



2024 Corporate Social Responsibility Report

(Environmental, Social and Governance Report)

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About this Report

Reporting Scope

Organizational scope: The report takes Dongguan Rural Commercial Bank Co., Ltd. as a whole, covering the head office, branches, subsidiaries, etc. For the convenience of expression, “Dongguan Rural Commercial Bank”, “the Company”, “the Parent Bank” or “the Bank” are used in the report to refer to Dongguan Rural Commercial Bank Co., Ltd; while “our Group” , “the Group” or “we” refer to the Bank and its subsidiaries including Zhanjiang Rural Commercial Bank, Guangdong Chaoyang Rural Commercial Bank, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank. The above scope is consistent with the Bank’s 2024 Annual Report.

Time frame: The report covers activities from January 1, 2024 to December 31, 2024, with some content going beyond these dates to ensure coherence and comparability of the report.

Reporting frequency: This report is released once a year.

Reporting Standards

This report is prepared in accordance with Appendix C2 Environmental, Social and Governance (ESG) Reporting Guidelines of the Rules Governing the Listing of Securities on the Stock Exchange (Listing Rules). At the same time, references are also made to the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), and requirements in the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by the former of the China Banking Regulatory Commission (now the National Financial Regulatory Administration), and the Guidelines on Corporate Social Responsibility of Banking Financial Institutions issued by the China Banking Association.

Data and Information Sources

The financial data in the report mainly comes from the 2024 Annual Report of the Bank; and other data is mainly from the Environmental Information Disclosure Report, internal documents and applicable statistical data of the Bank.

The data in this report may be inconsistent with the data in the 2024 Annual Report due to the factors of statistical scope (such as the scope of consolidated statements and the scope of parent bank’s statements). In those circumstances, data in the 2024 Annual Report shall prevail.

Unless otherwise specified, the currency unit involved in this report is RMB.

To ensure consistency, certain data should be traced back to that in previous years.

Reporting Principles

The report has been prepared in accordance with the principles of materiality, quantification, balance and consistency.

Materiality: This report identifies important ESG issues affecting the Bank’s sustainable development, taking into account the characteristics of the industry, the expectations of stakeholders, and the Bank’s own development plan, as detailed in the section on Material Issue Analysis;

Quantification: The Bank’s quantitative ESG key performance has been disclosed in this report and is detailed in the performance section in the appendix.

Consistency: Efforts were made to keep indicators used in this report is as consistent as possible across different reporting periods, and if there are changes in the key performance indicators, explanations are provided for those changes.

Balance: The content of the report reflects objective facts and discloses both positive and negative indicators.

Report Assurance

To ensure the authenticity and reliability of this report, an independent assurance was conducted on this report by China Energy Conservation and Haoxin (Beijing) Consulting Co., Ltd., upon which an independent assurance report is released as well. More details can be found under the chapter Independent Assurance Report.

Reporting Language

This report is released both in Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Published Platforms

The report is published in electronic form and can be viewed and downloaded through:

Website of the Stock Exchange of Hong Kong: www.hkexnews.com.hk

Official website of the Bank: www.drcbank.com

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Chairman's Statement

The year 2024 is a critical year for the comprehensive implementation of the spirit of the 20th National Congress and the advancement of Chinese modernization, and it is also a vital year for Dongguan Rural Commercial Bank to achieve its strategic goal of becoming a "Regional Value-oriented Rural Commercial Bank Group" and to deepen its ESG governance and high-quality development. We remain true to our original aspiration of “financing for the people”, follow development philosophy of serving the national strategy, develop business models to better empower the real economy, and make it our responsibility to protect tucid water and tush mountains. With these guiding principles, we fully implement the Dongguan Rural Commercial Bank (Group) 2024-2028 Development Strategic Plan, further building our advantages in digital finance, promoting technology finance, inclusive finance, pension finance, and increasing the share of green finance, in a way to lead future development of modern financing in Guangdong-Hong Kong-Macao Greater Bay area.

Implement national policies and empower the real economy. With the national strategy as our primary mission, therefore, our business development also synergizes with the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Specifically, fully aligning with national and provincial strategic deployments, we focus on wide-range service combining both “financial and non-financial” tools to support technology innovation, advanced manufacturing, and new industrialization construction, providing comprehensive financial support for enterprises throughout the entire process, creating a good ecological environment for the common growth of banks and enterprises, which further supporting real economy. In 2024, the balance of loans supporting the manufacturing and related industries was RMB 74.833 billion; and a total of 145 major projects in Dongguan were supported with a cumulative credit line of RMB49.081 billion; while credit support for various industrial parks stood at RMB 57.765 billion; moreover, 770 national and provincial “enterprises producing new and unique products using specialized and sophisticated technologies” were supported with a loan balance of RMB21.103 billion.

Committed to the carbon peak and carbon neutrality strategy, and leading the green transformation. With green finance as the core engine, we continue to improve the multi-level green financial ecosystem. Through innovative products and service models, we focus on supporting key projects in clean energy and low-carbon technology so as to promote the large-scale development of local green industries. At the same time, we actively invested in green bonds, guiding financial resources into green and low-carbon sectors, supporting the development of green projects and upgrading of industrial structure, which will contribute to direct carbon reductions. As of the end of 2024, the balance of loans to green enterprises amounted to RMB 16.016 billion, a year-on-year increase of 22.75%; the balance of investment in green bond reached RMB 10.242 billion, and the balance of green bond issued reached RMB1.5 billion.

Stay true to our original aspiration to benefit more people, and contribute to common prosperity. We are strategically positioned to support agriculture, small businesses and real economy, thereby closely integrating inclusive finance with rural revitalization. The bank promotes “High quality projects in counties, towns and villages”, expands its coverage of financial services, and supports coordinated urban and rural development in Dongguan through construction of key demonstration projects at county and village level. As of the end of 2024, the Bank had a balance of loans to rural sectors of RMB 39.64 billion, and established business cooperation with 556

first-level village communities and 2,195 village groups. Through the construction of digital platforms and the innovation of unique products, we have significantly eased financing constraints of small and micro enterprises, and continuously improved the coverage and professionalism of inclusive finance. With continuing efforts to optimize services for new citizens and the elderly, promote social well-being with financial resources, we have written a new chapter of common prosperity with more convenient and tailored financial services benefiting people's livelihoods.

Deepen digital transformation and reshape the service ecosystem. Facing the wave of digitization, we further integrated financial technology into business scenarios. Through the construction of new-generation intelligent systems, we have consolidated foundation for digital transformation and ecological organization reform to empower innovation in financial products and services, and reshape business models and management processes. Meanwhile, we promoted online operation construction with multiple digital tools and mechanism of outbound calls driven by “AI + staff service” to enhance customer service experience. By focusing on lifecycle management on our customers, we keep on optimizing online channel service and business models. As of the end of 2024, the number of personal mobile banking uses and enterprises mobile banking users have increased by 10.47% and 12.67% respectively compared to the beginning of the year.

Consolidate governance and forge a consensus on responsibility. With the belief that social value is as important as business performance, we integrate ESG governance into our corporate management, and continue to optimize the decision-making mechanism of the board of directors and compliance management system. In terms of public welfare, we explores new models in charitable contributions by initiating “Dongguan Charity Association-Dongguan Rural Commercial Bank Charity Fund”, and making targeted donations on “Guangdong Poverty Alleviation Day and Dongguan Charity Day” activities. With our efforts, we contributed to the establishment of 300 labor union stations, among which, 1 station was rewarded as demonstration in Guangdong province. These achievements are all vivid portrayal of how we fulfill our responsibilities, share the fruits of development with the society, and build an atmosphere on sustainable development.

Innovation-driven, forging ahead steadily, and spearheaded to lead future development trend. Ushering in 2025, we will promote ESG governance with higher standards, push forward fin-tech development, accelerate the construction of a zero-carbon financial system, provide innovative services for rural revitalization, and strengthen life-cycle management of environmental and social risks. We are willing to join hands with all parties to fulfill our financial mission with deep beliefs, draw the blueprint for the Bay Area with innovation, and contribute to the prosperity of the group with the economy, society and environment.

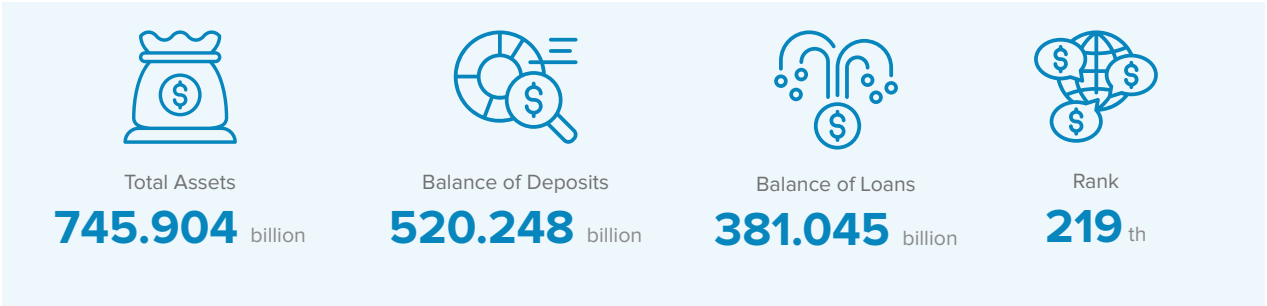
Chairman: Lu Guofeng
Dongguan Rural Commercial Bank Co., Ltd.

About Us

Company Profile

Dongguan Rural Commercial Bank originated from the Dongguan Credit Mutual-aid Group established in 1952, and separated from the administrative affiliation to Agricultural Bank in 1996. It reformed into Dongguan Rural Credit Cooperative Union as unified legal person in 2005. Later on, it completed the reform as joint-stock company in 2009, and successfully listed on the Hong Kong Stock Exchange in 2021 (stock code: 9889.HK).

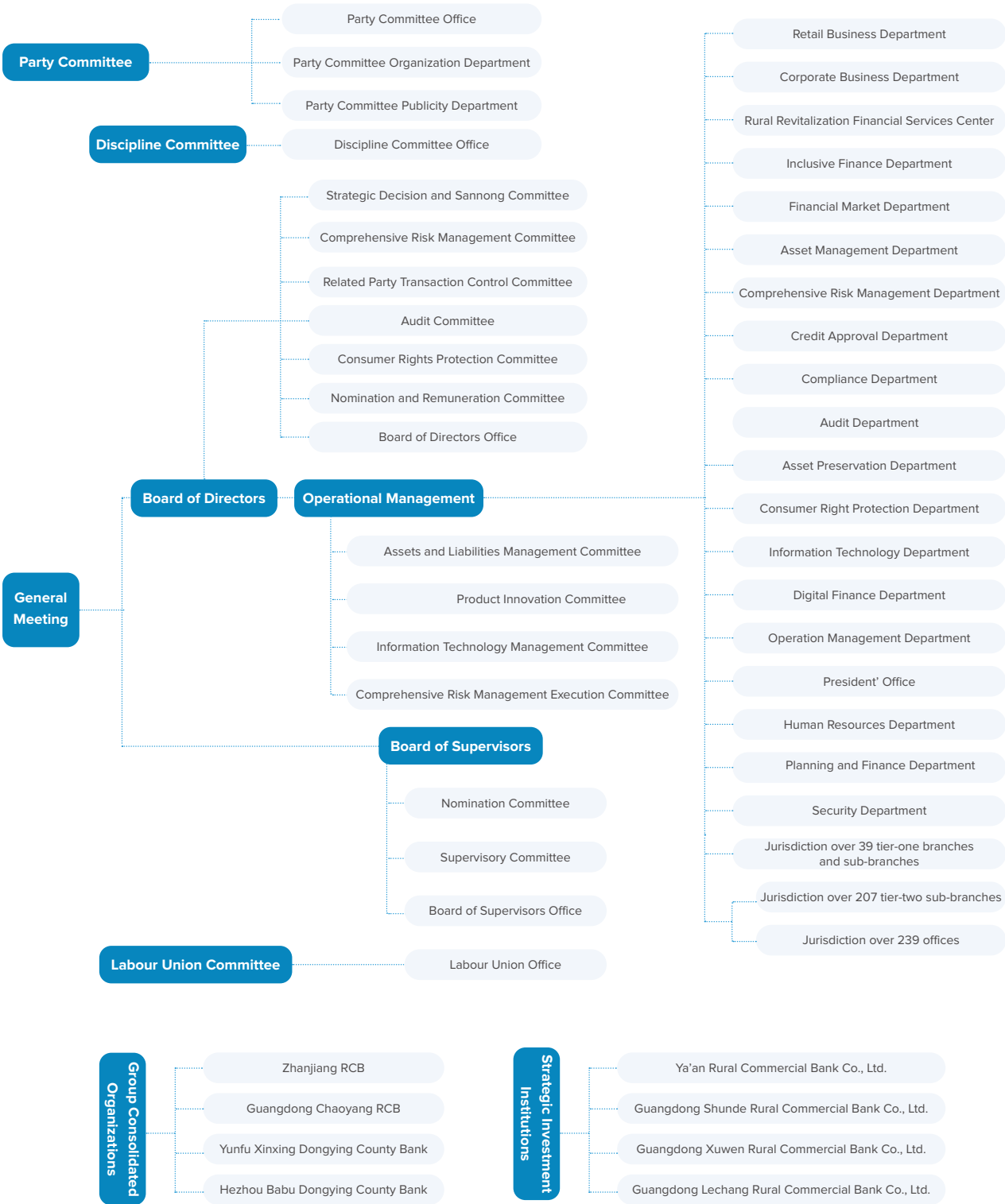
As of the end of 2024, the Bank established four branches outside Dongguan including Nansha branch in Guangdong Pilot Free Trade Zone, Hengqin branch in Guangdong Pilot Free Trade Zone, Huizhou branch and Qingxin sub-branch; It had consolidated management over Zhanjiang Rural Commercial Bank, Guangdong Chaoyang Rural Commercial Bank, Yunfu Xinxing Dongying County Bank, Hezhou Babu Dongying County Bank, and assisted the Dongguan Municipal government in managing Guangdong Puning Rual Commercia Bank, and invested in Guangdong Shunde Rural Commercial Bank, Guangdong Xuwen Rural Commercial Bank, Guangdong Lechang Rural Commercial Bank. and Ya'an Rural Commercial Bank. with this presence, the Bank has grown into a regional group with service coverage over eastern and western parts of Guangdong.



As of the end of 2024, the total assets of the Group had reached RMB745.904 billion with a balance of deposits of RMB520.248 billion, and the balance of loans of RMB381.045 billion. The Group's non-performing loan ratio was 1.84%, provision coverage ratio was 207.72%, capital adequacy ratio and tier-one capital adequacy ratio were 16.54% and 14.37% respectively.

