrangement for the development of the Bank's green finance and deliberates major policies, measures and important related matters.

Adhering to strategy orientation. The Board of Directors has reviewed and approved the *Green Finance Development Plan of Agricultural Bank of China (2021-2025)*, which specifies goals, visions and support priorities of the green finance development during the 14<sup>th</sup> Five-Year Plan period, and devises a series of important tasks centering on building a diversified, hierarchical business system, improving the policies, resources, mechanisms and systems in order to accelerate the efforts to become a greener, low-carbon bank.

Stepping up training and education. Training campaign on green finance was launched to spread the concept of green, low-carbon development throughout the Bank. At the end of 2021, the Bank had held 26 virtual courses, for which 142,000 employees attended, and learned a total of 258,000 hours.

#### 2. Green credit

Strengthening environmental and social risk management. The Bank formulated measures for environmental and social risk management for its credit businesses, and clarified full-coverage, classified management and whole-process control of environmental and social risks. The environmental and social risk management was included into the Bank's credit management system, and was embedded into all processes of due diligence, review, approval, credit use management and post-lending

management, with whole-process control executed.

The Bank conducted due diligence for environmental and social risks, and informed the credit business decision-making with results therefrom. Customers were subjected to differentiated management measures by their degree of potential environmental and social risks. The Bank strictly implemented the “one vote veto” rule, and turned down customers and projects that are non-ecologically friendly. The Bank signed letters of commitment with key customers concerning the responsibility of environmental and social risks, aiming to enhance risk management and control capabilities through contract constraints.

### **[Case] Enterprise ESG Score Integrated into Risk Management**

Huzhou Branch in Zhejiang Province integrated the ESG scoring system created by the government into its greenness judgment standard system. In routine due diligence, customer managers retrieve an enterprise’s ESG score in advance and complete due diligence on its environmental and social risks according to requirements. The dynamic monitoring on enterprises’ ESG scores allows timely downgrading of score when an enterprise is found to have illegalities or irregularities actions such as environmental pollution, thus strengthening the Bank’s control over enterprise risks.

Actively supporting carbon reduction projects. Within the PBOC’s clarified scope of business, the Bank quickly responded to policies of carbon reduction supporting tool and of special re-lending to clean and efficient utilization projects of coal. It conducted precision marketing, and improved working mechanisms, this provided funds to support projects with significant effects of carbon reduction, such as those related to clean energy, energy conservation and environmental protection, carbon reduction technologies, and for clean and efficient coal utilization projects.

Integrating the green credit indicators into the industry policies. The Bank materialized the indicators such as efficiency, effectiveness, environmental protection, resource consumption and social administration in its industry-specific credit policies while continuously expanding the coverage of industries by the green credit indicator system. Continuously expand the scope of industries covered by the green credit indicator system, so the indicators can play a role in customer access, classified management and control over environmental and social risks.

### **Environmental Risk Credit Management Policies for Key Industries**

Agriculture, forestry, animal husbandry and fisheries: The Bank has formulated credit policies for agriculture-related industries such as the grain industry, seed industry, forestry, cotton industry, animal husbandry, aquatic breeding and processing, clarifying low carbon, environmentally friendly policy orientation, continuously strengthen environmental risk control, in service of the National food security strategy.

Mining: The Bank has developed credit policies for industries such as the coal, petrol and metal mining industries, etc. proposing relevant requirements regarding environmental and social risk management, serving the mining industries' green and low carbon develop.

Transportation: The Bank has developed policies for industries such as the railroad, highways, urban railways, airports, air transportation and other transportation industries, proposed environmental and social risk management requirement, serving the transportation industries' green development.

Materials: The Bank has developed credit policies for industries such as petrochemicals, steels, non-ferrous metals and building materials, proposing relevant requirements regarding environmental and social risk management, serving the industrial enterprises' green development.



Hechi Branch in Guangxi Province supports the development of wind power, fueling green economy. (Photo by Zhang Zhengjun)

### **3. Green investment and financing**

With great importance attached to environmental and social risk management in the process of investment and financing, the Bank vigorously pressed for the realization of ESG investment concepts in product development and business development. At the end of 2021, the scale of self-proprietary green bond investments reached RMB 88.3 billion, representing a year on year increase of 35%.

Prior to investments, focus was placed on the green attributes, economic and environmental cost-effectiveness, funds supervision, and information disclosure, so as to enhance the quality and efficacy of green investments. After investments, the Bank stepped up tracking of the use of bond funds and the development of relevant projects, and enhanced the capability of identifying and coping with ESG risks.

#### **iv. Green Procurement**

The Bank actively practiced the concept of green procurement. First, at the institutional and standard level, it emphasized the green procurement principles

including giving priority to energy-saving and environmentally friendly products in the bank-wide centralized procurement catalogue, and incorporated the requirement that “bidding products and services should meet the national green accreditation standards with full consideration given to human health and safety, resources conservation and recycling, and reduced environmental impacts” into the templates of bidding documents and popularized the templates across the Bank. Second, at the specific procurement level, the Bank reinforced the examination of authoritative qualifications and certifications such as Environmental Label Product Certification, Environmental Management System Certification, and Occupational Health and Safety Assessment Series in the scoring of a project, encouraged and guided suppliers to conform to governing laws, increase inputs into environmental protection and enhance staff health and safety management, thus to fulfill social responsibilities.

## II. Social

### i. Economic Performance

| Indicators                                              | 2019       | 2020       | 2021       |
|---------------------------------------------------------|------------|------------|------------|
| Total assets (RMB 100 million)                          | 248,774.91 | 272,050.47 | 290,691.55 |
| Total loans and advances to customers (RMB 100 million) | 133,603.42 | 151,704.42 | 171,750.73 |
| Non-performing loan ratio <sup>10</sup> (%)             | 1.40       | 1.57       | 1.43       |
| Capital adequacy ratio <sup>11</sup> (%)                | 16.13      | 16.59      | 17.13      |
| Net profit (RMB 100 million)                            | 2,129.24   | 2,164.00   | 2,419.36   |
| Return on average total assets <sup>12</sup> (%)        | 0.90       | 0.83       | 0.86       |
| Return on weighted average net assets <sup>13</sup> (%) | 12.43      | 11.35      | 11.57      |
| Total Tax <sup>14</sup> (RMB 100 million)               | 883.15     | 990.02     | 992.27     |
| Shareholders' equity (RMB 100 million)                  | 19,538.61  | 22,107.46  | 24,213.59  |
| Shareholders' dividends <sup>15</sup> (RMB 100 million) | 636.62     | 647.82     | 723.76     |

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

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

12 "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.

13 "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 the CSRC .

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

15 Dividends of ordinary shareholders (tax included).

|                                                                                                                                                                   |           |           |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|
| Social contribution value per share <sup>16</sup> (RMB)                                                                                                           | 2.27      | 2.34      | 2.56      |
| Total amount of donations <sup>17</sup> (RMB 10,000)                                                                                                              | 11,900    | 19,917    | 10,060    |
| Electronic channel financial transactions as proportion of total transactions (%)                                                                                 | 98        | 99        | 99        |
| Number of domestic branches                                                                                                                                       | 23,149    | 22,938    | 22,807    |
| Number of county-level branch outlets                                                                                                                             | 12,566    | 12,599    | 12,627    |
| Total Huinong Cards issued (Million)                                                                                                                              | 223.98    | 230.79    | 235.43    |
| Proportion of administrative villages covered by “Hui Nong Tong” electronic devices in the 832 key targeted counties in the state poverty alleviation program (%) | 86.6      | 89.5      | 83.59     |
| Balance of farmer loans <sup>18</sup> (RMB 100 million)                                                                                                           | 3,219.68  | 4,352.67  | 6,033.92  |
| Total county area loans and advances (RMB 100 million)                                                                                                            | 45,531.04 | 53,053.05 | 62,183.12 |
| Balance of loans of village and township banks (VTBs) <sup>19</sup> (RMB 100                                                                                      | 16.26     | 17.95     | 19.69     |

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

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

18 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.

19 6 village and township banks (VTBs).

|                                                                                            |           |           |           |
|--------------------------------------------------------------------------------------------|-----------|-----------|-----------|
| million)                                                                                   |           |           |           |
| Balance of inclusive loans for micro and small enterprises <sup>20</sup> (RMB 100 million) | 5,923     | 9,526     | 13,220    |
| Total loans to western regions <sup>21</sup> (RMB 100 million)                             | 29,704.70 | 33,538.20 | 37,490.92 |
| Balance of loans to ethnic minority areas <sup>22</sup> (RMB 100 million)                  | 8,169.01  | 9,350.18  | 10,635.71 |
| Balance of loans for affordable housing projects (RMB 100 million)                         | 2,410.89  | 2,597.88  | 2,618.01  |

## ii. Employment Codes

In strict conformity with the *Labor Law*, the *Labor Contract Law*, the *Company Law* and the *Employment Promotion Law*, the Bank entered into labor contracts with its employees, subjected all employees to contractual personnel management and provided equal and fair job opportunities to all employees. The Bank forbids discriminatory behaviors towards ethnicity, gender, religious belief and cultural background, as well as the use of forced labor and underage labor. Moreover, the Bank paid social insurances and housing provident fund contributions, took out supplementary medical insurance policies and enterprise annuity for the staff as required by Chinese laws and regulations. Employees had holidays and annual leaves in accordance with State regulations.

Staff performance management was grounded on internal and external governing provisions in accordance with the institution's administrative subordination relationship and employees' administration authority. The employees were subject to regular performance appraisal, which covered key business performances, competence and so on; the appraisal results were fed back to employees in an appropriate way and used in remuneration allocation, promotion, training and development, and excellence selection. Staff performance management helped enhance the employees' performances and promoted their competence enhancement and career development.

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

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

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

### **iii. Health and Care**

The Bank was dedicated to building a “four-in-one” health guarantee system composed of “basic medical insurance + supplementary medical insurance + serious illness relief + serious illness insurance”. The tier-1 branches and Beijing Advanced-level Academy have taken out serious illness insurance for all of their employees.

In 2021, the Bank continued to carry out the “Five Staff Care Actions” (namely, the staff health action, the staff growth action, the homeland building action, the burden-relief action and the warm-hearted action). It conducted a survey on satisfaction of primary-level employees with staff care efforts, with 10,748 employees filling out the survey questionnaire and 91.92% of them were satisfied.

### **iv. Development and Training**

Education and training were given a guiding, strategic and fundamental role. The Bank launched hierarchical, classified training with a focus on strategic tasks, quality resources slanted toward prioritized business varieties, and training efforts were extended to cover the primary level.

#### **Major Measures for Enhancing Staff Training**

Deepening cooperation with institutions of higher learning: The Bank entered into a framework agreement on training cooperation with China Agricultural University. The Bank worked with China Agricultural University, Renmin University of China, and Peking University to host the rural revitalization training program for senior management members, the rotation training on rural revitalization and the excellent leadership seminar for young talents, covering over 1,900 attendances of heads of county-level sub-branches and outstanding young officials. The Bank held 26 sessions of rotation training on “digital transformation of corporate banking” in collaboration with five renowned institutions of higher learning including Remin University Business School.

Building a digital platform: The Bank has launched the ABC e-Learning Platform, an ecosystem of smart learning integrating knowledge management, study and sharing, teaching operation and accreditation testing. In 2021, on the platform, over 5,700 courses had been updated, over 2,500 livestream sessions had been completed, with over 200 thousand active users each day, 67 hours of learning per person, benefiting all employees.

Emphasizing professionalism training: The Bank actively supported the employees to obtain professional credentials, and set up an integrated, closed-loop in-service training mode combining before-test trainings, accreditation testing and continued education. At the end of 2021, the Bank had compiled and revised over 30 textbooks, distributed over 300,000 copies to employees at all levels, and organized accreditation testing for 209,700 employees.

Highlighting compliance training: Special-topic training and courses were provided to

enhance the staff's compliance consciousness and compliance capability such as compliance culture lectures, interpretation of the code of conduct for employees, series of courses on clean and honest Party conducts, AML (Anti-money Laundering) compliance management and confidentiality knowledge.

Launching labor competitions: Under the context of regular COVID-19 control, the Bank hosted a large-scale online contest on AML, which attracted over 50,000 contestants. The contest effectively enhanced the employees' professional proficiency.

