

**Agriculture Bank of China**  
**Corporate Social Responsibility Report**  
**(Environmental, Social and Governance Report)**  
**2023**

March 2023

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## Opening Chapter

### I. Message from the Chairman

2023 was the first year for the comprehensive implementation of the guiding principles of the 20th CPC National Congress. Over the last year, at the Agricultural Bank of China, we conscientiously and thoroughly implemented the decisions and deployments of the CPC Central Committee, and the guiding principles of the Central Financial Work Conference. Driving overall development with Party building, we made solid efforts to ensure financial services for agriculture, rural areas, and farmers (“Sannong”), and the real economy, focused on stabilizing operations, strengthening management, controlling risks and benefiting people’s livelihoods, fully supported the high-quality development of the economy, and better satisfied people’s growing demands for financial services that empower a better life.

#### **We adhered to our primary responsibilities and businesses, and made solid efforts to provide better financial services for agriculture, rural areas and farmers**

Rural revitalization is crucial to national rejuvenation. Over the last year, we stepped up financial support for the building of China into an agricultural powerhouse, kept enriching the contents of financial services, and channeled more financial resources into county and rural areas. As at the end of 2023, the balance of loans granted to county areas was RMB 8.78 trillion, up by 19.8% year on year. We persisted in making ensuring national food security the top priority, providing financial services for the development of the entire chain of the grain industry. The balance of loans granted to areas related to the supply of grain and other important agricultural products was RMB 844.5 billion, including RMB 283.1 billion to key areas of food production, a year-on-year increase of 59.3%. We carried out pilot projects of financing for the construction of high-standard farmland in 11 provinces, under which we funded over 13 million mu of high-standard farmland in total, contributing to the stabilization and increase of food production, and helped the Chinese people have control over our own food supply. We accelerated the granting of loans for farmers, such as “Farmer e-Loan” and “Enrich the People Loan”, introduced innovation to the “onsite + remote” operation mode, launched “Farmer Online Loan”, a fully online loan, and added account managers in county areas, thus expanding the coverage of services both online and offline to help farmers increase income and become rich. In 2023, the balance of loans for farmers exceeded RMB 1 trillion, up by 45.1% year on year. We vigorously supported the development of new industries and business forms in rural areas, including rural industrial clusters, rural tourism and rural e-commerce, released the plan for serving the building of a harmonious and beautiful countryside suitable for living and business, ensured the financial support for the construction of rural infrastructures and the improvement of living environment, and collaborated with tens of thousands of villages to build a better future. We continued to reinforce and expand the outcomes of poverty alleviation, and stepped up support for the key counties receiving assistance. The balance of loans to 832 counties lifted out of poverty was more than RMB 2 trillion, and the balance of “Enrich the People Loan” targeting the areas lifted out of poverty exceeded RMB 40 billion. We implemented

the “Action of Financial Talents Stationed at County Level to Assist and Enrich the People”, dispatching over 3,500 officials to work in towns and villages, and wholeheartedly serve rural development. In 2023, the Bank was the only commercial bank that was rated “Excellent”, the highest level, in the assessment of serving rural revitalization for three years in a row. Our two cases of paired assistance, which were supporting the economic development of Wuqiang County in Hebei Province, and helping the farmers become rich in Xiushan County in the city of Chongqing, were listed among the “World’s Best Poverty Alleviation Cases” in the “Fourth Global Solicitation on Poverty Reduction Practices” organized by the Food and Agriculture Organization of the United Nations, and 6 other international organizations, making us the only commercial bank receiving such honor globally.

### **We continuously optimized the supply of high-quality financial services, and constantly boosted the quality and efficiency of serving rural economy**

Finance is the lifeline of real economy, and serving real economy is the mission and purpose of finance. Always bearing in mind the top priorities of the nation, we centered around and promoted Chinese modernization, the top political issue in China. We completely, accurately and comprehensively implemented the new development philosophy, and improved the supply of high-quality financial services, to drive the high-quality development of the economy. Over the last year, we continued to strengthen financial services for key areas and weak links, focused on the building of a modern industrial system, and strengthening financial services for manufacturing and sci-tech innovation, with the balance of loans to manufacturing reaching RMB 2.95 trillion, a year-on-year increase of 28%. We set up 19 financial service centers for sci-tech innovation enterprises, innovated and promoted financial products such as “Technology e-Loan” and “Torch Innovation Point Loan”, and explored service models like “investment-lending linkage”, to divert more credit resources into tech enterprises with growth potential. At the end of 2023, our balance of loans for strategic emerging industries was over RMB 2 trillion, and established deep cooperation with nearly 70% of specialized, refined and innovative “Little Giants” enterprises. We actively met the financial demand of private enterprises, with outstanding loans to private enterprises reaching RMB 5.45 trillion. To further expanded the coverage of inclusive finance, we stepped up the granting of first time loans, renewed loans, unsecured loans, and medium and long-term loans, providing quality financial services to empower the development of micro and small-sized enterprises. We created an online credit product system exclusively for micro and small-sized enterprises, launched the 3.0 version of “ABC Inclusive e-Station”, and pushed forward the upgrade of inclusive financial services towards online, mobile, automated and intelligent operations. At the end of 2023, the Bank’s balance of loans in the area of inclusive finance was RMB 3.5 trillion, a year-on-year increase of 37%, and we became the first in the industry to have the number of inclusive small and micro enterprise loan customers exceeding 3 million. We unswervingly implemented the national regional development strategy, increased resources in the Beijing-Tianjin-Hebei region, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area, among others, and offered financial services on a more targeted basis. Seizing the strategic opportunity of opening up to the outside world at a higher level, we actively expanded our presence across the world, and

continuously boosted cross-border comprehensive RMB services, to better support “going global” of domestic enterprises and the introduction of foreign investments, and contribute to the high-quality joint construction of “The Belt and Road Initiative”.

**We highlighted our defining feature as a green brand, and promoted the harmony between humanity and nature**

Building an ecological civilization concerns people’s well-being and the future of our nation. We thoroughly studied and implemented Xi Jinping’s Thought on Ecological Civilization, firmly established and practiced the concept of “lucid waters and lush mountains are invaluable assets”, and vigorously developed green finance, assisting in the construction of modernization that promotes harmonious coexistence between humans and nature. Over the last year, with a focus on green and low-carbon industries, we increased the input of green credits, innovated and promoted green credit products such as ecological restoration loans and rural living environment loans, and actively created new modes for the pledge of rights like forestry carbon sink right, thus helping to realize the values of ecological products. We strongly supported wind power and solar power generation, the building of intelligent power grids, and other new energy systems, and particularly ensured the supply of funds for key areas like carbon emission reduction, and the clean and efficient utilization of coal. At the end of 2023 our balance of green credit exceeded RMB 4 trillion, up 50.1% year on year. Targeting key areas such as the green upgrade of infrastructures, clean energy, energy conservation and environmental protection, and ecological environment, we continued to build a multi-tiered and multi-dimensional system for the green finance business. We underwrote the country’s first green carbon emission right-backed debt financing instrument with “carbon neutrality, carbon assets, rural revitalization and old revolutionary base areas” as the four main themes, as well as several green bonds that were the first of their kind. At the end of 2023, we underwrote 31 tranches of green bonds in total, with the size of self-operated green bonds reaching RMB 144.34 billion. We took an active part in the exchanges and cooperation on green finance, attending the 14th Summer Davos Forum, the 2023 Annual Conference of the Financial Street Forum, and the United Nations Global Investors for Sustainable Development (GISD) Alliance Special Meeting, to boost our influence as a green brand. As the only representative among domestic financial institutions, we were invited to participate in the opening ceremony of the China Pavilion of UNFCCC COP28 and the Side Event on Ecological Civilization and Beautiful China Practice. In 2023, the Bank was named as “Advanced Institution in Green Bank Assessment” by the China Banking Association, and one of the top 10 “ESG Model Enterprises in China” by the China Media Group in collaboration with the State-owned Assets Supervision and Administration Commission of the State Council, All China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, the China Enterprise Reform and Development Research Association, and other authoritative institutions.

**We deeply cultivated the concept of finance for the people, and continuously promoted people’s well-being**

Staying true to the original aspiration of “finance for the people” is core to the high-quality development of China’s financial industry. With the ultimate goal of helping people realize their wish for a better life, we upheld the principle of finance for the good, interests, benefits and convenience of the people, expanded better quality financial services into a wider range of groups and fields, and continued to improve people’s well-being. Over the last year, with the focus on the pressing problems in areas like living, working, consumption, healthcare, elderly care, and education, we further enriched the financial supply, and made financial services warmer, more available and more accessible. With 867 million personal customers across the Bank, we stayed ahead of industrial peers in terms of the balance and increase of personal deposits, and the number of served personal customers. The annual increase of personal consumer loans was RMB 147.1 billion, the highest among comparable peers. To upgrade customer experiences, we refined business processes, and launched mobile banking 9.0 with upgraded features. At the end of 2023, our mobile banking service had 512 million registered customers, including 213 million monthly active users, which is continuously in the lead among comparable peers in the industry. We continued to upgrade financial services for the people, carried out the “ABC Service Project”, accelerated the building of “ABC Warmth of Love · Trade Union Outdoor Workers’ Service Stations”, further improved service facilities for the convenience of the people, and to meet the demands of special groups, particularly seniors. In 2023, we served 250,000 members of special groups with door-to-door services. We intensified consumer rights protection, and carried out financial education and publicity activities both online and offline, that reached 1.03 billion consumers in total, effectively enhancing their sense of achievement, happiness and safety. We actively engaged in public welfare and charitable undertakings, and creatively launched the “ABC Public Welfare” brand. In 2023, our 3,751 young volunteer teams, organized and participated in 15,000 public welfare volunteer activities; the 28 “Health Express for Mothers” vans purchased within the year were distributed to seven provinces (autonomous regions, cities and districts) nationwide, providing voluntary medical consulting and health publicity services for local women and children. We supported traditional Chinese cultural programs, including the “Master Stories · Eight Great Masters of the Tang and the Song Dynasties” TV show, which was widely viewed and praised. The campaign to help the blind had developed relatively big societal influences, it had been carried out for ten consecutive years, with our volunteers telling 104 films to the visually impaired across China.

Leveraging the tailwinds on the long journey, we’ll set off again with courage and confidence. 2024 marks the 75th anniversary of the founding of New China, as well as a year critical to the implementation of the 14th Five-Year Plan. At the Agricultural Bank of China, we’ll rally even closer around the CPC Central Committee with Comrade Xi Jinping at its core, gain a more thorough understanding of the decisive significance of the Two Affirmations, strengthen our commitment to the Four Consciousnesses, the Four-sphere Confidence and the Two Upholds. We’ll comprehensively implement the guiding principles of the Central Financial Work Conference, fully recognize the political and people-oriented nature of financial work, unswervingly follow the path to financial development with Chinese characteristics and vigorously promote excellent traditional Chinese culture. Adhering to the business philosophy, performance philosophy, and risk philosophy of honesty, trustworthiness,

and striking a balance between righteousness and profit, we'll promote the development of technology finance, green finance, inclusive finance, pension finance and digital finance with greater efforts, and take on more responsibilities as a major bank in the process of supporting Chinese modernization with financial services.

Gu Shu

Chairman of Agricultural Bank of China



## II. About Us

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

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

Since 2014, the Financial Stability Board has included the Bank in the list of Global Systemically Important Banks for ten consecutive years. In 2023, the Bank ranked No.3 among banks around the world in terms of tier 1 capital.

The Bank had a total of 22,843 domestic branch outlets at the end of 2023, including the Head Office, the Banking Center at the Head Office, four specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 409 tier-2 branches, 3,316 tier-1 sub-branches, 19,025 foundation-level branch outlets and 46 other establishments. Therefore, it realized the full coverage of all county-level administrative districts in mainland China. Overseas branch outlets consisted of 13 overseas branches and 4 overseas representative offices. The Bank had 16 major subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.

Total assets of RMB 39,872,989 million

Total loans and advances to customers of RMB 22,614,621 million

Deposits from customers of RMB 28,898,468 million

Capital adequacy ratio of 17.14%

Net profit of RMB 269,820 million

Taxes of RMB 97,694 million

Social contribution value per share of RMB 3.3

### Corporate culture

**Mission**

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

**Vision**

Forging a first-class international commercial bank group

**Core values**

Integrity, Stability and Sound Operation

**Relevant philosophies under the guidance of core values**

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

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

Service philosophy: Customers first and always

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

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

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

**III. Responsible Management****1. Philosophy on CSR****Shouldering responsibilities**

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

**Benefiting the people**

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

### **Giving priority to CSR**

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

### **Promoting Societal Prosperity**

With ABC's strength in financial services, it is our long-term responsibility and pursuit to promote the high-quality development of society, the realization of the Chinese Dream, and to build a prosperous society in all aspects.

## **2. Identification of substantive issues**

The Bank conducted substantive issue analysis to identify sustainable development topics.

### **Identification**

Collecting feedback through various means:  
Feedback from the Senior Management of the Head Office;  
Feedback from domestic and overseas branches;  
Feedback from external stakeholders;  
Review of relevant social responsibility standards;  
Analysis from internal and external experts.

### **Prioritization**

Following the *Guidelines for Social Responsibility of Agricultural Bank of China*, ABC ranks the issues by studying their importance to the sustainable development of ABC and their importance to stakeholders

### **Review**

The Board of Directors is responsible for reviewing sustainability topics, adjusting and determining the order of priority of the topics, with the help of specialized third-party organizations for reasonableness.

### **Improvement**

The Bank summarizes and analyzes the implementation of sustainability topics over the year, and determines the goals and implementation plans for the next year, so as to constantly improve its sustainability.

<p>Being a Leader in Serving Rural Revitalization</p>	
<p>Being a Main Force in Serving the Real Economy</p>	
<p>Party Building as Guide, Strengthening Our Mission and Responsibilities</p> <p>Improving Governance Efficiency with Enhanced Institutional Mechanisms</p> <p>Firmly Holding the Risk Bottom Line to Ensure Long Term Operational Stability</p> <p>Refining Internal Control Management to Highlight Operational Integrity</p>	
<p>Optimizing Top-level Design to Raise Environmental Awareness</p> <p>Facilitating Innovation to Drive the Development of Green Finance</p> <p>Coping with Climate Change and Better at Preventing Related Risks</p> <p>Conserving Energy, Reducing</p>	

<p>Emissions, and Dedicated to Low-carbon Operations</p>	
<p>Developing Livelihood Finance to Promote Common Prosperity</p> <p>Upholding the People-first Philosophy to Enhance Service Quality and Efficiency</p> <p>Pursuing A People-oriented Approach to Joint Growth</p> <p>Devoting to Public Welfare and Charity, Taking on Social Responsibilities</p>	

### 3. Analysis of stakeholders

Stakeholders	Key expectations	Communication mode	Response
Government	<p>To serve “Sannong” development</p> <p>To serve national strategies</p> <p>To support the real economy</p> <p>To pay taxes in full according to the law</p> <p>To promote employment</p>	<p>Policies and instructions</p> <p>Major project cooperation</p> <p>Work report</p> <p>Routine communication, etc.</p>	<p>To observe laws and regulations</p> <p>To support coordinated regional development</p> <p>To serve rural revitalization</p> <p>To support the structural supply side reform</p> <p>To pay taxes proactively</p> <p>To develop five types of finance in the new era</p>
Regulatory authorities	<p>To operate according to the law</p> <p>To maintain financial stability</p>	<p>Policies and instructions</p> <p>Approval and supervision</p> <p>Work report</p>	<p>Compliance management</p> <p>To receive supervision and</p>

	To prevent risks effectively	Routine communication, etc.	evaluation To perform comprehensive risk management
Shareholders and investors	Sustainable investment return To improve corporate governance To protect the rights and interests of shareholders To strengthen information disclosure	Information disclosure Shareholders' general meeting Investor activities Hotline, email, fax, company announcement, etc.	To practice responsible investment To realize stable operations To create value for shareholders Truthful, accurate, and complete information disclosure
Customers	To safeguard consumers' rights and interests To improve service quality To continuously promote product innovation To protect consumers' privacy and security	Product marketing Routine communication 95599 call center Customer satisfaction surveys Online and offline activities, etc.	To strengthen the protection of consumers' rights and interests To comprehensively improve service quality To accelerate product innovation To build an IT-based bank
Employees	To protect the legitimate rights and interests of employees To promote the improvement and career development of employees People centered	Employees' congress Solicit employee comments Employee care actions Regular training, etc.	To abide by national labor laws and regulations, and international practices To provide diversified training programs To create practical career development channels To advocate for

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

#### 4. Responsible performance

##### Economic performance

Indicator	2021	2022 <sup>1</sup>	2023
Total assets (RMB100 million)	290,691.55	339,254.88	398,729.89
Total loans and advances to customers (RMB 100 million)	171,750.73	197,638.27	226,146.21

<sup>1</sup> Since January 1, 2023, ABC Limited Group has implemented new accounting standards, and made adjustments to the relevant information in its financial statements for the year 2022. Therefore, some economic performance indicators for the year 2022 are restated in this report.

Non-performing loan (NPL) ratio <sup>2</sup> (%)	1.43	1.37	1.33
Capital adequacy ratio <sup>3</sup> (%)	17.13	17.20	17.14
Net profit (RMB 100 million)	2,419.36	2,588.66	2,698.20
Return on average total assets <sup>4</sup> (%)	0.86	0.82	0.73
Return on weighted average net assets <sup>5</sup> (%)	11.57	11.29	10.91
Total tax <sup>6</sup> (RMB 100 million)	992.27	1,137.77	976.94
Shareholders' equity (RMB 100 million)	24,213.59	26,737.60	28,968.67
Shareholders' dividends <sup>7</sup> (RMB 100 million)	723.76	777.66	808.11

### Environmental performance

Indicator	2021	2022	2023
Balance of green credit (RMB 100 million) <sup>8</sup>	19,778	26,975	40,487
CO2 equivalent emission reduction	9,554	9,783	12,895

<sup>2</sup> The NPL ratio is calculated by dividing the balance of NPLs (excluding accrued interests) by the total loans and advances to customers (excluding accrued interests).

<sup>3</sup> Figures were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and other relevant regulations.

<sup>4</sup> "Return on average total assets" was calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.

<sup>5</sup> "Return on weighted average net assets" was calculated in accordance with the *Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No.9 - Computation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision) issued by China Securities Regulatory Commission (CSRC).

<sup>6</sup> Total tax equals the total of corporate income tax, added-value tax and other taxes actually paid by ABC Group for the whole year.

<sup>7</sup> Dividends of ordinary shareholders (tax included).

<sup>8</sup> Balance of green credit is calculated according to the 2020 green financing standard of National Financial Regulatory Administration (NFRA).



attributed to green credit (10,000 tons)			
Green bonds underwritten <sup>9</sup> (Tranche)	27	56	31
Amount of funds raised from green bonds underwritten (RMB 100 million)	440	666	285

### Social performance

Indicator	2021	2022	2023
Social contribution per Share <sup>10</sup> (RMB)	2.56	2.92	3.30
Total amount of donations <sup>11</sup> (RMB 10,000)	10,060	10,717	11,175
Number of domestic branches	22,807	22,788	22,843
Number of county-level branch outlets	12,627	12,663	12,773
Total Huinong Cards issued (10,000)	23,543	23,411	23,510
Percentage of counties in which “Hui Nong Tong” service stations were set up in 160 key counties designated to receive assistance for rural revitalization nationwide (%)	89.1	99.6	100

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

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

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

Balance of agriculture-related loans <sup>12</sup> (RMB 100 million)	47,570	55,306	65,502
Total county-level financial business loans and advances (RMB 100 million)	62,183.12	73,283.36	87,759.53
Balance of inclusive loans for small and micro enterprises <sup>13</sup> (RMB 100 million)	13,220	17,690	24,583
Total loans to western regions <sup>14</sup> (RMB 100 million)	37,490.92	42,475.85	49,140.35
Balance of loans to ethnic minority areas <sup>15</sup> (RMB 100 million)	10,635.71	12,201.92	14,492.14
Number of employees (Person)	455,174	452,258	451,003
County-level employees (Person)	187,710	187,652	187,506
Overseas employees <sup>16</sup> (Person)	726	752	787
Total number of suppliers	431	457	435

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

13 According to the *Circular of the General Office of China Banking and Insurance Regulatory Commission on Stepping up Efforts to Enhance the Quality of Financial Services for Small and Micro Enterprises in 2023* (Y.B.J.B.F. [2023] No.42), inclusive loans for small and micro enterprises refer to the corporate loans for small and micro enterprises with a total credit amount of up to RMB 10 million each account and the business loans for self-employed individuals and small and micro business owners with a total credit amount of up to RMB 10 million each account. Bill discounting and rediscounting businesses are excluded from inclusive loans for small and micro enterprises.

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

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

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

## **IV. Highlight: Developing Five Types of Finance in the New Era**

### **Technology Finance**

The Bank created a system to evaluate the six types of capacity for scientific and technological innovation, which include, shareholders' strengths, financing, industry development, corporate governance, innovation, and stability.

The Bank devised five categories of credit products, that is, exclusive customer groups, investment-lending linkage, online scenarios, government credit enhancement, and corporate-personal business cooperation.

A total of 19 technology finance service centers were established in cities where scientific and technological innovation thrived.

More than 200 specialized institutions for technology finance were set up in places brimming with scientific and technological innovation activities.

- The balance of loans extended by the Bank to strategic emerging industries stood at RMB 2.1 trillion.
- The Bank entered into in-depth partnerships with nearly 70% of “little giant” enterprises that could use special and sophisticated technologies to produce novel and unique products.

### **Green Finance**

The Bank issued a number of documents, including the *Action Plan on Marketing Green Finance Business to Central Enterprises*, the *Key Points of Work Done in Green Finance/Carbon Peaking and Carbon Neutrality in 2023*, and the *Measures for Managing Environmental, Social and Governance Risks Derived from Credit Business*.

The Bank issued China's first asset-guaranteed debt financing tool with four themes of “carbon neutrality, carbon assets, rural revitalization, and old revolutionary base areas”.

The Bank issued China's first triple-labeled perpetual medium-term note: “green development, rural revitalization, and scientific and technological innovation”.

In the process of greening and integrating “Sannong” with innovative means, the Bank launched featured products such as “PV Loan” and “Hydropower Ecological Value Conversion Loan” and innovative ways of pledging rights such as forestry carbon sink rights.

To continuously increase communication and exchanges about green finance, the Bank was invited to participate in a number of events, such as the opening ceremony of the China Pavilion of UNFCCC COP28 and the Side Event on Ecological Civilization and Beautiful China Practice, and the China International Conference on Climate Investment and Finance.

- The balance of green loans extended by the Bank reached RMB 4.05 trillion.

- The Bank underwrote 31 tranches of green bonds, raising funds of RMB 28.5 billion in total.

### **Inclusive Finance**

The bank-wide working meeting for inclusive finance was convened to further gather the consensus about developing inclusive finance and serving the real economy.

The Bank upgraded generic products including “Micro Convenient Loan”, “Fast Convenient Loan”, and “Chain Convenient Loan” as well as featured products of branches, and released the “ABC Inclusive e-Station” program (version 3.0).

The Bank issued the *Plan of Agriculture Bank of China on Implementing the Core Requirements of the Central Financial Work Conference to Promote the High-Quality Development of Inclusive Finance*.

Multiple measures were adopted to serve the development of micro, small, and medium enterprises and farmer households in county areas.

- The balance of inclusive loans extended by the Bank stood at RMB 3.5 trillion.
- The loans and advances extended under county finance business totaled RMB 8.78 trillion.
- The balance of inclusive loans extended to small and micro enterprises hit RMB 2.46 trillion.

### **Pension Finance**

The Bank joined hands with human resources and social security departments in numerous locations to hold pension finance policy seminars targeted at nearly 1,000 entities.

The Bank formulated the implementation plan for the high-quality development of pension finance to build a “3+2” high-quality service system for finance pension.

The Bank became the first in the industry to introduce personal pension fund account services on all fronts and launched one of the first market-wide personal pension finance products.

The Bank expanded the coverage of occupational annuity and provided trusteeship management services for occupational annuity programs of 30 provinces and cities across China.

The Bank created the “Trustee+” annuity program with its own characteristics.

- The Bank was in the top tier of the industry in terms of the number of personal pension customers served.
- The Bank had the largest user base in the industry for its physical social security cards, electronic social security cards, and medical insurance codes.
- Pension finance (including wealth management products related to personal

pension finance) had a size of RMB 10.1 billion.

- Pension funds under entrusted management reached RMB 254,188 million.

### **Digital Finance**

The Bank continuously improved the “ABC e-Loan” online lending product lineup, and innovatively promoted a number of online products such as “Merchant e-Loan”, “Technology e-Loan”, and “Torch Innovation Reward Point Loan”.

The Bank launched the Mobile Banking Application (Version 9.0), to build a professional, diversified, intelligent, and personalized online service platform.

A “seven-pronged” corporate finance service platform took shape, which integrated corporate online banking, corporate mobile banking, corporate WeChat banking, portal website, WeChat applet, bank-enterprise direct connection, and bank-enterprise cloud connection, to cover almost all corporate customers of the Bank.

The Bank tapped into rural, living, governmental affairs, and corporate scenarios, to promote the deep integration of finance with digital government and digital economy.

- The balance of “ABC e-Loan” surpassed RMB 4 trillion.
- The Mobile Banking Application had 213 million monthly active users (MAU), a figure that is continuously in the lead among comparable peers in the industry.

## Column I Being a Leader in Serving Rural Revitalization

Contribution to the United Nations Sustainable Development Goals:



The Bank earnestly implemented the decisions and deployments of the CPC Central Committee and the State Council for the work involving agriculture, rural areas, and farmers (“Sannong”). Closely centered on the strategic positioning to become a leading bank serving rural revitalization, it took “RMB 3 trillion, three minimum targets, and three enhancements” as a goal, continuously increased the supply of capital, strengthened financial innovation, made better use of cutting-edge technology, in order to improve service qualities, and channel financial strengths to contribute to the revitalization of the countrysides on all fronts, the modernization of agriculture and rural areas, and the accelerated construction of China into an agricultural powerhouse.

As at the end of 2023, the balance of county loans extended by the Bank reached RMB 8.78 trillion, registering a growth rate of 19.8%, and the balance of agriculture-related loans extended by the Bank hit RMB 6.55 trillion, representing a growth rate of 18.4%.

### I. Outlining a Blueprint for Common Prosperity to Build a Beautiful and Harmonious Countryside

The Bank actively served new industries and new forms of business in the countrysides, took solid steps to provide financial services in the field of food security, spared no efforts to build a beautiful and harmonious countryside that would be desirable to live and work in, and worked to help farmers increase their income. In doing so, the Bank promoted the common prosperity of farmers and rural areas with financial resources.

#### 1. Serving the revitalization of rural industries

##### Promoting the High-quality Development of Rural Industries

**Providing full-process and whole-industry-chain financial services.** The Bank issued a number of documents such as the guiding opinions on serving the high-quality development of modern protected agriculture and the program for

serving high-quality large-scale wholesale markets for agricultural products. It promoted the financial service mode that covered the production, processing, and marketing processes among all upstream and downstream entities of the rural industry chain.

**Serving new industries and new business forms in rural areas.** Following the new trends in rural areas such as culture-tourism integration and “Internet Plus” sales of agricultural products in urban areas, the Bank issued the *Ten Measures to Support High-standard Recovery and High-quality Development of Tourism*, and launched featured products with regional characteristics such as “Bulk Credit for Industry Clusters”, “B & B Tourism Loan”, and “E-commerce Loan”, in a bid to vigorously support the development of new industries and new forms of business such as rural industrial clusters, rural tourism, and rural e-commerce.

**Supporting new agricultural business entities to grow bigger and stronger.** The Bank issued an action plan for serving top enterprises engaged in modernizing agriculture, and optimized support policies for top enterprises engaged in modernizing agriculture, farmers’ cooperatives, rural economic collectives, and other rural entities to improve the coverage of financial services.

**Strengthening multi-party collaboration to promote the development of rural industries.** The Bank cemented its cooperation with government organizations of China such as the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), All-China Federation of Industry and Commerce (CFIC), Ministry of Science and Technology (MOST), and Ministry of Culture and Tourism (MOC) to support central enterprises and private enterprises in their efforts to serve rural revitalization. It introduced 10 policies to support central enterprises in their efforts to serve rural revitalization as well as a number of initiatives in support of the “Making Villages Thrive through Enterprises” campaign, thus enabling central enterprises and private enterprises to better drive the development of rural industries.

As at the end of 2023, the balance of loans for rural industries reached RMB 1.84 trillion, an increase of RMB 447.9 billion compared with the end of the previous year.

### **[Case] Supporting the Development of Distinctive Industrial Clusters in Light of Local Conditions**

Centered on the building of the “10+3” modern agricultural industrialization system in Sichuan Province, Sichuan Branch introduced innovative exclusive products such as “Tianfu Planting and Breeding Loan”. It adopted the approach of “programs specific for counties and industries” to help national-level industrial clusters with unique advantages such as “vegetables grown in facilities”, “late-maturing citrus”, and “Ganzi yaks” to grow larger and stronger. As at the end of 2023, the branch extended RMB 32.4 billion loans in support of distinctive industrial clusters, which benefited 28,200 new agricultural business entities.



Sichuan Branch provides high-quality financial services to lemon enterprises in Anyue County, helping them to sell their products in 38 foreign countries and regions. (Photo by Hu Jiayin)

### **[Case] Multiple Measures Adopted to Revitalize Rural Industries**

Combined with the industries with unique advantages across Shandong Province, Shandong Branch worked to promote the integrated development of rural industries. It took the industries with unique advantages, towns specializing in agricultural industry, and high-quality professional markets as the key targets of bulk credit for industrial clusters, to create a number of demonstration bases, such as the Qingzhou flower planting bases and the Shouguang vegetable growing bases. The branch intensified “chain marketing” services around agricultural industrialization, and promoted chain service modes such as “top enterprises and industrial chains” and “top enterprises, planting bases, and contract farming”, letting farmers benefit more from industrial development. The “Loans for Joint Ventures to Support Rural Revitalization” mode was promoted, under which 2,181 private enterprises recommended by the local association of industry and commerce were provided with list-based services in a precise manner, thus directing more financial strengths to support Shandong Province in setting an example for rural revitalization.



Gu Shu, Chairman of the Bank, visits Raoyang County in Hebei Province to survey



the work done to facilitate rural revitalization with financial services. (Photo by Guo Hongzhu)



Account managers of Wenzhou Branch in Zhejiang Province visit a local dendrobium enterprise to meet its financing needs. (Photo by Chen Xinze)



Wuyuan County Sub-branch in Shangrao, Jiangxi Province, actively supports the Huangling Scenic Area to construct and develop B & B, agritainment, and other rural industries. (Photo provided by Jiangxi Branch)



Employees of Tongde Sub-branch in Hainan, in Qinghai Province, go to a local ranch to carry out a pre-lending survey in support of the Tibetan antelope industry. (Photo

by Zhaxijia)

## 2. Helping to ensure national food security

The Bank took the stable and safe supply of grain and other important agricultural products as the top priority of serving the “Sannong” areas, and increased services in the areas of grain production, revitalization of the seed industry, protection of arable land, upgrading of agricultural machinery equipment, supply of agricultural materials, and processing, distribution, and storage of grain, so as to help ensure food security in China.

As at the end of 2023, the balance of loans in food and important agricultural products supply-related areas was RMB 844.5 billion, with a growth rate of 33%. Among them, the balance of loans in areas related to the seed industry was RMB 42.4 billion, with a growth rate of 50.24%.

### **Full Commitment to Financial Services in the Area of Food Security**

**Supporting the improvement of farmland quality.** The Bank explored effective financing modes for the construction of high-standard farmland, and carried out pilot projects to support the financing of high-standard farmland construction. By increasing credit support, it provided innovative services for the entire process of high-standard farmland construction, operation, management, and maintenance. The Bank supported the development of over 13 million mu of high-standard farmland.

**Supporting the revitalization of the seed industry.** The Bank strengthened financial services for seed industry bases. It provided precise services for national-level seed breeding bases and major seed-producing counties, promoted a variety of innovative products with regional characteristics, such as “New Plant Species Ownership-pledged Loan”, and increased support for national-level seed enterprises and sci-tech seed enterprises.

**Supporting the development of the food industry chain.** Centered on key aspects of the industry such as grain growing and acquisition, the Bank launched products and service programs such as the “Agricultural Machinery Loan” and the “Grain Farmer e-Loan”, to enhance the service capacity of the entire grain industry chain, especially during important farming seasons such as spring plowing.

**Supporting a steady and high yield of grain.** The Bank increased financial services for grain farmers, farmers’ cooperatives, and agricultural reclamation enterprises, among other related entities, helped increase grain output and expand the planting areas of oilseed crops such as soybeans, assisted the development of first-class agricultural machinery equipment manufacturers and their industrial chain, and met the financing needs of all types of grain-growing entities for the purchase of agricultural machinery.

**[Case] Sparing No Effort to Serve the “50 Million Metric Tons of Grain” Project**

To promote the “50 Million Metric Tons of Grain” project, Changchun Branch in Jilin Province focused on major farming seasons all year around, upstream and downstream agriculture-related industries, and demand and supply side to provide credit support throughout the entire industrial chain. It formulated the Guideline on Extending Loans to Farmers with Unprocessed Grain as Collateral to provide grain business entities with access to financing, facilitate the shift of Changchun from a city with large agriculture to a city with strong agriculture, and help ensure food security by increasing grain production and income. As at the end of 2023, the balance of agricultural loans extended by the Bank amounted to RMB 5.8 billion, and the balance of loans in key grain areas reached RMB 2.63 billion.



Changchun Branch in Jilin Province supports grain acquisition, storage and processing activities of COFCO. (Photo by Xu Yuanzhi)



Guangxi Branch increases credit supply to support agricultural production and grain harvesting, with RMB 183,707 million outstanding agriculture-related loans as at the end of 2023, an increase of RMB 27,209 million from the end of the previous year. (Photo by Qin Chongya)



Henan Branch supports the development of high-standard farmland in Lankao County in an innovative mode, providing credit lines of RMB 500 million as an efficient solution to the funding problem. (Photo by Ma Yahang)



Jiangsu Branch helps mechanize and digitize agriculture and supports the construction of the largest standalone grain drying center in Zhenjiang City. (Photo by Li Biao)



Guangdong Branch supports large grain farmers in mechanized farming. (Photo by Ye Qing)

### 3. Advancing the construction of a harmonious and beautiful countryside

#### Main Initiatives

**Strengthening overall planning.** The *Service Program of Agricultural Bank of China for Building a Harmonious and Beautiful Countryside Desirable to Live and Work in (2023-2025)* was issued, focusing on key projects such as village construction, rural road accessibility, and water supply security to provide financial services in support of improving rural living environment.

**Improving the rural living environment.** The Bank pressed ahead with the five-year action plan for redeveloping the rural living environment with financial services, introduced the optimized special product called the “Rural Living Environment Loan”, and supported the rural living environment enhancement projects in conjunction with rural water supply, development of the agricultural industry, and tourism development, among other fields.

**Enhancing the public service capacity.** Centered on the areas concerning the people’s well-being such as medical and health care, culture, education, recreation, and sports, and old-age services in county areas, the Bank cemented its cooperation with government organizations to put in place a complete set of product policies and enhance the capacity of basic public services in the countryside.

**Serving new urbanization.** Credit supply was increased in a wide range of rural areas such as flood control and drought relief, safe drinking water supply, highway network, and warehousing and cold-chain logistics, to promote the extension of urban infrastructure to the countryside and the availability of public services in the countryside, a prerequisite for facilitating the integrated development of urban and rural areas. As at the end of 2023, the balance of county urbanization loans extended by the Bank hit RMB 1.43 trillion, an increase of RMB 264.4 billion from the end of the previous year.

#### [Case] Empowering the “Village Renovation” Project to Upgrade the Countryside

Huangshan Branch in Anhui Province prioritized implementing the “Village Renovation” project to help Huangshan City build picturesque villages with its own characteristics. Shexian Sub-branch extended RMB 71 million loans in Jiusha Village and Zhangtan Village. By combining “industrial integration, living environment improvement, and traditional village protection”, the sub-branch helped local villages improve the living environment, upgrade infrastructure facilities, and repair villagers’ dilapidated houses, in a bid to fully develop the diversified value of the countryside, realizing the close combination of rural living environment improvement and rural tourism development.



Huangshan Branch in Anhui Province issues the province's first "Village Renovation" Project loan to support rural tourism development projects in Qimen County. (Photo by Wu Peng)



The Bank continues to promote the "Rural Living Environment Loan" product, supporting rural wastewater treatment, overall rural living environment enhancement, and other projects in Chongqing, Jiangsu, Zhejiang, Sichuan, and other places. As at the end of 2023, "Rural Living Environment Loans" of RMB 12.9 billion have been granted cumulatively. The photo shows that Wenzhou Branch in Zhejiang supports the development and construction of fishing villages around Dongtou Island to help improve the rural living environment. (Photo by Tang Jing)



Huanggang Branch in Hubei Province supports the renovation of old town areas in

Huangmei County to improve the living environment. (Photo by Cheng Lingjun)



Guizhou Branch launches the “Loan for Safe Drinking Water in the Countryside” to help rural residents have access to safe drinking water. (Photo by Ye Yikun)

#### **4. Contributing to the green and low-carbon development of rural areas and agriculture**

##### **Main Initiatives**

##### **Supporting the green development of the entire agricultural industry chain.**

The Bank increased credit supply in fields such as pilot areas for green agriculture, agricultural modernization demonstration zones, national-level ecological farms, and national-level marine ranching demonstration zones, to promote the intensive use of agricultural resources and the low-carbon and recycling industrial chain.