According to the latest statistics from The Banker magazine, Dongguan Rural Commercial Bank ranks 219th in the global banking industry based on tier-one capital as of the end of 2023; and among the "2024 Top 100 Chinese Banks" released by the China Banking Association, Dongguan Rural Commercial Bank ranks 39th based on net core tier-one capital as of the end of 2023; while on the "Forbes 2024 Global 2000" list, Dongguan Rural Commercial Bank ranks 1260th.

Organizational Structure



Note: The above is the organization chart by the end of December 2024.

Honors and Awards

January 2024

2023 Business Development Quality Evaluation of CCDC members-Top 100 for Self-operated Settlement Business
[China Central Depository & Clearing Co., Ltd.](#)

February 2024

Top 20 Enterprises by Business Revenue in Dongguan in 2023
[Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government](#)
2023 Dongguan City Contribution Award
[Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government](#)

March 2024

Award for participating caring activities to boost new type employment under party leadership
[Work Committee for New Enterprises and Organizations, Chinese Communist Party Dongguan Committee](#)
2023 RBA's 7th Annual Retail Banking Awards – "Award for Top 10 Rural Commercial Banks for Retail Banking Business"
[Journal of Retail Banking](#)
2023 Outstanding Unit for Lean and Clean Financial Culture in Dongguan Banking Industry
[Dongguan Banking Association](#)
2023 Award for Outstanding Contribution in Dongguan Banking Industry
[Dongguan Banking Association](#)
2023 Advanced Unit in Financial Services for New Citizens in Dongguan Banking Industry
[Dongguan Banking Association](#)

May 2024

2023 Outstanding Unit in Green Finance Innovation
[Shanghai Clearing House](#)
Endeavors of Financial Industry in Supporting "High-Quality Development Project"
Recommended Cases of Guangdong Financial Institutions in 2024
[Guangdong Economic Research Center, China Economic Service, Xinhua News Agency](#)

June 2024

Ranked 1260th among Top 2000 Global Enterprises, Forbes in 2024
[Forbes Magazine](#)

July 2024

Ranked 219th among Top 1000 Global Banks in 2024
[The Banker](#)

August 2024

2024 Guangdong Green Finance Reform and Innovation Promotion Cases
[Guangdong Finance Society, Guangzhou Green Finance Association](#)
Ranked 39th among the Top 100 Banks in China in 2024
[China Banking Association](#)
Ranked 266th on 2023 Hurun China 500
[Hurun China](#)

September 2024

Ranked 188th on 2024 Guangdong Top 500 Enterprises List
[Guangdong Federation of Enterprises and Guangdong Entrepreneurs Association](#)
Ranked 90th on 2024 Guangdong Top 100 Private Enterprises List
[Guangdong Federation of Enterprises and Guangdong Entrepreneurs Association](#)
ESG Rating A among Top 20 Rural Commercial Banks with Comprehensive ESG Performance
[China Financial Media](#)

October 2024

Ranked 39th among the Top 50 Private Enterprises in the Service Industry in Guangdong
[The Federation of Industry and Commerce of Guangdong Province](#)
Ranked 100th among the Top 100 Private Enterprises in Guangdong Province in 2024
[The Federation of Industry and Commerce of Guangdong Province](#)
2024 Tianji Award for ESG Practices in China's Banking Industry
[Securities Times, Brokerage China](#)

November 2024

Top 100 Private Enterprises in Dongguan, 2024
[The Organizing Committee for the Selection of Private Enterprises and Entrepreneurs in Dongguan](#)
2024 Golden Tripod Award for Fintech Innovation
[The National Business Daily](#)

March 2025

Top 20 Enterprises with Main Business Revenue in Dongguan in 2024
[Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government](#)
Award for 2024 Dongguan Economic Benefit Contribution
[Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government](#)

Key Performance

Economic Performance

Indicator	Unit	2024
Total assets	RMB billion	745.904
Operating income	RMB billion	12.312
Net profit	RMB billion	4.861
Non-performing loan ratio	%	1.84
Capital adequacy ratio	%	16.54
Loans Coverage Ratio	%	207.72
ROE	%	8.10

Note: The calculation is based on group-level statistics

Social Performance

Indicator	Unit	2024
Balance of loans to support manufacturing and related industries	RMB billion	74.833
Agriculture-related loan balance	RMB billion	39.640
Number of e-banking clients	10,000	746.32
E-banking substitution(diversion) rate	%	98.49

Note: The calculation is based on parent bank-level statistics

Environmental Performance

Indicator	Unit	2024
Green credit balance	RMB billion	16.016
Balance of green financial bonds issued	RMB billion	1.5
Balance of loans to support green enterprises	RMB billion	15.444
Number of green enterprises supported	-	135
Yearly growth rate of loans to support green enterprises	%	24.63
Total greenhouse gas emissions	10,000 tons	1.87
Greenhouse gas emissions per capita	tons of carbon dioxide/ per capita	3.21

Note: the calculation is based on parent bank-level statistics

Social Responsibility Management

Board Statement


In line with the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange, the Board of Directors of the Bank is responsible for reviewing, approving, supervising and guiding major environmental, social and governance related matters, specifically, evaluation ESG risks on a regular basis, overseeing the achievement of ESG related objectives and targets, and monitoring ESG disclosure, as well as ESG strategy and reporting. Senior management cooperates with and assists the Board of Directors in supervising and overseeing ESG-related work agendas.

The Bank has identified and assessed important ESG issues through daily communications and questionnaires, and has shortlisted 23 material ESG issues. The process of assessing, prioritizing and managing of important ESG-related issues can also be found in the sections Stakeholder Engagement and Material Issues Analysis in this section.

Integration of the Concept of Social Responsibility


Committed to integrating the concept of social responsibility into the development strategy and culture, the Bank built its corporate culture with a set of values and behavioral codes, which are translated throughout the process of corporate governance, business operations and stakeholder collaboration, further maximizing synergies of economic benefits and social responsibility through consolidated values and standardized management.

Corporate Culture System




Mission

Work together, believe in each other,
to grow together




Vision

Becoming a “Regional Value-oriented
Rural Commercial Bank Group”




Values

Customer orientation, integrity and
honesty, steady development and
synergized growth



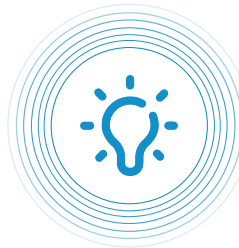
Business Goals

Customer-centered, market-oriented,
and strive for economic benefits



Organizational Cultures

Hardworking and willing to take challenges
Compliance is the rule of thumb
A harmonious and warm workplace



Corporate Atmosphere

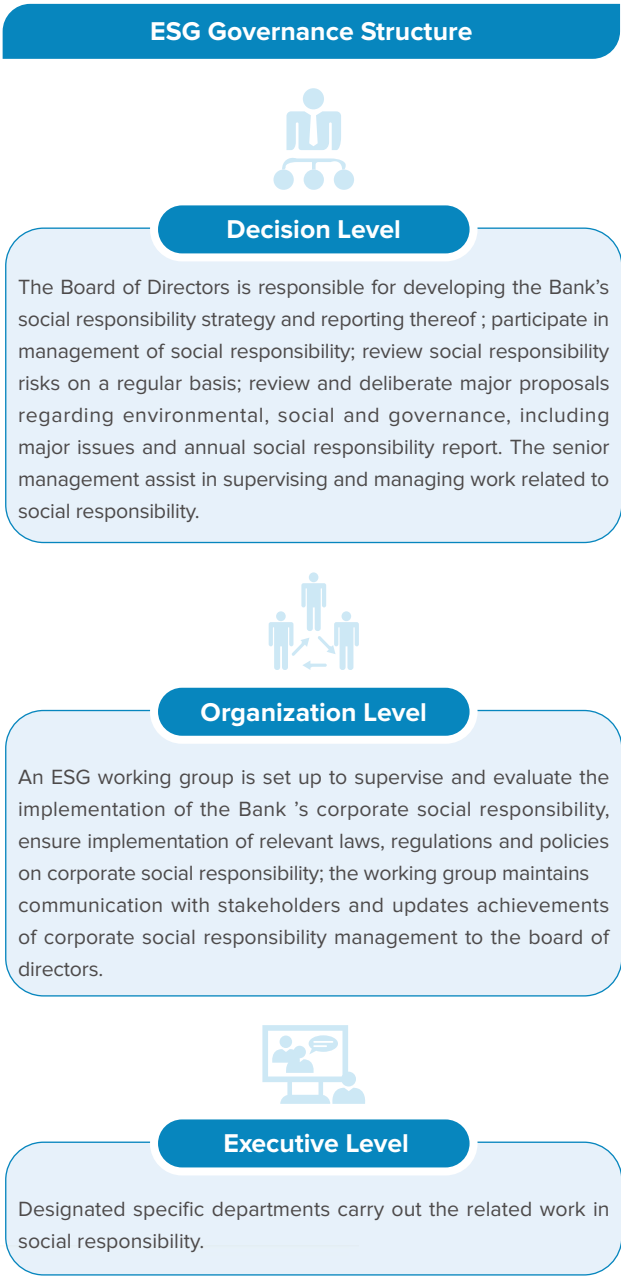
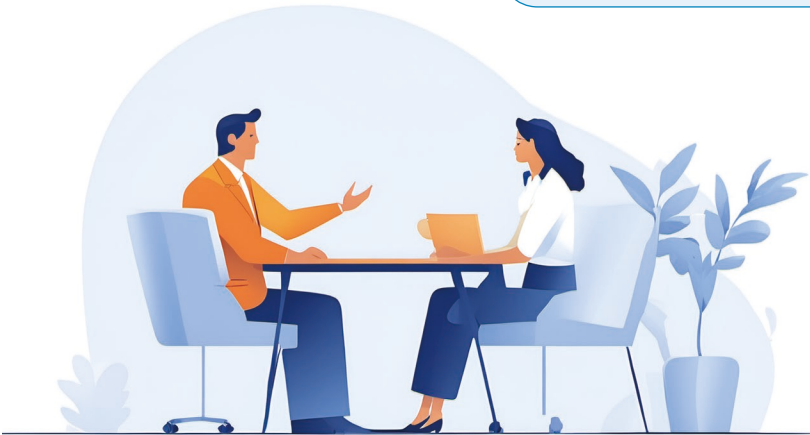
Happy and open at workplace
Equal and helpful with mutual trusts

Responsibility Management System

The Bank continues to deepen the integration of ESG governance into development strategy, culture and operation, optimize the governance structure, improve the responsibility management system, and commit to creating value for customers, employees, shareholders and the society, and synergize economic, social and environmental benefits. During the reporting period, the Board of Directors of the Bank performed their duties with institutionalized management and professional practice, focused on key areas such as agriculture and rural finance, green transformation, and consumer rights protection responsibility, and improved the long-term ESG management, thus creating greater value both from environmental and social perspectives.

Stakeholder Engagement

Following the requirements of the ESG Reporting Guidelines issued by the Hong Kong Stock Exchange, and other applicable domestic and international standards such as the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), the Bank has incorporated stakeholder engagement into its governance system on sustainable development and established a regular dialogue mechanism. Through online and offline channels, the Bank collects and analyzes requests from various parties, identifies the needs and expectations of stakeholders, responds to their legitimate concerns, and consciously accepts their supervision, creating a win-win scenario for sustainable development.



Stakeholders	Expectations and Requirements	Communication Channels
 Governments and Regulators	Serving national strategies Compliance and sound operation Strengthening corporate governance Development of inclusive finance Assisting green finance Addressing climate change Contributing to the Carbon Peak and Neutrality Targets	Organizing online and offline learning activities, understanding and implementing national and regulatory policy requirements Conducting thematic and regular meetings and seminars Publishing ESG report every year
 Shareholders and Investors	Protecting the rights and interests of shareholders and investors Strengthening corporate governance Strengthening risk management Continuing to operate in a robust manner	Conducting shareholder and investor communications Periodic reports Publishing annual ESG reports to update disclosures in a timely manner Setting up various investor communication channels, such as investor hotlines and mailboxes
 Clients	Upgrading products and services Information and privacy protection Popularizing financial knowledge Protecting the rights and interests of customers	Conducting customer satisfaction surveys Expanding customer communication channels to include hotlines, official websites, WeChat, and mobile banking Understanding customer needs and complaints Cultivating investors' awareness
 Employees	Protecting the rights and interests of employees Putting in place a system of reasonable remuneration and benefits Vocational training Promoting professional development Improving the working environment Enriching the lives of employees Diversified employee care	Employee satisfaction survey The Staff Council Enriching employees' recreational activities Conducting staff training Diversified employee care
 Suppliers	Equal and reciprocal Compliance Win-win cooperation	Open and transparent bidding process Daily communication Operational communication
 Communities	Promoting the development of neighborhoods Participation in social welfare and charity	Neighborhood public service Voluntary activities Specialized poverty alleviation

Material Issues Analysis

Following the requirements of the ESG Reporting Guidelines issued by the Hong Kong Stock Exchange, and other applicable domestic and international standards such as the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), the Bank assessed material issues of social responsibility by communicating with third party ESG consultancies, benchmarks against industry practices, and distributing questionnaires among stakeholders. Based on stakeholders' expectations, industry development trends and its own development planning, the Bank identified 23 ESG material issues as the priorities for social responsibility management. It worths noting that Accessibility to Financial Services and Strengthening Information Security are newly added to the issues agenda, while contents of Inclusive Finance are adjusted and disclosed in this report as well.

Identification

23 ESG issues were identified and revised after analyzing results of 2024 Stakeholder Survey, policies and trends of the banking industry, and strategic planning of the Bank, as well as applicable international standards and guidelines on sustainable development.

Assessment

To understand the major concerns of stakeholders, the Bank conducted a questionnaire survey on various stakeholder groups, including shareholders, regulators, management team, employees, customers, and partners at the end of the reporting period, and assessed how each group perceives the importance of various ESG issues and impacts on their own, such as corporate governance, risk and compliance management, the economy and people's livelihoods, green development, financial services for customers, employee responsibility, and public welfare and philanthropy.

