

# 2021

## Social Responsibility Report



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## Information

### About this Report

The Huishang Bank Corporation Limited hereby issues the Bank's Social Responsibility Report for the purposes of assisting all its stakeholders in understanding its concept, practices and achievements of sustainable development in 2021. This Report is the 7<sup>th</sup> Social Responsibility Report we have published since 2015.

### Reporting scope

This Report includes the Huishang Bank Corporation Limited, its branches and sub-branches.

This Report is an annual report covering the period from 1 January 2021 to 31 December 2021. In order to ensure the completeness and coherence of the narrative, partial content of this Report goes beyond the above-mentioned scope.

### References

This Report is written in accordance with the requirements of "Environmental, Social and Governance Reporting Guide" ("ESG Reporting Guide") in Appendix 27 to the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" and the Core Option of the "Sustainability Reporting Guidelines" of the Global Reporting Initiative ("GRI Standard") with reference to the:

- The former China Banking Regulatory Commission's "Opinions on Promoting the Social Responsibility of Financial Institutions"
- The China Banking Association's "Social Responsibility Guidelines for Financial Institutions in China's Banking Sector"
- Shanghai Stock Exchange "Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No.1-Standard Operations"
- UN Sustainable Development Goals ("SDGs")

## Principles of this Report

This Report is in accordance with the reporting principles of the “ESG Reporting Guide”:

**“Materiality”**: This Report identifies key stakeholders and determines key social responsibility topics through stakeholder engagement and materiality assessment.

**“Quantitative”**: This report presents the key performance indicators (“KPI”) of environmental and social aspects in quantitative terms and attached with quantitative data descriptions to explain its purpose and impacts. In addition, necessary comparative data is provided.

**“Consistency”**: This Report is consistent with the statistical and KPI disclosure methods of “Huishang Bank 2020 Social Responsibility Report”.

**“Balance”**: This Report follows the principle of “Balance” and objectively presents the current status of our bank’s ESG management.

## Data Sources

The financial data in this report are all from the Huishang Bank 2021 Annual Report (“Annual Report”), which have been independently audited by Ernst & Young Hua Ming LLP, while others are from relevant statistical reports or official documents of the Bank. The currency involved in this Report is measured in Renminbi (“RMB”).

## Abbreviations

For ease of expression, in this Report, “Huishang Bank Corporation Limited” is also referred to as “Huishang Bank”, “the Bank” or “We”.

## Report Availability

This Report is available in both hard and electronic copies. The electronic copies can be viewed on the Bank’s official website at <http://www.hsbank.com.cn/> and the HKEx website <http://www.hkexnews.hk>. This Report is published in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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## Leaders' Statement



**The Executive Director and Chairman Mr. Yan Chen**

## Chairman's Statement

The year 2021 marks the start of the “14<sup>th</sup> Five-Year Plan”. This year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we earnestly implemented the decisions and arrangements of Anhui Provincial Committee and the People's Government of Anhui Province, shouldered the responsibilities as a local mainstream bank, and strived to create benefits for society, provide quality services to customers, build platforms for employees and gain values for shareholders, demonstrating the image of a responsible, upstanding and caring corporate citizen.

### **Insisting on market positioning to gain greater comprehensive strength.**

We maintained strategic determination, innovated work ideas, improved efficiency, and adjust our focuses and responses as circumstances change. Main business indicators of the whole Bank remained stable and were constantly improving. We signed strategic cooperation agreements with local governments, key enterprises and peers to deepen practical cooperation across the board. As at the end of 2021, the total assets exceeded RMB1.3 trillion and the net profit exceeded RMB11 billion. Our deposit market shares in Anhui Province reached a new high. We paid taxes of RMB7.08 billion and were listed in the “Top 10 State Holding Company Taxpayers in Anhui Province”. We persisted in considering the worst-case scenarios and paid more attention to risk prevention and control. Our non-performing loans (“NPL”) ratio maintained stable with a slight decline while the provision coverage ratio showed a substantial increase. Meanwhile, the four new branches in other provinces enjoyed a steady development and relevant risks were generally controllable, successfully safeguarding regional finance.



**Staying true to our original mission to serve the real economy.** We took our responsibilities as a provincial enterprise in a more proactive manner and gave full play to our strengths as a financial enterprise to roll out major strategic arrangements of the state and the province. The newly granted loans in the province increased by RMB70 billion and the Bank was assessed as “Excellent” financial institution by the provincial government regarding supporting local economic development for the fifth consecutive year. We supported the “Three Places and One Zone” policy, and our loans to strategic emerging industries, technology-based enterprises and green loans presented a growth rate more than 10 percentage points higher than the average growth rate of loans across the Bank. To facilitate the “new infrastructure and new urbanisation initiatives and major projects”, we carried out credit granting for government-backed business and hidden debt replacement in a standard and steady manner. Meanwhile, we seized the opportunities of market-oriented transformation of platform companies and expanded service channels for the real economy, enjoying leading market shares of Public-Private Partnership (“PPP”) Project loans in the province. Focusing on weak links, we motivated areas in urgent need of economic and social development with greater non-stop financial supports and fulfilled policy-based tasks like granting loans to small and micro private companies, agriculture-related loans and manufacturing loans. Furthermore, we continued to serve the transition from poverty alleviation to rural revitalisation through financial services, and our poverty alleviation team dispatched to Wangzhou Village was awarded the title of “Advanced Collective for Poverty Alleviation in Anhui Province”.

**Implementing the “Carbon Peak and Carbon Neutrality” strategy to highlight a green finance brand.** We actively practised the concept of “lucid waters and lush mountains are invaluable assets” and deeply

involved ourselves in the development of green economy by vigorously supporting projects concerning energy conservation, low-carbon economy and circular economy to contribute to the construction of an all-round green transformation zone for Anhui's economic and social development as well as to serve the "Carbon Peak and Carbon Neutrality" strategy. As at the end of 2021, the Bank's green loan balance was RMB32.18 billion, an increase of RMB11.27 billion over the beginning of the year. We incorporated the development of green finance into our strategic planning and made decisions on "environmental protection issues under one vote veto system" uncompromisingly. Focusing on the "Carbon Peak and Carbon Neutrality" strategy, we developed and implemented an integrated green finance service plan. Our product series were expanded as a multi-tiered and extensive-covered system of green financial products was established with green credit loans, green bonds and green funds available. Environmental protection loans, PPP project loans, loans for requisition-compensation balance of farmland under rural revitalisation, green leasing and other products were launched to position related brands in the industry.

**Improving quality and effectiveness of services to optimise the customer experience continuously.** Adhering to the concept of providing customer-centred services, we promoted the coordination among the Head Office and branches, the front, middle and back offices, and the parent company and subsidiaries and integrated internal and external resources to provide customers with integrated financial services and meet their diversified financial needs. We are committed to improving the product and business system through preparation and launch of comprehensive financial service plans concerning rural revitalisation, green finance, industrial parks, etc. Meanwhile, we launched innovative products such as "Technology-e-Loan", "Carbon Emission Right Pledge Financing" and "Credit e-Loan for Party

Construction”, and successfully issued the first green debt financing instruments for private companies in the province. Huishang Bank Credit Cards were issued to 100 outstanding private entrepreneurs. As digital transformation accelerated, we deepened the independent and controllable development of financial technology products, and the efficiency of agile development went up by 30% compared with that of the traditional mode. All the major information systems enjoyed real-time switch-over under the “dual-active” mode, and all the outlets of the Bank were covered with intelligent self-service terminal configuration. We coordinated financial services with the epidemic prevention and control. The Bank had the most outlets with the title of “Exemplary Units of Great Excellence” in the province and awarded the title of “Class A Organisation for Protecting Consumers’ Rights and Interests”. It was for the ninth consecutive year that the Bank was assessed as the top one of the banking industry in the province’s “Survey of Residents’ Satisfaction About 12 Major Service Industries”.

**Caring for employees’ growth to build a more powerful team.** We deeply carried out the strategy of “empowering the Bank with talents” and strived to provide all employees a platform to excel themselves and realise their life values in the Bank. We improved the mechanism for talent introduction, training and arrangement with more efforts put in building teams of reserve talents and talent echelons. A performance system was established to determine employees’ remuneration based on their positions and competency, and channels were opened for professional and technical personnel to achieve growth. Our employees with bachelor degrees or higher accounted for 92.8%, and 18.8% of employees were recognised with middle or senior titles of professional posts. As a bearer of public welfare concept, we actively carried out activities regarding financial education, charity, volunteer services, etc. Complaint letters and visits were effectively handled, and the Bank won

the title of “Excellent Unit regarding Complaint Letters and Visits in Anhui Province”. We vigorously carried forward the spirit of modelling, hard-working and endeavour, and encouraged employees to take on new missions and forge ahead in the new era. Affiliated units won titles like National Organisation for Youth Civilization and Advanced Collective of Great Achievements by Women in Anhui Province.

The year 2022 will witness the 20<sup>th</sup> Communist Party of China (“CPC”) National Congress. Meanwhile, it is crucial to the launch of a new round of our strategic planning. Following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era and striving for a progress while maintaining a stable development, we will devote ourselves to build an excellent local mainstream bank and a financial “backbone” to serve the local economy and create greater values for customers, employees, investors and the society. Let’s welcome the 20<sup>th</sup> CPC National Congress with outstanding achievements!

**The Executive Director and Chairman: Mr. Yan Chen**



**The Executive Director and President of the Bank Mr. Zhang Renfu**

## President's Statement

In 2021, remaining determined to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the Party's 19<sup>th</sup> National Congress and all plenary sessions of the 19<sup>th</sup> Party Central Committee, Huishang Bank implemented significant national strategies and fulfilled social responsibilities in a proactive manner. The Bank also served regional economic and social development in all aspects to seek a development of higher quality while maintaining a sound and steady progress. As at the end of 2021, the total assets of the Group reached RMB1.38 trillion with a net profit of RMB11.79 billion and the taxes paid equalled RMB7.08 billion, which enabled continued improvement in market competitiveness and social influence.

**Focusing on principal business and responsibilities and facilitating the development of the real economy.** The Bank assisted in economic and social development with new loans and advances of RMB81.84 billion throughout the year, and was assessed as “Excellent” for serving the local economic development as a banking financial institution in Anhui Province for the fifth consecutive year. The Bank issued more credit loans in key fields. The balances of loans to technology-based enterprises, strategic emerging industries, and the manufacturing industry were RMB43.89 billion, RMB65.46 billion, and RMB69.63 billion respectively, with a growth rate of more than 24% over the end of the previous year. The Bank implemented the policies of cost reductions and benefits surrendering to assist enterprises in stable employment. On the one hand, emergency loans for pandemic prevention and control increased by RMB12.28 billion, while the renewed and re-discounted loans to small and micro enterprises accumulated to RMB11.7 billion and RMB28.0 billion respectively. On the other hand, the weighted average interest rate of inclusive loans to small and micro enterprises decreased by 71 BP over the previous year. The regulatory target of “two increases and two

controls” and the task of issuing loans to private enterprises were both accomplished.

**Fulfilling our original missions and serving the rural revitalisation strategy.** The Bank proactively acted upon the rural revitalisation strategy, promoting products such as “Rural Revitalisation Loan”, “Agricultural-e-Loan” and “Huinong Loan” and improving the level of financial services concerning “agriculture, rural areas and farmers”. As at the end of 2021, the Bank’s agriculture-related loan balance was RMB138.94 billion, an increase of RMB23.62 billion over the beginning of the year. The rural revitalisation loan balance was RMB21.03 billion, an increase of RMB6.22 billion. The first “Rural Revitalisation Notes” of RMB500 million in Anhui Province were registered successfully. The Bank continued to serve the transition from poverty alleviation to rural revitalisation through financial services, and the poverty alleviation team dispatched to Wangzhou Village was awarded the title of “Advanced Collective for Poverty Alleviation in Anhui Province”. Meanwhile, the Bank further promoted the construction of credit village under the Party Building with Leading Ideas, and opened 157 outlets for business in counties and townships, accounting for 32.8% of the total outlets of the Bank.

**Developing green finance and promoting the ecological progress.** Always adhering to the concept of green development, the Bank joined the Green Finance Alliance of Small and Medium-Sized Banks and signed up for the Banking Sector Financial Institution Joint Declaration for the Support for the Protection of Biodiversity, which enrolled 31 domestic commercial banks in total. Focusing on the “Carbon Peak and Carbon Neutrality” strategy, the Bank introduced an integrated green finance service plan, launched innovative products such as mine ecological restoration and carbon emission right pledge financing and issued the province’s first green bond of RMB90 million for private enterprises. As

at the end of 2021, the balance of the Bank's green loans, mainly granted to new energy, ecological restoration and pollution prevention and control, was RMB32.18 billion, an increase of 53.9% from the beginning of the year, nearly 40 percentage points higher than those of other loans.

**Adhering to the customer-focused concept to enhance the quality and effectiveness of financial services.** As a customer-focused service provider, the Bank made the hotline regarding consumer rights protection accessible for 24 hours a day. The Bank won the title of "Class A Organisation for Protecting Consumers' Rights and Interests" and was assessed as the top one of the banking industry in the province's "Survey of Residents' Satisfaction About 12 Major Service Industries" for the ninth consecutive year. As the intelligent transformation of outlets accelerated, 65% of transactions were handled through self-service terminals and the Bank had the most outlets with the title of "Exemplary Units of Great Excellence" in Anhui Province. Innovative products such as "Technology-e-Loan", "Mortgage-e-Loan", "Online Discount 2.0" were launched, and vigorous efforts were put in the popularisation of the transaction platform. Functions of mobile banking and WeChat banking continued to be optimised, and e-appointment of account opening became available, for the purpose of providing customers with professional, efficient, convenient and intelligent financial services.

**Guarding against risks to achieve a safe and sound operation.** The Bank diligently promoted the construction of "Safe Huishang Bank", and was rated at "Excellence" in the seventh safety assessment by the Ministry of Public Security and the China Banking and Insurance Regulatory Commission ("CBIRC"). The Bank always regards risk prevention and control and asset quality as the lifeline. This year witnessed a decline in two indicators: NPL ratio and non-performing asset ratio, and a steady increase in the provision coverage. The capability of risk management



and mitigation continued to be strengthened accordingly. In addition, the Bank developed and implemented the strategic plan for branches outside the province, and the risks on the legacy assets of Baoshang Bank were gradually removed. Tier 2 Capital bonds of RMB6 billion were successfully issued while Core Tier 1 Capital adequacy ratio was 8.45%, up by 0.41 percentage point over the beginning of the year. The Bank strengthened the construction of internal control and compliance, and carried out in-depth activities of “Year of Internal Control and Compliance Management Construction”. Top rating was received for anti-money laundering (“AML”) regulation. Financial technology capability was improved, and all the major information systems enjoyed real-time switch-over as well as a safe and sound operation.

**Caring for the growth of employees and creating a favourable culture atmosphere.** The Bank continued to carry out activities for selecting Ten Outstanding Young Persons and accelerated the construction of “Huiyin Youth Home“. Volunteer services were provided in a practical manner like expressing sympathy to veteran soldiers, making charitable donations, and donating blood. Affiliated units won titles of “National Outstanding Organisation for Youth Civilisation”, “Provincial Outstanding Enterprise of Civilisation” and “Advanced Collective of Great Achievements by Women in Anhui Province”. The Bank also strengthened the accountability system for Complaint Letters and Visits, focusing on problems which primary-level employees expected the Bank to solve for long, and was awarded the Excellent Unit regarding Complaint Letters and Visits in Anhui Province in 2021. The multi-level education and training system was improved. Training activities such as “Sci-Tech Talent Training Camp” and “Excellence Programme” were carried out to enhance professional skills of the staff, laying a solid foundation for the long-term development. The Bank has been awarded the “Best Employer of Growth Potential” for many times.

The year 2022 marks the new journey of China's second centenary goal. It is also a crucial year for Huishang Bank to speed up structural adjustment and achieve a new progress and greater development. The new year will witness our perseverance in seeking for progress in a stable development. We will prepare plans on development, transformation and innovation as a whole, and repay the trust and support by all sectors of society with safer operation, better services and greater achievements. We are determined to make more and greater contribution to promoting the sustainable development of the economy, society and environment!

**The Executive Director and President: Mr. Zhang Renfu**

## Annual Performance Indicators

Areas	Indicators	Unit	2021	2020	2019
Economic Performance	Total assets	In RMB 100 million	13,836.62	12,717.01	11,317.21
	Revenue	In RMB 100 million	355.14	322.90	311.59
	Net loans and advances	In RMB 100 million	6,283.06	5,533.99	4,504.20
	Shareholders' equity	In RMB 100 million	1,115.16	1,056.73	894.94
	Net profit	In RMB 100 million	117.85	99.21	100.62
	Return on average total assets	%	0.89	0.83	0.92
	Non-performing loan ratio	%	1.78	1.98	1.04
	Non-performing loan provision coverage	%	239.74	181.90	303.86
	Capital adequacy ratio	%	12.23	12.12	13.21
Social Performance	Total tax payment	In RMB 100 million	70.82	64.93	64.21
	Balance of small and micro enterprises loans	In RMB 100 million	2,560.41	2,351.86	1,899.38
	Balance of agriculture-related loans	In RMB 100 million	1,389.41	1,169.60	939.70
	Complaint handling satisfaction	%	97.84	98.04	98.60
	Total number of employees	Persons	10,701	10,688	9,499
	Ratio of female employees	%	50.95	51.47	51.36
	Training expenses per employee	Yuan	2,496.45	3,166.02	3,962.39
	Assistance funds to troubled employees	In RMB 10 thousand	16.00	24.80	24.80
	Total number of outlets	/	478	481	416
	Total number of county outlets	/	157	156	157
	Automatic services machines	/	2,002	2,019	1,803
	Number of corporate online banking customers	In 10 thousand	31.09	27.36	24.40
	Number of phone banking customers	In 10 thousand	380.65	351.95	280.46
	Number of mobile banking customers	In 10 thousand	704.93	603.44	454.09
	Number of personal online banking customers	In 10 thousand	674.03	582.40	481.48

Areas	Indicators	Unit	2021	2020	2019
Environmental Performance	Green credit balance	In RMB 100 million	321.81	209.16	148.18
	Headquarter water use	In 10,000 tons	3.80	3.50	4.50
	Headquarter electricity use	In 10,000 kWh	487.20	457.80	422.50
	Headquarter gas use	In 10,000 m <sup>3</sup>	24.80	25.80	29.10
	Number of Bank-wide video conference	/	278	145	190

Note: In 2020, Fanchang County and Wuhu County of Wuhu City were set up as districts, involving the change of 6 county outlets of the Bank to urban outlets.

## External Honour and Recognition

Timeline	Honour	Awarded by
January	2020 “Unipay Promotion Contribution Award”	China UnionPay
January	“2020 Good News of China Banking Industry” Award : The article <i>Three Wars Against the Epidemic, Huishang Bank Fully Safeguards Financial Services</i> published on the official website won the two honors of “2020 Good News of China Banking Industry” Excellent Works- “Demonstration Good News” and “Most Popular Good News” of Financial Institutions Group	China Banking Association
January	2020 “Top Ten Retail Banks of City Commercial Banks” and “Top Ten Digital Banks of City Commercial Banks”	“The 4 <sup>th</sup> China Retail Finance Innovation Practice Award” (co-organised by <i>Retail Banking, Digital Banking</i> and Tencent Cloud)
January	2020 Wind “Best Credit Bond Underwriter” and “Best NAFMII Bond Underwriter”	Wind
February	Ranked 141 <sup>st</sup> in the Top 500 Banking Brands	UK <i>The Banker</i> magazine and Brand Finance
February	“2020 UnionPay Technical Standard Promotion Excellence Award” “2020 UnionPay Card Risk Prevention and Control Excellence Award”	China UnionPay Anhui Branch
February	2020 Agricultural Development Bank Financial Bond Underwriting Most Potential Award	Agricultural Development Bank of China
February	2020 Export-Import Bank of China Financial Bond Underwriting Group Outstanding Underwriter Award	The Export-Import Bank of China
February	Second Prize of Financial Institutions Survey and Statistics Work in Anhui Province and Hefei City in 2020	Hefei Central Branch of People’s Bank of China
March	“Repurchase Innovative Active Dealer” of Trading Center in February	China Interbank Funding Center
March	“Best Mobile Banking Innovation Award”	“2021 Financial Services Service Innovation and Customer Experience Summit” (sponsored by Shine-Consultant, supported by China Internet Finance Alliance, Asian Finance

Timeline	Honour	Awarded by
		Federation and Shanghai Pudong Institute of International Finance)
<b>April</b>	“Repurchase Innovative Active Traders” and “Best Progress Award” of Trading Center in March	China Interbank Funding Center
<b>April</b>	“Provincial Government Non-Tax Revenue Agency Bank First Prize”	Department of Finance of Anhui Province and Hefei Central Branch of People’s Bank of China
<b>April</b>	2020 AML Regulatory Rating Class A Agency	Hefei Central Branch of People’s Bank of China
<b>April</b>	“Class A Taxpayer in 2020”	Luyang District Tax Bureau of Anhui Province
<b>May</b>	“Repurchase Innovative Active Dealer” and “Best Progress Award” of Trading Center in April	China Interbank Funding Center
<b>May</b>	As an employee of Huainan Branch, Li Lulu was awarded the title of “National Outstanding Communist Youth League Member”	The Central Committee of the Communist Youth League of China
<b>May</b>	Anhui Provincial Enterprise “Reading Party History, Keeping the Original Intention, Undertaking the Mission” Theme Reading Speech Contest Excellent Organization Award	Anhui the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) Party Committee
<b>May</b>	Huishang Bank’s poverty alleviation task force in Wangzhou Village, Si County, was awarded the honorary title of “Advanced Collective for Poverty Alleviation in Anhui Province”	Anhui Provincial Committee of the CPC and Anhui Provincial People’s Government
<b>June</b>	“2021 Internet Loan Product Innovation Award” and “2021 Digital Transformation Innovation Award”	2021 (3 <sup>rd</sup> ) Innovation and Development Forum Release Ceremony
<b>June</b>	In 2020, the evaluation of financial institutions in Anhui Province in serving the development of the local real economy was “Excellent”	Anhui Provincial Financial Work Leading Group
<b>June</b>	“Repurchase Innovative Active Dealer” of Trading Center in May	China Interbank Funding Center
<b>June</b>	The first and second prizes in the photography category of the “Living up to our responsibility with original aspirations, Build a solid line of defense and be diligent” anti -money laundering calligraphy fine art photography competition	Hefei Central Branch of People’s Bank of China

Timeline	Honour	Awarded by
June	X-Bond Government Bond Active Institution Award in May	China Foreign Exchange Trading Center
June	Local currency exchange market X-Bargain “Interest Rate Bond Little Master” and “Most Positive Award”	China Foreign Exchange Trading Center
June	Hefei Sanxiaokou Branch Party Branch and Wuhu Beijing Road Branch Party Branch won the “Advanced Grassroots Party Organization” of the Provincial State-owned Assets Management System	Anhui SASAC Party Committee
June	Model Cases of Inclusive Finance in China Banking-Typical Cases of Digital Inclusive Finance	People’s Bank of China
June	Ranked 132 <sup>nd</sup> in the Top 1000 World Banks	UK <i>The Banker</i> magazine
July	“Repurchase Innovative Active Dealer” of Trading Center in June	China Interbank Funding Center
July	Outstanding Organization Award for the “40 <sup>th</sup> Anniversary of the Resumption of Issuance of Treasury Bonds” by the Ministry of Finance	The Treasury Department of the Ministry of Finance and the China Financial News Jointly carried out the project
July	Ranked 326 <sup>th</sup> in the Fortune China 500, 20 <sup>th</sup> among commercial banks and 6 <sup>th</sup> among city commercial banks	Fortune Magazine (Chinese Edition)
July	Ranked 26 <sup>th</sup> in China’s Top 100 Banks in 2021	China Banking Association
July	Hefei Qianshan Road Sub-branch, Xuancheng Aofeng Road Sub-branch, Huaibei Huaihai Sub-branch, Lu’an Dushan Sub-branch and Ma’anshan Huitong Sub-branch were awarded the title of “2019-2020 Youth Civilization” in Anhui Province	The Organizing Committee of Anhui Province for the Creation of Youth Civilization Activity
July	“Gold Award for Integrated Intelligent Platform” and “Digital Marketing Innovation Award”	2021 China FinTech Innovation Competition
July	Excellent Banking Dealer Institution	Shanghai Bills Exchange
August	“Repurchase Innovative Active Dealer” of Trading Center in July	China Interbank Funding Center
August	“Outstanding Paper with Innovative Value”	Hefei Central Branch of People’s Bank of China
August	“Precision Marketing of Credit Gold Products Based on ‘My Nanjing’ APP” and “Fighting the Epidemic with Heart - Cross-border New	Financial Digital Development Alliance

Timeline	Honour	Awarded by
	Marketing of Huishang Bank Credit Card” won the Silver Award in the cross-border marketing category	
<b>August</b>	In 2020, the “Shuxiang Anhui” National Reading Series Recommendation Activity won the title of “Top Ten Reading Promotion Agencies (Organizations) in 2020”, and the family of Che Angui, an employee of Bengbu Branch, was selected as the “Home of Books” in the province	Propaganda Department of Anhui Provincial Party Committee
<b>September</b>	“Anhui Integrity Culture Excellent Works” Excellent Organization Award	The General Office of The General Office of the Anhui Provincial Discipline Inspection Commission and Supervisory Agency of the CPC
<b>September</b>	“Excellent Case” of China SME Investment & Financing Expo	The 9 <sup>th</sup> China SME Investment & Financing Expo
<b>September</b>	Best Foreign Currency Pair Membership	China Foreign Exchange Trading Center
<b>September</b>	Anqing Renmin Road Sub-branch won the title of “The 20 <sup>th</sup> National Youth Civilization”	National Organizing Committee for the Creation of Youth Civilization
<b>September</b>	“Repurchase Innovative Active Dealer” of Trading Center in August	China Interbank Funding Center
<b>September</b>	2021 Hefei Construction Engineering Decoration Award	Hefei Building Decoration Association
<b>October</b>	The third prize and excellent organization award of the “40 <sup>th</sup> Anniversary of the Resumption of The Issuance of Treasury Bonds” short video competition	Ministry of Finance of the People’s Republic of China
<b>October</b>	2021 Provincial Internal Audit Theory Seminar Outstanding Organization Award	Anhui Internal Audit Association
<b>October</b>	“Repurchase Innovative Active Dealer” of Trading Center in September	China Interbank Funding Center
<b>November</b>	“Repurchase Innovative Active Dealer” of Trading Center in October	China Interbank Funding Center
<b>November</b>	October Local Currency Exchange Market X-Bargain Star & Active Institution, “Best Performance Award” and “Interest Rate Star”	China Foreign Exchange Trading Center
<b>November</b>	“Best Direct Selling Bank of 2021”	2021 Bank Digital Momentum and Finance Summit & the 17 <sup>th</sup> China Electronic Banking Annual Ceremony