##### **Promoting the low-carbon transition and upgrading of county industries.**

The Bank implemented differentiated policies for clean energy supply enterprises, supported forestry development and the growth of the under-forest economy, and expanded green consumer credit services such as green home appliances, green building materials and decoration, and new energy vehicles in counties nationwide, so as to promote the low-carbon transition and upgrading of county industries.

##### **Helping to improve the rural ecological environment.**

Focused on the goal of “peaking carbon emissions and achieving carbon neutrality” (dual carbon), the Bank served the implementation of major ecological strategies in China such as the ecological conservation and high-quality development in the Yellow River Basin and the protection of the Yangtze River, and innovatively promoted “Sannong”-themed green credit products such as ecological restoration loans and forestry carbon sink loans.

As at the end of 2023, the balance of green credit extended by the Bank in county areas nationwide amounted to RMB 1.66 trillion, accounting for more than 40% of the Bank’s total outstanding green credit.

### **[Case] Exploring Ways to Combine Solar PV Power Generation and Animal Husbandry**

Qinghai Branch actively supported the construction of an integrated demonstration park in the Tala Shoal area. By opening up green channels for financing, the branch improved the efficiency of business approval. It extended RMB 2,907 million loans for the solar photovoltaic (PV) power generation and animal husbandry industries in the area throughout the year, helping form an ecosystem of green development that would feature “solar panel power generation, sand control under the panels, vegetation restoration, and Tibetan antelopes raising” and achieving a win-win-win situation: profitable power stations, prosperous farmers and herdsman, and ecological restoration of the Gobi desert.



Qinghai Branch supports the construction of the Tala Shoal solar PV power plant.  
(Photo provided by Corporate Culture Department)



Scan the QR code to watch the video clip about the case being included in the first “CCTV Economic and Financial Night - Models of the Year in Empowering High-quality Development with Financial Strengths”.

### **[Case] Providing Financial Services to Green the Plateau**

Keenly aware of its resource advantages, Tibet Branch continued to increase its support for ecological agriculture, ecological protection, ecological restoration, and



other environmental protection industries. It facilitated the accelerated development of organic agriculture, under-forest resources, and green animal husbandry to green agriculture and rural areas. As at the end of 2023, the balance of green credit extended by the Bank amounted to RMB 32,879 million, an increase of RMB 9,913 million from the end of the previous year.



Fujian Branch vigorously supports the development of the under-forest economy and promotes the value-added functions of forests as “four reservoirs”. The photo shows the Bank’s staff visiting local forest farmers. (Photo by Chu Zhiqiang)

## 5. Supporting farmers to increase their income

### Main Initiatives

- Strongly supporting production activities of farmers. The Bank increased the supply of loans for farmers such as “Farmer e-Loan” and launched specialized products such as “Grain Farmer e-Loan”, “PV Loan”, “Merchant Loan”, and “Rural Tourism Loan”. As at the end of 2023, the balance of “Farmer e-Loans” amounted to RMB 1,085.3 billion, benefiting 5.79 million farmers.
- Taking the initiative to explore the service mode for “new farmers”. The Bank promoted exclusive products such as personal business start-up loans and loans for persons returning to their hometowns to start businesses among new citizens, persons returning to their hometowns to start businesses, and other entities.
- Providing financial services to new agricultural business entities. The Bank actively participated in the “Credit Express” activity that was initiated by the Ministry of Agriculture and Rural Affairs. As at the end of 2023, it granted a total of RMB 170.6 billion in credits to support 890,000 agricultural business entities.

**[Case] Using the Innovative Fishing Vessel-secured Loan to Help Fishermen Increase Income**

Ningbo Branch continued to optimize the innovative fishing vessel-secured loan business to provide fishermen with credit support for the purchase and maintenance of fishing vessels, payment of labor costs, etc. The approval method for credit lines was optimized and loan terms were extended continuously. After 14 years of development, the maximum loan amount for a single customer reached RMB 10 million, effectively meeting financing needs of fishermen. As at the end of 2023, RMB 2.86 billion fishing vessel-secured loans were extended to benefit more than 800 fishermen.



Departing fishing vessels in Shipu Port, Xiangshan, Ningbo (Photo by Ji Licun)



Hebei Branch supports farmers in developing distinctive county industries to help them increase income. (Photo by Gao Yunhan)

**II. Consolidating and Expanding the Results Achieved in Poverty Alleviation**

The Bank resolutely complied with the requirement for forestalling any large-scale

relapse into poverty, continuously improved or optimized financial assistance policies, increased credit support for counties out of poverty and key counties designated to receive assistance for rural revitalization nationwide, strengthened the intensity of paired assistance, focused on helping areas and residents out of poverty build their own momentum for growth, and went all out to serve the efforts to consolidate and expand the achievements in poverty alleviation with new measures for rural revitalization.

As at the end of 2023, the balance of loans extended by the Bank in 832 counties out of poverty reached RMB 2.01 trillion, registering a growth rate of 18.7%.

### **1. Helping to build a solid line of defense against returning to poverty**

**Increasing credit supply.** The Bank directed more credit to areas and residents out of poverty. Making good use of products such as the “Enrich the People Loan” and microcredit for the population out of poverty, it tried to meet the production and operation capital needs of the three types of key groups under monitoring, that is, those who had just emerged from poverty but whose position was far from secure, those on the verge of poverty who could fall back in again easily, and those experiencing difficulties due to emergencies. In doing so, the Bank actively supported the accelerated development of counties out of poverty and the income increase of the population out of poverty.

**Supporting industrial development in areas out of poverty.** The Bank extended the agriculture-related industrial chains and value chains, made progress in establishing an interest linkage mechanism for industry-led income increase for the population out of poverty, and helped such population and general farmers to raise their income.

**Reinforcing credit enhancement guarantees.** Relying on the credit systems built in different regions, the Bank coordinated efforts to establish a risk compensation fund, prioritized extending unsecured loans for low-income people, and continuously expanded the scope of service, thus enabling more farmers to obtain financing services and enhance their self-sufficiency.

#### **[Case] “Enrich the People Loan” Bridges the “Last Mile” Gap in Access to Financial Assistance for Agriculture**

In recent years, the Bank, together with the Ministry of Agriculture and Rural Affairs (the National Rural Revitalization Administration), has launched “Enrich the People Loan”, an innovative loan product for farmers that features “government-bank co-management, credit-enhancement by the government, and preferential interest rates”, channeling more credit resources toward low-income groups. Mainly targeted at the populations out of poverty and ordinary farmers engaged in agricultural production and operation, the product provides farmers with low-cost funds to meet the needs derived throughout their production cycle. Meanwhile, it has developed an online recommendation system, and established a credit enhancement mechanism for farmer households out of poverty, helping them obtain collateral and financing. As at the end of 2023, the balance of “Enrich the People Loans” amounted to RMB 40.4 billion, which benefited 420,000 farmer

households in 832 counties out of poverty, 644 key counties in old revolutionary base areas, and Xinjiang, Tibet, and Ningxia autonomous regions. The innovative practices of the Bank in promoting the “Enrich the People Loan” product were rated as one of the “Top Ten Cases” of financial support for key counties designated to receive assistance for rural revitalization nationwide.



Staff of Minxian Sub-branch in Dingxi, Gansu Province go into the field to inspect the granting of “Enrich the People Loans”. (Photo by Qiao Li)



Staff of Zhada Sub-branch in Ngari, in Tibet Autonomous Region, go to villages and farmer households to promote products that benefit rural and border areas by meeting the production and living needs of the ethnic groups in the border regions of Ngari. (Photo by Gongga Zhaxi)

## 2. Working to support key counties designated to receive assistance

**Strengthening policy support.** The Bank formulated a work plan for supporting key counties designated to receive assistance for rural revitalization nationwide. For 160 counties in this category, it introduced a series of practical measures, such as improving the mechanism to help farmers increase their income, refining the coordination mechanism for key projects, and intensifying related incentives and constraints on appraisal, so as to further weight the policy resources.

**Increasing assistance.** The Bank prioritized ensuring the adequate supply of credit,

offered preferential loan interest rates, opened up green channels for loan review and approval, and covered almost all service channels. It accelerated the extension of “Farmer e-loan”, “Enrich the People Loan”, and other related products in key counties receiving assistance to help these counties upgrade their industries and drive their farmers to increase their income.

As at the end of 2023, the balance of loans granted to the 160 key counties designated to receive assistance for rural revitalization was RMB 380.8 billion, representing a growth rate of 20.9%.

### **[Case] “Beef Cattle Loan” Provides Financial Support for the Cattle Industry**

Lancang County is one of the 27 key counties designated to receive assistance for rural revitalization in Yunnan Province, and the beef cattle industry is a key industry in the county. Yunnan Branch took the lead in this county in creating the government-bank-insurance development mode that could integrate “beef cattle, insurance, and credit”. Primarily providing financial support in the areas of cattle ring reconstruction, breeding of good-breed cows, forage planting, etc., to help the beef cattle industry grow larger and stronger and give an impetus to the development of the distinctive industries and the income increase of farmers. As at the end of 2023, nearly RMB 100 million Beef Cattle Loans were extended, financing production activities of farmers from 71 villages in 15 townships.



Changchun Financial Training Institute organizes an alternative course on rural revitalization for outlet heads and secretaries of primary-level Party branches in key counties designated to receive assistance for rural revitalization in 2023 to help primary-level personnel improve their capabilities for serving rural revitalization. (Photo by Cui Zhixing)

### **3. Making solid progress in paired assistance**

To fully leverage financial advantages and input more resources, the Bank focused on credit funds, investment invitation, special donations, project assistance, personnel training, inter-city dispatch of talent, and other fields, to strengthen the innovation in assistance mechanisms. It continued to increase assistance for five paired counties, including Raoyang of Hebei, Wuqiang of Hebei, Huangping of Guizhou, Xiushan of

Chongqing, and Oroqen Banner of Inner Mongolia.

As at the end of 2023, the Bank extended RMB 7.6 billion credit funds to the five counties receiving paired assistance, invested RMB 66.22 million non-reimbursable assistance funds in these counties, helped them introduce RMB 470 million non-reimbursable and reimbursable assistance funds, and assisted in inviting 54 assistance projects and RMB 470 million investment.

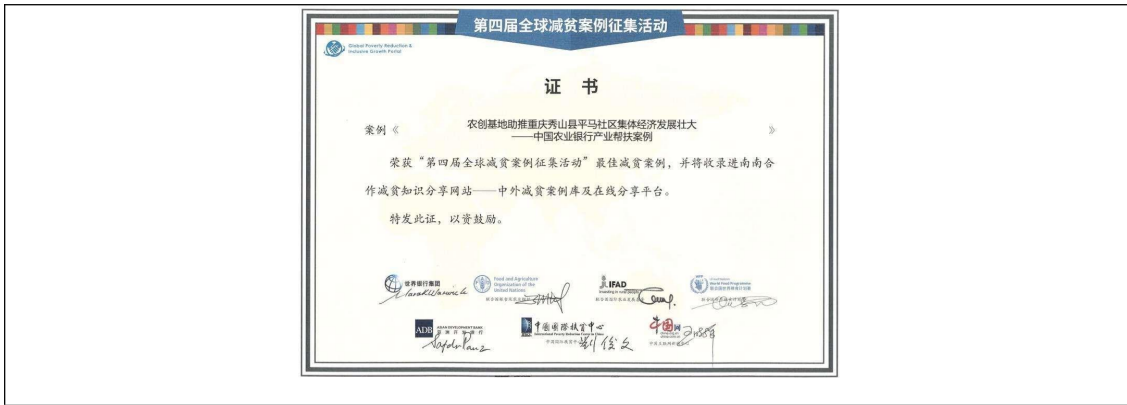
### **[Case] “Village Directors in Charge of Financial Affairs” Delivers Financial Services to the Countryside**

Starting from June 2023, the Bank started to implement the mechanism of “village directors in charge of financial affairs” in five counties designated to receive paired assistance. Through the cooperation mode of “Party building and finance”, each village selected a member of the village committee and the Party committee as the village director in charge of financial affairs. Meanwhile, it launched “ABC e-Customer Referral” scenario to recommend customers with loan needs to ABC by the village director in time. The mechanism erected a bridge that connected the Bank with farmers, thus closing the “last mile” in access to rural financial services.

### **[Case] Two Paired Assistance Projects are Selected as the Best Cases of Poverty Reduction in the World**

Two typical practices of paired assistance at the Bank, namely, “Supporting the Collective Economy Through the Finance-agriculture Linkage Mode to Help Farmers Increase Income in Wuqiang County, Hebei Province” and “Enabling the Collective Economy of Pingma Community in Xiushan County, Chongqing to Grow Larger and Stronger Through the Construction of an Agricultural Innovation Base”, were included in the “Fourth Global Solicitation on Poverty Reduction Practices” sponsored by seven organizations such as the World Bank, and the Food and Agriculture Organization of the United Nations, the United Nations World Food Programme, and the International Poverty Reduction Center in China. ABC was the only commercial bank in the world to receive such an honor in 2023.





Fu Wanjun, then President of the Bank, leads a team to Huangping County, in Guizhou Province, to inspect and provide guidance for the work of paired assistance. (Photo by Ye Yikun)

#### 4. Undertaking intensive work to provide integrated assistance

##### Main Initiatives

**Providing follow-up support for people relocated from inhospitable areas.** The Bank issued the *Notice on Providing Quality Financial Services for the Follow-up Development of People Relocated from Inhospitable Areas According to Local Conditions*, to increase credit supply and financial services in support of infrastructure construction, development of supporting industries, production and operation activities, and integrated consumption in the resettlement areas.

**Increasing the collaboration of eastern and western branches for assistance.** The Bank stepped up financial support around such domains as industrial assistance, investment invitation, and talent exchange, introduced more industrial projects and development funds for areas out of poverty, and set a good example of providing financial services for east-west collaboration. As at the end of 2023, the Bank provided financing support for 52 government-backed east-west collaboration projects and introduced 119 projects for western collaboration areas.

**Carrying out consumption assistance.** Fully utilizing the advantages in systems, customer resources, and financial technology (FinTech), among other fields, the Bank

promoted the sale of agricultural and sideline products from areas out of poverty using both online and offline means. As at the end of 2023, it directly purchased and helped sell agricultural products from such areas worth over RMB 2.11 billion.

**Strengthening policy protection and assistance in the form of personnel training.**

The Bank separately allocated financial resources such as “Sannong” strategic expenses for counties, incentive wages, and fixed assets, established a mechanism to subsidize frontline employees in townships, and launched a special recruitment plan for rural revitalization to provide personnel as needed by financial support for rural revitalization. Meanwhile, under the east-west collaboration framework, it thoroughly implemented the “Double 100” managerial personnel program for paired assistance, optimized and adjusted the paired relationships, aligned the pairs for assistance with local government counterparts, and strengthened two-way managerial personnel exchanges between the eastern branches and the northeastern branches. Besides, it continuously pushed forward with the “Action Program for Financial Talents Stationed in Counties and Towns to Help Villages and Residents Increase Income”. In 2023, the Bank sent 1,116 staff members to local governments to providing assistance needed for rural revitalization. So far, it has sent out 3,526 managerial personnel to provide assistance in 1,169 county-level administrative areas across the country, which covered all of the 160 key counties designated to receive support for rural revitalization.

**[Case] Helping to Revitalize the Countryside with Joint Efforts**

Ningbo Branch actively partnered with the local government of Liangshan, Sichuan, the Ningbo Municipal Government Task Force in Liangshan, the Liangshan Prefecture-Ningbo Chamber of Commerce, and other government organs and associations to continuously promote east-west collaboration assistance in terms of industrial, talent, and consumption collaboration. Throughout the year, the branch introduced 21 assistance projects, RMB 110,600 of non-reimbursable assistance funds, and RMB 197 million of reimbursable assistance funds into Liangshan Prefecture, and sold goods produced by the prefecture worth RMB 26.75 million. Ningbo Branch formulated with Liangshan Branch the *Program for Backbone Business Personnel of Liangshan Branch to Attend Competency Enhancement Training in Ningbo* to promote the advanced experience of eastern coastal areas to the western region.

**[Case] Assisting People with Disabilities who Have Been Relocated from Inhospitable Areas to Start Their Own Businesses for Income Increase**

Lushui Sub-branch in Nujiang, in Yunnan Province, launched the “e-Loan for the Disabled” innovative financing product. Relying on the mode that could combine the recommendation of the disabled persons’ federation, approval by the Bank, and benefit for persons with disabilities, the sub-branch set up the “ABC e-Customer Referral” green lane to provide convenient and efficient financial services for the people with disabilities who had been relocated from inhospitable areas, family



members of people with disabilities, and rural entrepreneurs who had achieved significant results in helping people with disabilities. As at the end of 2023, relying on the green lane, it approved RMB 578,000 of loans for persons with disabilities who had been relocated from inhospitable areas, helping them ease the shortage of funds in production and business activities.



The Bank continues to broaden the sales channels for key products from areas out of poverty and encourages the participation of all sectors of society in consumption assistance. As at the end of 2023, the Bank had conducted eight assistance activities at the Head Office. The photo shows the “Exhibition and Sale of Guizhou Products” activity co-organized by the Bank and the Guizhou Provincial Office in Beijing. (Photo by Chen Shunxi)



The Bank selects and sends young talents to participate in the “Double 100” managerial personnel program for paired assistance through the collaboration of eastern and western branches, publicizing national pro-agriculture policies and providing financial services for farmers in Gonghe County, in Qinghai Province. (Photo by Zhang Rong)

### III. Refining Product and Service Modes

The Bank continuously pursued an innovation-driven and technology-empowered approach to digitize the countryside, improved the “five-pronged” service channels, and enhanced the quality and efficiency of financial services for rural revitalization on all fronts.

#### 1. Promoting innovative “Sannong” policies and products

##### Main Initiatives

**Enhancing agricultural credit policies.** The Bank optimized or improved the “annual, regional and industrial” agriculture-related credit policies, and introduced industrial credit support policies. With respect to the allocation of credit resources, separate credit plans were issued, which included county loans, agriculture-related loans, loans for counties out of poverty, and loans for key counties designated to receive assistance. As at the end of 2023, the Bank formulated 15 credit policies for agriculture-related industries.

**Accelerating innovations in “Sannong” products.** The Bank put in place a sound “Sannong” product innovation mechanism and strengthened the construction of the “Sannong” innovation bases. It innovatively launched over 40 specialized products, including Smart Grain Warehouse Loan, Ocean Pasture Loan, and Livestock Loan, bringing the total number of credit products exclusively for “Sannong” to 281.

**Exploring innovations in service modes.** The Bank issued RMB 20 billion “Sannong” financial bonds, with the raised funds used in key areas such as national food security and integrated development of primary, secondary, and tertiary industries in rural areas. It collaborated with local Party committees and government organs to explore service modes such as “1,000 Employees Working in Towns” and “Rural Financial Service Commissioners”, and to promote innovative service modes such as “Loans for Central Enterprises to Support Rural Revitalization”, “Loans for Joint Ventures to Support Rural Revitalization”, and “Financial Assistance for People with Disabilities”, thus reaching government-enterprise-bank collaboration.

##### [Case] Releasing the Market’s First Customized Bond Index in the Field of Rural Revitalization

On February 14, 2023, the China Bond-ABC Rural Revitalization Bond Index made its official debut, which was jointly compiled by the Bank and China Central Depository Clearing Co., Ltd. (CCDC). The index focuses on allocating rural revitalization-themed assets and its sample covers “Sannong” financial bonds and various types of bonds with the raised funds explicitly used for rural revitalization purposes. With the aim to channel more private funds into key areas and weak links of rural revitalization, the index represents another innovation in financial services

for rural revitalization.

**[Case] Building the Linyi Demonstration Area as a Solution to Financial Services for Rural Revitalization Created by Shandong through Bank-Government Cooperation**

The Bank cooperated with the Linyi Municipal Government of Shandong Province to jointly build the Linyi Demonstration Area as a solution to financial services for rural revitalization, which was one of the first innovative pilot areas supported by the Bank for bank-government cooperation in serving rural revitalization, and also the first demonstration zone for serving the old revolutionary base areas with financial strengths in the country. It formulated and implemented special service programs and a series of supporting policies to launch the “Linyi Rural Revitalization Loan” series of products. Credit support was increased to facilitate the fast development of the old revolutionary base areas through financial innovation.



On November 8, 2023, the Linyi Demonstration Area as a Solution to Financial Services for Rural Revitalization Created by Shandong is inaugurated in Linyi, Shandong Province. (Photo by Zhang Zhe)

**[Case] Finance Empowers the Construction of Modern Marine Pastures**

Dalian Branch actively supported the construction of modernized marine pastures, constantly innovating financial products and diversifying service methods. It supported the sea farming industry, and served the development of the grand marine economy in the region. Innovative products such as “Fishing Vessel Loan” and the right of sea area use-secured loan were introduced to channel more credit resources into key projects such as aquatic products processing enterprises, shipbuilding, and port construction, as a move to implement the policy for fee reduction and profit forgoing. As at the end of 2023, the Bank extended loans to 37.18% of national-level marine pastures, and the balance of such loans stood at RMB 703 million. Meanwhile, the balance of loans extended by the Bank for the construction of ocean centers was RMB 9,139 million.



Dalian Branch fully supports the building of a “blue granary” on the sea and helps establish a modern agricultural industrial system. (Photo by Yu Ruize)



Xiangxi Branch in Hunan Province holds a launching ceremony for the “Chinese Herbal Medicine Loan” and signs loan agreements with Chinese herbal medicine enterprises. (Photo by Zhang Qian)



Henan Branch innovatively promotes “one county, one product” featured services, supports the scale development of top enterprises, and creates a four-pronged service mode: “large farmers, cooperatives, collective economic organizations, brokers, and top enterprises, and dealers” to fully support the development of the entire grain industry chain. (Photo by Deng Guoyong)



Pingba Sub-branch in Anshun, Guizhou Province, continuously innovates financial products and service modes, improves financial services in the areas of food storage, preservation, and cold-chain logistics in county areas, and promotes the integrated development of primary, secondary, and tertiary industries. The photo shows that Hong Ming, the National Labor Medalist, “Sannong” Figure of the Year 2023, and Head of Pingba Sub-branch, inspects a local enterprise to learn about how it develops. (Photo by Ye Yikun)

## 2. Empowering rural revitalization with digital means

Making the best of cutting-edge technology, the Bank made continuous progress in digitizing the countryside, and actively built a diversity of agriculture-related digital scenarios, enabling the deep integration of financial services with production and living activities in rural areas.

### Main Initiatives

**Launching a new platform for digital villages.** The “ABC Pro-Agriculture Cloud” digital countryside platform was released, with four convenient channels, including the website, the application, the applet, and WeChat official account, to provide a package of digital management tools for county and township governments, village committees and Party committees, and all kinds of agriculture-related entities. As at the end of 2023, the digital countryside platform had 126,000 institutional members which served 4.75 million customers.

**Constructing “Sannong” intelligent scenarios.** Guided by the diversified financial service scenarios and industrial demands in rural areas, the Bank created an ecosystem of scenarios such as management of collective funds, assets, and resources in rural areas, “ABC e-Customer Referral”, intelligent agriculture, and intelligent market to empower rural governance, agricultural production, and rural life in all aspects. As at the end of 2023, the scenarios related to the management of collective funds, assets, and resources in rural areas were available in 1,654 counties (districts), covering 174,000 administrative villages, and the intelligent animal husbandry scenarios served 4,398 customers, with the balance of related loans exceeding RMB 10 billion.

**Promoting intelligent online operations.** The Bank developed a brand-new pro-agriculture platform, created an intelligent credit decision-making center, accelerated offline whole-village profiling and online data introduction through

multiple channels, and vigorously promoted online credit products, providing loans for rural customers more conveniently.

#### **[Case] Launching the “ABC e-Customer Referral” Innovative Scenario**

The Bank created the “ABC e-Customer Referral” scenario, which incorporated government organs, enterprises, and associations of people with disabilities into the same service scenario created by the Bank to recommend users with loan needs through online channels of counties, townships, and villages. Guided by the service tenet of “online recommendation by government organs (enterprises), door-to-door lending by the Bank, and direct benefit to farmers”, the scenario could effectively solve the problem of information asymmetry between the financial supply and demand sides. The loan recommendation process is fully online, traceable, and time-sensitive, which could save people from running unnecessary errands with the help of data. As at the end of 2023, the “ABC e-Customer Referral” scenario was adopted by 25,000 institutions, accepting 766,000 loan applications worth RMB 184.5 billion.

#### **[Case] Upgrading the Rural Revitalization Reward Points System to Digital Operation**

The Bank launched the “Village Revitalization Reward Points” system in Shizhu County, in the City of Chongqing, to give and aggregate village revitalization reward points in an intelligent and automatic manner. The system consists of an applet, a back office, a villager card, and a POS machine. With the aim to help villagers obtain reward points to share with others and get involved in public interest programs, the system could closely combine reward points with financial services and allow villagers to exchange their reward points for daily necessities, thus improving rural governance constantly.

#### **[Case] Promoting Party Building to Lead the Creation of Credit Village Scenarios**

Lingao Sub-branch in Hainan Province, promoted the credit village and credit user-oriented comprehensive service platform that could integrate Party Building, finance, and technology to Xinxian Village Committee of Lingao County, helping to build the rural credit system. Capable of internal data mining and external data importing, the platform would generate multi-dimensional evaluation labels for administrative villages, create comprehensive information files for credit users in credit villages, and provide customers with privileges appropriate for their credit level. Through this platform, residents in Xinxian Village can get more convenient and better-quality financial services, the village committee can recommend customers online, and Lingao Sub-branch can evaluate credit villages online, which effectively improves the credit environment in local rural areas, helps set a new social trend of respecting credit, and achieves a win-win situation for the

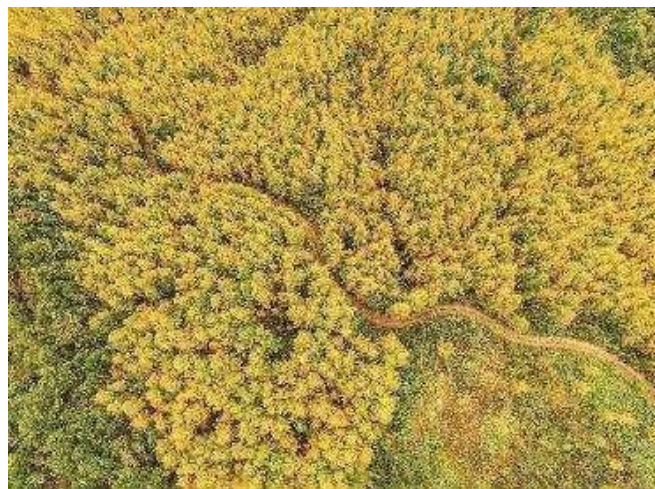
primary-level Party organizations, village collectives, farmers, and the Bank.



Heilongjiang Branch introduces an innovative project of intelligent and leisure agriculture and joins the rural revitalization channel of the Mobile Banking Application, allowing users nationwide to co-farm remotely. (Photo by Yuan Bin)



Beichen Sub-branch in the City of Tianjin develops intelligent animal husbandry scenarios and promotes “Intelligent Animal Husbandry Loan” to give identity labels to live animals. (Photo by Gong Wei)



Sichuan Branch launches the “Intelligent Forestry” platform in Wanyuan County of Dazhou and Qingchuan County of Guangyuan for the first time, helping to ensure the safety of forestry in real time. The photo shows the reserve forest in Wanyuan County, Dazhou. (Photo by Tong Lin)

### 3. Continuously diversifying service channels

The Bank continuously improved a five-pronged system of service channels, that is, “staffed outlets, self-service outlets, Hui Nong Tong service stations, online channels, and mobile financial services”, to constantly expand the network of rural financial services.

As at the end of 2023, the Bank had 505 outlets situated above 3,500 meters altitude, 18 outlets at an elevation of at least 4,800 meters, and 48 outlets within 2 kilometers of the borderline.

- More outlet resources were channeled into the “Sannong” fields and county areas. 70% of newly built or relocated outlets were distributed in counties, semi-urban areas, key townships, and other areas where financial services were relatively inaccessible. As at the end of 2023, the Bank had 12,700 county outlets, accounting for 56.4% of the total outlets.
- With the increasingly diversified functions, Hui Nong Tong service stations were used as an important vehicle to provide a variety of services such as business reservation, customer referral, and creation of WeChat groups in business circles.
- The Bank continued to promote mobile banking in the countryside, carried out the “Mobile Banking in Townships to Benefit Rural Areas and Farmers” campaign, and publicized the rural version of mobile banking vigorously. As at the end of 2023, the Mobile Banking Application had 229 million registered customers in county areas and 95.23 million monthly active users.
- The Bank actively developed mobile financial services. It provided mobile services to townships and villages where the Bank hadn’t set up any outlets through door-to-door visits and financial service vehicles. As at the end of 2023, the Bank made more than 170,000 trips to the countryside with financial services, and financial service vehicles reached 1,054 remote townships, which provided services to more than 231,000 people.

#### **[Case] Another Outlet Commences Business on the Remote Plateau**

On September 20, 2023, Gedang Sub-branch in Motuo, in Tibet Autonomous Region, commenced business officially, becoming the first physical outlet established by a financial institution in Gedang Township to serve local herders. Gedang Sub-branch is the third outlet the Bank has set up in Motuo after Motuo Sub-branch and Beibeng Sub-branch. Capable of serving 15 administrative villages in three neighboring townships, it could meet the needs of nearly 3,000 farmers and herdsmen for comprehensive financial services, further extending the service reach of the Bank and closing the “last mile” gap in access to “Sannong” financial services.





Opening ceremony of Gedang Sub-branch in Motuo, in Tibet Autonomous Region. (Photo by Yixi Zhuoma)



As at the end of 2023, Zhejiang Branch has set up 337 “Hui Nong Tong” service stations, covering more than 100,000 farmer households in 351 townships. The photo shows that Zhejiang Branch establishes a financial service station for farmers in Xiajiang Village, the city of Hangzhou. (Photo by Wang Shanshan)



Liangshan Branch in Sichuan Province drives a mobile banking express into Huopu Village, Zhaojue County to impart financial knowledge to and provide deposit and withdrawal services for villagers. (Photo by Zhao Zhaoyi)

## Column II Being a Main Force in Serving the Real Economy

Contribution to the United Nations Sustainable Development Goals:



The Bank stayed true to the fundamental purpose of serving the real economy with financial strengths, fully and faithfully applied the new development philosophy on all fronts, continuously optimized the supply of funds and financing structure, and increased financial support for major strategies, key areas, and weak links, giving an impetus to the high-quality development of the real economy.

As at the end of 2023, the balance of loans extended by the Bank in the manufacturing sector stood at RMB 2.95 trillion, an increase of RMB 651.5 billion from the end of the previous year, and the balance of inclusive loans extended by the Bank was RMB 3.5 trillion, an increase of RMB 949.5 billion, or 37%, from the end of the previous year.

### I. Contributing to the Formation of a Modernized Industrial System

The Bank strongly supported a number of fields such as advanced manufacturing industry, strategic emerging industries, and industries tasked to make breakthroughs in core technologies. It continued to make efforts in new customer groups, new framework, new ecosystem, new policies, new products, new venture capital, and new guarantee, providing solid guarantees to form a modernized industrial system.

#### 1. Empowering the manufacturing industry to grow bigger and stronger

To implement the strategy of turning China into a manufacturing power, the Bank focused on providing financial services for the manufacturing to support the real economy. It strengthened policy support and promoted innovations in financial services and products to support the high-end, intelligent, and green development of the manufacturing industry vigorously.

As at the end of 2023, the balance of loans extended by the Bank in the manufacturing industry stood at RMB 2.95 trillion to 485,000 customers. The loan granted to high-tech manufacturing enterprises grew by 42.7%.

#### Main Initiatives

- **Improving top-level design**

The Bank enhanced cooperation with national ministries and commissions of China such as the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Ministry of Science and Technology to better align industrial policies with financial services, actively providing financing support

for medium- and long-term projects in the manufacturing industry, projects under the industrial orientation program, etc.

- **Increasing lending in key areas**

The Bank increased the supply of manufacturing loans, especially medium- and long-term manufacturing loans, in a host of fields such as advanced manufacturing, optimization and upgrading of traditional industries, green manufacturing, and intelligent manufacturing.

- **Helping nurture new manufacturing productivity**

The Bank launched “Industrial Park Loan” as an innovative product. In light of local conditions, tailor-made loans were provided to enterprises for precise financial support, thus better financing the construction of industrial parks.

### **[Case] Relying on Financial Strengths to Make Manufacturing Industry the Backbone**

Guangdong Branch announced 20 measures to make the manufacturing industry to the backbone of the provincial economy. It continued taking six major actions to serve the real economy around a number of major areas such as infrastructure construction, manufacturing, urban renewal, foreign investment and foreign trade, new economy, and inclusive finance, thus providing a package of financial products and services for industrial clusters enterprises, core manufacturing enterprises, and small and micro enterprises. As at the end of 2023, the balance of manufacturing loans extended by the Bank increased by RMB 82.4 billion, or 39%, from the end of the previous year, and the balance of medium- and long-term manufacturing loans extended by the Bank grew by RMB 43.4 billion, or 49%, from the end of the previous year. These efforts helped the Guangdong economy that had started from the manufacturing industry make the industry the backbone.

### **[Case] Establishing Seven Mechanisms to Promote the Formation of a Modernized Industrial System**

Relying on the seven mechanisms of “special positioning, specialized institutions, professional teams, exclusive products, dedicated processes, reserved credit scale, and special authorization”, as well as the innovative credit products for distinctive industries, batch service modes, and other methods, Hunan Branch continuously increased the support for the construction of modernized infrastructures and the formation of a modernized industrial system in different localities. It prioritized supporting a large number of private high-tech enterprises, such as Lens Technology, Sany Heavy Industry, Goke Microelectronics, Sanan Semiconductor, and CNGR New Energy. As at the end of 2023, the balance of manufacturing loans extended by the Bank amounted to RMB 54,264 million, registering a growth rate of 41.21%.



Staff of Jiahe Sub-branch in Chenzhou, in Hunan Province, understand the capital needs of a local casting and forging enterprise. (Photo by Hu Zhifei)



Jiangsu Branch extends loans to promote the development of offshore equipment and high-tech ship clusters. (Photo by Zhang Shufa)

## **2. Increasing the supply of technology finance services**

The Bank strongly supported the development of innovative systems, actively provided high-quality financial services to attain great self-reliance and strength in science and technology, and endeavored to address the financing problems faced by high-tech enterprises, so as to form a new pattern of benign circulation in which science and technology, industrial development, and finance could shape each other.

As at the end of 2023, the balance of loans extended by the Bank in strategic emerging industries stood at RMB 2.1 trillion.

## **Main Initiatives**

### **Creating technology finance services**

The Bank set up 19 fintech service centers, and created a three-tier service framework of “technology finance service centers, financial divisions or dedicated teams for scientific and technological innovation, and science and technology sub-branches” in provincial branches, tier-2 branches, and sub-branches.

### **Increasing the supply of technology finance**

The Bank strengthened policies and resources to support key areas in the field of scientific and technological innovation. With set-aside credits, it strengthened the assessment and management of sci-tech loans, and gave preferential policies in interest rate pricing, economic capital measurement, etc., so as to enhance the self-sustained momentum for serving high-tech enterprises.

### **Making new breakthroughs in technology finance**

The Bank optimized credit access ratings and policies for science and technology enterprises, establishing an exclusive evaluation system for technology-based companies. It created five major categories of credit products: exclusive customer groups, investment-loan linkage, online scenarios, government credit enhancement, and public-private collaboration. It also promoted innovative products such as “Technology-e Loan” and “Torch Innovation Reward Points Loan”.

### **Creating a full ecosystem of technology finance**

Together with a number of investment institutions, the Bank created an equity investment and financing ecosystem, set up a localized equity investment fund for scientific and technological innovation, and constructed a spectrum matrix. It independently operated the fund in a market-oriented manner to provide long-term equity capital support for sci-tech enterprises.

### **[Case] Serving Sci-tech Enterprises through Four Enhanced Measures**

In view of the characteristics of sci-tech enterprises, Ningbo Branch continuously improved the service quality and efficiency of technology finance by “enhancing overall coordination, internal and external cooperation, business innovation, and process management” and by building a financial service system in terms of policies, mechanisms, channels, products, etc. As at the end of 2023, Ningbo Branch has served over 3,000 sci-tech enterprises with the balance of related loans reaching RMB37.2 billion.

### **[Case] Finance Supports Invigorating Liaoning through Scientific and Technological Innovation**

Liaoning Branch actively responded to the campaign of invigorating Liaoning through scientific and technological innovation. By creating the “one ring and two chains” mode of featured products for “little giant” enterprises that would use special and sophisticated technologies to produce novel and unique products, the branch helped these enterprises reduce financing costs and provided them with all-factor, whole-cycle, and full-ecosystem high-quality financial services. Guided by the service needs of sci-tech enterprises, it launched a series of innovative credit products such as “Liaoning Innovation Loan”, “Liaoning Reward Points Loan”, “Liaoning Anxin Loan”, and “Liaoning Park Loan”, providing one-stop, customized, multi-scenario, and long-term financial services.