"Health and Care" "Development and Training" for more actions please refer to the chapter on *Growing Together with Employees*



A course on green finance and carbon peak & carbon neutrality launched in cooperation with a university. (Photo provided by the Human Resources Department)

## **v. Protection of Consumers' Financial Interests**

### **1. Management structure**

The *Work Measures of Agricultural Bank of China for Consumer Protection* stipulates that the Board of Directors is the highest decision maker of matters related to consumer protection. The Risk Management and Consumers' Interests Protection Committee under the Board is responsible for overall planning of consumer protection work. The Board and the Committee shall convene a meeting every half a year to listen to reports on consumer protection work and deliberate proposals regarding consumer protection.

The Head Office has founded the Consumer Protection Work Committee, which addresses major problems and coordinates the member departments in consumer protection work. The operation management departments of the Head Office shall organize financial knowledge promotion activities for the public and financial

consumer protection training for the staff in different lines of business undertake customer service management and customer complaint handling for the operations and outlets.

## **2. Management mechanism**

**Refining the consumer protection system.** The Bank formulated the *Work Guideline of Agricultural Bank of China for Diversified Solutions to Financial Disputes*, and revised a series of consumer protection policies and supporting policies including the *Administrative Measures of Agricultural Bank of China for Retail Marketing Promotional Behaviors*, the *Administrative Measures of Agricultural Bank of China for Agency Sales of Wealth Management Products*, and the *Administrative Measures of Agricultural Bank of China for Collaborative Customer Services*, etc. to provide institutional guarantee for consumer rights protection.

**Putting in place the consumer protection review mechanism.** The Bank developed some normative documents such as the *Work Measures of Agricultural Bank of China for Consumer Protection* and the *Work Guideline of Agricultural Bank of China for Review on Consumer Protection*, which include products and services into the management of consumer protection review and specify the reviewer, the scope of review, key points of review and procedures of review. Consumer protection review was conducted in the stages of design and development, pricing management and agreement formulation for products and services offered to consumers, so as to timely detect and eliminate possible hidden risks that may jeopardize consumers' rights or interests. Consumer protection review was included into the annual consumer protection assessment system to measure the effects of consumer protection in a regular, standardized way. Consumer protection audits were conducted with greater efforts in auditing items of the regulators' special concerns.

## **3. Handling of customer complaints**

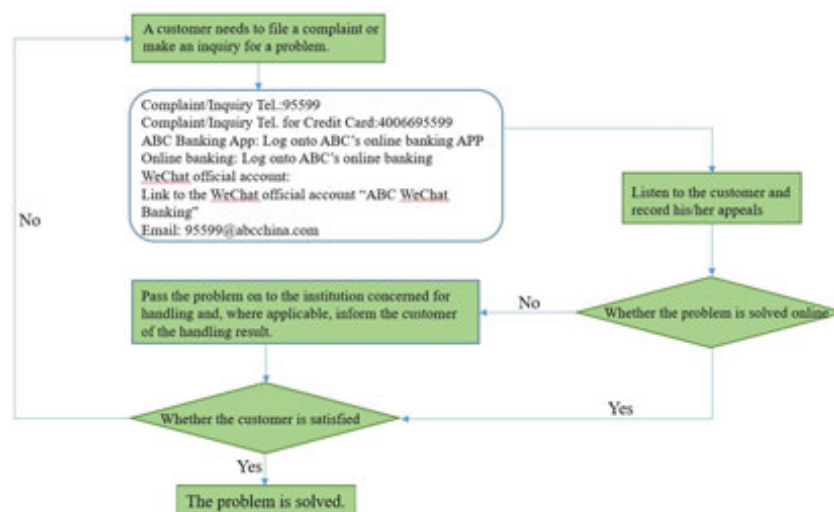
Quarterly notices on complaints were printed and distributed to inform the staff of the number and characteristics of customer complaints, as guidance on reducing complaints for branches. In 2021, the Bank handled 183,700 personal customer complaints through all channels, which were mainly about debit cards, credit cards and personal loans. Branches with more personal customers and outlets such as those in the Provinces of Guangdong, Hebei, Shandong, etc. had more complaints.



Quanzhou Branch in Fujian Province is carrying out a 3·15 consumer protection promotion campaign. (Photo by Chen Jiakun)

Channels of complaint acceptance: Information on compliant channels such as telephone number, mailing address and e-mail address as well as the complaint processing flow are publicized through the portal website, the mobile channels and in prominent spots in banking outlets and office venues. Meanwhile, the banking outlets are required to record complaints and timely handle them in a standardized ways upon acceptance of complaints on the spot.

#### Flowchart of Handling Online Customer Complaints and Enquiries



Time limits for complaint handling: As for those complaints with clear facts and

concerning simple disputes, the handling institution shall decide on how to settle the complaint, and inform the complainer of the handling method within 15 days upon receipt of the complaint; where the case is complicated, the time limits may be extended to a certain extent and made known to customers.

#### **4. Protection of complainers**

The *Measures of Agricultural Bank of China for the Management of Customer Complaints* provides for principles for confidentiality of customer information, and explicitly requires protection of customer information safety and protection of state secrets, business secrets and personal privacy from infringement in the process of handling a complaint.

#### **5. Training on consumer protection**

The Bank formulated the plan on promotion and training of financial knowledge for 2021, which explicitly states guiding principles, objectives, work arrangements and requirements. The bank also continued to strengthen trainings on consumer protection, at the end of 2021, ABC institutions at all levels had organized over 3,700 consumer protection training sessions in various forms, such as business trainings, orientations for new employees, special-topic lectures, etc., involving around 850,000 employees.

#### **6. Advertising policy and training**

The Bank formulated its own policies, provisions and visual standards for advertising management, and administered the preparation, launch, monitoring and assessment of advertising materials in strict accordance with the *Advertising Law of the People's Republic of China* and other laws and regulations. Advertisements of ABC images, products and services were subject to joint review by the brand administration department, relevant business departments and the consumer protection department. Advertising compliance education on the staff was enhanced through routine training, examination of advertising materials, notification and dissemination.

#### **7. Efforts to pressing for repayment of personal loans**

The Bank formulated policies and rules on pressing for personal loan recovery to standardize the workflow. A system has been put in place with regard to pressing for overdue loan recovery; the pressing tactics have been continuously optimized; loan recovery is now pressed for by the way of SMS (text messages) and voice mails; account managers are responsible for urging borrowers to make repayment and handling lawsuits, if any. Training courses on risk management of personal loans and annual training were offered, covering guidance on practices of pressing for repayment of overdue loans.

## vi. Privacy and Data Security

### 1. Information security management

In 2021, the Bank had:

- Zero cybersecurity events;
- Conducted two internal cybersecurity attack and defense drills;
- Lost no points in terms of defense in the annual cybersecurity attack-and-defense drills organized by the Ministry of Public Security, with the performance rated in the first notch and graded as “Excellent”.

#### (1) Top design

The Bank’s Board of Directors and Senior Management have always attached great importance to security of network and data. The *Administrative Measures for Cybersecurity* explicitly provides that the Chairman of the Board of Directors is the primary responsible person for cybersecurity, and that institution heads in charge of cybersecurity are the direct responsible persons. The Technology and Product Innovation Committee has been founded under the Senior Management. As the deliberation body of material matters related to IT development and product innovation, the Committee is chaired by the President. The applicable scope of the *Administrative Measures for Cybersecurity* covers domestic institutions at all levels, overseas branches, banking subsidiaries and representative offices. In 2021, the Board of Directors heard one report on cybersecurity work; the Senior Management studied and reviewed issues of data security management and worked out work priorities in the aspect for the year.

#### (2) Security management mechanism

The Bank drew up the *Administrative Measures for Data Security (Trial)*, which covers all sorts of electronic data stored online or offline and sets out requirements for security protection throughout the product life cycle from data collection, data storage to data use and data sharing. Domestic institutions at all levels shall conform to the Measures; comprehensive operation subsidiaries, overseas branches and overseas banking subsidiaries shall implement the provisions stipulated therein without prejudicing laws, regulations and regulatory requirements for the banking sector in the host country (region).

#### (3) Safety management of product production cycle

The Bank formulated the *Implementation Rules for the Management of App Security* and continuously refined the institutional system for App security. In addition to creating and refining the Security Development Lifecycle (SDL) mechanism for the process of research and development of application systems, the Bank strengthened security control measures throughout the product research and development life cycle by integrating security management requirements into all the stages from project

requirement, design, development and test to launch, operation maintenance, etc. to increase the security of products and services.

#### **(4) Building a protection, attack and defense system**

The Bank set up a 24/7 security operation management mechanism and developed the capabilities of cybersecurity situational awareness, risk alert, attack monitoring, analysis and disposal, and source tracing. The Bank established an all-round, in-depth and three-dimension system of security technology protection, fully covering terminals, systems, networks and data. A security loophole operation platform for whole-cycle management was constructed, thus realizing closed-loop management of loopholes during the whole process from detection, grading to disposal and retest.

The Bank established “attack and defense” confrontation mechanism, through establishing “the three lines of defenses”, namely security testing, penetration testing, and crowdsourced testing, and constructed an all-round, multi-level attack-defense confrontation system featuring “regular + scenario-based drills”, thus continuously enhancing the capability of proactively mining security loopholes.

#### **(5) Data security training**

In 2021, the Bank:

- Conducted 178 training sessions on data security;
- Had provided 44,244 opportunities in data security training.

A wide variety of lecturing activities were offered to all staff members to inform them of the latest rules, requirements and cutting-edge developments in the field of data security, such as livestreamings, offline trainings, special-topic meetings, micro-classes, testings, micro-videos, special-topic lectures given by internal and external experts, and monitoring bulletins. The data security management personnel of the Head Office and of the branches were put through series of professional competency training sessions that provided them concrete introductions to work objectives, principles, programs, plans, tools and methods. In the business departments, data security was integrated into business management, and data security courses were added to many business line training programs. *The Bulletin on the Dynamic Monitoring of Data Security Laws and Regulations*, which analyzed cases and publicized news on data security, was released on a quarterly basis.

#### **[Case] Lecture on *Data Security Law***

After the promulgation of the *Data Security Law of the People's Bank of China* in 2021, the Bank actively responded to the regulatory requirements through holding livestreaming “ABC Lectures” on the *Data Security Law* for the employees of the Head Office and branches, to interpret the law and data regulation policy. The

|                                                          |
|----------------------------------------------------------|
| lecture enhanced the staff's awareness of data security. |
|----------------------------------------------------------|

## **(6) IT auditing**

The Bank conducted IT management audits on information security, data security, management effectiveness and business continuity management. During the audit on financial reports, the external auditors tested specific control points of the IT development plan, security, internal supervision, organizational structure and personnel, risk management, etc. The external auditors also paid particular attention to the Bank's cybersecurity and data security management.

## **(7) Certification and test**

The Data Center introduced the international standard ISO27001 in 2010, initiated the development of the ISO27001 information security management system that covers physical safety, system and network safety, personnel safety and operational safety, and passed the ISO27001 accreditation during the same year. The Bank has made continuous efforts to improve the system operation in recent years, and passed the reaccreditation and review of the ISO27001 conducted by national authorities.

The Bank handled work related to cybersecurity such as grading, filing, testing and rectification in strict conformity to the national standard of cybersecurity level protection 2.0, and passed the national cybersecurity level protection test in 2021.

## **2. Protection of customer privacy**

### **(1) Collection of customer information**

The *Administrative Measures for Data Security (Trial)* provides standards for the collection, processing and use of data. In terms of data collection, personal or customer information collected shall be openly collected, stored, handled and used in an overt, obvious and easy to understand way, with the handler, purpose, method and scope indicated. To collect personal information, consents shall be obtained in advance from the person (or from his/her guardian), unless otherwise stipulated by laws or regulations. The Bank requires that data processing and use shall be in alignment to the purpose of collecting such data, conform to governing laws, regulations and agreements, and undergo necessary internal approval procedures corresponding to the security level of the data, with the obligation to keep the data confidential strictly fulfilled; authority of data users shall be strictly controlled and their behaviors supervised in the process. Processing and use of personal or customer information shall comply with what has been agreed upon with the data owner. When it comes to anything that falls beyond the scope of the agreement by the data owner, it is mandatory to obtain the owner's additional explicit consents with records of such consents retained.