Timeline	Honour	Awarded by
November	“Best Scenario Solution Award” and “Best Cash Management Bank Award”	2021 Treasury Ecology Festival
November	“Anhui Province Women’s Merit Advanced Collective”	Anhui Provincial Women’s Federation
December	First Prize in the Provincial Banking Association’s “A Letter to the Family” Recitation Competition	Anhui Banking Association
December	“Top of the Banking Industry”, “Top 10 Most Satisfied Enterprises in Fulfilling Social Responsibility” and the “Residents’ Most Satisfied Bank” in Anhui Province	Anhui Modern Provincial Investigation and Research Center
December	Third Prize of the 2021 Internal Audit Theory Seminar	China Internal Audit Association
December	“Repurchase Innovative Active Dealer” of Trading Center in November	China Interbank Funding Center
December	The first place of the second session of the City Commercial Bank Digital Finance and Payment Innovation Excellent Case “Marketing Customer Acquisition Excellent Case Award”	City Commercial Banks Clearing
December	Third prize of the 2020 FinTech Development Award	People’s Bank of China
December	The 10 <sup>th</sup> Golden Bee Award for Social Marketing Gold Award in the Integrated Marketing Category	The 10 <sup>th</sup> Social Marketing Forum & Golden Bee Award Ceremony
December	November local currency exchange market “X-Lending Star”	China Foreign Exchange Trading Center
December	2021 Financial Consumer Education and Financial Knowledge Popularization Excellent Organizational Unit	Anhui Banking and Insurance Regulatory Bureau
December	2021 Outstanding Underwriter, Best Progress Award and Innovation Award in the Interbank Market of Financial Bonds	China Development Bank
December	The third prize of the red information collection and selection activity of “Youth Heart to the Party, A Century of Youth”	Anhui Provincial Party Committee Organization Department, Youth League Provincial Committee, Provincial Federation of Students
December	Excellent Case of Product Innovation of the 2021 2 <sup>nd</sup> Innovation Cases of City Commercial Banks in Digital Finance and Payment	City Commercial Banks Clearing
December	2021 Second City Commercial Bank Digital Finance and Payment Innovation	City Commercial Banks Clearing

Timeline	Honour	Awarded by
	Outstanding Case Selection - Annual Top Ten Excellent Case Award	
<b>December</b>	The 28 <sup>th</sup> China International Advertising Festival - Annual Event Marketing Case Gold Award	China Advertising Association
<b>December</b>	The 28 <sup>th</sup> China International Advertising Festival - Annual Content Marketing Gold Case	China Advertising Association
<b>December</b>	The 4 <sup>th</sup> (2021) China Finance Annual Brand Case Competition “Electronic Letter of Credit Information Exchange System” Case Special Award	China Finance Press
<b>December</b>	The 4 <sup>th</sup> (2021) China Finance Annual Brand Communication Annual Case Award (Media Innovation Direction)	China Finance Press
<b>December</b>	Typical Cases of Inclusive Finance in China’s Banking Industry (2021) – The Case of Digital Inclusive Finance	China Banking Association and 21 <sup>st</sup> Century Financial Research Institute

## **Topic: Learning from the Party History of Century-Old Effulgence to Strengthen Faith**

The year 2021 marks the centenary of the founding of the CPC. The campaign of Party history learning and education among all the Party members is a major decision made by the CPC Central Committee based on a new starting point in the Party's centennial history to coordinate the overall strategy of the great rejuvenation of the Chinese nation and major changes unseen in the world for a century and to mobilise all the Party members and the people nationwide to fully participate in building a modern socialist country.

### **Highlighting the policy-based development and inheriting the “red gene”**

Since the roll-out campaign of Party history learning and education, the Party Committee of the Bank has earnestly implemented the work deployment of the CPC Central Committee, the Provincial Party Committee and the Party Committee of provincial SASAC and attached great importance to the Campaign while strengthening the construction of primary-level Party organisations. Political functions and political guidance have been highlighted to promote a high-quality development of the construction of primary-level Party organisations.

#### **❖ Planning on a broader canvas and practising in detail**

The Party Committee of the Bank planned and prepared structured schedule and forms of Party history learning according to the work deployment of the Provincial Party Committee and the Party Committee of provincial SASAC, and vigorously advanced the implementation work. In compliance with the “primary political task” policy, the Party Committee of the Bank delivered the spirit of General Secretary Xi Jinping's important speech on Party history learning and

education without delay to lay down a solid ideological foundation. Party organisations at all levels of the Bank held meetings time after time to learn the spirit of every conference regarding the Campaign and important speeches. Following the principle of “an overall arrangement for Party history learning and education across the Bank”, we set up a leading group under the Party Committee of the Bank for Party history learning and education, and 6 steering groups for Party history study and education. Steering guidance plans and work manuals were formulated to clarify the visiting and instruction schedule, work responsibilities and guidelines.

#### ❖ **Continuous Self-reflection**

Our Party organisations at all levels actively carried out specific organisation activities about Party history learning and education, exchanging learning experience and drawing strength from the Party history of one hundred years. Based on thoughts and understanding gained from learning the Party history, we worked on finding out our weak points in standing firm in ideals and principles, strengthening the construction of our Party spirit, fulfilling our responsibilities and serving the masses.

We earnestly conducted criticism and self-criticism throughout the Bank, and sincerely offered opinions and suggestions to each other. As a result, a clear target and direction were identified and supervision-driven rectification was achieved. While thoroughly implementing the requirements of “studying history to stay sensible, to strengthen faith, to value morality and to do practical work”, we obtained a deeper understanding of the great contribution made by the CPC to the country and the people.

## Practising reform and exploring innovative approaches

Since the launch of Party history learning and education campaign, our Party Committee has resolutely implemented the deployment requirements of the CPC Central Committee, made the most of local red tourism resources, and explored new formats to carry out diversified and distinctive activities regarding Party history learning and education based on the actual situation. These activities provided instructions and guidance to our Party branches on further carrying forward the “red tradition”, inheriting the “red gene”, and continuing the spirit of the CPC.

### ❖ Intra-Party learning and refreshing

Constantly innovating intra-Party learning system requires us not only to preserve good policies and practices, but also to adapt to changes in the situation and highlight the characteristics of the era. We continue to work on innovation through emphasising key points, better policies, and higher adaptability and effectiveness of learning.

Giving full play to the wisdom of the youth injects vitality into the red culture and life. The Bank conducted party history education activities among the youth in a form that is more acceptable to them, so that they could obtain the deepest understanding of the Party history at its centenary. Some party members of the Bank selected Party history materials and made short videos like “Youth Talk on Party History Centenary” to stimulate the enthusiasm of young employees for learning the Party history. They are encouraged to take the lead, to play an exemplary role, and to live a life of endeavour and devotion.

## Engaging in the youth and keeping pace with the times



To celebrate the 100<sup>th</sup> anniversary of the founding of the CPC, the Bank’s Committee of Communist Youth League, together with the Provincial Committee of the Communist Youth League, launched a micro-video collection activity named as “Our Respects to the CPC Centenary”, calling for young members to make Party history centred micro-videos named as “Youth Talk on Party History Centenary”, etc. The micro video broadcast exhibition gained more than 200,000 views, and more than 8,000 likes and forwards. Young party members of the Bank have kept their oath that “Please rest assured, we are ready to build a powerful China” with practical actions.

Relying on Red tourism resources, we recalled the original aspiration while following the red footprints. The 100-year history of the CPC has created rich red relics, which are valuable resources for learning the Party history and recollecting our original aspiration. Our branches and sub-branches organised visits to local red relics and carried out learning activities. For example, our Party member employees carefully observed physical objects under vivid explanations and participated in exchanges at the solemn cemeteries of revolutionary martyrs, revolutionary relics and sites, museums and memorial halls, patriotism education bases and exhibition halls. They had a deep feeling about the fine tradition and spiritual wealth of the CPC formed during the long revolutionary struggle.

## Following the footprints of the martyrs and recalling their great spirit



To celebrate the 100<sup>th</sup> anniversary of the founding of the CPC and promote the Party history learning and education campaign in a more practical manner, the Party Committee of the Bank organised the Party History

Education Day named as “Bearing in mind the red history and carrying forward the revolutionary spirit” at the Yangtze Crossing Campaign Memorial on 7 June 2021. Participants reviewed the Party admission oath and felt uplifted. In recalling the history and the original aspiration, they recollected their high morale and great enthusiasm. With such enthusiasm put into the work, they kept upright and innovative to seize opportunities, forge ahead to open up new situations, welcoming the 100<sup>th</sup> anniversary of the founding of the CPC with outstanding achievements.

The Bank united external forces to promote joint building and learning. Valuing the opportunity of Party history learning, the Bank worked on joint learning in the daily business with customer units and financial peers and actively carried out sharing and exchange activities.

### ❖ **The CPC and the masses make the progress in unity**

The Party Committee of the Bank constantly expanded the coverage of Party history learning and education, and included youth league members, intellectuals who are not party members and other groups into the Party history learning and education system of the whole Bank. The Bank carried out an education activity themed “Building and Contribution” and organised intellectuals who are not Party members to read and understand the works on the Party history. Giving full play to the advantages of intellectuals with higher education degrees and

professionalism, and good manners, the Bank encouraged them to make suggestions on major national strategies and hotspots such as high-quality development, integration of the Yangtze River Delta, and rural revitalisation. In 2021, the Bank held 25 seminars and exchanges, set up 32 research teams, and wrote 32 research reports. Excellent works were compiled into a book, and some of the reports were recognised as excellent research reports by the local finance association.



The Party Committee of the Bank organised intellectuals who are not CPC members to participate in the seminar for celebrating the 100<sup>th</sup> anniversary of the founding of the CPC



Collection of outstanding research reports on education activity themed "Building and Contribution" in 2021 by Huishang Bank for intellectuals who are not Party members

## Staying true to the original aspiration and fulfilling the mission in unity of knowing and doing

### ❖ Higher effectiveness in unity of learning and doing

The learning of Party history should be combined with the work. General Secretary Xi Jinping emphasised that we should combine the learning of Party history with experience, the reality as well as the work.

The Bank identifies every problem and takes concrete measures to help employees solve difficulties. The Bank actively carried out the activity of "We address employees' practical problems". By sorting out the problems reported by the employees and preparing a corresponding item list, the Bank promoted the resolution of difficulties related to their



vital interests and transformed the achievements of Party history learning into the driving force of the work to improve their sense of well-being and satisfaction.

### Addressing the masses' practical problems and enhancing cohesion at the primary level



The screenshot shows a red-themed registration interface. At the top left, there is a logo and the text '您好, 欢迎使用 徽商银行码上就办!'. Below this, there are four input fields: '请输入您的姓名', '请输入您的工号', '请输入您的手机号', and '请输入验证码'. To the right of the last field is a '发送验证码' button. Below the input fields is a large red '登录' button, and at the bottom is a white '快捷登录' button. The background features a stylized illustration of a computer monitor with a hammer and sickle symbol, a document, and a lightbulb.

The Bank actively practised “We address the masses’ practical problems” through carrying out in-depth research, listening to their opinions, and exploring the establishment of a long-term mechanism for serving the communities. We launched “Solution on the Code”, a WeChat mini program, which helps solve difficulties of the primary level in an innovative and digital way and bridges the “last mile” for public opinion collection. During the reporting period, 7,089 employees completed the mini-program registration, and made 76 requests and suggestions to departments and offices of the Head Office and functional departments of branches. Grass-roots employees are highly satisfied with the handling results of their requests and suggestions and the “Solution on the Code” mini-program has gradually become a powerful tool for solving problems, enhancing cohesion and promoting development.

The Bank identifies customers’ demand and offer quality and efficient services to solve difficulties. Based on the actual business, the Bank carried out the activity named as “We help enterprises” to offer enterprises efficient services to help solve their difficulties in daily production and operation through meeting their demand for reasonable financing services.

The Bank focuses on effects and takes multiple measures to reduce the burden on the primary level. In the activity named as “We reduce the burden on primary-level units”, the Bank streamlined the meeting organisation and was determined to get rid of unnecessary routines like excessive comments and duplicate submission of documentation. Primary-level units are free from unnecessary form filing and number reporting and are required to handle work efficiently.

❖ **Following the Party’s footprints to serve the people**

As a “Party Branch Work Contact Point”, the Party Committee of the Bank organised employee forums on a regular basis to carefully listen to the opinions and suggestions of primary-level party members and front-line employees, and respond to their needs and concerns. Learning from the Party history, the Bank established a contact mechanism to listen to the front-line voices, building a “heart-to-heart bridge” for maintaining a close relationship between the Party and the masses.

Focusing on Five Groups and playing five different roles, the Bank always takes the satisfaction of the masses as a touchstone to test the results of Party history learning and education. The Five Groups refer to “the silver-haired”, “mothers-to-be”, “new youth”, “entrepreneurs” and “workers”. With focuses on these people, Party organisations at all levels of the Bank promoted financial services accessible to the elderly, created a favourable environment for pregnant employees, provided logistics support to young employees, gave full play to financial advantages to support start-up enterprises, and built care stations for outdoor workers, striving to do good things and practical things to the primary-level employees, the front-line workers and corporate customers and meeting their expectations in a targeted manner.

The Bank carried forward the civilisation practices in the new era and actively carried out charity activities. The Bank’s Party members and

cadres took the lead in providing volunteer services, expressing love and care to the society, and explored the spirit of serving the people from the Party history learning.

### Donating to foster a closer relationship with the people and reassure the people



On the occasion of “International Nurses Day” and “National Day for Disaster Prevention and Mitigation” on 12 May 2021, Chuzhou Branch gave full play to the pioneering and exemplary role of Party members, organised employees

to actively participate in a voluntary blood donation themed with “Learning Party History and Delivering Love” and a care activity themed with “Love in Party History and Care for Nurses”, presenting flowers to the medical workers on the front lines.

## About the Bank

Huishang Bank is the first regional joint stock commercial bank in the PRC established through the merger and reorganisation of city commercial banks and urban credit cooperatives with the approval of CBIRC (Previous “China Banking Regulatory Commission”). Headquartered in Hefei, Anhui Province, the Bank officially opened for business on 1 January 2006. On 12 November 2013, the Bank was listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 3698).

With the market positioning of “serving local economy, small and medium enterprises, and the public”, the Bank’s business continues to develop rapidly, comprehensive strength has been gradually strengthened, operation and management has been steadily improved, thus achieving coordinated development of scale, quality and efficiency. As at the end of December 2021, the Bank had a registered capital of RMB13,889,801,211.

The Bank’s business mainly contains absorbing corporate and retail customer deposits in China, using the absorbed deposits to issue loans, and engaging in capital business, including money market business, investment and transaction business, and brokerage business. Besides headquarters, the Bank has 21 branches, 478 operations and 609 self-service zones (outlets). The Bank has four subsidiaries, namely Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin Rural Bank Co., Ltd. and Jinzhai Huiyin Rural Bank Co., Ltd., and it is the shareholder of Chery Huiyin Motor Finance Service Co., Ltd and Mengshang Bank Co.,Ltd.

Local economic market is always our target. In 2021, we have been evaluated as “excellent” in the 2020 assessment of serving local real economy development. We have won this honor for many years in a row

and been fully approved by Anhui provincial government. We always regard “honest tax payment” as the development philosophy of legitimate business activities. The Bank has been among the top 50 tax payers in Anhui Province and rated Class A taxpayer for several consecutive years as a result of its great contributions to the stable fiscal revenue growth at various levels. In 2021, the Bank was rated as the “Class A Taxpayer of Anhui Province in 2020” again.

The Bank was fully recognised and widely praised by all walks of life in the society. In 2021, the Bank was selected among the top 200 of the “Top 1000 World Banks” and “Top 500 Banking Brands” by the The Banker from UK, ranking 132<sup>nd</sup> and 141<sup>st</sup> respectively. The Bank also shortlisted in the “Fortune China 500” by the Fortune, overall ranking 326<sup>th</sup>, and ranked 20<sup>th</sup> among commercial banks and 6<sup>th</sup> among city commercial banks.

### **Optimising corporate governance**

The Bank is committed to continuously optimising corporate governance and promoting a high-quality development. In 2021, persisting in the leadership through Party Building, we strengthened the Party-mass work and organically combined Party building with corporate governance to continuously improve the work for the united front, and comprehensively promote strict self-governance of the Party and the Bank. In addition, we also strengthened communication with investors and made active responses to their concerns.

### **Insisting on leadership through Party building**

Since 2021, in the face of the complicated economic and financial situation and increasingly onerous operation management tasks, the Party Committee of the Bank has insisted on the guidance by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strictly implemented the “primary political task” policy, and studied and

practised the instructions and requirements given in the important speech of General Secretary Xi without delay. Considering the actual situation, we have integrated the leadership of the Party into all aspects of corporate governance, and established the mechanism of “twelve requirements in four aspects of Party history learning and education” for the united front work, which organically combines the united front work with the high-quality development of the Bank. In addition, we continue to build and improve the “Huiyin Party Building +” brand creation project with 10 specific matters to be focused. We adhere to integrating into the centre, implementing policies by categories, innovating and developing, and promoting party building as a whole to provide strong political and organisational guarantee for promoting high-quality development.



## The Bank held a meeting on arrangement and promotion of Party building priorities

On the afternoon of 8 April 2021, the meeting on arrangement and promotion of party building priorities was held in Hefei. Mr. Yan Chen, the Party Committee Secretary,



attended the meeting and delivered a speech. Mr. Zhang Renfu, Party Committee Deputy Secretary and President, presided over the meeting and made arrangements for the priorities of Party building this year. Gao Guangcheng, Yi Feng, Zheng Shuyu and Zhang Juzhong, members of the Bank's Party Committee, attended the meeting.

At the meeting, it was emphasised that 2021 is the 100<sup>th</sup> anniversary of the founding of the CPC, as well as the first year for the Provincial Party Committee to make rectifications based on the comments by the central government after the visits and inspection. The Bank should fully understand the political significance of Party building, and give full play to the controlling role of the Party Committee leaders as supervisors, the role of the Party branch as a fortress, and the role of Party members as examples and pioneers, so as to promote the mutual advancement and integrated development of Party building and business management in a feasible way.

Mr. Zhang Renfu, President of the Bank, went to Huaibei Branch to give lectures on the spirit of the Sixth Plenary Session of the 19<sup>th</sup> National Congress of the CPC



On 5 January 2021, Mr. Zhang Renfu, the Bank's Party Committee Deputy Secretary and President, went to Huaibei Branch to give lectures on the spirit of the Sixth Plenary Sessions of the 19<sup>th</sup> National Congress of the CPC. President Zhang emphasised that we should draw wisdom and strength from the Party's experience over the past century, make specific arrangements and detailed measures considering the actual situation, to ensure that the learning, popularisation and implementation of Party history are well arranged and promoted to gain substantial results.

He Jiehua, Deputy Secretary, went to Huishang Bank Financial Leasing Co., Ltd. to conduct a survey and give instructions

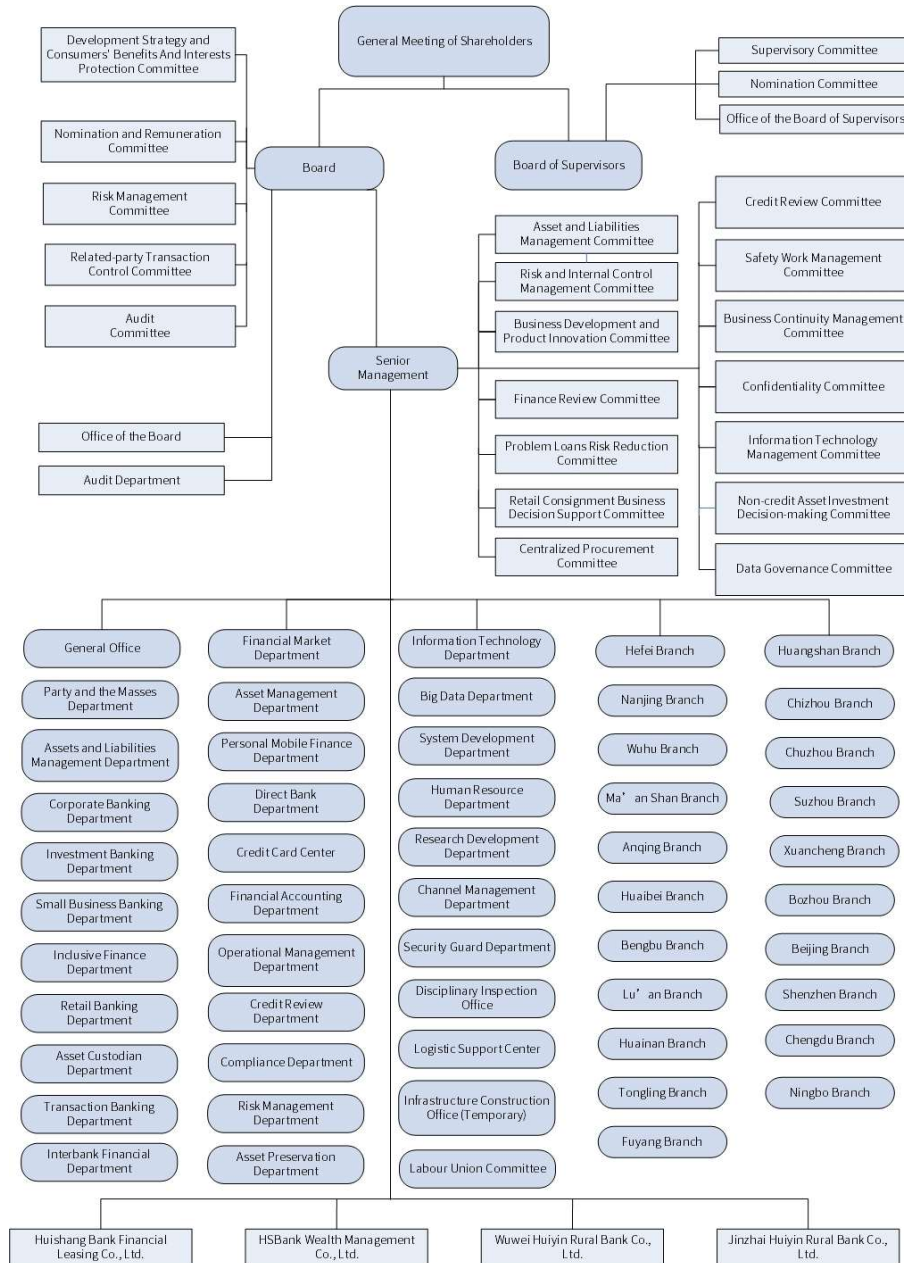


On 6 January 2021, He Jiehua, Deputy Secretary of the Party Committee of the Bank and Chairman of the Board of Supervisors, went to Huishang Bank Financial Leasing Co., Ltd. to conduct a survey and give instructions. Deputy Secretary He affirmed the achievements in Party building and operation by the company in recent years, and gave instructions on its future direction for a deeper integration of Party building and business operation, a greater foundation of Party building and a higher level of brand building.



## Improving organisational structure

The Bank has established a governance structure dominated by the General Meeting, the Board of Directors, the Board of Supervisors and senior management, and a governance mechanism which specifies clear responsibilities and values effective checks and balance as well as democratic and efficient decision-making.



Huishang Bank Organisation Framework

The General Meeting is the authority institution of the Bank. In 2021, the Bank held 2 General Meetings and passed a total of 14 proposals.

The Board of Directors is the decision-making institution of the Bank. It consists of 15 board members, including 2 executive directors, 8 non-executive directors and 5 independent non-executive directors, with the number of independent directors of no less than one-third of the total number of directors. During the reporting period, the Bank convened 14 board meetings, discussed and reviewed 70 proposals, held 33 meetings of the special committees of the Board of Directors, and discussed and reviewed 89 proposals.

The Board of Supervisors is the supervisory institution of the Bank. The Board of Supervisors consists of 8 supervisors, including 4 employee supervisors, 1 shareholder supervisors, and 3 external supervisors. In 2021, the Board of Supervisors and its special committees held 21 meetings in total, where 37 proposals were deliberated, and 44 special reports were reviewed.

The senior management is executive institution of the Bank. The senior management of the Bank consists of the President, Vice President and senior management personnel approved by the regulatory authorities, who are responsible for the implementation of the resolutions of the Board of Directors and the day-to-day business management of the Bank, and report regularly to the Board of Directors and are subject to the supervision of the Board of Supervisors.

Please refer to the section of the “Corporate Governance Report” in the “Huishang Bank 2021 Annual Report” for details relating to the members of the Board of Directors and the Board of Supervisors.

## Diversifying governance structure

Diversification of the Board is a key factor for the Bank to realise strategic goals and achieve sustainable development. Hence, the Bank has fully considered the diversified requirements of board members in terms of gender, age, region, education background, professional experience etc. when selecting and appointing Board members:

- Two female directors are included in the Bank's Board of Directors;
- Ages of the directors range from 49 to 68;
- Directors' domiciles are located in Hefei, Beijing, Shenzhen, Hong Kong, etc.;
- Directors' professions include corporate managers, university professors, think-tank experts, etc.;
- Directors' education background and professional experience contain management, economy, finance, accounting, etc.