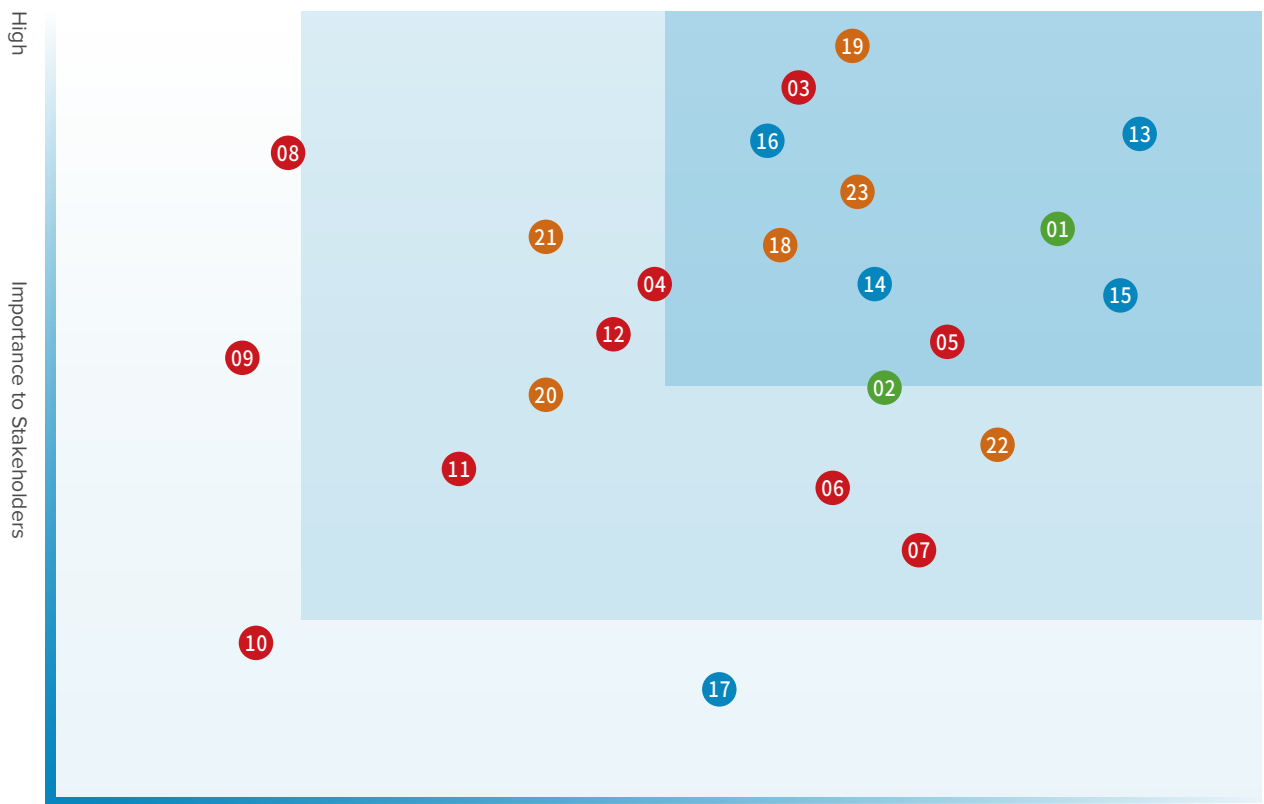
Screening

Based on the results of the survey, a matrix for analyzing material issues is developed to screen out the key issues that have a significant impact on the Bank's operation and development.

Management

The Bank developed the matrix to illustrate stakeholders' concerns by degrees in 2024, and disclose corresponding management strategy and management mechanism with reference to the GRI standard.

Matrix of Material Issues



The Importance of Sustainable Development for Dongguan Rural Commercial Banks High

Issues by categories

Environment	Society	Governance	Economy
<div>01 Developing green finance</div> <div>02 Dedicated to green operation</div>	<div>03 Safeguarding customers rights and interests</div> <div>04 Access to financing</div> <div>05 Employee development</div> <div>06 Protecting employees' health</div> <div>07 Recruiting talents</div> <div>08 Poverty alleviation and assistance to the needy</div> <div>09 Public welfare and charity</div> <div>10 Cultivating financial culture</div> <div>11 Popularizing financial knowledge</div> <div>12 Upgrading customer service</div>	<div>13 Improving corporate governance</div> <div>14 Overall risk management</div> <div>15 Integrity and compliance</div> <div>16 Strengthen data security</div> <div>17 Promote sunshine procurement</div>	<div>18 Supporting Industry transformation</div> <div>19 Serving rural revitalization</div> <div>20 Promoting inclusive finance</div> <div>21 Serving people's livelihood</div> <div>22 Accelerating digital transformation</div> <div>23 Supporting small and micro enterprises</div>





Governance

Prudence Enables Long-term Value

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东亚商业银行

Leadership by Party Building

Under the guidance of President Xi's Thought on Socialism with Chinese Characteristics for the New Era, and following the spirit of the 20th CPC National Congress and the spirit of the 2nd and 3rd Plenary Sessions of the 20th CPC Central Committee, the Bank made high-quality development priority which is also emphasized by President Xi, and maximized the role of Party building, and localizing implementation of ESG to guide its sustainable development. Dongguan Rural Commercial Bank, with party building as overarching principle, pushes forward the overall governance by the Party. With enhanced political and organizational functions of the Party with strengthened theoretical capabilities, grassroots capacity, the Bank is capable of promoting high-quality development with strong capacity in serving real economy and rural revitalization.

>>> The Role of Party Building in Business Operation

In business operation, the bank highlighted the importance of serving both national strategies and people's wellbeing, and gave full play to "roles of grassroots party organization and expertise of individual party member" via urban and rural networking activities and cooperative partnership to promote service for rural revitalization.

Case



Carrying out the "Financial Volunteering Activities"

Dongguan Rural Commercial Bank carried out financial volunteer services. Those volunteer activities demonstrated its social responsibility, especially grass-roots party organization of the Bank which carried out over 250 activities to popularize financial knowledge, and updates on protection of consumer rights and interests, anti-fraud and anti-money laundering to neighborhoods, communities and villages as well as enterprises and campuses. These activities are diversified in forms and contents, further enhancing financial services coverage.



▲ The Party branch of Fenggang Sub-branch and Huangdong Village carried out Working Together to Enhance Vitality, Countering Fraud and Protecting Peace



▲ The Party branch of Nansha Branch went to Xiaohu Village, Huangge Town to lecture on clean finance and financial knowledge

Case



Enhancing Party Building and Field Services by Promoting Partnership for Mutual Support

In 2024, 20 Party branches of the Bank partnered with villages in Daojiao, Qishi, and Dongkeng towns and provided precise services to meet their demands; and assisted in local featured activities including Dongguan Private Entrepreneurs' Day, the Elderly Lent, and Autumn Equinox Respect for the Elderly. These grass-roots Party organizations made good use of their advantages and expertise on financial services to strengthen their ties and interactions with village communities, and they also carried out a variety of activities with local characteristic, demonstrating care and concern to local villages and provide supports as needed.



▲ The 13th Party branch of the Head Office of the Bank partnered with Zhakou Village of Daojiao Town to provide needed supports



▲ The 6th Party branch of the Head Office donated books to the library of Shenxiang Village, Qishi Town



▲ The Planting activities carried out the Party branch of Fenggang Sub-branch



▲ Party branch of Houjie Sub-branch offered help to local workers in hot summer

In 2024, with leadership of the Party, the Party branch of the Bank made every effort, giving full play to the strength of Party committees and pioneering role of Party members, to integrate Party building into business operation through "Party Building +" model. Following the national policy, provincial and municipal planning, the Bank advances development of technology finance and green finance, with focus on major projects and key industries, and improves the quality and efficiency of financing to real economy.

“Party building +” to promote rural revitalization, we see rise in the scale of village-level deposits.

As of the end of December 2024, the Bank’s village-level deposit balance was RMB**72.685** billion, increasing by RMB**1.935** billion from the beginning of the year.

“Party building +” optimizes the product system, promoting “long-term” high-quality business development.

Empowering science and technology enterprises program

The bank has provided specialized financial services to science and technology enterprises through three “pillar” products, such as science and technology enterprise loans, working capital loans, and online streaming loans.

Green financing program

The program dedicated to support environmental protection industry, which supports green, low-carbon, and circular economy projects such as sewage treatment, garbage disposal, water and gas supply, energy conservation and emission reduction, as well as urban and rural greening.

Major projects program

The Special Program for Major Projects was launched to further expand the proportion of high-quality customers and enhance market competitiveness.



▲ Carrying out party building activities with the Shigu community, South District on 1st, July



▲ Carrying out party building activities themed on “Providing supports to our communities” with the Party Committee of Huan Gang of Houjie Town

▶▶▶ Pary Member Education

Guiding by President Xi’s Thought on Socialism with Chinese Characteristics for the New Era, the Bank attaches great importance in education and training of party members, formulates annual party education and training plan, expand “wild goose” training programs series. Under these efforts, tailored education courses and training are provided to cover party members across departments and functions. The Bank emphasized systematic, coherent and consistent training that enables party members to integrate theoretical learning into business operation, which will further contribute to its five-year planning.

Case

Implementation of the “Wild goose” Training Programs

From April to November 2024, the Bank made full use of the traditional educational resources, and organized 7 thematic trainings at places with revolutionary history and Jiangxi Executive Leadership Academy for over 255 party members and staffs. With thematic learning, scenario-based interactions, the Bank aims to cultivate a professional team that is politically competent and able to ride with times in new era. Likewise in December 2024, annual centralized training was organized for all Party members to study and implement the spirit of the Third Plenary Session of the 20th CPC Central Committee, aiming to improve political awareness, and enhance their ability to perform their duties.

▲ In April 2024, Training course on upgrading the quality and capability of party members which was held at the mausoleum of revolutionary martyrs in Jinggangshan to carry out on-site teaching

▲ In October 2024, on-site training held at Guangdong Executive Leadership Academy

▲ Dongguan Rural Commercial Bank 2024 annual training for Party Members

▲ In May 2024, capacity building and training course organized for young party members at Memorial Hall of the former site of the Honggong Red Square in Haifeng County

Case



Strengthening Thematic Training

In July 2024, the Bank organized a special educational activity on party discipline. Professor Sun Xiaohan, member of the Party Committee of the Dongguan Municipal Party School and deputy director of the Academic Committee, was invited to introduce overall situation and regulations on Party discipline, guiding party members to self-discipline.



▲ In July 2024, a special educational activity was held on Party discipline

Case



Implementing the Spirit of the Third Plenary Session of the 20th CPC Central Committee

In August 2024, the Bank organized a special seminar on implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee where Mr. Lu Guofeng, Secretary of the Party Committee and Chairman of the Bank chaired the learning and discussion to consolidate understanding of the spirit. On the seminar, the participants shared their views and suggestions regarding loan business to specialized and innovative business, consumption loans, asset quality management, customer management and team management, and reform of the business operation, and inclusive finance, further deepening thinking on institutional reform at bank level. The seminar is a vivid portrayal of how the Bank integrates the understanding of the spirit into its business planning and operation.



▲ Specialized trainings on implementing the spirit of the Third Plenary Session of the 20th Central Committee of the CPC

Improving Corporate Governance

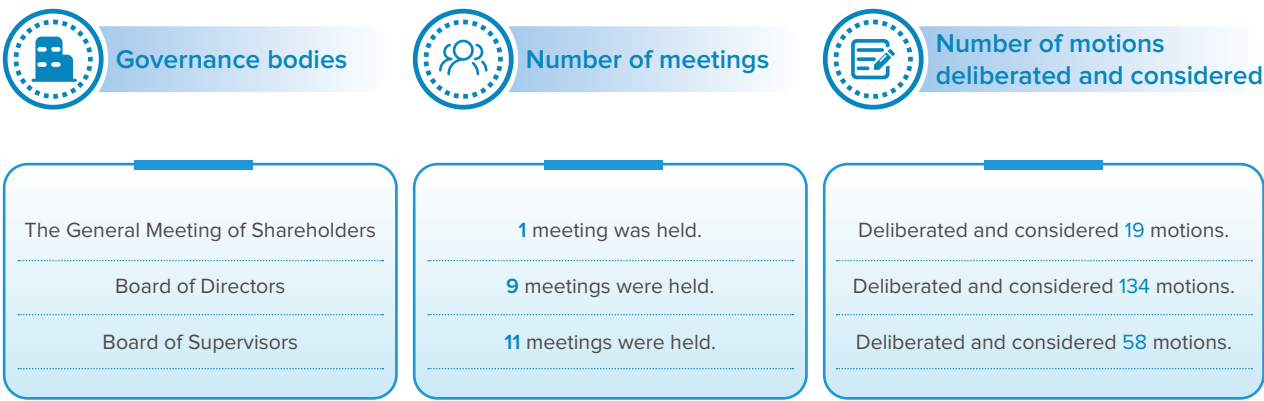
In line with requirements of the regulators, the Bank continues to improve efficient operation through standardized, professional and scientific management, protect the rights and interests of the stakeholders, prevent financial risks, and promote high quality development.

Optimizing Top-level Design

Under the guidance of President Xi’s Thought on Socialism with Chinese Characteristics for the New Era, and following the deployment of the Central Financial Work Conference and the Central Economic Work Conference, Dongguan Rural Commercial Bank makes efforts to promote development of technology finance, green finance, inclusive finance, pension finance and digital finance. With Party leadership at its core, the Bank always put its customers first, and believes that “work together, believe in each other, to grow together” , therefore, it deepens reform while enhance risk prevention capability; meanwhile, adhering to the values of customer orientation, integrity and steady development, the Bank promotes tight capital development model, embrace digital transformation, and develop competitive and featured advantages, with effort to become a “Regional Value-oriented Rural Commercial Bank Group”.

Improve Governance Mechanism

Under the leadership of the Party Committee, the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and the Senior Management performed their duties diligently, assuming responsibilities, coordinating functions and cooperating efficiently with checks and balances. With sound governance mechanism in place, the Bank improves the quality and efficiency of corporate governance.



The Bank has continuously improved its corporate governance mechanism; meanwhile, the Bank improves pre-communication mechanism before final decision making, and mechanism of the meetings between the Chairman and the independent directors, as well as communication between the specialized committees and the management team; moreover, a special legal advisor for corporate governance is engaged while a mechanism of tracking the resolutions is established to strengthen corporate governance and ensure effective operation.



➤➤➤ Rational Selection of Directors

In line with the applicable standards and practices of listed banks, the Bank built up a professional team with multi-disciplinary backgrounds. As of the end of 2024, the Bank had a total of 17 directors, including proposed directors on its Board, of which there are 4 executive directors, 7 non-executive directors, 6 independent non-executive directors, and 3 female directors, with more than one-third of them being independent, which satisfies independence requirements.

➤➤➤ Protecting the Rights and Interests of Shareholders

The Bank makes it a priority to protect legitimate rights and interests of shareholders. It continues to improve the safeguard mechanism, exercise supervision thereon, and build regular communication channel. With effective communication platform and adequate information sharing, the shareholders enjoy their right to be informed, to participate in the decision-making process, and to safeguard their due interests.

Comprehensive Risk Prevention and Control

The Bank perceives risks not only as a driving force for development, but also an opportunity to empower business. With this approach, the Bank continues to improve its comprehensive risk management system, strengthens its capacity to prevent and manage risks in key sectors, and fosters a culture of risk management. Meanwhile, with compliance as rule of thumb, the Bank strives to strike a balance between organic growth and risk prevention and control, in a way to realize sustainable development and honor commitments to its shareholders.