### **(2) Protection of customer information**

The Bank pushed forward the internalization and implementation of the *Personal*

*Information Protection Law of the People's Republic of China*, and refined its personal information protection mechanism. The format contracts were continuously updated, with articles concerning personal information refined to legally protect customers' interests in personal information, according to laws and regulations such as the *Personal Information Protection Law* and the *Civil Codes*. A series of internal provisions specifying overall requirements and division of responsibilities for protection of customer information were distributed, including but not limited to the *Administrative Measures for Customer Information Protection*, the *Implementation Rules for Personal Customer Information Protection* and the *Implementation Rules for Corporate Customer Information Protection*.

Customer information protection in key fields was reinforced. The *Work Guideline for Strengthening Protection of Sensitive Data* was formulated for the non-productive environment, it set up management principles, management mechanisms and control requirements for processing data in the non-productive environment, as well as accessing and exiting data. The *Template of Security Control Requirements for Customer Data in Building and Use of Information System* was put in use for the productive system; the document regulated matters related to control over customer information protection throughout stages such as system requirement formulation, design and development, launch and operation, and reinforced risk control in the links of customer information access, transmission, download and storage, to promote “simultaneous planning, simultaneous development and simultaneous use” of data security and information system.

### **(3) Guarantee for customers' right to know**

The Bank continuously updated the *Privacy Policy of Agricultural Bank of China Limited* to clarify rules for handling customers' personal information, approaches that customers can adopt to realize their rights and interests. The policy was released through online and offline channels to allow easy access of customers.

The *Collection of Personal Comprehensive Banking Service Agreements (Frequently Used in Counter-Based Business)* was publicized on the portal website, including 30-odd agreements on counter-based contractual transactions with personal customers. The book was exhibited at the outlets, fully guaranteeing the customers' right to know.

## **vii. Availability of Financial Services**

The Bank integrated its traditional brick-and-mortar outlets with new-type electronic channels and Internet banking with a view to building an all-dimension system of service channels and straightening up “the last mile” of inclusive financial services in rural areas. It has established a “six-in-one” integrated system of channels including staffed outlet, self-service banking, “Hui Nong Tong” service stations, online channels, remote banking and mobile services”, serving customers with multi-dimension services in various scenarios.

**Actively optimizing the layout of county-level outlets.** The Bank pushed forward the migration of some outlets to the urban-rural fringe areas and prioritized townships,

in an effort to further expand the service network downward and enlarge the service coverage. In 2021, among the outlets that were relocated or newly established, 65% of them intended to cover urban-rural fringe areas, county-level areas and townships.

**Enhancing the service capability of the county-level outlets.** The Bank enhanced its outlets' capability of serving rural revitalization through increasing resources allotted to them, enriching their means of service, optimizing their operational mechanism and developing 1,000 model outlets in serving "Sannong".

**Offering basic financial services to farmers.** The "Hui Nong Tong" service stations with electronic facilities installed inside grocery stores and agro-stores in rural areas, guaranteed farmers' easy access to such basic financial services as inquiry, transfer, consumption payment and cash withdrawal.

**Increasing the accessibility of the Internet service channel.** The Bank vigorously promoted such Internet-based channels as mobile banking, online banking and remote call banking, and innovatively launched the rural version, the large-font version and the ethnic minority languages versions of ABC Banking App. All of these efforts connected farmers to modern financial services anytime, anywhere.

At the end of 2021, the Bank had 12,600 county-level outlets, accounting for 56% of the total outlets, and over 1,300 self-service facilities installed in towns with the absence of a banking outlet.

#### **viii. Investments in the Community**

The Bank regulated outward donation in accordance with the *Administrative Measures of Agricultural Bank of China for Donation* and other internal rules and regulations. In 2021, public welfare donations totaled RMB 100.6 million across the Bank.

#### **Quantitative Performance in Aspect B**

|                                                           | 2021    |
|-----------------------------------------------------------|---------|
| <b>Number of employees (Formally contracted) (Person)</b> |         |
| Total number                                              | 455,174 |
| Female                                                    | 204,427 |
| Male                                                      | 250,747 |
| <b>County-level employees (Person)</b>                    | 187,710 |
| <b>By type of employment (Person)</b>                     |         |

|                                                            |         |
|------------------------------------------------------------|---------|
| Formally contracted workers                                | 455,174 |
| Dispatched workers                                         | 6,677   |
| <b>By age (Person)</b>                                     |         |
| Age 30 and below                                           | 87,633  |
| Age 31-40                                                  | 105,613 |
| Age 41-50                                                  | 121,928 |
| Age 51 and above                                           | 140,000 |
| <b>By education background (Person)</b>                    |         |
| Doctor                                                     | 568     |
| Master                                                     | 34,341  |
| Bachelor                                                   | 251,405 |
| Diploma of junior college and vocational technical schools | 137,757 |
| Below junior college                                       | 31,103  |
| <b>By region (Person)</b>                                  |         |
| Head Office                                                | 12,763  |
| Yangtze River Delta                                        | 63,390  |
| Pearl River Delta                                          | 50,032  |
| Bohai Rim                                                  | 64,785  |
| Central China                                              | 93,521  |
| Northeast China                                            | 42,937  |
| West China                                                 | 118,075 |
| Overseas branches and representative offices               | 726     |

|                                                                                  |        |
|----------------------------------------------------------------------------------|--------|
| Comprehensive operation subsidiaries and rural banks                             | 8,945  |
| <b>Employee proportion (%)</b>                                                   |        |
| Proportion of female employees                                                   | 44.91  |
| Proportion of employees of ethnic minority                                       | 8.58   |
| <b>Employee turnover</b>                                                         |        |
| Employee turnover rate                                                           | 1.27   |
| <b>Work-related injury</b>                                                       |        |
| Work-related casualties (Person)                                                 | 32     |
| Ratio of work-related casualties (%)                                             | 0.007  |
| Number of working days lost due to work-related injury incidents (Day)           | 37,840 |
| <b>Employees receiving training</b>                                              |        |
| Primary-level employees (10,000 Attendances)                                     | 192.6  |
| Proportion of primary-level employees receiving training (%)                     | 94.2   |
| Average length of training received by primary-level employees (Hour)            | 141.7  |
| Managers at middle level and above (10,000 Attendances)                          | 44.6   |
| Proportion of managers at middle level and above receiving training (%)          | 87.2   |
| Average length of training received by managers at middle level and above (Hour) | 134.8  |
| Female (10,000 Attendances)                                                      | 110.5  |
| Proportion of female employees receiving training (%)                            | 93.8   |

|                                                                        |       |
|------------------------------------------------------------------------|-------|
| Average length of training received by female employees (Hour)         | 149.5 |
| Male (10,000 Attendances)                                              | 126.7 |
| Proportion of male employees receiving training (%)                    | 91.7  |
| Average length of training received by male employees (Hour)           | 132.2 |
| <b>Customer satisfaction and complaint handling (remote banking)</b>   |       |
| Total number of incoming calls (100 Million)                           | 2.55  |
| Number of incoming calls transferred to manual operators (100 Million) | 0.82  |
| Number of incoming calls answered (10,000 Calls)                       | 7,369 |
| Connection rate (%)                                                    | 90.7  |
| Customer satisfaction (%)                                              | 99.7  |
| Customer complaint settlement rate (%)                                 | 100   |
| <b>Number of Head-Office-level suppliers by region</b>                 |       |
| Number of suppliers                                                    | 431   |
| Bohai Rim (%)                                                          | 51    |
| Yangtze River Delta (%)                                                | 23    |
| Pearl River Delta (%)                                                  | 15    |
| Central China (%)                                                      | 2     |
| West China (%)                                                         | 4     |
| Northeast China (%)                                                    | 1     |
| Overseas and others (%)                                                | 4     |
| <b>Resources used for community investment</b>                         |       |

|                                                             |        |
|-------------------------------------------------------------|--------|
| Total amount of donations (RMB 10,000)                      | 10,060 |
| Total service time of youth volunteers (10,000 Hours)       | 18     |
| Participants in youth volunteer activities (10,000 Persons) | 6.5    |

### III. Governance

#### i. Corporate Governance

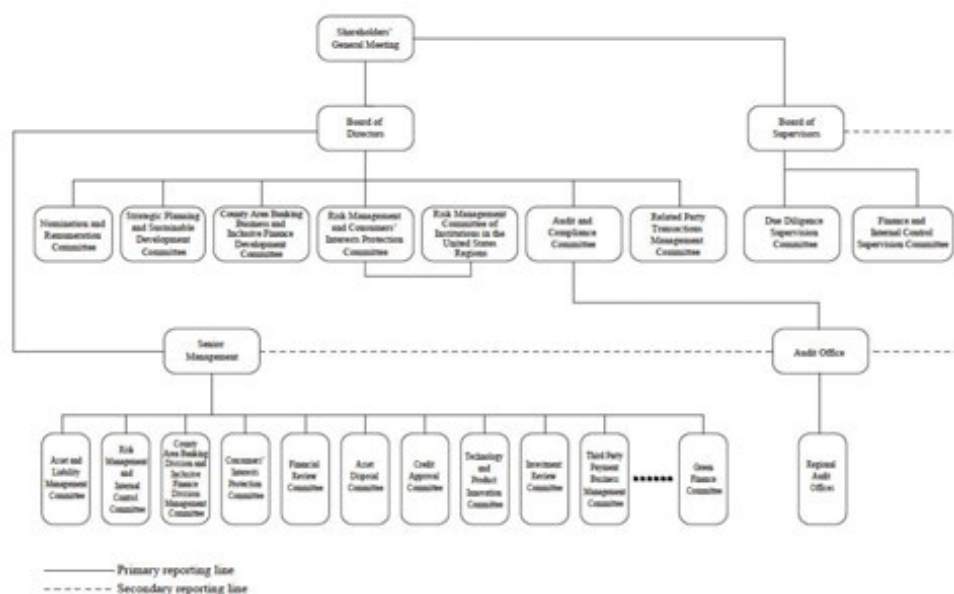
##### 1. Corporate governance structure

The Bank insisted on the integration of strengthening the Party's leadership and improving its corporate governance through integrating the former into all the links of the latter. It continuously refined the corporate governance structure of the leadership of the Party Committee, strategic decision making by the Board of Directors, strict supervision by the Board of Supervisors and authorized operation by the Senior Management, and smoothed the operation mechanism where the governance bodies perform their respective responsibility while remaining in coordination and check and balance with one another.

On December 31, 2021, the Board of Directors had 12 directors, including four executive directors, three non-executive directors and five independent non-executive directors.

In 2021, the Bank convened four shareholders' general meetings, where 20 proposals were considered and passed and three reports were heard. The Board of Directors held 13 meetings, deliberating and approving 88 proposals and hearing 27 reports. The special committees under the Board held 37 meetings, reviewed and passed 67 proposals and heard 35 reports.

#### Corporate Governance Structure



Note: Responsibilities of the Risk Management Committee of Institutions in the United States Region are concurrently assumed by the Risk Management and Consumer Interests Protection Committee



Equity Directors of the Bank conduct a survey in Guangdong Branch. (Photo by Deng Zhiwen)

## **2. Investors relations**

The Bank continuously improved the management of investor relations and guaranteed efficient, smooth channels of communication with the capital market. It timely informed investors of its corporate strategic plans, business performance 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 effectively enhanced exchange and interaction with the capital market.

## **3. Information disclosure**

The Bank timely followed up regulatory dynamics, and updated its regular reports, interim reports and operating procedures for the management of stock exchange-related matters in an effort to continuously make information disclosure more rule-based, standardized and regulated. According to the new regulatory requirements of the places of listing, the Bank reinforced ESG information disclosure, intensified the strategy orientation of regular reports, displayed business highlights and effectively responded to major concerns on the market while continuously enhancing the transparency of information disclosure. In 2021, the Bank disclosed 344 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.

As for major negative news coverage, the Bank timely communicated with the stock exchanges of Shanghai and Hong Kong, explained to them and strived for their understanding and support so as to reduce impacts and shocks of the events on the Bank. Events triggering the disclosure obligation were timely publicized with clarification and explanation provided.