Liaoning Branch builds a science and technology sub-branch to support the development of sci-tech enterprises. (Photo provided by Liaoning Branch)

### **[Case] “Torch Innovation Reward Points Loan” Supports Sci-tech Startups**

Qingdao Branch extended the first “Torch Innovation Reward Points Loan” in Shandong Province. Relying on the evaluation results of the innovation ability of enterprises released by the Torch High Technology Industry Development Center, the Ministry of Science and Technology, the product would give exclusive credit policies and credit lines to enterprises with at least 60 innovation reward points as announced by the center annually or the top 10% enterprises in national high-tech industrial development zones ranked by their innovation reward points. The introduction of innovation reward points could help remove information barriers and play the role of credit enhancement by reward points-based evaluation. As an effective solution to the problems faced by tech enterprises such as “light assets, no collateral, and difficult and expensive financing”, it would direct more credit resources to support the development of sci-tech enterprises.



Zhang Xuguang, Vice President of the Bank, inspects Zhejiang Branch to learn about the development of local sci-tech enterprises. (Photo provided by Zhejiang Branch)

### **3. Enhancing the resilience of industrial chains and supply chains**

Focusing on key industries and regions, the Bank accurately identified the problems and challenges faced by enterprises of all sizes throughout the industrial chain of fields concerning people’s livelihood, and promoted the integrated innovation of chain enterprises to realize coordinated development.

As at the end of 2023, the balance of online supply chain financing business amounted to RMB 270,990 million, representing an increase of RMB 98,441 million, or 57.05%, compared with the end of the previous year. Supply chain core enterprises in cooperation numbered 4,190, an increase of 1,446 compared with the end of the previous year, and they drove 64,993 upstream and downstream customers, an increase of 29,830 compared with the end of the previous year.

#### **Main Initiatives**

- **Increasing the supply of credit for the weak links of the industry chain**

The Bank made efforts to support the upgrading of traditional industries and the development of strategic emerging industries, helping achieving core technical breakthroughs in key fields.

- **Enriching financial service scenarios**

In cooperation with core enterprises, the Bank provided all-scenario financial services such as receivables, prepayments, warehouse receipts, and inventories around the needs in the fields of account management, payment and settlement, treasury management, etc.

- **Innovating supply chain credit products**

The Bank perfected financing products such as “Factoring e-Financing”, “Receivable e-Loan”, “Bill e-Financing”, “Order e-Loan”, and “Bill e-Acceptance” with innovative means, which comprehensively covered the financing needs of enterprises in upstream and downstream sections of the industrial chain.

- **Digitizing supply chain finance**

The Bank prioritized guiding core enterprises to join the “ABC Intelligent Chain” supply chain finance service platform. Through the closed-loop operation of capital flow and information flow, it removed the barriers to integrated financing, consulting, and commercial services.

**[Case] “Barbecue e-Loan” Drives the Development of the Whole Industry Chain**

To help the catering industry to recover and develop rapidly, Zibo Branch in Shandong launched “BBQ e-Loan” for each link of the barbecue industry chain through the combination of online and offline means and the parallel use of credit and collateral. In addition to providing financial support to grill enterprises, the branch was deeply involved in industrial integration and brand building to support manufacturers of small cakes, sauces, marinades, and other seasonings, barbecue restaurants, and other entities in the entire industry chain. As at the end of 2023, 513 loans totaling RMB 68.93 million were extended by the branch to the local barbecue industry.

## **II. Propelling the Steady Development of Micro, Small and Medium Enterprises and Private Enterprises**

The Bank supported the development of micro, small and medium enterprises (MSMEs) and private enterprises through a variety of measures. It kept rolling out innovative financial service products, further optimized the credit structure, and increased the supply of credit, in a bid to provide accurate support and efficient services for MSMEs and private enterprises.

As at the end of 2023, the balance of inclusive loans extended to small and micro enterprises reached RMB 2.46 trillion, an increase of RMB 689,328 million, or 39%, compared with the end of the previous year; the number of customers with loans was 3,538,000, an increase of 1,009,000 compared with the end of the previous year; the annualized interest rate of the newly-issued inclusive loans stood at 3.67%, a decrease of 23 BP compared with the previous year; and the balance of loans extended to private enterprises amounted to RMB 5.45 trillion.



## **Main Initiatives**

### ● **Increasing the amount of credit supply**

The Bank formulated a separate credit growth plan for small and micro enterprises and private enterprises, to guarantee the scale of credit supplied to them. Credit resources were preferentially channeled into a vast number of market entities such as private enterprises, small and micro enterprises, and self-employed individuals. The policy for fee reduction and profit forgoing was implemented on all fronts to reduce the comprehensive financing costs of customers under inclusive finance business.

### ● **Continuing to optimize the structure of credit supply**

The Bank comprehensively promoted credit products exclusive to tech enterprises of small and micro sizes, such as “Sci-tech Loan” and “Technology e-Loan”. It provided customers with credit based on their intellectual property rights (IPRs), promoting the integrated development of inclusive finance and technology finance.

The Bank upgraded “First-time Borrower e-Loan”, a product exclusive to small and micro enterprises as first-time borrowers, assembled the list of first-time borrowers, and kept intensifying support for first-time borrowers, so as to enhance the accessibility of inclusive finance services.

The Bank increased support for the catering, accommodation, tourism, transportation, and other industries, helping contact service market players to tide over their difficulties.

The Bank actively supported private enterprises to apply advanced and applicable technologies, accelerated the renewal and upgrading of equipment, and promoted the transition of traditional industries toward high-end, intelligent, and green operation.

### ● **Expanding access to financial services**

The Bank built 500 Head Office-level specialized institutions, 10,060 small- and micro-credit business development outlets, and 296 small- and micro-finance sub-branches in the fields of science and technology, green, supply chain, and manufacturing, providing specialized and refined financial services for inclusive finance customer groups of small and micro sizes.

### ● **Carrying out specialized service activities**

The Bank organized the activities called “Visiting Enterprises to Boost Their Confidence and Provide Quality Services” and “Industrial Chain-specific Credit Policy” to enhance the financing supply for MSMEs. It established a mechanism for sharing the enterprise lists with the local industry and information technology departments and commercial departments to match enterprises in a more accurate way.

- **Accelerating the development of digital and inclusive finance**

The Bank rolled out the upgraded “Micro Convenient Loan” (Version 3.0), an online unsecured loan for small and micro enterprises, which could precisely profile inclusive finance customers using multiple dimensions of data on industrial and commercial registration, taxation, and credit reporting, among others.

The Bank added to “Pledge e-Loan” such functions as automatic annual review, differentiated pricing, and precise risk control to enhance business processing efficiency and customer experience.

In cooperation with government-backed financial guarantee institutions, the Bank created an online government-backed credit enhancement loan product, called “Government Guarantee e-Loan”, to ease the shortage of credit, collateral, and guarantee faced by small and micro enterprises.

The Bank continued to improve “ABC Inclusive e-Station”, an online service channel exclusive to small and micro enterprises. The version 3.0 of the channel was officially released to further optimize the three main functions of account opening, lending, and contracting, thus delivering a better financial service experience to customers.

### **[Case] “ABC Inclusive e-Station” (Version 3.0) Is Officially Launched**

On November 23, 2023, the Bank officially released version 3.0 of the “ABC Inclusive e-Station”, its digital customer service platform for small and micro enterprises at the 2nd Global Digital Trade Expo. With financing for small and micro enterprises as its core, the platform had three main functions, that is, “account opening, lending, and contract signing”, and it was capable of providing small and micro enterprises with convenient and fast financing services that could cover the entire business flow: online loan application, progress inquiry, contract signing, and fund disbursement. The 3.0 version was added with a sharing platform and a personal finance zone, along with new functions such as grant of benefits and one-stop authorization for taxation, and improved and optimized accurate quota measurement and one-stop handling, which enabled legal representatives of small and micro enterprises to know their loan quotas after logging in to the platform via facial recognition. Since its launch in 2018, “ABC Inclusive e-Station” has grown after multiple upgrades into a one-stop online financial service platform for small and micro enterprises, which features interconnection across various services, functions, and channels.



“ABC Inclusive e-Station” (Version 3.0) is officially launched. (Photo by Li Wenbo)

**[Case] “Merchant e-Loan” Helps Commerce and Trade Prosper**

To support the development of self-employed individuals with quality financial services, Hanjiang Sub-branch in Putian, Fujian vigorously promoted “Merchant e-Loan”. A service team was recruited to visit marketplaces and a large number of self-employed merchants operating there to meet their financing needs with the product, which was characterized with easy application, low interest rate, flexible use, and high credit lines. As at the end of 2023, the product was used to provide 287 merchants with credit lines of RMB 108 million in total.



Staff of Hanjiang Sub-branch in Fujian Province promote “Merchant e-Loan” from door to door. (Photo by Wang Dehua)

**[Case] “Brush Industry Loan” Helps the Industry Flourish**

Keenly aware of the “urgent, frequent, fast” funding needs of local small and micro enterprises in the brush industry, Anhui Branch launched “Brush Industry Loan”, an

innovative loan product that could effectively meet the financial needs of enterprises in an easy and convenient way. As at the end of 2023, the branch extended RMB 450 million such loans to more than 1,500 market entities and created 20,000 job opportunities.



Scan the QR code to watch the news video



Staff of Dalian Branch visit a local small and micro enterprise to understand its funding needs. (Photo by Lin Gang)



Staff of Mengshan Sub-branch in Guangxi Zhuang Autonomous Region, visit a local

silk enterprise to meet its financing needs. (Photo by Yao Chunyuan)



Account managers of Jiangxi Branch visit a local furniture enterprise to understand its production and processing conditions and recommend appropriate credit products suitable to it. (Photo by Zhang Yunyun)

### **III. Promoting Coordinated Regional Development**

The Bank set up a committee for serving national regional development strategies at the Senior Management level to formulate overall service plans for relevant regions, improve differentiated supporting policies, and form a closed loop of “plan formulation, implementation, and effectiveness evaluation”. In doing so, it comprehensively served a number of major national strategies for regional development such as the coordinated development of the Beijing-Tianjin-Hebei region, integrated development of the Yangtze River Delta Region, construction of the Guangdong-Hong Kong-Macao Greater Bay Area, ecological protection and high-quality development of the Yellow River Basin, and construction of the Chengdu-Chongqing Economic Circle.

As at the end of 2023, the balance of corporate loans extended by the Bank in the Beijing-Tianjin-Hebei region exceeded RMB 1.48 trillion, of which the balance of loans for central enterprises exceeded RMB 740 billion. New corporate loans granted to the Yangtze River Delta Integration Demonstration Area amounted to over RMB 860 billion. The balance of various loans extended in 68 prefecture-level cities in the Yellow River basin was RMB 2.38 trillion.

#### **Main Initiatives**

- **Serving the coordinated development of the Beijing-Tianjin-Hebei region**

The Bank set up a financial service steering group for the coordinated development of the Beijing-Tianjin-Hebei region and the construction of Xiong'an New Area, and established a financial service task force for the coordination of multiple levels, that is, Head Office, branches, and sub-branches, to provide

financial services for relocated central enterprises.

The Bank issued opinions on the coordinated marketing of services to relieve functions of Beijing that were non-essential to its role as the capital city, established a mechanism for coordinating the efforts related to the function transfer such as regular consultations, personnel exchanges, resource availability, and supporting policies, and provided financial services to advance the function transfer process in an orderly manner.

● **Adding a new impetus to the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area**

The *2023 Policy List for Serving the Construction of Shenzhen into a Leading Demonstration Zone of Socialism with Chinese Characteristics* was assembled to offer differentiated policies in six areas, such as optimizing the credit granted to key customers and advancing the integrated services in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). As per the document, the Bank would better serve key customers and major projects in a targeted manner. It intensified innovative financial services for sci-tech enterprises, made headway in constructing major cooperation platforms, and increased the interconnection in the Greater Bay Area. Meanwhile, the Bank actively developed the offshore RMB market, and facilitated higher-standard reforms of trade and investment facilitation and capital account facilitation.

● **Promoting the integrated development of the Yangtze River Delta Region**

The Bank released the *2023 Policy List for Serving the Integrated Development of the Yangtze River Delta*, offering differentiated policies in eight areas, such as optimizing inter-city credit and supporting product innovation.

Relying on its comprehensive service advantages in the Yangtze River Economic Belt and the Yangtze River Delta and focusing on key areas such as green upgrading of infrastructure, clean energy, and ecological conservation, the Bank actively served key green projects including urban rail transit, large-scale wind power and PV power generation bases, new-type energy storage, and climate investment and financing, so as to promote the accelerated integrated development in the Yangtze River Delta Region.

● **Propelling ecological protection and high-quality development in the Yellow River Basin**

The Bank intensified top-level design and systemic linkage, increased credit supply in key areas, and supported cities in the Yellow River Basin to develop a host of industries such as green economy, ecological protection, rural revitalization, and cultural tourism. It announced ten measures for supporting the high-level recovery and high-quality development of the tourism industry, strongly underpinning the recovery, development, and deep integration of the cultural tourism in the Yellow River Basin.

● **Supporting the construction of the Chengdu-Chongqing Economic Circle**

The Bank actively supported major projects in the Chengdu-Chongqing region, increased differentiated support in terms of product innovation, credit lines, regional coordination, etc., and boosted the development of emerging distinctive industries such as new displays, integrated circuits, and biomedicine.

### **[Case] Providing Tailor-made Services for the Construction of Xiong'an New Area**

The Bank always took the high-standard and high-quality construction of Xiong'an New Area as a major political task, to help build Xiong'an New Area into a city of the future with its financial strength.

Issuing differentiated policies. According to the actual construction conditions of Xiong'an New Area, the Bank issued a string of documents to boost the high-quality development of the region, which included the *Approval Reply on Implementing Differentiated Policies for Construction Projects in Xiong'an New Area*, the *Approval Reply on Continuing the Implementation of Differentiated Credit Policies for Xiong'an Branch*, and the *Approval Reply on Implementing Differentiated Supporting Policies for Branches in the Beijing-Tianjin-Hebei Region*.

Serving the construction of major projects. The Bank continuously served the development of key impoverished areas. It followed up with the construction of major projects such as the Xiong'an Rail Transit Line R1 from Xiong'an New Area to Beijing Daxing International Airport and the Beijing-Xiong'an Intercity Railway, to increase the supply of credit resources.

Serving the construction of "Smart Xiong'an". To facilitate talent development in the new area, the Bank issued "Xiong'an Talent Cards" to provide customers with a package of financial services such as start-up loans, card fee relief, and personal housing loans. It built the innovative "Digital Xiong'an Talent" platform to provide offline and online financial services for the personnel relocated from Beijing and "new talents" in the new area.



Hebei Branch continues to support Xiong'an New Area in growing into a city of the future with its financial strengths. (Photo by Yin Yuhan)

#### **IV. Serving High-standard Opening up to the Outside World**

Always committed to serving China's high-standard opening up to the outside world, the Bank continuously strengthened coordinated and categorized guidance to further enhance the level of cross-border trade, and investment and financing facilitation services, provided high-quality services for the implementation of "the Belt and Road Initiative" (BRI), and boosted the international use of RMB. With these steps, it went all out to support the high-quality development of foreign trade and foreign investment.

##### **1. Serving the 10th anniversary of the BRI**

The year 2023 marked the 10th anniversary of the BRI. Over the past decade, the Bank continuously innovated its product and service lineup, giving a financial impetus to the high-quality joint implementation of the BRI.

As at the end of 2023, the Bank set up institutions in 18 overseas countries and regions, including seven BRI participating countries. In 2023, it handled USD 289.9 billion international business in the BRI participating countries, with the balance of loans extended to such countries reaching USD 17.4 billion.

#### **Belt and Road Initiative in the Past Decade**

- **Enhancing top-level design**

The Bank formulated the implementation opinions to further support the high-quality implementation of the BRI, preferentially supporting customers and projects in the fields related to the BRI such as agricultural cooperation and industrial development, infrastructure connectivity, energy resources investment and cooperation, and



economic and trade cooperation.

The Bank formulated the *Operating Procedures for Overseas Loan Business by Domestic Institutions* to establish an integrated framework for the management of cross-border lending in both local and foreign currencies, better serving the “going global” enterprises and key projects invested by China abroad.

The Bank issued the *Action Plan for High-quality Services to the Regional Comprehensive Economic Partnership Agreement (RCEP)* to enhance the service capacity for trade and investment activities in the RCEP markets.

#### ● **Improving cross-border financial services**

Fully leveraging its distinctive advantages in serving “Sannong”, the Bank provided extensive financial support to top enterprises engaged in agricultural industrialization in their acquisition of international agricultural projects, establishment of overseas production, processing, and transportation bases, and global industrial presence, so as to assist in the high-quality development of agricultural cooperation. As at the end of 2023, it handled USD 19.9 billion international settlements related to agriculture in the BRI participating countries, and issued RMB 26.1 billion international trade financing.

The Bank actively rolled out innovative cross-border financial products. It launched more than 80 cross-border financial products in seven categories, namely, account, settlement, financing, credit, trading, investment banking, and custodianship, and created a series of brands, such as “Renminbi Cross-border Connect”, “ABC Cross-border e-Documents Connect”, “ABC Cross-border e-Remittance Connect”, and “ABC Cross-border e-Financing Connect”.

The Bank served the cross-border use of RMB for economic and trade transactions with countries along “the Belt and Road”, and supported the public trading of RMB with a variety of foreign currencies such as Vietnamese Dong, Laos Kip, Thai Baht, Mongolian Tugrik, Kazakhstan Tenge, and Tajikistan Somoni.

#### ● **Deepening exchanges and cooperation at home and abroad**

The Bank strengthened cooperation with domestic financial institutions to support the BRI implementation by intensifying the coordination between banking and insurance products and forming syndicates with peers.

The Bank established the BSCA Bank in cooperation with the government of the Republic of Congo, becoming the first Chinese-funded commercial bank to carry out financial cooperation with a country in Central Africa.

The Bank actively participated in activities of the Asian Financial Cooperation Association (AFCA), strengthened exchanges with Asian peers in the financial industry, and supported the joint implementation of the BRI.

The Bank attended the Third Belt and Road Forum for International Cooperation, and co-organized the first Belt and Road Agricultural Cooperation and Development Forum with the Ministry of Agriculture and Rural Affairs and the China Economic

Information Service of Xinhua News Agency, which was one of the multilateral cooperation outcomes achieved at the Third Belt and Road Forum for International Cooperation.

The Bank participated in the 15th China-ASEAN Summit Forum on Financial Cooperation and Development.

The Bank participated in the 20th China-ASEAN Expo and China-ASEAN Business and Investment Summit.

### **[Case] Helping to Build the Core Area of the Silk Road Economic Belt**

Xinjiang Branch got deeply integrated into the construction of the core area of the Silk Road Economic Belt, adding a strong financial impetus to the high-quality development of local economy and society in Xinjiang.

Getting actively involved in the construction of China (Xinjiang) Pilot Free Trade Zone. Since the establishment of China (Xinjiang) Pilot Free Trade Zone, Xinjiang Branch has vigorously cooperated with the Department of Commerce of the autonomous region, the PBOC, and the State Administration of Foreign Exchange (SAFE), among other related authorities, to set up financial service centers in the three free trade zones of Urumqi, Kashgar, and Khorgos ahead of any peer banks. They opened 92 settlement accounts for enterprises in the zones to issued RMB 140 million loans and international letters of credit for them.

Continuously improving the quality and efficiency of facilitated financial services. The Bank worked to promote the construction of cross-border RMB clearing channels. It established RMB agent clearing relationships with seven foreign banks, completing an agent clearing volume of RMB 4.4 billion. The Bank propelled the high-quality development of local border trade business, which was successively implemented in five border cities and towns, such as Alashankou and Jeminay. It actively pushed forward the reform to streamline administration, delegate power, improve regulation, and upgrade services in the field of foreign exchange management. Meanwhile, the Bank was approved to facilitate foreign exchange settlement for trade firms on a trial basis, and provided facilitated services worth USD 7.6 million for the first three quality enterprises in the pilot program.

Vigorously promoting the digitized application of cross-border finance. The Bank applied a variety of products such as “Single Counter” international remittance, “ABC Cross-border e-Remittance Connect”, and online foreign exchange settlement and sale, delivering a better experience of cross-border remittance and settlement services to customers. It signed a strategic cooperation agreement with the Department of Commerce of the Xinjiang Uygur Autonomous Region and China Export and Credit Insurance Corporation (SINOSURE) Xinjiang Branch to increase the application of the cross-border financial service platforms in export receivable and insurance policy financing scenarios, effectively providing small and

micro enterprises with easy access to affordable financing.

## 2. Tapping into cross-border financial services

The Bank actively helped to facilitate trade and investment in free trade zones (FTZs), served domestic enterprises to “go global” and foreign investment to “come in China”, participated in international exchanges and cooperation from multiple dimensions, and facilitated the high-standard opening up to the outside world.

### Main Initiatives

- **Supporting the construction of FTZs and free trade ports (FTPs)**

The Bank increased the supply of credit in key areas of FTZs, and provided diversified and whole-process quality financial services to facilitate the construction of FTZs and FTPs in all aspects. It improved the Head Office-branch free trade (FT) framework for operating system clusters, assisting the development of the real economy with higher-quality financial services under the FT account.

- **Stabilizing the scale and optimizing the structure of foreign trade**

The Bank built the “ABC Cross-border +” service system, released the “ABC Cross-border Matchmaking Connect” service platform, and constructed a comprehensive cross-border financial service system, to support the innovative development of new business forms and modes such as cross-border e-commerce, procurement from market, and comprehensive foreign trade services. With a full range of cross-border products, a full-coverage network of cross-border services, and a full package of exclusive and convenient services, it helped foreign trade firms and foreign-funded enterprises to move forward steadily.

Supporting policies and measures were intensified by serving key areas of foreign trade, expanding the supply of financial products, accelerating product innovation and promotion, and propelling regional high-quality development, to help realize the goal of realizing stable and quality growth of imports and exports.

- **Improving cross-border RMB business**

The Bank steadily and solidly promoted the international use of RMB, increased the support for the real economy through cross-border RMB business, continuously improved the facilitated service level of cross-border RMB business, propelled the high-quality development of cross-border RMB business in key regions, and vigorously participated in the development of offshore RMB markets, thus enabling cross-border RMB business to serve the real economy with the quality and efficiency further assured.

- **Broadening and deepening cooperation with international financial peers**

The Bank held high-level meetings with large international financial groups to exchange views on such topics as the international economic and financial situation, green finance, and FinTech. It continued to expand its global circle of

friends by actively participating in international conferences. It kept consolidating the foundation of cooperation with international financial peers, and worked with others to create a new win-win situation.

- The Bank participated in the 2023 Annual Conference of Asian Development Bank.
- The Bank participated in the 8th Annual Conference of the Board of Governors of the New Development Bank.
- The Bank participated in the Annual Meeting of the New Champions and Summer Davos Forum 2023.
- The Bank supported the organization of the Parallel Session on Agricultural Services Trade: Growth, Opportunities, and Resilient Global Supply Chains at the Sixth Hongqiao International Economic Forum.



September 8, 2023 witnesses the opening ceremony for BNP Paribas ABC Wealth Management Co., Ltd., the joint venture created by ABC Wealth Management Co. Ltd., a wholly-owned subsidiary of the Bank, and BNP Paribas Asset Management Holding S.A., a subsidiary of BNP Paribas. The photo shows Lin Li, Vice President of the Bank, attends the opening ceremony. (Photo provided by ABC Wealth Management)

### **[Case] Greater Bay Area Cross-border Investment Banking Center (Guangdong) Is Inaugurated**

On November 3, 2023, the Bank inaugurated the Greater Bay Area Cross-border Investment Banking Center (Guangdong) officially in Guangzhou. The center adopted the structure of “one center (Guangdong Branch) and two sub-centers (Nansha and Hengqin FTZ Branches)”, aiming to converge financial, industrial,

capital, and other innovative elements through the integrated mode of “financing, consulting, and information collection”, pool together global resources, and help enterprises make global planning for a win-win outcome.



Qinzhou Branch in Guangxi Zhuang Autonomous Region increases credit supply to boost the construction of Qinzhou Port as part of the FTZ. (Photo by Huang Wanxin)



Shanghai FTZ Branch funds the construction of the first domestic large-scale cruise called “Adora Magic City”. It opens a special account for Adora Cruises Limited and issues nearly USD 300 million letters of credit to it. Meanwhile, the branch also provides the company with a variety of other financial services such as cross-border payment and foreign exchange settlement and sale. (Photo by Diao Wenjie)

## Governance Chapter: Robust Operations Lay a Foundation for High-quality Development

Contribution to the United Nations Sustainable Development Goals:



The Bank unswervingly followed the road of financial development with Chinese characteristics, deeply promoted the new great project of Party building in the new era, strengthened the overall leadership of the Party, ensured the political and people-oriented nature of financial work, coordinated the relationship between development and security, and resolutely fought a tough battle to prevent and resolve significant financial risks. It effectively enhanced the efficiency of corporate governance, and actively fostered a financial culture with Chinese characteristics, opening up new horizons of high-quality development.

### I. Party Building as Guide, Strengthening Our Mission and Responsibilities

The Bank followed the unified leadership of the CPC Central Committee over the financial work, carried out themed education activities to study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and unswervingly pushed forward the in-depth development of full and rigorous governance of the Party and the Bank, so as to provide a strong political guarantee for pursuing the path of financial development with Chinese characteristics.

#### 1. Strengthening the overall leadership of the Party

In 2023, the Bank had one outstanding Communist Youth League (CYL) member and one model CYL cadre at the national level.

#### Main Initiatives

- **Intensifying the Party's political building**

The Bank put the Party's political building at first place, consciously safeguarded the centralized and unified leadership of the CPC Central Committee, thoroughly understood the decisive significance of the Two Affirmations, (the Party has affirmed Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era) and the Two Upholds (uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and uphold the Party Central Committee's authority and its centralized, unified leadership).

The Bank enforced strict political discipline and rules, and conscientiously

implemented the guidelines for intraparty political activities.

The Bank conducted concrete political oversight. It assigned specific supervision tasks, corrected prominent problems with precise measures, and ensured the effectiveness of supervision with regular efforts, so as to promote the effective implementation of decisions and plans of the CPC Central Committee in ABC.

The Bank carried out the Party building activities by pairing the Head Office departments/offices and some places just out of poverty to consolidate and expand the achievements in poverty alleviation and promote rural revitalization through assistance.

● **Continuing to strengthen theoretical innovation about Party building**

The Bank strictly implemented the “first topic” system, and promptly followed up with and studied the important messages, instructions, and replies of General Secretary Xi Jinping.

The Bank fully exploited the Theoretical Learning Group of the Party Committee and “the three meetings and one lecture” (Branch Party general meetings, branch Party Committees meetings, and Party group meetings, as well as Party lectures) as the stronghold to grasp the fundamentals.

● **Strengthening the building of primary-level Party organizations**

The Bank promoted the integration and comprehensive coverage of the Party's organizational system, and enhanced the political and organizational functions of Party organizations. As at the end of 2023, the Bank had 44,000 primary-level Party organizations and 382,000 Party members; and 97% of its business outlets built their separate Party branch.

The Bank organized the selection and commendation of model Party members, Party workers, and primary-level Party organizations. A commendation conference was convened to publicize exceptional deeds, promote role models, and inspire primary-level Party organizations and Party members and officials to play their “two roles”.

Encouraged primary-level Party organizations, Party members and officials to act as the vanguard and set examples for others in the efforts to control and relieve floods, wintery storms, and earthquakes.

The Bank deepened the standardized and regulated development of Party branches, intensified the construction of Party branches strong in four aspects, and upheld a holistic approach to continuously promote the construction of Party organizations at tier-1 branches and subsidiaries.



On June 30, 2023, the Bank holds a meeting to select and commend model Party members, Party workers, and primary-level Party organizations across the board. (Photo by Chen Shunxi)

## 2. Carrying out thematic education events in depth

As per the general requirements of “learning ideology, strengthening Party spirit, emphasizing practice, and making new achievements”, the Bank focused on main themes, clarified goals, and adopted key measures such as carrying out theoretical learning sessions, conducting surveys and researches, promoting development, reviewing and rectifying problems, and establishing rules and policies, so as to achieve positive results on all fronts through learning.



Special report on China National Radio and Television Corporation’s CCTV News about the Bank’s practices and effectiveness of promoting innovation through learning, and providing high-quality financial services for building an agricultural powerhouse.





Scan QR code to watch the news report.

**[Case] “Four-pronged” Learning Model Facilitating the Deep Internalization of Theoretical Knowledge**

The Party Committee of Ningxia Branch adopted a “four-pronged” learning model that includes collective study sessions, leader-led learning, specialized research studies, and individual self-study. Members of the Party Committee dedicated themselves to studying calmly, contemplating deeply, and reflecting intensely, continuously strengthening their political, ideological, theoretical, and emotional identification with the Party’s innovative theories.

**[Case] Liaoning Branch Successfully Creates the First Demonstration Outlets Themed on Revolutionary Sites**

Relying on the abundant revolutionary resources of Liaoning Province as the “starting place of the Chinese People’s War of Resistance against Japanese Aggression, the “watershed of the Liberation War”, the “source of the national anthem of New China”, the “place of the Chinese People’s Volunteers’ departure for Korea to resist US aggression and aid Korea”, the “industrial foundation of the People’s Republic of China”, and the “birthplace of the Lei Feng Spirit”, Liaoning Branch formulated a special implementation plan that combined the building of featured outlets with the revolutionary culture, according to which 19 detailed measures were put forward in several aspects such as selection of appropriate outlets, awareness enhancement, business hall renovation, adequate staffing, and branding. The branch proposed to set up 15 demonstration outlets themed on revolutionary sites in 13 prefecture city-level branches under its jurisdiction, so as to make the revolutionary culture a shining brand. As at the end of 2023, the first three demonstration outlets were inaugurated, including Business Office of Yingkou Branch, Business Office of Shenyang Branch, and Business Office of Huanggu Sub-branch in Shenyang, marking the service brand made its debut.

### [Case] Converting the Results of Thematic Education Activities into Quality Services for Rural Revitalization

Nongken Branch in Heilongjiang Province inspected the reclamation area to understand the new demand for “Sannong” financial services. Accurately aware of what local farmers really needed, the branch formulated personalized service plans to include more farmers in the range of service recipients. Meanwhile, it directed more credit resources to farmers, brought high-quality customers under the “whitelist” approval mechanism, and created “Farmer’s Convenient Loan”, a new online product, continuously increasing the convenience of our services. As at the end of 2023, the branch extended 31,180 farmer loans totaling RMB 2,909 million, effectively converting the results of themed education activities into quality services for rural revitalization.



Tang Jun, the head of the Disciplinary Inspection and Supervision Group stationed by the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission at the Bank, goes to Oroqen Banner, in Inner Mongolia Autonomous Region to inspect. (Photo provided by Inner Mongolia Branch)



Comrades from the Party Committee of Sichuan Branch conduct in-depth research in

Jiulong County, Ganzi Prefecture. (Photo provided by Sichuan Branch)

### 3. Promoting the full and rigorous self-governance of the Party and the Bank

As per the requirements of the CPC Central Committee on the full and rigorous self-governance of the Party, the Bank worked to improve the self-governance regime, promoted a new style of work, and took new strides in the self-governance of the Party.

#### Main Initiatives

- **Tightening the chain of responsibility for Party self-governance.** The Bank made comprehensive arrangements for key tasks in the full and rigorous self-governance of the Party, drew up a list of responsibilities at each level, and emphasized the fulfillment of responsibilities in line with the list. It carried out training on the responsibilities associated with the Party self-governance, to enhance the awareness of and capability for duty performance among Party officials. It organized and carried out monitoring, inspections and assessments of the fulfillment of main responsibility for the full and rigorous self-governance of the Party and the efforts to improve conduct and build integrity, so as to ensure the main responsibility could be fulfilled properly.
- **Strictly acting on the eight-point decision of the CPC Central Committee on improving work conduct.** The Bank continued to improve the Party building systems and mechanisms, strengthened the education, management and supervision of Party members and officials, and enhanced the application of the four forms of supervision and discipline execution. It held three bank-wide warning education conferences to deepen the lessons learned from cases, promote reform through cases, and facilitate governance through cases.
- **Taking tough action against the practice of formalities for formalities' sake.** The Bank thoroughly surveyed the typical cases concerning the rectification of the “departmental bank” problem, and included the evaluation results of rectification effects in the range of assessment indicators for incentive and constraint purposes. In-depth screening and remediation efforts were made to eliminate problems such as “half-done projects”, “vanity projects”, and “grandiose projects”. The Bank increased the use of cutting-edge technologies to empower key tasks such as counter process optimization and simplification of manual statements available at outlets.
- **Intensifying efforts to build a culture of integrity.** Centered on the “Year of Consolidating the Culture of Integrity”, the Bank organized and carried out a series of activities to build a culture of integrity, including the solicitation of culture slogans, the building of publicity strongholds, the selection of literary works, and the exhibition of painting and calligraphy exhibition themed on integrity, in a bid to enhance the awareness of operational integrity among staff members. The Bank sent out reminders of integrity to Party members and officials, especially on festivals and holidays, to make clear the “bottom line” and “red line” to them. Using the column of “ABC in Action for Enhanced Work Style and Service

Quality”, the column of “Improving Party Conduct and Upholding Integrity”, and the “*Tips on Improving Party Conduct and Upholding Integrity*”, the Bank publicized the experience and practices of different internal units in improving its style of work and serving primary-level needs.

### **Conducting Integrity Education Training**

Integrity education was incorporated into the training courses for Party members and officials at all levels, intensifying integrity education and discipline education for managerial personnel and ordinary employees in key areas and important positions. In 2023, the Bank carried out integrity culture building activities which solicited 754 pieces of works, including 85 pieces of which were award-winning. The activities covered all tier-1 and tier-2 branches.

- Party conduct improvement courses were included in the curriculum of each financial training institute to bolster employees’ resistance to corruption and moral decline.
- Fulfilling the responsibility for Party self-governance and better upholding conduct and integrity was made a mandatory part of the training for Party secretaries of tier-2 branches and Party secretaries of branch/sub-branch organs, among others.
- Trainings on improving Party conduct and upholding integrity were extensively conducted for Party committee offices at all levels, which focused on explaining the requirements of various policies and specific working methods.
- Training on key elements of inspections and audits was conducted for inspection and audit lines to explain the key points that should be paid with attention in the implementation of the eight-point decision of the CPC Central Committee and the observance of integrity discipline.
- Integrity education activities were carried out for new employees and young managerial personnel to help them establish awareness of integrity from the very start of their career.



To embed excellent elements of traditional Chinese culture into its culture of integrity fostered for the new era, the Bank carries out various forms of cultural activities with its characteristics. The photo shows that Jiangmen Branch in Guangdong Province organizes the activity of guessing lantern riddles to spread awareness of integrity at the Mid-Autumn Festival. (Photo by Wu Huijing)

## **II. Improving Governance Efficiency with Enhanced Institutional Mechanisms**

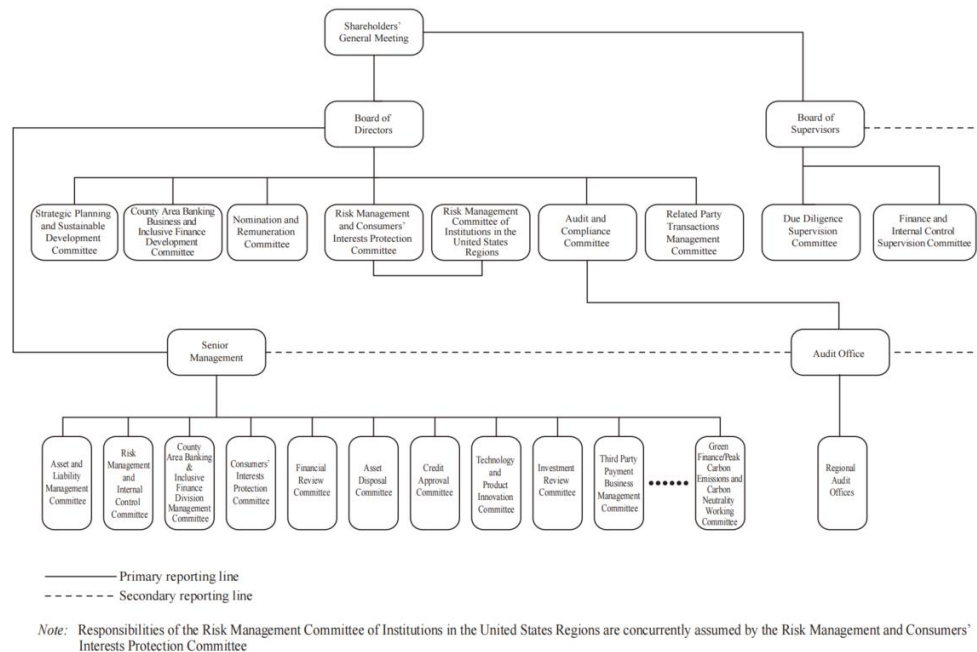
The Bank made efforts to modernize the governance regime and capacity, continuously improved the ESG governance system and working mechanism, and enhanced the resilience of high-quality development, so as to build up momentum for the holistic reform and development.

### **1. Putting in place sound corporate governance mechanisms**

Following the principles of independent operation, effective checks and balances, mutual cooperation, and coordination among different governance bodies, the Bank kept optimizing operation mechanisms of scientific decision-making by the Board of Directors, efficient execution by the Senior Management, and strict oversight by the Board of Supervisors.

As at the end of 2023, the Bank had 13 directors, including three executive directors, five non-executive directors, five independent non-executive directors; six supervisors, including one shareholder supervisor and two employee supervisors, and three external supervisors.