➤➤➤ Optimizing the Risk Management Structure

Under continuous efforts to improve risk organization structure at the Group level, a multi-layer mechanism is established to manage business and operational risks. With leadership of Party committee, the Board of Directors, the senior management and professional management committees thereof, as well as operational departments at the Head Office performed respective duties and guide subsidiaries in risk management, so as to assist the Bank's new development model covering Guangdong-Hong Kong-Macao Greater Bay Area, and further expand presence in the eastern and western parts of Guangdong.

Comprehensive Risk Governance Structure



➤➤➤ Improving the Risk Management System

The Bank continues to improve its comprehensive risk management system, strengthen various risk control capabilities, strictly fulfill its main responsibility for risk prevention. With a strategical approach to seek steady and coordinated development with compliance performance, the Bank always set risk control as the bottom line, and seek progress and sustainable development while ensuring that all business operations are conducted in line with sound risk management.

The Bank has put in place a risk monitoring system with key objectives and risk preference indicators, and it fully utilizes various risk management and risk measurement tools to ensure that all business operations are conducted in line with risk preference and within its risk tolerance.

➤➤➤ Strengthening Risk Prevention and Control in Key Areas

During the reporting period, the Bank continued to strengthen risk prevention and control management in the ESG field through bank-wide institutional improvement, technological empowerment, and process optimization to realize precise and systematic risk management, further building a solid defense line for high-quality development.

Credi Risk	Strengthen the "three-step checks on loans applications" and special inspections, and enhance monitoring, verification, and collection of high-risk credit.
Market Risk	Improve policy systems and measurement methods, establish reporting and assessment systems, and promote the construction of risk management mechanisms.
Liquidity Risk	Optimize the asset liability structure, strengthen the management of core liabilities and liquidity reserves, and enhance emergency response capabilities.
Operational Risk	Establish a sound operational risk management system, improve monitoring and reporting systems, strengthen supervision and accountability, and enhance risk control efficiency.
Reputational Risk	Improve management mechanisms, standardize systems, strengthen drills and training, and enhance prevention and response capabilities.
Informational & Technology Risk	Optimize "three lines of defense" for technology risk management, and improve the outsourcing and continuity management system.
Compliance Risk	Establish a sound legal advisory system, strengthen legal prevention and control of emerging businesses, establish a full process compliance management mechanism, and cultivate a comprehensive compliance culture.
Strategy Risk	Build an organizational system, establish identification, evaluation, and warning procedures, and improve risk mitigation measures.

Fostering Culture of Risk Management

The Bank integrates risk management into its culture, and carries out various activities and risk management training to strengthen the risk awareness of all staffs and enhance the risk management and control capability.

Case

Training on Newly Released “Management Measures for Fixed Asset Loans, Working Capital Loans, and Personal Loans”

In July 2024, the Bank organized a special training on three newly released policies, namely Management Measures for Fixed Asset Loans, Working Capital Loans, and Personal Loans, to follow and understand the latest policy developments and requirements, and standardize the credit business operations accordingly. This training deepened the understanding of the latest regulatory policies and enhanced capacity of staffs in standardizing and improving credit business management.

Integrity and Compliance Management

With leadership of Party, the Bank complies with national laws and regulations, continues to improve the long-term compliance mechanism and risk management. To ensure compliance, priorities are given to crack down on anti-corruption and anti-money laundering in key business areas, protection of intellectual property rights, construction of a compliance culture, compliance awareness of employees.

Compliance and Internal Control

Mechanism

The Bank has established a governance mechanism in which the Board of Directors, the Board of Supervisors, the senior management and departments in charge of internal control functions perform their duties in a coordinated manner, with a clear division of responsibility. The mechanism covers internal control, operational risk, inspection and supervision, and risk management on suppliers to ensure the sound operation; a long-term control mechanism was established with external audits and third-party evaluations to ensure compliance.

Measures

The Bank has deepened operational risk management and internal control system. Building on big data and digital transformation, quality and efficiency of supervision is further enhanced. Efforts are also made to strengthen life-cycle risk identification and control especially on key business flows to achieve full coverage at internal control, build a solid foundation for compliance, and address potential or looming risks in a timely manner.

Case

Themed Educational Lecturing on “Management on Employees’ Conduct to Ensure Integrity”

In January 2024, our bank organized a lecture tour, during which senior professionals conducted 42 themed lectures on employee conducts management and integrity education at the grassroots level, effectively strengthening employees’ awareness on “red line” and “bottom line”, fostering a working environment where employees “do not dare, are not able, and are unwilling to be corrupt”, thus shaping a compliant, stable, clean and upright business integrity culture.



Case

Month-long Activity to Promote Clean and Lean Culture as “Tribute to the 75th Anniversary of the Founding of the People’s Republic of China”

With the belief that a clean and lean financial culture could serve as leverage and provide support for implementing strict governance of the Party, the Bank carried out month-long activity to promote clean and lean culture as “Tribute to the 75th Anniversary of the Founding of the People’s Republic of China” to enhance employees’ awareness of integrity, deepen understanding on clean conducts, and create a clean financial culture atmosphere bank-wide, through various forms such as “preparing studying materials to promote integrity, using violation cases to warn against corruption, cultivating integrity during on-site study tours, seminars and training sessions, and other day-to-day awareness-raising activities”.



Anti-corruption

With the political awareness of full and strict Party self-governance, the Bank implements eight-point frugality code of Central Government, and continues rectification on “pointless formalities, bureaucratism, hedonism, and extravagance”, and strengthens education, disciplinary and punishment to ensure “Party members are unwilling to, unable to or do not dare to be corrupt”. With unremitting resolutions, the Bank improves conduct, uphold integrity, and combat corruption. With serious enforcement of discipline and accountability, the Bank improves the power operation constraints and supervision; meanwhile, education on anti-corruption is also reinforces with early warning on lean and clean governance.

The Bank has organized all grass-roots Party branches to carry out cautionary education activity. The Bank complied and printed “A Warning Education Reader on Typical Cases of Violation in the Banking Industry” to sound alarm bells, and guide party members to draw on lessons from the negative cases, abide by disciplines, maintain strict self-discipline. A total of 6,104 person-time participated anti-corruption trainings in 2024.

Education on Self-discipline and Clean Governance

In July 2024, a meeting was organized to educate new employees on self-discipline and integrity, reminding them the importance of clean conducts and guiding them to establish correct understanding on right and wrong, righteousness and performance.



Conducting Training Courses on Party Rules and Regulations

In July 2024, an education activity with training course on Party rules and regulation was held, studying President Xi's important statement on comprehensively strengthening the Party's disciplinary construction. The Bank makes full use of available educational resources nearby, promotes party branches at all levels to carry out on-site education and training, and raise the awareness of employees to strengthen self-discipline.



Education on Clean Practices

With tailored training targeting employees at different levels and functions, cautionary education is organized to ring the bells on clean practice; training program were also offered to newly admitted Party members reminding them to stay clean and responsible; discipline and regulatory trainings were offered to employees in marketing to keep them in line with latest requirements; "onboarding tips and courses" were offered to new employees to help them understand clean and professional conduct. These training arrangements effectively strengthen disciplinary awareness of party members and employees.



Conducting Cautionary Education Activity

The Party branch of Liaobu sub-branch organized cautionary education among all party members on where "violation cases were used to promote self-learning, and explain Party disciplinary regulations, as well as to urge rectification". The Secretary of the Party General Branch and the Secretary of Discipline Inspection Committee took turns to give lectures on cases and cautionary materials, and then Party members share their learning therefrom. The education activity served to establish correct values and notion of interest, and call on all Party members to abide by laws and regulations, and engage in clean conducts, stay cautious, and conscientious of the bottom line.



Anti-Money Laundering

In 2024, with a "risk-based" approach in anti-money laundering, the Bank improved working mechanism on anti-money laundering emphasizing construction of information system. The Bank also coordinates concerted efforts and duties across functions to promote business development while enhancing capacity in anti-money laundering. These efforts effectively build up compliance to prevent money laundering activities.

The Bank attaches great importance to the continuous training of directors, and has organized all directors to participate in corporate governance training courses, and trainings on anti-money laundering and combatting the financing of terrorism. Thematic studies and research programs are also organized on regulatory policies, industry development and regional economy to broaden their perspective for more sound decision-making and enhance the ability of directors to perform their duties.

Management Mechanisms on Anti-money Laundering

Structure

At the head office, a leading group on anti-money laundering has been set up to improve the organizational structure, maximize synergies among Directors, Supervisors, the Management team and functional departments while performing their duties.

Policy

A three-tiered anti-money laundering system is established which enables full coverage of business lines and product portfolio, and ensures compliance with latest regulatory requirements during life-cycle business management.

Measure

With improved internal control system, strengthened internal supervision, and upgraded risk assessment on money-laundering, the Bank enhances its capacity in identifying and managing potential money-laundering risks by different customer groups.

Training

Activities to raise awareness on anti-money-laundering have been widely carried out, with 84,000 copies of information distributed, covering 170,000 person-time; another 20 tailored training sessions for management staffs, and functional staffs have been organized at different level, covering 41,000 person-time, further enhancing awareness of compliance bank-wide.

Case



Village-by-Village Activity on Anti-money Laundering

In September 2024, Tangxia Sub-branch carried out anti-money laundering activity targeting villagers and households, teaching them how to use band cards safely, and helping them to guard against money laundering, telecom fraud, online gambling. Staffs also introduce other knowledge on fraudulent acts and financial risks, reminding villagers of rational consumption, and risks of money laundering, which effectively enhance awareness and self-protection capabilities at villages.



Protection of Intellectual Property Rights

The Bank has strengthened compliance management on intellectual property. In line with the latest national laws and regulations, the Banks had a stock-taking of and confirmed ownership in patents, copyright and trademark rights. As of the end of 2024, the Bank owned 2 patents, 25 software copyrights, 312 domestic and overseas registered trademarks (including 13 in Hong Kong). Through the reporting period, no material dispute related to intellectual property rights is raised. Meanwhile the Bank strengthened the prevention and control on risks related intellectual property by establishing a real-time updated resource database on commercial copyright materials, standardizing the use of fonts, pictures, audio and video, and systematically updating outdated information on new media platforms, so as to effectively prevent infringement of potential risks.

Strengthening Data Security

In accordance with applicable national laws, regulations, and policy requirements, the Bank has built a multi-level security protection system with data security defense, monitoring, and emergency response to ensure the security of transaction information and protect customer privacy. As of the end of 2024, there is no material information security incident.

Data Security Management

In 2024, the Bank revised the “Data Security Management Regulations”, “Classified and Graded Management Regulations Data Security” and other relevant security management systems to strengthen life-cycle management of data by classification and level of importance. The Bank has been audited against ISO20000 Information Technology Service Management System and ISO27001 Information Security Management System, which further enables improved information security management. The Bank also completed the testing and certification on its mobile app to enhance security and build a solid digital risk control system.

Raising Awareness of Employee on Data Security

The Bank attaches great importance to raise employees’ awareness on data security, and conducts training bank-wide covering all staffs to keep them informed of national laws and regulations, and data security management requirements of the Bank. In these trainings, importance of data security and how to ensure data security in business operation were emphasized including network data and terminal security, computer virus protection, information confidentiality and genuine software; therefore, employees’ awareness and basic operational skills on data security is enhance, which in turn minimize risks caused in business operation.

Case



Activity on Cybersecurity

In September 2024, the Bank launched a activity on cybersecurity lasting a week with the theme of “Safeguarding Cybersecurity, For the People and by the People”. The activity was organized at outlets of the Bank to reach surrounding districts, villages and influence enterprises, institutions, campuses and households. The Bank popularize the knowledge of cybersecurity through slogans on the LED screens, publicity posters, brochures and on-site explanations, as well as articles on Wechat. The Banks fostered atmosphere to safeguard cybersecurity and to enhance the awareness of cybersecurity among local population.

Promote Sunshine Procurement

With a vision to build a reciprocal partnership with suppliers, and following the requirements of “Management Measures on Procurement of Dongguan Rural Commercial Bank Limited”, the Bank makes continuous efforts in improving the procurement system to cover life-cycle workflow, optimizing process in “selecting, engaging, cultivating, and retaining” suppliers in all the procurement of projects, goods, and services; meanwhile, the Bank also reinforces graded management and improve evaluation of suppliers based on their social and environmental risks as a push for the suppliers to fulfill their social responsibilities.

The Bank has strengthened the safety management mechanism in selection of suppliers, requiring suppliers to submit certificates on social security payments of their employees to standardize and urge suppliers to strengthen employment management and ensure the health and safety of workers. Meanwhile, energy-saving and environmentally friendly products were selected and procured among all products that meet procurement requirements and under the same quality and service standards. For the procurement of environmental protection related projects, the policy of prioritizing energy-saving products is also implemented, and suppliers holding green qualifications such as environmental management systems and environmental labeling certifications will be given extra points in evaluation. The Bank puts in place quantitative and detailed evaluation indicators to promote sustainable procurement.





Economy

Digital and Intelligent Transformation, Empowering the Real Economy

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Supporting the Development of the Bay Area

Focusing on the development strategy of Guangdong, Hong Kong and Macao Greater Bay Area, the Bank integrates this regional strategy into its own planning and positioned as serving the Bay Area and the Eastern and Western regions of Guangdong, especially coupled with advantages of Dongguan’s unique location in the “Greater Bay Area, the Shenzhen Demonstration Zone for Building Socialism with Chinese Characteristics, and the Guangdong Province Manufacturing Supply Side Structural Reform and Innovation Experimental Zone”. To satisfy development needs in the Bay Area, the Bank optimize its comprehensive financial services themed “Financing the Bay Area” which is designed to support infrastructure, industrial upgrading and livelihood improvement. Moreover, the Bank promoted the upgrading of the Mainland Travel Permit for Non-Chinese Hong Kong and Macao Residents, and realized convenient services such as account opening, mobile banking registration and settlement, facilitating exchanges between Hong Kong, Macao and the Mainland for integration and development of the Bay Area. As at the end of 2024, the Bank’s loan balance to industries development in the Guangdong, Hong Kong and Macao Greater Bay Area amounted to RMB 196.652 billion.

Case



Empowering the Fashion Industry in the Bay Area and Promoting the Upgrading and Development of the Garment Industrial Park

A fashion industrial park in the Greater Bay Area is a demonstration project for the transformation of the garment industry in Humen Town, which is positioned as a comprehensive industrial base integrating the supply of raw materials, design and manufacturing, warehousing and logistics, as well as exhibition and marketing services, aiming to upgrade the fashion industry in the Bay Area. The Bank provided a credit line of over RMB 500 million to support the project construction, ensuring its smooth progress and injecting new momentum into the high-quality development of the Bay Area economy.