#### 4. ESG Practices

The Board is responsible for designing ESG strategy, and objectives and regularly assessing the implementation of relevant risk policies and strategies. The Board has several special committees, namely, the Strategic Planning and Sustainable Development Committee that 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 that are responsible for reviewing core ESG topics of county area banking and inclusive finance, consumer protection and related-party transaction, respectively. Under the Senior Management, the Green Finance Committee, the Consumers' Interests Protection Committee and the County Area Banking and Inclusive Finance Division Management Committee are accountable for the management of such ESG issues as green finance, consumer protection, serving "Sannong" and inclusive finance, respectively.

In 2021, the Board made full use of the Board's leading role in ESG strategy planning and decision making. The *14<sup>th</sup> Five-Year Plan of Agricultural Bank of China* formulated by the Board of Directors highlights the importance of fulfilling the ESG responsibility and vigorously propelling the development of green finance from the perspective of corporate governance. ESG-related work has been raised to the Bank's strategic height. The Board and its special committees participated in ESG-related work in an all-round, multi-dimension manner through deliberating relevant proposals, listening to reports, conducting surveys and launching ESG-themed training. By the way of top-down dissemination of the ESG concept, they pushed forward in-depth integration of the concept and operational management, and stepped up ESG training on directors to enhance their capability of fulfilling ESG responsibilities. Efforts were put into such core ESG topics as corporate governance, green finance, inclusive finance, human capital development, consumer protection and privacy and data security. Therefore, positive achievements have been made in the fields.



Directors, Supervisors and Senior Management members of the Bank attended the lecture on “Carbon Peak and Carbon Neutrality: Opportunities and Challenges for Commercial Banks” (Photo provided by the Office of the Board of Directors)

## **ii. Risk Prevention**

The Bank continuously reinforced its risk management, balanced development and security, and focused on refinement of the risk management system, process rebuilding, model optimization and innovative means so as to comprehensively enhance its capabilities of preventing, proactively resolving and intelligently controlling risks, and resolutely uphold the bottom line of no occurrence of systematic risk. At the end of 2021, the NPL ratio recorded 1.43% and the provision coverage ratio stood at 299.73%.

### **1. Risk management policies and rules**

A clear-tiered, science-based, applicable and full-coverage framework of risk policies and rules was in place, composed of basic rules and policies on risk management, measures and provisions for comprehensive or specific risk management, operating procedures and implementation rules, which guaranteed all risk management activities have rules to follow. In 2021, the Bank formulated and revised the following risk management policies and rules:

- In terms of comprehensive risk management, it revised the comprehensive risk management strategy and updated the ABC Group’s risk appetite statement.
- In terms of credit risk management, it revised the *Measures for Credit Management of Corporate Customers* and the *Measures for Credit Management of Group Customers*, formulated the administrative measures for Internet loans, and refined the credit policy system.
- In terms of market risk management and liquidity risk management, it drew up and released the *Opinions on Strengthening Risk Management of Financial Derivatives Business*.
- In terms of business continuity management, it developed the *Administrative Measures for Financial Services in Response to Emergencies*.
- In terms of model risk management, it stipulated the *Measures of Agricultural Bank of China for Model Risk Management* and the *Implementation Rules for Life Cycle Management of Models*.

### **2. Organizational structure of risk management**

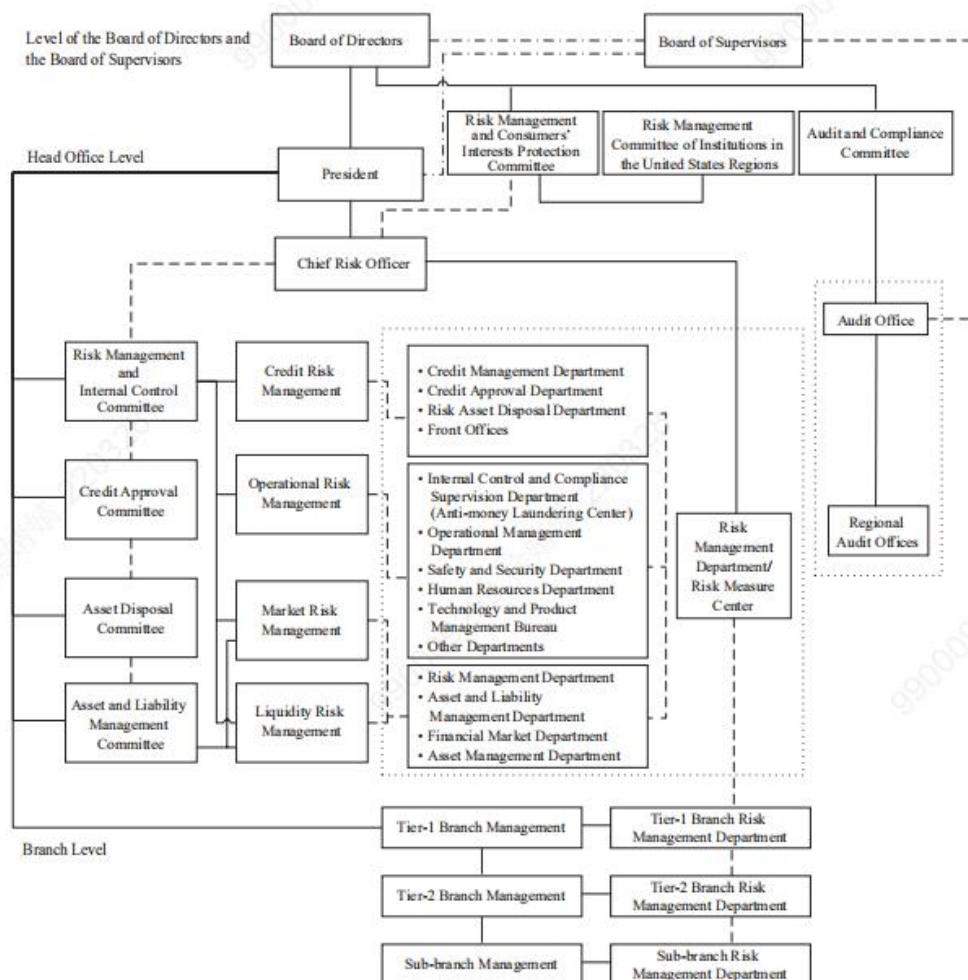
The Bank set up a “matrix” organizational structure of risk management and “three lines of defense” composed of the risk taking functions, the risk management functions and the internal audit functions, in a “from side to side, from top to down” way. It continuously pressed for risk management integration of the parent company and the subsidiaries in the Group, and optimized the management frameworks for major risks such as credit risk, market risk and operational risk. The Bank continued

to optimize the branches' and sub-branches' organizational structure and position roles with respect to risk management, stepped up business training on the risk management line, continuously enhanced the business quality and performance competence of the risk management team, and guaranteed good function of risk management by primary-level institutions.

The Board takes ultimate responsibility for risk management. Together with 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, it performed relevant functions related to risk management, reviewed material matters related to risk management, supervised and evaluated the Bank's risk management system building and risk level.

Responsible for supervising risk management, the Board of Supervisors overseas and inspects the duty performance of the Board of Directors and the Senior Management in terms of risk management, and presses for rectification, where necessary. The supervision and inspection results are included into the work report of the Board of Supervisors, and regularly reported to the Shareholders' General Meeting.

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 arrangement and coordinating for the Bank's risk management and compliance management, studying and deliberating material matters related to risk management and compliance management.



**Risk Management Structure of the Bank**

### 3. Risk management in key fields

In the face of intricate and complicated internal and external situations, the Bank continuously pressed forward with the implementation of the concept of comprehensive risk management, and steadily prevented and resolved risks in key fields, keeping all risks controllable in general.

- Credit risk management: The Bank strengthened the fulfillment of credit risk management responsibility, refined the integrated credit risk control mechanism that covers the whole process, all product varieties, all institutions and all dimensions, and reinforced the management of special-mention loans, disposal of extended loans and overall management of the online credit business. It also optimized the functions of the middle-office credit risk control center, and guaranteed alerts and monitoring of credit risk so as to sustain stable asset quality. Moreover, the measurement of economic capital improved and the rating system ran steadily.
- Market risk management and liquidity risk management: The Bank continuously refined the institutional system of market risk management, intensified risk

management of the financial market businesses, and worked out an implementation plan on the market risk control platform. It strengthened monitoring and scanning risks in the market businesses, accelerated supervision and management of transactional behaviors, stepped up analysis of risk monitoring results of the financial derivatives business and wealth management businesses, and exercised penetration management of the market business. At the end of 2021, its market and liquidity risks were both capped within the limits.

- IT risk management: The Bank continuously strengthened the management of IT risks, and business continuity through launching annual IT risk management tactics, and keeping an close eye on the IT risks across the whole Bank. The Bank had no major IT risks or information security breaches in the past year.

- “Sannong” business risk management: The Bank moderately raised the credit risk preference for the “Sannong” businesses, launched supportive policies designed to solidify the achievements made in poverty alleviation, and aided rural revitalization and the development of "Sannong" business in county areas. It also optimized the "Sannong" loan rating system, continuously improved its ability to identify and measure risks in "Sannong" loans.

- Country risk management: The Bank formulated country risk control tactics, verified rating and limits of country risks and exercised special control over the special country risk limits. In addition, it stepped up reporting of country risk assessment and monitoring, and appropriated adequate allowances for impairment losses for country risks depending on changes in the external landscape, and in full consideration of the impacts of country risks on asset quality.

- Consolidated management of group risks: In light of the risks situation it faced and its risk management objectives, the Bank guided its affiliated institutions to revise the risk preference statement and risk management policies, and refined the risk appraisal target values, and urged the subsidiaries to guarantee business development and risk management during the year. Moreover, the Bank tracked the subsidiaries' routine risk conditions and risk management work, and continuously launched risk monitoring and assessment on the affiliated companies.

- Operational risk management: The Bank revised the *Basic Rules on Operational Risk Management*, and drew up the *Administrative Measures for Financial Services in Response to Emergencies*, the *Provisions on Outsourcing Risk Management* and the *Rules on Duty Separation of Incompatible Positions* to refine the “matrix” operational risk management system. It optimized the whole-process operational risk management system, deepened the application of the operational risk management tools and advanced integrated, digital development of internal control, compliance, case control and operational risk management in a coordinated manner with a focus on strengthening operational risk management in key fields.

- For information about climate risk management, please refer to “ESG – Response

to Climate Change”.

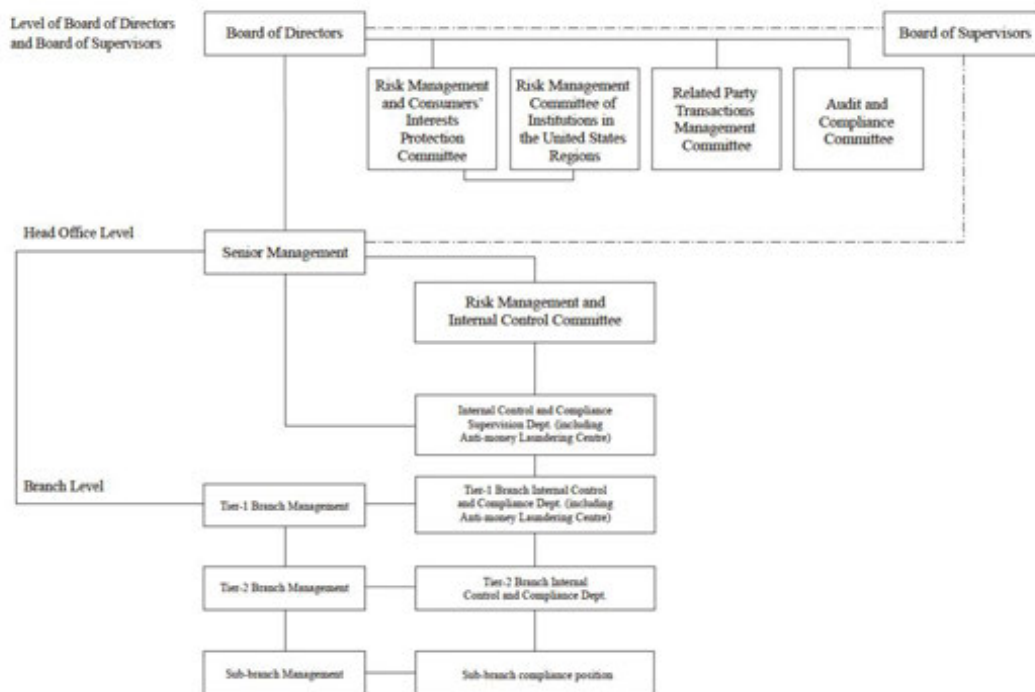
- For information about environmental and social risk management, please refer to “ESG – Green Finance”.