In 2023, the Bank held two shareholders' general meetings, at which 12 proposals were considered and adopted and three reports heard; held eight meetings of the Board of Directors, at which 62 proposals were considered and adopted and 18 reports heard; and held six meetings of the Board of Supervisors, at which 19 proposals were considered and adopted and 27 reports heard.



## Corporate Governance Structure

### 2. Implementing ESG governance duties and responsibilities

Relying on its long-established strengths in inclusive finance, green finance, and other fields, the Bank promotes the in-depth integration of the concept of sustainable development with its operation and management. It is committed to building an environmental, social and governance (ESG) management framework with a sound governance structure, sophisticated management mechanisms, and adequate information disclosure.

The Board of Directors (Board) is responsible for designing ESG strategies and objectives and regularly assessing the implementation of relevant risk policies and strategies. The Strategic Planning and Sustainable Development Committee of the Board reviews the Bank's sustainable development strategies and objectives as well as the Bank's ESG-related reports, regularly evaluates the implementation of sustainable development strategies and the development of green finance, and makes recommendations to the Board. The County Area Banking Business and Inclusive Finance Development Committee, the Risk Management and Consumers' Interests Protection Committee, and the Related Party Transactions Management Committee are responsible for reviewing core ESG topics and making recommendations to the Board. The Senior Management promotes the building of the ESG system. Under the Senior Management, the Green Finance/Carbon Peaking and Neutrality Committee, the Consumers' Interests Protection Committee, and the County Area Banking and Inclusive Finance Division Management Committee are set up to manage ESG topics.

During the reporting period, the Board of Directors fully leveraged its role in strategic planning and decision-making. The Board of Directors and its special committees participated in all aspects of ESG work through multiple dimensions by considering and adopting proposals, hearing reports, conducting researches and thematic training

sessions, etc., to continuously push forward the all-round and whole-process deep integration of the ESG concept with business and operation activities. In 2023, the Bank saw its MSCI ESG rating upgraded to “AA”.



The Bank makes its way to one of the first ten “ESG Model Enterprises in China” sponsored by China Media Group in collaboration with the State-owned Assets Supervision and Administration Commission of the State Council, collaboration with the State-owned Assets Supervision and Administration Commission of the State Council, All China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, the China Enterprise Reform and Development Research Association, and other authoritative institutions. Please scan the QR code to watch the video of “Awarding Ceremony for ESG Model Enterprises in China” on CCTV Finance Channel.

### **3. Pressing ahead communication with investors**

Pursuing the investor-centric approach, the Bank managed investor relations through multiple channels, platforms and manners. It actively demonstrated to investors new directions of strategic development, new results of reform and innovation, and new highlights of business and operation activities through a combination of various means such as performance promotion, reverse roadshows, special roadshows, international roadshows, special investor relations activities, participation in domestic and overseas capital market summits, reception of visiting investors, panel discussions, as well as interactive communication on the SSE E-interaction platform, IR hotline, fax, email, and the investor relations column on the official website of ABC to respond to the concerns of capital markets and investors in a timely manner.

In 2023, the Bank disclosed 298 documents on the Shanghai Stock Exchange (SSE) and the Stock Exchange of Hong Kong (HKEX). Its information disclosure was rated “A” by the SSE.



The Bank holds a special investor relations activity, the first of its kind among large state-owned banks to communicate with investors in the form of online textual interaction, responding to 21 hot issues in the market, which arouses widespread attention and great resonance. (Photo by Chen Shunxi)

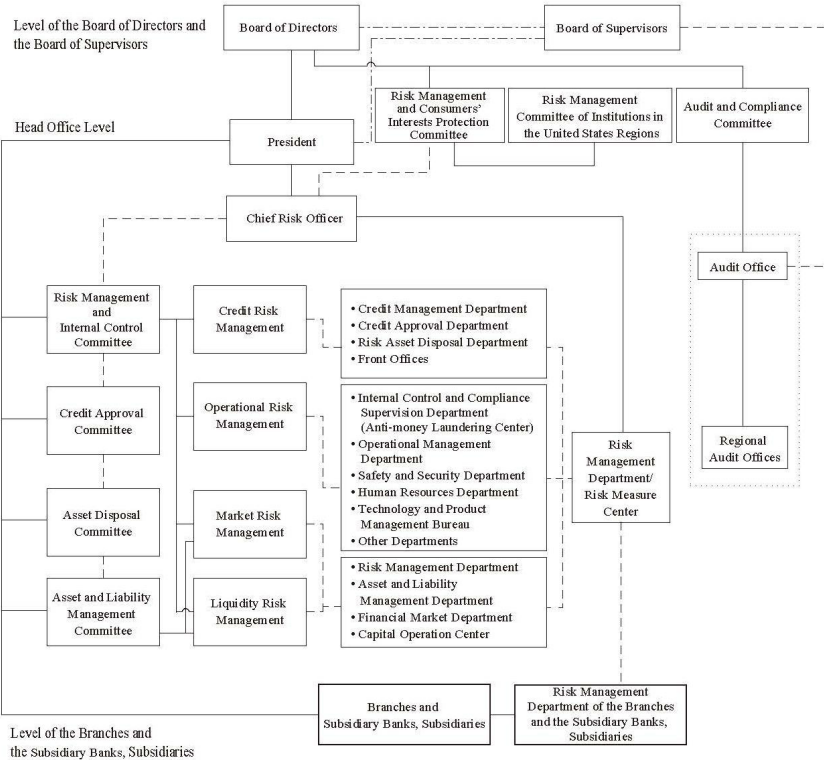
### **III. Firmly Holding the Risk Bottom Line to Ensure Long Term Operational Stability**

The Bank took risk prevention and control as an eternal theme of financial work, focused on preventing and resolving all kinds of significant financial risks, continuously improved the risk management regime, constantly digitized the risk control process, and firmly guarded the bottom line of no systemic financial risks.

#### **1. Improving the risk management structure**

The Bank has established and continuously improved a comprehensive risk management structure covering all institutions, risk types, businesses, and processes, to strengthen comprehensive risk management capabilities and standards. The Board of Directors assumes the ultimate responsibility for risk management. It performs functions related to risk management through its special committees, namely, the Risk Management and Consumers' Interests Protection Committee, the Audit and Compliance Committee, and the Risk Management Committee of Institutions in the United States Regions. The Board of Supervisors is responsible for supervising and inspecting the performance of risk management duties by the Board of Directors and the Senior Management, reporting the supervision and inspection results to the Shareholders' General Meeting on a regular basis, and urging the Board of Directors and the Senior Management to make rectifications. The Senior Management organizes efforts to get concrete risk management work done.





Note: Risks other than those mentioned above have been included in the comprehensive risk management system.

### Major Risk Management Structure

## 2. Improving the risk management regime

The Bank continuously improved the comprehensive risk management regime, completed the updating of the Group’s risk appetite and comprehensive risk management strategy, and established an early-warning mechanism for appetite indicators, making risk management a more proactive process. Tailor-made risk appetites and risk management policies were formulated and implemented for overseas branches/subsidiaries and comprehensive operation subsidiaries, to comprehensively enhance the quality and efficiency of the Group’s consolidated risk management. Efforts were made to prevent and resolve various risks, ensuring that major types of substantive risks could be overall manageable.

### Various Types of Material Risk Management Measures

- **Credit risk management:** The Bank adjusted or optimized the credit structure, increasing support for key areas and weak links in the real economy, such as “Sannong” and county areas, green development, manufacturing and strategic emerging industries, scientific and technological innovation, new infrastructure and new urbanization initiatives as well as major projects, modern service industry, inclusive finance, and private economy. It continued to optimize portfolio management, improve risk prevention, forewarning, and disposal mechanisms, tightened risk prevention and control in key areas, and consolidated the foundation

of risk management, with a view to maintaining stable asset quality.

- **Market risk management:** The Bank issued an annual risk management strategy for financial market business, formulated market risk limits, and tightened control of risks associated with its financial market business. Meanwhile, it optimized and upgraded the market risk management system, enhanced the timeliness of capital and limit monitoring, and improved the level of market risk measurement. It intensified the see-through monitoring of market business risks, tracked risk changes in key areas, conducted market risk stress tests with solid efforts, and took the initiative to deal with related risks.

- **Operational risk management:** The Bank upgraded the operational risk management system, integrated operational risk management functions into the digital compliance platform, and intensified system integration and data sharing. It coordinated the relevant work in the areas of operational risk assessment, monitoring of key risk indicators, and case prevention compliance, and built a complete set of integrated assessment modules and indicators. Moreover, the Bank earnestly carried out annual self-assessments of operational risk and outsourcing risk and assessments of operational risk derived from new businesses and new products, made efforts to reinforce the reporting of operational risk events, and worked to optimize key risk indicators.

- **Cybersecurity risk management:** The Bank issued the *Outline of the Three-Year Cybersecurity Plan*, setting out the key work of cybersecurity around three main areas of “bolstering weak links, highlighting operation, and building up capabilities”. It revised and released the *Cybersecurity Management Measures* along with three supporting implementation rules and two technical standards to continuously improve the security governance regime. At the same time, it tightened the control of the research and development of security processes, moved security capabilities left, and made every effort to reduce system vulnerabilities. The Bank continuously upgraded the technical protection system to realize normalized security operations around the clock, effectively coping with security threats. Moreover, group-wide cybersecurity drills were organized on a regular basis to narrow down the exposure to cybersecurity risk over time.

- **Legal risk management:** The Bank actively prevented and mitigated financial legal risk, vigorously promoted the establishment of a diversified dispute resolution mechanism, appropriately disposed of material legal risk related to lawsuits, continuously monitored and governed lawsuits related to consumer complaints, and protected the rights and interests of consumers in accordance with the law. It explored setting up an intelligent legal risk control mechanism to identify and forestall legal risk more effectively.

- **Reputational risk management:** The Bank steadily promoted the normalization of reputational risk management and improved the efficiency of the whole process of reputational risk management. It refined the criteria for prior assessment of reputational risk and properly handled reputational risk events. Additionally, it optimized and improved reputational risk simulation drills and organized multi-level training courses on reputational risk management. The Bank actively explored innovative effective ways to guide online public opinion, better

disposed of negative public opinion crises, and enhanced the capacity of reputational risk management.

### **3. Building up digital risk control capabilities**

The Bank continued to strengthen innovations in digital risk control, making risk monitoring and forewarning a more foresighted, accurate, and effective process. It launched the digital credit management platform, put into operation the market risk control platform and digital compliance platform, and initially built a basic framework for digital risk control. A set of risk control models were improved and optimized for key areas such as online credit, money laundering, and telecommunication (telecom) fraud, to further strengthen the whole-process digital risk control capabilities. Relying on the digital risk control center, the Bank realized intelligent control over the whole chain of risk management: identification, forewarning, verification, and disposal, significantly improving the coverage of risk forewarning and the efficiency of risk disposal.

## **IV. Refining Internal Control Management to Highlight Operational Integrity**

The Bank worked to ensure legal and compliant operation, continuously strengthened its internal control mechanism, put in place a sound compliance management regime, fostered a culture of compliance under the rule of law, strictly prevented financial violations of laws and regulations, and made progress in creating an honest and law-abiding financial environment.

### **1. Refining internal control management**

The Bank stepped up efforts to develop the internal control system, improved the long-term mechanism for internal control and compliance management, and improved internal control effectiveness continuously. In 2023, it formulated or revised 297 internal rules and policies.

#### **Main Initiatives**

- The Bank revised the scorecard for internal control evaluation of the tier-1 branches, improved the expected internal control indicators, optimized the evaluation system, and brought forward the timing of internal control management. It further pushed forward special evaluations, strengthened the evaluation of the Head Office, and stepped up efforts to analyze the causes of internal control deficiencies, thus enhancing the quality and efficiency of the work done with respect to evaluation.
- The Bank implemented the requirements on checks and balances for posts, updated the list and matrix of duties segregated from incompatible posts, and improved the mandatory leave management mechanism for personnel in key positions.
- The Bank incorporated consumer protection into its overall internal control regime.

- The Bank strengthened the categorized authorization and guidance to make differentiated authorization more pertinent and effective. The method of categorized authorization, supplemented by particular provisions and combined with the strategy for flexible and dynamic adjustment, was used to ensure the overall stability and continuity of authorization.
- Always adhering to the “risk-based and compliance-first” business philosophy, the Bank continuously enabled the key position holders of overseas institutions and subsidiaries to better perform duties related to compliance management, monitored compliance risk on a regular basis, constantly strengthened the parent company-subsidiary coordination and the cooperation between domestic and overseas operations with respect to internal control and compliance management. Overseas institutions and subsidiaries effectively fulfilled their main responsibility for compliance, closely followed up changes in regulatory laws and policies, continuously strengthened institutional development, and regulatory communication and reporting, and conscientiously carried out risk management and control activities in corporate compliance, integrity risk, anti-money laundering (AML), sanctions risk, etc., and continuously made compliance management a more meticulous process.

## **2. Complying with laws and regulations**

### **(1) Fostering a culture of compliance under the rule of law**

#### **Main Initiatives**

- The Bank assembled a list of 44 Party regulations and 40 national laws in which Party officials should be proficient, included the practices of Party officials to learn about and apply the law in the personnel performance appraisal and the cultural and ethical advancement, and further improved the list to use the mechanism in depth, prompting Party officials to respect, learn about, observe, and apply the law.
- A mid-term evaluation of the eighth five-year plan for increasing public knowledge of the law was carried out to systematically summarize experience, come up with measures for improvement, improve the mechanism for disseminating the law, and enhance the pertinence, precision, and effectiveness of the law dissemination efforts in seven areas, including the close integration of the popularization of the law with governance in accordance with the law.
- The Bank carried out themed legal literacy activities at key points in time, such as World Intellectual Property Day, Chung Yeung Festival, and National Constitution Day, and actively imparted the law to departments, primary-level areas, and customers, so as to improve the legal literacy of managerial personnel and ordinary employees.
- The Bank organized the “Year of Compliance Benchmark Construction” campaign to promote the building of a compliance culture. It selected the first 802 compliance benchmarking units across the board. It also compiled typical experiences in the creation of compliance benchmarks and promoted relevant advanced practices of 56 institutions, thus encouraging all employees to learn from and keep pace with each

other.

- The Bank implemented the requirement for “four mandatory lectures” on compliance at all levels of institutions, formulated annual training plans for all employees, incorporated risk compliance into various types of training, and organized themed training in the field of risk compliance. Meanwhile, it also conducted various forms of study seminars, compliance lectures, and policy interpretations, and integrated the building of a compliance culture into its operation and management activities.



Yueyang Branch in Hunan Province holds a debate on the theme of “Party Building and Compliance”. (Photo by Zhong Shun)

## (2) Business ethics and code of conduct

### Main Initiatives

- The Bank continued to give full play to the advantages of the dispatched resident teams, kept a close eye on the “key few” and key areas, resolutely punished financial corruption, and always maintained heavy-handed measures to deter violations.
- The Bank continuously carried out economic responsibility audits of executives, with the focus put on the fulfillment of responsibilities in economic activities related to Party conduct and integrity in practice, to regulate the exercise of power.
- The Bank carried out a Group-wide online exhibition of warning cases about building a culture of financial integrity, which was visited by 99.87% of all staff members, guiding them to consciously erect a solid moral line of defense. It promoted the construction of an intelligent case prevention platform, strengthened its ability to monitor clues for risks, optimized and upgraded the model for monitoring abnormal employee behavior, and conducted all-employee screening. In addition, it also reviewed typical cases and formulated preventive control measures.
- The *Code of Conduct for Employees of Agricultural Bank of China* was

formulated to establish the basic principles for employees to do things correctly and normalize relevant learning activities. In 2023, institutions at all levels and all lines carried out 79,500 compliance lectures, warning education activities, and themed training sessions, which registered an attendance of 4,526,000 persons, realizing the full coverage of institutions and personnel.

- The Bank promoted the staff’s licensing examination, optimized the examination courses and test bank, and listed regulatory policies and internal documents as an important aspect of content.

### **(3) Anti-bribery and anti-corruption**

Putting in place a complete set of rules and policies. The Bank formulated or revised a number of relevant policies and norms such as the centralized procurement management measures, related party transaction management measures and implementation rules, and financial market business transaction personnel conduct management measures, so as to put power in an institutional cage.

Improving the case prevention and risk control regime. The Bank took actions to address misconduct and corruption that occurred in the field of rural revitalization, made efforts to identify and rectify integrity risks in key areas and positions such as employee recruitment, credit approval, and disposal of non-performing assets, and coordinated the endeavors to fight corruption, and prevent and control risks. Meanwhile, it also conducted risk screening against abnormal behavior of employees, such as gambling, running businesses in violation of regulations, and having financial transactions with credit customers, optimized and upgraded the case prevention monitoring system, and guarded against and resolved potential case risks.

Focusing on the management of the “key few”. The Bank strictly implemented a host of policies such as recording and reporting of non-compliant interventions in significant matters by managerial personnel, promotion of the competent and demotion of the incompetent, job rotation, and duty recusal. It strictly regulated the behavior of managerial personnel’s spouses, children, and their spouses in running businesses. Besides, it stringently implemented the policy on reporting personal matters of managerial personnel, and conducted serious accountability for inconsistencies found through verification.

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

### **(4) Protecting public complainants**

Refining the working mechanism for handling public complainants. The *Working Rules of Agricultural Bank of China for Simplified Handling of Public Complaints* and the *Working Rules of Agricultural Bank of China for the Legal and Categorized Addressing of Public Complaints* were formulated to further standardize the handling of letters and visits, safeguarding the legitimate rights and interests of complainants.

Getting whistle-blowing channels unimpeded. The Bank got complaints channels unimpeded, which included phone calls, letters, visits, and e-mails.

Complying with work discipline for handling public complaints. Personnel handling public complaints should be strictly prohibited from taking gifts, gratuities or securities from complainants. The staff members having a direct interest in matters complained about or complainants should recuse themselves.

Earnestly implementing the provisions on confidentiality. The Bank kept strictly confidential the name, employer, home address, and other relevant information of a complainant and the content of the complaint, carried out the closed-loop management of matters complained about, minimized the scope of knowledge, and protected the information of complainants from being leaked according to the law.

### **(5) Protecting intellectual property rights (IPRs)**

Implementing the IPR policy in greater depth and establishing a bank-wide tiered trademark management regime. The Bank accelerated the digitization of IPR management, built a mechanism for making IPR application an online process, and better prevented IPR risks with technical means. It strengthened the monitoring of IPR infringement, made efforts to prevent and deal with all kinds of IPR infringement disputes, and respected IPRs of others in accordance with the law. Flexibly utilizing various channels such as “newspaper, website, WeChat, terminal, and screen”, the Bank carried out regular and thorough IPR publicity and education activities to continuously enhance the IPR concepts and capabilities for respecting and protecting innovation.

### **(6) Strictly managing debt collection**

The Bank worked to collect overdue personal loans on the premise of consumer protection in compliance with the pertinent laws and regulations. It formulated policies related to personal loan collection and regulated the workflow for collecting overdue loans. The Bank constructed an overdue loan collection system, optimized collection strategies, realized centralized collection via text messaging and voicemail, and arranged account managers to be in charge of local collection and related judicial litigation. The Bank provided training courses on personal loan risk management and annual training programs to increase practical guidance on standardizing overdue collection.

## **3. Preventing financial crime**

### **(1) Enhancing AML management**

The Bank strictly complied with AML laws and regulations as well as industry guidelines issued by regulatory bodies, proactively aligned itself with the highest international standards and best industry practices, and vigorously promoted the risk-based transformation of the work related to AML and sanctions risk management. It comprehensively optimized the individual customer due diligence system and the customer money laundering risk rating model, to enhance the automated processing and precise control of customer risks. It continuously promoted AML data governance, vigorously pushed forward the accurate risk identification with the AML transaction

monitoring model, and strengthened AML monitoring work. It intensified training on AML and sanctions risk management, helping related personnel raise their skills. The Bank increased public knowledge and awareness of AML. An AML cooperation mechanism was established to better identify and report clues to suspicious transactions. As at the end of 2023, the Bank reported 3,714 key suspicious transactions externally, transferred 417 clues to the public security departments and 59 clues to other governmental departments, and reported 1,878 cases directly to the local public security departments. Institutions at all levels received 163 commendations from regulatory authorities, judicial organs, and other administrations for providing high-quality financial information.



Baishan Branch in Jilin Province launches the AML Awareness Enhancement Month campaign. (Photo by Yang Fan)

## **(2) Guarding against telecom and online fraud**

The Bank carried out a centralized publicity campaign to combat telecom and online fraud, called “Anti-fraud: All in Action”, in which photos, cartoons, videos, and other forms of publicity were used to help the public enhance their awareness of fraud prevention and their ability to identify fraud. As at the end of 2023, more than 190,000 publicity activities were conducted, covering 41.46 million people, to distribute 900,000 copies of publicity materials and send out 47.43 million risk tips through the official website, WeChat account, text messaging, and other channels.

The Bank worked to investigate, control, and return defrauded funds. As at the end of 2023, it assisted public security departments in making inquiries into 23,896,400 transactions, with 1,081,700 transactions frozen, which involved RMB 7,791 million funds. Specifically, 15,504 cases were confirmed to return a total of RMB 507 million in funds.





Three staff members of Shimao Sub-branch in the City of Tianjin successfully intercept two cases of telecom fraud, helping the customers concerned avoid economic losses worth over RMB 1 million. They are honored by Tianjin Municipal Public Security Bureau Nankai Branch and Tianjin Association of Advocating Righteous and Courageous Behavior. (Photo by Xu Kaidi)

### **(3) Continuing to combat and root out organized crime**

The Bank worked to combat and root out organized crime on a regular basis, effectively eradicated breeding grounds for criminal gangs, and continuously enhanced the people's sense of fulfillment, happiness, and security by adopting a number of measures, such as continuously strengthening compliance management, strictly controlling the flow of credit, regulating the behavior of debt collection, reinforcing the management of employees, conducting the management of cooperative institutions, reinforcing the system monitoring and forewarning, consolidating the primary-level management, and engaging in all-round promotion of public interest programs through multiple channels. As at the end of 2023, the Bank monitored, detected, and reported 1,309 suspicious illegal fund-raising transactions, which actually involved 530,000 deals with an amount of RMB 58.8 billion. It reported 40 suspicious transactions related to organized crime, which involved 66 individual customers and 582 transactions with an amount of RMB 120 million.

## **4. Strengthening supplier management**

**Complying with laws and regulations in work.** The Bank made corruption prevention the core responsibility of centralized procurement, strictly enforced national laws and regulations and in-house management policies, and strove to build a fair, clean, and efficient regime for high-quality centralized procurement management, ensuring that anti-corruption policies could cover all centralized procurement projects and participating suppliers.

**Putting in place strict supplier selection and recruitment procedures.** The Bank formulated an internal management policy for supplier on-boarding and standardized the formulation and review criteria for the qualifications of suppliers participating in procurement projects. Suppliers who have violated the law, been found untrustworthy

or corrupted, been banned from the Bank, and had particular associations should be excluded from the scope of public bidding, and suppliers who do not meet the qualification conditions or who have not responded substantively to the requirements of the procurement documents should be rejected in the evaluation process and be disqualified from bidding or from transactions.

**Strengthening supplier risk management.** Supplier performance was monitored in an all-round manner through a variety of means, such as performance supervision and inspection, big data-enabled risk monitoring, and internal and external audits. The Bank focused on monitoring the risks of suppliers in the performance of major projects, conducting interviews with suppliers with potential risks, and issued risk tips to the relevant departments with needs, so as to prevent and resolve risks associated with contract performance.

**Anti-corruption Management Initiatives Targeted at Suppliers**

- Regulating supplier on-boarding requirements. The Bank formulated an internal management policy for supplier on-boarding, standardized the qualifications of suppliers participating in procurement projects, and refrained from customizing criteria for specific suppliers and restricting or excluding particular suppliers with unreasonable conditions, ensuring fair competition. Strict criteria for determining affiliation were established to further prevent collusive bidding by affiliated suppliers.
- Strictly carrying out supplier reviews. The Bank reviewed affiliations of bidding suppliers with intensified efforts. Relying on authoritative information channels available in China, it introduced third-party investigation tools to ensure that related reviews could be comprehensive and accurate. Scientific and technological means were better used to realize fast screening of various affiliations. The Bank strictly enforced policies on the management of related party transactions to prevent tunneling risks. Due diligence was conducted on outsourcing service suppliers to prevent outsourcing risks.
- Conducting in-depth supplier supervision and inspection. Supplier supervision was carried out in an all-round manner through such methods as performance quality spot checking, big data-enabled risk monitoring, and regular interview. Timely risk alerts were issued to problematic suppliers and their corrective actions were tracked. The Bank disposed of supplier malpractice in accordance with the law and regulations, increased communication and coordination with the audit and supervision departments, banned suppliers that engaged in collusion, bribery, or tunneling, and made such suppliers known to the public.

The following is a breakdown of the in-service suppliers at the Head Office level as at the end of 2023 by region:

Region	Quantity
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Yangtze River Delta	88
Pearl River Delta	72
Bohai Rim	232
Central China	9
Northeast China	3
Western China	12
Overseas and others	19

For details of the Bank's corporate governance, please refer to the *Annual Report 2023* separately published by the Bank.

## Environmental Chapter: Vision for a Green and Low-carbon Future

Contribution to the United Nations Sustainable Development Goals:



Closely focusing on the realization of the dual carbon goal and basing itself on what the country needs and what finance could do, the Bank unswervingly implemented the green finance strategy, continuously broadened the connotation and extension of green financial services, vigorously supported the development of green and low-carbon industries, continuously boosted the ability to prevent and control climate risks, steadily promoted innovations in green investment and financing, and thoroughly acted on the concept of low-carbon operations. As such, it facilitated the construction of a beautiful China on all fronts, helping realize the modernization of the harmonious coexistence between humans and nature.

### I. Optimizing Top-level Design to Raise Environmental Awareness

The Bank continued to improve the development of green finance-related institutional mechanisms, increased the supply of green finance policies, and enriched the green financial service system constantly. It was rated one of the “Exemplary Units for Green Banking” by China Banking Association in 2023.

#### 1. Defining the strategy and objectives for developing green finance

Taking green finance as one of the three major strategies, the Bank firmly established and practiced the concept of “lucid waters and lush mountains are invaluable assets”, committed itself to innovation-driven, group-wide coordinated, and sustainable development, and strove to cast a distinctive and widely recognized brand of green finance.

#### Development Objectives

**Significant growth in business scale.** The Bank promoted fast growth of green finance businesses such as green credit, green bonds, green leasing, green funds, and green wealth management plans, with the business structure optimized continuously.

**More prominent brand advantages.** The Bank constructed a multi-tier and three-dimensional business system for green finance, formed product lineups with

wide market influence, and enhanced green finance innovations greatly, thus diversifying relevant service modes.

**Improved institutional mechanisms.** The Bank established sound mechanisms that could adapt to the development of green finance business, fully activating and releasing the self-sustained momentum.

**Significantly improved risk control capabilities.** The Bank better identified, assessed, and managed ESG risks continuously, and maintained good quality of green finance assets.

## 2. Optimizing the governance structure for green finance

The Bank integrated the concept of green development and related strategic objectives into the governance structure consisting of the Board of Directors, the Board of Supervisors, and the Senior Management, continued to play the coordinating role of the Green Finance/Carbon Peaking and Neutrality Committee, and strengthened the organizational leadership of the committee over the work related to green finance and carbon peaking and neutrality.

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>● The Board of Directors actively assumes the main responsibility for the management of green finance. It is responsible for formulating the Bank’s sustainable development strategy and objectives, nailing down the Bank’s strategy for developing green finance, and evaluating the implementation of the green finance strategy.</li> <li>● The Board of Directors has set up the Strategic Planning and Sustainable Development Committee, the County Area Banking Business and Inclusive Finance Development Committee, the Risk Management and Consumers’ Interests Protection Committee, and the Related Party Transactions Management Committee to consider core ESG topics issues such as sustainable development, “Sannong” finance, inclusive finance, and consumer protection within their respective purview.</li> </ul>
<p><b>Board of Supervisors</b></p>	<ul style="list-style-type: none"> <li>● The Board of Supervisors actively performs supervisory functions, closely follows and studies issues related to green finance and carbon peaking and neutrality, and effectively oversees the implementation of the green finance strategy of the Bank.</li> </ul>
<p><b>Senior Management</b></p>	<ul style="list-style-type: none"> <li>● The Senior Management implements the resolutions passed by the Board of Directors and</li> </ul>

	<p>special committees of the Board of Directors, formulates green finance business objectives in line with the sustainable development strategy of the Bank, establishes appropriate working mechanisms and processes, and coordinates efforts to promote the development of the green finance business at the Bank as well as the reduction of carbon emissions at its operations.</p> <ul style="list-style-type: none"> <li>● Through the Green Finance/Carbon Peaking and Neutrality Committee, the Senior Management plans the Bank’s work related to green finance/carbon peaking and neutrality, coordinates efforts to implement the strategic decisions and overall arrangements of the Party Committee and the Board of Directors of the Bank regarding green finance/carbon peaking and neutrality, considers the work plans, major policy proposals, and annual work reports on green finance/carbon peaking and neutrality, and establishes arrangements governing key tasks.</li> <li>● Through the Risk Management and Internal Control Committee, the Senior Management plans and coordinates the overall risk management and internal control management throughout the whole bank, and integrates environmental and climate-related risks into its operation and management processes, to enhance the environmental and climate-related risk management capabilities across the Bank.</li> </ul>
<p><b>Specialized departments</b></p>	<ul style="list-style-type: none"> <li>● The Green Finance/Carbon Peaking and Neutrality Committee Office and 34 member departments undertake their duties and responsibilities according to the division of work, collaborate to roll out innovative green finance services in key areas such as rural revitalization, clean energy, ecological protection, and green transformation of industries, improve the ESG risk management regime, and make progress in terms of energy conservation, carbon reduction, green transition, environmental information disclosure, etc.</li> </ul>
<p><b>Domestic branches/overseas institutions/comprehensive operation subsidiaries</b></p>	<ul style="list-style-type: none"> <li>● In light of their own business characteristics and local conditions, they explore innovative practices to continuously improve their green finance management systems and mechanisms.</li> </ul>

### 3. Putting in place a complete set of policies and systems

**Following sound annual policies as guidance.** The Bank followed up with the implementation of the *Green Finance Development Plan of Agricultural Bank of China (2021-2025)*, the *Guiding Opinions on Accelerating the Development of Green Finance Businesses, etc.*, issued highlights of the annual work plan for green finance/carbon peaking and neutrality, and refined annual development objectives and work measures. It incorporated green and low-carbon requirements into annual credit policy guidelines, “Sannong” credit policy guidelines, and inclusive finance policy guidelines, promoting the accelerated development of green finance business across the Bank.

**Closely following industry credit policies as guidance.** In accordance with the latest national policies and industry development trends, the Bank formulated or revised credit policies for industries such as flat glass, photovoltaic manufacturing, power batteries, paper-making, textiles, and rubber products, continuously improving its level of refined industry management. The Bank incorporated green development indicators as important standards in its industry credit policies, clarified management strategies, strengthened the orientation towards green development, actively supported the growth and development of emerging green industries, and guided and promoted the green transformation of traditional industries.

#### Green Credit Policies for Industries

**Agriculture:** To implement the requirements of the State for promoting the green development of agriculture and accelerate the reduction of agricultural inputs and the increase of its efficiency, the Bank formulated credit policies for agriculture-related industries such as grain industry, seed industry, pesticide manufacturing, fertilizer manufacturing, and edible vegetable oil processing, in a bid to continuously increase supporting policies for green agriculture. Following the guidance of green policies, it prioritized on supporting eco-friendly, efficient, and safe pesticide and fertilizer production enterprises. On the premise of ensuring national food security, it focused on a wide range of areas such as making structural adjustments to the planting industry, improving crop varieties, using organic fertilizers, and promoting green and efficient cultivation techniques, to increase credit support as per the clear, green and eco-friendly policies.

**Forestry:** The Bank formulated credit policies for forestry-related industries, to increase support for key areas such as national forestry demonstration parks and under-forest economy demonstration bases. It reviewed environmental protection facilities and projects of forestry processing enterprises with intensified efforts, steadily promoted the forest tenure mortgage business, and explored ways to pledge forestry carbon sink rights.

**Livestock, poultry farming and fishery:** The Bank developed credit policies for the fields of animal husbandry, dairy manufacturing, aquaculture and processing, feed processing, etc., actively undertook in the low-carbon emissions reduction action for livestock and poultry farming, and the emissions reduction and sink enhancement action for fishery. It vigorously supported business entities engaged in the

improvement of feed varieties, recycling livestock and poultry manure and waste, and running various types of demonstration farms, marine pastures to propel the development of the eco-friendly farming industry. Meanwhile, it strengthened the environmental protection requirements for sewage discharge, and strictly implemented the “one vote veto” policy for customers and projects that do not meet ecological requirements such as illegal discharge of livestock and poultry waste.

**Biodiversity conservation:** The Bank formulated credit policies related to biodiversity protection for the seed industry, forestry, traditional Chinese medicine, etc., to increase the whole-industry-chain support for green agriculture-related areas such as eco-friendly planting, eco-friendly breeding, under-forest economy, and modern seed industry, for clients with ESG risks, strictly implemented the “one vote veto” policy. It actively supported afforestation, greening, and forest resources conservation projects with pronounced carbon sink or carbon sequestration effects. Also, it provided financial services to major projects for the conservation and improvement of mountains, waters, forests, farmlands, lakes, grasslands, and deserts through a holistic and systematic approach and for biodiversity protection.

**Energy:** The Bank strongly supported the clean and efficient utilization of traditional energy sources and renewable energy substitution, formulated credit policies for energy industries such as coal, thermal power, hydropower, wind power, solar power, nuclear power, and biomass power generation, and coordinated the relationship between carbon reduction and energy security as required, increased support for the field of clean and efficient utilization of coal and the clean energy industry, and highlighted the green and low-carbon management requirements including green development, environmental protection, energy consumption, and production safety.

**Mining:** The Bank formulated credit policies for coal, oil and gas mining, metal ore mining, and other related industries, clarified the on-boarding standards for relevant customers and projects, and put forward appropriate requirements for ESG risk management, so as to serve the green and low-carbon development of the mining industry.

**Transportation:** The Bank formulated credit policies for transportation-related industries such as railroads, highways, urban rail transit, airports, and air transportation, to provide financial services for green transportation and environmental infrastructure construction. It put forward requirements on ESG risk management to serve the green and low-carbon development of transportation-related industries.

**Construction:** The Bank formulated credit policies for construction-related industries, to assist the development of green building and assembly building enterprises. It put forward relevant requirements for ESG risk management to serve the green and low-carbon development of construction enterprises.

**Materials:** The Bank formulated credit policies for such materials industries as petrochemical, iron and steel, non-ferrous metal, flat glass, cement and rubber products. It put forward relevant requirements for ESG risk management to facilitate the green and low-carbon development of materials production enterprises.



**Strengthening ESG risk management.** The *Measures for Managing ESG Risks in Credit Business of Agricultural Bank of China* was issued to implement comprehensive coverage, categorized management, and whole-process control of ESG risks in credit business.

Differentiated management measures were implemented according to the level of potential ESG risks faced by customers. The Bank increased support for green, low-carbon, and circular economy, and implemented the one-vote veto system for non-eco-friendly customers and projects.

ESG risk management requirements were incorporated into the entire credit business process. Concrete control requirements were raised for such steps as due diligence, review, approval, and duration management. Dynamic assessments were carried out to manage ESG risks in a more meticulous manner.

Reinforcing pre-event and post-event management of investment business. Before investment, particular attention was paid to the green attributes, economic and environmental benefits, and capital supervision of a project invested, as well as the ESG risk management of the issuer. After investment, the Bank kept tracking the use of funds raised and the progress of the project invested as well as the industry policies and market changes, so as to improve the quality and efficiency of post investment management, as well as the ability to respond to ESG risks.

#### **[Case] Building the First ESG Rating System of the Bank**

Zhejiang Branch innovatively launched the first ESG rating system across the Bank. Embedded in the whole credit business process (pre-event, during-event, and duration management), the system could use data to empower intelligent control of ESG risks. As at the end of 2023, 2,000 or so enterprises obtained ESG rating labels from Zhejiang Branch.

## **II. Facilitating Innovation to Drive the Development of Green Finance**

The Bank continued to roll out innovative green financial products and service modes, met various financing needs of all types of entities, vigorously supported ecological protection and biodiversity conservation, and promoted the green transformation of the economy with the power of finance to serve the green, low-carbon, and high-quality development of the real economy.

### **1. Creating a diversified product lineup**

#### **(1) Green credit**

As at the end of 2023, the balance of green credit business amounted to RMB 4,048.7 billion, an increase of RMB 1,351.2 billion, or 50.09%, from the end of the previous year. Both the incremental amount and growth rate reached a record high. The green credit business was equivalent to saving 54.88 million tons of standard coal, 128.95 million tons of carbon dioxide, 270,000 tons of chemical oxygen demand (COD), 20,000 tons of ammonia nitrogen, 2.92 million tons of sulfur dioxide, 2.58 million tons of nitrogen oxides, and 136.69 million tons of water every year.

**Increasing credit support in key areas.** The supply of green credit was increased in green industries such as green upgrading of infrastructure, clean energy, energy conservation and environmental protection, the environment, clean production, and green services. The Bank made efforts to support the formation of new energy systems such as wind power, solar power, and smart grids, expanded the supply of funds in key areas such as carbon emissions reduction, clean and efficient use of coal, and large-scale wind and solar power generation bases, and got involved in more green transportation and environmental infrastructure construction projects.