## Managing investor relations

The Bank puts a high premium on information disclosure. At the website of Hong Kong Stock Exchange or the official website of the Bank, we have issued various periodic reports and interim announcements, to provide investors with true, accurate and complete information in a timely manner. We also set up an Investor Relations section on our official website and publish email and contact information. We actively conduct various communication activities with investors and analysts to maintain good relations, as well as efficient exchanges to enhance their understanding and recognition of the Company.

On 30 June 2021, the Bank's 2020 General Meeting was held in Hefei, Anhui Province. During the meeting, several proposals were reviewed, voted on and approved, including the "Deliberation and Approval on 2020 Annual



The 2020 General Meeting of Huishang Bank Corporation Limited

Financial Accounts Report of the Bank" and "Deliberation and Approval Proposal of the General Mandate for the Bank to Issue Shares". In accordance with the resolution of the 2020 General Meeting, the Bank did not distribute dividends in 2020.

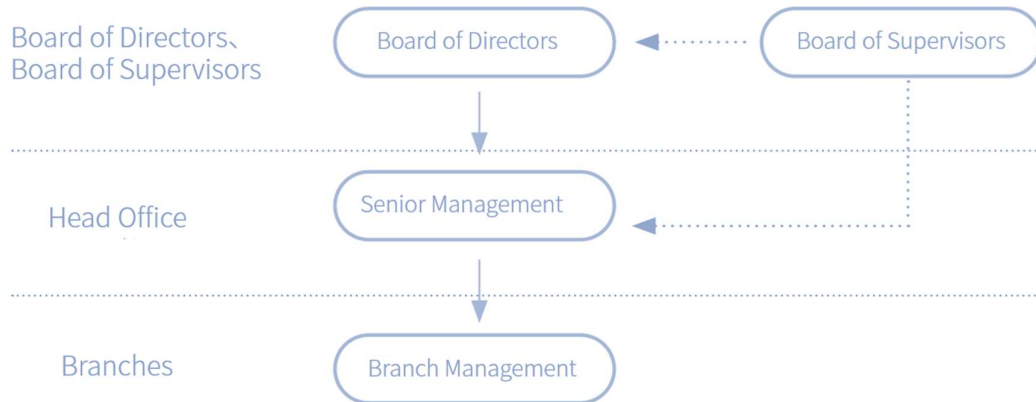
### **Overall risk management**

The Bank always places equal emphasis on risk management and business development for a balance between risks and returns. We strive to establish a risk appetite and risk limit management mechanism that is aligned with our development strategy to achieve an effective synergy between risk management and our development strategy.

### **Risk management system**

The Bank has established a top-to-bottom organisational structure for risk management involving the Board of Directors, the Board of Supervisors, Senior Management, Branch Management at three levels: Board of Directors, the Head Office and branches. For overall risk management, the Board of Directors assumes ultimate responsibility, the Board of Supervisors assumes supervisory responsibility while Senior Management and Branch Management assumes execution responsibility.

### A Top-down Risk Management Organizational Structure



Guided by the new round of strategic planning of the Bank and focusing on asset quality management and control, we continue to deepen overall risk management and accelerate the digital transformation of risk management. Special efforts are put in the enhancement of capabilities of risk identification, measurement, monitoring, early warning and handling, which can ensure a steady operation of the Bank, and achieve zero occurrence of major cases and operational risk events.

In 2021, the Bank took measures to continuously improve the risk management level:

- Developing the scientific guidelines for annual risk policy; putting forward 62 key points of risk control in 12 major sectors in overall; providing guidelines for unified actions of the Bank on risk management
- Optimising the annual risk appetite statements which propose the strategic risk appetite for the first time, adjusting appetite indicators in a timely manner, and clarifying the bottom line of risk tolerance of the Bank

- Improving the management of portfolio risk limit and implementing all-round online loan limit management and control to lay out credit resources in a reasonable manner
- Following the digital transformation and building a “great platform” for digital risk control to comprehensively improve the effectiveness and timeliness of risk early warning
- Improving the cross-departmental risk information communication mechanism and establishing a corresponding working mechanism of responsible branch contacts
- Improving the stress testing system actively and applying the test results rationally
- Deepening and refining risk management in key areas and carrying out in-depth monitoring and investigation to comprehensively implement regulatory rectification

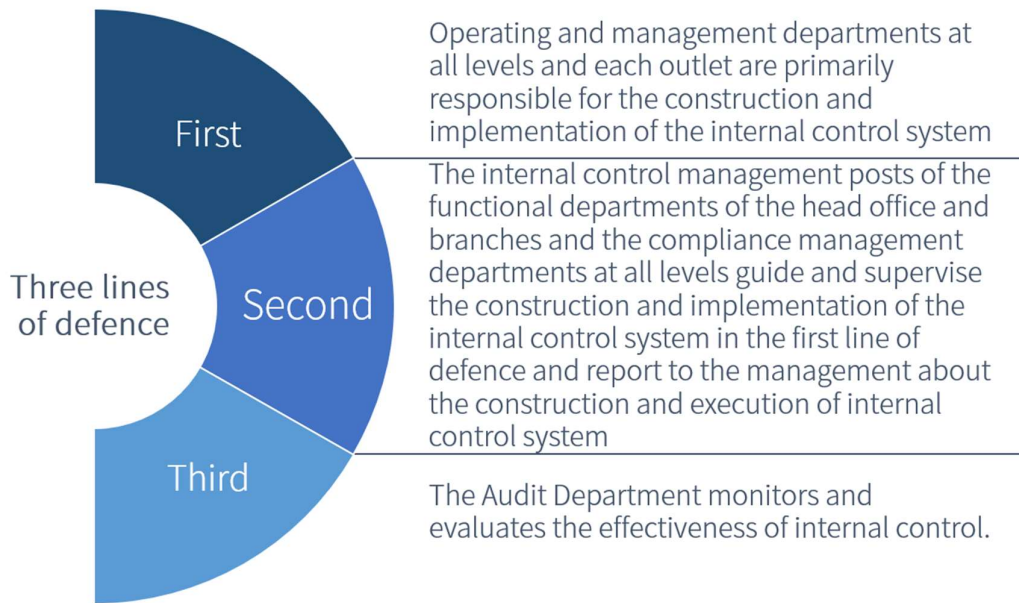
### Intensifying internal control and compliance

We continued to hold the bottom line of preventing the occurrence of systematic financial risks and intensify the compliance construction. We maintained the safe and stable operation of the Bank by an internal control system, Party conduct improvement, stricter AML management, and non-compliance case prevention and control.

#### ❖ **Building internal control system**

In accordance with the “Guidelines on Internal Control of Commercial Banks” and other regulatory requirements and internal control principles, the Bank has built an internal control and compliance risk management system and three lines of defence centred on the five elements of control environment, risk assessment, control activities, information and

communication, and internal monitoring, as well as three levels of branch governance, business line management, and process operation.



### Huainan Branch Launched a business knowledge contest among operational lines



On 20 November 2021, in order to further advance the activity of “Year of Internal Control and Compliance Management Construction”, Huainan Branch organised a business knowledge contest among operation lines, creating a favourable learning atmosphere in the Branch, improving the professional knowledge level of operation personnel, and further raising the awareness of the counter personnel about risk prevention and control.

#### ❖ **Business ethic and integrity**

Huishang Bank strictly abides by the “*Criminal Law of the People’s Republic of China*”, the “*Interim Provisions on Banning Commercial Bribery*” and other relevant laws and regulations. The Bank has fully

implemented the spirit of General Secretary Xi’s important speech at the Fifth Plenary Session of the 19<sup>th</sup> Central Commission for Discipline Inspection and the Sixth Plenary Session of the Tenth Discipline Inspection Commission of Anhui Province, and intensified the work on Party conduct and anti-corruption. In 2021, the Bank was not involved in any corruption case.

<p><b>Refining policies and systems</b></p>	<p>Meetings of the Internal Supervision Committee were held to improve the internal supervision system from time to time. The working policies on interfacing, communicating and cooperating with the dispatched discipline inspection team were improved as well. Moreover, a number of policies were issued to improve the long-term supervision mechanism, including the “List of the Main Responsibilities of Full and Strict Governance Over the Party of the Party Committee of Huishang Bank”.</p>
<p><b>Practising political oversight</b></p>	<p>The Bank diligently organised and carried out a comprehensive inspection of the Party’s conduct and integrity in the whole Bank. The “Implementation Measures for the Party Committee of Huishang Bank to Use the First Form of Discipline Supervision and Enforcement (Trial)” was formulated and issued to standardise the behaviour of discipline supervision and enforcement. Improving Party conduct and enforcing Party discipline became norm and were conducted during the New Year’s Day, Spring Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival and National Day in 2021.</p>



<b>Party Committee inspection</b>	<p>We steadily promote Party Committee inspection by formulating the basic inspection system, establishing and improving the inspection mechanism, strengthening the guidance and supervision for inspection, and promoting the rectification of issues identified. In 2021, a thorough inspection was accomplished by the current Party Committee.</p>
<b>Integrity information filing</b>	<p>We promote the filing of integrity information of managers with authority, and strengthen the daily supervision and management of managers at all levels, so as to complete the filing task throughout the Bank.</p>
<b>Integrity commitment signing</b>	<p>We require all employees to sign the “Letter of Commitment of Huishang Bank for Performing Duties with Integrity”. And we have released the “Family Integrity Initiative: Accompanying with Fresh Breeze, Living with Integrity”, joining hands with families to build a line of defence against corruption.</p>
<b>Anti-corruption education</b>	<p>We have formulated the “2021 Plan of Huishang Bank for Party Conduct and Anti-corruption Awareness, to firmly push forward warning education on disciplinary violation and illegal cases. With a number of integrity-related works listed in the “Anhui Integrity Culture Excellent Works” by the Anhui Provincial Discipline Inspection Commission and Supervisory Agency, the Bank won the Excellent Organisation Award. During the reporting period, we conducted 100 trainings on anti-corruption for our directors and employees in forms of publicity materials and special training, with over 4,858 participants.</p>

Mr. Zheng Shuyu delivered a speech for the opening of the training for presidents of sub-branches and giving a lecture on Party conduct and anti-corruption awareness



On 5 July 2021, the first special training for improving operation and management capabilities of sub-branch presidents and the training for Party branch secretaries of branches and sub-branches were

conducted in Chaohu, involving 69 sub-branch presidents from 20 branches. Mr. Zheng Shuyu, a member of the Party Committee of the Bank and the head of the Discipline Inspection Team of Huishang Bank from Anhui Provincial Discipline Inspection Commission and Supervisory Agency, delivered a speech for the opening of the trainings and gave a lecture on Party conduct and anti-corruption awareness.

### Huangshan Branch held an Anti-corruption Culture Speech Contest



On 27 August 2021, an Anti-corruption Culture Speech Contest was successfully held at Huangshan Branch, involving 16 contestants from branch-level Party organisations. Based on their own work

experience, these contestants shared their perception of the compliance and anti-corruption culture. Through the contest, Huangshan Branch has promoted the construction of the anti-corruption culture, and further created an atmosphere of integrity.

### ❖ **Intensifying Anti-Money Laundering (AML) management**

Huishang Bank strictly complies with laws and regulations on AML, such as the “Anti-Money Laundering Law of the People’s Republic of China”, and establishes an AML suspicious transaction early warning system that contains early warning indicators and suspicious transaction models. We use qualitative and quantitative combined approaches to identify the relationship and trigger conditions of models, to achieve effective early warning of major types of money laundering crimes.

The Bank insists on implementing the reward system for identifying key suspicious clues and fully motivates the enthusiasm and initiative of frontline employees in detecting and reporting suspicious clues. Meanwhile, AML leadership team meetings are organised as scheduled to convey the spirit of AML Conference of obligated institutions in a timely manner with the purpose of raising the awareness of our employees on AML within the Bank.

In 2021, we steadily promoted the reform of AML operating mode and the special governance of AML data, optimised relevant systems, extended the coverage of monitoring, refined the quality of AML data, and increased the application of AML data, to further improve the management for AML.

In addition to AML publicity campaigns, as the only co-organiser, we have accomplished a campaign targeted for self-money laundering for the Hefei Central Branch of the People’s Bank of China, improving the public awareness of AML-related laws and regulations.

## AML-themed caricature collection and appraisal



In order to effectively guide customers and the public to support AML, we organised an AML caricature collection and appraisal themed “Living up to

our responsibility with original aspirations, Pursuing outstanding achievements with our missions”. A total of 270 caricatures were received, fully demonstrating our awareness of AML.

In order to radiate the influence, we also invited the public to vote, so that they could understand the knowledge on and obligations for AML upon the voting, effectively guiding our customers and the public to support AML, and creating a good social atmosphere for AML.

## AML riddling in celebration of the Lantern Festival



On 23 February 2021, we wisely selected the date to launch an online AML riddling themed “Celebrating the Lantern Festival by riddling, Wining prizes in learning” in an innovative form. Through a matrix publicity model covering all the online and offline channels, we effectively enhanced the public awareness of AML, and create a law-abiding atmosphere for AML.

### ❖ Stressing on case prevention and control

According to relevant laws and regulations, including the “Law of the People’s Republic of China on Commercial Banks” and the “Measures for the Prevention and Control of Cases in Banking Financial Institutions”,

Huishang Bank takes case prevention and control measures in an orderly manner and continues to improve our central-region combined crime risk investigation system requiring efforts integrating the head office and all branches.

In 2021, in alignment with the new regulations, we formulated the “Measures of Huishang Bank for the Management of Criminal Cases (Trial)”, revised the “Measures of Huishang Bank for the Management of Preventing Employees from Criminal Cases”, further improving the crime prevention system and working mechanism built on incentives and restraints.

Moreover, in accordance with the “Measures for the Administration of Criminal Cases involving Banking and Insurance Institutions (for Trial Implementation)” and the “Guiding Opinions of the General Office of the China Banking and Insurance Regulatory Commission for Preventing Illegal and Criminal Financial Activities Carried out by Banking and Insurance Practitioners”, the Bank carried out in-depth investigation of case risks and abnormal behaviour of employees by relying on big data technology to enhance the effect of investigation. We also explored ways to establish a “ladder intervention” mechanism for management of employees’ abnormal behaviour, took effective measures to ensure the smooth conversion from the old case management mechanism to the new one, and continued to build a clear, smooth and effective case prevention and control system.

Case warning education activities are fundamental to case prevention and control in the Bank. All employees are educated and trained by analysing typical cases, studying criminal law-related articles and attending warning education training, so that they can hold discipline in awe and respect, do not cross the line, stick to the compliance bottom

line and enhance the ability to prevent the occurrence of non-compliance cases.

### Highlighting brand building

We highlight reputation management and brand building, proactively and effectively prevent reputation risk and respond to reputation incidents, and carry out trademark registration and protection based on the needs of brand building and business product promotion.

#### ❖ **Brand reputation management**

Huishang Bank establishes and formulates systems and requirements related to reputation risk management to proactively and effectively prevent reputation risks and respond to reputation incidents, with a focus on prevention and strict attention to the monitoring, analysis and early warning of public opinion, so as to minimise losses and negative impacts. In 2021, we revised the “Measures of Huishang Bank for the Management of Reputation Risk” to continuously establish and improve a working mechanism and system for brand management. In addition, we conducted training for reputation management throughout the Bank to improve employees’ understanding and awareness of the importance of reputation management, so that each employee can practically perform their responsibilities for maintaining a positive brand and image.

The Bank strengthens the monitoring on public opinions through various channels to keep abreast of social concerns in a timely manner. Any negative public opinions monitored are reported to relevant business lines and the Department of Consumer Rights and Interests Protection, and the Bank urges to resolve the problems as soon as possible to avoid exacerbation and promptly carries out positive publicity through media channels.

The Bank has also intensified external positive publicity and guidance, and strengthened internal reputation risk management and comprehensive dynamic monitoring. As for the information that is easy to be misinterpreted or cause speculation, the Bank always responds quickly, communicates actively and respects facts and the freedom of the media to collect and compile information, and establishes a working mechanism involving positive interaction with the media. The Bank also actively participates in social welfare and public activities and assumes the corporate social responsibility to build a positive and healthy corporate image and to comprehensively enhance brand value. In 2021, the public opinion of the Bank was stable overall.

#### ❖ **Protecting intellectual property**

In accordance with relevant laws and regulations, including the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China and the Copyright Law of the People’s Republic of China”, the Bank has formulated the “Interim Measures for the Administration of Intellectual Properties of Huishang Bank” to ensure that the management of intellectual property right follows the principle of “clarifying ownership, encouraging innovation, and ensuring effective protection and legal exploitation”. We standardise the protection of intellectual property in advertising campaigns throughout the Bank and strengthen the copyright review and approval of various materials in daily advertising design, so as to enhance the copyright awareness of all employees.

#### **Deepening responsibility management**

Adhering to the values of “treating people with sincerity, upholding justice while pursuing interests”, the Bank takes responsibility of the “achieving customers’ dreams, creating values for shareholders,

promoting staff development and assuming civic responsibilities” mission, and integrates social responsibility into development goals:

- Take shareholders, customers, employees and other stakeholders into consideration to comprehensively increase economic benefits, environmental benefits and social benefits.
- Adhering to targeted poverty alleviation, the Bank assists in poverty alleviation by carrying out infrastructure construction, developing competitive industries, supporting employment, and targeting districts based on leveraging the professional advantages of financial companies. We also encourage and unifies the entire Bank to participate in promoting poverty alleviation in poverty-stricken areas as scheduled.
- We advocate green office, energy conservation and environmental protection to minimise the negative impact of daily operations on the environment.
- We actively advocate the spirit of public welfare, continues to promote the concepts and behaviours of paying attention to people’s livelihood, environment protection and charity by encouraging employees to carry out environmental protection and charity practices as volunteers. In addition, the Bank carries out welfare projects under its brand in areas such as elderly care, disabled support and poverty alleviation to fully show its image of a good corporate citizen.

### Statement of the Board of Directors and social responsibility management

The Board of Directors of the Bank, as the highest responsible body for ESG management, is responsible for supervising ESG matters. The Board



of Directors has thoroughly implemented ESG governance in accordance with the “ESG Guide”, and reviewed the establishment and implementation of ESG objectives, as well as the effectiveness of the ESG risk management and internal control systems. For detailed information of the governance structure, please refer to the section of “Deepening responsibility management” in the Report. In addition, as the Board of Directors has been involved in the assessment, prioritisation and management of ESG matters, please refer to the sections of “Stakeholder engagement” and “Materiality assessment” in the Report for details.

The Bank continuously implements and improves the “Interim Measures for the Administration of Corporate Social Responsibility of Huishang Bank”, and integrates social responsibility into our development strategy, governance structure, corporate culture and business process. In addition, the Bank establishes a sound social responsibility management system and a social responsibility management framework.

#### ❖ **Board of Directors**

The Board of Directors is the highest decision-making body of the Bank’s corporate social responsibility management, responsible for:

- proposing strategies, policies and targets of the Bank’s corporate social responsibility, and integrating social responsibility into the Bank’s strategic planning of development, making fulfilment of social responsibility one of the Bank’s strategic goals of development;
- assessing and determining the Bank’s social responsibility risk and ensuring that appropriate and effective management of social responsibility risk and internal monitoring systems are in place;
- supervising, inspecting and evaluating the Bank’s fulfilment of corporate social responsibility;

- reviews and approves corporate social responsibility report;
- reviews and approves corporate social responsibility proposals.

❖ **Board of Supervisors**

Following up and supervising the Bank's performance of corporate social responsibility and giving independent opinions.

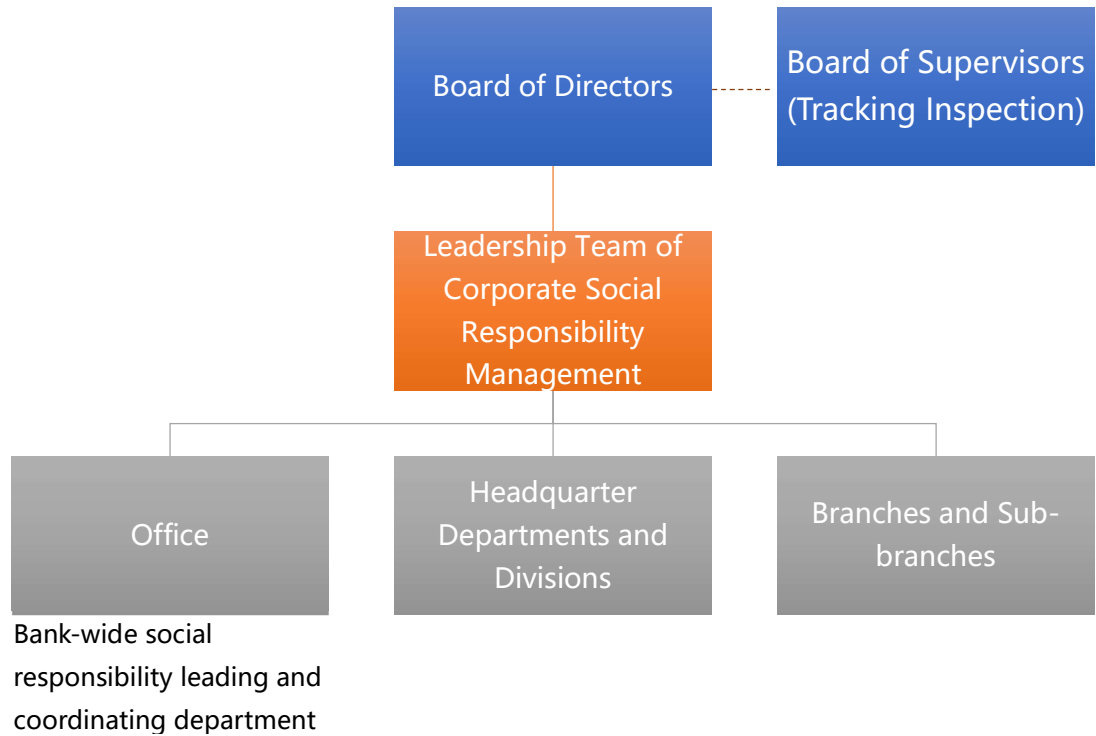
❖ **Leadership team of corporate social responsibility management**

The Bank has set up a leadership team of corporate social responsibility management as the social responsibility governing body in the whole bank. The leaders of the leadership team are served by the Chairman of the Board and the Bank President, the deputy leaders are served by the persons in charge of branches in the office, and the team members consist of principal persons in charge of relevant departments, jointly promoting the efficient and orderly development of social responsibility management. Responsibilities of the leadership team of corporate social responsibility management include:

- Implementing strategies, targets and measures of the Bank's corporate social responsibility;
- Organising and conducting corporate social responsibility related work;
- Regularly reporting to the Board of Directors on development status and implementation results of the Bank's corporate social responsibility.

The leadership team of corporate social responsibility management has an office, which is based on the head office and responsible for the daily work of corporate social responsibility management. The office director is the principal responsible person of the leadership team head office,

responsible for the Bank's daily management and coordination of social responsibility.



Framework of Huishang Bank's leadership team of corporate social responsibility management

## Stakeholder engagement

We emphasise on communication with stakeholders and have multiple effective channels to understand their anticipations and demands on our social responsibility, which serve as indispensable reference to the formulation of the Bank’s social responsibility strategy.