Shoring up Key Industries Upgrading

Supporting Strategic Emerging Industries

Focusing on strategic emerging industries such as new generation information technology and new energy, the Bank launched tailored program to support “new and unique products using specialized and sophisticated technologies” in 2024, and innovated working capital loan products and technological loan products with fast approval. Throughout the year, the Bank supported 770 enterprises producing new and unique products using specialized and sophisticated technologies at national and provincial level, with loan balance of RMB21.103 billion, up 137.33%, a net increase of RMB12.211 billion from the beginning of the year. The Bank has boosted industrial upgrading with highly efficient financing services, and formed a supporting mechanism “connecting policy, product innovation and precise loan grants”.

Integrated “financing for digital and technological advancement”

Focusing on advanced manufacturing industries and strategic emerging industries, we provide a full range of financial support, covering diversified needs such as production construction, technological transformation, R&D and innovation, helping enterprises in digital transformation and enhancing technological competitiveness.

Financial services program for the transformation and upgrading of science and innovation industrial parks

Following the principle of “differentiated loan policy based on regional features and unified credit for each single platform”, the Bank provides customized credit schemes, sets up preferential interest rates and fast approval to meet the needs in digital transformation, and promote the high-quality development of the industrial parks based on their features.

Specialized financial products “industry support loan” and “loan to technology enterprises with credit guarantee by governments and insurance companies”

Special financing support and preferential interest rates are provided for qualified high-tech enterprises and enterprises with great growth potentials, which alleviates short-term capital pressure, reduces financing costs, and accelerates the development regional science and technology innovation and digital development.

Case



Bills Financing Empowers Enterprise and Reduces Financing Costs for Electronic Enterprises

A Guangdong company producing and selling electronic products like potentiometers, sensors, and electronic components. Due to the economic downturn and decline in market demands, the enterprise faced sluggish capital inflow. In response, the Bank designed a bill financing program according to the enterprise’s needs. In 2024, the Bank made use of the central bank’s preferential rediscounting policy to provide the enterprise with rediscounting funds of over RMB 5 million, which effectively lowered the enterprise’s financial costs and eased capital shortage.

Case



Supporting Development of Intelligent Manufacturers and Strategic Emerging Industries

An electronic equipment company in Dongguan City, national “high-tech enterprise” and an enterprise qualified as “producing new and unique products using special and sophisticated technologies”, engages in whole-process intelligent solutions to manufacturing sector. Considering the company’s operational needs, the Bank granted a credit line of over RMB 20 million in 2024 as payment and operating liquidity, which facilitates smooth operation and growth of the company.

Supporting Rural Revitalization

Following national strategy on rural revitalization, the Bank gives full play to its advantages to develop high-quality financial services for work concerning “agriculture, rural areas and farmers”, with a multi-faceted approach featured by “product + technology + service”. The Bank will continue to optimize the financial service mechanism for rural revitalization, innovate financial products, and enhance the coverage and efficiency of financial services for works related to modern agriculture, rural areas and farmers.

Improving Financial Service Mechanisms for Rural Revitalization

With a strategic vision, Party Committee of the Bank strengthened organizational planning, continued to optimize the working mechanism for promoting rural revitalization. As Guangdong province is promoting “High quality projects in counties, towns and villages”, the Bank takes this opportunity and expands its coverage of financial services through innovation. By the end of 2024, the Bank established business cooperation with 556 first-level village communities and 2,195 village groups.

Policy and Party building to serve work concerning “agriculture, rural areas and farmers”

Following the deployment of the CPC Central Committee and the State Council on the work concerning “agriculture, rural areas and farmers”, the Bank allocated credits dedicated to “agriculture, rural areas and farmers” with indicators meeting regulatory requirements. Under the leadership of Party, the Bank implemented the “High quality projects scheme in counties, towns and villages”, increased assistance to least developed villages and communities with credit support, welfare donations and talent.

Strategic guidance and organizational optimization

The Bank built an inclusive financial service system centered on financing to “agriculture, rural areas and farmers” highlighting accessible, fundamental and professional service. To further maximize synergy of financial services for rural revitalization, the Bank has established a “flat, professional and market-oriented” service system through organizational restructuring, which facilitates service efficiency and coverage under coordination among head office and sub-branches.

》》 Innovative Financial Products Empowering Rural Industries

With the goal of meeting the financing needs of various industries in the countryside, the Bank, through digital means, diversifies its financial products related to agriculture. Improves the quality of services with priorities given to key and weak areas, pumping direct and accessible financing to rural revitalization.

Supporting the Rural Economy

With a view to addressing financing needs for “High quality projects in counties, towns and villages”, the Bank focuses on supporting property buybacks, upgrading of parks, transformation of “urban villages” and beautiful villages construction with fast credit approval. By the end of 2024, it had granted credit of over RMB 17 billion to enterprises owned by Dongguan villages and township, bolstering the township economy to improve quality and increase efficiency, fueling rural development by providing not only financing but also development solution.

Case



Improvement of Supporting Facilities in Industrial Parks

The Bank provides a loan credit of RMB 15 million to a Chashan village in Dongguan City for the construction of supporting facilities in the industrial park including dormitories with a total floor area of 13,000 square meters, which will be rented out after the completion of the project to increase the income of the village community.



Case



Support the Construction of Modern Technology Industrial Parks



To empower the development of local rural revitalization with focusing on supporting major projects, Dalang Sub-branch of the Bank granted a credit line of RMB 500 million to support the construction of the “Modern Science and Technology Industrial Park” in Dalang Town, a direct boost for township revitalization which is also in line with the priorities under “High quality projects in counties, towns and villages”.

Case



Financing Empowers Blue Economy

A fishery cooperative in Zhanjiang is primarily engaged in fishing and the purchase and sale of aquatic products. During a grassroot visit, Zhanjiang Rural Commercial Bank found that the cooperative faced a cashflow shortage. Therefore, relying on the “Marine Ranch Loan”, the bank tailored a financing service plan for the cooperative and disbursed a loan of RMB 10 million with fast approval under inclusive financing scheme, promptly solving the cooperative’s financial difficulties.

Enrichment of Agriculture-related Financial Products

With dynamic combination of marketing channels, the Bank develops inclusive financing products portfolio for agriculture, rural areas and farmers with a series of innovative products to fully meet the financing needs of different rural scenarios and promotes the steady development of rural industries. As of the end of 2024, the balance of financial bonds dedicated to “agriculture, rural areas and farmers” issued by the Bank amounted to RMB 1 billion.

Improving the Quality of Financial Services to Agriculture, Rural Areas and Farmers

Relying on the advantages of its wide presence, equipment and expertise, the Bank has comprehensively enhanced the effectiveness of its services to “agriculture, rural areas and farmers”. With its branches covering all villages and towns in Dongguan, the Bank further strengthened its service coverage by adding and renovating outlets in administrative villages, optimizing functional zoning, and installing self-service equipment. By the end of 2024, a total of 1,238 self-service devices had been deployed, realizing “village-to-village” access to financial services. At the same time, empowered by technological and digital application, the Bank put in place a system to review loan applications, enabling online processing loan applications for certain products; meanwhile, the Bank integrates both onsite service with online service to enhance the flexibility and sustainability, which could address financing needs of its customers efficiently.

》》 Contributing to Building Livable Villages and Thriving Lives of Farmers

In response to the strategy of rural revitalization, the Bank has continued to increase its financial support for rural infrastructure, focusing on weak areas such as road construction, cable network, power supply and water supply security, and waste management. Through innovative financial products and services, the Bank improved rural infrastructure, which lays a solid foundation for agricultural industry development, and beautiful countryside that is pleasant to live and work in.

As the lead unit of the Dongguan Rural Revitalization Promotion Association, the Bank has joined hands with more than 100 private enterprises to promote the “High-quality Project in Counties, Towns and Villages”. Under the joint efforts, many villages and communities to be rated as model villages at the provincial level, which significantly improved the appearance of the countryside and the vitality of collective economy. On the association platform, the Bank also released information of assets for lease to revitalize property resources, assisting 46 villages and communities in completing domestic shares transaction. Moreover, it also bought and operated collective assets with a cumulative amount of RMB 260 million shares, thus injecting new impetus into the development of the villages and communities.

Case



Construction to “Beautiful Village”

To support high quality projects called on by Guangdong province, Xiegang Sub-branch of the Bank donated RMB 80,000 to support park renovation in Li village, which aims to improve the environment, create a more convenient and comfortable activity space for residents. This evidences efforts of the Bank to support beautiful countryside with its financial capabilities.



Supporting Small and Micro Enterprises

Committed to serving the real economy with inclusive financing solutions, the Bank innovates financial products and services with increased financial support for Small and Micro enterprises and individual entrepreneurs. By optimizing the product system, improving the service quality, and providing flexible financing solutions, the Bank eases financing woes for small and micro enterprises as well as science and technology enterprises, and promotes the local economic development.

Supporting the Transformation of “Chain-Owner” Enterprises

The Bank actively fulfills its responsibility of providing financial services to the real economy, and provides customized financial services to meet the needs of the transformation and upgrading of “chain-owner” enterprises. With multiple initiatives such as cooperation among banks, governments and insurance companies, the Bank works to meet financing needs of small and micro enterprises, assisting the transformation and upgrading of enterprises and promoting the quality development of regional economy.

Case Small-amount Start-up Loans Boosting Cultural and Creative Industries

A cultural and creative company in Dongguan City applied for a small amount business start-up loan of RMB300,000 through from the Bank. With the funding in place, the company conducted team training, and obtained a number of cultural and creative orders, reaching long-term cooperation with other companies. The start-up loan has boosted the development of the enterprise and added vitality to the local cultural and creative industries.

Case Bank-insurance Cooperation Breaks New Ground for Financing Small and Micro Enterprises

A cable company in Dongguan city is in need of capital flows. Learning that bank-insurance loan could be helpful with guarantee and risk sharing model, the company applied for a loan of RMB5 million from the Bank to ease its financial woes; and this funding helped the company to expand and grow.

Case Supporting Development of Intelligent Manufacturers and Strategic Emerging Industries

A hardware enterprise in Dongguan faced liquidity shortage in upgrading its equipment, in response, Changan Sub-branch of the Bank provided RMB 750,000 as “Excellent Enterprise Loan”. After the introduction of automated equipment, the enterprise realized green transformation with costs reduced by 20%, pollution down 50%, while orders increased by 30%. This loan grant demonstrated how financing lead development of the industrial chain and create new jobs with both environmental, social and economic benefits.



▲ Before renovation



▲ After renovation

Case Assisting Small and Micro Enterprises in Achieving Steady Development

In 2024, Hezhou Babu Dongying County Bank provided a loan of RMB 1.15 million for the enterprise, which will be used for food procurement and daily operations, further supporting the enterprise to stabilize its existing operations and expand its market shares, addressing the “financing woes” of small and micro enterprises, and helping them develop steadily.

Increasing Financial Supports to Small and Micro Enterprises

In line with the “Five Major Strategies” and “High-quality Projects in Counties, Towns and Villages”, the Bank has launched special credit programs for key industries where most small and micro enterprises operate such as food manufacturing to support the development of small and micro enterprises. As of the end of 2024, the scale of refinancing amounted to RMB 13.367 billion, on-lending RMB 2.5 billion, and re-discounting financing RMB 1.394 billion. Relying on the advantage of low-cost funds, the Bank has promoted the steady reduction of the costs of inclusive loans and continued to optimize the financing environment. Meanwhile, the balance of special financial bonds issued by the Bank for small and micro enterprises reached RMB 6 billion.

Case Targeted Financing for Local Key Industry Enterprises

A food company in Dongguan is rewarded as 2022 Dongguan Gazelle Enterprise and has been engaged in the industry for more than 20 years. However, it lacks collaterals to get liquidity for further expansion, the Bank customized a financing scheme “Guaranteed by actual controller” to grant a credit of RMB 8 million, which eased the financial woes and helped the enterprise to develop steadily.


Case “Refinancing for Technology Enterprises in Dongguan” Helps Them to Reduce Costs and Increase Efficiency

A high-tech enterprise producing air-conditioning equipment applied for a working capital loan of RMB20 million to purchase raw materials and components. Considering that it is a high-tech enterprise, the Bank provided loans through the refinancing scheme dedicated to Small and Micro Enterprises, which greatly reduced the enterprise’s financing cost and injected strong financial momentum into the development of high-tech enterprises.

Improving the Product Portfolio for Small and Micro Enterprises

The Bank has improved its inclusive financial product portfolio and innovated diversified and differentiated financial products to help small and micro enterprises to solve their financing problems. Meanwhile, the Bank has accelerated the digital transformation of inclusive finance, enabling “online and standardized” handling financing business to Small and Micro Enterprises. In that respect, the Bank launched standardized products to comprehensively enhance the efficiency of its services.

Case



Launch of “Wholesale Guarantee for Science and Technology Enterprises”

In 2024, the Bank launched “Wholesale Loans Guarantee for Science and Technology Enterprises” with a financing guarantee company in Dongguan, which provides abundant financing services for small and micro enterprises under the cooperation model of “guarantee company + bank”, and supports enterprises to enhance their market competitiveness and financing ability.

Case



Providing Financing Solutions Without Collateral for Small and Micro Enterprises

A Guangdong eco-company specialized in building construction is in urgent need of financial support with multiple projects underway. The Bank, together with Techtronic Guarantee Company, granted an unsecured credit of RMB 5 million which was a customized solution with fast approval to help the company purchase building materials and promote its projects. This model relieved the financial pressure and promoted the steady development of the enterprise and sustainable operation of the industry.

Supporting Individual Innovation and Entrepreneurship

The Bank innovates financing model to support individual entrepreneurs. It launched interest-free loans to reduce capital costs which is in line with Dongguan’s policy. With due background check on entrepreneur applicants and industry features they are in, the Bank provides funds through small amount loans, which optimizes the environment to cultivate local entrepreneurs, helps entrepreneurs realize their business aspirations, and fosters an ecosystem for entrepreneurship.

Case



Start-up Loans Help Startups “Rise to Fame”

A kitchenware company in Dongguan facing funding shortage at early stage of its business, the Bank, building on its industry experience and high-end market positioning, provides RMB300,000 start-up loan to support equipment upgrades and process optimization. With the funding, the enterprise launched customized products and gained orders and fame in the home furnishing exhibitions achieving a leapfrog development.


Responding to People’s Well-being

With original aspiration to serve the People and support better livelihood, the Bank gives full play to its financial strengths, and focuses on supporting public service sectors including education, medical care, and social security. It innovated the integrated service model with “combination of debt and loan”, financing more diversified and high-quality life of the people.

Support Livelihood Projects

Committed to strengthening financial support for people’s livelihood, the Bank provided supports to a series projects including the expansion and upgrading of the Dongguan Institute of Technology, construction of a tertiary hospital and medical service system, and construction of metro and rail transit, as well as environment improvement, which significantly improved the level of public services in Dongguan and enhanced the people's satisfaction with their lives and sense of well-being.