**Diversifying the lineup of green credit products.** The Bank established a product innovation mechanism that combined the Head Office and branches and took into account local conditions, launched innovative products with regional characteristics such as green and inclusive loan, marine pasture loan, and beautiful countryside loan, and continued to promote a number of green credit products such as “Rural Living Environment Loan”, green transportation loan, and green, and energy-saving building loans.

### **[Case] Building a Beautiful Yunnan with Green Finance**

Yunnan Branch actively supported the construction of key water conservancy infrastructure in the province, helped to advance the Water Running Yunnan project, focused on engineering projects in areas of water reservoirs, urban and rural water supply, drinking water supply, small and medium-sized river improvement, reinforcement of dangerous reservoirs, soil and water conservation, ecological protection management, and sewage treatment, etc. It set up a professional financial service team to improve the quality and efficiency of its services. As at the end of 2023, the balance of water conservancy loans amounted to RMB 29 billion.



Wuzhou Branch in Guangxi Zhuang Autonomous Region, provides green credit to support a local forest-photovoltaic power generation project. (Photo by Huang Gang)



Yulin Branch in Shaanxi Province supports a local coal enterprise to build a world-class chemical base/circular economy demonstration base. (Photo by Shuang Ni)



Yancheng Branch in Jiangsu Province supports the construction of the Huanghai Forest Park as a national 5A scenic spot. (Photo by Wang Jincheng)



Hebei Branch provides green credit to support clean energy projects such as wind power, solar PV, and biomass power generation. (Photo by Ren Yuelong)

## **(2) Green bonds**

**Increasing investment in green bonds.** The Bank continuously increased investment

in such green industries as clean energy, green transportation, and energy conservation and environmental protection. As at the end of 2023, the scale of self-managed green bond investment reached RMB 144.34 billion, an increase of 18.7% from the end of the previous year.

**Underwriting bonds with quality and efficiency further assured.** The Bank effectively met the direct financing needs of green and low-carbon enterprises, actively supported high-quality enterprises in issuing green bonds, and managed to underwrite the first green bonds in many fields.

**Enhancing green bond consulting service capacity.** Starting with the green investment banking advisory business, the Bank provided professional services to customers in five main aspects, that is, addressing climate change, supporting environmental improvement and green, low-carbon transformation, realizing the economical and efficient use of resources, serving green and sustainable development, and enhancing ESG management capabilities and information disclosure standards of customers.

As at the end of 2023, the Bank underwrote 31 green bonds, raising funds of RMB 28.5 billion. Among them, there were three carbon-neutral bonds, raising funds of RMB 1.26 billion, and one sustainability-linked bond, raising funds of RMB 2 billion.

**[Case] Exclusively Underwriting Perpetual Midterm Notes: Green Development, Rural Revitalization, and Scientific and Technological Innovation**

The Bank successfully underwrote and issued triple-labeled perpetual midterm notes: green development, rural revitalization, and scientific and technological innovation with an issuance amount of RMB 2 billion. The funds raised would be used to invest in green projects such as energy-saving and environmental protection as well as key counties in Yunnan Province designated to receive assistance for rural revitalization, helping local enterprises improve scientific and technological innovations in green and clean energy.

**[Case] Successfully Underwriting and Issuing the First Green Bond for the Iron and Steel Industry**

Hebei Branch, as an independent lead underwriter, successfully issued a 3-year green mid-term note worth RMB 500 million for HBIS Group Co., Ltd. (HBIS), with the raised funds used for the procurement of steel scrap. As the first labeled green bond in the iron and steel industry underwritten by the Bank, it would provide strong financial support for serving the green development of the real economy and assisting the iron and steel industry of Hebei Province in its transition to green development.



The green bonds issued by Macao Branch win the Excellence Award for Green Finance Cases in the Guangdong-Hong Kong-Macao Greater Bay Area. (Photo provided by Macao Branch)

### (3) Carbon finance

The Bank increased credit support in key areas of carbon emissions reduction, served the development of the carbon market, further cemented strategic cooperation with the National Carbon Emissions Permit Registry and the National Carbon Emissions Permit Trading Institution, continued to improve the functions of the “ABC Carbon Service” system, and promoted innovations in carbon finance products and services, so as to serve the development of green and low-carbon enterprises. As at the end of 2023, the Bank had issued RMB 176 billion carbon emissions reduction loans to 1,266 projects, contributing to the reduction of carbon emissions in 45.38 million tons.

**[Case] The Bank Issues China’s First Asset-guaranteed Debt Financing Tool with Four Themes of “Carbon Neutrality, Carbon Assets, Rural Revitalization, and Old Revolutionary Base Areas”**

The Bank successfully underwrote and issued a carbon emissions permit asset-guaranteed debt financing tool for Jilin Electric Power Co., Ltd., which was China’s first green debt financing tool guaranteed by carbon emissions permit assets with four themes of “carbon neutrality, carbon assets, rural revitalization, and old revolutionary base areas”. The product could innovatively utilize carbon emissions permits of issuers in the national carbon market to carry out financing activities, revitalize the carbon quota assets of enterprises, and further endow the carbon emissions permits with financial attributes. The funds raised by the product would be used for the wind farm projects located in the old revolutionary base areas, which are expected to reduce 10,100 tons of carbon dioxide emissions and save 4,300 tons of standard coal a year.

**[Case] The Bank Secures the First Carbon Emissions Reduction-linked Loan**

Guizhou Branch issued a carbon emissions reduction-linked loan worth RMB 350 million to the agriculture-photovoltaic power plant project at Haiyuan Village, Haila

Town, Weining County, which was the Bank's first carbon emissions reduction-linked loan. The introduction of the innovative carbon emissions reduction-linked business mode managed to connect the loan interest rate with the carbon performance of an enterprise in the course of operation, further unlocking the potential of the enterprise for low-carbon development. The project was expected to reduce 1.95 million tons of carbon emissions.



Shandong Branch launches the innovative green industry chain service mode called “Zero Carbon Chain”. It issues a loan of RMB 530 million for a nuclear energy heating supply project, helping Haiyang to become China's first city realizing “zero-carbon heating supply”. (Photo provided by Shandong Nuclear Power Co., Ltd.)

#### **(4) Innovative businesses**

The Bank continuously innovated green finance products and actively expanded green finance businesses such as green wealth management, green funds, green leasing, green investment, and green insurance.

**Agricultural Bank of China Wealth Management Co., Ltd.:** It established a sound mechanism for rating and categorizing ESG investment targets, to set out rating standards and the scope of investment. As at the end of 2023, it had 50 ESG-themed wealth management products in existence, with a total time-point size of RMB 36.9 billion.

**ABC-CA Fund Management Co., Ltd.:** It made continuous progress in the research and development of green finance products, gradually perfect a sound investment and research system for green finance, and set up a green investment framework. As at the end of 2023, it had two green-themed investment funds in existence, with a combined time-point size of RMB 10,857 million.

**ABC Financial Asset Investment Co., Ltd.:** Focusing on green and low-carbon areas, it improved the green investment management regime, integrated ESG concepts into operation and management, and actively shaped a leading brand in the market of green debt-to-equity swap investment. It continuously innovated green investment products, focusing on green industries such as clean energy, new power systems, energy saving and environmental protection, green upgrading of infrastructure, and

modern agriculture. The subsidiary actively supported a number of enterprises in the field of green and low-carbon areas to reduce their leverage ratio, thus consolidating its advantages in green investment continuously. As at the end of 2023, the cumulative investment in green projects reached RMB 50,304 million (proprietary funds, the same below), the balance amounted to RMB 41,422 million, an increase of 23.4% compared with the end of the previous year, and green debt-to-equity swap accounted for 36.6% of the debt-to-equity swap assets, a year-on-year increase of 5.5 percentage points.

**ABC Financial Leasing Co., Ltd.:** It actively developed green leasing businesses in the fields of new energy power generation, urban rail transit, etc. to increase the proportion of green leasing assets. As at the end of 2023, the balance of green leasing assets was RMB 68.77 billion, an increase of RMB 13,638 million from the end of the previous year.

**ABC Life Insurance Co., Ltd.:** It comprehensively utilized financial instruments such as stocks, equity, and bonds to increase investments in wind power, photovoltaic power, and other fields, implement national green and low-carbon strategies such as smart new energy and clean energy, and effectively enhance green finance service capacities. Through both direct and indirect investment projects, the subsidiary made new net green investment of RMB 682 million throughout the year. Meanwhile, it landed projects such as the green debt investment plan for infrastructure of Jiangxi Communications Investment Group, the new energy infrastructure asset-backed plan (quasi-REITs) of State Power Investment Corporation Limited (SPIC) in Jiangxi, and the green midterm notes of China Three Gorges Corporation.

#### **[Case] Devising an Innovative Green and ESG Syndicated Loan**

To actively support the green energy industry and carbon emissions reduction projects, Shanghai FTZ Branch led to form China's first ESG and sustainability-linked and green grouping syndicated loan. Of the RMB 2.1 billion syndicated loan, the branch undertook RMB 900 million, of which the funds of RMB 673 million were disbursed. In the setting of sustainability-linked indicators, the total number of enterprises using special and sophisticated technologies to produce novel and unique products was innovatively designated as a sustainability performance indicator, with a view to establishing a price adjustment mechanism dynamically linked to the compliance status. The syndicated loan project was shortlisted for the Shanghai Financial Innovation Awards.

#### **[Case] Vigorously Develop Green Syndicated Loan Business**

Sydney Branch successfully participated in the green syndicated loan project of SPIC Pacific Hydro Pty., Ltd., with an undertaking amount of AUD 200 million. As the largest single green loan issued by the branch so far, the loan represented another milestone in its journey to accelerate the transition to green development and support the sustainable development of local economy.

## 2. Continuing to support ecological protection

### Main Initiatives

**Supporting biodiversity.** The Bank introduced credit policies for industries involved in biodiversity protection such as seed industry and forestry, formulated dedicated policies to support the protection of the Yangtze River and the ecological protection and high-quality development of the Yellow River Basin, and continued to increase financial support for major biodiversity projects.

**Supporting the improvement of ecosystem quality.** The Bank actively supported the construction of national parks and nature reserves, adopted a holistic and systematic approach to conserving and improving mountain, water, forest, farmland, lake grassland, and desert ecosystems, and continued to provide financial services in support of major projects for preserving and restoring key ecosystems. Focusing on greening programs, it increased financial support for afforestation, greening, and forest resources conservation projects with pronounced carbon sink or carbon sequestration effects.

**Supporting the realization of the value of ecological products.** Centered on the integration of the ecological product-related industry chain and value chain, the Bank actively supported the key areas of ecological industrialization and industrial ecologization. It rolled out innovative financial service programs such as the “beautiful countryside and industrial parks” program and the “beautiful countryside and agriculture-culture-tourism integration” program, so as to harmonize ecological protection, green development, and improvement of people’s well-being. The *Measures for the Management of Forest Tenure Mortgages* was revised to standardize the business of forest tenure-secured loans, developing forestry resources in an eco-friendly, value-based, and industrialized manner.

### [Case] Assisting Hainan to Issue the First Biodiversity-themed Green Bond

As a joint lead underwriter and joint bookrunner, Hong Kong Branch assisted the Hainan Provincial People’s Government to issue the first biodiversity-themed green bond in the region, with an issue size of RMB 1 billion, which was the first biodiversity-themed green bond issued by a local government of China in the international capital market.

### [Case] Efficiently Facilitating the Protection of the Yangtze River

Since the launch of the Yangtze River Protection initiative, the Bank has been actively providing it with a full range of high-quality financial services, including fund settlement, credit granting, supply chain finance, and fund investment custody. As at the end of 2023, it provided financial services to more than 50 Yangtze River protection projects in eight provinces along the Yangtze River Basin, strongly supporting the improvement of the ecological environment and high-quality development in the Yangtze River Basin. In 2023, the Bank was honored with the



“Model Member Units of Yangtze Ecology and Environment Industry Alliance”, the only financial institution to win the title for three consecutive years.

### **[Case] Making Great Headway with Ecological Protection in the Yellow River Basin**

Ningxia Branch continued to deepen its cooperation with governmental organizations. While increasing financial support for the construction of infrastructures and key projects, it actively developed green credit business. In the process, the branch took practical actions to write a new chapter of financial assistance for building a pilot area for ecological protection and high-quality development in the Yellow River Basin. As at the end of 2023, it declared nearly RMB 4.7 billion loans for carbon emissions reduction support tools cumulatively, supported green key projects worth over RMB 8 billion, and had a green credit balance of RMB 15.19 billion, an increase of RMB 4.42 billion, or 41%, over the beginning of the year.



Sanming Branch in Fujian Province actively supports the ecological protection of Dajin Lake to generate greater ecological benefits. (Photo by Chu Zhiqiang)



Guangdong Branch gets actively involved in the comprehensive improvement of water environment, helping make South Guangdong an eco-friendly land. (Photo by Luo Yunshi)



Yunnan Branch successfully grants the first national reserve forest project loan of RMB 12.65 million in Pu'er City, providing a new way to realize ecological value of forestry. (Photo by Lu Yong)

### 3. Strengthening communication about green finance

#### Main Initiatives

- Increasing bank-government cooperation. The Bank kept deepening strategic cooperation with the Ministry of Ecology and Environment, National Energy Administration, Liaoning Provincial People's Government, Yunnan Provincial People's Government, Shaanxi Provincial People's Government, and Chongqing Municipal People's Government, to vigorously develop energy-related financial services and climate-related investment and financing business.
- Actively participating in high-level exchanges on green finance. The Bank attended a host of activities such as the video conference of the UN Global Investors in Sustainable Development (GISD) Alliance, the 2023 ESG Global Leaders Summit, the 2023 Green Finance North Bund Forum, the Annual Conference of Financial Street Forum 2023, and the Second China International Conference on Climate Investment and Financing, to share the practice and experience of serving green development and the dual carbon strategy and enhance the influence of the green finance brand.
- Carrying out themed exchanges. The Bank co-organized a seminar on "Innovations and Practical Applications in Capital Markets for Climate Finance" with the Green Finance Forum of 60. It participated in the 2023 Annual Conference of the Green Finance Committee, China Society for Finance and Banking, the Carbon Neutrality Expo in Shanghai, and the 6th World Green Development Investment and Trade Expo in Jiangxi Province, etc., to have discussions on topics such as climate investment and financing, and green, inclusive, and integrated development.

#### **[Case] Attending the Opening Ceremony of China Pavilion of COP28 and the Side Event on Ecological Civilization and Beautiful China Practice**

The opening ceremony of the China Pavilion and the Side Event called "Ecological Civilization and Beautiful China Practices" at the 28th Conference of the Parties to

the United Nations Framework Convention on Climate Change (COP28) took place in Dubai, the UAE on November 30, 2023, in which the Bank was invited to participate as the only Chinese financial institution.



Xu Han, Vice President of the Bank, visits Zhuling Village, Gutian Town, Fujian Province to inspect the development of green agriculture with the support of financial services. (Photo by Zhang Zhichao)



The Bank makes an appearance at the First Carbon Neutrality Expo in Shanghai under the theme of “focusing on green transformation to serve the real economy; practicing the concept of finance for the people to create a happy life”. (Photo by Zhang Chi)

### **III. Coping with Climate Change and Better at Preventing Related Risks**

The Bank attached great importance to climate-related risk management, took the initiative to identify, evaluate, and deal with risks and opportunities arising from climate change, integrated climate-related risk management into its comprehensive risk management regime, and continuously strengthened exchanges and mutual understanding between China and the rest of the world, so as to contribute its wisdom to global climate change response.

#### **1. Identifying and responding to climate-related risks**

## Management Framework for Addressing Climate Change

<p><b>Governance</b></p> <p>Governance of climate-related risks and opportunities</p>	<p>The Board of Directors assumes ultimate responsibility for managing climate-related matters, the Board of Supervisors fulfills oversight responsibility, the Senior Management is responsible for the organization and implementation of such matters. The Green Finance/Carbon Peaking and Neutrality Committee and the Risk Management Committee are established as part of the Senior Management to push forward climate risk management as a priority.</p>
<p><b>Strategy</b></p> <p>Impact of climate-related risks and opportunities on the business, strategy and finance</p>	<p>The <i>Carbon Peaking and Neutrality Plan of Agricultural Bank of China</i> was implemented to set out work functions, mechanisms, and processes, so that the Bank could march toward its goal of energy conservation and carbon reduction.</p>
<p><b>Risk management</b></p> <p>Process of identifying, assessing and managing climate-related risks</p>	<p>The Bank identified potential risks and opportunities in business and operational activities, conducted climate risk stress tests, incorporated climate-related risk management into the comprehensive risk management regime, and continuously improved climate-related risk management from perspectives of management mechanisms and tools.</p>
<p><b>Indicators and targets</b></p> <p>Indicators and targets for assessing and managing climate-related risks and opportunities</p>	<p>The Bank carried out follow-up assessments of the indicators and targets in the <i>Green Finance Development Plan (2021-2025)</i>. It issued the <i>Highlights of Green Finance/Carbon Peaking and Neutrality in 2023</i> to refine annual development targets. The Head Office departments/offices formulated annual plans for energy conservation and carbon emissions reduction, specifying annual and monthly usage control standards for electricity and water. They carried out carbon footprint management and made annual statistics on greenhouse gas emissions.</p>

**Identifying climate-related risks.** The Bank proactively identified, assessed, and managed climate-related risks, deeply analyzed the transmission paths of climate risk factors, and continuously improved response strategies.

Main risk	Risk elements	Main influence	Time frame	Countermeasures
Credit risk	<p>Extreme weather conditions, natural disasters, etc. lead to the destruction and accelerated depreciation of debtors' houses, assets, etc. resulting in business interruption or damage to collateral. Low-carbon transition triggers cost increases and production declines in some industries, resulting in operational difficulties.</p> <p>Against the background of addressing climate change and promoting low-carbon transition of the economy, policies related to energy transition, pollution prevention and control, resource conservation, and carbon emissions reduction may be introduced or related standards may be raised. Some industries will face the further increased uncertainties in operation.</p>	<p>This may inhibit the development of some carbon-intensive industries, raise production costs on debtors, and lower their solvency. Failure to implement environment-related laws, regulations, and policy requirements in China will lead to environmental and climate lawsuits or legal risks, thus raising default risks.</p>	Medium and long term	<p>Strengthen the management of credit and investment and financing businesses conducted with carbon-intensive industries. Improve the ESG risk management measures for credit business, and reinforce the compliance investigation and review in terms of environmental protection, workplace safety, and occupational disease prevention.</p>
Market risk	<p>Carbon emissions reduction policies trigger fluctuations in the prices of energy, industrial, and other bulk commodities, as well as the revaluation of corporate bonds and stocks. Extreme weather conditions, natural disasters,</p>	<p>Consumers may reduce consumption of carbon-intensive or non-eco-friendly products, and investors may reduce investment in related<sub>108</sub> production and</p>	Medium and long term	<p>Continuously track policy changes and scientifically assess their market impact. Promptly develop low-carbon and eco-friendly products and services</p>

	etc. lead to a significant increase in food prices. There are significant changes in consumer and investor appetite.	operation enterprises, which will have an impact on the production and operation of some industries.		to meet what customers need.
Liquidity risk	Extreme weather conditions, natural disasters, etc. may cause property losses to borrowers and increase the risk of debt default due to insufficient liquidity of the Bank's own operations and those of its customers. The customers' working capital and the Bank's own operational liquidity may be affected.	This will inhibit the customers' business and the Banks' own operations, and reduce their funding sources, with liquidity adequacy undermined.	Medium and long term	Closely track and assess the impact of climate-related risks on the operations of the Bank and those of its customers. Embed climate risk factors into liquidity management and optimize the process in a timely manner.
Operational risk	Natural disasters or extreme weather conditions may cause damage to building facilities such as business outlets and data centers, or operational interruptions, resulting in asset losses. Policies and regulations introduced in response to climate change will change the norms of banking operations.	Service interruptions occur, and compliance and legal risks increase.	Short term	Ensure that outlet infrastructures meet national standards for disaster resistance; construct multiple data centers to guarantee operational continuity of data centers; and make progress in running business and office online.
Reputational risk	The Bank fails to provide sufficient support for clients affected by climate disasters. It holds excessive carbon-intensive assets, or extends loans to carbon-intensive enterprises in violation of related provisions. Due to the impact of environmental and climate-related factors, stakeholders express negative evaluations	Negative comments from the public, media outlets, and regulators. Impact on investor relations, customer relations, brand value, etc., may result in considerable operational risk.	Short, medium and long term	Regularly screen potential reputational risk, and proactively accept public supervision. Increase the disclosure of environmental information.

	regarding the Bank's operations, management, and other activities.			
Legal risk	The relevant environmental laws and regulations are issued.	Failure to promptly follow up and study relevant laws and regulations in China may result in the risk of legal proceedings or fines.	Medium and long term	Pay ongoing attention to national laws and regulations related to environmental protection and strengthen related research and analysis. Provide training on the pertinent laws and regulations to enhance legal awareness among employees.

**Identifying climate-related opportunities** The Bank proactively identified, dealt with, and adapted to business development opportunities derived from climate change, vigorously expanded green finance business, rolled out innovative products and services in the green and low-carbon areas, and moved toward its objectives of energy conservation, carbon reduction, and green development.

<b>Major opportunities</b>	<b>Initiatives</b>
Developing green finance to expand business scale	Focusing on the development of green industries and the low-carbon transformation or upgrading of traditional industries, the Bank increased support for key areas such as clean energy, energy conservation and environmental protection, and carbon emissions reduction technologies, constructed a diversified product lineup covering green credit, green bonds, green insurance, green funds, etc., effectively met market demand, and promoted the green

	transformation of the asset structure actively and steadily.
Creating superior brands to fulfill CSRs	Closely centered on the mission of high-quality development, the Bank incorporated the concept of green development into various processes, businesses, and scenarios, and improved green banking evaluation results and ESG ratings, thus establishing a socially responsible image. Meanwhile, it pressed ahead with green operation, green procurement, and green office running at a faster pace to cast a widely recognized green banking brand with distinctive features.
Improving the framework for environment and climate risk management	<p>The Bank built a climate-related risk analysis framework. It analyzed the physical and transition risks faced by asset portfolios in industries such as agriculture, which were greatly affected by long-term trends including rising average temperatures, land desertification, and sea level rise, as well as in the traditional energy industries and carbon-intensive industries, highly prone to transition risks, so as to assess, forewarn, monitor, and conduct emergency response drills against related risks in a timely manner.</p> <p>The Bank established an environment and climate risk management architecture and incorporated environment and climate risks into the management of business strategies and risk appetites, medium- and long-term development plans, and the entire process of investment and financing business. It stepped up efforts to track and research traditional energy industries and carbon-intensive industries, paid close attention to legal policies and regulatory requirements in the fields of the environment and climate, promptly adjusted or optimized credit policies for traditional energy industries, carbon-intensive industries, and key areas of green development, and managed related policies in a more meticulous way.</p>
Pushing forward digital transformation to empower its business development	The Bank continuously implemented the digital operations strategy, launched and promoted innovative online products and services, and worked to improve service quality and efficiency while reducing operating costs, in an effort to enhance market



	competitiveness.
Strengthening carbon footprint management to promote green operation	The Bank formulated the work plan for carbon peaking and neutrality, advanced the “carbon inventory taking” across the Group in a steady and orderly manner. It actively promoted green office, green procurement, and green travel to effectively reduce energy consumption and cost.
Enhancing emergency response capabilities to ensure smooth operation	The Bank formulated the contingency plans for environment and climate risks. It improved the contingency plan system for operational businesses, specifying the requirements for emergency response management in case of natural disasters. Besides, it established sound mechanisms for supply reserves, disaster prevention inspections, and shifting and reporting to protect the safety of customers and employees and ensure the continuity of financial services. The Bank organized business continuity training and emergency response drills, and improved the capabilities for responding to and disposing of emergencies, stepped up efforts to build multiple data centers, and enhanced capabilities to maintain smooth business operations.

## **2. Strengthening climate-related risk management**

**Continuously pushing forward climate risk stress tests.** The Bank explored using a greater variety of technical means to assess the impact of climate-related risks on the financial system, a move that further expanded the types of assets and risks covered. With regard to transition risks, a climate risk-oriented macro-scenario stress test was conducted to examine the comprehensive impact of carbon emission prices, energy consumption, changes in production capacity, and fluctuations in costs and prices, among other factors, on carbon-intensive industries, upstream and downstream industries, and other industries, and to assess the Bank's ability to cope with transition risks amid the efforts to realize the dual carbon goal. The test results showed that under the scenarios of orderly and disorderly transition, all relevant industries would be affected to varying degrees, and their credit risk would be generally manageable despite a slight increase. In terms of physical risks, three types of disaster, that is, droughts, floods, and typhoons, were selected to measure the impacts of extreme climate disasters on agricultural enterprises and farmers under different global warming scenarios, and to assess the potential losses to agricultural loans of the Bank. The test results showed that under extreme climate scenarios, the risks derived from agricultural loans due to physical risks would increase, but have a limited impact on the Bank as a whole.

**Strengthening training on climate-related risk management to raise related awareness.** The Bank provided training on climate risk stress testing, organized branches to collect climate risk-related data, disseminated climate-related risk management principles and concepts, enhanced the systematic understanding of climate-related risks among all employees, and boosted the ability to prevent and control climate-related risks.

**Continuously improve the level of climate-related risk management carried out by overseas institutions.** The Bank prompted overseas branches/subsidiaries in Hong Kong, Singapore, New York, and other places to add climate risk appetite to their overall risk appetite and management policies. Specifically, Hong Kong Branch organized a climate risk stress test to carry out climate-related risk management and control in light of local conditions.

## **IV. Conserving Energy, Reducing Emissions, and Dedicated to Low-carbon Operations**

With the aim to build a resource-saving and eco-friendly bank, the Bank advanced energy conservation and carbon reduction in key areas, advocated simple, moderate, green, low-carbon, civilized, and healthy ways of work and life, and made continuous progress toward carbon neutrality in its operations.

### **1. Strengthening energy conservation and carbon reduction management**

The Bank formulated an annual energy conservation and carbon emissions reduction plan for the Head Office building and all other buildings, signed the *Energy Management Responsibility Letter*, and reported energy conservation and carbon emissions reduction data on a regular basis. As at the end of 2023, the Head Office of the Bank accomplished the annual goal of “reducing carbon emissions by 1% on a

year-on-year basis”.

**Energy conservation management.** The Bank formulated scientific and reasonable energy management plans to dynamically optimize or adjust the operation of lighting, air conditioning, and water systems. It enhanced lighting management in public areas to ensure that lights would be turned off when not in use; monitored changes in outdoor temperature in a timely manner, and started the central air-conditioning system in accordance with the energy consumption minimization program; and strengthened the management of domestic hot water to save money on heating. Meanwhile, the Bank made full use of the functions of the Intelligent Logistics Vehicle Management System, approved the applications for using official vehicles in strict accordance with the pertinent policies, and strengthened the fuel management of official vehicles.

**Upgrading to energy-efficient technologies.** The Bank promoted the use of new energy-saving products, processes, and materials, introduced energy-efficient facilities including LED lamps and air-conditioners, and promoted the application of photovoltaic materials and prefabricated building materials. LED lights were installed in some areas of the Head Office building, which were expected to save 86,441 kWh of electricity a year, equivalent to 52 tons of carbon dioxide reduced.

**Carbon inventory.** A specialized organization was hired to verify the annual energy use and carbon dioxide emissions data of the Head Office building through a number of methods such as on-site check, data validation, voucher check, and interview. In the meantime, the Bank upgraded the carbon emissions and energy consumption monitoring platform to support the entry of energy consumption information and the conversion of carbon emissions data, worked to build up capabilities for carbon emissions statistics and accounting, analyzed the distribution of carbon emissions, and laid a solid data foundation for active, steady, and safe carbon reduction.

**Waste management.** The Bank signed the *Food Waste Transportation Service Contract for Non-residential Units in Beijing*, dynamically monitoring the food waste generated. It actively implemented measures such as “opposing food and beverage waste” and “implementing waste sorting”.

**Energy conservation awareness enhancement.** The Bank continuously made energy saved in the Head Office building data-based and visualized, and realized the routine display of carbon emissions data in the buildings under jurisdiction. It leveraged the World Water Day, the Water Conservation in Cities throughout the Country, and other occasions as opportunities to encourage employees to save energy and reduce emissions. The Bank continued to publicize the concept of green office, advocating energy conservation, carbon reduction, and green development among all employees.

## **2. Providing green services**

Relying on the digital transformation strategy, the Bank continued to enrich and improve online financial services, comprehensively upgraded the functions of mobile banking, and introduced the distinctive scenario where “low-carbon spaces could be combined with carbon reward points”. Under the scenario, the carbon reduction behavior committed by users via mobile banking transactions could be quantified,

recorded, and redeemed to help them practice the concept of green lifestyle. Additionally, the Bank strengthened cardless and convenient services, and enhanced paperless operations.

As at the end of 2023, the Bank had 490 million registered personal online banking users, an increase of 46 million from the end of the previous year; and its corporate online financial service platform had 12.09 million users, an increase of 1.42 million from the end of the previous year.

### 3. Performing green procurement

#### Main Initiatives

**Defining green procurement requirements.** In the *Measures for Centralized Procurement Management of Agricultural Bank of China*, the *2023 Centralized Procurement Catalog of the Head Office of Agricultural Bank of China*, and other relevant policies, the Bank established that centralized procurement should reflect green procurement requirements such as giving priority to energy-efficient and eco-friendly products. The *Highlights of Procurement Management Work of Agricultural Bank of China in 2023* required that the concept of ESG be integrated with the procurement business, to intensify the examination of green, eco-friendly, energy-saving, and carbon-reducing indicators.

**Making green procurement an evaluation indicator.** Green procurement evaluation indicators were applied in procurement documents, and indicators such as the certification of eco-friendly products and environmental management systems were reasonably selected in the project bidding evaluation measures, so as to encourage and guide suppliers to implement the relevant requirements for energy conservation and carbon emissions reduction in China.

**Empowering green procurement with digital means.** The Bank accelerated the construction of an electronic bidding platform, and launched the entire process: invitation for bids, tendering, bid opening, bid evaluation, and bid awarding, laying the technical foundation for the whole process of online paperless bidding.

### 4. Running a green office

**Making continuous progress toward a paperless office.** The Bank issued the revised official document processing measures and implementation rules, intensifying efforts to promote a paperless office. It advanced the adoption of IT in office running, circulated official documents with digital means, optimized the distribution of printing equipment, and added the cloud recording and signature functions into the comprehensive mobile office system, so as to effectively reduce the amount of paper used in office.

**Reducing carbon emissions from meeting activities.** The Bank extensively applied the e-conference system, in which attendees could view meeting documents through tablets, to minimize the amount of paper used. Branches at all levels were encouraged to convene meetings via video or audio conferencing and minimize the number of

meetings, especially offline meetings, in the hopes of reducing carbon emissions. Meanwhile, the bank-wide communication management platform, teleconferencing system, and other application functions were fully used to convene more than 4,400 teleconferences.

**[Case] Building a Bank-wide Platform for Integrated Management of Electronic Files**

The Bank continued to enhance IT adoption in office operations, researched and developed a holistic platform for integrated management of electronic files. When complete, the platform could integrate a host of functions such as file reception, organization, appraisal, archiving, statistics, destruction, and warehouse management. Establishing standard interfaces to connect with business systems, it supported automatic archiving of file data under various business lines, realized standardized management of electronic files and efficient utilization of file resources, comprehensively boosted the electronic files management capability of the Bank, and decrease paper consumption in file management.



Tianjin Branch makes energy conservation and carbon emissions reduction signboards to help all employees understand daily energy consumption and enhance energy-saving and emission-reducing awareness. (Photo by Chi Jiaqiang)

**5. Building green outlets**

The *Guidelines for Green Outlet Construction of Agricultural Bank of China (Trial)* was formulated and issued. Branches were organized to implement the requirements of the guidelines, and green outlets were constructed during the processes of in-situ renovation, relocation, and construction of new outlets. More institutions were selected to implement the pilot program for carbon neutrality, thus becoming carbon neutral in their operations ahead of others. As at the end of 2023, the Bank completed constructing 1,380 green outlets.

**[Case] The First Green and Low-carbon Outlet of Hubei Branch Commences**

### **Business after Relocation**

On December 5, 2023, Xunlimen Sub-branch in the City of Wuhan commenced business after relocation as the first green and low-carbon outlet constructed by Hubei Branch on a pilot basis. Guided by the concepts of green development and environmental protection, the outlet integrated the design idea of “green site selection, green construction, and green operation” into the whole construction process, and adopted an all-aluminum prefabricated structure and furniture to reduce construction pollution. Intelligent Internet of Things (IoT) technology was used to exercise zone control of and intelligent adjustment to lighting and air-conditioning systems. An energy consumption monitoring and management system was built to collect data of the outlet on electricity consumption and carbon emissions in real time, a prerequisite for realizing efficient energy management. Therefore, a low-carbon, eco-friendly, refreshing, and comfortable space was created for employees and customers.



Guangdong Branch actively builds green outlets to facilitate green and low-carbon development using a comprehensive set of carbon reduction and emissions reduction tools. (Photo by Wu Chuqi)

## Quantitative Environmental Performance

Indicator	2023
<b>Total greenhouse gas (GHG) emissions<sup>17</sup></b>	
Scope 1: Direct GHG emissions (Tons of carbon dioxide equivalent)	212,583.03
Scope 2: Indirect GHG emissions (Tons of carbon dioxide equivalent)	1,998,863.40
Total GHG emissions (Tons of carbon dioxide equivalent)	2,211,446.43
GHG emissions per capita (Tons of carbon dioxide equivalent/person)	4.76
<b>Energy and resources consumption<sup>18</sup></b>	
Electricity (MW·h)	2,936,975.269
Use of electricity per capita (MW·h/person)	6.319
Natural gas (Cubic meters)	24,233,750.36
Use of natural gas per capita (Cubic meters/person)	52.14
Liquefied petroleum gas (Tons)	1,918.19
Gasoline (Tons)	30,389.93

<sup>17</sup> Calculation methods of GHG emissions: GHG accounting according to *ISO14064-1 Greenhouse Gas Part 1: Norms and Guidelines for Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level*; GHG Protocol (Greenhouse Gas Protocol); Direct GHG emissions: The Bank's consumption amount of natural gas, liquefied petroleum gas, gasoline, diesel and coals multiplied by the corresponding emission factors. For emission factors, you may refer to the Fifth Assessment Report 2014 of the Intergovernmental Panel on Climate Change (IPCC); Indirect GHG emissions: The Bank's consumption amount of electricity and purchased heat multiplied by the corresponding emission factor. For emission factors, you may refer to the latest data released by the Ministry of Ecology and Environment in 2023; Total GHG emissions: The total sum of direct GHG emissions and indirect GHG emissions.

<sup>18</sup> The statistics related to greenhouse gas emissions and energy consumption are of the Group, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels.

Diesel <sup>19</sup> (Tons)	1,494.60
Power purchased (MkJ)	2,944,603.65
Comprehensive energy consumption <sup>20</sup> (MW·h)	4,527,060.91
Comprehensive energy consumption per capita (MW·h/person)	9.74
Water consumption <sup>21</sup> (Tons)	2,081,695.05
Water consumption per capita (Tons/person)	73.43
Discharged wastewater <sup>22</sup> (Tons)	1,769,440.79
<b>Waste from the Head Office Institutions in Beijing</b>	
Office paper consumption (Tons)	73.79
Per capita office paper consumption (KG/person)	10.62
<b>Total hazardous wastes</b>	
Disposed toner cartridges (Pieces)	216
Disposed waste lead-acid batteries (Tons)	11.5
Disposed fluorescent lightbulbs (Tons)	3.01
<b>Total non-hazardous wastes</b>	

<sup>19</sup> Diesel was mainly used for backup generators in the office buildings and for self-owned corporate vehicles.

<sup>20</sup> The conversion data of energy consumption was based on the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).

<sup>21</sup> The statistics covered the Head Office institutions in Beijing (including the Southern and Northern Buildings of ABC Plaza, the office building at Zhanlan Road, Chemsunny Plaza, Glorious Oriental Plaza, Fengtai Science and Technology Plaza, the office building at Gongzhufen, Jintang International Financial Building and the Technological Innovation Park at Daoxiang Lake) and the office buildings of headquarters of the 37 tier-1 branches (excluding data centers, archive rooms, training rooms, cash centers and other non-office buildings).

<sup>22</sup> Wastewater was calculated by water consumption\*0.85, and the GB 50318-2017 *Code for Urban Wastewater and Stormwater Engineering Planning of the People's Republic of China* and relevant documents of the Bureau of Statistics were used as reference for the wastewater discharge coefficient.



Disposed electronic information products	
Number of disposed desktop computers (Mainframe) (Sets)	403
Number of disposed displays (Sets)	379
Number of disposed laptops (Sets)	1,303
Number of disposed printers (Sets)	75
Number of disposed servers (Sets)	335
Number of disposed dry batteries (KG)	18
Per capita number of disposed dry batteries (KG/person)	0.003

For details of the Bank's green finance, please refer to the *2023 Annual Report for Green Finance Development (Environmental Information) Disclosure* separately published by the Bank.

## Social Chapter: Helping Guard the Happy Lives of the People

Contribution to the United Nations Sustainable Development Goals:



Adhering to the people-centered development philosophy, the Bank always takes the people’s aspiration for a better life as the direction for inclusive finance development. It leveraged technology to empower its services and enrich its product offerings, and effectively enhanced the people’s sense of fulfillment, happiness, and security about financial services. It made efforts to support public welfare and charity programs. As such, it took practical actions to offer caring financial products and services, ensuring the happy life of the public.