Stakeholders	Communication mechanism	Stakeholders’ expectations	The Bank’s Response
<b>Government</b>	<ul style="list-style-type: none"> <li>• Regulatory documents</li> <li>• Work report</li> <li>• On-site inspection</li> <li>• Off-site inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Implement national economic policies</li> <li>• Support real economy</li> <li>• Serve small and micro enterprises</li> <li>• Increase job opportunities</li> <li>• Ongoing tax revenue</li> <li>• Response to the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• Implement national economic policies and propel economic transition</li> <li>• Step up efforts in leveraging finance to serve real economy</li> <li>• Achieve “two increases and two controls” in small and micro enterprise loans</li> <li>• Create job opportunities</li> <li>• Create good business performance and pay more tax</li> <li>• Take multiple measures to fight against the pandemic</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Regulatory documents</li> <li>• Work report</li> <li>• On-site inspection</li> <li>• Off-site inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Prudent and legal day-to-day operation</li> <li>• Effective risk prevention</li> <li>• Stable and orderly financial system</li> <li>• Accelerate digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Strengthen risk management</li> <li>• Maintain financial order and reinforce compliance and disciplines</li> <li>• Strive to establish a digital bank</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Shareholders’ general meeting</li> <li>• Board of Directors</li> <li>• Result announcement</li> <li>• Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous and reasonable return on investment</li> <li>• Thorough, timely and accurate information disclosure</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve good business</li> <li>• Disclose information in a thorough, timely and accurate manner</li> <li>• Promote corporate governance</li> </ul>

Stakeholders	Communication mechanism	Stakeholders' expectations	The Bank's Response
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product promotion and introduction</li> <li>• 40088-96588</li> <li>• Customer service centre</li> <li>• Regular customer visits</li> </ul>	<ul style="list-style-type: none"> <li>• Diversified products</li> <li>• Diverse service channels</li> <li>• Continuously improved service quality</li> <li>• Effective protection of consumers' rights and interests</li> <li>• Pandemic prevention and control measures for customers</li> </ul>	<ul style="list-style-type: none"> <li>• Create diverse financial products</li> <li>• Promote the establishment of service channels</li> <li>• Improve civilised and regulated services</li> <li>• Protect financial consumers' rights and interests</li> <li>• Guarantee the health and safety of financial consumers</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Staff communication</li> <li>• Labour union</li> <li>• Workers' Congress</li> <li>• Bank affairs disclosure</li> <li>• Corporate cultural activities</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable compensation and benefits</li> <li>• Satisfying work environment</li> <li>• Good professional development</li> <li>• Pandemic prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure staff's lawful rights and interests</li> <li>• Enrich corporate culture</li> <li>• Expand professional development channels</li> <li>• Tighten pandemic prevention measures to protect safety and health</li> </ul>
<b>Suppliers and partners</b>	<ul style="list-style-type: none"> <li>• Centralised procurement, bid &amp; tender centre</li> <li>• Business communication cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Fair cooperation opportunities</li> <li>• Honest contract fulfilment</li> <li>• Stable win-win relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Stick to responsible purchase</li> <li>• Strengthen strategic cooperation</li> </ul>
<b>Public and communities</b>	<ul style="list-style-type: none"> <li>• Financial community services</li> <li>• Financial knowledge dissemination</li> <li>• Community public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Harmonious social relations</li> <li>• Comprehensive and effective corporate citizen's responsibility fulfilment</li> </ul>	<ul style="list-style-type: none"> <li>• Create diverse financial products</li> <li>• Disseminate financial knowledge</li> <li>• Build a harmonious community environment</li> <li>• Charity and public welfare activities</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Media information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Open and transparent information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance media communication</li> <li>• Disclose information in a comprehensive, timely and accurate manner</li> </ul>

Stakeholders	Communication mechanism	Stakeholders' expectations	The Bank's Response
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Business activities</li> <li>• Environmental protection activities</li> <li>• Policy information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Green financial services</li> <li>• Continuous reduction of energy consumption and carbon emission</li> <li>• Active environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Develop green finance</li> <li>• Improve green services</li> <li>• Promote green operation</li> <li>• Involve in green public welfare undertakings</li> </ul>

## Materiality assessment

Based on the “ESG Reporting Guide”, the Bank identifies the priority of each social responsibility topic based on materiality and determines the materiality of each topic on the Bank’s business development and each stakeholder through a materiality assessment. The result of such assessment serves as an important reference for the Bank to develop social responsibility management strategies and prepare ESG reports:

### Step 1 Identify social responsibility topics

According to the “ESG Reporting Guide” and considering actual business and industrial characteristics, the Bank has identified 28 ESG topics:

No.	Issue	Aspect	No.	Issue	Aspect
1	Improve business performance	Product responsibility	15	Overall risk management	Product responsibility
2	Propel economic development	Product responsibility	16	Favourable employment environment	Employment/Labour standards
3	Promote real economy	Product responsibility	17	Guarantee safe card use	Product responsibility
4	Guarantee shareholders' rights and interests	Product responsibility	18	Pay attention to health and safety	Safety and health
5	Serve small and micro enterprises	Product responsibility	19	Build intelligent outlets	Product responsibility
6	Inclusive finance in rural areas	Product responsibility	20	Develop green finance	Environment and natural resources

No.	Issue	Aspect	No.	Issue	Aspect
7	Compliance with the legal and supervisory requirements	Product responsibility	21	Expand green channels	Emission
8	High-quality customer services	Product responsibility	22	Promote green operation	Use of Resources
9	Monitor business risk	Anti-corruption	23	Prevent telecommunication fraud	Product responsibility
10	Practice targeted poverty relief	Product responsibility	24	Intensive involvement in public welfare events	Community investment
11	Focus on mobile finance	Product responsibility	25	Stick to green purchase	Supply chain management
12	Safety protection measures	Safety and health	26	Disseminate financial knowledge	Community investment
13	Promote professional development	Training and development	27	Support cultural and sport undertakings	Community investment
14	Implement clean governance	Anti-corruption	28	Public welfare activities promoting green concept	Community investment

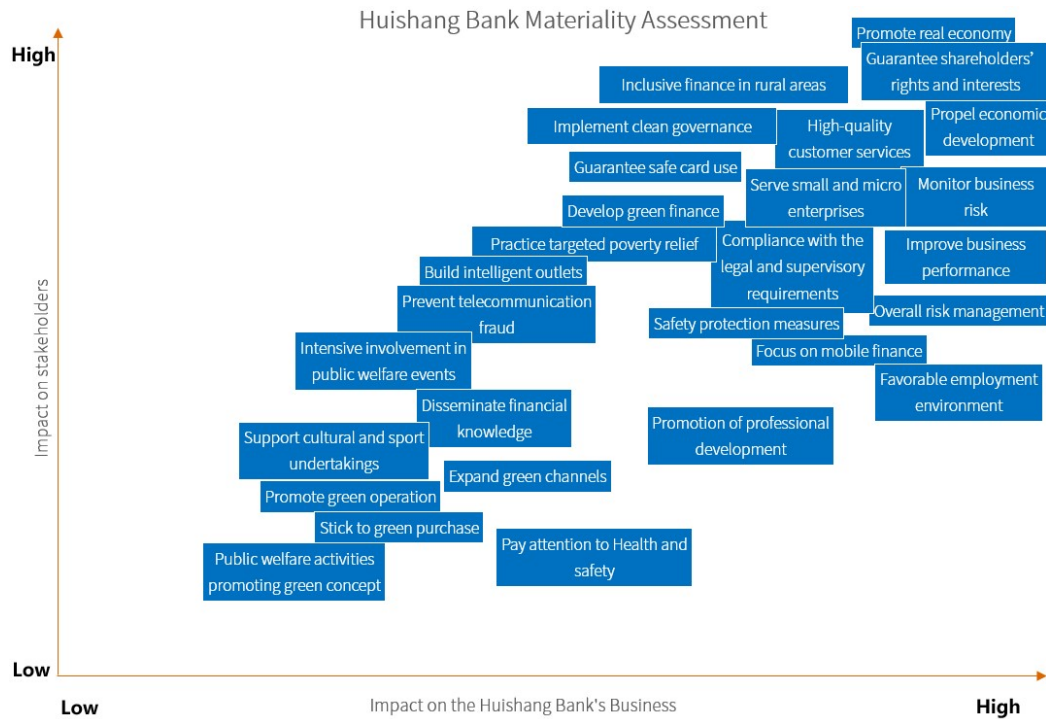
## Step 2 Determine the materiality

Through seeking feedback from internal stakeholders and consulting external third-party professional organisations, the Bank has ranked topics in terms of “materiality to Huishang Bank” and “materiality to external stakeholders” and generates materiality assessment matrix based on the survey result.

## Step 3 Verify assessment results

The Bank’s leadership team of corporate social responsibility management has reviewed and confirmed the assessment results, then determined significant material issues, so as to disclose them in this report and give responses.


In 2021, the Senior Management of the Bank discussed the substantive assessment results of previous years and decided to continue using the substantive assessment results of previous years considering that there are no significant changes in the business and operating environment.



## Response to the UN SDG

The Bank actively responds to UN Sustainable Development Goals to contribute to the global SDG in implementing social responsibility strategies.



	SDG	Specific measures	Social responsibility topics	Section(s)
Economic		Improve governance system	Serve small and micro enterprises	Optimising corporate governance
		Equal employment and protect employees' rights and interests	Favourable employment environment	Serving private, small and micro enterprises
Offer reasonable professional development channels		Promote professional development	Facilitating rural revitalisation	
Provide strong support to real economy		Improve business performance	Driving emerging industries	
Support small and micro enterprises		Overall risk management	Broadening career channels	
Economic		Digitisation	Promote economic development	Serving private, small and micro enterprises
		Support economic transformation	Improve real economy	Facilitating rural revitalisation
		Serve agriculture, rural areas and farmers	Build intelligent outlets	Driving emerging industries
		Boost infrastructure construction	Inclusive finance in rural areas	Supporting projects for public benefits
Social		Conduct targeted poverty alleviation in an efficient and orderly way	Practice targeted poverty relief	Facilitating rural revitalisation
		Boost infrastructure construction	Inclusive finance in rural areas	Supporting projects for public benefits
		Create a healthy working environment	Safety protection measures	Caring for employees' physical and mental health
		Care about employees' physical and mental health	Pay attention to health and safety	Building a warm and family-like corporate culture

SDG	Specific measures	Social responsibility topics	Section(s)
	Actively support social cultural activities	Support cultural and sport undertakings	Safeguarding users' rights and interests
	Carry out financial knowledge publicity activities at communities	Disseminate financial knowledge	Improving senior-friendly services
	Provide employees vocational trainings and relevant skills trainings	Intensive involvement in public welfare events	Youth guardian
	Share information with regulators Maintain social stability	Promote professional development	Broadening career channels
	Provide strong support to real economy	Prevent telecommunication fraud	Safeguarding users' rights and interests
	Promote green loans	Intensive involvement in public welfare events	Facilitating rural revitalisation
<b>Environmental</b>	Support the development of clean technologies	Disseminate financial knowledge	Supporting projects for public benefits
	Advocate green office	Promote economic development	Broadening career channels
	Carry out charitable and environmental protection activities	Improve real economy	
		Develop green finance	Developing green finance
		Promote green operation	Expanding green channels
		Expand green channels	Promoting green operation
		Stick to green purchase	Involving in green public welfare undertakings
		Participate in public welfare activities promoting green concept	

## **Leveraging Local Advantages and Promoting the Local Economy**

In active response to the major strategic development of the national “14<sup>th</sup> Five-Year Plan”, we have established new development concepts focusing on five primary areas of “rural revitalisation”, “green finance”, “urban renewal”, “strategic emerging industries” and “specialised, refined, special and new enterprises”. We thoroughly facilitate rural revitalisation, promote the improvement of urban spatial structure and quality, provide more support for emerging industries, and implement various policies to make finance more helpful in supporting the development of the real economy, so as to constantly improve our ability to serve the real economy.

## **Coordinated regional development**

Based in Anhui, the Bank has established outlets in the four major economic circles of the Yangtze River Delta (Nanjing, Ningbo), Bohai Circle (Beijing), Pearl River Delta (Shenzhen), and Chengdu-Chongqing economic zone (Chengdu). We actively support the economic development of various regions, continuously pay attention to the financial demand of regional development and strive to build a mutually beneficial development pattern where different regions reinforce complementarity between each other to pursue shared goals.

In 2021, in accordance with the “Opinions of the Central Committee of the CPC and the State Council on Promoting High-Quality Development of the Central Region in the New Era”, we formulated and implemented the “Implementation Plan of Huishang Bank Investment Banking Business

for the Construction of “Three Places and One Zone<sup>1</sup>”. We actively involved in the integrated development of the Yangtze River Delta, and further expanded the direct financing business, so as to contribute to the construction of “Three Places and One Zone” in Anhui Province.

### A new high for the issuance of private placement bonds of enterprises in the Yangtze River Delta with our support

On 15 October 2021, we successfully issued 2021 private placement bonds of Xuancheng Economic and Technological Development Zone Construction Investment Co., Ltd. targeting specialised investors, with a volume of RMB310 million. So far, with our support, the issue size of private placement bonds of enterprises in the Yangtze River Delta has exceeded RMB20 billion and reached RMB20.3 billion in 2021, hitting a new high and effectively supporting the direct financing of enterprises in the Yangtze River Delta and the development of the regional economy.

### Chuzhou Branch was taking various measures to promote the integrated development of the Yangtze River Delta



On 26 March 2021, Chuzhou Branch participated in the symposium on “Promoting the Integrated Development of the Yangtze River Delta” hosted by the Chuzhou Sub-Office of CBIRC.

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<sup>1</sup> “Three Places” refer to a cradle for technological innovation with significant influence, a cluster for emerging industries and a new highland for opening up and reform, while “One Zone” refers to a model zone for green development.

By embracing opportunities brought by the integrated development of the Yangtze River Delta, focusing on the major strategy of serving the integrated development of the Yangtze River Delta, and sticking to “integrated development” and “high quality”, Chuzhou Branch was committed to consistently providing specialised, efficient and integrated financial services for regional and industrial innovation.

### **Facilitating rural revitalisation**

Based on the principle of “Party construction led, governments dominated, banks involved, farmers benefited”, we actively implement the rural revitalisation strategy. In 2021, we issued the “Plan of Huishang Bank for Financial Services in Support of Rural Revitalisation”, proposing working goals and feasible measures, allocating resources, and drawing up an action map to support rural revitalisation with finance during the “14<sup>th</sup> Five-Year Plan” period. By implementing the model of “one solution for one county”, we have been accelerating business promotion in key areas, enriching product series for rural revitalisation, so as to improve the effectiveness of integrated services for rural revitalisation.

We have launched plans and products for rural revitalisation, such as market-oriented transformation service plans for platform companies, loans for integrated land consolidation, green loans for mine ecological restoration, focusing on key scenarios such as sand mining on river channels, construction stone mining, integration of urban and rural water supply, and integration of urban and rural public transportation.

During the reporting period, the balance of agro-related loans was RMB138.941 billion, an increase of RMB23.634 billion or 20.50% over the previous year, covering 23.18% of the Bank’s total loans.

## Six initiatives and highlights of rural revitalisation:

Improving the service system	<ul style="list-style-type: none"><li>• We established a “Leading Group for Rural Revitalisation” and a cross-team “Financial Study Group for Rural Revitalisation”</li></ul>
Achieving the win-win situation in terms of consolidating poverty alleviation achievements and promoting rural revitalisation	<ul style="list-style-type: none"><li>• We continued the financial assistance policies targeted for poor counties, and the targeted assistance, and focused on “the credit village construction through Party construction”</li></ul>
Improving the service channels	<ul style="list-style-type: none"><li>• We built a rural inclusive finance system integrating “online + offline” channels for the full coverage of rural financial services.</li></ul>
Reinforcing the service mechanism	<ul style="list-style-type: none"><li>• We established a bank-government cooperation mechanism for rural revitalisation, and an agile development mechanism for innovative products, and developed special assessment indicators for “rural revitalisation loans”</li></ul>
Strengthening the innovation of financial products	<ul style="list-style-type: none"><li>• We rolled out products such as “Rural Revitalisation Notes” and “Credit e-Loan for Party Construction” , with a total of 37 financial products for rural revitalisation launched</li></ul>
Driving FinTech	<ul style="list-style-type: none"><li>• We, relying on agricultural operation scenarios, innovated online financial products and built a one-stop financial service platform</li></ul>

## Mr. Yan Chen was invited to the second session of the Joint Conference for the Credit Village Construction Through Party Construction in Anhui Province



On 30 April 2021, the second session of the Joint Conference for the Credit Village Construction Through Party Construction was held in Hefei. Mr. Yan Chen, the Secretary of the Party

Committee of the Bank, was invited to the conference. At the conference, Mr. Yan Chen, on behalf of the Bank, signed the Convention on the Joint Construction and Sharing of Rural Credit Information with another 11 participating financial institutions. Meanwhile, the conference highlighted the need to study and implement the important instructions for thoroughly promoting rural revitalisation

and expediting the modernisation of agriculture and rural areas, and to steadily and orderly drive the credit village construction through Party construction.

### In-depth poverty alleviation through consumption in Wangzhou Village



In 2021, the Bank actively carried out poverty alleviation through consumption in Wangzhou Village, Sixian County and Suzhou City. By facilitating rural revitalisation under innovative models, involving the whole process from

agricultural product planting and production, harvesting and storage, branded packaging to transportation and after-sales services, and launching featured products such as “Wangzhou mini sweet potatoes”, “Wangzhou glass noodles” and “Wangzhou mini taros”, we assisted farmers through consumption with an investment of RMB410,000 throughout the year, and helped the village to achieve a collective economic income of over RMB900,000.

### Tongling Branch actively innovated financial services for rural revitalisation



In order to support the rural revitalisation strategy, Tongling Branch actively innovated financial services. Based on the white ginger industry and the affiliated agricultural product

markets in Tongling City, it built a “leading enterprise + cooperative” financing model, providing convenient financing for advantageous agricultural product enterprises and farmers, so as to practically solve their problems of difficult and expensive financing.

In addition, through “Good Life Mall in Anhui” of the mobile banking, we integrate customer needs with the online sales needs of agricultural products, realising dynamic integration of customer services and assistance and benefits for farmers. From online sales of distinctive agricultural products in Anhui, such as snacks, tea, fresh seafood, meat, poultry, eggs, grain, oil and dried food, we promote product sales through marketing, while benefiting the public and increasing farmers’ income. During the reporting period, more than 24,000 deals on agricultural products were made through the mobile banking, with total sales of RMB1.2 million, representing our contributions to rural revitalisation.

### **Driving emerging industries**

To drive the industrial upgrading and implement national strategy of supply-side structural reform, the Bank continues to increase the support for strategic emerging industries and traditional high-quality core manufacturing customers to inject financial strength into the healthy development of local economies. By the end of 2021, the balance of loans for strategic emerging industries was RMB65.463 billion, an increase of 24.45% over the end of 2020. Loans for 3,353 technology-based enterprises amounted to RMB43.897 billion, an increase of RMB8.608 billion to 1,062 enterprises from the beginning of the year. The balance of hard loans for manufacturing amounted to RMB47.02 billion (excluding loans issued by 4 new branches outside the province), an increase of RMB4.097 billion from the beginning of the year.



### ❖ **Strengthening the guidance of performance assessment**

In 2021, we included new assessment indicators for strategic emerging industries in the target-oriented responsibility assessment for branches to guide them to enhance their credit support for strategic emerging industries. In addition, we prepared a whitelist of high-quality high-tech enterprises and distributed the list to all branches for delicacy management, so as to provide the best services for these enterprises.

### ❖ **Contributing to the construction of industrial bases**

Focusing on 19 national economic and technological development zones and high-tech industrial development zones, as well as 26 major emerging industry bases, 67 major emerging industry special projects and 51 major emerging industry projects in Anhui Province, we carefully identify high-quality enterprises with high technology content, strong brand effect and huge growth potential, and timely provide them integrated financial services based on their financial needs.

### ❖ **Assisting in targeted technology-based enterprises**

Centring on the “Hefei-Wuhu-Bengbu” National Innovation Demonstration Zone and major cities that carry on the integrated development of the Yangtze River Delta, we have set up five branches specialised in FinTech to serve technology-based enterprises. These branches are responsible for providing integrated financial services to the technology-based enterprises, and promoting the implementation of key FinTech products, so as to effectively support the development of the technology-based enterprises in the region.

Observing the financing demand of technology-based enterprises for the recruitment of scientific research talents, research and development (“R&D”) investment and scientific research achievements, we have launched “Technology e-Loan” and “Guarantee e-Loan” to enable fully

automated online loan services. We promote the business model of “approval with guarantee”, and innovate “Loans for Industrial Parks” and “Pledged Loans for Technology Patents”, to help the enterprises resolve difficulties in guarantee and pledge.

#### ❖ **Streamlining green approval channels**

We give internal pricing discounts for loan granting in emerging industries such as high-end manufacturing, to encourage branches and sub-branches to increase their credit support for high-end manufacturing, enhance their enthusiasm in granting loans to manufacturing in a resource-oriented manner, and drive their conscious, autonomous and voluntary efforts to increase their support for manufacturing enterprises.

Mr. Zhang Renfu attended the business exchange symposium with iFLYTEK



On 16 March 2021, Mr. Zhang Youguo, the Senior Vice President of iFLYTEK, accompanied with others, visited the Bank for business exchanges. Mr. Zhang

Renfu, the Deputy Secretary of the Party Committee and the President of the Bank, attended the symposium. Mr. Zhang Renfu expressed that the Bank, as a local enterprise in Anhui Province, should strengthen cooperation, support each other in future development, and grow stronger and larger together in the future, so as to make concerted efforts to drive the economic development of Anhui, reflecting the Bank’s solid support for strategic emerging industries.

Hefei Branch granted “Loans for Industrial Parks” to Hefei HRG Longyan Intelligent Equipment Co., Ltd.

In 2021, in response to the financing difficulty of Hefei HRG Longyan Intelligent Equipment Co., Ltd., Hefei Branch granted “Loans for Industrial Parks” to the company which then received RMB5 million of credit funds to gap its financing. By the end of the reporting period, the “Loans for Industrial Parks” have been granted to numerous industrial parks. Specifically, 12 enterprises have been approved, with a credit amount of RMB66 million, and 23 loans have been granted with a total amount of RMB36.0522 million and a balance of RMB29.5522 million, reflecting our support for technology-based enterprises in high-quality industrial parks.

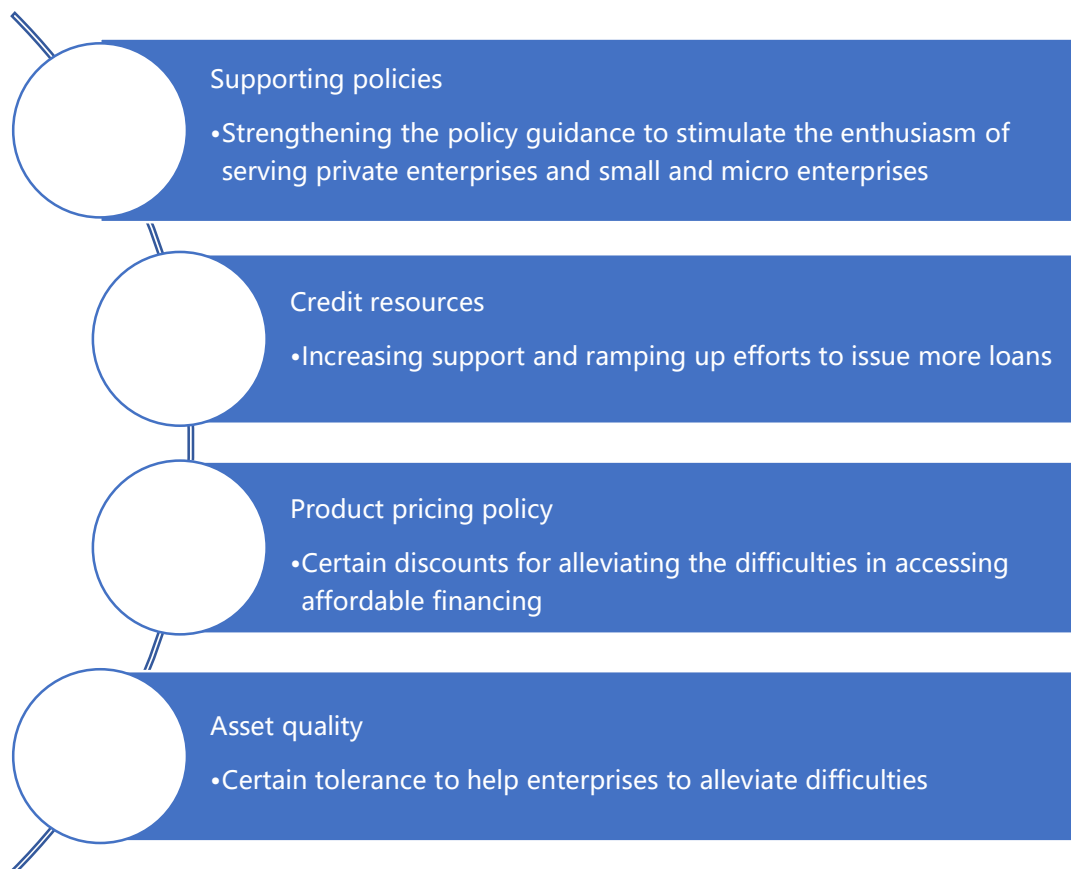
### **Serving private, small and micro enterprises**

Focusing on the work arrangements of the CBIRC, the Bank has successively issued documents such as the “Implementation Opinions of Huishang Bank on Supporting the Development of Private Enterprises” and the “Special Improvement Plan of Huishang Bank to Further Strengthen the Financial Services of Small, Medium and Micro Enterprises”, which confirmed the Bank’s action plan to support the development of private, small and micro enterprises.

During the reporting period, the private enterprise loan balance was RMB162.097 billion, an increase of RMB17.562 billion over the same period of previous year. The “two increases and two controls” loan balance was RMB82.905 billion, an increase of 22.97% from the beginning of the year.

#### **❖ Strengthening the guidance through policies**

Sticking to the principle of “only valuing the performance of enterprises instead of considering their ownership, scale, industry”, we support the development of high-quality private, small and micro enterprises in various fields, and increase effective investment.



### ❖ **Innovating products and services**

The Bank always strives to provide professional and efficient financial services to private, small and micro enterprises, of which the high-quality customers are included in the “whitelist”. They could enjoy differentiated online and convenient services as we optimised the process of assessment and approval accordingly and innovated online products.

Focusing on key industries and enterprises along with the industrial chain, and taking the support for the development of SMEs as our top priority, we create an “online + offline, standard + tailored, settlement + financing”

supply chain marketing model for a win-win result with core enterprises and small and micro enterprises along with the supply chain through “three consistent flows (material flow, information flow and fund flow)” and “credit extension”, fully exerting the supporting and radiation effects of the supply chain and promoting the implementation of key projects. Supply chain finance has become an important strategy and an effective tool for us to implement inclusive finance, serve small and micro enterprises and entities, and integrate industry and finance, with favourable results achieved.

#### Huishang Credit Cards for Outstanding Private Entrepreneurs



In 2021, we issued Huishang Credit Cards for outstanding private entrepreneurs who have been awarded and commended by the Anhui Provincial Committee and the People’s Government of Anhui Province. With abundant functions, these cards provide the entrepreneurs with all-round care and preferential treatment, representing our comprehensive strategic cooperation with outstanding private enterprises in Anhui Province to drive the high-quality development of the provincial private economy.

#### ❖ Building an exchange platform

In addition to “Four Deliveries, One Service” and “Bank-Enterprise Cooperation”, we have built the “Small Giant” and “Eyas” enterprise service brands. In addition, we have conducted long-term cooperation with small enterprises with certain development potential and prospects, creating six major service platforms of “financial services, cooperation and exchange, project management, policy information, entrepreneur growth, and integrity culture”. During the reporting period, we have

cultivated 250 “Small Giant” customers and 128 “Eyas” customers, established 25 “Small Giant” clubs at Head Office level, branch level and sub-branch level, including 1 Head Office-level club, 30 enterprise members, 11 branch-level clubs, 10 sub-branch-level clubs and more than 290 enterprise members.