### iii. Operational Compliance

#### 1. Internal control system

To profoundly implement the regulators’ requirements for internal control, the Bank continuously refined its internal control system centering on its *Basic Rules on Internal Control*.

- Holding the “Year of Internal Control and Compliance Management” and the “Year of Institutional Compliance Development” activities, making all-round self-inspection and self-rectification in accordance with the regulatory requirements and making great efforts to remedy recurring problems.
- Revising the *Measures for Assessment on Internal Control*, constructing a system of anticipatory assessment indicators, carrying out special-purpose assessments and optimizing the internal control evaluation methods.
- Subjecting domestic branches to classified management and intensifying differential authorization efforts; flexibly, dynamically adjusting the business tactics by means of classified authorization supplemented by case-by-case handling, and thus ensuring generally stable, continued authorization during the year.
- Exploring and advancing the integration and digitalization of internal control and building an intensive, sharing and intelligent management system.
- Strengthening the name list-based management of related-party transactions and stepping up routine monitoring and checks. In 2021, the Bank had no major related-party transactions.
- Intensifying the management of limits on internal transactions within the Group and consolidating the fire wall against risks in internal transactions.
- Deepening compliance management of overseas institutions and subsidiaries, launching off-site investigations with specific orientations in overseas institutions, standardizing contents of the subsidiaries’ internal control and compliance reports, and increasing the accuracy of tracking and monitoring.



**Internal Control Management Structure of the Bank**

## 2. Legality and compliance

**Strengthening the management of institutional system.** The Bank revised the *Basic Rules on Compliance Management* in a way that optimized the division of responsibilities, management procedures and key points with respect to compliance management, so as to push for refinement of the compliance management system.

**Developing legal and compliance culture.** The Bank launched the annual compliance culture development campaigns at different levels with a view to enhancing the staff's consciousness of compliance and performance capability. It developed the *Eighth Five-Year Plan of Agricultural Bank of China on Launching Law Education and Promotion Campaign (2021-2025)*, which was designed to spread law knowledge among primary-level employees and customers and consolidate the basis of the rule of law. In addition, it actively promoted important laws and regulations such as the *Constitution*, the *Civil Codes* and the *Personal Information Protection Law* to raise the employees' and customers' legal consciousness.

**Stepping up guidance on compliance control.** The Bank continued to step up compliance control and guidance of its overseas institutions and subsidiaries, internalized external provisions, and increased communication with and reporting to the regulators, thereby ensuring steady development of the businesses and the bettering of regulatory ratings. It advanced COVID-19 control and compliant operations in a well-planned manner, continued to deepen the longstanding mechanism of compliance management and steadily pressed forward IT-based management. Besides, fights against gang crimes involving illegal financial activities were regularly and resolutely carried out.

**Providing legal supports for business development.** Legal supports were provided for green finance, business related to carbon peak and carbon neutrality, the country's e-CNY project as well as "Sannong", inclusive finance and financial services for private enterprises. In implementation of the central government's requirement for preventing and resolving material financial risks, the Bank properly handled legal disposal formalities of large-sum credit risk, thus avoiding derivative risks.



Shenzhen Branch held a compliance speech contest for youths via online live-stream to reinforce the staff's compliance ideas and risk awareness. (Photo provided by Shenzhen Branch)

### 3. IPR protection

The Bank strictly abided by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, among others, and continuously improved its intellectual property right management. In addition, efforts were put into IPR education and promotion, creation of a sound atmosphere where IPR is respected, and prevention and mitigation of the risk of IPR infringements (infringing others' and being infringed).

### 4. Anti-money laundering

The Bank earnestly implemented the arrangements of the Party Central Committee and the State Council concerning fights against corruption, waste and bureaucracy as well as relevant regulatory requirements, strictly observed AML laws and regulations, and benchmarked itself against the strictest international standards and best peer practices, in an active effort to push forward the building of the Group's "five major pillars" of anti-money laundering. In addition, it refined the AML and compliance governance structure, reinforced the mechanism of problem self-discovery and self-rectification, stepped up the institution building and team building for the global AML center, and constructed the "centralized-distributed" strategic layout in Beijing and Tianjin. It also intensified AML monitoring on transactions, strengthened the whole-process management of the suspicious transaction model and consolidated the

AML information security management mechanism.

The Bank continuously stepped up efforts in AML monitoring models. It developed and refined the monitoring models for anti-fraud and illegal fundraising by using big data, AI, etc., and based on money laundering risk alerts issued by the PBOC and other regulators, industry guidelines and money laundering risk found in day-to-day monitoring so as to further enhance the timeliness and effectiveness of suspicious transaction monitoring. In addition, the Bank actively assisted the PBOC, public security institutions, national security institutions, and supervisory authorities in AML investigations, playing an active role in combating financial crimes.

## **5. Staff training on morals and ethics**

The Bank regulated the staff's behaviors according to the *Code of Conduct for Employees of Agricultural Bank of China*, and raised requirements for work ethics, occupational conducts, etc. in four aspects: dedication, honesty and trustworthiness, diligence, and compliance. In 2021, the Bank launched the "Year of Internal Control and Compliance Management" campaign and the "Year of Institutional Compliance Development" campaign, where compliance-topic training and courses were offered to employees including lectures on compliance culture, interpretation of the code of conduct for employees, serial courses on Party conduct and clean governance, lectures on AML compliance management and publicity of confidentiality knowledge; such contents were included into the position qualification tests. In 2021, the Bank held 14,000 compliance lectures with 710,000 attendees cumulatively.

## **6. Anti-bribery and anti-corruption**

**Intensifying financial anti-corruption efforts.** The Bank continuously enhanced synergy of supervision via audit, internal control and due diligence with eyes riveted on "the key few" and key areas. The Bank has always maintained a firm stance on these issues. It portrayed unusual behaviors of employees, monitored abnormal risk conditions online, and stepped up screening of employee's irregular behaviors, and supervision of officials on key positions. Carried out economic responsibility audits on main managerial members during their terms, with main focus on the implementation of relevant responsibilities for building a clean and honest government, and compliance with honest employment regulations. The audits acted as ways to push forward standardized operation of power and anti-corruption.

**Stepping up admonishing education.** Typical cases were publicized and used for admonishing purposes on a case-by-case basis in a way that can press for corrective efforts and better governance. The Bank convened admonishing education conferences for the whole system, where crimes, violations of disciplines, and typical cases on violating the CPC Central Committee's eight-point rules were publicized. Sessions of admonishing education in various forms were completed, covering 750,000 persons.

**Offering smooth reporting channels.** The employees were entitled to timely report violations of laws, regulations and disciplines, and even report to the superior-level or

disciplinary supervision authorities all the way up to the State judiciary institution. Tip-offs and resistance of illegal and irregular actions may be rewarded. The mail complaint mechanism was put in place and refined, with a mail complaint office founded. The masses now can report problems through various channels including letter, in-person visit, telephone and email.

**Intensifying whistleblower protection.** Where the complaint mail handler has direct stakes with the reported matter or the reporter, or has blood relationship or kinship with the reporter or is involved in the problem reported, the handler shall shun from the handling of the case. Reported matters are subject to closed-loop management. That is, complaint mail handlers shall strictly observe the confidentiality provisions, not take away the mails without authorization, and not leak what's been reported beyond the designated scope of access.

For more information such as the number of corruption litigation cases, please refer to the website of the National Supervisory Commission and the CPC Central Commission for Discipline Inspection (CCDI).

## **7. Anti-corruption of suppliers**

The Bank's scope of supervision and inspection of corruption, bribery and other actions against laws and regulations cover centralized procurement suppliers. The Bank engaged notary offices to oversee the whole process of bidding, made centralized procurement information completely public. It publicized and stated contact information through which complaints and questions can be filed on the Bank's portal website, the websites of branches and procurement documents, and have timely accepted and responded to complaints and tip-offs.

In terms of management rules, the *Rules of Agricultural Bank of China for the Management of Malpractices in Centralized Procurement* explicitly defines illegal and irregular behaviors of suppliers that violate competition fairness, honesty and credibility such as bribing, colluding and playing tricks, as material fouls; suppliers with the aforesaid behaviors shall be banned, and the blacklist of banned suppliers shall be publicized. This provision has been made to be publicized on the portal website of the suppliers and included into the bidding documents and procurement contract. The suppliers should make explicit undertakings to comply with it.

In terms of organization of procurements, bidding documents of a centralized procurement project shall require all suppliers sign the *Undertakings of Honesty and Integrity*; all suppliers are required to meet the basic qualifications of honest and compliant operation, absence of related-party relations, etc.

In terms of review and supervision, the Bank conducted all-round review on supplier candidates in the sign-up and bid evaluation stages. Those failed to meet the qualifications or meet the requirements stated in the bidding documents were banned from participating in the Bank's procurements, with their qualifications for bidding or dealing vetoed or revoked. In procurement projects involving business outsourcing, it is stipulated that due diligence should be carried out on the suppliers' management

capability, internal control capability, business reputation, corporate culture, etc. In the stage of contract execution, suppliers are subject to performance appraisal and random sampling check, and those found disqualified would be handled in accordance with governing laws and regulations. The Bank's suppliers are subject to regular monitoring on business risks with the aid of the big data means. Suppliers with problems identified in internal and external supervisory inspections, complaints and tip-offs should be dealt with according to relevant laws and regulations.

For details on ABC's corporate governance, please refer to the *2021 Annual Report* released by the Bank.

For details on ABC's green finance, please refer to the *2021 Green Finance Development Report* released by the Bank.

## Ending

### I. CSR Honors and Awards

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>First Prize of Banking Technology Development Award 2020</p> <p>(Hui Nong Platform of ABC)</p> <p>Second Prize of Banking Technology Development Award 2020</p> <p>(ABC Key Banking Systems' Full-stack Framework Transformation)</p> <p>Second Prize of Banking Technology Development Award 2020</p> <p>(Enterprise-level Risk Control Platform of ABC)</p> <p>Third Prize of Banking Technology Development Award 2020</p> <p>(Unified Mobile Marketing Platform of ABC)</p> <p>Third Prize of Banking Technology Development Award 2020</p> <p>(Scenario-based Finance Eco-system of ABC)</p> |
|  | <p>Best Investor Relations Award for Chinese Listed Companies</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | <p>The Asset ESG Awards 2021-Gold Award</p> <p>Best Risk Management Project</p> <p>Best Blockchain Project</p> <p>Best Retail Social Media Banking Experience</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                     | <p>Best Emerging Digital Technologies Project</p> <p>Editors' Triple Star, Business Strategy</p> <p>Top Investment House, Commercial Bank, China/Hong Kong, Rank3</p> <p>Best Syndicated Loan</p>                                                                                                                                                                                               |
|    | Best Green Finance Bank                                                                                                                                                                                                                                                                                                                                                                         |
| China Foreign Exchange Trading System                                               | <p>2020 Core Dealer in Interbank Home-Currency Market</p> <p>2020 Excellent Trader in Bond Market</p> <p>2020 Award for Contribution to Opening-up</p> <p>2020 Excellent Dealer in Derivatives Market</p> <p>2020 Best RMB-Foreign Exchange Market Maker</p> <p>2020 Excellent Market Making Institution in Direct Trading</p> <p>2020 Best Foreign Currency Pair Market Making Institution</p> |
|  | <p>Outstanding Responsible Enterprise of 2020</p> <p>Excellent CSR Report of 2021</p> <p>Model Enterprise in CSR of 2021</p>                                                                                                                                                                                                                                                                    |
| China Central Depository & Clearing Co., Ltd.                                       | Outstanding Institutional Investor in Central Government Bond Green Bond Index Sample Bond of 2020                                                                                                                                                                                                                                                                                              |
| The Banker                                                                          | <p>Top Ten Innovative Investment Bank</p> <p>Top Ten Innovative Retail Bank</p> <p>Top Ten Bank with Innovations in Intelligent Risk Control</p> <p>Top Ten Innovations in Inclusive Financial Services</p>                                                                                                                                                                                     |