### I. Developing Livelihood Finance to Promote Common Prosperity

Keenly aware of what people actually needed to live a happy life, the Bank continuously increased its input in key areas concerning people’s well-being, carried out the “ABC Service Project”, and launched a number of financial measures to benefit a wider range of customer groups with more convenient and beneficial financial services.

#### 1. Upgrading financial services for new citizens

Focusing on the diverse financial service needs of new citizens, such as settlement, medical care, aged care, and convenient consumption after their arrival in towns and cities, the Bank launched the “Seven Hearts” project. This initiative aims to create an exemplary project for financial services to new citizens, organize distinctive care activities, and enhance and substantiate financial services for this group.

#### [Case] Warm Services for Convenient Life

The Bank focused on the resident service industry where new citizens are concentrated, joining hands with Meituan to launch rider cards and small-and-micro merchant cards. Card-holding riders and small-and-micro-merchants can directly handle services such as ABC balance and transaction statement inquiries, card application pre-approvals on the Meituan platform. Micro-merchants can also use the “Super Bill” service to clearly access their settlement bills across 17 mainstream platforms like WeChat and Alipay, achieving precise one-to-one outreach of

distinctive services and exclusive benefits.



Changsha Wuyi Avenue Branch in Hunan established an exemplary “Rider’s Warm-hearted Service Station”. (Photo provided by Retail Banking Department)

## 2. Helping people age well

The Bank attaches great importance to the development of pension finance business, which is listed as one of its seven strategic emerging businesses. It strives to improve the pension service system by providing diversified pension finance services.

In 2023, outlet staff of the Bank paid 250,000 home visits to serve for the elderly and other special groups.

### Main Initiatives

#### ● Rolling out innovative pension finance products

During the pilot period of personal pension business, the Bank launched a full range of personal pension products, which covered savings, wealth management, fund, insurance, etc.

#### ● Publicizing pension finance services and increasing public knowledge of such services

The Bank joined hands with human resources and social security departments in different localities to hold a dozen of pension finance policy seminars targeted at nearly 1,000 public institutions and enterprises. Meanwhile, it expanded the coverage of the enterprise annuity system, facilitating the development of a multi-level, multi-pillar pension security regime.

A series of posts entitled “Personal Pension Business Knowledge Course” were released via the “ABC Retail Banking” WeChat official account, to introduce the personal pension system, handling requirements, the scope of investment products, withdrawal conditions, and tax incentives to the general public. At the same time, business knowledge and frequently asked questions were synchronized to the Remote Banking Center to inform and provide guidance for the 95599 customer

service representatives.

- **Enabling employees to provide more professional services**

An all-employee personal pension knowledge competition was conducted, which covered personal pension policies, personal pension products, and consumer protection knowledge, to help staff develop personal pension business skills and enhance relevant service capabilities.



The Bank organizes a knowledge competition on personal pension business. (Photo provided by Retail Banking Department)

- **Optimizing service processes**

The Bank formulated guidelines for aging-friendly services at business outlets. As per the principles that “the first employee receiving a customer shall take charge throughout the process with care; priority is given to serving elderly customers in comfort; and services are provided on an ad hoc basis to ensure compliance and efficiency”, it optimized the service process at outlets and proposed a simplified small-amount withdrawal service for elderly people suffering from dementia. With these steps, the Bank provided elderly customers with more attentive, careful, and meticulous financial services.

- **Retrofitting service facilities for the elderly**

Outlet facilities were designed with aging-friendly functions in terms of overall layout, functional zoning, equipment and facilities, visual elements, etc. More than 18,000 outlets were equipped with aging-friendly service gear and facilities such as blood pressure monitors, blood glucose meters, and automated external defibrillators (AEDs). All outlets upgraded their self-service machines to large-print displays.

- **Relying on scenarios to improve the quality of elderly care services**

The Bank intensified efforts to build corporate service scenarios and supported elderly care service providers in setting an intelligent elderly care system. Actively exerting the functions of fund management products such as cash management, mobile banking, dual-screen cash registers, and smart POS machines, it devised

comprehensive financial service solutions to realize the integrated development of fund management products with the intelligent senior care service system in a more convenient manner.

### **[Case] The First Personal Pension Wealth Management Product Becomes Available**

On February 4, 2023, “ABC Tongxin Lingdong” became available for the public as one of the first personal pension wealth management products in the market. A separate share class (L share) was set up for the purchase of personal pension accounts. The product was mainly targeted at medium- to highly-rated investors, maintained medium- and low-credit risk appetite, and complied with the principle of diversified investment to control risks stringently.

### **[Case] Financial Innovation Enhances Digital and Intelligent Operation of Elderly Care Institutions**

Wuhan Branch in Hubei took multiple measures to support the formation of a pension security system in Wuhan, helping improve the quality of pension finance services available in the city.

#### **Serving large public institutions of elderly care**

As the exclusive developer of the payment and settlement system for Wuhan Social Welfare Institute, the largest modern social service facility in Central China, Qiaokou Sub-branch efficiently developed “Yin Fu Tong”, a product that could integrate debit, load, consumption, and access control. This all-in-one card allowed residents to use across the facility.

#### **Serving small private institutions for older persons**

The Bank actively promoted the intelligent fee payment platform via mobile banking, as a solution to the problem of inconvenient offline fee payment for small private elderly care institutions. It successfully launched the intelligent fee payment system in two nursing homes, namely, Zhengkang Community Nursing Home and Zongguan Street Comprehensive Nursing Service Center in Qiaokou District, Wuhan, so as to enhance the convenience of fee payment services.

#### **Serving community cafeterias**

The Bank reached cooperation with six cafeterias in Yijiale Service Center for the Elderly, Wuhan to meet diversified bill payment needs through the combination of multiple top-up methods such as mobile banking, WeChat Pay, and cash.



Aging-friendly service outlets of Xiamen Branch set up a “Wellness Corner” to serve elderly customers. (Photo by Huang Zhixiang)



Employees of Bayannur Branch in Inner Mongolia Autonomous Region actively provide attentive services to elderly customers. (Photo by Yang Yuting)

### **3. Supporting people to start a business or get a job**

Leveraging its extensive network of service outlets, the Bank promoted products such as personal entrepreneurial guarantee loans to support the laid-off and unemployed, veterans, persons with disabilities, and low-income groups in starting their businesses or getting jobs, thus helping build a harmonious society and promoting across-the-board progress in society.

In 2023, the Bank issued RMB 1.55 billion guaranteed loans for 11,000 people starting their businesses and provided 123,000 persons with RMB 184.5 billion personal business loans. The Bank innovatively launched the featured “Merchant e-Loan” product, with a cumulative grant of RMB 52,164 million.

**[Case] Financial Support Brings a Wonderful Life with Loans**

Beijing Branch increased its credit support for the wholesale and retail industries, which employed numerous new citizens. “Merchant e-Loan”, a product that could be used for system optimization, process optimization, and data simplification, helped shorten the time required by business approval to meet the working capital needs of merchants in the market as an efficient solution for their financing problems. As at the end of 2023, the product covered downstream merchants in cigarettes, alcohol, medicine, and meat, four industries concerning people’s well-being, and cooperated with 35 high-quality specialized markets in Beijing.



As the title sponsor, Ningbo Branch provides financial services to the participating enterprises in the 8th “Maker in China” Innovation and Entrepreneurship Competition for Small and Medium-sized Enterprises in Ningbo. (Photo by Chen Yurong)



Liu Jiawang, Vice President of the Bank, goes to the City of Tianjin to inspect and understand how primary-level employees live and work. (Photo by Li Xuezhou)

#### 4. Meeting housing needs

The Bank prioritized meeting the needs of first-time home buyers and upgraders, and increased support for the “three major projects” to help the Chinese people realize their dream of home ownership with the power of finance.

### **Main Initiatives**

- **Optimizing credit policies on a city-by-city basis**

The Bank implemented differentiated housing credit policies, such as optimizing the standards to identify the number of housing units and adjusting the down payment ratio, and continued to increase the supply of personal housing loans to meet the loan needs of first-time home buyers and upgraders.

- **Lowering interest rates on existing housing loans to benefit the public**

The Bank lowered interest rates on the eligible existing first-home mortgages by 73 basis points on average, benefiting more than 7.63 million customers.

- **Rolling out innovative products to meet housing needs of the general public**

Relying on exclusive products such as “New Citizen Housing Loan” and “Farmer Housing Loan”, the Bank helped cover the housing needs of new citizen groups such as young people and rural migrant workers.

- **Supporting the implementation of the “three major projects” to form a new mode for real estate development**

The Bank strongly supported the implementation of the “three major projects” including the government-subsidized housing project, continued to increase the supply of credit in the areas of housing security and rental housing, and actively supported the formation of a housing system that would feature multiple-source supply, multi-channel support, and attach equal importance to housing rentals and purchases, so as to promote the stable and sound development of the real estate market.

### **[Case] Helping People Buy Their Home with Multiple Measures**

To better meet the reasonable credit demand of urban and rural residents for home purchases, Gansu Branch continuously optimized the process, term, and other product elements. In addition to the featured business called “Farmer Housing Loan”, the branch introduced “New Citizen Housing Loan”. With differentiated credit policies such as the optimized joint-name policy and the availability of various repayment methods, the product provided higher-quality and more diversified financing options for customer groups such as rural migrant workers and newly employed college/university graduates, realizing the full coverage of the personal housing loan business.

### **[Case] Making Second-hand Home Transactions Easier**



Committed to help people raise the quality of life, Langfang Branch in Hebei Province increased the supply of housing loans, optimized relevant business processes, and introduced new business modes at a faster pace. It carried out the first second-hand home mortgage collateral ownership transfer business in Hebei Province. The “one loan application, one-time handling” mode could effectively address the problem of pledge fund shortage and high time cost in second-hand home mortgage businesses, and realize the closed-loop management of loan funds, greatly guaranteeing the fund security of both buyers and sellers.

## 5. Helping tap consumption potential

Focusing on the key areas of spending on traditional big-ticket items such as automobiles, home decoration, and home appliances, the Bank actively expanded scenarios of new consumption and increased the supply of consumer credit to effectively meet the diversified and multi-level consumption needs of the general public.

### Main Initiatives

- **Intensifying product innovation to meet diversified needs**

Focusing on key consumption areas and targeting the further divided customer groups, the Bank continuously innovated consumption scenarios to enrich the matrix of consumer loan products. It implemented financial scenarios such as “Culture and Tourism e-Loan”, “Pension e-Loan”, and “Studying Abroad e-Loan”, realizing “cross-border cooperation, one-point access, and nationwide coverage”.

- **Empowering efficient services with technical and digital means**

The Bank developed the “Group e-Loan” customer acquisition mode via Pad. Relying on the introduced third-party authoritative data, front-loaded data model, and system judgment, the mode could support such functions as “instant processing, on-the-spot data check, on-the-spot result output, and contract signing and disbursement of funds on the same day”, significantly improving the efficiency of the handling of loans.

- **Channeling more credit resources with various interest rate concessions**

The Bank organized brand marketing activities, such as the 8th ABC Auto Festival for 10,000 Stores in 1,000 Cities and the 4th ABC Home Decoration Festival, and carried out more than 100 “Bringing Automobiles to the Countryside” activities in counties nationwide. It promoted differentiated credit strategies to approve business applications of high-quality customer groups more efficiently, and established a market-oriented pricing mechanism for the benefit of consumers.

[Case] Developing Nighttime Economy in Guangzhou

Centered on the overall plan of Guangzhou for developing into an international consumption center, Guangdong Branch continued to expand the coverage of consumer finance products and services. It provided comprehensive financial services to cultural and tourism enterprises such as Canton Tower Cultural Tourism Development Co., Ltd. and Chimelong Group. The branch promoted the release of consumption potential with financial strength, adding momentum to the leaping development of night-time economy in Guangzhou. As at the end of 2023, the balance of personal consumer loans extended by the Bank exceeded RMB 33.1 billion, with an annual increase of RMB 12.9 billion.



Shenzhen Branch continues to diversify the application scenarios of e-CNY, and distributes over RMB 5 million e-CNY consumption vouchers to the public, attracting over 100,000 customers. (Photo by Huang Tong)

## 6. Enabling the development of cultural industries

Dedicated to serving the financial needs of the cultural industry, the Bank introduced special credit policies, innovated financial service modes and products, and set up additional specialized institutions for cultural services, so as to propel the high-quality development of the cultural industry.

### Main Initiatives

- The Bank introduced special credit policies and increased the credit supply. At the same time, it formulated differentiated credit policies in terms of customer onboarding and interest rate pricing, and made every effort to meet a diversity of financial needs in the areas of world heritage conservation, ecological and cultural protection, etc.
- The Bank explored ways to develop financial service modes and product portfolio modes such as “finance and culture” and “finance and intangible cultural heritage”.
- The Bank expanded the coverage of financial services for small and micro cultural enterprises, simplified business processes, and further enhanced loan availability. With innovative guarantee methods and big data, it established

multi-dimensional and multi-scenario guarantee models to alleviate the difficulties of small and micro cultural enterprises in getting collateral and guarantees. Meanwhile, it provided exclusive channels to offer one-stop and whole-process financial services for enterprises.

- The Bank set up additional cultural service franchises and strengthened cooperation with governmental organs to provide distinctive and specialized financial services for cultural enterprises.

### [Case] Helping Cultural Inheritance in Shanxi

Shanxi Branch launched the innovative “Cultural Heritage Loan”, a product that allowed a variety of guarantee methods, convenient and quick applications, and favorable interest rates, to support corporate clients in areas of scenic spot construction, rural tourism, intangible culture heritage, and cultural and creative peripheral products, as well as individual clients such as intangible cultural heritage inheritors and agritainment operators. It financed the development of 13 intangible culture heritage inheritor clients with Shanxi characteristics, such as aged vinegar, paper-cutting, weaving, Lu silk, Pingshun antique furniture, Lihouhu tiger-shaped handicrafts, Xiangyuan leaf carving, and Xiangyuan dried noodles.



Shanxi Branch rolls out “Cultural Heritage Loan” to support intangible culture heritage inheritors. (Photo by Liang Chenxiao)



The Bank exclusively sponsors the *Biography of Great Master: Eight Essay Masters of the Tang and Song Dynasties*, a large-scale cultural variety program of CCTV. (Photo provided by Corporate Culture Department)

## II. Upholding the People-first Philosophy to Enhance Service Quality and Efficiency

The Bank adhered to the service tenet of “customers first and always”. With the goal of improving customer satisfaction, it continuously enhanced service capacity and quality, better protected rights and interests of consumers, and created a new mode of customer service that would be caring, intelligent, and humanized.

### 1. Upgrading service experience

The business processes were simplified to improve efficiency, with the customer service experience enhanced continuously.

In 2023, the Bank had 867 million personal customers, a figure that continued to top the industry. All-media customer services (including voice, text, video, and new media) were provided to reach out to customers 325 million times. A “customer call forwarding” service team for the 12378 hotline was recruited to register calls, transfer them to related departments and employees, and make follow-up phone calls. The connection rate of customer service calls was 99.81%, and the customer satisfaction rate was 99.29%.

#### [Case] Building Outlets with Characteristics of Innovative Culture

According to the overall planning of outlet development, Henan Branch closely integrated regional culture, corporate culture of the Bank, and business characteristics with outlet positioning in light of local conditions. Following the principles of “each outlet with its own characteristics” and “each outlet with its distinctive culture”, the branches created 96 outlets with business characteristics such as inclusive finance outlets and 10 outlets with cultural characteristics. For instance, Lankao Sub-branch built itself into a cultural outlet to promote the spirit of Jiao Yulu, a good county Party secretary. Weihui Sub-branch built itself into a cultural outlet to celebrate the spirit of Wu Jinyin, a model worker and a good

township Party secretary. Both outlets were well received by customers.



Weihui Sub-branch in Xinxiang, in Henan Province, builds itself into a cultural outlet to spread the spirit of Wu Jinyin, a model worker. (Photo provided by Henan Branch)

### **[Case] Delivering a Digital Library Experience at an Outlet**

Zhongshan Sub-branch in Hangzhou, Zhejiang Province, added a digital reading bar to the customer waiting area. Customers could directly touch the advanced electronic screen with their fingers to select the books they wish to browse, and start reading on their mobile phones by scanning the QR code through the Mobile Banking Application of the Bank or the WeChat Application. Such a design managed to make customer services more interactive and interesting.



Dabieshan Sub-branch in Anhui Province builds itself into an outlet with characteristics of a library. (Photo by Li Jiahao)

## **2. Enhancing service capacity with digital means**

By fully tapping the potential of data, the Bank continued to optimize business processes, innovate product design, and accelerate service iteration to meet the personalized needs of various users.

### **(1) Upgrading mobile banking**

The Bank released the 9.0 version of its Mobile Banking Application with comprehensively upgraded functions, to get online service channels further unimpeded. As at the end of 2023, it had 512 million registered users of personal mobile banking, and 213 million monthly active users, a figure that is continuously in the lead among comparable peers in the industry.

#### **Main Initiatives**

- **Advancing the development of a new version of mobile banking in an orderly manner**

Following six main lines, namely user growth, wealth management, customized services for customer groups, convenient services for living, secure risk control, and scientific and technological innovation, the Bank focused on the building of a user growth system, and optimized such functions as user registration, login, and card-binding and setup. Meanwhile, it made its online services more precise, differentiated, and intelligent using user data.

- **Continuing to improve mobile banking features**

**Basic services:** The Bank continuously iterated mobile banking functions such as fund transfer and card management, optimized the interaction process, improved customer experience, and enhanced customer service capabilities.

**Financial services:** The Bank optimized loan services, added new functions such as application progress inquiry and to-do list, and expanded the scope of inclusive finance services.

**Insurance services:** The Bank introduced car insurance as a new function, so that users could buy all insurance in one stop, providing comprehensive coverage for their families.

**Distinctive services:** Relying on special zones for cities, the Bank empowered branches to go online. As per the principle of “devising city-specific policies”, it built different special zones for cities, organized marketing activities with local featured services, and strove to become a new stronghold to precisely serve local customers.

**Convenient services:** The Bank optimized bill payment service, continued to diversify the categories of payment supported, and introduced new products such as automatic top-up and payment for corporate loan guarantee. It intensified the coordination and cooperation of social security bureaus, migrating the function of utility bill payment to the electronic social security card platform.

The Bank introduced the function of transit QR code to support users in taking

public transportation conveniently.

**“Sannong” services:** Based on the core needs of the countryside, a brand-new rural version of mobile banking was developed, with new practical service scenarios such as agricultural subsidies, pro-agriculture policies, and academy of agricultural techniques, letting the vast number of farmers share the dividends of digitization. Centered on the needs of integrated development between rural and urban areas, the rural revitalization channel launched services such as remote co-farming in Northeast China, trips of discovery to counties, stores in the countryside, and rural revitalization bond indices, so as to get the two-way flow of urban and rural elements unimpeded.

### ● Empowering product innovation with cutting-edge technologies

From the perspectives of scientific and technological innovation, user understanding, and operating habits, the Bank launched a number of innovative mobile banking features such as exit by flipping the mobile phone, desktop widgets, dynamic island and folding screen adaptations, and personalized mobile themes to create the ultimate user experience.



The Bank introduces car insurance as a new function to mobile banking, so that users could buy all insurance in one stop. (Photo provided by Internet Banking Department)

### [Case] Financial Services via Mobile Banking in Scenic Areas

Zhangjiajie Branch in Hunan Province utilized FinTech to assist in the construction of intelligent scenic areas. Users could buy scenic spot tickets, transportation tickets, and performance tickets via mobile banking, to bring payment channels online and offer discount coupons in support of domestic demand and consumption. These efforts greatly improved the experience and satisfaction of tourists. A cultural tourism

business circle was created around scenic spots and tourists. Specifically, the ABC payee QR code was placed in stores in the vicinity of a core scenic spot, especially B & Bs and inns with characteristics. The branch deepened cooperation with the UnionPay QuickPass Application, online platforms, offline mainstream scenic spots, food and beverage stores, hotels, specialty stores, and other business entities, so that tourists could scan the QR code to buy various products and services at scenic spots. At the same time, it supported the development of the local intelligent tourism management platform, which offered a comprehensive cashier service mode, simplified the fund clearing process, and exempted enterprises from deposits and inter-bank fund transfer fees, thus fueling the development of the local cultural tourism industry.



Sea of clouds on Tianmen Mountain in Zhangjiajie. (Photo by Lu Guohui)

## **(2) Accelerating the promotion and application of e-CNY**

Keenly aware of what customers needed, the Bank continued to promote innovative e-CNY products and optimize customer services by deepening external cooperation.

### **Main Initiatives**

- **Accelerating Research and Development of products**

Leveraging the advantages of mobile banking, the Bank continuously improved the e-CNY column, made relevant wallet functions available in the mobile banking channel, optimized the payment experience, and accepted e-CNY for payment in Xingnong Mall, thus promoting the two-way integration between e-CNY and mobile banking.

- **Enhancing cooperation and communication**

The Bank partnered with Shanghai Clearing House to launch the “Clearing Connect” e-CNY clearing business for spot commodities, which allowed traders nationwide to use e-CNY for settling commodity trade. It ranked first across the industry in terms of the number and amount of settlements.



To address the financing difficulties facing small and medium-sized enterprises in the industrial chains in which top enterprises were engaged, the Bank, utilizing the features of low-cost and high-efficiency e-CNY, joined hands with top enterprises in different industries to explore the application scenarios of e-CNY in supply chain finance, and developed the Luzhou Laojiao e-CNY smart contracting product in the field of supply chain finance.



In September 2023, the Bank participates in the China International Fair for Trade in Services (CIFTS), setting up two exhibition areas, namely the main exhibition and the e-CNY exhibition, to comprehensively display its practices and achievements in the fields of serving the real economy, assisting rural revitalization, and leading scientific and technological innovation. The photo shows Liu Hong, Vice President of the Bank, attends and visits the e-CNY exhibition booth of the Bank. (Photo by Li Yihan)

### **(3) Getting deeply involved in the development of key scenarios**

Focused on the difficulties and challenges faced by governments, businesses, and personal customers, the Bank continued to develop and optimize key product functions, and further enhance its online service capability.

#### **Main Initiatives**

**Campuses:** Functions such as new student registration, breaks and meal periods, and semester review were launched to make home-school interactions more convenient. Meanwhile, school management functions such as user management and student information management were optimized to reduce the workload of teachers and improve the efficiency of school management.

**Cafeterias:** New functions such as meal subsidy disbursement, attendance management, and inventory management were added, and more service interfaces were introduced to further improve the dining experience of enterprise staff and

enhance the quality and efficiency of cafeteria logistics management.

**Government affairs:** The Yangtze River Delta integrated service mode was introduced, and the county service platforms were connected to achieve full coverage of government affairs at the provincial, municipal, and county levels. The social security service area was upgraded, with the newly launched convenient services such as medical insurance inquiry, records of off-site visits for medical treatment, and payment QR code.

**Mobility:** The car owner service applet was optimized by launching services such as inquiry into auto finance products.

#### **(4) Enhancing cyber and data security management**

The Bank continuously optimized the data security mechanism, strengthened data security control in key areas, and enhanced the professional competence of employees, providing strong digital support for customers to use financial services securely. It attached great importance to data security management. In the *Cybersecurity Management Measures*, the Bank stipulated that the chairman of the Board of Directors is the first person responsible for the Bank's cybersecurity, and the heads in charge of cybersecurity at all levels of the institution are the directly responsible persons.

##### **Main Initiatives**

###### **● Making comprehensive revision to the *Data Security Management Measures***

It refined the data security management principles and requirements in a wide range of fields such as governance structure, grading and categorization, management requirements, technical protection, risk monitoring and incident disposal, assessment and evaluation, and accountability. The document would be applicable to all levels of domestic institutions and overseas branches across the Bank.

The Bank complied with the principle of minimizing private data collected, notified customers to obtain their consent in processing personal information, and enabled relevant functional controls in the information system. Personal information processing should have a clear and reasonable purpose. The collection of personal information should be limited to the minimum extent as required by the purpose of financial business handling.

Unless otherwise provided by laws, regulations, and regulatory requirements, the Bank immediately ceased relevant data collection or processing activities, after financial businesses or services were stopped, or contracts/agreements were terminated at the request for the data owners according to the law.

###### **● Strengthening data security control over key scenarios**

The Bank upgraded the terminal data breach prevention system and continuously carried out centralized campaigns concerning sensitive customer data to enhance

data security management and customer information protection across the board.

The Bank strengthened the security control over the cross-border provision of data, standardizing the management mechanisms and processes such as data processing upon entrustment, co-processing, and external provision. With respect to the standardized cross-border provision of data, it completed examining business scenarios where data would be provided across the border, and made steady progress in the regulatory reporting, assessment, and declaration concerning the cross-border provision of data.

- **Developing data/privacy breach disposal measures**

In response to scenarios such as illegal/non-compliant information inquiry by employees, improper information provision or disclosure in business, and improper use of information by third-party cooperation agencies, the Bank formulated the contingency plan for personal information security emergencies.

In response to scenarios such as exploitation of application vulnerabilities and data leakage after databases are compromised, the Bank improved the contingency plan for information system emergencies to set out the scope of application of emergency disposal, collaborative departments, duration of emergency response, and operating process, strengthen the operability of the contingency plan, and enhance the ability to deal with related emergencies effectively.

Emergency response drills were organized regularly to enhance emergency disposal efficiency and business continuity assurance on all fronts.

- **Continuing to improve the disaster recovery system**

The disaster recovery mode of “active-active disaster recovery” was adopted to underpin the important business systems of the Bank based on the new technical architecture.

The Bank formulated a disaster recovery plan, specifying the information system-oriented disaster preparedness strategy, the organizational structure for disaster recovery, and the workflow and mechanism for disaster recovery, among other aspects of work, to ensure that key information systems and key businesses/services could be recovered in an orderly manner in the event of a disaster.

Regularized disaster recovery drills were performed under real-world scenarios. In 2023, more than 450 drills were implemented, which involved business systems such as mobile banking and personal financial services platforms, continuously boosting the ability to deal with material emergencies in information systems.

- **Carrying out data security training for employees on an ongoing basis**

Various types of education and outreach activities were organized to comprehensively raise data security awareness among all employees. The Bank regularly compiled data security policy briefings, conducted post qualification exams, and organized themed lectures and training sessions to relay regulatory

requirements promptly, thus enhancing the quality and efficiency of data security publicity efforts. Various types of activities such as reminder letters, management manuals, case explanations, morning meetings at outlets, micro-salons, and WeChat posts were conducted to develop solid data security awareness among employees. Units were encouraged to increase specialized training on data security for privileged personnel, key users, new recruits, etc.

In 2023, 1,534 data security awareness campaigns were organized, affecting 1.77 million people.

### **3. Strengthening consumer protection**

The Bank increased public financial knowledge, opened up a diversity of smooth complaints channels, did everything possible to provide financial services, and effectively safeguarded the legitimate rights and interests of financial consumers.

#### **(1) Improving the financial consumer protection mechanism**

The Bank strengthened consumer protection. It set out refined duties and responsibilities, introduced reinforced supervision and management measures, and integrated consumer protection into the processes of product design and development, marketing and promotion, and after-sales management.

#### **Main Initiatives**

- **Putting in place a complete set of policies and systems**

Continuous progress was made in creating a work pattern where “all employees are involved in and responsible for consumer protection”. A consumer protection regime took shape, which was led by the *Consumer Protection Measures*, supported by more than 10 specialized policies, and complemented by various business management policies. The regime covered eight major areas, that is, decision-making, assessment, auditing, accountability, consumer protection review, protection of personal information, handling of complaints and emergencies, and education and publicity. Besides, there were more than 30 supporting policies, covering information disclosure, marketing and publicity, appropriateness management, cooperative institutions, service charges, and other aspects of consumer protection.

- **Improving relevant working mechanisms**

The Board of Directors and its Risk Management and Consumers’ Interests Protection Committee convened meetings at a regular basis, heard work reports on consumer protection (including related review and appraisal), and studied significant matters related to consumer protection.

The Bank integrated the concept of consumer protection into its products and services and kept improving the consumer protection review mechanism. The *Measures for Managing Consumer Protection Reviews of Agricultural Bank of China* was formulated to conduct such reviews for products and services available

to consumers from such dimensions as design and development, pricing management, agreement formulation, marketing and publicity, customer and business management so as to prevent and control consumer protection risks from the source.

The Bank improved the internal appraisal mechanism. It formulated an annual assessment and evaluation program for consumer protection, in which key operations and processes such as consumer protection review, product sales and service management, complaints management, consumer education, and personal information protection were added to appraisal indicators.

#### ● **Enhancing personal information protection**

The Bank continued to improve the long-term mechanism for the protection of personal information, advanced the “six-in-one” governance efforts including revision of contracts and policies, data categorization, system overhaul, counter process optimization, and credit records management.

The Bank organized a special campaign on “In-depth Governance of Key Areas in Personal Information Protection”. It established a prior impact assessment mechanism for personal information protection, strengthened risk management for personal information protection, conducted training on personal information protection work, and integrated personal information protection requirements throughout the entire process and all aspects of business operations and customer service.

*The Privacy Policy (Personal Customer Version) and Privacy Policy (Corporate Customer Version)* of the Bank were available on the official website, mobile banking, counters, super counters, and other channels of the Bank. In 2023, the privacy policies were continuously updated to improve the means and procedures for customers to exercise their rights as stipulated in the law.

The detailed privacy policies can be found at:  
<https://www.abchina.com/cn/AboutABC/yszcz/UM/>.

#### ● **Conducting normalized training**

The Bank carried out more than 4,500 centralized training sessions on consumer protection throughout the year, with an attendance of more than 1.07 million people.

The Bank organized two training courses on consumer protection, which were attended by 51 persons, including backbone business personnel of the relevant departments under the Consumers’ Interests Protection Committee of the Head Office and the persons in charge of consumer protection or backbone business personnel of branches, with a view to enhancing the consumer protection competency of all employees.

### **Increasing public knowledge of laws on customer information protection**

- The Bank disseminated legal knowledge to employees in different positions to raise the matching degree between them.
- In light of actual counter business conditions, the Bank cited typical cases as deterrents for the front-line outlet staff who have high-frequency contact with customers' personal information, so as to protect customers at the counter from legal risks related to data breach, tampering, and loss.
- The Bank carried out joint education and outreach activities in cooperation with judicial and regulatory authorities to impart legal knowledge in communities and on campus.
- The Bank utilized new media to promote legal literacy accurately. It carried out a legal literacy campaign for consumers in the title of "Celebrating the Second Anniversary of the Enactment of the *Personal Information Protection Law*" through its WeChat official account, sharing the positive impact of the legislation on consumers.



The first "Learn, Understand, and Engage in Consumer Protection" knowledge contest is held with an attendance of nearly 200,000 employees. (Photo by Zhao Lintao)

### **[Case] Building Financial Literacy Stations Together**

Combining Party building and consumer protection, Xiamen Branch actively paired up with communities, sub-districts, village committees, and other units to build service stations for financial consumer protection, As at the end of 2023, 14 such stations were inaugurated, to cover all of the 11 tier-1 sub-branches under the jurisdiction of the branch. These stations helped financial consumers enhance financial literacy and better protect their rights in accordance with the law by carrying out offline education and publicity activities for financial consumer protection on a

regular basis, which were closely aligned with the characteristics of community and targeted particular customer groups.

## **(2) Strengthening management of how customer complaints were handled**

The Bank continued to improve the service mechanism for “responding to and dealing with every single customer complaint without any delay”, better managed the customer complaints handling process, and introduced sound complaints channels. The Consumers’ Interests Protection Office of the Head Office set up the Compliant Management Division, equipped with dedicated staff, to take the lead in the management of complaints across the Bank, reporting in the form of a letter of awareness to the Board of Directors, its Risk Management and Consumers’ Interests Protection Committee, and the Consumers’ Interests Protection Committee of the Head Office on the management and handling of complaints.

Complaints handling results were reviewed by the heads of handling institutions, heads of higher-level business departments, and heads of higher-level consumer protection departments to fully ensure the fairness and compliance of such results. The rate of complaints handled unsatisfactorily was included in the appraisal. Points were deducted for the instances with a high unsatisfactory handling rate.

In 2023, there were 212 thousand cases registered and classified as personal customer complaints through all channels of the Bank. All customer complaints taken through remote banking were closed. According to the regulatory notifications, the Bank ranked 3rd among the four major state-owned banks in China by the total number of complaints referred by regulators in 2023. The number of complaints per 1,000 outlets, and the number of complaints per 10 million customers at the Bank were the lowest among the four banks for 14 and 10 consecutive quarters, respectively. Customer complaints were mainly concentrated in business areas such as debit cards, credit cards, personal loans and other areas. Branches with a higher number of individual customers and more business outlets, such as those in Guangdong, Shandong, Hebei, and Jiangsu Provinces, have witnessed a larger volume of complaints.

Dedicated personnel were arranged to handle customer complaints through the clearly prescribed procedures. Detailed customer complaints channels and handling process are available at: [https://www.abchina.com/cn/PublicPlate/tsgg/202008/t20200803\\_1897754.htm](https://www.abchina.com/cn/PublicPlate/tsgg/202008/t20200803_1897754.htm).

### **[Case] Opening up Smooth Channels to Meet Customer Needs Efficiently**

Heilongjiang Branch utilized the “E Shi Tong” joint customer service system to establish a network of contact persons for complaints handling, which consisted of 1,448 people in various departments and outlets, to get complaints channels at all

levels unimpeded. At the same time, the branch carried out complaints traceability rectification, and reported to the Head Office in the first instance where the customer complaints process could be optimized, so as to improve the customer complaints handling mechanism.

### **(3) Promoting financial literacy**

To normalize financial literacy efforts, the “ABC Consumer Protection” digital exhibition was unveiled to meet the needs of people of all ages and interests for financial knowledge. The Bank carried out diversified financial knowledge dissemination activities for key customer groups and special populations such as the elderly, children, new citizens, and the disabled, thus helping consumers enhance financial literacy and better prevent and identify relevant risks.

In 2023, the Bank carried out more than 137,000 promotional activities of various forms at more than 22,000 business outlets, in which more than 767,000 staff members participated to reach nearly 1,032 million consumers.

#### **Visiting different places to promote financial literacy with more concrete and practical actions**

On the theme of “bringing together financial strength to create a better life”, the Bank combined its “Go to Rural Areas” initiative with “Supporting Rural Revitalization”, its “Go to Communities” initiative with “Providing Convenient and Beneficial Financial Services for the People”, its “Go to Campuses” initiative with “Enhancing Financial Literacy”, its “Go to Enterprises” initiative with “Serving the Real Economy”, and its “Go to Commercial Districts” initiative with “Boosting Consumer Confidence”, actively carrying out education and publicity activities.

#### **● Going to the countryside to provide villagers with caring services**

Relying on township outlets and the Hui Nong Tong service stations, staff of the Bank went to villages, marketplaces, and farmland, where they carried out financial education and publicity activities on the themes of digital countryside, anti-fraud, etc. by means of distributing publicity materials, on-site explanations, etc.



Staff of Qianjiang Branch in the City of Chongqing visit townships to popularize



financial knowledge for local people. (Photo by Wu Yongfu)

- **Going to communities to help residents lead a better life**

Focusing on the financial service scenarios involved in daily life, the Bank distributed AML and anti-telecom fraud folders to community residents, disseminated financial knowledge on the prevention of financial fraud, illegal fund-raising, and other themes to them, so as to deepen the understanding of the general public, especially the elderly and other vulnerable groups, of illegal fund-raising, and telecom and network fraud schemes. Therefore, community residents enhanced their financial literacy.



Staff of Pingdingshan Branch in Henan go into a local community to popularize financial knowledge there. (Photo by Wang Yufei)

- **Going to campuses to teach students financial knowledge**

The Bank spread positive financial forces to teachers and students in an interesting and vivid way, and extensively disseminated financial knowledge of bank card compliance, prevention of campus loans, personal credit records, personal information protection, and so on.



Staff of Hainan Branch go to a local campus to carry out a centralized education and publicity activity. (Photo by Lin Hui)

- **Going to enterprises to provide them with precise financial services on the doorstep**

The Bank recommended financial products and imparted financial knowledge to employees of enterprises in a targeted manner. It helped them enhance financial literacy and better prevent financial risks, persuaded them out of illegal financing, blind investment, and impulsive trading, and established a correct investment concept among them.



Employees of Beijing Branch impart financial knowledge to enterprise workers. (Photo by Li Mengxin)

- **Going to business districts to boost consumer confidence**

The Bank visited merchants to carry out distinctive education and publicity activities, including digital financial services, compliant use of credit cards, and protection of personal information. Many entertaining ways such as prize quizzes and visits to popular places were used to widely spread favorable financial policies among the public.



Staff of Heilongjiang Branch visit the bustling century-old street called “Central Avenue” to raise risk awareness among consumers through interactive forms such as consumer protection quizzes with blind box toys sent as gifts and selection of

young experts in consumer protection. (Photo by Cong Dandan)

### **[Case] Building Positive Financial Forces through School-Enterprise Cooperation**

On September 28, 2023, the Bank and Renmin University of China inaugurated the Financial Literacy Enhancement Cooperation Base. In the future, the two sides will use the base as a bond to further strengthen bank-university collaboration. They will give financial knowledge lectures on a regular basis, set up voluntary consultation stations for financial consumers and financial learning and experiencing zones, and organize themed study sessions and practices. In doing so, they will build the cooperation base into a stronghold for building up positive financial forces.