### The 2021 “Small Giant” Club Event

On 28 October 2021, we held the 2021 “Small Giant” Club Event themed “Intelligentise the future of Huishang Bank, Move forward in solidarity” in Huangshan. Mr. Yi Feng, a



member of the Party Committee and the Vice President of the Bank, attended the event. Mr. Yi Feng stated that Huishang Bank would continue to consolidate its role as a major bank to support small and micro enterprises, deepen the cultivation of “Small Giant” enterprises, and improve its competence in serving high-end customers, compiling a new chapter for win-win cooperation.

### Benefiting people’s well-being

The Bank adheres to the market positioning of “serving the public”, continues to increase investment in the areas relating to people’s livelihood, enhances support for the development of people’s livelihood and assists in solving problems related to people’s livelihood. From the perspectives of medical care, culture, social security, housing, consumption, etc., we constantly innovate “online and offline” financial products and create multi-dimensional banking services to provide more convenience to the public.

#### ❖ Supporting projects for public benefits

We continuously support key infrastructure projects for people's livelihood, such as rail transit, water supply, public transportation, and urban and rural roads to propel local economic development. During the reporting period, the Bank's infrastructure loan balance reached RMB204.865 billion, an increase of RMB30.901 billion from the beginning of the year realised with an accumulated RMB74.443 billion in this year.

Integration of urban and rural water supply	Integration of urban and rural public transportation	Road projects
<ul style="list-style-type: none"> <li>• Provided exposed credit of RMB2.23 billion, with an input of RMB909 million</li> </ul>	<ul style="list-style-type: none"> <li>• Provided financing of RMB393 million, with an additional input of RMB135 million in 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Provided financing of RMB9.147 billion, with an additional input of RMB1.374 billion in 2021</li> </ul>

### Vigorous support for the project of “Quality Water for the Public” in northern Anhui

On 14 September 2021, we specially assigned personnel to the Anhui Provincial Water Resources Department to survey the progress on and policies for the project of “Quality Water for the Public” in northern Anhui. In addition, we formulated a special service plan for the 21 projects of “Quality Water for the Public” in 6 cities in northern Anhui, and will provide credit support of no less than RMB10 billion for these projects in the future.

### An official member of the Anhui 5G Industrial Development Alliance

On 27 January 2021, we officially joined the Anhui 5G Industrial Development Alliance, as the first financial service institution in the alliance. In 2021, the alliance has involved domestic leading companies such as Huawei and ZTE, as well as many 5G technology-demanding companies in Anhui Province. As an important part of “new infrastructure”, we paid close attention to the 5G industrial planning in Anhui Province to provide comprehensive financing and intellectual support.

The Bank innovates and initiates the “Special Bonds +” service model, that is, “Special Bonds Alliance” + “special fee support” + “special bonds + supporting market-oriented financing” in Anhui Province, providing whole-process guarantee for the selection, declaration and issuance of special government bonds. By the end of 2021, we served 114 projects for special government bonds, providing funds of more than RMB21 million. The scale of bond issuance exceeded RMB82 billion, mainly in people’s livelihood areas of which county residents were in urgent need, such as pre-school education, care for the senior and children, medical care, integration of urban and rural water supply, shantytown renovation, ecotourism, and coal mining subsidence management.

#### ❖ **Advancing affordable housing projects**

We are committed to “living in a content and habitable housing” to improve the life quality of residents. During the reporting period, we granted loans of RMB17.9 billion for real estate development, RMB701 million for shantytown renovation, and RMB525 million for house leasing, steadily advancing the housing security and affordable housing projects in Anhui.





Suzhou Branch supported the shantytown renovation



Hefei Branch supported the construction of talent apartments

❖ **Providing convenient services for the public**

We continuously explore diversified smart payment services and scenarios by actively connecting with government departments such as the Healthcare Security Administration, the Human Resources and Social Security Bureau, and the Anhui Provincial Big Data Bureau, introducing more public services, and enhancing the construction and promotion of various payment scenarios, so as to provide convenience for the public.

<p><b>Social security cards</b></p>	<p>We have been optimising business handling procedures, and developing an integrated management platform for social security cards to further enrich application scenarios of social security cards.</p>
<p><b>Collection of Party membership dues</b></p>	<p>Party members can inquire about and pay their dues through the online platform, while Party organisations can digitally manage the collection of the dues, such as release, reconciliation, inquiry, and reporting.</p>
<p><b>Housekeeper e-Pay</b></p>	<p>Housekeeper e-Pay, based on the housing stock transaction fund custody business and bank accounts, is an integrated solution for the storage of housing stock transaction funds under custody in separate accounts. In 2021, Housekeeper e-Pay has covered 19 cities and regions (including counties).</p>

<b>Campus e-Pay</b>	Campus e-Pay, an online platform for multi-channel campus payments, is able to collect tuition fees, examination fees, book fees and other fees for universities and colleges, high, middle and primary schools and kindergartens.
<b>UnionPay payment</b>	Convenient payment can be achieved through UnionPay, mainly including payments of water bill, electricity bill, gas bill and other types.

### Huangshan Branch successfully launched Bank-Hospital Pass with Huangshan City People's Hospital



On 22 January 2021, Huangshan Branch successfully launched Bank-Hospital Pass with Huangshan City People's Hospital, providing a package of medical service solutions for the hospital and patients, which greatly reduced patients' visits and queuing, and solved the public difficulty of getting medical services.

#### ❖ Encouraging personal entrepreneurship

In order to feasibly promote “mass entrepreneurship and innovation initiatives” and satisfy the financing demand of entrepreneur and re-employment customers, we continuously promote the innovation and upgrading of entrepreneurial mortgage loans, and have launched functions such as “online application by customers, automatic approval by the Bank, real-time handling by human resources and social departments, and intelligent display of financial statements”. This has broken the information barriers in business handling, provided convenient and fast “one-stop” financial services for entrepreneurs, and exerted positive social impact. Entrepreneurial mortgage loans have

covered 60% businesses in 104 counties and districts in Anhui Province. By the end of the reporting period, the balance of entrepreneurial mortgage loans amounted to RMB823 million, serving a total of 2,891 customers.

In 2021, the innovation of entrepreneurial mortgage loans was recorded by the Head Office of the People’s Bank of China, and published by the China Financial Publishing House. In addition, our innovative product was listed in the “2021 Model Cases of Inclusive Finance in China Banking”, and awarded the “Excellent Case of Product Innovation” of the “2021 Cases of City Commercial Banks in Digital Finance and Payment Innovation”.

### A complete success in the “Enlightening China” - Anhui Innovation and Entrepreneurship Contest



On 7 June 2021, we launched the “Enlightening China” - Anhui Innovation and Entrepreneurship Contest. The contest lasted for 4 months, with enthusiastic responses. As a remarkable driver to transform scientific and technological achievements, it manifested the local implementation of the national strategy of mass innovation and entrepreneurship, and demonstrated our support for local innovation, entrepreneurship, and the development of emerging industries.

## Serving Customers with Digital Enhancements

We have launched a new strategic planning with digital transformation as our top priority, with a good start. We will stick to technology

leadership, drive innovation, and increase resource investment to seize development opportunities. By optimising and transforming the front, middle and back offices, we will unswervingly promote the implementation of digital transformation, and strive to integrate digitalisation into business development and operation management in an all-round manner.

### **Upgrading intelligent services**

In line with the diversified, integrated and specialised customer demands, and in response to the trend of mobile and scenario-based customer behaviour, we strengthen our digital competence, and provide customers with dynamic, systematic and tailored high-quality services to create intelligent, seamless ubiquitous, and excellent experience.

### **Integrated data platform**

Insisting on the concept of “Platform as the foundation, data as the core, application as the goal, and governance as the safeguard”, we have formulated a planning and construction plan for a new generation of big data platform. The new platform integrates the national information innovation strategy for enterprise-level data sharing and promotes innovative and agile data services. Through digital transformation of core system, application, process and ecosystem, we create powerful backend supports to all service lines of the Head Office and branches, and deepen the application of digital models to steadily drive the business innovation and digital transformation.



The intelligent payment platform certificate  
- Excellent Case of Payment Innovation

Meanwhile, focusing on enhancing the independent and controllable development, we have invested more efforts in the construction of an integrated platform for development, operation and maintenance, and in a series of tasks such as analysis on application system architectures and formulation of technical specifications for application development. On this basis, we have accelerated the construction and layout of basic technology platforms and business management platforms such as Internet

financial cloud platform, mobile application development platform, data platform and data mart. In 2021, we piloted agile development to form a working mechanism in which business and technology, as well as the Head Office and branches, are closely coordinated in the R&D of FinTech products, so as to facilitate the rapid transformation of digital products, services and management.

In order to create a unified portal for our data products, we have built an intelligent analysis cloud platform to provide integrated and efficient data services through multiple channels such as digital tools and products. Relying on the architecture of open banking, our cloud platform for transaction banking seamlessly embeds financial services into the daily operation of enterprises.

In 2021, we upgraded and transformed the intelligent payment platform, migrated the unified payment business to the intelligent payment platform, which improved the stability of system operation, enhanced the system service capabilities, and expanded the business scope, laying a

solid foundation for integrating other payment channels into the platform in the future. In the selection of 2021 2<sup>nd</sup> Excellent Cases of City Commercial Banks in Digital Finance and Payment Innovation, our intelligent payment platform was awarded “Excellent Case of Payment Innovation”.

In 2021, we have been carrying out targeted data governance by implementing regulatory requirements, steadily promoting regulatory data governance, and improving regulatory data quality. During the year, we rectified 588 data quality issues, with a significant rise in the local rankings for the data quality reported by the Head Office and five branches outside the province.

We have built a big data model lab and introduced independent big data calculation resources and many sets of information system data. This lab provides a platform to control the whole life cycle of model development, testing, monitoring and operation, and creates a secure environment for agile exploration of business data and data mining and modelling. By the end of 2021, the big data model lab has served 12 business departments of the Head Office. This lab supports the development and optimisation of 74 data models such as high-quality customer loss model and precision marketing model of personal consumption loans, and the R&D of 4 digital products such as Fast-e-Loan and Mortgage-e-Loan. By building data mining models and deepening the application of the models, the lab can further tap the potential of data businesses.

## Mr. Zhang Juzhong attended the Yangtze River Delta Financial Digital Transformation Summit

On 4-5 November 2021, the Yangtze River Delta Financial Digital Transformation Summit and the Joint Conference of the Secretaries-General of the Yangtze River Delta Internet Finance Industry Organisations



were held in Hefei. Plenty of bank executives in the Yangtze River Delta were invited to the conference. Mr. Zhang Juzhong, a member of the Party Committee and the Vice President of the Bank, was invited to the conference and delivered a keynote speech on behalf of the Bank.

### “Mobile first” strategy

We insist on the “mobile first” strategy and give priority to improving mobile banking, e-banking and WeChat banking, for which, we upgraded the finance sector of Huichangyoucai APP, Jiaoyijia platform, and Huiyin e+, aiming at building an online one-stop service mode targeted at different scenarios and individual demands. By doing so, we streamlined the handling procedures, saved business handling time and provided multi-channel, efficient and convenient mobile financial services for different types of customers.

#### ❖ Online banking

In 2021, the Bank optimised the Personal Online Banking for several times, covering function modules and menus such as login, transfer, deposit and wealth management to enhance customer experience. As at the end of the reporting period, the Bank had 6.7403 million personal online

banking clients, handled 9.5932 million accounting transactions in the whole year, and reached the transaction amount of RMB707.738 billion

#### ❖ **WeChat banking**

In 2021, taking “simplicity, convenience and openness” as the design philosophy, the Bank officially released WeChat Banking 3.0 as part of the precise and well-targeted measures on user experience optimisation, function expansion and channel collaboration, in an attempt to continuously develop and enhance our coordinated marketing ability. As at the end of the reporting period, the Bank witnessed a net increase of 913,900 WeChat banking clients, posting an increase of 26.32% year-on-year.

#### ❖ **Mobile banking**

In 2021, the Bank optimised and upgraded the mobile banking Apps and rolled out Mobile Banking 6.0. By introducing new mainstream technologies, optimising layout design and improving interaction processes, the usability, fluency and security of mobile banking had been strengthened, which effectively enhanced customer experience. With our outstanding performance in innovation and quality intelligent services, the Bank’s mobile banking was honoured with the “Best Mobile Banking Innovation



Mobile banking

– Best Intelligent Service Award at the “2<sup>nd</sup> Financial Service Innovation & Customer Experience Summit” organised by the Asian Financial Federation and Shanghai Pudong International Finance Institute, as well as the “Best Intelligent Service Award” at the “2021 Banking Digital Momentum and Financial



Innovation Summit and the 17<sup>th</sup> Advocacy Year Annual Celebration” organised by the China Financial Certification Authority (“CFCA”). As at the end of the reporting period, the Bank had 7.0493 million mobile banking clients, handled 46.257 million accounting transactions in the whole year, up by 18.58% year-on-year, and reached the transaction amount of RMB 1,675.575 billion, up by 27.62% year-on-year.

### ❖ Huichangyoucai



Huichangyoucai - Easy Mode

As the direct banking platform successfully built by the Huishang Bank, “Huichangyoucai” realises “cloud marketing”, “cloud operating” and “cloud serving” and covers products such as treasure basin, treasure basin+, fixed

term products, funds supermarket to meet diversified financial demands of customers. In 2021, an Easy Mode of Huichangyoucai was launched, with voice assistant and other new functions going live. The concise and explicit page and clear common functions have provided heart-warming services for the aged.

In 2021, Huichangyoucai received the honours of the “2021 Internet Loan Product Innovation Award”, the “2021 Digital Transformation Innovation Award” and the “2021 Best Direct Bank” successively. As at the end of the reporting period, the number of direct banking account of the Bank exceeded 24.176 million, the accumulated trading volume of wealth products surpassed RMB22.465 billion, the accumulative launch of loans

was RMB57.046 billion, and the balance of loans reached RMB6.662 billion.

### ❖ Transaction platform

As a unified service portal for corporate clients of the Bank, the transaction platform deepens the connotation of “AiFinance” by taking advantage of big data, Cloud computing and other cutting-edge technologies along with an “online, scenario-based and platform based” mode, striving to offer comprehensive and one-stop financial services to clients. In 2021, the transaction platform won the “2021 FinTech and Digital Transformation Innovation Award” at the 5<sup>th</sup> China FinTech Entrepreneurship Innovation Programme” and the “Gold Award for Integrated Intelligent Platform” at the “2021 FinTech Innovation Competition” organised by the China Institute of Communications (“CIC”) and CFCA, respectively. As at the end of the reporting period, the transaction platform served more than 300,000 clients, with an annual transaction volume exceeding 5.31 trillion, and the customer experience had been dramatically improved.

### ❖ Huiyin e+ platform



Huiyin e+ platform

In 2021, the Bank optimised and made adjustments to “Huiyin e+” platform in three aspects, i.e., product structure, event marketing and platform functions to provide clients with a better experience in rewards points accumulation and redemption. Also, we had gradually realised agile operation in the background, which accelerated digital transformation of the platform and provided

strong tool support for marketing and promoting our key businesses and

key products for key retail clients. By the end of 2021, the cumulative registered customers of Huiyin e+ platform reached 468 thousand. During the reporting period, 48,000 orders were generated on the online platform, 3.71 billion points and 890 million points were issued to and consumed by debit card retail clients, 2.124 million points transactions were taken place, and 152 activities were carried out.

### Broadening product range

#### ❖ **Transaction banking online product system**

In 2021, based on digital upgrading and scenario-based application of the products, the Bank continued to enrich the “Finance”, “Connect” and “Easy” series products, and successively launched “Supply Chain Finance”, “Supply Chain-e-Loan”, “Easy Settlement”, “Easy Purchase”, etc., all of which not only brought comfortable customer experience to corporations but enabled them to handle businesses more efficiently.

#### ❖ **Breakthrough in product innovation**

Empowered by technology, the Bank has actively promoted online entrepreneurial mortgage loans and successfully created a new model of Government-Bank Cooperation, which obtained extensive attention and praise from society. In 2021, the innovation of entrepreneurial mortgage loans was recorded by the Head Office of the People’s Bank of China, and published by the China Financial Publishing House. In addition, our innovation product was listed in the “2021 Model Cases of Inclusive Finance in China Banking”, and awarded the “Excellent Case of Product Innovation” of the “2021 Innovation Cases of City Commercial Banks in Digital Finance and Payment”. Besides, the online entrepreneurial mortgage loans had a broad social impact as they were publicised and reported by People’s Daily, Xuexi.cn (learning platform) and other media during their popularisation and application.

In cooperation with our branches, we have built and enriched ecological scenarios, expanded application domains, and released a series of innovative online products (e.g., Collection of Party Membership Dues, One-click Bank Card Binding and Housekeeper e-Pay) to build a digital brand image of Huishang Bank.

#### ❖ **Online loan products**

In pursuit of providing “simpler and more convenient” products, the Bank, based on multiple scenarios, created the online financial service brand of “Hui-e-Finance” series that integrated Credit-e-Loan, Technology-e-Loan, Guarantee-e-Loan and Agriculture-e-Loan, etc. Specifically, the balances of Credit-e-Loan and Guarantee-e-Loan were RMB18.289 billion and RMB2.773 billion, respectively. The credit loans of RMB2.807 billion were granted to 1,252 sci-tech innovation enterprises through the Technology-e-Loan. The total amount of loans issued through the Agriculture-e-Loan was RMB272 million. In the case selection of “Financial services for MSMEs” at the 9<sup>th</sup> China SME Investment & Financing Expo (SME IFEX), the online loan products of the “Hui-e-Finance” series won the title of “Excellent Case” for the targeted services they rendered to SMEs.

In addition, we continue to promote “Mortgage-e-Loan”, “Fast-e-Loan”, “Micro-Connect-Loan”, “Hui-e-Loan” and “Supply Chain Finance”. As at the end of the reporting period, the balances of “Mortgage-e-Loan”, “Fast-e-Loan”, “Micro-Connect-Loan” and “Supply Chain Finance” were RMB13.004 billion, RMB8.781 billion, RMB7.586 billion and RMB2.8 billion respectively.

#### [Applying intelligent customer service](#)

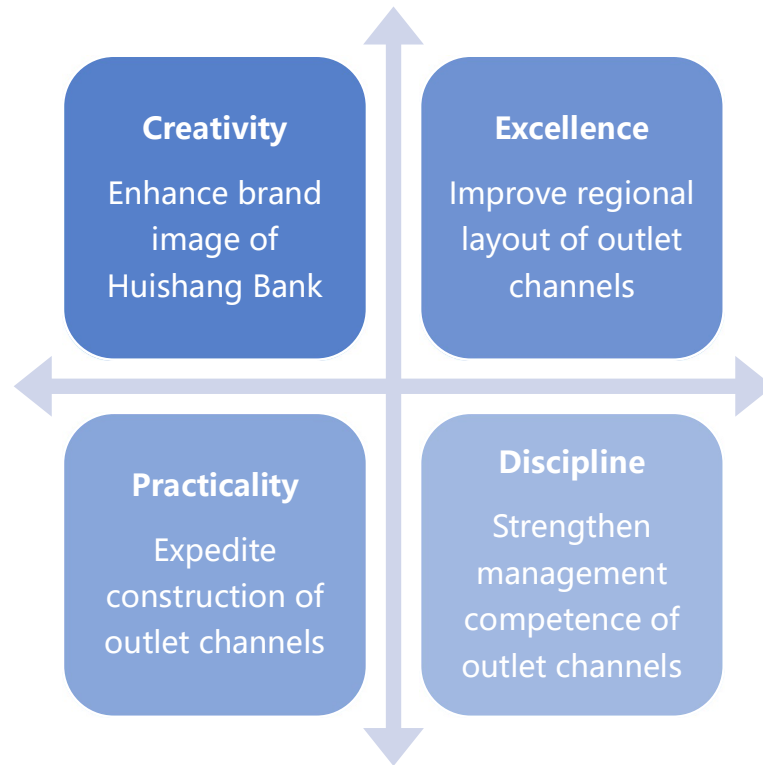
By integrating various subsystems with the help of intelligent technology, the Bank’s Customer Service Centre has established and improved an online and multi-channel service system, ushering in a new stage of

growth enabled by remote control and intelligent technologies. As the Bank's intelligent knowledge-based system (IKBS), intelligent voice robot system and intelligent text robot system have been successfully released, the Bank has stepped into a new stage of AI-enabled customer service. The IKBS, covering 19 Tree of Knowledge (ToK) systems and more than 1,300 knowledge entries, has provided knowledge support for all staff at the Customer Service Centre in their daily service work and improved their work efficiency, and consequently enhanced customer satisfaction of the Bank. In addition, video customer service (VSR) has been launched in the Customer Service Centre, which enables round-the-clock, remote and live interactions with clients. This marks that our customer service channels have become more dynamic, comprehensive and intelligent.

### **Constructing outlets for public interests**

Focusing on the digital transformation strategy of the entire Bank, we continue to optimise the layout of outlets, accelerate the transformation and upgrading of outlet channels and strengthen their construction and management, in an effort to make our services benefit more customers and boost the Bank's business transformation.

## Transformation of intelligent outlets



Guided by the four principles, the Bank transformed the intelligent outlets in 2021, and major headway was made in the construction and management of all channels. The number of outlets remained basically stable, and the planning layout of outlet channels was continuously modified. Meanwhile, the Bank accelerated the removal or merger of low-productivity channels, further optimised the construction management process of outlet channels, and completed the information technology application innovation in self-service channels. The intelligent transformation of outlet channels achieved outstanding results and made the brand image more prominent.

By the end of 2021, the Bank had 478 business outlets, 609 self-service banking zones (outlets) and 2,002 units of transaction self-service equipment, including 1,213 cash recycling systems (CRS) and 789 self-service terminals.

## Construction of convenience outlets

Being committed to providing warm services at banking outlets, the Bank promotes the remodelling of outlets and builds convenience outlets to offer customers better service environment and experience.

- Equip hardware facilities such as handicapped ramps, lockers for the convenience of clients, non-chargeable wheelchair, sewing kits, wireless WIFI, reading glasses, money detectors, pet cages, umbrellas and others are provided;
- Set up courtesy window and priority window for servicemen (veterans). The courtesy window is designed with a special passage to take wheelchairs so that it is easier for people with disabilities to handle business;
- Set up public education areas, waiting areas, lounge areas, public toilets and tea rooms for clients and sanitation workers, etc. and carry out education and publicity campaign on fire safety, anti-theft and anti-fraud at the same time.



Volunteer activity at Fuyang Branch -  
“Party members’ voluntary service at  
bank lobby”



“A glass of water” service at Wuhu  
Branch

For special customer groups such as the aged clients and people with disabilities who are inconvenient to travel and unable to handle businesses in person at banking outlets, we have built a team to provide

door-to-door service for the aged, the weak, the sick, the disabled, and the pregnant at any time. During the reporting period, 1 outlet was listed as Top 100 civilised and normative model outlet and 8 outlets were listed as Top 1000. In addition, there were 37 outlets recognised by China Banking Association as civilised and normative model outlets, including 12 five-star outlets, 13 four-star outlets, 12 three-star outlets, accounting for 14.68% of our outlets. The number of civilised and normative model outlets leads the industrial peers in Anhui Province.

### **Safeguarding users' rights and interests**

As a responsible financial enterprise, we are committed to building a fair and just financial market, continue to implement the idea of “customer-centred development”, and strictly abide by the “Law of the People’s Republic of China on Protection of Consumer Rights and Interests” and other laws and regulations. In 2021, the Bank continued to strengthen the awareness of consumer protection and improve the working mechanism thereof. We reinforced the “governance of complaint sources”, rectified problems found in supervision and evaluation, and consolidated the “Trinity” model for the publicity and education system, to fully strengthen the protection of consumer rights and interests.



**The Bank was honoured with the titles of “Top of the Banking Industry” and “Residents’ Most Satisfied Bank” for nine consecutive years**



In 2021, the Bank won the honorary titles of “Top of the Banking Industry”, “Top 10 Most Satisfied Enterprises in Fulfilling Social Responsibility” and the “Residents’ Most Satisfied Bank” in the Survey of

“Resident Satisfaction in Service Industries in Anhui Province”. Since the launch of the resident satisfaction survey, the Bank has been awarded the “Top of the Banking Industry” and the “Residents’ Most Satisfied Bank” for nine consecutive years, which is an objective reflection of the fact that the Bank’s service quality, service attitude, service environment, service innovation and banking ethos are highly recognised and praised by clients.

**Tongling Branch won the title of “Five-star Civilised Enterprise of Service Industry”**



On 18 February 2021, Tongling organised star rating and commendation for enterprises with outstanding contributions, fast development and good quality, and Tongling Branch won

the title of “Five-star Civilised Enterprise of Service Industry”

**Improving consumer protection system**

In 2021, the Bank formulated and revised the “Administrative Measures of Huishang Bank for Protection of Customers’ Financial Information”, the “Administrative Measures of Huishang Bank for Review of Protection

of Customers' Rights and Interests", the "Administrative Measures of Huishang Bank for Assessment of Protection of Customers' Rights and Interests", developed the exposure drafts of "Emergency Response Plan for Complaints of Huishang Bank" and "Administrative Measures of Huishang Bank on Diversified Solutions to Customer Complaints, thereby establishing a consumer protection system that is comprehensive, fully-guaranteed and effective. With regard to protecting consumers' rights and interests, the Head Office holds leading group meetings at the senior management level on a regular basis, and accordingly, the Bank fosters an optimised atmosphere of consumer protection. The Bank innovated to establish a "Through Train for Consumer Protection" to ensure the top-down communication of policies and requirements related to consumer protection as well as the effective operation of the implementation mechanism by timely sending relevant information to branches.

### The Head Office held leading group meetings on consumer protection



On the morning of 30 March 2021, the Head Office held the 3<sup>rd</sup> leading group meeting on consumer protection of Huishang Bank. At the meeting, the leaders of the Bank listened to the complaints and typical cases within the entire Bank in February 2021, and put forward the requirements for subsequent improvements. Besides, both the Head Office and branches were required to attach great importance to consumer protection, face up to customer complaints in an active manner, clarify the standards and requirements for complaint handling, and promote top-down communication and horizontal information sharing of consumer protection policies.