|                                                                                     |                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Best Sub Custodian Bank in China<br>Star of Innovation in Payment                                                                                                                                                                               |
| Shanghai Commercial Paper Exchange Corporation Ltd.                                 | 2020 Excellent Member Institution<br>2020 Excellent Banking Dealer<br>2020 Excellent Custodian & Settlement Institution<br>2002 Excellent Bill Payment Service Provider<br>2020 Institution of Technology Excellency                            |
| Financial News                                                                      | Best Bank in Serving Rural Revitalization of the Year                                                                                                                                                                                           |
| Caijing Magazine                                                                    | Evergreen Award·Bank of the Year in Rural Revitalization                                                                                                                                                                                        |
|  | 2021 Bank of the Year in Brand Influence                                                                                                                                                                                                        |
|  | 2021 Demonstrative Institution with Excellent Competitiveness in Rural Revitalization                                                                                                                                                           |
| Sina Finance                                                                        | Best Bank for Responsible Investment<br>China Top 500 ESG Companies                                                                                                                                                                             |
| The Economic Observer magazine and company                                          | Award of Trustworthy Private Banking<br>Award of Trustworthy Wealth Management<br>Outstanding Financial Enterprise – Outstanding Green Bank of the Year<br>Outstanding Financial Enterprise – Outstanding Bank of the Year in Inclusive Finance |
| National Interbank Funding                                                          | Market Innovation Award                                                                                                                                                                                                                         |

|                                            |                                                                                             |
|--------------------------------------------|---------------------------------------------------------------------------------------------|
| Center                                     | Excellent Trustee Bank in Interbank<br>Local-Currency Market                                |
| Shanghai Gold Exchange                     | First Prize of Outstanding Member Bank of 2020<br>Best OTC Transaction Market Maker of 2020 |
| Bond Connect Company<br>Limited            | Outstanding Bond Connect Market Maker of 2020                                               |
| IFENG.COM                                  | Top 10 Philanthropist Bank of the Year                                                      |
| Asian Financial Cooperation<br>Association | Excellent Case of Practice in FinTech                                                       |
| Zhaopin.com and<br>Harvard Business Review | Top 100 Best Employers in China of 2021                                                     |
| Yicai                                      | China Financial Value Ranking 2021 – Bank of<br>the Year                                    |

## **II. Responsibility Commitments**

The year 2022 is an important year, for China has embarked on a new journey to develop into a modern socialist country in all respects and stride towards its second centenary goal. It is a year vital to Agricultural Bank of China's reform and development as well. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will implement the guiding principles of the 19<sup>th</sup> CPC National Congress and all the plenary sessions of the 19<sup>th</sup> CPC Central Committee, and draw wisdom and strength from the great accomplishments and experiences of the Party's hundred year struggle. Full of self-confidence and uplifting spirits, the Bank will strive for new achievements in high-quality development of business operations, and will embrace the 20<sup>th</sup> CPC National Congress with concrete actions.

### **Being the leading bank in serving rural revitalization**

1 The Bank will increase supports for the counties prioritized in the national rural revitalization initiative, promote development of the regions that have been lifted out of poverty, boost income increase for farmers, while firmly upholding the bottom line of no large-scale return to poverty.

1 The Bank will focus on ensuring the credit supply in food security, rural industries, rural development, and other key areas.

1 The Bank will push forward with the digitalization of rural areas.

### **Playing the role of the main bank in serving the real economy**

1 The Bank will support large-scaled high-quality projects in transportation, new urbanization and infrastructure constructions.

1 The Bank will serve the manufacturing sector, innovative high-tech enterprises, national and provincial "little giant" enterprises specializing in niche sectors.

1 The Bank will increase inclusive supports for small and micro-sized enterprises, and enhance the availability and convenient accessing to financing for such enterprises.

### **Practicing green finance**

1 The Bank will support a batch of high-quality projects in the fields of clean energy, green infrastructure, energy conservation and environmental protection with an orientation to the decarbonization goals.

1 The Bank will speed up the innovation and promotion of green financial products, and make unceasing efforts to expand the coverage and influence of the products.

### **Improving customer experience through smart operations**

1 The Bank will optimize the key business processes and make its operations smarter.

1 The Bank will quicken the pace of digital transformation, further develop mobile banking and enhance the comprehensive service capability of mobile banking.

1 The Bank will accelerate the construction of smart outlets and promote the synergy of the outlets and online channels in providing services.

**Creating a harmonious homeland hand-in-hand**

1 The Bank will strictly observe all the labor laws and regulations, facilitate the primary-level advancements, and promote mutual development with employees.

1 The Bank will encourage employees to join in public welfare activities, provide financial services for pandemic containment and prevention, and do everything it could to give back to society.

### **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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches 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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches 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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches 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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches 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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches throughout the year.

10.Gasoline (Tons): Gasoline is the total amount of gasoline 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.

11.Diesel (Tons): Diesel is the total amount of diesel 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.

12.Power purchased (MkJ): Power purchased is the total amount of external purchased heat 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.

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 Head Office institutions in Beijing of Agricultural Bank of China Limited and the office buildings of the 37 tier-1 branches throughout the year, converted into standard coals based on the General Rules for Calculating 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 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 shareholders' equity 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 value per share (RMB): Social contribution value per share = basic earnings per share + (Total tax+ employee compensation and benefits + interest expense + amount of donations) /capital stock.

29.Total amount of donations (RMB 10000): The total amount of donations is the amount of public welfare donations (for domestic organization only) by domestic 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.Multi-level and classified training provided: Multi-level and classified training provided 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 call satisfaction rate (%):  $\text{Customer call satisfaction rate} = (1 - \frac{\text{the amount of dissatisfaction}}{\text{the amount of participation}}) \times 100\%$ .

38.Customer complaint settlement rate (%):  $\text{Customer complaint settlement rate} = (1 - \frac{\text{the number of outstanding customer complaints}}{\text{total customer complaints}}) \times 100\%$ . Customer

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

39.Total Huinong cards issued (Million): 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 key targeted counties in the state poverty alleviation program (%): Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 key targeted counties in the state poverty alleviation program = the number of counties covered by "Hui Nong Tong" e-machine in the 832 key targeted counties in the state poverty alleviation program / 832×100%.

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 agro-related loans (RMB billion): The balance of agro-related loans includes the balance of loans to farmers, the balance of loans to non-farmers for personal agriculture, forestry, animal husbandry and fishery, the balance of loans to rural enterprises and various organizations, and the balance of agriculture-related loans to urban enterprises and various organizations.

43.Total county area loans and advances (RMB 100 million): Total county area 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 micro and small enterprises (RMB 100 million): The balance of inclusive loans for micro and small 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 Micro and Small-sized 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 CBRC 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 size of existing ESG-themed wealth management products as at December 31, 2021.

## **Independent Limited Assurance Report**

[Auditor's Report No. 2200030]

### **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 2021 (hereinafter referred to as “key data”) disclosed in the Corporate Social Responsibility Report 2021 (“2021 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 2021 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 (%)
- 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 10000)
- 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)
- Multi-level and classified training provided
- Customer call satisfaction rate (%)
- Customer complaint settlement rate (%)
- Total Huinong cards issued (Million)
- Proportion of administrative villages covered by "Hui Nong Tong" electronic devices in the 832 key targeted counties in the state poverty alleviation program (%)
- 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 micro and small 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)

Our assurance engagement is limited to the key data disclosed in the 2021 CSR Report. Other information disclosed in the 2021 CSR Report and information of 2020 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 2021 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 effectiveness of internal control of the Bank.

## **II. Standard**

The standards adopted by the Bank to prepare the key data of the 2021 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 2021 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 Code of Ethics for Certified Public Accountants issued by the International Council for Professional Ethics of 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 publish our conclusions on the key data of the 2021 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 2021 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 2021 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 2021 CSR Report;
- 2)Implement analysis procedures for key data;
- 3)Carry out sampling inspection on the key data in the 2021 CSR Report;
- 5)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 2021 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, 2022

## IV. Reporting Index

### Content Index of GRI Standards

| Standard number and description |                                                                     | Disclosure status                     | Note                  |
|---------------------------------|---------------------------------------------------------------------|---------------------------------------|-----------------------|
| GRI 101: Foundation             |                                                                     |                                       |                       |
| GRI 102: General disclosures    |                                                                     |                                       |                       |
| Organization profile            | 102-1 Name of the organization                                      | Company Overview                      |                       |
|                                 | 102-2 Activities, brands, products, and services                    | Company Overview                      |                       |
|                                 | 102-3 Location of headquarters                                      | Reader Feedback Form                  |                       |
|                                 | 102-4 Location of operations                                        | Company Overview                      |                       |
|                                 | 102-5 Ownership and legal form                                      | Company Overview                      |                       |
|                                 | 102-6 Market served                                                 | Company Overview                      |                       |
|                                 | 102-7 Scale of the organization                                     | Company Overview/<br>Social           |                       |
|                                 | 102-8 Information on employees and other workers                    | Social                                |                       |
|                                 | 102-9 Supply chain                                                  | Environmental/Social                  |                       |
|                                 | 102-10 Significant changes to the organization and its supply chain |                                       | No significant change |
|                                 | 102-11 Precautionary Principle or approach                          | Protecting Customer Rights/Governance |                       |
|                                 | 102-12 External initiatives                                         | Identification of Substantive Issues  |                       |

|                      |                                                                                                     |                                                                                                                   |  |
|----------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--|
|                      | 102-13<br>Membership of<br>associations                                                             | CSR Honors and<br>Awards                                                                                          |  |
| Strategy             | 102-14 Statement<br>from senior<br>decision-maker                                                   | Message from the<br>Chairman/Message<br>from the<br>President/Message from<br>Chairman of Board of<br>Supervisors |  |
|                      | 102-15 Key<br>impacts, risks, and<br>opportunities                                                  | Governance                                                                                                        |  |
| Ethics and integrity | 102-16 Values,<br>principles,<br>standards, and<br>norms of behavior                                | Vision and Strategies/<br>Philosophy on CSR                                                                       |  |
|                      | 102-17<br>Mechanisms for<br>advice and<br>concerns about<br>ethics                                  | Vision and<br>Strategies/Philosophy<br>on CSR/Identification<br>of Substantive Issues                             |  |
| Governance           | 102-18<br>Governance<br>structure                                                                   | Governance                                                                                                        |  |
|                      | 102-19 Delegating<br>authority                                                                      | Third-party Assurance                                                                                             |  |
|                      | 102-20<br>Executive-level<br>responsibility for<br>economic,<br>environmental, and<br>social topics | Vision and<br>Strategies/Philosophy<br>on CSR/Identification<br>of Substantive Issues                             |  |
|                      | 102-21 Consulting<br>stakeholders on<br>economic,<br>environmental, and<br>social topics            | Analysis of<br>Stakeholders                                                                                       |  |
|                      | 102-22<br>Composition of the<br>highest governance<br>body and its<br>committees                    | Governance                                                                                                        |  |
|                      | 102-23 Chair of the                                                                                 | Refer to Annual Report                                                                                            |  |

|  |                                                                                 |                                                 |  |
|--|---------------------------------------------------------------------------------|-------------------------------------------------|--|
|  | highest governance body                                                         |                                                 |  |
|  | 102-24 Nominating and selecting the highest governance body                     | Refer to Annual Report                          |  |
|  | 102-25 Conflicts of interest                                                    | Refer to Annual Report                          |  |
|  | 102-26 Role of highest governance body in setting purpose, values, and strategy | Identification of Substantive Issues            |  |
|  | 102-27 Collective knowledge of highest governance body                          | Identification of Substantive Issues            |  |
|  | 102-28 Evaluating the highest governance body's performance                     | Refer to Annual Report                          |  |
|  | 102-29 Identifying and managing economic, environmental, and social impacts     | Identification of Substantive Issues            |  |
|  | 102-30 Effectiveness of risk management processes                               | Governance                                      |  |
|  | 102-31 Review of economic, environmental, and social topics                     | Identification of Substantive Issues            |  |
|  | 102-32 Highest governance body's role in sustainability reporting               | Identification of Substantive Issues/Governance |  |
|  | 102-33 Communicating critical concerns                                          | Analysis of Stakeholders                        |  |