The Bank works with Renmin University of China to spread financial literacy knowledge on campus and inaugurate the Financial Literacy Enhancement Cooperation Base together. (Photo by Chen Shunxi)

## **III. Pursuing A People-oriented Approach to Achieve Joint Growth**

The Bank regarded talent as its primary resource, implemented the workforce development strategy, empowered career development of employees, fully protected the well-being of employees, took good care of employees, and sought to grow with them together.

### **1. Enabling staff growth**

The Bank made efforts to build a smooth pipeline of talent development, continuously optimized the staff training system, provided a broad platform for staff growth, and created a high-quality professional team.

#### **(1) Staff development**

The Bank implemented a series of major talent projects and specialized talent programs, to strengthen the training and development of talents at all levels systematically. It made progress in building categorized and graded pools of

professional talent and new talent pools in key areas, and gave prominence to the cultivation and development of talents in such fields as rural revitalization, inclusive finance, IT, etc. It optimized a mechanism for promoting employees in professional positions, further broadening the channels for talent development. Moreover, senior titles were granted in an orderly manner to further expand the space for professional development of high-end talents.

The Bank vigorously implemented the Youth Talent Development Project to strengthen the practical training of young managerial personnel. Earnestly fulfilling the requirements of major regional development strategies in China, and the responsibilities for economic and social development, it selected and sent outstanding managerial personnel to participate in a series of programs launched by the central government such as “Temporarily Posting in Western Regions, Old Industrial Bases, and Old Revolutionary Base Areas Program”, “Supporting the Construction of Hainan Free Trade Port Program”, “Recruiting Service Teams Members with Doctorate Degrees Program”, and “Sending Personnel to Aid Xinjiang Program”. The bank carried out the Head Office-branch, inter-provincial, Head Office-subsiary two-way exchange programs as well as the programs of temporarily posting selected cadres to local governments, in which they could improve their abilities and skills through practices.

### **[Case] Implementing the Youth Talent Development Project**

The Youth Talent Development Project was launched in 2013. A number of outstanding university graduates have been selected to take part in the project every year thereafter. More than 3,900 outstanding young employees working on the front line were selected and included in the talent pool in 2023. The project trained nearly 25,000 young talents in total over the past 10 years.

**Combining personnel training and utilization.** As per the progressive training mode of junior, intermediate, and senior talents, young employees were arranged to take up important positions such as heads of outlets, deputy heads of tier-1 sub-branches, and heads of sub-branches, so as to shoulder relevant duties properly.

**Increasing personnel exchanges and training.** Places were reserved and allocated for young talents in the Head Office-branch, inter-provincial, and intra-provincial exchange programs, creating more opportunities for young employees to experience and grow in multiple positions and across fields.

**Providing solid practical training.** Taking the front line of rural revitalization as a broad stage for training young cadres, the Bank sent 426 people to take part in rural revitalization assistance, east-west collaboration, “Double 100” managerial personnel program for paired assistance, and other key projects.

**Conducting training at different levels and in varying categories.** Each year, the Head Office organizes coordination training and demonstration training for senior talents, while tier-1 branches ensure the full coverage of training for intermediate and junior talents under their jurisdiction. Meanwhile, the Young Leaders Outstanding Leadership Training Program is organized in renowned universities for

young employees to grow.

**Selecting role models to set good examples.** The Bank issued the Decisions on Commending Model Collectives and Individuals in the 2022 County-level Youth Talent Development Project, selecting 60 model collectives and 400 model individuals, who set good examples for young people to build their careers on the front line of serving rural revitalization.



Zhejiang Branch introduces innovative forms of experience exchange to hold the “Young” forum for young talents. (Photo provided by Zhejiang Branch)



Fan Xiaohui, winner of the National May 1st Labor Medal and account manager of the 185th Regiment Office of Altay Corps Branch in Xinjiang Uyghur Autonomous Region, introduces financial products to a customer. (Photo by Dong Kun)

## **(2) Employee training**

The Bank trained all kinds of talents in a graded and categorized way, carried out key training projects, and encouraged employees to enhance their professional competency on all fronts, thus creating a workplace where everyone could succeed by achieving their fullest potential.

## Main Initiatives

<p style="text-align: center;"><b>Conducting themed training at different levels and in varying categories.</b></p>	<ul style="list-style-type: none"> <li>● The Bank formulated the <i>Education and Training Plan</i> with topics such as “Rural Revitalization”, “Green Finance”, and “Digital Operation” to give penetrating policy dissemination training on three strategies.</li> <li>● Focusing on forwarding bank-wide strategies. The Bank organized more than 1,000 leaders to attend the “Column of Carbon Peaking and Neutrality Typical Cases” online training program. The “Dual Carbon” and green finance-themed rotation training program was attended by more than 3,700 deputy heads of tier-2 branches and tier-1 sub-branches. Rotation training was provided for the heads of outlet and secretaries of primary-level Party branches in key counties designated to receive assistance for rural revitalization.</li> <li>● Focusing on the competency improvement of the account manager team, the Bank carried out specialized training for account managers. More than 800 centralized face-to-face training sessions were attended by over 70,000 people throughout the year.</li> <li>● Focusing on leadership enhancement for young cadres. The Bank organized training courses for young and middle-aged cadres, financial operation and management training courses (EMT), and newly appointed cadres.</li> <li>● Strengthening training of young employees. The Bank selected and sent young backbone employees to work and study at overseas institutions, strengthening the reserve of international talents with a forward-looking vision. It cooperated with renowned Chinese universities to organize the “Training Camp for Young Cadres” and the “Kunpeng Training Camp”. Moreover, the Bank continued to carry out the “Training Program for Young Employees” with an attendance of more than 210,000 persons.</li> <li>● Paying close attention to the growth of employees who were retired soldiers. The Bank organized the “Military Glory Program” training course for employees who used to be soldiers.</li> </ul>
<p style="text-align: center;"><b>Improving the career learning system.</b></p>	<ul style="list-style-type: none"> <li>● The Bank encouraged employees to improve their professional competency through continued learning, and expanded the catalog of domestic and international professional qualification examinations, which employees could sit on their own. These examinations covered a wide range of fields such as economics, finance, risk compliance, IT, specialized services, comprehensive management, security and access control, and so</li> </ul>

	<p>on. The Bank constructed a knowledge repository for job qualification examinations. A total of 588,100 employees sat job qualification examinations throughout the year, and 856,100 licensed employees completed continuing education and on-the-job learning.</p>
<p><b>Optimizing the online training system.</b></p>	<ul style="list-style-type: none"> <li>● The Bank strengthened the application of smart classrooms and smart studios, optimized and upgraded the “ABC e-Learning” platform, and promoted the direct delivery of high-quality learning resources to the primary-level staff. As at the end of 2023, 12,000 well-selected online courses on more than 700 topics were introduced to cover all employees.</li> <li>● The Bank increased the supply of high-quality learning resources. It built the first e-library called “Cloud Bookstore” with 30,000 e-books, independently developed more than 3,700 high-quality courses, and compiled and published 65 sets of teaching materials for job qualification exams.</li> </ul>

### Training Indicators

Name of indicator		2023
Number of training seminars conducted (10,000)		1.79
Employee training coverage (%)		99.23
Employee training coverage by gender (%)	Male	99.29
	Female	99.15
Employee training coverage by employee type (%)	Staff from tier-2 branches or above	99.62
	Staff from institutions below tier-2 branches	99.12
Average length of employee training (Hours)		132
Average length of	Male	124

employee training by gender (Hours)	Female	141
Average length of employee training by employee type (Hours)	Staff from tier-2 branches or above	105
	Staff from institutions below tier-2 branches	140

### **[Case] Empowering Female Workers through Multi-dimensional Exclusive Training**

The Bank provided female workers with exclusive training through multiple dimensions and channels, to continuously improve their comprehensive competency, help them better adapt to the new requirements of the new era on women's ability and vision, and empower them to build up strength for the new journey ahead.

The Bank combined face-to-face classroom teaching and on-site teaching to carry out the "Women's Leadership Enhancement Training" program. Relying on the high-caliber teachers of Shanghai Jiaotong University, the program offered nine courses in five modules, that is, political ability, cutting-edge technology, macro vision, women's leadership improvement, and health management, to help women leaders continuously improve their competencies.

To meet various needs of female employees in their work and life, the Bank continued to build the "Yue Shu Academy" brand by inviting external experts to give lectures and female employees to share their stories. Eight online courses on women's spirit, parent-child communication, traditional culture, and mobile photography were introduced, with 176,000 female employees as participants, registering a cumulative attendance of 2.48 million visits.





Ganzhou Branch in Jiangxi Province conducts a counter business competition for employees. (Photo by Zheng Changbao)



The Bank holds a debate tournament for the 2023 “Setting Sail” new employee orientation course. (Photo by Jiang Siyu)

## 2. Protecting the rights and interests of employees

Guided by the “people-oriented” philosophy, the Bank respected and protected the legitimate rights and interests of employees, kept improving the staff remuneration and benefits system, listened to the voices of employees, and actively addressed matters that concerned them to maintain sound, harmonious labor relations and enhance staff cohesion.

### (1) Equal employment

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

Actively answering the call of the central government to implement the national policy for prioritizing employment, the Bank strove to expand employment and assume CSRs. It made every effort to provide a wide employment space for graduates.

### Staff Structure

Name of indicator	2023
Number of employees (Formally contracted) (Person)	451,003

<b>Number of employees by gender (Person)</b>		
Female	206,860	
Male	244,143	
<b>Number and percentage of employees by age (Person and Proportion)</b>		
Aged 30 and below	116,037	25.7%
Aged between 31 and 40	111,977	24.8%
Aged between 41 and 50	87,276	19.4%
Aged 51 and above	135,713	30.1%
<b>Number and percentage of employees by education background (Person and Proportion)</b>		
PhD	593	0.1%
Master	42,214	9.3%
Bachelor	280,137	62.1%
Diploma of junior college and vocational technical schools	107,543	23.9%
Below junior college	20,516	4.6%
<b>Number of employees by region (Person)</b>		
Head Office	14,486	
Yangtze River Delta	63,912	
Pearl River Delta	50,264	
Bohai Rim	64,291	

Central China	90,890
Northeast China	40,911
Western China	117,534
Overseas branches and representative offices	787
Comprehensive operation subsidiaries and rural banks	7,928
<b>Employee proportion (%)</b>	
Proportion of female employees	45.87
Proportion of ethnic-minority employees	9.03
<b>Employee turnover (%)</b>	
Employee turnover rate (Overall)	1.09
<b>Work-related injury</b>	
Work-related casualties (Person) <sup>23</sup>	24
Ratio of work-related casualties (%) <sup>24</sup>	0.005
Number of working days lost due to work-related injury incidents (Day)	33,679
<b>Creation of jobs</b>	
On-campus recruitment (Person)	30,234
Off-campus recruitment (Person)	1,440

<sup>23</sup> Work-related casualties: 31 persons in 2021; 17 persons in 2022.

<sup>24</sup> Ratio of work-related casualties: 0.007% in 2021; 0.004% in 2022.

Recruitment of the demobilized (Person)	769
Others (Person)	15

## **(2) Salary and benefits**

The Bank built an institutionalized and standardized salary and benefits system, upheld the principle of equal pay for equal work between men and women, continuously optimized and improved the salary incentive mechanism, and provided reasonable salaries. In strict accordance with national laws and regulations, it bought employees social security insurance and housing provident fund as well as supplementary medical insurance and enterprise annuity, and ensured employees could take paid annual leave in accordance with national regulations. All employees of the Bank were covered by social security insurance in 2023.

## **(3) Democratic management**

The Bank improved the democratic management system in the basic form of employees' congress, and consulted the staff or staff representatives in accordance with the regulations when formulating, modifying or deciding on policies and measures or programs on major matters of immediate interest to the staff. It smoothed the channels for the expression of employees' demands, coordination of interests and protection of rights and interests, and realized equal dialogue and common development with employees.

The Bank respected and safeguarded employees' rights to know, participate, express, and supervise, convened the Third Employees' Congress, and considered such policies as the *Provisions on Managing Periods of Training Services (Draft for Consultation with the Employees' Congress)* with comments and suggestions issued.

The Bank set up the Labor Dispute Mediation Committee, formulated the *Measures for Managing Labor Dispute Mediation Efforts*, established compliant and effective mediation procedures, and provided employees with channels for filing labor dispute complaints.

## **(4) Performance appraisal**

The Bank built a science-based and reasonable employee performance management regime, driving staff members to perform and grow better. It organized and implemented employee performance management in accordance with institutional affiliation and employee management authority, and conducted regular performance appraisals of employees. The content of the appraisal and evaluation covered key performance, competency, etc. The appraisal results were fed back to staff in an appropriate form and applied to various fields such as salary distribution, promotion, training and development, and awarding.

## **3. Taking good care of employees**

The Bank continued to take the "Five Actions" for primary-level employee care,

carried out various types of innovative cultural and sports activities, helped employees achieve a work-life balance, and built a comfortable, friendly, and positive atmosphere at the workplace, to enhance the sense of well-being and belonging among employees. A bank-wide survey on satisfaction with employee care was conducted with an overall satisfaction rate reaching 87.87%.

### **(1) Guarding physical and mental health of employees**

The Bank intensified efforts to ensure the physical and mental health of its employees. The critical disease insurance policy covered all Head Office departments/offices, tier-1 branches, and financial training institutes, effectively alleviating the financial burden of employees who suffered from serious illnesses. The bank regularly organized health checkups for employees, with the attendance rate of physical examinations at around 95% and that of gynecological examinations at about 80% at the Head Office, and arranged medical experts to provide on-site explanations for medical reports, with a view to helping employees understand their personal health status in a timely manner. Mental health education was included in the general curriculum of employee training, and the “ABC e-Learning” platform was used to offer training on psychological guidance, with a cumulative total of more than 3.4 million people in 2023.



The Bank holds the first training course for psychological counselors to further build a backbone team of mental health workers. (Photo by Ma Xun)

### **(2) Improving the working environment**

The Bank continued to implement the plan for supplementing and upgrading the facilities of outlet workers' homes. It promoted the pit privy replacement and the installation of water purification equipment for outlets in remote areas, and the installation of hyperbaric oxygen chambers for outlets in high-altitude areas, so as to further improve the working and living conditions of primary-level employees. In 2023, the Bank upgraded 2,722 outlet workers' homes and built 6,271 new outlet workers' homes, which included 5,710 newly built independent functional areas, such as small cafeterias and small reading rooms, as well as 561 newly built integrated functional areas. Meanwhile, it also stepped up the construction of care rooms for female employees, earmarking RMB 1 million to build or upgrade 83 care rooms, which could provide an exclusive space for more female employees to address their

practical needs and relieve their stress.



Huzhu County Sub-branch in Haidong, in Qinghai Province, builds a workers' home to improve the working environment for employees. The photo shows the staff learning corner. (Photo by Zhang Rong)

### **(3) Carrying out a variety of employee activities**

The Bank organized a diversity of cultural and sports activities such as table tennis, badminton, and air volleyball games to enrich the spiritual and cultural life of staff members, thus motivating and unifying them together.

#### **[Case] Organizing a Series of Staff Sports Events in 2023**

In 2023, the Bank organized a series of employee sports events with nearly 1,200 participants selected from nearly 20,000 applicants. The series of sports events started in April. The preliminaries and finals for table tennis, air volleyball, badminton, and other events were held in Zhejiang, Hunan, Chongqing, Anhui, and Shaanxi Provinces, which fully aroused the enthusiasm of branches all levels for extensive engagement in sports to motivate and unify employees together.



Chongqing Branch organizes a staff sports meeting. (Photo by Ye Gang)



Dandong Branch in Liaoning Province holds a fun competition “Shooting in Traffic”. (Photo by Wang Chunmei)



A tug-of-war competition at Tianjin Financial Training Institute. (Photo by Qian Peng)



The Bank continuously carries out cultural activities for primary-level staff to share with them the traditional Chinese culture. The photo shows that seven employees of the Bank, who are calligraphers and painters, go to Shandong Province to visit colleagues and create works of art with them together. (Photo provided by Corporate Culture Department)

#### **(4) Visiting and taking care of employees in difficulties**

The Bank took care of and provided assistance for employees in distress, and promptly allocated special funds for disaster relief to buy relief supplies and visit employees affected by disasters. In 2023, the Bank’s staff care and assistance covered

over 90,000 person-times.

#### **IV. Devoting to Public Welfare and Charity, Taking on Social Responsibilities**

The Bank strongly supported the development of public welfare undertakings. It innovatively launched the “ABC Philanthropy” brand, which launched four major public interest initiatives, namely “Revitalization”, “Guardianship”, “Care”, and “Dreams Come True”, focusing on key areas such as rural revitalization, green ecology, and disadvantaged groups to gather the financial power and do good to society.

Internal rules and policies such as the *Measures for the Management of Donations of Agricultural Bank of China* were formulated to regulate external donations. External donations made by the Bank totaled RMB 111.75 million in 2023.

In the year, 3,751 volunteer teams at the Bank conducted 15,000 public interest volunteer activities, where over 63,000 employees participated to provide more than 180,000 hours of voluntary services.

#### **[Column] “ABC Philanthropy” Brand Building**

**Strengthening top-level design.** The Bank formulated a three-year plan for brand renewal (2023-2025), incorporating the public welfare brand into the overall brand structure as a characteristic.

**Formulating the implementation program.** The *Implementation Program for Public Welfare Brand Building of Agricultural Bank of China* was formulated and issued, setting out the objectives, tasks, and working measures of public benefit brand building.

**Creating the brand identity.** The Bank designed a series of brand elements, including the brand name “ABC Philanthropy”, the slogan “We are always here for you”, and a distinctive logo, to shape a brand-new image with its public welfare actions.

**Announcing the brand.** In cooperation with the China Disabled Persons’ Federation, the Bank organized the “Love Helps the Blind” barrier-free film-themed public welfare activity and the launch of the “ABC Philanthropy” brand in four places around the country to expand its public welfare practices.

**Releasing the theme song.** The Bank released the “Hey, Dear Friend” theme song, which could narrate its heart-warming public welfare story, and demonstrate its determination to accompany disadvantaged groups along the way to create a better life together.

#### **1. “Revitalization” actions**

The Bank organized and implemented public welfare programs and voluntary activities in the areas of rural cultural inheritance, rural education and medical support, rural infrastructure construction with donated funds, and rural living environment



improvements, so as to advance rural revitalization on all fronts.

**[Case] “Village Bookstore” Book Donation Activity**

Changzhou Branch in Jiangsu Province funded the establishment of two reading corners for Donghai Residential Compound, Chunjiang Sub-district, Xinbei District, Changzhou. In the past three years, it donated 820 books to provide residents with more abundant reading resources and a broader learning and communication platform.



The Bank joins hands with Beijing Shijitan Hospital, affiliated to Capital Medical University, to provide free diagnostic consultations for rural residents in Xiushan County, Chongqing. (Photo by Dong Xiuyi)



Staff of Dingyuan Sub-branch in Chuzhou, in Anhui Province, volunteer to help farmers with rice-planting. (Photo by Shi Yan’an)

**2. “Safeguarding the environment” actions**

Centered around the themes of energy conservation, carbon reduction, environmental protection, etc., the Bank carried out public welfare volunteer activities such as garbage sorting, city beautification, saving water and electricity, and green travel, so as to help make the world a better place.



Singapore Branch staff participate in the “SG Clean Day” public benefit activity. (Photo by Fan Xin)



Xizang Branch undertakes an afforestation project, as part of the Nanbeishan Greening Project of Lhasa, in Tibet Autonomous Region, our of 3,490.5 mu of afforestation, about 2620.8 mu have been completed thus far. The branch has repeatedly organized the staff to carry out voluntary tree-planting activities, planting more than 2,300 saplings. (Photo provided by Xizang Branch)



Qingdao Branch organizes the activity of “Green Travel and Low Carbon Lifestyle: We are in Action”, where the written proposal is sent to all employees and a cycling squad gives away recyclable bags to citizens and tourists to raise environmental protection awareness. (Photo by An Dongmei)



Jiangbei Sub-branch in Ankang, Shaanxi Province, has carried out the “Mother River Protection: We are in Action” youth volunteer activity for three consecutive years. (Photo by Ding Lixia)

### 3. “Caring” actions

The Bank organized public interest programs and volunteer activities such as offering assistance to the sick and the disabled, respecting and taking care of the elderly, and developing public education, in order to give back to society. It made every effort to ensure timely and efficient financial services after floods, droughts, earthquakes, and other natural disasters occurred, and worked together with the affected areas and people to tide over the difficulties.

#### **[Project] “Health Express for Mothers” Public Benefit Program**

The Bank joined hands with China Women’s Development Foundation to carry out the “Health Express for Mothers” public welfare program, with a launching ceremony held in early 2023. The 28 “Health Express for Mothers” vehicles purchased with the Bank’s annual donation of RMB 5 million were distributed in seven provinces (autonomous regions and municipalities), including Hebei, Guizhou, Chongqing, and Sichuan, to provide local women and children with health services such as free medical consultation, health education, and referral of pregnant women and critically ill patients. In the year, the vehicle fleet made 1,854 trips, benefiting 161,208 people and distributing free medicines worth RMB 88,100, which effectively alleviated the shortage of medical and health care in these regions.

#### **[Project] “My Voice, Your Eyes” Campaign Helps the Blind**

The Bank has carried out the “My Voice, Your Eyes” volunteer program for 10 consecutive years, to help the visually impaired by providing services such as audio descriptions of movies, book recordings, and travel companionship.

In 2013, the first “Movie Talk” was held for the blind.

In 2014, the Bank assisted visually impaired people to run an international marathon in Beijing.

In 2016, the Bank was granted the “Excellent Organization Award for Youth

Volunteers” by the Work Committee of the Central Government Departments under the Party.

In 2018, the Bank won the Silver Medal of the Fourth Chinese Youth Volunteer Service Project Competition from the Central Committee of the Communist Youth League of China.

In 2019, the Bank created a Guinness World Record in the title of the “Largest Audience for an Audio Described Film Screening (Multiple Venues)”. It organized a winter outing with visually impaired people.

In 2020, audio descriptions of movies were provided through an innovative live-streaming form.

In 2021, Bank joined hands with Beijing Public Transportation to put forward the initiative of “stop for a few seconds longer, announce the stop one more time”, and provided visually impaired people with particularly designed vests for safe navigation.

In 2023, the Bank was rated as a model team for assisting the blind over a decade.

### **[Project] “Warmth of Love” Outlet Public Welfare Program**

The Bank joined hands with the All-China Federation of Trade Unions (ACFTU) to set up more than 21,000 “Warmth of Love” service stations at outlets for outdoor workers to provide sanitation workers, couriers, and other outdoor workers with a place where they could have a rest, drink water, charge phones, and heat meals by adopting such measures as setting up partitioned service areas, installing sound service facilities, and standardizing service management.



Shenzhen Branch enriches the connotation of the “Warmth of Love” outlet service brand to provide good services for outdoor workers. (Photo by Hu Qiling)

### **[Case] Getting Involved in Flood Relief in Many Places**

In August 2023, many provinces and cities in North China and the Huang-Huai areas experienced long spells of heavy rainfall. The Bank made active flood

prevention and relief efforts to build a security line of defense and ensure financial service continuity.



Employees of Beijing Branch help with dredging. (Photo by Wu Zheng)



Employees of Hebei Branch deploy sandbags for flood control. (Photo by Duan Yongqiang)



Employees of Tianjin Branch send daily necessities to those who stay behind. (Photo by Zhang Jiasheng)

### **[Case] Gansu Branch Helps Rebuild Homes after Earthquake**

On December 18, 2023, a 6.2 magnitude earthquake struck Jishishan Baoan, Dongxiang, and Salar Autonomous County in Linxia Prefecture, Gansu Province. Gansu Branch fully activated the contingency plan for earthquake

relief to coordinate various earthquake relief efforts.

**Ensuring the supply of financial services.** Emergency service vehicles were deployed to the severely damaged Dahejia Sub-branch in Jishishan County to restore the supply of financial services, thus ensuring that all outlets under the jurisdiction could operate in an orderly manner.

**Opening up a green lane.** The Bank made every effort to meet the needs for disaster relief funds and prioritized the remittance of disaster relief funds. It contacted Gansu Provincial Charity Federation to open a fund-raising account for earthquake relief funds and coordinate the front-loaded interfaces for online donations such as mobile banking and online banking.

**Making donations and visiting affected employees.** The branch procured urgently needed supplies for local disaster relief, mobilized staff and sub-branches under the jurisdiction to donate in cash and kind, and visited the affected staff in a timely manner.

**Introducing support policies.** The *Opinions on Providing Financial Services to Support Earthquake Relief and Post-Disaster Reconstruction* was issued, specifying 10 specific measures in four areas, such as strengthening credit support, to resolutely shoulder the responsibilities for earthquake relief.



Jishishan County Sub-branch in Linxia Prefecture, in Gansu Province, builds a station to distribute the much-needed supplies among the public. (Photo by Shang Fengxia)

#### 4. “Dreams Come True” actions

Focusing on youth, children, and other groups, the Bank carried out a diversity of caring activities such as aid for students and teachers, charitable donation, healthcare, and companionship, so as to take care of children in their growth phase and pursuit of dreams.



Jichangqian Sub-branch in Dalian carries out the 2023 “Smile Lights Up the Night” activity to help children with special needs sell their handicrafts. (Photo by Gu Zuzhen)



Changsha Branch in Hunan Province cooperated with Hunan Provincial Education Foundation to organize the launching ceremony of the “Create a Bright Future Together” public welfare brand and open up a channel for fundraising to help students finish school and realize their dreams. (Photo by He Yu)



Gansu Branch invites more than 50 teachers and students from Tangga’ang Primary School in Xiahe County, Gannan Prefecture, Gansu Province to have a study trip in Lanzhou. (Photo by Wang Tianhui)



Wujiaqu Corps Branch in Xinjiang Uyghur Autonomous Region organizes young employees to serve students who attend the college entrance examination. (Photo by Li Sha)

### Implementation Results of Major Public Welfare Activities

Program	Partner	Total amount of donations	Timescale	By the end of 2023
“Health Express for Mothers” public benefit program	China Women’s Development Foundation	RMB 17.6 million	2013-Present	It purchased 130 “Health Express for Mothers” vehicles with the donated funds, and sent them to 106 counties (cities) in 14 provinces across the country, providing health services to women, children, and families in areas with poor medical and health conditions.
“My Voice, Your Eyes” volunteer service activity for the blind	Beijing Hongdandan Cultural Service Center for the Visually Impaired	/	2013-Present	It provided audio descriptions for 104 movies, recorded 1 million words of audio books, and provided more than 10,200 hours of volunteer service, directly benefiting more than 9,800 visually



				impaired people.
“From Small Points to Big Dreams” youth volunteering action	China Youth Development Foundation	Raised funds of over RMB 8 million	2015-Present	It subsidized 106 schools to set up book corners, provided scholarships to 2,696 rural children, and helped build about 905 mu of youth forests and three youth homes.
“Warmth of Love” outlet public welfare program	All-China Federation of Trade Unions	/	2022-Present	It created more than 21,000 “Warmth of Love” service stations for outdoor workers.
Foundation for Preventing Relapse into Poverty	/	RMB 32 million	2020-Present	It issued RMB 18.04 million grants, benefiting 23,000 persons from 8,173 households.
Industry Development Foundation for Rural Revitalization	/	RMB 26 million	2020-Present	It issued RMB 120 million guaranteed loans to 883 family farms, large-scale farmers, and rural revitalization leaders.
“Little Banker” activity	/	/	/	It carried out a series of activities to disseminate financial knowledge among underage groups such as preschool-age children and students. Tianjin Branch compiled the illustrated book “Little Banker” to enhance financial literacy, and jointly carried out activities with more than 30 primary schools and kindergartens, which

				covered more than 3,300 students.
“Love under the Blue Sky” large-scale charitable activity by Shanghai Branch	Shanghai Charity Federation	/	1995-Present	It sent more than 14,000 employees to count the donated funds of more than RMB 24 million.
“Golden Key” scholarship program by Wuxi Branch in Jiangsu	Wuxi Municipal Working Committee of Care for the Next Generation in Jiangsu	Granted scholarships of RMB 2.31 million	2009-Present	It provided scholarships to 770 students who excelled in the college entrance examination and came from hardship families.
Eco-friendly cycling activity by Shannan Branch in Xizang		/	2015-Present	It advocated green and low-carbon travel modes to raise awareness of environmental protection among the general public, with an attendance of 900 people.
“Taking Good Care of Elders” public interest program by Xiamen Branch		/	2016-Present	It helped over 1,300 elders to celebrate birthdays and gave them over 4,000 haircuts, providing more than 6,000 hours of volunteer service in total.
“Volunteer Day” activity by Wenzhou Branch in Zhejiang		Charitable donations of RMB 6.68 million	2019-Present	It carried out 164 volunteer activities.

## Appendices

### I. CSR Honors and Awards

The People's Bank of China (the PBOC)	First Prize of Banking Technology Development Award 2021: Financial Apparatus Innovation Project
People.cn	Enterprise Award of the Year
<i>Shanghai Securities News</i>	Corporate Social Responsibility Award of the Year Bank Wealth Management Brand of the Year
<i>21st Century Business Herald</i>	Excellent Wealth Management Bank in 2023
<i>China Business Journal</i>	Stated-owned Commercial Bank with Excellent Competitiveness in 2023 Stated-owned Commercial Bank with Excellent Competitiveness
National Internet Finance Association of China, the PBOC Digital Currency Research Institute	Enterprise Standard Forerunner of 2022
China Media Group	Top 100 Chinese Listed Companies by ESG 2023 Excellent ESG Practice Award in China Top 10 ESG Role Models in China
CBIMC	List of Top 20 Banks in Overall ESG Performance Exemplary Green Finance Case of the Year 2023 for ESG Practices in Banking Industry
<i>Financial News</i>	Best Commercial Bank of the Year
<i>China Securities Journal</i>	Golden Bull Award for Green Finance

<i>Securities Times</i>	Gamma Award for Inclusive Finance Services in 2023
<i>Caijing Magazine</i>	Sustainable and Inclusive Finance Award
<i>Global Finance</i> magazine	Best Consumer Credit Bank
Xinhua.com	Special Cases for Corporate ESG in 2023
China Banking Association	Exemplary Unit for Green Banking 2023 Competition for Application of Digital and Intelligent Innovations in Call Center and Remote Banking - Highlighted Unit Case 2023 Competition for Application of Digital and Intelligent Innovations in Call Center and Remote Banking - Third Place on New Service Track
<i>Southern Weekly</i>	Company of the Year 2023 with ESG Competitiveness Exemplary Responsible Enterprise of the Year 2023 Special Contribution Award for CSRs in China over 20 Years: Low-carbon Solution of the Year 2023 2023 Contributions to the Public Good Model Financial Institution of the Year: Top 10 Banks by New Finance Competitiveness
<i>The Banker</i>	Outstanding Case of Innovation in Inclusive Finance Services for 2023 Outstanding Case of Innovation in Financial Services for Rural Revitalization in 2023 Outstanding Case of Innovation in FinTech for 2023 Outstanding Case of Innovation in Green Finance for 2023 Outstanding Case of Innovation in Risk

	Management for 2023 Outstanding Case of Innovation in Retail Banking for 2023
hexun.com	Responsible Bank of the Year in Rural Revitalization Brand Impact Bank of the Year
finance.sina.com.cn	Best Environmental (E) Responsibility Award Best Bank for Responsible Investment
<i>China Finance</i>	The Sixth Chinese Financial Brand Award
<i>China Times</i>	Golden Cicada Awards for Green Finance Service Institutions in 2023
Department of Scientific and Technological Innovation, China Association for Science and Technology China Institute of Communications	First Prize of “Innovation China” FinTech Innovation Competition (2023)
China Association for Public Companies	2023 Best Practice Cases for Boards of Directors of Public Companies Best ESG Practices for Listed Companies in 2023 Best Practices from Listed Companies in Results Presentation
China Investment Network	Excellent Banks in 2023
ThePaper.cn	Financial Institution of the Year
The Green Finance Forum of 60	Best Financial Institution of the Year 2023
China UnionPay	2023 UnionPay Business Excellence Awards: Contribution to Digital Finance Cooperation

China Academy of Information and Communications Technology China Association of Communication Enterprises	First Prize of 2023 Digital Transformation Development Summit
jiemian.com	Excellent Commercial Bank of the Year
JRJ.com	Jinzhi Awards for Excellence in Green Finance Jinzhi Awards for Excellent Chinese Banks Jinzhi Awards for Outstanding “Sannong” Service Outstanding Practice Awards in Financial Consumer Protection
<i>Economic Observer</i>	Excellent Mobile Banking of the Year Green Finance Brand of the Year Private Banking Award of the Year Excellent Retail Banking of the Year Outstanding Chinese-fund Bank of the Year
<i>Directors and Boards</i>	The 18th Round Table Awards for Boards of China’s Listed Companies - Special Contributions to Corporate Governance
<i>The Asset</i>	Best Retail Mobile Banking Experience Best Online Retail Banking Experience
Phtv.ifeng.com and Ifeng.com	Most Socially Responsible Listed Enterprise
China Corporate Governance Forum of 50	Top 10 Listed Companies for ESG in China’s Financial Industry for 2023
Harvard Business Review Zhaopin.com	Top 100 Employers in China for 2023

## II. Responsibility Commitment

The year 2024 is a critical year for realizing the goals and tasks set out in the 14th Five-Year Plan. The Bank will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, closely focus on the primary task of high-quality development, and thoroughly implement the core requirements of the Central Economic Work Conference and the Central Financial Work Conference. It will also vigorously improve the quality and efficiency of its financial services, and act as the main force for serving the real economy and maintaining financial stability.

<p>Laying a solid foundation for development</p>	<ul style="list-style-type: none"> <li>● The Bank will achieve unity in thinking, will, and action with the Party’s innovative theories, to continuously strengthen the Party’s leadership and Party building.</li> <li>● The Bank will comprehensively strengthen financial risk prevention and control, focus on key areas, accurately control risks, and firmly hold the bottom line of preventing systemic risks.</li> </ul>
<p>Serving the real economy</p>	<ul style="list-style-type: none"> <li>● Centered on the five types of finance, the Bank will intensify financial services for major strategies, key areas, and weak links.</li> <li>● The Bank will increase the supply of county and agriculture-related loans, provide financial services throughout the grain industry chain, and support the development of rural industries and rural construction according to local conditions.</li> <li>● The Bank will continuously enrich credit products, channel more capital into advanced manufacturing industries, strategic emerging industries, and other fields, and strengthen financial services for sci-tech enterprises throughout their life cycle.</li> <li>● The Bank will continue to expand the coverage of inclusive finance, optimize related policies and processes, and promote the online and offline integrated development.</li> </ul>
<p>Building a beautiful China</p>	<ul style="list-style-type: none"> <li>● The Bank will build up the unique advantages of green finance, dynamically optimize a pool of green finance projects, and step up innovation in green bonds, green investment banking, carbon finance, and other business fields.</li> <li>● The Bank will actively participate in the pilot program of transition finance, disclose green finance, ESG, and other aspects of information properly, and polish the brand</li> </ul>

	of “green banking”.
Creating a happy life together	<ul style="list-style-type: none"> <li>● The Bank will deeply optimize business processes, upgrade user experience, and make businesses intensive and intelligent faster.</li> <li>● The Bank will accelerate the construction of a tiered service system, improve the level of refined services with a customer-centered approach, and meet the differentiated needs of financial consumers.</li> <li>● The Bank will keep carrying out a diversity of employee education and training sessions, take better care of staff, and enhance their satisfaction and sense of belonging.</li> <li>● The Bank will continue taking the four major public welfare actions, that is, “Revitalization”, “Safeguarding the Environment”, “Caring”, and “Dreams Come True”, effectively protect the legitimate rights and interests of financial consumers, and strongly support the development of charitable undertakings.</li> </ul>

### III. Index of Indicators

#### 1. Content Index of GRI Standards

Statement of use	Agricultural Bank of China has reported in accordance with the GRI Standards for the period January 1st, 2023 to December 31st, 2023 (Some of which is outside the above time frame).	
GRI 1 used	GRI 1: Foundation 2021	
GRI standard	Disclosure	Disclosure status
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us
	2-2 Entities included in the organization’s sustainability reporting	Key data and independent assurance reports issued by a third party.