## Optimising complaint management

The Bank further strengthened centralised management of complaint, opened a 7\*24-hour hotline for consumer protection, continuously optimised the complaint management system, and effectively resolved customer complaints and conflicts by continuously standardising the complaint handling process. Through the firm implementation of the “Complaint Analysis Conference” system, the Bank conducted case study analyses on typical complaints constantly, and established a sound accountability system that enabled the Bank to trace to the source and rectify problems. Besides, in a bid to resolve conflicts as soon as possible, appropriate measures were taken. In addition, focusing on complaints about credit cards, such as negotiation and repayment, collection, and credit reporting, the Bank strengthened management of complaints to improve customer satisfaction. In 2021, Huishang Bank received 2,182 customer complaints in total, mainly distributed in Hefei and related to credit card business, credit insurance loan business and personal non-housing loan business.

## Launching publicity and education campaigns

The Bank attaches great importance to financial knowledge dissemination. In 2021, the Bank continuously consolidated the foundation of publicity and education campaigns, enriched the content thereof, and innovated their forms. Adhering to the principle of “pooling resources to enhance the effectiveness of publicity and education campaigns”, the Bank has carried out various campaigns.

To build a long-term mechanism for popularising financial knowledge and advancing its characteristic development, the Bank established the first provincial-level financial education demonstration base in Anhui in March 2021. The base opens regularly. During the reporting period, 10

inter-bank exchange conferences, 7 special events, 4 regular events and 19 internal staff educational activities were held at the base, with a total of 3,331 visitors.



Financial education demonstration

In 2021, a total of 478 business outlets in 21 branches of the Bank actively participated in financial knowledge publicity activities. The Bank has conducted more than 4,000 online and

offline special events, reaching nearly 5 million consumers, distributing nearly 700,000 copies of printed publicity materials, and been reported more than 70 times on TV, newspapers and networks.

### The Bank launched the livestream — “Huishang Bank helps in “simplifying” finance products”



On 25 June 2021, the financial education demonstration base, in partnership with PhoenixNet and the Anhui Anti-telecom Fraud Centre, delivered a livestream that focused on hotspot issues in society such as the telecom frauds that emerge in endlessly. The Bank popularised information on telecom fraud prevention to protect consumers and their property. The public was enthusiastic about the livestream, with a total of 772,000 viewers. Enjoying such a wide audience, the livestream yielded fruitful results.

## Branches in Huainan, Huaibei, Ningbo and other areas carried out financial knowledge popularisation activities on 15 March

In 2021, on the occasion of the “International Day for Protecting Consumers’ Rights”, the Bank’s branches actively responded to the call of regulatory authorities and the Head Office to launch the publicity activity on protecting financial consumers’ rights and interests. Banking outlets under Huainan Branch carried out promotion and education activities in various forms. The diversified activities and prizes attracted many clients and broadened the channel for publicity on consumers’ rights and interests, delivering effective results.



## Chizhou Branch carried out a publicity activity to “provide financial services for communities”

On 28 November 2021, Chizhou Branch carried out an activity in the Triumphal Arch community themed “providing financial services for communities”. In the community, volunteers from Chizhou Branch



distributed financial knowledge brochures and answered questions face-to-face to diffuse financial knowledge, which further raised residents’ awareness of risk prevention and enhanced their self-protection ability.

## Ma’anshan Branch launched publicity and education campaigns on inclusive finance in communities



On 4 November 2021, the Bank organised employees to popularise knowledge on inclusive finance in the Yintang Community in Ma’anshan. During the activity, employees disseminated information on financial security to the residents by

distributing fold-out posters and explaining cases. Residents were reminded to pay attention to their own information security and safeguard their legitimate rights and interests. This activity achieved effective results.

## Guarding against information leakage

While using fintech to provide clients with more intelligent and convenient services, the Bank also attaches great importance to customer information protection and account risk prevention. We invited professional third-party organisations to test and evaluate our critical information system, core business system, e-banking system, backbone network system and related cyberspace resources which are ranked as level-III, so as to improve the construction of the security system. In 2021, we realised “zero material failure, zero security accident and zero serious complaint”, declined accounts opening application for 1,025 suspicious units and individuals and cooperated with public security organs to arrest 60 suspects of telecommunication fraud.

## Information security system

### ❖ **Establishing comprehensive cybersecurity defence system**

Strictly abiding by the “Cybersecurity Law of the People’s Republic of China”, we consolidate the foundation of cybersecurity step by step and improve the defence capability against cyber attacks. The Bank’s comprehensive cybersecurity defence system includes a basic cybersecurity and protection system, a cybersecurity defence-in-depth system and an active cyber defence system. With such defence systems, our single control point of cybersecurity has been expanded to a comprehensive network technology and management system, which provides strong support for the rapid development of the Bank’s business.

### ❖ **Building disaster recovery system and conducting disaster exercises**

The Bank continues to promote the construction of disaster recovery for important information systems and conducts simulation exercises to

solidify the foundation of IT business continuity management and enhance the emergency response capability. During the reporting period, in accordance with the regulatory requirements, the Bank organised disaster recovery switchover exercises for seven key information systems, including transaction platform, payment system, core and counter system as planned.

❖ **Attaching importance to data security and protection**

The Bank attaches great importance to data security and protection, implements planning and strengthens overall management of data security. During the reporting period, the Bank completed the development scheme for the data security system and mapped out a specific implementing approach. Besides, we identified sensitive data, constructed classified/graded projects, conducted annual self-assessment on data security, and inspected data security of departments of branches and Head Office on site, so that they could identify problems promptly and made targeted rectification. In order to cultivate employees' awareness of data security, the Bank actively conducts online and offline training via multiple platforms, the content of which includes interpretation of laws and regulations on data security, data security risk investigation, etc.

**The Bank's paper on cybersecurity was awarded "Outstanding Paper with Innovative Value"**

Huishang Bank actively participated in the essay activity for the outlook of cybersecurity and informationisation in China's financial industry under the "14<sup>th</sup> Five-Year Plan", and organised staff to compile the "Research Report on Zero Trust Security Architecture in Financial Industry", which won the award of "Outstanding Paper with Innovative Value".



## Protecting customer privacy

The Bank attaches great importance to the protection of customer privacy and strictly prevents the leakage of customer information from data management and service process, striving to protect customers' legitimate rights and interests.

The construction of the data masking platform has enabled us to realise the unified management of customer privacy and other sensitive information, thereby effectively protecting the data security of the information system and reducing the risk of sensitive information leakage during development testing and transmission.

For online channels like Personal Online Banking, Mobile Banking, WeChat Banking, etc., the Bank has formulated the "User Privacy Policy of Huishang Bank" and strictly adhered to it, in an attempt to protect users' privacy data and ensure the security of their accounts, transactions and sensitive information. With the "Individual User Privacy Policy", the "E-banking Customer Service Agreement", we prompt and inform clients of the Bank's practices on personal information, and allow them to choose to consent or decline business operations, so as to protect customers' legitimate rights and interests to the greatest extent. The Bank's Customer Service Centre has also established an emergency response process and conducted regular emergency drills to prevent and reduce the risks brought about by the loss or leakage of financial consumer information, trying to eliminate customer information leakage to the maximum.

## Guarding against account risk

In order to meet the increasing security needs of various payment scenarios in Internet finance, the Bank provides personal account security insurance for customers free of charge to protect personal accounts from

capital loss caused by fraudulent use or theft at bank counters, Automated Teller Machines (“ATM”), mobile banking, and online banking channels, so as to provide customers with a guarantee of fund security and bring customers a more secured and assured payment experience.

In order to safeguard data and accounts of credit card users, we have formulated the “Data Security Management Standards for Huishang Bank Credit Card Centre”, clarifying requirements on the data collection, usage, transfer, etc. In addition, we intensified the control over credit card risks and protected customers’ rights and interest to the full extent by virtue of reinforcing authentication, transaction monitoring system, credit card loss guarantees as well as credit security promotion.

### Beijing Branch effectively prevented risks associated with account opening



In August 2021, the Dahongmen sub-branch under the Beijing Branch found a suspicious account opening when serving a client who was hearing or speech impaired. The sub-branch took prudent steps to deal with the case and was highly recognised by the Business Management Department of the People’s Bank of China. On 9 November, the case was selected in the Risk Alerts Compilation by the Business Management Department of the People’s Bank of China, and became a typical case to be promoted at all commercial banks in Beijing.

#### ❖ Transaction monitoring system

The Bank cooperates with third-party companies to establish and improve a “7\*24” hour transaction monitoring system, builds suspicious

transaction models in the system, and sets up relevant rules, especially for overseas transactions and other online transactions with high risks. Behaviours violating the rules are classified into different risk levels, and the authenticity of transactions is verified by means of SMS reminder, WeChat reminder, telephone verification, etc. According to the situation, measures such as payment termination, loss reporting, card changing, and continuous attention are taken to ensure the safety of customer deposits.

❖ **Improving services for credit card loss guarantee**

To prevent unauthorised credit card charges, the Bank provides insurance to all clients for free, so that they can rest assured when using their cards. For clients whose credit cards are confirmed to be fraudulently used, the Bank will undertake the compensation obligation and maintain such persons' credit records at the People's Bank of China (Credit Reference Centre) in a timely manner.

❖ **Strengthening publicity on credit card security**

The Bank pushes notifications about the card use security of credit cards in the WeChat official account and Credit Card APP and places reminders on credit cards every year to guide customers to use cards properly for the purpose of compliance. The Bank also introduces the security lock in the Credit Card APP. Clients can change settings according to their needs, e.g., setting card limits and enabling or disabling oversea transactions.

## Telecom fraud prevention in Hefei Branch



Regarding protecting clients' property as its own duty, Hefei Branch resolutely implemented all the regulations related to the "Account Opening Regulation" campaign, conscientiously performed the

monitoring and early warning, strengthened the account management of individuals and companies, and timely prevented account opening suspected of new types of illegal criminal activities related to telecom fraud, thereby creating a sound atmosphere for anti-telecom fraud in the society.

## **Caring for Staff as Talents Prosper the Bank**

Upholding the concept of “attracting talents with ambition, cultivating talents with potential and appointing talents with competence”, the Bank safeguards employees’ interests and rights, promotes employee development and cares for their physical and mental health, putting forth effort to create a “people-oriented” and family-like culture.

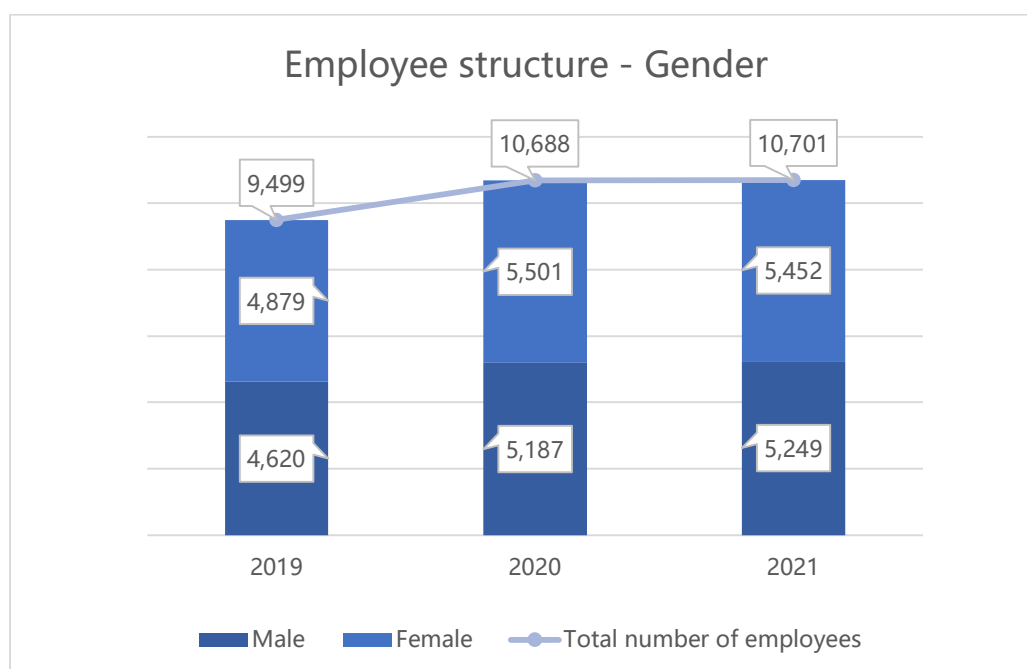
### **Safeguarding employees’ interests and rights**

The Bank strictly complies with the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Prohibition of Using Child Labour” and other labour-related laws and regulations. We formulate the “Measures for the Management of Employees’ Compensation of the Huishang Bank”, the “Measures for the Management of Employee Recruitment of the Huishang Bank”, the “Measures for the Management of Employee Demission of the Huishang Bank”, the “Attendance Management Policy for the Huishang Bank” and other management systems to safeguard the legitimate rights and interests of employees.

### **Recruitment and termination**

The Bank has established rules and regulations governing recruitment and demission, which specified the recruitment principle of “setting up posts and prescribing staffing quota; filling vacant posts with qualified personnel; upholding equality, fairness and openness and practising two-way selection; selecting the superior and ensuring quality”, so as to standardise and strengthen the Bank’s recruitment management, improve the market-oriented recruitment mechanism, and optimise the Bank’s staff structure. In 2021, the Bank, for the first time, organised an early interview programme for on-campus recruitment and leveraged market-oriented means to expand the channels to attract talents. In

accordance with the newly revised “Measures for the Management of Employee Recruitment of Huishang Bank”, the Bank gives full play to the aggregation effect to attract more talents. As of the end of 2021, the Bank had 10,701 employees in total, including 203 ethnic minority employees. Female employees slightly outnumbered male employees. Most of them belonged to the age groups of under 30 and 30-39. The majority of employees had bachelor’s degree or above. The local employment rate reached 86.78%. During the reporting period, the Bank’s turnover number was 440, the turnover rate<sup>2</sup> was 3.95%, and the number of new recruits was 451.




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<sup>2</sup> Turnover rate = Turnover number during the reporting period / (Total employee number at the end of the period + Turnover number during the reporting period)

Employee structure			2021
Type	Indicator	Number	Percentage
By gender	Female	5,452	50.95%
	Male	5,249	49.05%
By age group	<30	2,996	28.00%
	30-39	5,044	47.14%
	40-49	1,780	16.63%
	≥50	881	8.23%
By education background	Bachelor below	776	7.25%
	Bachelor	7,822	73.10%
	Master	2,080	19.44%
	Doctor	23	0.21%
By region	Anhui Province	9,680	90.46%
	Other regions	1,021	9.54%

New recruitment			2021
Type	Indicator	Number	Percentage
By gender	Female	208	46.12%
	Male	243	53.88%
By age group	<30	363	80.49%
	30-39	75	16.63%
	40-49	13	2.88%
	≥50	0	0.00%
By region	Anhui Province	344	76.27%
	Other regions	107	23.73%

Turnover			2021
Type	Indicator	Number	Turnover Rate
By gender	Female	257	4.50%
	Male	183	3.37%
By age group	<30	178	5.61%
	30-39	156	3.00%
	40-49	71	3.84%
	≥50	35	3.82%
By region	Anhui Province	284	2.97%
	Other regions	156	9.93%

### Compensation and benefits

The Bank connected salary administration with job hierarchy management, adapted the total volume to risk-adjusted performance, aligned improved competitiveness with sustainable development, considered both efficiency and internal equity, combined short-term incentives with medium- and long-term kinds, associated employee compensation with team performance, and coordinated dynamic maintenance with standardised and unified management. In obedience to adjustments of macro-policies and systems and changes of the regional market environment, we further diluted regional differences to improve the Bank's competitiveness and employees' stability.

In accordance with the laws and regulations, the Bank pays social security and provident fund for all employees, establishing a bank-wide annuity plan and a supplementary medical security plan to ensure and improve the level of employee benefits, so as to promote employees' enthusiasm for labor and establish a long-term incentive mechanism for talents.



## Working hours and holidays

The Bank adopted the Standard Working Hour System, which provided that an employee may work no more than 8 hours per day and, as such, working hours were capped at 40 hours per week. Besides, the use of forced labour was prohibited at the Bank. Voluntary overtime shall be practised and employees working overtime shall be compensated according to national laws and regulations.

The Bank strictly abided by national laws and regulation in determining employees' working hours and holidays. In this connection, all the employees were entitled to weekends as well as national statutory holidays under applicable national regulations. In addition, employees were granted paid annual leave, maternity leave, nursing leave, marriage leave, compassionate leave, casual leave, sick leave and home leave.

## Equality and diversification

The Bank stuck to the principle of fairness and equality, provided employees with equal job opportunities and working environment, and allowed no discrimination based on national origin, race, gender or religious beliefs.

## Labour standards

In strict compliance with the "Labour Contract Law of the People's Republic of China" and the "Prohibition of Using Child Labour", the Bank had zero tolerance for the use of child labour and forced labour.

The Bank formulated a rigorous employment review process to examine candidates' ID cards, further avoiding the use of child labour by mistake. In case we inadvertently employ a child, we will immediately terminate the labour contract according to laws and regulations, as appropriate, and send the child back where he or she comes from to the parent or other guardians, so as to protect his or her legitimate rights and interests.

## Democracy and communication

The Bank positively built harmonious labour relationship and put emphasis on democratic management. We would irregularly hold staff forum, arrange annual employee representative meeting. Giving full play of the role of trade union as a connection, we also conduct staff satisfaction survey and proactively listen to the staff's voice. During the reporting period, the Bank reported the existence of trade unions at all business locations with all employees signing in.

### **The Bank successfully held the 3<sup>rd</sup> session of the 2<sup>nd</sup> Congress of Workers and Staff**

On 9 February 2021, the 3<sup>rd</sup> session of the 2<sup>nd</sup> Congress of Workers and Staff of Huishang Bank was held in Hefei. The meeting included the view of the “Report on Proposals of the Second Session of the Second Congress of Workers and Staff”, further facilitating democratic governance within the Bank.

## Broadening career channels

With the goal of “building a bank with value and higher quality”, the Bank is actively building an open platform for employees' success. We regard learning and implementing “Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era” as the primary political task, continuously promoting the leadership of the Party, and arranging systematic and targeted training for cadres and talents required for technology empowerment and digital transformation. In addition, we continue to advance the establishment of a special talent training programme adapted to the development needs of Huishang Bank and reinforce the innovation of the education and training mechanism, so as to effectively improve staff ability and quality and build the Bank's competitive talent advantage in speciality, quality and scale.

During the reporting period, the hours of concentrated training sessions conducted by the Bank totalled 1.4486 million, with 135.37 hours of annual training time per capita and RMB2,496.45 of training expenditure per capita as well as a 100% coverage rate of online and offline trainings for the year.

Employee training		2021
Type	Indicator	Average training hours
By gender	Female	136.64
	Male	134.05
By category	Senior management	51.6
	Middle management	103.24
	Junior employees	136.23

### Improving promotion mechanism

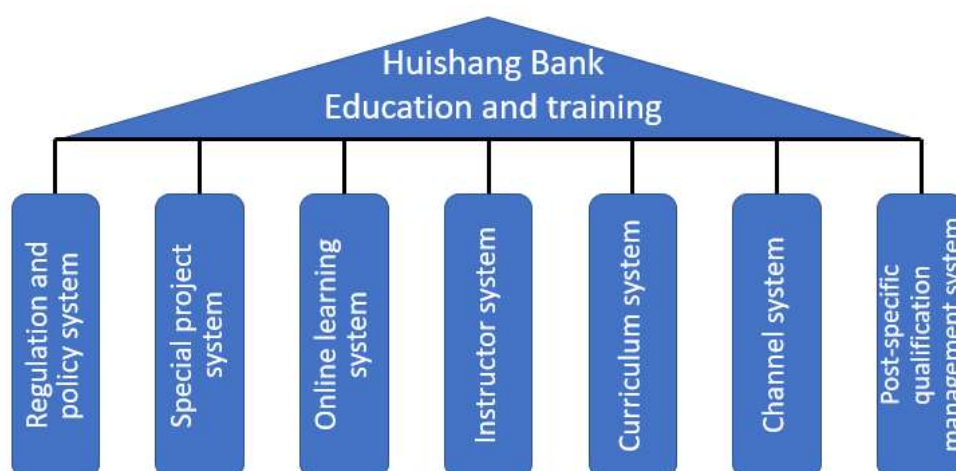
Adhering to the principles of “overall planning, unified designing, multi-level management, dynamic adjustment, and effective motivation”, we built the bank-wide career development management system, classifying all jobs into four promotion channels, i.e. management, profession, administration and marketing.

The Bank focuses on making good use of management talents of all ages, especially the training and selection of young managers, and attaches great importance to the construction of talent pool. For this purpose, the “Management Measures for the Middle Management Selection and Employment of the Huishang Bank” and other management personnel selection and appointment systems have been formulated to promote the management personnel according to the principle of promotion step by step. The head office regularly conducts quality assessment on the

second-level team leaders and senior managers of each department to find talents with high potential and high performance, providing important reference for the training and selection of middle management personnel of the Bank.

### Strengthening training foundation

The Bank always regards employee growth as a source of strength to accelerate our development and strives to create a professional and diversified training system for staff. On the basis of the three training platforms of the “Binhu Training Centre”, “Huiyin Online School” and “Huiyin Academy”, we have steadily promoted the construction of several special training programmes, such as the special training on Party building, the training of building the brand of “Hui” series and online learning. Besides, we continuously update the Bank’s education and training system to build a learning bank that can effectively meet the training needs of new employees, talents of different professions, management and employees at different levels, thus helping talents achieve diversified development.



In addition, the Bank issued the “Administrative Measures of Huishang Bank for Vocational Qualifications” and the “Notice on Certificate Reward for Employees” to promote a scientific, institutionalised and standardised appointment of employees with certificates, which further ensures a high-quality professional talent team of the Bank.

**Mr. Yan Chen, Secretary of the Party Committee of the Bank, attended the opening ceremony of the Bank’s 2021 orientation training for new joiners**



On 13 July 2021, the opening ceremony of orientation training for new hires was held, and Mr. Yan Chen, the Secretary of the Party Committee of the Bank, attended the opening ceremony and delivered a speech. Mr. Yan Chen stressed that young employees should not only have a solid foundation of basic theories but an in-depth understanding of leading industries, and should improve their ideological awareness and action-consciousness ability.

The Bank understands internal trainers are backbones in the education and training of employees. For the development of internal trainer team with high quality, the Bank stipulated the essential requirements and certification standards for internal trainers in accordance with the “Management Measures for Internal Trainer of the Huishang Bank”. In 2021, the Bank had 469 internal trainers, including 459 junior trainers and 10 senior trainers. To carry out evaluation and appointment, we invited senior executives, heads of departments and offices, experienced middle-level retirees, etc. to serve as internal trainers for powering up the strength of the internal trainer team and making their role come into play.

To fully motivate employees and comprehensively improve their training experience, the Bank clarified various training indicators, organised selection and set up rewards for “Huiyin Excellent Trainees”, “Huiyin Excellent Courses” and “Huiyin Excellent Host”, creating a favourable atmosphere of active learning. In addition, we commissioned special personnel to coordinate training of various departments in line with the “Training Contacts System”. Main initiators and coordinators for department training were nominated as training contacts in charge of talent team building for each business line, implementation of key offline projects, management of online micro courses, internal trainer team building, promotion of learning atmosphere, feedback on training needs, etc.

### Focusing on brand building

The Bank continuously optimised the existing omni-channel training system, and developed high-quality and characteristic training sessions targeting talents at different levels, including “Huizhuo Plan”, “Huiyang Plan”, “Huidun Plan”, “Huiying Plan”, “Huijing Plan”, “Huixing Plan” and “Huihang Plan”, to promote employee’s development. During the reporting period, the Bank conducted a total of 10 training sessions, with 721 trainees.

Education brand	Objectives	Our achievements in 2021
Huizhuo Plan	To further broaden middle and senior executives’ horizons from a macroscopic perspective, cultivate their cutting-edge innovative strategic thinking and improve their overall risk management capabilities	Special seminars for middle and senior executives were held, with 16 participants

Education brand	Objectives	Our achievements in 2021
Huiyang Plan	To improve senior executives' theoretical and practical knowledge as well as comprehensive abilities, and develop interdisciplinary talents with modern banking management concepts, abilities and skills.	In cooperation with Shanghai Jiao Tong University, a training course on improving the comprehensive ability of senior managers of the Head Office and branches was held, bringing together a total of 50 senior managers from the Head Office and branches.
Huidun Plan	To enhance the Party spirit, professional theory and practical knowledge of branch presidents to ultimately enhance the Bank's core competitiveness	2 training sessions for heads of comprehensive outlets were held, attracting a total of 128 branch heads; Training was held for heads of outlets for inclusive finance services, assembling heads of top 61 outlets in the provincial branches
Huiying Plan	To help the new second-level team leaders speed up the transition from business backbone to a manager, deepen their understanding of the strategic decision-making of the Head Office and branches, improve the comprehensive management ability of the team, and promote the communication and interaction between the front-, middle- and background and various departments/business lines of the Head Office.	Special training for improving the comprehensive management ability of new second-level team leaders was carried out in 2021, with 26 new second-level team leaders from 19 departments and offices participating.