Case



Promote Special Bonds to Ensure the Smooth Implementation of Key Projects


In 2024, to support key projects such as rail transportation, port terminals and sewage treatment networks, the Bank guided municipalities and counties in issuing special bonds to raise low-cost funding. By the end of 2024, the Bank had assisted municipalities and townships to issue 24 special bonds, with use of proceeds amounting to RMB 9.839billion.

Case



Cooperation between Social Security Bureau and Bank Creates Convenient Social Service within 15-minute

In June 2024, Chaoyang Rural Commercial Bank and Shantou Social Security Bureau jointly launched the “Integrated Service under Cooperation” to create a 15-minute convenience service model for social security affairs. Therefore, 96 branches under Chaoyang Bank’s jurisdiction can provide social security related services which are most needed by residents such as urban and rural residents’ pension insurance, meeting the needs of the residents to access “service nearby” with “multi location choices”, thus enabling “service by doorstep”, bringing efficient and convenient social security services to the residents.



Serving New Citizens

To promote the development of featured financial services with technological innovation, the Bank constructed 11 financial service demonstration sites for new citizens, taking into account the financial needs of new citizens in the areas of housing security, education and training, and medical care for the elderly, making financial service more convenient and accessible to new citizens.

Featured Financial Services for New Citizens

• Boosting Consumption •	• Wealth Management •	• Digital Financial Service •
Aiming to restoring and expanding consumption, the Bank upgrades its service to target different consumption scenarios, improving consumption conditions and boosting consumer confidence. As of the end of 2024, the balance of personal housing loans amounted to RMB36.516 billion, of which RMB27.374 billion were personal housing loans for new citizens.	Focusing on pension finance, the Bank has launched the “Golden Life Series”, including 3-year pension funds, 5-year secured deposits and commercial annuities. The Bank, in cooperation with insurance organizations, making use of retirement communities to provide customers with comprehensive “finance + service” solutions, creating a multi-level pension protection system that helps realize a quality life for the elder people.	The Bank has expanded and upgraded its online financial service capacity to provide local residents with convenient 7*24-hour financial services. As of the end of 2024, the Bank’s online substitution rate reached 98.49%, with 5.0836 million mobile banking APP users and 1.8435 million WeChat banking cardholders.


Accelerated Development by Digital and Intelligent Application

Following the national strategy and the guidelines of the Financial Technology Development Plan (2022-2025) of the People’s Bank of China, the Bank attaches great importance to financial technology to drive business expansion, digital transformation and upgrading, and IT strategic layout. With the power of fintech, the Bank promotes industrial optimization and upgrading, popularizes inclusive finance, supports rural revitalization and improves people’s livelihood. With the mindset to go digital, the Bank will accelerate its transition to an “intelligent and digital bank” to provide customers with more intelligent and convenient financial services.

Accelerating Digital Transformation

Under its strategy featured by “overall planning with key breakthroughs”, the Bank has implemented a master plan for digital transformation from 2022 to 2025 highlighting 10 top initiatives and 66 annual pilot projects. In 2024, building on its implementation of “1+2+X” digital operation system, the Bank strengthened synergy among top-level design and key projects, with focus on “mechanism improvement and capacity enhancement”. On one hand, it accelerated the construction of an integrated data base covering whole-process data collection, analysis, management and application; on the other hand, it set up a data governance platform and a service mechanism, which enables an ecosystem with coordinated advancement in business innovation, intelligent risk control, and operational efficiency. With these efforts, the Bank makes breakthroughs in accurate risk control, efficient business operation and better customer experiences, with digital force as key drive for high-quality development.


Case



Data Security Platform Project

The data security platform establishes a differentiated control strategy covering the data based on classification and grading rules. With technologies including encryption and auditing, the platform realizes whole-process security management, especially review before approval, control during implementation and monitor after approval. With improved and secured process, the project enables efficiency and compliance, which won the 2024 Fintech Application Innovation Award.


Case



Data Collection and Analysis on Behaviors of Online Potential Customer

By introducing professional data operation tools, the project makes use of behavior data, and builds a digital capability system for online potential customers. Building on customer data from mobile banking and other online channels, the project supports precise product recommendation and marketing for different groups of people through instant reach, and strengthens the coordinated businesses business. Through data-driven performance, the Bank enhances the capacity of cultivating potential customers and accelerates digital transformation process.

Case



Joint Efforts to Build a New Ecosystem of “Smart Campus” with Innovative Service Models

Zhanjiang Rural Commercial Bank empowers education with technology and builds a “smart campus” project, under which parents could easily make online payment of tuitions, accommodation fees, and Party membership fees at schools through various convenient channels such as cloud flash payment app and mobile banking app, improving the convenience and efficiency of payment. This project also created a simple and efficient fee management platform for schools, successfully achieving online and intelligent management of fees.

Deepening the Implementation of Information Technology Projects

In 2024, the Bank accelerated its digital transformation and conglomerate development through major projects to enhance core system upgrading, credit process optimization, data governance technological risk prevention and control. These project clusters have provided technical support for business innovation and synergized with its high-quality development. Through the systematic construction of these projects, the Bank has made significant progress in enhancing IT unified management capabilities, optimizing customer experience, promoting online business and intelligent risk control. The implementation of the project has also driven the digital transformation of branches at grassroots, improving the operational efficiency and technological risk management bank-wide.

Developing Systems for Pillar Business

In 2024, the Bank continued to strengthen systems for pillar business, effectively promoting digital transformation and intelligent service, providing customers with more efficient and convenient financial services, and comprehensively improving the quality of customer service and operational efficiency.

Internet Banking	The Bank strengthened transaction security and improved customer experience by developing user-end apps for proprietary clients, accelerating information technology application innovation, enhancing the self-control of the system, and consolidating the foundation of business innovation.
Telephone Banking	The Bank upgraded the intelligent outbound call system and expanded the customer service model both with “artificial intelligence and real person service” to cover marketing and clearance scenarios. The number of annual AI outbound calls amounted to 140,300, which increased service efficiency.
Mobile Banking	The business process of mobile banking is reorganized, creating synergies during whole-process business for better service experience. Construction of digital operation module is promoted, with focus on data collected under consumption scenario to identify precise marketing approach.

Inclusive Financial Services

A service matrix combining “direct and indirect” connection with specific scenario improved the digital RMB service system, which could facilitate services in scenarios such as acquiring, payroll payment, and rent.

AI Call Center

AI application is promoted to improve efficiency with the text robot handling 1.5476 million questions and making 261,100 intelligent outbound calls to optimize the service experience.


Developing a Talent Pool with Digital Expertise

In 2024, the Bank will focus on strategy to recruit fintech talent, aiming to relocate resources to support transformation. The Bank approaches from the following aspects, namely, improving the recruitment and promotion mechanism; deepening the competency assessment of key positions; and building a multi-level talent team; carrying out special training on code security, data management, network security. Moreover, the Bank strengthens the digitization capability of the technical team by combining training with practice, and sets up five major technology service teams to efficiently coordinate the business departments to enhance efficient product development. The Bank emphasizes on cultivating data acumen and inter-disciplinary expertise with “finance + technology + data”, laying a solid intellectual foundation for innovation-driven development.

Case

2024 Data Analysis and Processing Training

With bank-wide training on data analysis, data processing and data query, employees master data analysis methods and tools through specialized technical knowledge and operational skills training both theoretically and practically.



Case

2024 Competition on Data Management

To guide the employees to apply what they have learned during the training, a bank-wide competition on data management is carried out as a stock take of trainings on data analysis and processing. The competition is designed based on data application in major business scenarios, aiming to guide employees to carry out business and solve business problems with a data-based acumen, making full use of data.



Case

2024 Business Intelligence Analytics Training

A series of BI tool training are carried out consecutively, highlighting scenario-based practices, and methodology learning to enhance capability in managing whole-process data including data preparation, analysis, dashboard design and modeling, further consolidating the foundation for data analysis.





Environment

Blue Sky and Clean Water, a Common Ecological Vision

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Responding to Climate Change

With deep understanding on national strategy on carbon peak and neutrality, the Bank conducted risks and opportunities assessments arising from climate change, and strengthened capacity building on risk management related to climate change.

Assessment on Climate Change Related Risks and Opportunities

The Bank improves management on environmental risks and opportunities with a set of specific procedures on identifying, evaluating, and managing environmental and climate-related risks. Based on the mechanism, the Bank continues its efforts to identify development opportunities related to environment and climate change, understanding associated impacts on its operations, business portfolio, and strategic planning, as well as response tactics, which will make it ready to respond to future trend under the background of global climate change.

Assessing and Responding Climate Change Risks

Risk Category	Description	Time Horizon of the Impact	Measure
Liquidity Risk	Natural disasters, such as rainstorms and floods, resulting in restricted operations of the Bank and projects of its clients, which in turn may cause liquidity shortage	Short-term	The bank continues to conduct spections and preparations before, during, and after the flood season, closely monitoring the impact and fluctuations of climate related risk factors on operations of itself and its customers, and reducing the risk in liquidity shortage
Credit Risk	Higher environmental standards for energy-intensive industries will likely lead to higher costs and increased default risks	Medium to long-term	The bank has comprehensively strengthened loan and investment management for industries with high energy consumption, with environmental indicators as an important criterion for customer selection, project evaluation, loan approval, and post-loan management, guiding financial resources towards green and low-carbon sectors
Market Risk	Policy initiatives directed at environmental issues and climate change may require stronger service capacity in green finance. Therefore, without capabilities and expertise, investors may doubt their ability to provide services in specialized areas	Mid-term	The bank regards green finance as an important component of its development strategy, continuously improving the proportion of green finance and enhancing green finance service capabilities
Reputational Risk	Highly polluting enterprises generally have lower resilience to climate risk and a negative public image. As a result, banks who provide financing to those highly polluting enterprises may face reputational risks, which may lead to divestment by institutional investors concerned about environmental risks	Long-term	Building a positive and responsible image of sustainable development, the bank exercises strict and prudent principle for enterprises with intensive pollutions, while supports high-quality and competitive enterprises infurther upgrade and transformation

Assessing and Responding Climate Change Opportunities

Opportunity	Description	Time Horizon of the Impact	Measure
Resource Efficiency and Energy Sources	Working toward a low-carbon transition in its daily operations, the Bank makes use of recycling technologies, reducing water use and consumption, and invests in renewable energy projects	Mid-term	Actively promote the conservation and green use of electricity throughout the bank, advocate for energy conservation and emission reduction, implement a system for classifying public waste, require employees to actively participate in various environmental protection activities, and promote the green development bank-wide
Low-carbon Products and Services	Developing and expanding environmentally friendly and green financial goods and services	Long-term	Improving the comprehensive financial service for the "Green financing program" dedicated to environmental protection industry, launching products such as loan for industry transformation and upgrading, loan for energy projects; By implementing internal fund transfer pricing and piloting preferential interest rates on green loan, the Banks aims to enhance market competitiveness and meet the diverse product needs of its customers

Quantitative Analysis of Environmental Risks

In accordance with the Circular on Conducting Climate Risk Stress Tests issued by the People's Bank of China, and taking into account its own carbon emissions arising from financing business, the Bank conducted environmental stress tests on four enterprises it financed representing rubber and plastic industry, metal industry, computer, telecommunication and other electronic equipment manufacturing industry the Bank invested in, which shed light on climate and environmental risks that the Bank may be exposed to.



Results of Stress Test

Compared with the baseline scenario, the total operating costs of our clients in the above-mentioned industries increase year by year under the no-stress scenario, and under the scenario in which the carbon price rises to the highest level with the most stringent binding effect of carbon quota, the costs rise by an average of 0.36%.

From an industry perspective, the rubber and plastic industry is more affected by the rise in carbon emission fees; followed by the computer, communications and other electronic equipment manufacturing industry; metal industry is the least affected, mainly because that the sample enterprise consumes less electricity in metal materials cutting and molding.

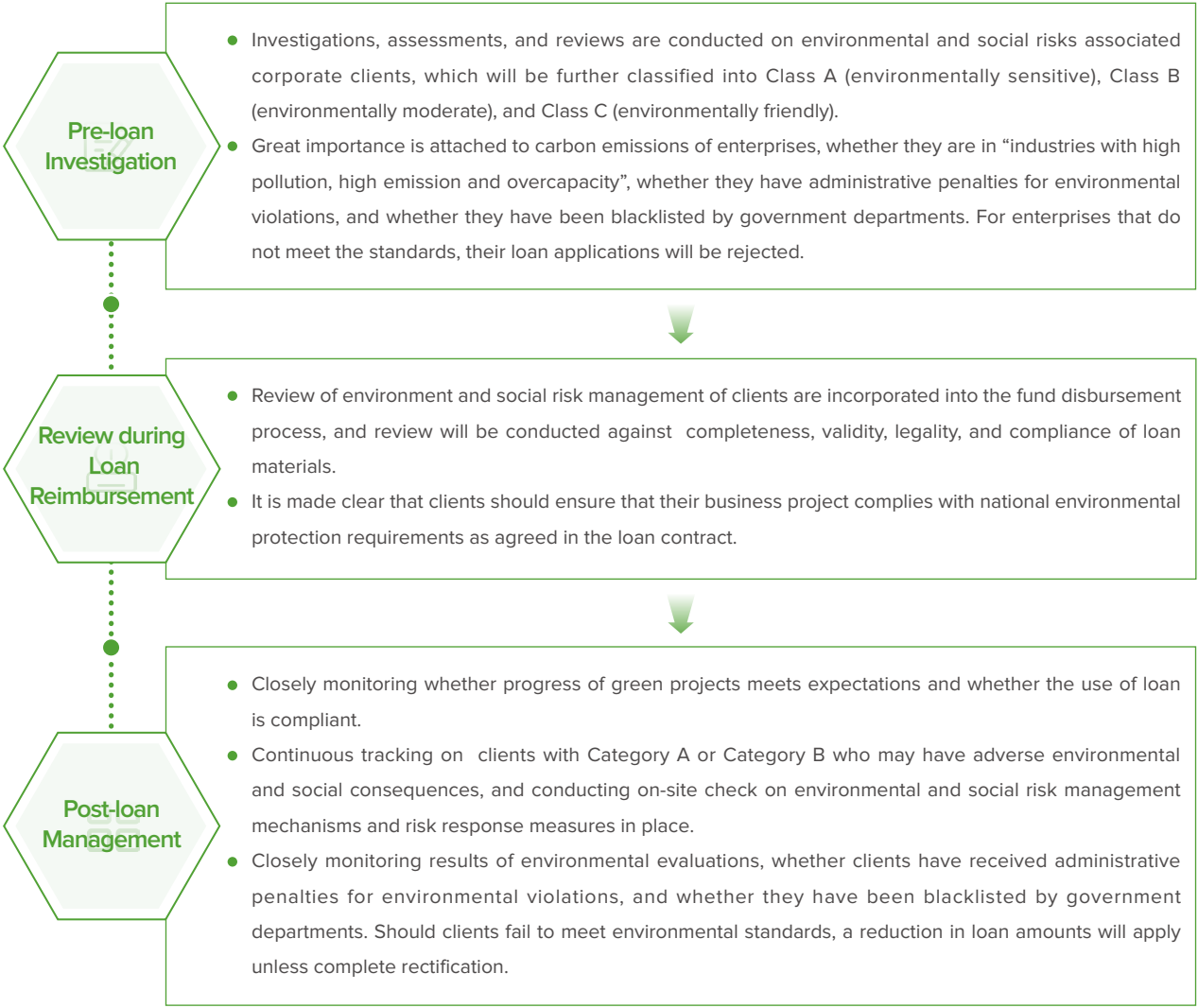
Overall, the carbon price-related risk exposure of this loan portfolio under stress test is under control.