|                        |                                                                               |                                                                        |  |
|------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------|--|
|                        | 102-35<br>Remuneration<br>policies                                            | Refer to Annual Report                                                 |  |
|                        | 102-36 Process for<br>determining<br>remuneration                             | Refer to Annual Report                                                 |  |
|                        | 102-37<br>Stakeholders'<br>involvement in<br>remuneration                     | Refer to Annual Report                                                 |  |
|                        | 102-38 Annual<br>total compensation<br>ratio                                  | Refer to Annual Report                                                 |  |
|                        | 102-39 Percentage<br>increase in annual<br>total compensation<br>ratio        | Refer to Annual Report                                                 |  |
| Stakeholder engagement | 102-40 List of<br>stakeholder groups                                          | Analysis of<br>Stakeholders                                            |  |
|                        | 102-41 Collective<br>bargaining<br>agreements                                 | Analysis of<br>Stakeholders                                            |  |
|                        | 102-42 Identifying<br>and selecting<br>stakeholders                           | Identification of<br>Substantive<br>Issues/Analysis of<br>Stakeholders |  |
|                        | 102-43 Approach<br>to stakeholder<br>engagement                               | Analysis of<br>Stakeholders                                            |  |
|                        | 102-44 Key topics<br>and concerns<br>raised                                   | Identification of<br>Substantive<br>Issues/Analysis of<br>Stakeholders |  |
| Reporting practices    | 102-45 Entities<br>included in the<br>consolidated<br>financial<br>statements | Reporting Index                                                        |  |
|                        | 102-46 Defining<br>report content and<br>topic Boundaries                     | Reporting Index                                                        |  |

|                            |                                |                                                                 |                                                                                                                                                                       |                                                   |
|----------------------------|--------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|                            |                                | 102-47 List of material topics                                  | Identification of Substantive Issues                                                                                                                                  |                                                   |
|                            |                                | 102-48 Restatements of information                              |                                                                                                                                                                       | No restatement information                        |
|                            |                                | 102-49 Changes in reporting                                     |                                                                                                                                                                       | No significant change on the topics of the report |
|                            |                                | 102-50 Reporting period                                         | Reader Feedback Form                                                                                                                                                  |                                                   |
|                            |                                | 102-51 Date of most recent report                               | Reader Feedback Form                                                                                                                                                  |                                                   |
|                            |                                | 102-52 Reporting cycle                                          | Reader Feedback Form                                                                                                                                                  |                                                   |
|                            |                                | 102-53 Contact point for questions regarding the report         | Reader Feedback Form                                                                                                                                                  |                                                   |
|                            |                                | 102-54 Claims of reporting in accordance with the GRI Standards | Reporting Index                                                                                                                                                       |                                                   |
|                            |                                | 102-55 GRI content index                                        | Reporting Index                                                                                                                                                       |                                                   |
|                            |                                | 102-56 External assurance                                       | Third-party Assurance                                                                                                                                                 |                                                   |
| GRI 200<br>Economic topics | GRI 103<br>Management approach | 103-1 Explanation of the material topic and its boundary        | Identification of Substantive Issues/<br>Focusing on Sannong Areas to Serve Rural Revitalization/Focusing on Key Areas to Boost the Real Economy/Reader Feedback Form |                                                   |
|                            |                                | 103-2 The management approach and its components                | Focusing on Sannong Areas to Serve Rural Revitalization/Focusing on Key Areas to Boost                                                                                |                                                   |

|                                   |  |                                                                                      |                                                                                                                      |  |
|-----------------------------------|--|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--|
|                                   |  |                                                                                      | the Real Economy                                                                                                     |  |
|                                   |  | 103-3 Evaluation of the management approach                                          | Focusing on Sannong Areas to Serve Rural Revitalization/Focusing on Key Areas to Boost the Real Economy              |  |
| GRI 201 Economic performance      |  | 201-1 Direct economic value generated and distributed                                | Company Overview/Social                                                                                              |  |
|                                   |  | 201-2 Financial implications and other risks and opportunities due to climate change | Environmental                                                                                                        |  |
| GRI 203 Indirect economic impacts |  | 203-1 Infrastructure investments and services supported                              | Focusing on Sannong Areas to Serve Rural Revitalization/Focusing on Key Areas to Boost the Real Economy              |  |
|                                   |  | 203-2 Significant indirect economic impacts                                          | Focusing on Sannong Areas to Serve Rural Revitalization/Focusing on Key Areas to Boost the Real Economy              |  |
| GRI 204 Procurement practices     |  | 103 Management approach                                                              | Environmental                                                                                                        |  |
| GRI 205 Anti-corruption           |  | 103 Management approach                                                              | Deepening Full and Strict Governance over the Party and Further Solidifying Grassroot Party Organizations/Governance |  |
|                                   |  | 205-1 Operations assessed for risks related to corruption                            | Deepening Full and Strict Governance over the Party and Further Solidifying Grassroot Party Organizations/Governance |  |
|                                   |  | 205-2 Communication                                                                  | Deepening Full and Strict Governance over                                                                            |  |

|                              |                             |                                                                  |                                                                                                                                 |  |
|------------------------------|-----------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--|
|                              |                             | and training about anti-corruption policies and procedures       | the Party and Further Solidifying Grassroot Party Organizations/Governance                                                      |  |
|                              |                             | 205-3 Confirmed incidents of corruption and actions taken        | Deepening Full and Strict Governance over the Party and Further Solidifying Grassroot Party Organizations/Governance            |  |
| GRI 300 Environmental topics | GRI 103 Management approach | 103-1 Explanation of the material topic and its boundary         | Identification of Substantive Issues/ Upholding the Defining Feature of Protecting Ecological Environment /Reader Feedback Form |  |
|                              |                             | 103-2 The management approach and its components                 | Upholding the Defining Feature of Protecting Ecological Environment /Environmental                                              |  |
|                              |                             | 103-3 Evaluation of the management approach                      | Upholding the Defining Feature of Protecting Ecological Environment /Environmental                                              |  |
| GRI 302 Energy               |                             | 302-1 Energy consumption within the organization                 | Environmental                                                                                                                   |  |
|                              |                             | 302-2 Energy consumption outside of the organization             | Environmental                                                                                                                   |  |
|                              |                             | 302-3 Energy intensity                                           | Environmental                                                                                                                   |  |
|                              |                             | 302-4 Reduction of energy consumption                            | Environmental                                                                                                                   |  |
|                              |                             | 302-5 Reductions in energy requirements of products and services | Accelerating Green Financial Development                                                                                        |  |

|                             |                                                                                                                                                 |                                                        |  |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--|
| GRI 303 Water               | 303-3 Water recycled and reused                                                                                                                 | Environmental                                          |  |
| GRI 304 Biodiversity        | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Accelerating Green Financial Development               |  |
|                             | 304-2 Significant impacts of activities, products, and services on biodiversity                                                                 | Accelerating Green Financial Development               |  |
| GRI 305 Emissions           | 305-1 Direct (Scope 1) GHG emissions                                                                                                            | Environmental                                          |  |
|                             | 305-2 Energy indirect (Scope 2) GHG emissions                                                                                                   | Environmental                                          |  |
|                             | 305-3 Other indirect (Scope 3) GHG emissions                                                                                                    | Environmental                                          |  |
|                             | 305-4 GHG emissions intensity                                                                                                                   | Accelerating Green Financial Development/Environmental |  |
|                             | 305-5 Reduction of GHG emissions                                                                                                                | Accelerating Green Financial Development/Environmental |  |
|                             | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions                                                           | Accelerating Green Financial Development               |  |
| GRI 306 Effluents and waste | 306-1 Water discharge by quality and destination                                                                                                | Environmental                                          |  |

|                                           |                             |                                                                     |                                                                                                                                                                                                                                                                                 |  |
|-------------------------------------------|-----------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                           |                             | 306-2 Waste by type and disposal method                             | Environmental                                                                                                                                                                                                                                                                   |  |
|                                           |                             | 306-3 Significant spills                                            | Environmental                                                                                                                                                                                                                                                                   |  |
|                                           |                             | 306-4 Transport of hazardous waste                                  | Environmental                                                                                                                                                                                                                                                                   |  |
| GRI 308 Supplier environmental assessment |                             | 308-1 New suppliers that were screened using environmental criteria | Thoroughly Organizing the Campaign on Party History Learning and Education to Gather the Strength to Forge Ahead                                                                                                                                                                |  |
| GRI 400 Social topics                     | GRI 103 Management approach | 103-1 Explanation of the material topic and its boundary            | Identification of Substantive Issues/ With Country’s Top Priorities in Mind Paying Tribute to the CPC Centenary/Putting Customers First and Focusing on People’s Livelihood/Undertaking Responsibilities of the Times and Building a Better Society Together /Social/Governance |  |
|                                           |                             | 103-2 The management approach and its components                    | With Country’s Top Priorities in Mind Paying Tribute to the CPC Centenary/ Putting Customers First and Focusing on People’s Livelihood/Growing Together with Employees/Undertaking Responsibilities of the Times and Building a Better Society Together /Social/Governance      |  |
|                                           |                             | 103-3 Evaluation of the management approach                         | With Country’s Top Priorities in Mind Paying Tribute to the CPC Centenary/ Putting Customers First and Focusing on People’s Livelihood/Growing Together with Employees/Undertaking Responsibilities of the                                                                      |  |

|                                         |                                                                                                                                     |                                                                 | Times and Building a Better Society Together /Social/Governance |  |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|--|
| GRI 401 Employment                      | 401-1 New employee hires and employee turnover                                                                                      | Social                                                          |                                                                 |  |
|                                         | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees                            | Social                                                          |                                                                 |  |
|                                         | 401-3 Parental leave                                                                                                                | Growing Together with Employees                                 |                                                                 |  |
| GRI 403 Occupational Health and Safety  | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Social                                                          |                                                                 |  |
| GRI 404 Training and education          | 404-1 Average hours of training per year per employee                                                                               | Growing Together with Employees/Social                          |                                                                 |  |
|                                         | 404-2 Programs for upgrading employee skills and transition assistance programs                                                     | Growing Together with Employees/Social/Governance               |                                                                 |  |
| GRI 405 Diversity and equal opportunity | 103 Management approach                                                                                                             | Identification of Substantive Issues/Reporting Index            |                                                                 |  |
|                                         | 405-1 Diversity of governance bodies and employees                                                                                  | Devoting to Public Welfare Activities<br>Social/Governance      |                                                                 |  |
| GRI 413 Local communities               | 103 Management approach                                                                                                             | Identification of Substantive Issues/Devoting to Public Welfare |                                                                 |  |

|                                    |                                                                                                   |                                                                                                     |  |
|------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--|
|                                    |                                                                                                   | Activities/Contributing to Pandemic Response and Disaster Relief                                    |  |
|                                    | 413-1 Operations with local community engagement, impact assessments, and development programs    | Devoting to Public Welfare Activities/ Contributing to Pandemic Response and Disaster Relief/Social |  |
| GRI 414 Supplier social assessment | 414-1 New suppliers that were screened using social criteria                                      | Environmental                                                                                       |  |
|                                    | 414-2 Negative social impacts in the supply chain and actions taken                               | Governance                                                                                          |  |
| GRI 416 Customer health and safety | 103 Management approach                                                                           | Putting Customers First and Focusing on People's Livelihood                                         |  |
|                                    | 416-1 Assessment of the health and safety impacts of product and service categories               | Putting Customers First and Focusing on People's Livelihood                                         |  |
| GRI 417 Marketing and labeling     | 417-1 Requirements for product and service information and labeling                               | Social                                                                                              |  |
| GRI 418 Customer Privacy           | 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data | Social                                                                                              |  |
| GRI 419 Socioeconomic compliance   | 103 Management approach                                                                           | Governance                                                                                          |  |