2-3 Reporting period, frequency and contact point	Key data and independent assurance reports issued by a third party.
2-4 Restatements of information	/
2-5 External assurance	Third-party Assurance
2-6 Activities, value chain and other business relationships	About Us
2-7 Employees	Protecting the rights and interests of employees
2-8 Workers who are not employees	Protecting the rights and interests of employees
2-9 Governance structure and composition	Putting in place sound corporate governance mechanisms
2-10 Nomination and selection of the highest governance body	Refer to Annual report
2-11 Chair of the highest governance body	Refer to Annual report
2-12 Role of the highest governance body in overseeing the management of impact	Putting in place sound corporate governance mechanisms/Improving the Risk Management Structure
2-13 Delegation of responsibility for managing impacts	Putting in place sound corporate governance mechanisms/Improving the Risk Management Structure
2-14 Role of the highest governance body in sustainability reporting	Putting in place sound corporate governance mechanisms

2-15 Conflicts of interest	Refer to Annual report
2-16 Communication of critical concerns	Analysis of stakeholders
2-17 Collective knowledge of the highest governance body	Putting in place sound corporate governance mechanisms
2-18 Evaluation of the performance of the highest governance body	Putting in place sound corporate governance mechanisms
2-19 Remuneration policies	Protecting the rights and interests of employees
2-20 Process to determine remuneration	Refer to Annual Report
2-21 Annual total compensation ratio	Refer to Annual Report
2-22 Statement on sustainable development strategy	Identification of substantive issues
2-23 Policy commitments	Refining internal control management
2-24 Embedding policy commitments	Strengthening supplier management/Putting in place a complete set of policies and systems
2-25 Processes to remediate negative impacts	Continuously diversifying service channels/Strengthening consumer protection
2-26 Mechanisms for seeking advice and raising concerns	Analysis of stakeholders
2-27 Compliance with laws and regulations	Complying with laws and regulations

	2-28 Membership associations	Responsibility Commitment
	2-29 Approach to stakeholder engagement	Analysis of stakeholders
	2-30 Collective bargaining agreements	Analysis of stakeholders
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Identification of substantive issues
	3-2 List of material topics	Identification of substantive issues
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Highlight: Developing Five Types of Finance in the New Era  Technology finance
GRI 201: Economic Performan ce 2016	201-1 Direct economic value generated and distributed	Responsible performance
	201-2 Financial implications and other risks and opportunities due to climate change	Coping with Climate Change and Better at Preventing Related Risks
	201-3 Defined benefit plan obligations and other retirement plans	Taking good care of employees
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Being a Leader in Serving the Rural Revitalization Strategy/Remaining at the Forefront of Serving the Real Economy

GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Promoting Coordinated Regional Development/Serving High-standard Opening up to the Outside World
	203-2 Significant indirect economic impacts	Making solid progress in paired assistance
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening supplier management/Providing green services/Performing green procurement/Running a green office
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Strengthening supplier management
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Complying with laws and regulations
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Promoting the full and rigorous self-governance of the Party and the Bank/Complying with laws and regulations
	205-3 Confirmed incidents of corruption and actions taken	Complying with laws and regulations
Materials		

GRI 3: Material Topics 2021	3-3 Management of material topics	Providing green services/Performing green procurement/Running a green office/Building green outlets
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Building green outlets
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening energy conservation and carbon reduction management/Providing green services/Performing green procurement/Running a green office/Building green outlets
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Building green outlets
	302-2 Energy consumption outside of the organization	Building green outlets
	302-3 Energy intensity	Building green outlets
	302-4 Reduction of energy consumption	Strengthening energy conservation and carbon reduction management/Providing green services
	302-5 Reductions in energy requirements of products and services	Strengthening energy conservation and carbon reduction management/Providing green services/Performing green procurement/Running a green office/Building green

		outlets
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening energy conservation and carbon reduction management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Strengthening energy conservation and carbon reduction management
	303-4 Water discharge	Building green outlets
	303-5 Water consumption	Building green outlets
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Continuing to support ecological protection/Strengthening communication about green finance
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Continuing to support ecological protection/Strengthening communication about green finance
	304-3 Habitats protected or restored	Continuing to support ecological protection/Strengthening communication about green finance
Emissions		
GRI 3: Material Topics	3-3 Management of material topics	Strengthening energy conservation and carbon reduction management/Providing

2021		green services/Performing green procurement/Running a green office/Building green outlets
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Building green outlets
	305-2 Energy indirect (Scope 2) GHG emissions	Building green outlets
	305-4 GHG emissions intensity	Building green outlets
	305-5 Reduction of GHG emissions	Creating a diversified product lineup/Strengthening energy conservation and carbon reduction management
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Creating a diversified product lineup
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening energy conservation and carbon reduction management
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Strengthening energy conservation and carbon reduction management
	306-3 Waste generated	Building green outlets
Supplier environmental assessment		
GRI 3: Material Topics	3-3 Management of material topics	Providing green services/Performing green procurement/Running a

2021		green office
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Providing green services/Performing green procurement/Running a green office
	308-2 Negative environmental impacts in the supply chain and actions taken	Providing green services/Performing green procurement/Running a green office
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Protecting the rights and interests of employees
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Protecting the rights and interests of employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Taking good care of employees
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Taking good care of employees
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Taking good care of employees
	403-4 Worker participation, consultation, and communication on occupational health and safety	Taking good care of employees
	403-5 Worker training on occupational health and safety	Taking good care of employees



	403-6 Promotion of worker health	Taking good care of employees
	403-9 Work-related injuries	Taking good care of employees
	403-10 Work-related ill health	Taking good care of employees
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Enabling staff growth
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Protecting the rights and interests of employees
	404-2 Programs for upgrading employee skills and transition assistance programs	Protecting the rights and interests of employees
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Protecting the rights and interests of employees
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Protecting the rights and interests of employees
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Protecting the rights and interests of employees

Child labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Protecting the rights and interests of employees
Forced or compulsory labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Protecting the rights and interests of employees
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Being a Leader in Serving the Rural Revitalization Strategy/Running Public Interest Programs as a Socially Responsible Enterprise
GRI 413: Local Communit ies 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Being a Leader in Serving the Rural Revitalization Strategy/Running Public Interest Programs as a Socially Responsible Enterprise
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening supplier management
GRI 414: Supplier Social Assessme nt 2016	414-1 New suppliers that were screened using social criteria	Strengthening supplier management
	414-2 Negative social impacts in the	Strengthening supplier

	supply chain and actions taken	management
Customer health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Upgrading financial services for new citizens/Helping people age well/Running Public Interest Programs as a Socially Responsible Enterprise
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Upgrading financial services for new citizens/Helping people age well/Running Public Interest Programs as a Socially Responsible Enterprise
Marketing and labeling		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening consumer protection
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Strengthening consumer protection
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening consumer protection
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strengthening consumer protection

2016		
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2. SEHK's *Environmental, Social and Governance Reporting Guide*

Indexes			Disclosure status
Aspect A1: Emissions	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and  generation of hazardous and non-hazardous waste.	Strengthening energy conservation and carbon reduction management/Providing green services/Performing green procurement/Running a green office/Building green outlets
	A1.1	The types of emissions and respective emissions data.	Building green outlets
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions  (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building green outlets
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building green outlets
	A1.4	Total non-hazardous waste produced (in tonnes) and,	Building green outlets

		where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Strengthening energy conservation and carbon reduction management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Strengthening energy conservation and carbon reduction management
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Strengthening energy conservation and carbon reduction management
	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).	Building green outlets
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Building green outlets
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Strengthening energy conservation and carbon reduction management
	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.	Strengthening energy conservation and carbon reduction management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable

Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Vision for a Green and Low-carbon Future
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Vision for a Green and Low-carbon Future
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Coping with Climate Change and Better at Preventing Related Risks
	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.	Optimizing the governance structure for green finance/Putting in place a complete set of policies and systems/Coping with Climate Change and Better at Preventing Related Risks
Aspect B1: Employment	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protecting the rights and interests of employees

	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Protecting the rights and interests of employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	Protecting the rights and interests of employees
Aspect B2: Health and Safety	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Taking good care of employees
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Protecting the rights and interests of employees
	B2.2	Lost days due to work injury.	Protecting the rights and interests of employees
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Taking good care of employees
Aspect B3: Development	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training	Enabling staff growth

and Training		activities.	
	B3.1	The percentage of employees trained by gender and employee category(e.g. senior management, middle management).	Enabling staff growth
	B3.2	The average training hours completed per employee by gender and employee category.	Enabling staff growth
Aspect B4: Labour Standards	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	Protecting the rights and interests of employees
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting the rights and interests of employees
	B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting the rights and interests of employees
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Strengthening supplier management/Providing green services/Performing green procurement/Running a green office
	B5.1	Number of suppliers by geographical region.	Strengthening supplier management/Providing



			green services
	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.	Strengthening supplier management/Providing green services
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strengthening supplier management/Providing green services/Performing green procurement/Running a green office
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Providing green services/Performing green procurement/Running a green office
Aspect B6: Product Responsibility	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strengthening consumer protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable

	B6.2	Number of products and service related complaints received and how they are dealt with.	Strengthening consumer protection
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Complying with laws and regulations
	B6.4	Description of quality assurance process and recall procedures.	Not Applicable
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Strengthening consumer protection
Aspect B7: Anti-corruption	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	Complying with laws and regulations/Preventing financial crime
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Complying with laws and regulations
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Complying with laws and regulations

	B7.3	Description of anti-corruption training provided to directors and staff.	Promoting the full and rigorous self-governance of the Party and the Bank/Complying with laws and regulations
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Being a Leader in Serving the Rural Revitalization Strategy/Running Public Interest Programs as a Socially Responsible Enterprise
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Being a Leader in Serving the Rural Revitalization Strategy/Running Public Interest Programs as a Socially Responsible Enterprise
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Being a Leader in Serving the Rural Revitalization Strategy/Running Public Interest Programs as a Socially Responsible Enterprise

### 3. UN Principles for Responsible Banking (UN PRB) Report and Self-assessment

Reporting and Self-Assessment Requirements	Reference(s) / Link(s) to bank's full response/ relevant information	Position
<b>Principle 1: Alignment</b>		

<p>1.1 Business model</p>	<p>Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>Being one of the major integrated financial service providers in China, ABC pursues high-quality development, highlights two positionings as “the leading bank serving rural revitalization” and “the main bank serving the real economy”, and comprehensively implements three priorities, which include rural and inclusive finance, green finance, and digitalization. It relies on its comprehensive business portfolio, extensive distribution network, and advanced IT platform to provide a diverse portfolio of corporate and retail banking products and services for a broad range of customers. The Bank conducts financial market and asset management businesses. Its business scope also includes, among others, investment banking, fund management, financial leasing, and life insurance. As at the end of 2023, the Bank had 22,843 domestic institutions, and its overseas institutions included 13 overseas branches and four overseas representative offices.</p>	<p>About Us</p>
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<p>1.2 Strat egy align ment</p>	<p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> <p>Does your bank also reference UN Guiding Principles on Business and Human Rights, International Labour Organization fundamental conventions, UN Global Compact, UN Declaration on the Rights of Indigenous Peoples or any applicable regulatory reporting requirements on environmental risk assessments, any applicable regulatory reporting requirements on social risk assessments in its strategic priorities or policies to implement these?</p>	<p>The Bank fully integrated the concept of sustainable development into a series of policy documents, including the <i>Green Finance Development Plan of Agricultural Bank of China (2021-2025)</i> and the <i>Guiding Opinions on Accelerating the Development of Green Finance Business</i>, with a view to making a greater contribution to serving the country's high-quality development of economy, society and environment. It formulated the <i>Highlights of Green Finance/Carbon Peaking and Neutrality in 2023</i> to set out annual targets and tasks. It continuously implemented the <i>Carbon Peaking and Neutrality Plan of Agricultural Bank of China</i>, to promote energy conservation, carbon reduction, and green development across the board. It signed or joined the UN <i>Principles for Responsible Banking (PRB)</i> and relevant initiatives and mechanisms of the Task Force on Climate-related Financial Disclosures (TCFD), and actively supported the implementation of the UN Sustainable Development Goals (SDGs) and the <i>Paris Climate Agreement</i>.</p>	<p>Highlight: Developing Five Types of Finance in the New Era Technology finance/Opti mizing the governance structure for green finance</p>
<p><b>Principle 2: Impact and Target Setting</b></p>			

<p>2.1 Impact Analysis</p>	<p>Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):</p> <p>a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p> <p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p>This step aims to put your bank’s portfolio impacts into the context of society’s needs.</p>	<p>The Bank earnestly implemented the decisions and plans of China for the rural revitalization strategy, took rural revitalization as its top priority, seized the historic opportunities presented by upgrading rural consumption and building the countryside, and focused on enhancing the core competitiveness of county areas to promote the sustainable development of the “Sannong” business.</p> <p>The Bank fully integrated the concept of sustainable development into a series of policy documents, including the <i>Green Finance Development Plan of Agricultural Bank of China (2021-2025)</i> and the <i>Guiding Opinions on Accelerating the Development of Green Finance Business</i>, with a view to making a greater contribution to serving the country’s high-quality development of economy, society and environment. It formulated the <i>Highlights of Green Finance/Carbon Peaking and Neutrality in 2023</i> to set out annual targets and tasks.</p>	<p>Column I Being a Leader in Serving the Rural Revitalization Strategy/Optimizing Top-level Design to Raise Environmental Awareness/Facilitating Innovation to Drive the Development of Green Finance</p>
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<p>2.2 Target Setting</p>	<p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p>You can build upon the context items under 2.1.</p> <p>b)Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>In case you have identified other and/or additional indicators as relevant to determine the baseline and</p>	<p>The annual goal of the “Sannong” business: “Three Trillions”, i.e. new county loans, new county deposits, and the balance of loans to farmers would all cross the RMB 1 trillion mark.</p> <p>A target set and released for green finance: Green credit across the Bank would continue to outstrip the average growth rate of various loans.</p>	<p>Column I Being a Leader in Serving the Rural Revitalization Strategy/Defining the strategy and objectives for developing green finance</p>
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assess the level of alignment towards impact driven targets, please disclose these.

c)SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

d)Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.



<p>2.3 Target implementation and monitoring</p>	<p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	<p>In promoting the “Sannong” business, the Bank continued to increase financial support, consolidate the achievements in poverty alleviation, empower “Sannong” with technology faster, innovate policy and product modes, and strengthen service support and guarantee.</p> <p>To achieve the goal for developing green finance, the Bank conducted a follow-up assessment of the work measures set out in the <i>Green Finance Development Plan (2021-2025)</i>, supervised the fulfillment of the responsibilities related to the plan, and accelerated the implementation of the green finance strategy. The main measures included strengthening organizational leadership, expanding the supply of high-quality policies, increasing the financial support in key areas, and rolling out a diversity of innovative products and services.</p> <p>As at the end of 2023, the targets of “three trillions” were fully accomplished, and the balance of green credit business was RMB 4,048.7 billion, growing by 50.09%, higher than the average growth rate of various loans.</p>	<p>Column I Being a Leader in Serving the Rural Revitalization Strategy/ Optimizing Top-level Design to Raise Environmental Awareness/Facilitating Innovation to Drive the Development of Green Finance</p>
<p>Principle 3: Clients and Customers</p>			

<p>3.1 Client engagement</p>	<p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> <p>This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank .</p>	<p>The Bank organized the “Visiting Enterprises to Boost Their Confidence and Provide Quality Services” activity to visit innovative small and micro enterprises, understanding their financial needs, examining financial products, and providing financial services in a targeted manner. With the dual carbon goal, it combined inclusive finance and green finance to provide credit support for the green transformation of production and operation modes, such as technological upgrading and pollution control by small and micro enterprises and farmers.</p> <p>The Bank issued the <i>Implementation Plan for Comprehensively Promoting the Credit Village and Credit User-oriented Comprehensive Service Mode that Could Integrate Party Building, Finance, and Technology</i> to extend credit based on ratings of credit villages and credit users, which both facilitated the formation of a credit system for rural customers and supported their sustainable production and operation activities. The reward points system for villagers was put online and promoted, which facilitated the compliance of villagers with village rules and</p>	<p>Undertaking intensive work to provide integrated assistance/Empowering rural revitalization with digital means/Propelling the Steady Development of Micro, Small and Medium Enterprises and Private Enterprises/Supporting people to start a business or get a job</p>
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		<p>agreements and assisted in the construction of rural civilization.</p> <p>The Bank cooperated with China Disabled Persons' Federation (CDPF) to provide financial assistance for the disabled. Relying on the online recommendation platform, they promoted a service mode in which employees of the Bank would go to families with disabilities and grant them loans upon online recommendation of CDPF organizations. With the mode, accumulated loans of RMB 2.56 billion have been issued to 13,000 households with disabilities.</p>	
3.2 Business opportunities	<p>Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion,</p>	<p>The Bank innovatively promoted exclusive products such as “Technology e-Loan” and “Torch Innovation Reward Points Loan” and explored service modes such as “Investment-Loan Linkage”, to increase support for enterprises using special and sophisticated technologies to produce novel and unique products as well as small and micro enterprises in strategic emerging industries.</p> <p>To promote the sustainable development of “Sannong” customers in county areas, the Bank supported the development of customers along the entire green</p>	<p>Contributing to the Formation of a Modernized Industrial System/Propelling the Steady Development of Micro, Small and Medium Enterprises and Private Enterprises/ Putting in place a complete set of policies</p>

	etc.).	agriculture chain, the low-carbon transition and green consumption of customers in county industries, and the effective utilization of ecological value by customers in county areas.	and systems
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**Principle 4: Stakeholders**

4.1 Stakeholder identification and consultation	Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	The Bank attached great importance to communication with stakeholders such as the government, regulatory agencies, shareholders and investors, customers, employees, suppliers, and partners. While proactively getting channels for communication unimpeded, it built an information disclosure mechanism to coordinate multiple channels, such as regular reports, CSR reports, green finance development reports, and official website, and all-media. At the same time, the Bank solicited the opinions of stakeholders through online questionnaires, in order to continuously improve the management of social responsibility issues on the premise of maintaining sound interactions.	Identification of substantive issues/Analysis of stakeholders
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**Principle 5: Governance and Culture**

<p>5.1G overnance Structure for Implementation of the Principles</p>	<p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> <li>• which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),</li> <li>• details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as</li> <li>• remuneration practices</li> </ul>	<p>The Bank continued to modernize its corporate governance system and capacity. Following the principles of independent operation, effective checks and balances, mutual cooperation, and coordination among different governance bodies, it kept optimizing operation mechanisms of scientific decision-making by the Board of Directors, efficient execution by the Senior Management, and strict oversight by the Board of Supervisors.</p> <p>During the reporting period, the Bank issued the <i>ESG Risk Management Measures for Credit Business</i>. As per the principle of providing classified guidance to support development in some areas while limiting growth in others, it actively supported credit business related to the green, low-carbon, and circular economy, and implemented the one-vote veto system for non-eco-friendly customers and projects.</p>	<p>Putting in place sound corporate governance mechanisms/ Putting in place a complete set of policies and systems</p>
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	linked to sustainability targets.		
5.2 Promoting a culture of responsible banking	<i>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</i>	The Bank formulated the <i>Education and Training Plan</i> with topics such as “Rural Revitalization”, “Green Finance”, and “Digital Operation” to give penetrating policy dissemination training on three strategies.	Employee training
5.3 Policies and due diligence processes	Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.  Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any	ESG risk management requirements were incorporated into the entire credit business process. Key review elements were made clear in such steps as due diligence, inspection, approval, and duration management. Dynamic assessments were carried out and full-process control requirements were implemented to manage ESG risks in a more meticulous manner.	Putting in place a complete set of policies and systems

	existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.		
<b>Principle 6: Transparency and Accountability</b>			
6.1 Assurance	Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? If applicable, please include the link or description of the assurance statement.	Every year, the Bank invites a professional third-party agency to carry out independent assurance on some key data of the CSR (ESG) report, so as to enhance the credibility and reliability of content and information in the report.	Third-party Assurance
6.2 Reporting on other frameworks	Does your bank disclose sustainability information in GRI, SASB, CDP, IFRS Sustainability Disclosure Standards (to be published), TCFD or any other of the listed below standards and frameworks?	This Report was prepared to comply with relevant standards and guidelines, including the <i>GRI Sustainability Reporting Standards</i> (GRI Standards) issued by the Global Sustainability Standard Board and <i>GRI Financial Service Sector Supplemental Guidelines</i> ; <i>ISO 26000 Social Responsibility Guidelines (2010)</i> ; the <i>Guidelines of Shanghai Stock Exchange No.1 for the Application of Self-Regulation Rules for Listed Companies – Standardized Operation</i> ; and <i>SEHK Environmental, Social and Governance Reporting Guide</i> ; the <i>Opinions on Strengthening Social Responsibilities of Banking</i>	Basis for preparing the Report

		<i>Institutions; the Guidelines on Corporate Social Responsibility of Banking Institutions of China; and other relevant opinions.</i>	
6.3 Outlook	<p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>In the coming year, the Bank will continue to promote sustainable financial development, roll out innovative financial products and services in a more transparent and responsible way, make progress in constructing the ESG management system, improve corporate governance, and intensify the development of inclusive finance and green finance, hereby fulfilling its CSRs with concrete efforts.</p>	<p>Responsibility Commitment</p>



## **IV. Third-party Assurance**

**Independent Limited Assurance Report** [Auditor's Report No. 2400056]

### **Board of Directors of Agricultural Bank of China Limited:**

Report on Selected Information in the 2023 Social Responsibility Report (Environmental, Social and Governance Report) ("2023 Social Responsibility Report") of Agricultural Bank of China Ltd.

#### **I. Conclusion**

We have performed a limited assurance engagement on the following information in the 2023 Social Responsibility Report of Agricultural Bank of China Limited (the "Agricultural Bank") for the year 2023 (the "Assured Key Data"):

- Total assets (RMB 100 million)
- Total loans and advances to customers (RMB 100 million)
- Non-performing loan ratio (%)
- Capital adequacy ratio (%)
- Net profit (RMB 100 million)
- Return on average total assets (%)
- Return on weighted average net assets (%)
- Total tax (RMB 100 million)
- Shareholders' equity (RMB 100 million)
- Shareholders' dividends (RMB 100 million)
- Social contribution value per share (RMB)
- Total amount of donations (RMB 10,000)
- Number of domestic branches
- Number of county-level branch outlets
- Number of employees (Formally contracted) (Person)
- Proportion of female employees (%)
- Proportion of employees of ethnic minority (%)
- Number of County-level employees (Persons)
- Number of training courses held (10,000)
- Customer complaint settlement rate (%)

- Total Huinong cards issued (10,000)
- Balance of "Huinong e-Loan" (RMB 100 million)
- Balance of agro-related loans (RMB 100 million)
- Total county area loans and advances (RMB 100 million)
- Balance of inclusive loans for small and micro enterprises (RMB 100 million)
- Balance of green credit (RMB 100 million)
- Total loans to western regions (RMB 100 million)
- Balance of loans to ethnic minority areas (RMB 100 million)
- Number of green bonds underwrote (No.), and amount raising (RMB 100 million)
- Number of carbon neutral bonds underwrote (No.), and amount raising (RMB 100 million)
- Number of sustainability-linked bonds underwrote (No.), and amount raising (RMB 100 million)
- Scale of proprietary green bond investment (RMB 100 million)
- Existing ESG-themed wealth management products (No.), the scale (RMB 100 million)
- Existing green-themed investment funds (No.), point-in-time scale (RMB 100 million)
- Water consumption (Tons)
- Water consumption per capita (Tons/Person)
- Discharged wastewater (Tons)

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the certified key data of the Agricultural Bank's Social Responsibility Report 2023 has not been prepared, in all material respects, in accordance with the standards set out in the Appendix: Basis of Preparation of the Key Data (the "Basis of Preparation") to this report. The conclusions we have formed with respect to the Assured Performance Information Key Data do not cover the other information attached to or included in the Assured Performance Information Key Data and the Assurance Report (the "Other Information"). The Other Information was not performed as part of this assurance engagement and we did not perform any procedures on the Other Information.

## II. Translated with DeepL.com (free version) **Basis for conclusions**

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International

Auditing and Assurance Standards Board (IAASB). Our responsibilities under these standards are further described in the "Responsibilities of Certified Public Accountants" section of the Assurance Report.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Accountants (including the International Standard on Independence). The Code of Ethics is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and good professional conduct.

The Firm follows International Standard on Quality Management 1 (ISQM 1) - Quality Management by Accounting Firms in Performing the Business of Auditing or Reviewing Financial Statements, Other Assurance or Related Services issued by IAASB. The standard requires an accounting firm to design, implement and operate a quality management system that includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for forming our conclusions.

### **III. Inherent limitations**

This report is intended solely for the use of the Board of Trustees. It may not be used for any other purpose. We do not accept any responsibility or liability for any consequences arising from the use of this report by any other person. This paragraph is without prejudice to the conclusions reached.

### **IV. Responsibility for certified key data**

The directors of the Agricultural Bank are responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the certified key data so that the certified key data is free from material misstatement, whether due to fraud or error
- Selecting or developing appropriate criteria to be used in the preparation of the attested key data and making appropriate reference to or describing the criteria used; and
- Prepare the attested key data in accordance with the basis of preparation.

### **V. Inherent limitations in the production of key data**

We draw users' attention to the fact that there is no recognised system of assessment and measurement standards for non-financial data, and therefore there are non-uniform measurement methods, which will affect the comparability of data between companies.

### **VI. Responsibilities of Certified Public Accountants**

We are responsible for:

- Planning and performing assurance engagements to obtain limited assurance as to whether the key data that have been so assured are free from material misstatement due to fraud or error;
- Forming independent conclusions based on the procedures we have performed and the evidence we have obtained; and
- Report our conclusions to the Board of Directors of Agricultural Bank of China.

Summary of the work we have performed as a basis for forming our conclusions

In performing our assurance work, we used professional judgement and maintained professional scepticism. We designed and implemented procedures to obtain sufficient and appropriate evidence of the key data that we authenticated as a basis for forming our conclusions. The forensic procedures selected depend on our knowledge of the attested key data and other business circumstances, as well as our consideration of areas where material misstatements can occur. In addition, our work does not purport to express an opinion on the effectiveness of AgriBank's internal control. In performing our assurance work, we:

- 1) Conducted interviews with the relevant departments of Agricultural Bank involved in providing key data for the 2023 Social Responsibility Report;
- 2) performed analytical procedures on the 2023 Social Responsibility Report key data; and
- 3) Examined a selected sample of the 2023 Social Responsibility Report key data;
- 4) Recalculations.

The nature and timing of the procedures performed for a limited assurance engagement are different and less extensive than for a reasonable assurance engagement. As a result, limited assurance engagements provide a much lower level of assurance than reasonable assurance engagements.

KPMG Huazhen LLP

Beijing, China

28 March, 2024

## **Appendix: Basis of Reporting**

- 1.Total assets (RMB 100 million): Total assets is the book value of total assets of Agricultural Bank of China Limited in the Group's consolidated financial statements as of the end of each year.
- 2.Total loans and advances to customers (RMB 100 million): Total loans and advances to customers represent the gross amount of loans and advances issued by Agricultural Bank of China Limited in the Group's consolidated financial statements as of the end of each year.
- 3.Non-performing loan (NPL) ratio (%): Non-performing loan ratio is calculated by dividing the balance of nonperforming loans (excluding accrued interests) by the total loans and advances to customers (excluding accrued interests).
- 4.Capital adequacy ratio (%): The capital adequacy ratio is calculated in accordance with the Capital Rules for Commercial Banks (Provisional) and other relevant regulations.
- 5.Net profit (RMB 100 million): Net profit is the amount of net profit in the consolidated income statement of the Group for each year of Agricultural Bank of China Limited.
- 6.Return on average total assets (%): Return on average total assets is calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.
- 7.Return on weighted average net assets (%): Return on weighted average net assets is calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the CSRC.
- 8.Total tax (RMB 100 million): Total tax equals the total of corporate income tax, value-added tax and other taxes actually paid by the Agricultural Bank of China Limited Group for the year.
- 9.Shareholders' equity (RMB 100 million): Shareholders' equity represents the total amount of total equity attributable to equity holders of the Bank and non-controlling interests in the consolidated financial statements of Agricultural Bank of China Limited as of the end of each year.
- 10.Shareholders' dividends (RMB 100 million): Shareholders' dividends represents dividends of ordinary shareholders for each year (tax included).
- 11.Social contribution per share (RMB): Social contribution per share = basic earnings per share + (Total tax+ employee compensation and benefits + interest expense + amount of donations) /capital stock.

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

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

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

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

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

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

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

19. Number of training courses held (10,000): The number of training courses held is the number of completed training courses managed by the Agricultural Bank of China's online learning platform, "Agricultural Bank of China e-Learning".

20. Customer complaint settlement rate (%):  $\text{Customer Complaints Completion Rate} = \frac{\text{Number of Complaints Completed}}{\text{Number of Complaints Completed}} \times 100\%$ . Customer complaints are customer complaints received by the domestic branch's remote banking 95599 channel. The number of complaint event orders is the sum of the number of complaint and complaint tracking event orders. The number of closed complaint cases is the sum of the number of cases whose status is either closed or rejected.

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

22. Balance of "Huinong e-Loan" (RMB 100 million): "Huinong e-Loan" is a brand of farm loans tailor-made for the majority of farmers by combining the online and offline methods of the Agricultural Bank of China, including "Huinong e-Loan" (white list), "Huinong e-Loan" (mortgage), small farm loans, rural personal production and business loans, and farmers' house purchase loans, etc., which are processed by the mobile devices, and customers' self-service loans through the Internet. eLoan" (white list), "Huinong eLoan" (collateral), small loans for farmers, loans for rural personal production and operation, loans for farmers to purchase and build houses, etc., which are accepted through mobile operating devices, as well as the Huinong online loan which is handled by customers on a self-service basis through the Internet.

23. Balance of agriculture-related loans (RMB 100 million): The balance of agriculture-related loans consists of the balance of farmer loans, the balance of farming, forestry, animal husbandry and fishery loans (persons other than farmer households), the balance of loans to enterprises and organizations in rural areas, and the balance of agriculture-related loans to enterprises and organizations in cities.

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

25. Balance of loans to inclusive small and micro enterprises (RMB 100 million): According to the Circular of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening Efforts to Enhance the Quality of Financial Services for Small and Micro Enterprises in 2023 (CBIRC Office of the CBIRC [2023] No. 42), the regulatory calibre of inclusive small and micro enterprise loans refers to loans for small and micro enterprise legal persons with a total amount of 10 million yuan or less of single-family credit, as well as loans for individuals with a total amount of 10 million yuan or less of single-family credit. industrial and commercial households, small and micro enterprise owners operating loans, inclusive small and micro enterprise loans do not include bill discounting and rediscounting business data.

26. Balance of green credit (RMB 100 million): The balance of green credit is calculated according to the green financing caliber set by the CBIRC in 2020.

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

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

29. Number of green bonds underwrote (No.), and amount raising (RMB 100 million): The number of green bonds underwrote and the amount raising refer to the number of bond instruments underwritten by Agricultural Bank of China Limited in which the proceeds are used exclusively for financing or refinancing green projects that meet the prescribed conditions, and the amount raised by them.

30. Number of carbon neutral bonds underwrote (No.), and amount raising (RMB 100 million): The number of issues of carbon neutral bonds underwrote and the amount raising refer to the number of bonds underwritten by Agricultural Bank of China Limited that raised funds to meet the requirements of the Notice on Clarifying the Mechanism Related to Carbon Neutral Bonds of the China Interbank Market Dealers Association, and the amount raised by them.

31. Number of sustainability-linked bonds underwrote (No.), and amount raising (RMB 100 million): The number of sustainability-linked bonds underwrote and amount raising refer to the number of debt financing instruments underwritten by Agricultural Bank of China Limited that link the terms of the bonds to the issuer's sustainable development goals, and the amount raised by them.

32. Scale of proprietary green bond investment (RMB 100 million): The scale of proprietary green bond investment refers to the balance of proprietary non-financial institutions' green bond investment and the balance of proprietary financial institutions' green bond investment under the calibre of the General Administration of Financial Supervision.

33. Existing ESG-themed wealth management products (No.), the scale (RMB 100 million): Existing ESG-themed wealth management products were wealth management products, focusing on avoiding and exiting enterprises with poor ESG performance in the investment process, giving priority to investing in green and environmental industries such as clean energy, energy conservation and environmental protection as well as ecological protection, practicing social responsibility, helping green industries and promoting sustainable development, while committing to bringing sustainable excess returns to investors, with ESG contains in the product name. The scale refers to the balance of existing ESG-themed wealth management products as at December 31,



2023.

34.Existing green-themed investment funds (No.), point-in-time scale (RMB 100 million): Existing green-themed investment funds refer to investment funds managed by ABC-CA Fund Management Co., Ltd whose main investment assets are green energy-related entities, and the point-in-time scale refers to the scale of surviving green-themed investment funds as at 31 December 2023.

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

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

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

## Third-Party Statement for GHG Emissions and Energy Consumption Data



This report object entity is

Agricultural Bank of China Limited

covering GHG emissions and main energy consumption data of all operating institutions of Agricultural Bank of China Group from January 1 to December 31, 2023.

Index	2023
<b>Total GHG Emissions<sup>1</sup></b>	
Scope 1: Direct GHG emissions (tCO <sub>2</sub> )	212583.03
Scope 2: Indirect GHG emissions (tCO <sub>2</sub> )	1998863.40
Total GHG emissions : Scope 1+ Scope 2 (tCO <sub>2</sub> )	2211446.43
Per capita GHG emissions (tCO <sub>2</sub> /p)	4.76
<b>Energy Consumption<sup>2</sup></b>	
Electric energy consumption (MWh)	2936975.269
Per capita electric energy consumption (MWh/p)	6.319
Natural gas consumption (m <sup>3</sup> )	24233750.36
Per capita natural gas consumption (m <sup>3</sup> /p)	52.14
Liquefied petroleum gas consumption (t)	1918.19
Gasoline (t)	30389.93
Diesel oil (t) <sup>3</sup>	1494.60
Purchased heat (GJ)	2944603.65
Comprehensive energy consumption (MWh) <sup>4</sup>	4527060.91
Per capita comprehensive energy consumption (MWh/p)	9.74

1. Calculation methods of GHG emissions:

GHG accounting according to *ISO14064-1 Greenhouse Gas Part 1: Norms and Guidelines for Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level*; *GHG Protocol (Greenhouse Gas Protocol)*;

Direct greenhouse gas emissions: The Bank's consumption amount of natural gas, liquefied petroleum gas, gasoline, diesel and coals multiplied by the corresponding emission factors. For emission factors, you may refer to the *Fifth Assessment Report 2014* of the Intergovernmental Panel on Climate Change (IPCC); Indirect greenhouse gas emissions: The Bank's consumption amount of electricity and purchased heat multiplied by the corresponding emission factor. For emission factors, you may refer to the latest data released by the Ministry of Ecology and Environment in 2023; Total greenhouse gas emissions: The total sum of direct greenhouse gas emissions and indirect greenhouse gas emissions.

2. The data of GHG emissions and energy consumption are based on Group's standard, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels.

3. Diesel is mainly used for standby generator and bank-owned vehicles.

4. All comprehensive energy consumption data of various energy sources refer to the *General rules for calculation of the comprehensive energy consumption* (GB/T 2589-2020).

China Testing and Certification International Group Co., Ltd

March, 2024

## **V. About This Report**

### **Principles of the Report**

The preparation of this Report follows the principles of materiality, quantitative, and consistency.

**Materiality:** This Report refers to the definition of material topics in the *Environmental, Social, and Governance Reporting Guide* of the Stock Exchange of Hong Kong, and collects issues through various methods and prioritizes them by materiality, and has the Board of Directors ultimately review sustainability issues. For details, please refer to “Identification of Material Issues”.

**Quantitative:** By referring to applicable quantitative criteria and practices, this Report measures and discloses the applicable KPIs using quantitative approaches. The information on the standards, methods, assumptions, or calculation tools used for the quantification of environmental data, as well as the sources of the conversion factors used, is disclosed in the appropriate places.

**Consistency:** This Report is prepared in the same way as previous ones. When disclosure of extended data brings changes in the statistical method for disclosure, related explanations will be reported along with the data disclosure of the period.

### **Reporting scope**

The Report covers the Head Office, tier-1 (directly subordinate) branches within the territory, directly subordinate institutions, financial training institutes, and overseas institutions of the Agricultural Bank of China Limited. This is an annual report that covers the period from January 1 to December 31, 2023. Part of the content is in excess of the above scope.

### **Basis for preparing the Report**

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

### **Data declaration**

Some financial data in this Report are originally included in the Bank’s annual financial statement for 2023 (which has been audited by KPMG Huazhen LLP). Other data mainly originates from internal system statistics and the affiliates of the Bank for 2023.

### **Assurance method**

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

### **Publication**

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

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

### **References**

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

### **Contact information**

Corporate Culture Department of Agricultural Bank of China Limited  
Address: No. 69 Jianguomennei Street, Dongcheng District, Beijing, China  
Postcode: 100005  
Fax: 86-10-85126868

### **VI. Reader Feedback Form**

Thank you for reading our Corporate Social Responsibility Report 2023 (ESG Report). To provide you and other stakeholders with more valuable information and improve our ability to fulfill CSRs, we sincerely welcome any opinions and suggestions you may offer on this Report.



Scan the QR code and fill in the feedback form

Which of the following stakeholder types apply to you?

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

Do you think this Report covers all that you expect to see about the CSR work of

Agricultural Bank of China?

Yes  No, what else do you expect to see in this Report (                      )

How do you think the content and layout design of this Report in readability?

Very good  Average  Poor

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

In 2023, we selected 14 key CSR topics by studying their materiality to the sustainable development of Agricultural Bank of China and materiality to stakeholders and disclosed them herein. Please select five topics that you are most concerned about. We will prioritize these topics in terms of materiality according to the feedback and respond in future CSR fulfillment and report compilation.

- Being a Leader in Serving the Rural Revitalization Strategy
- Remaining at the Forefront of Serving the Real Economy
- Adhering to the Leadership of Party Building as a Mission
- Improving Governance Efficiency with Enhanced Institutional Mechanisms
- Firmly Holding the Risk Bottom Line to Operate Steadily over the Long Term
- Refining Internal Control Management to Highlight Operational Integrity
- Optimizing Top-level Design to Raise Environmental Awareness
- Coping with Climate Change and Better at Preventing Related Risks
- Facilitating Innovation to Drive the Development of Green Finance
- Dedicated to Low-carbon Operation with Energy Conservation and Emissions Reduction Measures
- Developing Livelihood Finance to Promote Common Prosperity
- Upholding the People-first Philosophy to Enhance Service Quality and Efficiency
- Pursuing A People-oriented Approach to Joint Growth
- Running Public Interest Programs as a Socially Responsible Enterprise