Review on Climate Risk Related Loans

In conjunction with applicable environmental and social, climate risk management standards, The Bank has formulated “Environmental, Social and Governance Risk Management Rules for Loan Business of Dongguan Rural Commercial Bank Limited (2024 Edition)”, which implemented differentiated loan review and approval. The Bank fully considered the environmental and climate risks associated with given customers in approving loan applications, and paid close attention to the investigation of social, environmental and climate-related information of customers.

Implementing Environmental Risk Management Process

The Bank continues to integrate management of environmental, social and governance risk into loan investigation, review and monitoring process; meanwhile, it implements category-based management and differentiated risk management measures according to risk assessment of customers.



Establishment of Early Warning System for Environmental Risks

Strengthening “digital and intelligent” risk control. The Bank has established a “digital and intelligent” risk warning system, which collects environmental and social risk information from customers through multiple channels, and realizes dynamic control on environmental and social risk. Efforts are also made to expand data coverage and increase efficiency regarding those risks associated with clients, which will block financing with early warning.

Early warning measures against risky practices. The Bank has developed a rigorous early warning mechanism as a way to manage environmental and social risks. Multiple methods of early warning are clearly defined across departments, among branches, and between branches and the head office. Phone calls are made to ensure real-time communication; risk reports are submitted with details of the risks; risk mitigation measures are formulated accordingly; and specific measures are provided to deal with the risks.

Committed to Green Finance

With the goal of building a modern “green bank”, the Bank continues to develop its green assets and ensure that the growth of green credit is higher than that of other loan business; besides, it continuously improves its organizational structure to promote green finance development, enriches and innovates green products and services. With these efforts, the Bank keeps on exploring low-carbon operations in a view to promoting green development.

》》》 Making Green Finance a Strategic Priority

Green finance is listed in the Dongguan Rural Commercial Bank (Group) 2024-2028 Development Strategic Plan. Therefore, the Bank made it a priority and allocated bank-wide resources to promote high-quality development.

Overall Goal	Achieving the goal of a modern green bank: more diversified green financial products and service portfolio, a continuous improvement in the green operation mechanism with all-out effort to promote efficiency and coverage of green finance service to meet the goal.
Specific Objectives	Improvements from the following perspectives with four indicators: Year on year increase in the balance of green loans; increase in proportion of green loans; increase in the number of green enterprises financed; and increase in the amount of green bonds issued.
Strategic Planning	Strengthen financial innovation, enhance the service capacity of green industry, promote the green transformation of industry in line with the goal of “carbon peak and neutrality”, and support the green development of enterprises with “new model, new approach and new products” to realize economic, social and environmental benefits of the Bank.

》》》 Strengthening the Green Finance Governance Structure

The Bank attaches great importance to the management of green finance, and has established a comprehensive green finance governance structure and policy system to precisely support the low-carbon and green development of the economy and the society, and has taken various measures to promote the high-quality, sustainable and sound development of the Bank’s green finance.

The Board of Directors	It establishes and promotes concept and scope of green credit such as green production, conservation and sustainable development throughout the Bank; it is responsible for determining the Bank’s green finance development strategy, reviewing the green finance objectives set by senior management and the green finance reports submitted, appointing specialized committees to green finance, supervising and evaluating the implementation of green finance development strategy.
Senior Management	It is responsible for implementing the decisions of the Board of Directors, formulating green financial objectives, establishing green financial mechanisms, defining departmental responsibilities and scope, carrying out internal control inspections and evaluations, reporting regularly to the Board of Directors on the development of green finance, and submitting required materials on green finance development to National Administration of Financial Regulation or its dispatched agencies in accordance with regulations.
Execution	Under the overall leadership of the Board of Directors and senior management, the Bank has set up a Working Group on Green Finance in 2024 consisting of the Corporate Business Department, the Financial Market Department, the Comprehensive Risk Management Department, the Credit Approval Department, the President’s Office, and the Operation and Management Department, with each department performing its duties to ensure the smooth promotion of work related to green finance, and formulated a clear strategic goal and initiatives for green finance.

》》》 Innovative Green Financial Products and Services

Green Credit

In 2024, the Bank continued to innovate green financial products and service models, and increased credit support for green industries, green enterprises and green projects. In terms of product portfolio, the Bank improves “Financing Green”, a comprehensive financial service program, under which, supports are given to village communities and collective enterprises in upgrading factory buildings, and building beautiful rural environment; meanwhile, green financial products are available to support photovoltaic projects and industrial transformation projects with preferential interest rates to encourage branches to expand green finance business. As of the end of 2024, the balance of loans to green enterprises amounted to RMB 16.016 billion, a year-on-year increase of 22.75%.

Green Bonds

The Bank makes full use of green bonds to raise funding for green and low-carbon industries. By the end of 2024, the cumulative proceeds of green bonds amounted to RMB 4.5 billion, with use of proceeds in green projects covering energy-saving and environmental protection industry, clean production industry, clean energy industry, and upgrading green infrastructure. In terms of green bond investment, the Bank continued to invest in green bonds with self-operated fundings, with investments amounting to RMB1.59 billion in 2024, a balance of RMB 10.242 billion at the end of the year. Meanwhile, funds under wealth management of the Bank are also invested in green bonds, with the use of the funds supporting green industry projects including sewage treatment plants, river water remediation and renewable energy power generation. As of the end of 2024, the balance of the Bank's wealth management investment in green bonds amounted to RMB239 million.

》》》 Support for Green and Low-carbon Industries

Building Green Credit Mechanisms

In 2024, the Bank builds a standardized system on green credit, with function modules driving sustainable development from the following perspectives: strengthening policy-oriented support for green and low-carbon sectors; implementing an exclusive and fast review process to accelerate decision making; implementing differentiated pricing and management on environmental protection projects; and initiated a development model emphasizing both KPIs and performance-based incentives, under which performances of branches are included in the overall performance review and appraisal. With these efforts, the Bank unleashes full potential in green finance and driving steady growth in green credit scale.

Granting Green Credit to Environmental Protection Industry

With green and environmental protection industries listed as top priorities, the Bank improved “Financing Green” program by expanding scope of services with direct outreach to project owners in energy-saving and environmental protection, and new energy sectors. At the same time, the Bank provides fast review for medium-sized, small and micro enterprises in environmental protection sectors, simplifying the approval process, and offers preferential treatment in terms of loan amount and interest rate to enhance the efficiency of green credit.



Guidelines on the Investment of Green Credit and Credit Requirements

Focusing on supporting the new energy industry; while providing due supports to the upgrading and transformation of traditional industries.

Strict review on new credit granted to the enterprise with violations in environmental performances which receives warning by the environmental regulator.

Providing fast review for financing to small and medium-sized enterprises in environmental protection industry and major environmental protection projects.

Setting preferential interest rates for “green” industries.

Case



Supporting Sewage Projects

The Bank supported an integrated drainage and wastewater treatment project which is a franchise operated by local utility company, granting a credit of RMB340 million. As of the end of 2024, the loan balance of the project was RMB 150 million. It is calculated that the product will achieve reductions in COD by 548.16 tons/year, reduction in ammonia nitrogen 67.48 tons/year, and reduction in total nitrogen 43.42 tons/year, and total phosphorus 15.06 tons/year, respectively.



Case



Helping Smooth Implementation of Biomass Utilization Project

The Bank granted a credit of RMB 210 million to a waste to power generation project with a waste processing capacity of 600 tons/day, supporting the safe disposal of wastes and protection of natural ecology; and the credit mainly supports the construction of a 1×600t/d mechanical grate incinerator and operation of the projects. It is estimated that in 2024, the project will generate 59 million kilowatt-hours of electricity, saving 18,000 tons of standard coal, avoiding 42,000 tons of carbon dioxide emissions, reducing 514.78 tons of sulfur dioxide emissions and 83.27 tons of nitrogen oxides emissions.

Case



Supporting Distributed Photovoltaic Industry

A new energy company in Dongguan City, mainly engaged in the construction and operation of photovoltaic projects, has successfully constructed a number of distributed photovoltaic projects, with an installed capacity of 4,341.29 kW. In response to the company's financing needs, the Bank formulated a special financing scheme, providing guarantees for the company through the “Energy Project Loan” and with fast approval, based on which, a credit of RMB31.5 million was granted, providing strong financial support for the construction of photovoltaic projects.



Driving Low Carbon Transformation

The Bank strictly complies with the requirements of applicable laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Law of the People's Republic of China on Energy Conservation and the Law of the People's Republic of China on Promotion of Circular Economy as well as the requirements of the Environmental, Social and Governance Guidelines of the Hong Kong Stock Exchange. Committed to integrating green development throughout daily operation and promoting the transition to green operation model, the Bank made concrete efforts from the following aspects: reduces energy consumption and carbon emissions arising from operations, trains employees on latest green and low carbon development trends; organizes activities to foster awareness in environmental protection; enhances the capacity of employees in promoting green finance business. Therefore, the Bank mobilizes resources toward a green and low-carbon development bank-wide, contributing not only to sustainable development on its own, but also green transition of the society.

Smart and Intelligent Services

Fulfilling the concept of “Green Service, Low Carbon Operation”, the Bank makes use of smart devices and online payment means such as mobile banking, Internet banking, and WeChat to promote online service capacity and enhance the efficiency of green operation and management. In 2024, the Bank further expanded functions of smart devices to cover high-frequency business scenarios such as account inquiries, transfers, deposits. During the year, a total of 5.81 million transactions were handled by smart devices, an increase of 40% over last year. In addition, the Bank launched the "New ECIF System" in July 2024, which realized the effective management on unified access management, with unified customer number and identification, as well as unified information synchronization. The system addresses information sharing concerns across different business workflows, and further promotes digital transition of customer information management.

Green Operation

At bank-level, utilization of resources, energy consumption and greenhouse gas emissions arising from office and business operations as well as vehicles may bring certain environmental impacts. However, considering the feature of financial business, the Bank renders no direct negative impact on the environment and natural resources. The Bank actively promotes energy saving and carbon reduction measures by strengthening daily energy consumption management. In the construction of office buildings, the Bank gives priority to use energy-efficient equipment, high-efficiency lighting fixtures and water-saving appliances , and upgrade energy intensive equipment, with a view to reducing power and water consumption; meanwhile, it also optimizes the layout of office areas, and sets up centralized office areas with good natural lighting to reduce the use of electricity; installs flower ponds on the hardened surface of the parking lot to beautify the office environment and to enhance the purification and storage capacity of rainwater.

The Bank realizes paperless operations with direct-through business, green and low-carbon digital equipment and optimized process. As of the end of 2024, the Bank had consumed 22.37 million sheets of paper¹and total direct energy consumption, including diesel and gasoline, was 20,045.85 liters²with consumption per capita 3.44 liters.

To enhance the awareness and guide behaviors in line with ecological civilization and environmental protection among employees and the public, the Bank carries out green and environmental protection related activities to contribute to the construction of a green and beautiful homeland.

¹The paper consumption covers consumptions by the head office and branches;

²The direct energy consumption per capita is based on consumption of the Head Office and Branches

Case Voluntary Contribution to Plant Trees

In March 2024, Huangjiang sub-branch of the Bank carried out the "Voluntary Subscription to Plant a Tree" in the park of Jitigang Village in Huangjiang Township, organizing employees to plant trees in person to support greening of the village with concrete actions. Several saplings of bluebells were planted to improve the ecological environment of the park, contributing to a more beautiful and livable social environment.



Case Party Members Leading the Way for Greening Dongguan

On the afternoon of March 12, 2024, the Party branch of Fenggang Sub-branch of the Bank and the Party Committee of Tiantangwei Village jointly carried out “Party Members Leading the Way for Greening Dongguan” activity to support the ecological construction of Tiantangwei Village. Employees took the lead in planting a tree to build a “Pioneer Forest”. They also made use of spare spaces along road side, lakes and houses and plant trees thereby, contributing to beautiful villages with concrete actions.





Society

**Working with Peers to
Achieve Great Success,
Returning Love to the
Society with Deep
Commitment**

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Focusing on Customer Needs

Sticking to the belief that “customers are the greatest wealth”, the Bank strengthens the protection of rights and interests of its customers, optimizing business portfolio in inclusive finance to provide high-quality financial products and services, which further enhance their sense of fulfillment, happiness and security from better access to financial service.

Protecting the Rights and Interests of Customers

Customer Information Protection

Complying with applicable national regulations and regulatory requirements, the Bank revised the Management Regulations on Data Security and Classification and Graded Management on Data Security Regulations in 2024 to specify data classification and grading standards, and strengthen the lifecycle customer information protection. With these achievements, the Bank obtained ISO20000 and ISO27001 system certifications as well as certification of mobile financial application. Moreover, the Bank has built an integrated security protection system featured by combined functions in “network security defense, security monitoring, data security protection and emergency response”, through which, duties and responsibilities on data security are clarified, data encryption, risk monitoring and emergency response are improved, achieving “zero leakage” of customer information. With customer privacy protection as top priority, the Bank attaches great importance on securing system development; therefore, it engaged qualified third-party professional organizations to carry out privacy compliance assessment, testing and rectification on APP, shifting to a more proactive approach in privacy management. In September 2024, the Bank organized the week-long activity on cyber security to raise public awareness.

The Bank has incorporated customer privacy protection into its management, formulated the Administrative Measures on the Protection of Personal Information of Dongguan Rural Commercial Bank Co., Ltd. in 2024, clarifying the general guidelines and the division of responsibilities between the head office and branches. The document established a whole-process supervision on information security management with legal, fair, and transparent measures to prevent the risk of data privacy infringement. Besides, the Bank constructed a lifecycle protection system with detailed operational manuals, and awareness raising and capacity building trainings among employees. As supplementary, a regular inspection mechanism was established to ensure that the head office and branches operate in compliance in data collection, storage and use, so as to safeguard customer information security and legitimate rights and interests of consumers.