## ESG Content Index

| Indexes                            |                                                                                                                                                                                                                                                                                       | Disclosure status                                      |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Aspect A1: Emissions</b>        |                                                                                                                                                                                                                                                                                       |                                                        |
| General Disclosure                 | Information on:<br><br>(a) the policies; and<br><br>(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. | Environmental                                          |
| A1.1                               | The types of emissions and respective emissions data.                                                                                                                                                                                                                                 | Environmental                                          |
| A1.2                               | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                                   | Environmental                                          |
| A1.3                               | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                                      | Environmental                                          |
| A1.4                               | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                                  | Environmental                                          |
| A1.5                               | Description of measures to mitigate emissions and results achieved.                                                                                                                                                                                                                   | Environmental                                          |
| A1.6                               | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.                                                                                                                                                                        | Environmental/Accelerating Green Financial Development |
| <b>Aspect A2: Use of Resources</b> |                                                                                                                                                                                                                                                                                       |                                                        |
| General Disclosure                 | Policies on the efficient use of resources, including energy, water and other raw                                                                                                                                                                                                     | Environmental                                          |

|                                                         |                                                                                                                                                                            |                                                                                    |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                                         | materials.                                                                                                                                                                 |                                                                                    |
| 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). | Environmental                                                                      |
| A2.2                                                    | Water consumption in total and intensity (e.g. per unit of production volume, per facility).                                                                               | Environmental                                                                      |
| A2.3                                                    | Description of energy use efficiency initiatives and results achieved.                                                                                                     | Striving for Zero-carbon Operation/<br>Environmental                               |
| A2.4                                                    | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.                                    | Striving for Zero-carbon Operation                                                 |
| A2.5                                                    | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.                                                   | Not Applicable                                                                     |
| <b>Aspect A3: The Environment and Natural Resources</b> |                                                                                                                                                                            |                                                                                    |
| General Disclosure                                      | Policies on minimizing the issuer's significant impact on the environment and natural resources.                                                                           | Environmental/Upholding the Defining Feature of Protecting Ecological Environment  |
| A3.1                                                    | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                                        | Environmental/Upholding the Defining Feature of Protecting Ecological Environment  |
| <b>Aspect A4: Climate Change</b>                        |                                                                                                                                                                            |                                                                                    |
| General Disclosure                                      | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.                               | Upholding the Defining Feature of Protecting Ecological Environment /Environmental |
| 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.                                                                                                                                                                                                                                                                         |                                            |
| <b>Aspect B1: Employment</b>        |                                                                                                                                                                                                                                                                                                                                       |                                            |
| General Disclosure                  | Information on:<br><br>(a) the policies; and<br><br>(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. | Growing Together with Employees/<br>Social |
| B1.1                                | Total workforce by gender, employment type, age group and geographical region.                                                                                                                                                                                                                                                        | Social                                     |
| B1.2                                | Employee turnover rate by gender, age group and geographical region.                                                                                                                                                                                                                                                                  | Social                                     |
| <b>Aspect B2: Health and Safety</b> |                                                                                                                                                                                                                                                                                                                                       |                                            |
| General Disclosure                  | Information on:<br><br>(a) the policies; and<br><br>(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.                                                                               | Social/Growing Together with Employees     |
| B2.1                                | Number and rate of work-related fatalities.                                                                                                                                                                                                                                                                                           | Social                                     |
| B2.2                                | Lost days due to work injury.                                                                                                                                                                                                                                                                                                         | Social                                     |
| B2.3                                | Description of occupational health and safety measures adopted, how they are implemented                                                                                                                                                                                                                                              | Growing Together with Employees/<br>Social |

|                                            |                                                                                                                                                                                                   |                                        |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|                                            | and monitored.                                                                                                                                                                                    |                                        |
| <b>Aspect B3: Development and Training</b> |                                                                                                                                                                                                   |                                        |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work.<br>Description of training activities.                                                                      | Social/Growing Together with Employees |
| B3.1                                       | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).                                                                                  | Social                                 |
| B3.2                                       | The average training hours completed per employee by gender and employee category.                                                                                                                | Social                                 |
| <b>Aspect B4: Labor Standards</b>          |                                                                                                                                                                                                   |                                        |
| General Disclosure                         | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | Social                                 |
| B4.1                                       | Description of measures to review employment practices to avoid child and forced labor.                                                                                                           | Social                                 |
| B4.2                                       | Description of steps taken to eliminate such practices when discovered.                                                                                                                           | Social                                 |
| <b>Aspect B5: Supply Chain Management</b>  |                                                                                                                                                                                                   |                                        |
| General Disclosure                         | Policies on managing environmental and social risks of the supply chain.                                                                                                                          | Environmental/Governance               |
| B5.1                                       | Number of suppliers by geographical region.                                                                                                                                                       | Social                                 |
| B5.2                                       | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they                                                                  | Environmental/Governance               |

|                                          |                                                                                                                                                                                                                                                                                                |                          |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|                                          | are implemented and monitored.                                                                                                                                                                                                                                                                 |                          |
| B5.3                                     | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.                                                                                                                                                   | Environmental/Governance |
| B5.4                                     | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                                                                                                                                | Environmental/Governance |
| <b>Aspect B6: Product Responsibility</b> |                                                                                                                                                                                                                                                                                                |                          |
| General Disclosure                       | Information on:<br><br>(a) the policies; and<br><br>(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. | Social/Governance        |
| 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.                                                                                                                                                                                                        | Social                   |
| B6.3                                     | Description of practices relating to observing and protecting intellectual property rights.                                                                                                                                                                                                    | Social/Governance        |
| 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                                                                                                                                                                                                                    | Social                   |

|                                        |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                               |
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|                                        | monitored.                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                               |
| <b>Aspect B7: Anti-corruption</b>      |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                               |
| General Disclosure                     | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Governance                                                                                                                                                                                                                                                                                    |
| 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.                                             | Governance                                                                                                                                                                                                                                                                                    |
| B7.2                                   | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.                                                                                                     | Governance                                                                                                                                                                                                                                                                                    |
| B7.3                                   | Description of anti-corruption training provided to directors and staff.                                                                                                                                       | Governance                                                                                                                                                                                                                                                                                    |
| <b>Aspect B8: Community Investment</b> |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                               |
| 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.                         | Thoroughly Organizing the Campaign on Party History Learning and Education to Gather the Strength to Forge Ahead/<br>Focusing on "Sannong" Areas to Serve Rural Revitalization/<br>Devoting to Public Welfare Activities/<br>Contributing to Pandemic Response and Disaster Relief/<br>Social |
| B8.1                                   | Focus areas of contribution (such as education, environment, labor's needs, health,                                                                                                                            | Thoroughly Organizing the Campaign on Party History Learning and Education to Gather                                                                                                                                                                                                          |

|      |                                                                   |                                                                                                                                                                                                                                                                                                            |
|------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | culture and sport).                                               | the Strength to Forge Ahead/<br>Focusing on “Sannong” Areas to<br>Serve Rural Revitalization/<br>Devoting to Public Welfare<br>Activities/Contributing to<br>Pandemic Response and Disaster<br>Relief/Social                                                                                               |
| B8.2 | Resources contributed to focus areas (such as<br>money and time). | Thoroughly Organizing the<br>Campaign on Party History<br>Learning and Education to Gather<br>the Strength to Forge Ahead/<br>Focusing on “Sannong” Areas to<br>Serve Rural Revitalization/<br>Devoting to Public Welfare<br>Activities/Contributing to<br>Pandemic Response and Disaster<br>Relief/Social |

## PRB Content Index

| Reporting and Self-Assessment Requirements                                                                                                                                                                                                                                                                                                                         | Reference(s) / Link(s) to bank's full response/ relevant information                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Principle 1: Alignment</b></p> <p><b>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</b></p>                                                               |                                                                                                                                                                                                                                                                                     |
| <p>1.1 <i>Describe</i> (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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>                  | <p>Message from the Chairman/Message from the President/Message from Chairman of Board of Supervisors/Company Overview/Identification of Substantive Issues/Analysis of Stakeholders/Promoting Agriculture Upgrade on All Fronts/Helping Farmers Raise Income and Become Better</p> |
| <p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>                                                                       | <p>Off/Supporting Industrial Upgrading/Accelerating Green Financial Development /Injecting Intelligent Financial Power /Providing Warm Financial Services</p>                                                                                                                       |
| <p><b>Principle 2: Impact and Target Setting</b></p> <p><b>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</b></p> |                                                                                                                                                                                                                                                                                     |
| <p>2.1 Impact Analysis</p> <p><i>Show</i> that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p><u>Scope:</u> The bank's core business areas, products/services across the main</p>                                        | <p>Message from the Chairman/Message from the President/Message from Chairman of Board of Supervisors/Identification of Substantive Issues/Analysis of Stakeholders/Thoroughly Organizing the Campaign on Party History Learning and Education to Gather the Strength to Forge</p>  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                  |
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| <p>geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>a) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>b) <u>Context &amp; Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>c) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p><i>Show</i> that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul> | <p>Ahead/ Upholding the Defining Feature of<br/>Protecting Ecological Environment<br/>/Injecting Intelligent Financial Power</p> |
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| <p>2.2 Target Setting</p> <p><i>Show</i> that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant and Time-bound</b> (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p> |  |
| <p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show</i> that your bank has defined actions and milestones to meet the set targets.</p> <p><i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show</i> that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain</i> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p><i>Report</i> on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p> |                                                                                                                                                               |
| <p><b>Principle 3: Clients and Customers</b></p> <p><b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                               |
| <p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>                                                                                                                                                                                                                                                                                                                     | <p>Supporting Major National Strategies/Enhancing International Financial Cooperation/Upholding the Defining Feature of Protecting Ecological Environment</p> |
| <p>3.2 <i>Describe</i> 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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                               |
| <p><b>Principle 4: Stakeholders</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                               |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b>                                                                                                                                                                                                                                                         |                                                                                                                                                                                            |
| <p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>Analysis of Stakeholders</p>                                                                                                                                                            |
| <b>Principle 5: Governance &amp; Culture</b><br><br><b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</b>                                                                                                                                                                                                     |                                                                                                                                                                                            |
| <p>5.1 <i>Describe</i> 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 effective implementation of the Principles.</p>                                                                                                                     | <p>Identification of Substantive Issues/Vision and Strategies/Philosophy on CSR/Analysis of Stakeholders/Practicing Green and Low-carbon Concept/Injecting Intelligent Financial Power</p> |
| <p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>                           |                                                                                                                                                                                            |
| <p>Governance Structure for Implementation of the Principles</p> <p><i>Show</i> that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>    |                                                                                                                                                                                            |

## **Principle 6: Transparency & Accountability**

**We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.**

### **6.1 Progress on Implementing the Principles for Responsible Banking**

*Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).*

*Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.*

*Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.*

Shown in this report and the *2021 Annual Report* and *2021 Green Finance Development Report* released by the Bank.

## **V. Compilation Statement**

### **Reporting scope**

The Report covers the Head Office, tier-1 (directly subordinate) branches within the territory, directly subordinate organizations, financial training institutes and overseas organizations of the Agricultural Bank of China Limited. Specifically, the environmental statistics covers the Head Office institutions in Beijing and 37 tier-1 branches, detailed in the Quantitative Performance in Aspect A. We will further expand the scope of environmental data statistics in the future. This is an annual report that covers the period from January 1 to December 31, 2021. Part of the content is in excess of the above scope.

### **Compilation Conformance**

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 2021 (which had been audited by KPMG Huazhen LLP). Other data mainly originates from internal system statistics and the affiliates of the Bank for 2021.

### **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](http://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.

## **Contact Information**

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## VI. Reader Feedback Form

Thank you for reading our Corporate Social Responsibility Report 2021 (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 ☐ Regulatory Organizations ☐ 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 ( )

How do you think 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 2021, we selected 19 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.

☐ Serving agriculture  
☐ Serving rural areas

- ☐ Serving farmers
- ☐ Serving national strategies
- ☐ Serving the development of emerging industries
- ☐ Inclusive finance
- ☐ Serving people's livelihood
- ☐ Green finance
- ☐ Low-carbon operation
- ☐ Green public welfare
- ☐ Smart finance
- ☐ Protecting the rights and interests of customers
- ☐ Improving service quality
- ☐ Protecting the rights and interests of employees
- ☐ Promoting the development of employees
- ☐ Caring for the employees
- ☐ Popularizing financial knowledge for the public
- ☐ COVID-19 control
- ☐ Emergency relief and reconstruction
- ☐ Others\_\_\_\_\_