Education brand	Objectives	Our achievements in 2021
Huijing Plan	To upgrade the professionalism, occupational resilience, business capabilities and comprehensive abilities of young talents and accelerate their professional growth, thus generating demonstration effect	2 special training sessions were held, with 114 excellent backbone employees participating
Huixing Plan	To establish a sound mechanism for selecting, cultivating, appointing and managing management trainees of the Head Office to improve their skills and comprehensive quality.	A total of 23 management trainees of the Head Office hired from on-campus recruitment participated in the training.
Huihang Plan	To make an elaborate plan of concentrated pre-job training sessions to help new recruits fit into the Bank and adapt to the new role of professionals from college students	A total of 303 new joiners participated in the pre-job training, lasting for 22 days



“Huiyang Plan” - Training course on improving comprehensive ability of senior executives of Head Office and branches



“Huixing Plan” - Special training course on improving ability of management trainees of Head Office





“Huidun Plan” - Special training on improving comprehensive management ability of branch presidents



“Huihang Plan” - Intensive and closed pre-job training for new joiners from on-campus recruitment

## Caring for employees' physical and mental health

The Bank is bent on creating a safe and comfortable working environment for our employees. The Bank is equipped with all kinds of security facilities in conformity with national laws and regulations and relevant standards, and organises security education and emergency drills for sudden liquidity incidents to enhance employees' security awareness.

## Intensifying pandemic prevention and control

All the while the Bank puts protecting employees' life safety and health above everything else. With routine COVID-19 control measures in place, we have taken steady steps to carry out various tasks, and developed and issued the “Contingency Plan for Preventing Pandemic and Maintaining Business Continuity” and other relevant regulations to make our employees prevent and control the pandemic in a scientific and effective manner and maintain business continuity in case of a sudden pandemic outbreak. Besides, we took a set of measures to effectively create a safe working environment for our employees. For example, we -

- implement pandemic prevention and control in each office area and arrange job rotations;

- reserve sufficient supplies, guarantee adequate masks, hand sanitizer, disinfectant alcohol and other materials, and arrange staff to check temperature and disinfect workplaces every day;
- attach importance to food safety and strengthened the monitoring, inspection and assessment on the purchase and processing of food, dining management, etc.;
- arrange innovative training courses for staff, adopt “Head Office + branch” linkage, “online + offline” combination, shift system and other programmes to prevent cluster infections and pandemic spread;
- publicize and implement epidemic prevention knowledge for all employees by making publicity exhibition boards and distributing publicity manuals.

### Lu’an Branch did well in pandemic prevention and control in a sustained way



Since 13 May 2021, new confirmed cases of the virus had been reported in Lu’an, and the situation of pandemic prevention and control was quite serious. In order to protect clients and employees’ life and property safety, Lu’an Branch had tightened the containment measures and strictly implemented various measures, sparing no effort to prevent and control the pandemic.

### Creating “Safe Huishang Bank”

To further innovate and improve the level of refinement, standardisation and scientific management of security, the Bank stepped up efforts in developing a “Safe Huishang Bank”. Besides, based on original cross

inspection, night inspection, spot inspection, off-site inspection, etc., the Bank has also defined the calculation methods of each score, and incorporated the rectification of latent safety hazards into the evaluation. In 2021, the Bank formulated a plan to renovate the Monitoring Centre of four branches in Beijing, Shenzhen, Chengdu and Ningbo, so as to enhance their security awareness and improve safety management. In the past three years, no work-related fatalities were noted. In 2021, the number of lost days due to work injury was 813.5.

### **Top Seven Tasks for a “Safe Huishang Bank”**

Strengthen the organisation and leadership of security

Carry out training on safety and security laws and regulations

Promote the transformation of safety protection facilities

Improve information technology security management

Innovate methods for detecting hidden dangers

Upgrade internal security management

Improve emergency management

## The Bank actively carried out “Production Safety Month”

In June 2021, the Bank carried out a comprehensive and multi-dimensional promotion and education activity with a focus on “implementing the system of accountability for safe and sound development”. Thanks to these effective



steps towards safety promotion and education, latent safety threats and risks were checked thoroughly, and a steady operating environment was created.

The Bank highly valued the fire safety management, and closely followed the fire safety requirements of “self-assessment, inspection and improvement, publicity of responsible persons and managers, and commitment of zero obvious risks”. In recent years, the Bank has been steadily strengthening fire alarm management in business outlets and branches, intensified accountability of personnel in charge of fire safety, endeavoured to lift the competence in self-defence and self-aid, scaled up efforts in the assessment of fire safety and given more penalty points for non-compliance. Meanwhile, we have actively promoted the intelligent management programme for electricity safety in an attempt to establish a centralised and unified management platform for fire alarm in branches, and continuously improved the intelligent management of electricity safety at workplace and in places of business to effectively eliminate fire hazards.

We organised employees of the head office to carry out a host of security emergency drills and firefighting training, so as to increase their awareness, improve their skills of security, and instruct employees in skills about fire suppression and escape. Branches carried out activities relating

to firefighting based on specific situations, including knowledge contests, drills, training, etc.

#### The fire evacuation drill at the Data Centre of the Head Office



On 8 July 2021, a fire evacuation drill, designed with three accident scenarios and contingency plans, was carried out at the Data Centre of the Head Office to fully simulate escape scenes. The drill further tested the effectiveness of the fire contingency plan for our office buildings, enhanced employees' awareness of fire safety and improved our ability of organisation, coordination and response.

#### Caring about employees' health

In accordance with state laws and regulations, the Bank offers a comprehensive health insurance plan to all employees, including coverage of outpatient and emergency medical expenses, inpatient expenses and other four types of medical expenses. Caring about employees' physical and mental health, the Bank organises employee physical examinations every year, with health examination rate for employees reaching 100%, and regularly carries out sports activities and events and physical fitness activities to encourage employees to do more exercise. In addition, the Bank, in 2021, invited hospital experts to deliver healthcare advice on site based on employees' medical reports to help them fully understand their health conditions.

## Bengbu Branch conducted the first seminar on psychology counselling for young employees

In order to actively respond to the initiative of “delivering solid outcomes to promptly respond to the people’s concerns”, Bengbu Branch, on 16 November 2021, in partnership with Bengbu Psychology Counselling



Association, carried out the first seminar on psychology counselling for young employees intended to enhance physical and mental health of young employees, and help them foster a right outlook on the world, life and values, so that they can maintain a sound physical and mental health at work and in life, and enhance their core cohesion and competitiveness.

## Building a warm and family-like corporate culture

The Bank is committed to creating a happy Huishang Bank. We provide employees with a wide array of fitness and entertainment facilities at the workplace, and arrange various cultural activities to offer a relax and harmonious environment for employees after work. We set up employee activity centre, constructed “Employees’ Home” and “Employees’ Small Home”, organised cultural activities in leisure time and celebrations in holidays, sent birthday blessings, ensured every employee, on the job or retired, has a sense of belonging and happiness, further passing on the concept of Happy Huishang to every employee and enhancing the sense of happiness and gaining.

## Employee activity centre



Rui'an Employee Activity Centre - fitness room

Since its opening, the Bank's Rui'an Employee Activity Centre has served approximately 7,200 employees, effectively improving the quality of employees' cultural life. The activity centre was well-equipped with multiple

functions, including reading space, and fitness room and dining area, aiming to provide employees with an open-ended place to talk, relax, study, keep fit and have fun after work.

## Enriching cultural life

To satisfy the growing spiritual and cultural needs of employees, the Bank has meticulously organized and extensively carried out various forms of healthy and progressive cultural activities suitable for all employees, which not only enriched the employees' amateur lives and enabled communication among employees, but also deepened the trust of employees in the Bank.

## The reading campaign - “Reading with Huishang Bank” - which themed “Wisdom in hold, elegance in mould”, received enthusiastic responses



To promote reading, we have been promoting this reading campaign for years. Reading has become our unique cultural deposits. The Bank has so far set up free reading spaces and shared book bars covering more than 3,400 square meters throughout the city. These public libraries, serving as “convenient libraries” for the public, contained more than 19,000 volumes, with a total of more than 9,500 books lent out. In 2021, the Publicity Department of the CPC Anhui Province Committee carried out an event themed “Reading in Anhui” to nominate activities in response to the national reading campaign, and conferred the “2020 Top Ten Organisations Promoting the National Reading Campaign” on the Bank.

## The Bank’s Customer Service Centre successfully held the second “Wisdom Cup” Debate Competition

On 1 September 2021, the Customer Service Centre held the second “Wisdom Cup” Debate Competition. In the three rounds which lasted for one month and featured more than 10 intense debates, a stronger sense of honour and belonging was built up among young employees.





## Shenzhen Branch participated in the corporate basketball tournament in Shenzhen



From 10 to 16 September 2021, Shenzhen Branch was invited to the “Guojiao 1573 Shenzhen Corporate Basketball Tournament” at the invitation of Pinjiang Chamber of Commerce. Thanks to earnest efforts made in the preparation and competition, Shenzhen Branch was qualified for the top 16 and won the Excellence Award. The event enriched employees’ spare time, promoted positive and healthy sportsmanship and reinforced the sense of teamwork and cohesion.

## Employee Caring Services

### ❖ Caring for female employees

In response to the “Special Provisions of Anhui Province on Labour Protection for Female Employees” and the Programme for the Development of Women, the Bank arranged forums intended for female staff, installed nursing rooms in the Head Office, formed female yoga hobby club and carried out other regular activities. In addition, to further safeguard female employees’ lawful rights and interests, and show care for them, the Bank carried out activities such as floral art activities and issued in-store experience gift cards for the Women’s Day in 2021.

On 18 November 2021, the Bank was awarded the title of “Advanced Collective of Great Achievements by Women in Anhui Province”, which

fully recognises the contributions made by our female employees to the economic and social construction of the province.

### Bozhou Branch organised a pottery-making activity for International Women's Day

On 7 March 2021, Bozhou Branch organised a parent-child pottery-making activity for female employees, entitled “Having fun making ceramics, demonstrating the talent of women”. The female employees, with the help of the



pottery teacher, made various kinds of ceramics such as tableware, vases and pots, and celebrated a meaningful International Women's Day.

### ❖ Caring for retired employees

The development of Huishang Bank is inseparable from the efforts of loyal employees. To share the achievement of the Bank's development with them and in line with the principle of “care for employees”, the Bank gives its retired employees guarantees with complementary medical insurance and critical illness insurance and guarantees on medical reimbursement for treatments in other districts, thus strengthening the medical security for retired employees and improving their quality of life.

To strengthen party building management for retired cadres, the Bank elected a new Party branch committee to organise various forms of thematic practical activities for retired cadres, ensure their political and living entitlements and help to solve practical difficulties.

**The Head Office launched the themed activity - “Reviewing major achievements in the centenary of the founding of the Party” - for retired cadres and employees**

From 22 to 24 March 2021, the Bank organised retired cadres and employees to visit the sites of the General Front-line Committee of the Huaihai Campaign in Xiao County, Suzhou and Dangshan, and to learn



about the economic development of the pear industry in Dangshan. This activity enabled the retired cadres to fully understand the outstanding achievements of the Party over the past century and also demonstrated their positive mindsets.

**❖ Caring for employees in straitened circumstances**

The Bank has a long tradition of visiting and extending greetings to employees in need during festivals or at important occasions. The Bank put into practice the relevant regulations of the “Implementation Opinions on Building Harmonious Labour Relations” issued by the government of Anhui Province, initiated and successfully completed assistance and support for employees in extreme difficulty. After rigorous review and approval and meticulous research, the consolation subsidies of RMB160,000 in total was extended to 40 employees in difficulties. The Bank’s leaders were organised to visit some of these employees ahead of the Spring Festival.

## Anqing Branch conducted activities to visit Party members in difficulties and employees in need during the Spring Festival



From 18 to 25 January 2021, Anqing Branch carried out the activities during the Spring Festival to respectively visit 20 Party members and employees who were living in difficulties. During the visit, the branch leaders talked with the Party members and employees to learn about their life, work and family, encouraged them to build up confidence, overcome and get out of the temporary difficulties at an earlier date, and extended New Year greetings.

## **Fulfilling Responsibility and Working Together for Harmony**

The Bank actively fulfils social responsibilities and demonstrates our willingness to take responsibilities for the society. Taking advantage of our industry strengths, we promote basic anti-fraud knowledge among the elderly and children and provide convenient financial services. We also care for the elderly and children in areas experiencing economic difficulty. Their living and growing environment is always the matter of our concern. In addition, we actively advance the development of culture and sports in the entire society to enhance the well-being of all. We push ahead with our social and public welfare practices, trying our best to contribute to the society with actual deeds and realise harmonic development of the Bank and the society.

### **Improving senior-friendly services**

The Bank improves traditional financial services with the habits and demands of elderly customers in mind, actively extends the radius of service range for seniors, launches and upgrades the “senior-specific” services. During the reporting period, employees were specially appointed for elderly client services in 401 branches, with 292 branches providing off-peak services for elderly clients, and a total of 953 service exercises conducted for the elderly clients.

## Wuhu Branch explored the improvement of senior-friendly services at business outlets



To provide better services for elderly clients, Wuhu Branch proactively explored ways to deliver senior-friendly services in a convenient and effective method, implemented standardised management from payment environment, quality process, supervision to emergency management, and made every effort to provide elderly clients with financial services in a warm, comfortable, convenient and safe manner. On 7 June 2021, Huangshan Road Sub-branch of Wuhu Branch was awarded the “Sub-Branch featuring senior-friendly payment services” by the People’s Bank of China.

In addition to standard modes, our online financial platforms were all designed with easy modes, allowing for simpler user interfaces and easy accessibility of system and achieving easier operation for elderly clients using the intelligent voice assistant.

Our Customer Service Centre incorporated the “Senior Line” into the integrated inbound service, which directly navigates to service specialists with a single click, offering more considerate, convenient and professional services to elderly customers via inbound calls. Meanwhile, we improved “barrier-free” online services by accommodating the preference of some elderly clients, providing services in a more direct and heart-warming manner.

The Bank also launched a volunteer service activity - “Visiting the veterans, listening to the history of revolution” - to review the history of the Party and extend regards to the veterans. The Bank initiated the Jinhui

Campaign to help senior citizens, in which youth volunteer teams, in partnership with nearby communities, visited senior solo-dwellers in financial difficulties, promoted prevention of telecom fraud and provided senior-friendly financial services.

### **Youth guardian**

The Bank encourages all branches and sub-branches to carry out educational public welfare activities such as caring for left-behind children and the growth of the teenage, which fully demonstrates the Bank's good corporate image. All branches arrange one-to-one assistance where money and goods are donated to left-behind children of poverty areas and support local construction. In order to better care for and protect left-behind children in rural areas and children of rural migrant workers in the city, the Youth League committee and provincial Party committee of Anhui Province, as well as the headquarters of the Huishang Bank decided to build the "Huiyin Teenage Home" volunteer stations at schools or communities where left-behind children and children of rural migrant workers assembled, providing better voluntary and protection activities for left-behind children in rural areas and children of urban migrant workers. In addition, we have been engaged in volunteer services for the students taking college entrance examinations for many years, assisting them to start the journey to pursue their dreams.

### The Head Office held activities themed “Huiyin Youth Home”



On the morning of 27 May 2021, the Bank’s Committee of Communist Youth League, together with the Volunteer Service Team of the Head Office, visited the Huiyin Youth Home in Tongling - Xinfeng

Primary School in Tanggou Town, Zongyang County, to extend holiday greetings and bring gifts to the children for the upcoming Children’s Day. School bags and stationery were donated to students in need, providing joy and care to children of migrant workers left at home.

### The Bank carried out an education aid event themed “Realising Little Wishes to Warm Children’s Heart”



On 17 June 2021, the Bank carried out an education aid event themed “Realising Little Wishes to Warm Children’s Heart”, in which the wishes of children from Chengmiao Primary School in Si County

were collected. The Bank’s volunteers expressed their sincerely hope for the children to study hard and strive to excel themselves, handed over 214 gifts to the students’ representatives, and donated more than 200 books and other reading materials on site.



## The Bank vigorously carried out the public welfare activity themed “Volunteer Services to Support the College Entrance Examination”

On 7 June 2021, branches in Hefei, Ma’anshan, Anqing, Huaibei, Wuhu, Huainan, Huangshan and Xuancheng carried out volunteer activities and services to support the college entrance examination. At 67 examination centres in these cities, our 369 volunteers, in support of the examination, were devoted to services such as order maintenance and material support, providing logistical support for examinees and their guardians and creating a comfortable and orderly environment at examination centres, which won the unanimous praise of examinees and their guardians.



## Promoting the course of culture and sports

In passionate support of cultural and sport development, the Bank has stepped up its efforts in sponsoring and participating sport and cultural activities. In addition to promoting healthy living style and disseminating arts and culture, the Bank encouraged the staff to actively participate in such activities, so as to deliver a positive attitude towards life as a member of the Bank.

As required by related regulators, the Bank coordinated all-out efforts to build the payment service environment for the Winter Olympics. This included accounts optimisation and continuous improvement of the identification of overseas clients for their better service experience, further development of bankcard acceptance environment for convenient use and upgrade of cash services for service quality and efficiency.

## Chengdu Branch supported the “Chenghua 2021 Panda City Orienteering Race” in Chengdu



On 23 October 2021, the “Chenghua 2021 Panda City Orienteering Race”, hosted by Chengdu Chenghua District People’s Government and co-organised by Huishang Bank

and other enterprises, was held in the Cultural and Creative Park in Chenghua District and drew to successful close. In this event with nearly 1,000 participants, Chengdu Branch was committed to support, promotion and services, which fully reflected our aspiration to support the cause of sports that benefited the well-being of all.

## Pursuing Environmental-Friendly, Green and Low Carbon Development

The Bank fully support the low-carbon economy by facilitating green industries and providing green financial services to the public. We also strengthened our own green operations and devoted ourselves to various green public welfare activities to promote the concept of green civilisation.

### Developing green finance

Guided by the goals of “carbon peaking and carbon neutral”, the Bank thoroughly implemented the regulatory requirements, state environmental protection laws and regulations, industrial policies and industry access policies. To actively advocate green finance, the Bank built a green finance team for improvement of the green finance management

system, expansion of the green finance product series, reinforcement of the full-cycle management of green credit, as part of our commitment to the development of a green, low-carbon and circular economy.

### The green finance team

In 2021, the Bank, aiming to promote the steady development of our green finance business, set up a cross functional team for green finance research to conduct further study on policies and industries related to green finance and obtain a deeper understanding of the latest state and local policies and strategies for low-carbon green growth as our guidance. We encouraged the team members to attend training on green finance business, and actively conduct inter-bank exchange on the development of systems and products. In the same year, the Bank joined the “China Banking Industry Expert Working Group to Support the Goal of Carbon Neutrality” and the “Green Finance Reform Task Force”, and devoted ourselves in the study on “Innovation of Carbon Financial Products and Business of Banking Financial Institutions”. Together with other 31 domestic commercial banks, the Bank signed the “Joint Declaration of Supporting the Protection of Biodiversity among Financial Institutions in the Banking Sector”.

#### **The Bank was invited to the Exchange on Promoting Green Finance Business**

On 11 May 2021, the Bank, at the invitation of the People’s Bank of China Hefei Central Sub-Branch, attended the second session of the “Green Finance Reform Task Force” to share our ideas and initiatives to promote green finance business. At the session, the People’s Bank of China Hefei Central Sub-Branch presented the first batch of “Green and Low-Carbon Projects” to participators.

## The Bank was invited to the 2021 Xin'an River Green Development Forum



On 5 November 2021, the Bank was invited to the Sub-Forum on Green Finance of the 2021 Xin'an River Green Development Forum and the 2<sup>nd</sup> “Xin'an River Financial Development Conference” to discuss the development of green finance, the support of the overall green transformation of economic and social development, and the exploring of the path of green finance development with participants from all sectors of society.

### Expanding banking product series

The Bank formulated and issued the “Comprehensive Plan for Green Financial Services of Huishang Bank” to clarify our path of green finance development, and grant more green credit in six key areas, including green transformation and upgrading of traditional industries, development of energy-saving and environmental protection equipment manufacturers, support of rural revitalisation, construction of pollution control and ecological protection projects, and growth of clean energy and new energy vehicle industries. In addition, in order to provide targeted services to the green industry, the Head Office listed 412 trustworthy clients and quality projects in key areas and distributed them to all branches together with the Plan.

The Bank continued to scale up the efforts in product R&D and strengthen product innovation in green finance. In September 2021, the Bank formulated the “Implementation Opinions of Huishang Bank on Green Loan Business for Ecological Restoration of Abandoned Mines” to

regulate green financial services related to ecological restoration of abandoned mines and provide financial support and solutions for the implementation of the state's decision on market-based solutions to ecological restoration of abandoned mines. In December, the Bank officially issued the "Administrative Measures of Huishang Bank for Carbon Emission Rights Pledge Financing Business" to help reduce carbon emission intensity of entities, achieve energy conservation and emission reduction to the utmost extent and promote green transformation of development, bringing environmental and economic benefits.

At the same time, the Bank launched a host of green financial products and advocate the "PPP" model in energy conservation and environmental protection projects to actively develop green credit and promote the issuance of green bonds. As at the end of the reporting period, the Bank had submitted a total of 44 "loans for environmental protection" to the Anhui Environmental Science Academy in 20 batches, with an application amount of RMB1,184 million, in which 6 were new applications in 2021, with RMB210 million applied and RMB166 million granted. The Bank's green credit balance was RMB32.181 billion, an increase of RMB11.265 billion or 53.86% over the beginning of the year. The market share of green credit was approximately 9.2%, ranking among the top banking institutions in Anhui. In addition, the Bank held a balance of RMB2.03 billion in green bonds, an increase of RMB586 million since the start of the year.

## Suzhou Branch promoted the “PPP” model to finance the sewage treatment plant project in Lingbi County



To meet the credit funding needs of Lingbi Chenxin Green Industry Development Co., Ltd. for the acquisition and construction of the sewage treatment plant in Lingbi County, Suzhou Branch promoted the “PPP” financing model and provided favourable policies, simplified process and other services, which achieved significant social, economic and environmental benefits.

## The Bank issued green medium-term notes (“GMTNs”) to Shanying International Holdings Co., Ltd., marking the first green debt financing instrument for private enterprises in the province



热烈庆祝山鹰国际控股股份公司  
2021年度第一期绿色中期票据成功发行

债券简称	发债规模	发行期限	主体 / 债项评级	票面利率
21 山鹰国际 GN001	0.9 亿元	3 年	AA+/AA+	5.8%

主承销商  
簿记管理人

发行人：山鹰国际控股股份有限公司  
感谢广大投资者的踊跃认购!

联席主承销商  
中国民生银行

On 29 October 2021, the Bank, as the principal underwriter, issued RMB90 million of GMTNs to Shanying International Holdings Co., Ltd. (Series 1, 2021), with a maturity of 3 years, a coupon price of 5.8%. The Bank also offered a credit risk mitigation warrant of RMB90 million for the GMTNs. The GMTNs marked the first green debt financing instrument for private enterprises in the province, and also the first green debt financing instrument underwritten by Huishang Bank as the principal underwriter.

## Green credit management

The Bank took active measures to enhance green credit management, and promoted green finance based on a well-established organisational structure and management and control measures to realise full-cycle management of green credit business.

<p><u>Allocating resources properly</u></p>	<p>The Bank strictly controlled the credit granting to high-pollution and high-emission industries, gradually reduced the ratio of loans in those high-pollution, high-energy-consumption and overcapacity industries, and allocated resources in a manner that gives priority to national strategic emerging industries, “innovative and entrepreneurial” companies and high-tech startups and channels, to step up credit support for such enterprises.</p>
<p><u>Due diligence</u></p>	<p>The Bank implemented a “one-vote veto” policy for environmental protection, conducted investigations from the aspects of industry access, production permits, technical standards, business qualifications, production safety, environmental approval, etc., evaluated and classified customers’ environmental and social risks, and identified and prevented potential risks arising from non-compliance with the environmental protection.</p>
<p><u>Follow-up monitoring after credit granting</u></p>	<p>Adhering to the principle of “comprehensive management, classified management, dynamic management, and sustainable management”, customers’ environmental and social risk information were included in the range of duration management after credit granting, so as to ensure timely identification and proper handling of customers that fail to meet relevant national environmental and social standards.</p>
<p><u>Assessment and evaluation indicators</u></p>	<p>The Bank established a green credit assessment system by a series of indicators such as the implementation of the green credit system, growth rate of green credit business, ratio of green loan balance, quality of green credit statistical data and implementation of risk limits for overcapacity industries. Conclusions from the assessment were directly reflected in the annual performance assessment of branches.</p>

## Expanding green channels

While advancing the intelligent operation of outlets, the Bank also applied the concept of green development to the entire process of outlets' construction, operation and service.

- Strictly controlled the quality of construction materials, and only use green materials for wall latex paint and all decorative materials;
- Selected environment-friendly materials instead of traditional wood materials to reduce the emission of formaldehyde and other pollutants;
- Utilised LED energy-saving lamps for all light sources, properly designed the layout of the hall and strictly controlled the design of illuminance to avoid energy waste;
- Carried out regular quantitative detection of indoor air pollutants for completed outlets, and restricted the placement of furniture until the detection result was qualified;
- Encouraged people to live a low-carbon, environment-friendly lifestyle by promoting e-banking, e-receipts and other new green finance services to them through staff publicity or the screens in the hall.

The Bank actively makes use of the information technology to push forward the transformation of service channels by promoting E-banking channels (Online Banking, Mobile Banking, WeChat Banking, Self-service Banking, Telephone Banking), so as to reduce operating cost and mitigate undesirable environmental impact. With the continued improvement of customer service capacity and standards, the Bank's services have seen development onto a stage of green digital operation.



## Promoting green operation

Strictly following the “Environmental Protection Law of the People’s Republic of China” and other laws and regulations, we stick to low-carbon operation, promote paperless and information-based offices, take further measures for energy conservation and consumption reduction, and strive to build a green bank in support of low-carbon development and environmental protection.

## Reducing waste discharge

As a financial institution, the Bank produces little emissions of industrial effluent, waste gases or hazardous wastes, and only a limited amount of office wastewater, office waste and household waste.

In the aspect of wastewater, the Bank complies strictly with applicable laws and regulations including the “Water Pollution Prevention and Control Law of the People’s Republic of China”, and discharges its wastewater into urban sewer systems after preliminary sedimentation. The impurities in the sediment will be cleaned by municipal sanitation offices.

Greenhouse gas (“GHG”) emissions of the Bank are mainly attributed to the electricity purchased in Scope 2. The Bank takes measures to preserve energy and increase power use efficiency, such as promoting energy conservation, adopting LED light sources, etc., so as to reduce greenhouse gases emission.

In the aspect of waste management, the Bank has been strictly following the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. All wastes in its office buildings are sorted by cleaners on a daily basis. Non-recyclable wastes will be timely placed at temporary sites by municipal cleaning companies and recycled by specialised recycling companies. In 2021, the Head Office

building recycled a total of 4,500 kilograms of waste cardboard boxes and newspapers. During the reporting period, the Bank’s KPIs in the aspect of emissions were as follows:

Emissions	2021	2020	2019
Wastewater discharge (10 thousand tonnes)	3.0	2.8	2.4
Total GHG emissions (Scopes 1 and 2) (tonnes)	4,074.3	3,869.5	3,703.8
Direct GHG emissions (Scope 1) (tonnes)	646.8	648.9	731.5
Including: Natural gas (tonnes)	535.8	557.8	629.3
Including: Petrol (tonnes)	111.1	91.1	102.2
Energy Indirect GHG emissions (Scope 2) (tonnes)	3,427.5	3,220.6	2,972.3
Including: Electricity purchased (tonnes)	3,427.5	3,220.6	2,972.3
Total GHG emissions per employee (tonnes/employee)	2.9	2.9	3.0
Total Non-hazardous waste emissions (tonnes)	10.1	13.6	14.4
Non-hazardous emission intensity (tonnes/employee)	7.2X10 <sup>-3</sup>	1.0×10 <sup>-2</sup>	1.1×10 <sup>-2</sup>

Notes:

1. At the end of November 2021, the Bank gradually carried out the relocation of new offices. Considering the impact of relocation, the statistics of the KPIs in this reporting period only includes the original office of the head office. In future, the Bank will systematically include branches and sub-branches into the scope of the statistics.

2. Based on the Bank’s operational characteristics, our greenhouse gas emissions are mainly derived from direct GHG emissions caused by gasoline and fossil fuel combustion consumption of the Bank’s commercial vehicles (Scope 1), and energy indirect GHG emissions caused by purchased electricity (Scope 2).

3. Greenhouse gases include carbon dioxide (“CO<sub>2</sub>”). Greenhouse gas emissions are presented as CO<sub>2</sub>e and accounted for according to the “Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators” issued by the National Development and Reform Commission (“NDRC”).

4. Since the hazardous wastes generated during the operation of the Bank are mainly a small amount of discarded toner cartridges and ink cartridges produced by office printing equipment, which are all recycled by the supplier and have no substantial impact, KPI A1.3 (hazardous waste generated in total) is not disclosed in this Report.

## Reducing resource consumption



Poster of energy conservation publicity week

In strict adherence to the “Energy Conservation Law of the People’s Republic of China”, the Bank commits itself to upgrading the use efficiency of energy, water resources, and

materials. In 2021, the Bank continued to improve the analysis of energy consumption to learn about the energy consumption of the building and the factors contributing to increase and decrease of energy consumption and further clarify the management scope and measures relating to water, electricity, oil and gas consumption in the Head Office building. The Bank put up posters of energy conservation publicity and disclosed energy consumption to call on employees to build up the awareness that energy conservation is down to every last one of us and hinges on our daily actions.

Domestic water constituted a major part of the Bank’s water consumption, and the water source was from municipal water supply, so we were guaranteed with sufficient suitable water.

In order to improve energy utilisation efficiency and economic benefits in response to the national call for “Building a resource conserving, environment-friendly and harmonious society”, the Bank established policies for energy conservation performance assessment and conducted regular energy conservation monitoring and inspection to enhance our energy efficiency management. The head office implemented various

energy conservation and water conservation measures to integrate energy conservation and emission reduction into daily management:

<p><b><u>Energy saving</u></b></p>	<ul style="list-style-type: none"> <li>• Adjust the running time of air conditioners based on real-time weather changes, to minimise electricity and natural gas consumption as far as possible</li> <li>• Reduce the stand-by time of computers, printers, photocopiers and other office equipment</li> <li>• Take advantage of natural light where possible to reduce electricity consumed for lighting</li> <li>• Discourage the use of elevators from the 5<sup>th</sup> floor down and have only one elevator in operation at the south and north door each after 19:00 of every working day and during holidays</li> <li>• Urge and ask property management personnel to enhance equipment maintenance</li> <li>• Increase inspection of buildings to avoid unnecessary lighting in daylight or leaving lights on all day</li> </ul>
<p><b><u>Water saving</u></b></p>	<ul style="list-style-type: none"> <li>• Induction faucets have been applied in areas such as the restaurants and restrooms</li> <li>• Strengthen water management in key areas by putting up logos, conducting routine patrolling, etc., and avoid “water running out, bubbling, leaking or dripping”</li> </ul>
<p><b><u>Green Office</u></b></p>	<ul style="list-style-type: none"> <li>• With active use of telecommuting to reduce unnecessary business travel, the Bank held 278 video conferences during the reporting period</li> <li>• Set up office supplies purchase and receipt policies to regulate the procedures of office supplies maintenance, receipt, recycling and disposal etc.; circulate documents through the OA system</li> <li>• Default to double-sided printing, in an effort to cut paper waste</li> </ul>

During the reporting period, the Bank’s KPIs in the aspect of use of resources were as follows:

Use of resources	2021	2020	2019
Total energy consumption (MWh)	8,005.9	7,740.5	7,790.5
Including: Gasoline (10 thousand litre)	5.0	4.1	4.6
Including: Natural gas (10 thousand m <sup>3</sup> )	24.8	25.8	29.1
Including: Electricity purchased ( 10 thousand kWh)	487.2	457.8	422.5
Total energy consumption per employee (MWh/employee)	5.7	5.9	6.2
Running water consumption (10 thousand tonnes)	3.8	3.5	4.5
Running water consumption per employee (tonnes/employee)	27.1	26.5	36.0

Notes:

1.The statistics of the KPIs in the aspect of use of resources are exclusively intended for the head office. In future, the Bank will systematically include branches and sub-branches into the scope of the statistics.

2.Total energy consumption is calculated based on the consumption of electricity and fuel and the default parameter values related to fossil fuel as shown in Attached Table 1 to the “Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators” issued by NDRC.

3.KPI A2.5 (consumption of packaging materials in total for finished products) is not applicable to the Bank since our operations do not involve the usage of packaging materials.

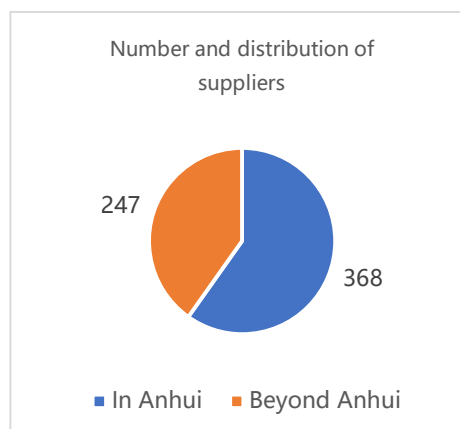
## Response to climate changes

We took active measures to deal with the potential operational risks arising from extreme weather and natural disasters. The Head Office formulated the “Emergency Response Plan of Huishang Bank for Natural Disasters”, “Emergency Response Plan for Earthquakes of the Logistics Support Centre of Huishang Bank” and “Emergency Response Plan of Huishang Bank for Flood Control” to further enhance refined management of safety and security. The Bank also formulated the

“Implementation Plan for the Building of “Safe Huishang Bank” in 2021” to strengthen personnel protection, physical protection, technical protection, fire prevention, pandemic prevention and control, and prevention against hazards associated with thunderstorms and floods, fostering a safe and stable environment for business operation.

### Promoting green procurement

The Bank formulated the “Measures for Suppliers Management under Centralised Procurement of the Huishang Bank” pursuant to applicable laws, regulations and policies including the “Bidding Law of the People’s Republic of China” and the “Regulation on the Implementation of the Bidding



Law of the People’s Republic of China”, so as to enhance regulated and standardised management of green purchase from the aspects of supplier admission, supplier classification, follow-up monitoring and assessment, etc. In 2021, we revised the “Plan for Dynamic Evaluation and Management for Bidding Agencies” to specify the scope, methods and management of evaluation, further strengthening the management of the Bank’s centralised procurement bidding agencies, regulating the conduct of bidding agencies and improving the quality and efficiency of centralised procurement. During the reporting period, the Bank had a total of 615 centralised procurement suppliers, including 368 suppliers in Anhui and 247 suppliers beyond Anhui.

Adhering to the requirements of green bidding and procurement, the Bank integrates the concepts of low carbon and environmental friendliness into project construction to build high-quality environment-

friendly projects and enhance the awareness of social responsibility. We put forward unified supplier admission standards in our Invitation to Bid documents, requiring all potential suppliers to observe national environmental standards, and giving higher ratings for those who had passed the certifications of the environmental management system and the quality management system. We required all bidders to prepare a statement explaining the green, energy saving, low-carbon and environment-friendly elements in their companies and projects, and asked the bidders to practice thrift in preparing tender documents, such as adopting double-sided printing and avoiding luxurious covers.

The Bank divided suppliers into goods suppliers, engineering suppliers and service providers, and strictly abided by environmental protection standards to give priority to energy-saving and environment-friendly products in procurement. For supplier monitoring, we established and improved an adverse supplier information reporting mechanism, carried out daily supervision and annual assessment based on supplier's product performance, service capabilities and service efficiency, and terminated cooperation with unqualified suppliers. In 2021, the Bank improved supplier evaluation to urge branches to strengthen supplier management, improve daily management and services for suppliers, and punish suppliers for misconduct in accordance with the law. The Bank also organised evaluation for all suppliers in 2021.

## Involving in green public welfare undertakings

The Bank actively organised green public welfare events, publicity campaigns, lectures and other activities to encourage employees and the public to pursue green and low-carbon life and promote the construction of ecological conservation.

### Nanjing Branch organised the tree planting activity in the New Year



On 7 March 2021, Nanjing Branch organised a youth volunteer team to plant trees in Zhongshan Mountain Nursery Garden in the New Year. The activity enhanced employees' awareness of caring for and participating in ecological protection to build a better home.

### Ma'anshan Branch organised a Party day with the theme of "picking up trash and promoting civilization and environmental protection"



On 6 September 2021, the Party branch of Ma'anshan Branch to collect trash in the East Lake Park. In this activity, our volunteers cleaned up rubbish and disseminated knowledge on pandemic prevention and control to the public in the park. Carrying on the spirit of ecological conservation in the new era, they improved the park environment, raised the awareness of environmental protection and social responsibility among employees and the general public, thus involving more people in pandemic prevention and control and ecological conservation.



## GRI & ESG Standards Index

### GRI Standards Index

GRI Standards	Disclosure Title	Chapter (s)
<b>Organisational profile</b>	102-1 Name of the organisation	About the Bank
	102-2 Activities, brands, products, and services	About the Bank
	102-3 Location of headquarters	About the Bank
	102-4 Location of operations	About the Bank
	102-5 Ownership and legal form	About the Bank
	102-6 Markets served	About the Bank
	102-7 Scale of the organisation	About the Bank
	102-8 Information on employees and other workers	Caring for staff as talents prosper the Bank
	102-9 Supply chain	Promoting green operation
	102-10 Significant changes to the organisation and its supply chain	Not applicable
	102-11 Precautionary principle or approach	Overall risk management
	102-12 External initiatives	/
	102-13 Membership of associations	/
<b>Strategy</b>	102-14 Statement from senior decision-maker	Leaders' Statement
	102-15 Key impacts, risks, and opportunities	Overall risk management; Deepening responsibility management
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	102-17 Mechanisms for advice and concerns about ethics	Optimising corporate governance; Overall risk management; Deepening responsibility management
<b>Governance</b>	102-18 Governance structure	Optimising corporate governance
	102-19 Delegating authority	Deepening responsibility management
	102-20 Executive-level responsibility for economic, environmental, and social topics	Deepening responsibility management
	102-21 Consulting stakeholders on economic, environmental, and social topics	Deepening responsibility management

GRI Standards	Disclosure Title	Chapter (s)	
	102-22 Composition of the highest governance body and its committees	Optimising governance	corporate
	102-23 Chair of the highest governance body	Optimising governance	corporate
	102-24 Nominating and selecting the highest governance body	Optimising governance	corporate
	102-25 Conflicts of interest	Deepening management	responsibility
	102-26 Role of highest governance body in setting purpose, values, and strategy	Optimising governance	corporate
	102-27 Collective knowledge of highest governance body	Optimising governance	corporate
	102-28 Evaluating the highest governance body's performance	Optimising governance	corporate
	102-29 Identifying and managing economic, environmental, and social impacts	Deepening management	responsibility
	102-30 Effectiveness of risk management processes	Overall risk management	
	102-31 Review of economic, environmental, and social topics	Deepening management	responsibility
	102-32 Highest governance body's role in sustainability reporting	Deepening management	responsibility
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	102-34 Nature and total number of critical concerns	Deepening management	responsibility
	102-35 Remuneration policies	/	
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	102-38 Annual total compensation ratio	/	
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<b>Stakeholder engagement</b>	102-40 List of stakeholder groups	Deepening management	responsibility
	102-41 Collective bargaining agreements	Not applicable	
	102-42 Identifying and selecting stakeholders	Deepening management	responsibility
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GRI Standards	Disclosure Title	Chapter (s)
<b>Reporting practice</b>	102-45 Entities included in the consolidated financial statements	About this Report
	102-46 Defining report content and topic boundaries	About this Report
	102-47 List of material topics	Deepening responsibility management
	102-48 Restatements of information	Not applicable (No significant changes)
	102-49 Changes in reporting	About this Report
	102-50 Reporting period	About this Report
	102-51 Date of most recent report	About this Report
	102-52 Reporting cycle	About this Report
	102-53 Contact point for questions regarding the report	About this Report
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report
	102-55 GRI content index	GRI Standards Index
	102-56 External assurance	/
	<b>Management approach</b>	103-1 Explanation of the material topic and its boundary
103-2 The management approach and its components		Optimising corporate governance; Overall risk management
103-3 Evaluation of the management approach		Optimising corporate governance; Overall risk management
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	Annual Performance Indicators
	201-2 Financial implications and other risks and opportunities due to climate change	Promoting green operation
	201-3 Defined benefit plan obligations and other retirement plans	Safeguarding employees' interests and rights
	201-4 Financial assistance received from government	/
<b>GRI 202: Market presence</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
<b>GRI 203: Indirect economic impacts</b>	203-1 Infrastructure investments and services supported	Supporting projects for public benefits
	203-2 Significant indirect economic impacts	/

GRI Standards	Disclosure Title	Chapter (s)
<b>GRI 204: Procurement practices</b>	204-1 Proportion of spending on local suppliers	/
<b>GRI 205: Anti-corruption</b>	205-1 Operations assessed for risks related to corruption	Overall risk management
	205-2 Communication and training about anti-corruption policies and procedures	Overall risk management
	205-3 Confirmed incidents of corruption and actions taken	/
<b>GRI 206: Anti-competitive behaviour</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not applicable (During the reporting period, no lawsuit has occurred to the Bank)
<b>GRI 207: Tax</b>	207-1 Approach to tax	Refer to annual report
	207-2 Tax governance, control, and risk management	Refer to annual report
	207-3 Stakeholder engagement and management of concerns related to tax	Refer to annual report
	207-4 Country-by-country reporting	Refer to annual report
<b>GRI 301: Materials</b>	301-1 Materials used by weight or volume	Promoting green operation
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	Not applicable (The usage of packaging materials is not relevant to the Bank's operation)
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organisation	Promoting green operation
	302-2 Energy consumption outside of the organisation	/
	302-3 Energy intensity	Promoting green operation
	302-4 Reduction of energy consumption	Promoting green operation
	302-5 Reduction in energy requirements of products and services	Promoting green operation
<b>GRI 303: Water</b>	303-1 Interactions with water as a shared resource	Promoting green operation
	303-2 Management of water discharge-related impacts	/
	303-3 Water withdrawal	Promoting green operation
	303-4 Water Discharge	Promoting green operation
	303-5 Water Consumption	/
<b>GRI 304: Biodiversity</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas	Not applicable

GRI Standards	Disclosure Title	Chapter (s)
	and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3 Habitats protected or restored	Not applicable
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	Promoting green operation
	305-2 Energy indirect (Scope 2) GHG emissions	Promoting green operation
	305-3 Other indirect (Scope 3) GHG emissions	Promoting green operation
	305-4 GHG emissions intensity	Promoting green operation
	305-5 Reduction of GHG emissions	/
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable (Emissions of ODS are not relevant to the Bank's operation)
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Not applicable (The kind of emissions is not relevant to the Bank's operation)
<b>GRI 306: Effluents and waste</b>	306-1 Water discharge by quality and destination	Promoting green operation
	306-2 Waste by type and disposal method	Promoting green operation
	306-3 Significant spills	Not applicable (Spill risks are not relevant to the Bank's operation)
	306-4 Transport of hazardous waste	Not applicable (Hazardous wastes produced from the Bank's operation are recycled by vendors for disposal)
	306-5 Water bodies affected by water discharges and/or runoff	Not applicable (Water bodies affected are not relevant to the Bank's operation)
<b>GRI 307: Environmental compliance</b>	307-1 Non-compliance with environmental laws and regulations	Not applicable (Within the year, no any non-compliance with environmental laws and regulations has occurred to the Bank)
<b>GRI 308:</b>	308-1 New suppliers that were screened using environmental criteria	Promoting green operation

GRI Standards	Disclosure Title	Chapter (s)
<b>Supplier environmental assessment</b>	308-2 Negative environmental impacts in the supply chain and actions taken	/
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	Safeguarding employees' interests and rights
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safeguarding employees' interests and rights
	401-3 Parental leave	Safeguarding employees' interests and rights
<b>GRI 402: Labour/ Management relations</b>	402-1 Minimum notice periods regarding operational changes	Not applicable (The Bank has been strictly following relevant laws and regulations)
<b>GRI 403: Occupational health and safety</b>	403-1 Occupational health and safety management system	/
	403-2 Hazard identification, risk assessment, and incident investigation	Caring for employees' physical and mental health
	403-3 Occupational health services	Caring for employees' physical and mental health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Caring for employees' physical and mental health
	403-5 Worker training on occupational health and safety	Caring for employees' physical and mental health
	403-6 Promotion of worker health	Caring for employees' physical and mental health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Caring for employees' physical and mental health
	403-8 Workers covered by an occupational health and safety management system	/
	403-9 Work-related injuries	Caring for employees' physical and mental health
	403-10 Work-related ill health	Caring for employees' physical and mental health
<b>GRI 404: Training and education</b>	404-1 Average hours of training per year per employee	Broadening career channels
	404-2 Programs for upgrading employee skills and transition assistance programs	Broadening career channels
	404-3 Percentage of employees receiving regular performance and career development reviews	Broadening career channels

GRI Standards	Disclosure Title	Chapter (s)
<b>GRI 405: Diversity and equal opportunity</b>	405-1 Diversity of governance bodies and employees	Optimising corporate governance; Caring for staff as talents prosper the Bank
	405-2 Ratio of basic salary and remuneration of women to men	/
<b>GRI 406: Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	/
<b>GRI 407: Freedom of association and collective bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
<b>GRI 408: Child labour</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	/
<b>GRI 409: Forced or compulsory labour</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	/
<b>GRI 410: Security practices</b>	410-1 Security personnel trained in human rights policies or procedures	/
<b>GRI 411: Rights of indigenous peoples</b>	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
<b>GRI 412: Human rights assessment</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	/
	412-2 Employee training on human rights policies or procedures	/
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
<b>GRI 413: Local communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Fulfilling responsibility and working together for harmony
	413-2 Operations with significant actual and potential negative impacts on local communities	/
<b>GRI 414:</b>	414-1 New suppliers that were screened using social criteria	/

GRI Standards	Disclosure Title	Chapter (s)
<b>Supplier social assessment</b>	414-2 Negative social impacts in the supply chain and actions taken	/
<b>GRI 415: Public policy</b>	415-1 Political contributions	Not applicable
<b>GRI 416: Customer health and safety</b>	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable (The item is not relevant to Bank's operation)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable (The item is not relevant to Bank's operation)
<b>GRI 417: Marketing and labelling</b>	417-1 Requirements for product and service information and labelling	Constructing outlets for public interests; Safeguarding users' rights and interests
	417-2 Incidents of non-compliance concerning product and service information and labelling	Not applicable (During the reporting period, no any noncompliance has occurred to the Bank)
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable (During the reporting period, no any noncompliance has occurred to the Bank)
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safeguarding users' rights and interests
<b>GRI 419: Socioeconomic compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Not applicable (The Bank has been strictly following relevant laws and regulations)



## ESG Content Index

KPI	Description	Chapter	Remark
<b>A1 Emissions</b>			
<b>General Disclosure</b>	<b>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</b>	Pursuing environmental-friendly, green and low carbon development	
<b>A1.1</b>	The types of emissions and respective emissions data.	Promoting green operation	
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Promoting green operation	
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Not applicable	Hazardous wastes produced from the Bank's operation are recycled by vendors for disposal
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Promoting green operation	
<b>A1.5</b>	Description of emission target(s) set and steps taken to achieve them	Promoting green operation	
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them	Promoting green operation	
<b>A2 Use of Resources</b>			
<b>General Disclosure</b>	<b>Policies on the efficient use of resources, including energy, water and other raw materials.</b>	Pursuing environmental-friendly, green and low carbon	

KPI	Description	Chapter	Remark
		development	
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)	Promoting green operation	
A2.2	Total water consumption and intensity (e.g., per unit of production volume, per facility)	Promoting green operation	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Promoting green operation	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Promoting green operation	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable	The item is not relevant to the Bank's operation
<b>A3 The Environment and Natural Resources</b>			
<b>General Disclosure</b>	<b>Policies on minimising the issuer's significant impact on the environment and natural resources</b>	Developing green finance	
A3.1	Policies on minimising the issuer's significant impact on the environment and natural resources	Developing green finance	
<b>A4 Climate Change</b>			
<b>General Disclosure</b>	<b>Polices on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer</b>	Promoting green operation	
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	Promoting green operation	
<b>B1 Employment</b>			
<b>General Disclosure</b>	<b>Policies on remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with relevant laws and regulations that have a significant impact on issuers</b>	Caring for staff as talents prosper the Bank	

KPI	Description	Chapter	Remark
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Safeguarding employees' interests and rights	
B1.2	Employee turnover rate by gender, age group and geographical region	Safeguarding employees' interests and rights	
<b>B2 Health and Safety</b>			
<b>General Disclosure</b>	<b>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.</b>	Caring for employees' physical and mental health	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	/	
B2.2	Lost days due to work injury	Caring for employees' physical and mental health	
B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored	Caring for employees' physical and mental health	
<b>B3 Development and Training</b>			
<b>General Disclosure</b>	<b>Policies on improving employees' knowledge and skills for discharging duties at work</b> <b>Description of training activities</b>	Broadening career channels	
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	Broadening career channels	
B3.2	The average training hours completed per employee by gender and employee category	Broadening career channels	
<b>B4 Labour Standards</b>			
<b>General Disclosure</b>	<b>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labour</b>	Safeguarding employees' interests and rights	
B4.1	Description of measures to review employment practices to avoid child and forced labour	Safeguarding employees' interests and	

KPI	Description	Chapter	Remark
		rights	
		Safeguarding	
B4.2	Description of steps taken to eliminate such practices when discovered	employees' interests and rights	
<b>B5 Supply Chain Management</b>			
<b>General Disclosure</b>	<b>Policies on managing environmental and social risks of the supply chain</b>	Promoting green operation	
B5.1	Number of suppliers by geographical regions	Promoting green operation	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Promoting green operation	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Promoting green operation	
B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored	Promoting green operation	
<b>B6 Product Responsibility</b>			
<b>General Disclosure</b>	<b>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</b>	Leveraging local advantages and promoting the local economy Serving customers with digital enhancements	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable	The item is not relevant to the Bank's operation
B6.2	Number of products and services related complaints received and how they are dealt with	Safeguarding users' rights and interests	
B6.3	Description of practices relating to observing and protecting intellectual property rights	Overall risk management	

KPI	Description	Chapter	Remark
B6.4	Description of quality assurance process and recall procedures	Not applicable	The item is not relevant to the Bank's operation
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Guarding against information leakage	
<b>B7 Anti-corruption</b>			
<b>General Disclosure</b>	<b>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering</b>	Overall risk management	
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	Overall risk management	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Overall risk management	
B7.3	Description of anti-corruption training provided to directors and staff	Overall risk management	
<b>B8 Community Investment</b>			
<b>General Disclosure</b>	<b>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</b>	Fulfilling responsibility and working together for harmony	
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	Fulfilling responsibility and working together for harmony	
B8.2	Resources contributed (e.g., money or time) to the focus area	Fulfilling responsibility and working together for harmony	

## Readers Feedback Form

Thank you for reading the “Huishang Bank Corporation Limited 2021 Social Responsibility Report”. In order to provide more valuable information to the Bank’s stakeholders and improve its ability and level of fulfilling social responsibilities, the Huishang Bank would welcome any feedback or suggestions you might have about this report.

### You can send this form to any of the following:

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### How would you rate your opinion of the Huishang Bank Corporation Limited 2021 Social Responsibility Report?

Very High High Neutral Low Very Low

### How would you rate your opinion of the economic, social and environmental responsibilities of the Huishang Bank?

Economic responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Social Responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Environmental Responsibility	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low

### Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact the Huishang Bank has brought about through its social responsibility practices?

Excellent Good Fair Poor Terrible

### How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators this Report has disclosed?

Clarity	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Accuracy	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
Completeness	<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low

### Do you find this Report in easy-to-read contents and formatting?

Yes Neutral No

### Feel free to share any comments or suggestions you may have on the Huishang Bank and this Report:

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