Customer Complaint Management

To ensure quick response to customer needs, the Bank continued to improve its complaint management mechanism, with 100% settlement of 1,331 consumer complaints received in 2024. Meanwhile, the Bank took concrete measure to reduce the number of complaints from the source with 10.74% year-on-year drop in complaints from private accounts business and 9.64% in lending business. With efforts to identify and address major weak points, the Banks establishes a complaints mechanism to “investigate – trace the origins - rectifying – feedback”, a closed loop to promote management of complaints in a scientific and effective manner, safeguarding legitimate rights and interests of financial consumers.

Capacity-building for Dispute Mediation

With continuous efforts to improve dispute mediation mechanism, the Bank had resolved 76.47% disputes delivered from the Banking and Insurance Disputes Mediation Committee. By building smooth complaint channels, making disclosure on compliant call number, compliant handling procedure, readdress and relief measures, the Bank establishes a mechanism with contact person at four hierarchy levels to ensure effective response to complaints. Meanwhile, the Bank arranges special channel for senior management personnel to review complaints directly; and manages to resolve disputes with multiple measures with both online response and off-site visits. With focus complaints arising from key business, the Bank optimizes the handling process, strengthens resource allocation, and improves the quality and efficiency of complaint response. Meanwhile, skills competitions, case drills and thematic trainings were also organized among employees to enhance the practical ability to resolve disputes. Moreover, a research and supervision mechanism were in place; typical complaint handling cases were compiled to promote experience sharing; and internal management standards were also standardized. With these efforts, the Bank also innovated green pathway, utilizing non-litigation methods such as mediation committees and third-party mediation to broaden methods for dispute resolving, promote early-stage dispute resolving, and effectively safeguard the rights and interests of consumers.

Case Safeguard Consumer Rights and Interests

In August 2024, following compliant handling procedure, complaints, lodged by Mr. Mai several times, the case was refereed to higher level within the Bank. Therefore, an employee was arranged to follow up the case to address concerns of Mr. Mai and handled the complaints with satisfactory results. Later on, Mr. Mai presented a banner with the slogan “Serve the people and protect the interests of clients wholeheartedly” as appreciation.



Upgrading Customer Service

With a focus on demands from the elder in a digital era, the Bank upgraded its customer services by launching exclusive retirement finance and wealth inheritance services for the elderly with online channels to enhance convenience and security. Simultaneously, the Bank strengthened private banking business, integrating resources to customize wealth management solutions for high net- worth clients, and built up a whole-process service system to help increase asset value.

Enhancing Online Service Capabilities

Accelerating its digital transformation, the Bank upgraded its online service, improving key functions such as contract signing and limit quota management, and strengthened the life-cycle management on its customers by integrating “online + offline” scenarios and intelligent data analysis, which accurately identifies customer needs and provides customized services. In addition, an intelligent man-machine coordinated system was built integrating AI and manual labor to improve the outbound calls; simultaneously, a digital operation center was built, integrating multi-source data to empower accurate marketing and risk prevention and control, which enabled a closed loop with “streamlined process-better experience-improved efficiency”. This has shortened the length of online business processing for customers and promoted a transition to intelligent service model.

Promoting Inclusive Finance


Staying true to original aspiration in serving people’s livelihood, the Bank enhanced service accessibility through integrated functions including service in “social security + finance”. To expand service in grassroots, it upgraded outlets at “town and village”, and cooperated with Human Resources and Social Security authority to realize one-stop processing of social security and financial services at “doorstep”. The Bank also simplifies application process of social security cards, improves intelligent tools to accelerate the digital transformation. Focusing on the needs of the elderly and low-income groups, the Bank introduced aging-friendly facilities, door-to-door services and inclusive financial products making services more customized. Through resource integration and service innovation, the Bank has built a convenient and efficient inclusive financial network covering both urban and rural areas, empowering the vitality of special groups and contributing to the high-quality development of the local economy.

Case Providing Accessible Financial Services

With “customer-centered” approach, Nansha Branch provides convenient financial services for the surrounding neighborhoods, setting up business sites to meet needs of villagers with disabilities, which was a true portrayal of “serving the people with concrete actions”.



Case



Innovation in Social Security Card Services

The Bank set up an online application procedure for social security cards. By scanning the code, customers will be directed to the application page, followed with a photo taken for free, which is completely handled online without any materials submitted. This service function simplifies procedures, significantly improves the efficiency, and promotes the convenience and accessibility of inclusive financial services.

Private Banking Development

With the concept of “building relationship with heart-to-heart and sincere service”, the Bank focuses on four major areas, namely wealth management, family wealth counseling, health management and corporate business integration, and allocates resources to provide life-cycle wealth solutions for private banking clients. As of the end of 2024, the number of private banking clients reached 3,202, a net increase of 516 clients, 19.21%, compared with that at the beginning of the year. We have built a product system covering “investment, wealth allocation and inheritance”, strengthening our ability in market research and asset allocation. At the same time, we deepened our “1+3+N” business model, and expanded the ecosystem to the business, family and friends of our clients. We have upgraded the “Dongguan Enterprises” platform, enabling diversified services by bringing more resource and business opportunities to help entrepreneurs realize a thriving family business. Through precise asset allocation, exclusive health consultants and family wealth governance support, we have created a “wealth + life + inheritance” service system to promote the high-quality development of private banking business.

Financial Literacy

Focusing on popularizing financial knowledge to consumers, the Bank conducted 106 activities throughout the year, reaching 937,000 person-time and publishing 109 educational messages online. Relying on thematic activity “3-15 Financial Literacy Journey”, the Bank focused on anti-fraud and wealth management among the elderly, young people and disadvantaged groups, strengthening their awareness on risk prevention. With diversified forms including “interactive question and answer + regular popularization + all-media dissemination”, the Bank helped the public to learn the skills of using financial tools and enhance the ability to protect their rights and interests, so as to effectively enhance the sense of fulfillment and security from access to financial services.



▲ "3-15" Financial Literacy in Rural Areas – Women's Special Session



▲ "3-15" Financial Literacy in Schools



▲ Livestreaming Events with Dactylogy



▲ "3-15" Financial Literacy in Enterprises



▲ Financial Education Activity on Mother's Day



▲ The “Four Ones” Financial Literacy Activity in Schools




▲ “Little Banker” Financial Educational Activity



▲ Financial Literacy in Rural Areas

Case



Carrying out Publicity Activities for National Science and Technology Week

In 2024, during the activity of “Promoting the Spirit of Scientists and Stimulating Innovation”, the Yunfu Xinxing Dongying Country Bank in Yunfu city displayed promotional slogans at various outlets, putting in place themed publicity posters, and introducing science and technology knowledge to its clients. At the same time, they also use WeChat to release promotional articles and fin-tech knowledge regarding the National Science and Technology Week, ensuring wide coverage of publicity and enabling the public to understand the activities and financial technology knowledge conveniently.

Accessibility of Financial Services

Committed to enhancing the accessibility of financial services, the Bank enhanced service capabilities by expanding its coverage and reach to ensure convenient and efficient financial services to customers. Through continuous innovation and optimization of service model, we are able to provide customers with a more comprehensive and seamless financial service experience.

Expanding the Outlets Coverage

In 2024, the Bank realized full coverage of Dongguan towns and streets, setting up 485 branches and sub-branches (excluding the headquarter), and built a service matrix with “manual labor + AI”. In the year, we added 70 new intelligent devices, totaling 617, covering 460 outlets. Simultaneously, we upgraded the service standards of outlets, releasing the “Service Supervision Program at Outlet (2024)”, innovated the management model. Through strengthened multi-channel supervision, staff training and process optimization, the Bank promotes service standardization and efficiency, and effectively enhances accessibility of financial services.

Case

Setting up Convenient Service Areas in the Outlets

The Bank has set up convenient service areas in its outlets and equipped with facilities such as wheelchairs, cards for the blind, charging equipment and emergency medication kits to enhance customer satisfaction and loyalty with heart-warming services and bring its services closer to people’s livelihood.



Serving the Elder

Focusing on the needs of the elder combining “financial + non-financial” service model, the Bank launched the “Reassuring Golden Life Deposit”, a five-year deposit product, integrating pension funds and insurance to form the product matrix to meet the demand for sound financial management. Simultaneously, we have carried out recreational activities such as visits to retirement communities and anti-fraud lectures to enhance the financial literacy among the elderly. To optimize the service experience, we have installed additional ageing-friendly facilities such as caring chairs and wheelchairs, and provided one-stop services such as door-to-door service in social security cards and “social security related business”. Meanwhile, more heart-warming efforts was made to accommodate needs of the elder; “Happy Life” mobile banking was launched with oversized fonts and voice announcements; a one-key transfer to manual service on telephone banking is set up to make the service more convenient. With product innovation, facility upgrading, knowledge popularization and digital arrangement to serve the elder, the Bank created a warm and guaranteed financial service ecosystem for the elderly, helping elderly customers in wealth management for quality lives.

Building a Harmonious Workplace

Following the concept of “making the best use of talents”, the Bank adheres to fair employment and equal pay, protects the rights and interests of employees, pays attention to professional growth and physical and mental health, spares no efforts to create a positive and healthy working environment, which aims to promotes teamwork, and realizes the common growth bank-wide and its employees.

Attracting Talented People

Complying with the Labor Law and the Labor Contract Law, the Bank established a management system for recruiting graduates, people with working experiences and interns to ensure fair and equal employment. With its strategy of “attracting talents to Dongguan”, the Bank participated “Tour of Famous Enterprises and Top Universities”, and presents it brands in universities in Beijing and Xi'an to promote the influence. We have provided internship opportunities for nearly 60 students under the “Thousands of Students from Hundreds of Universities” and “Youth Pre-employment Training Program” to help young people to grow and excel. Campus recruitment activities were also organized in Guangzhou University Town, attracting quality students through “presentation + interview”, which successfully introduced more than 300 new employees in 2024, injecting new forces for business development. Simultaneously, the Banks optimize the salary incentive and training system to create a beneficial ecosystem to attract, cultivate, employ and retain talents, in a way to strengthen core competitiveness, and promote the synergistic development of the organization and talents.

Equal and Diversified Employment

Abiding by anti-discrimination, anti-forced labor, and anti-child labor regulations, the Bank eliminates all types of discrimination in recruitment, such as gender, age, and ethnicity, and guarantees equal and voluntary employment of employees. The Bank makes it clear that child labor and forced labor are prohibited, and establishes a fair and transparent hiring mechanism to ensure that the hiring process complies with national laws and regulations and international labor standards through regular supervision. Simultaneously, the Bank builds an inclusive workplace environment, stands against any form of harassment, advocates multicultural integration, and strengthens the protection of employees’ rights and interests. At the same time, with regular review on recruitment process and employment practices, we improve the complaint mechanism to manage labor risks at the source, create a respectful and harmonious working atmosphere, and secure employees’ rights and interests as we forge ahead.

Remuneration and Benefits

The Bank has established a scientific remuneration system based on strategic objectives, job values and talent planning to ensure basic livelihood protection for employees and to encourage efforts through performance incentives. The Bank pays salaries in full and on time, and makes sure that salaries match the contributions to enhance the sense of belonging of the employees. In terms of welfare protection, we fully pay “five social insurance and housing fund” for employees, and establish supplementary protection such as enterprise annuity, supplementary medical and accident insurance, so as to build a “basic + flexible” welfare framework. Simultaneously, we optimize non-cash benefits such as health checkups and holiday care as risk mitigation measures to increase sense of well-being of employees. With these efforts, we form a system with “salary, welfare, and long-term incentives” to realize the virtuous cycle of corporate benefits and employees’ rights and interests.

Protecting the Rights and Interests of Employees

Strictly following domestic labor laws and regulations, adhering to the principle of fairness and respect, we improve the protection of rights and interests by signing formal labor contracts, paying “five social insurance and housing fund” in accordance with the law, and implementing paid annual leave. We optimize working hours and health care management, while establishing smooth communication channels, providing timely mental health counseling and occupational safety training. Thus, a mechanism featured by “basic protection + care for individual” is in place.

Caring for Employee Development

With a talent development strategy, we strengthened leadership and team building bank-wide, and built a specialized team including both expert, senior and entry-level employees with expertise across disciplines. Focusing on the requirements to be “loyal, clean and responsible”, the Bank has built a high-quality management team and a professional talent team, providing employees with rotation and exchange, and special training programs, and promoted the multi-dimensional enhancement in employees’ professional expertise and comprehensive ability. Meanwhile, reform of talent evaluation and incentive mechanism was also careered out to realize dynamic management featured by “Winner-up and Loser out” to vitalize the Bank.

Employee Promotion and Development Initiatives

- Improve the management on professional and technical teams, and build a U-shaped talent development channel with parallel promotion for management and technical employees.
- Setting up talent standards, establishing a qualification promotion system, and incentivize employees to continuous learning and growth.
- Establishing diversified employment mechanisms, such as postings, assignments, rotations, internal recruitment and the internal talent market, to stimulate the vitality of talents.
- Multi-channel recruitment and comprehensive assessment system to attract high quality financial talents.
- Optimize the comprehensive evaluation for employees, promote the “talent competition”, and establish an employment mechanism whch allows for promotion and demotion.

Employee Training System

With the belief that “talent is resource”, the Bank attached importance to team building and talent cultivation, and continued to optimize staff training system based on functional categories empowering employees thought business scenarios-based training to meet the professional growth needs of various types of staffs.

Strengthening Management Empowerment	Promoting and implement the “Evergreen” leadership program based on functional categories of employees to cultivate management capabilities.
Cultivating Professional Expertise	Cultivating “Knowledgeable, specialized, and service-oriented “employees for key positions, strengthening the professional ability with practical training, to empower business innovation.
Mentorship to Pass on Experience	Promoting internal mentorship, utilizing experiences from senior employees to carry out one-on-one mentorship, enhancing mentoring capabilities and building a learning organization.

Case

“Knowledgeable, specialized, and service-oriented” Employees for Key Positions

To cultivate “knowledgeable, specialized, and service-oriented “employees, the Banks selects some key positions as pilots, and clarifies the scope, forms standardized operating processes with experiences and lesson-learned in the industry or from other elites, aiming to increase efficiency through position-based toolkit and cases summaries.

Case

Professional Capacity-building

The Bank has built a tiered training system on retail financing with full coverage of its employees. Through tailored business courses, online resources, marketing manuals, and a database of practical cases, the Banks makes every effort to drive capacity enhancement and business breakthroughs, empowering the high-quality development of retailing finance.

Case

“The Rising Sun Plan”-New Employee Training Project

Guangdong Chaoyang Rural Commercial Bank has launched the “Rising Sun Plan” to enhance competence of new employees. The plan is designed to create a unique learning journey which include internship, themed group trainings and hands-on learning, supplemented by feedback and suggestions afterwards. The trainings were organized in diversified forms such as lessons and on-site operations as well as games and competitions. These training schemes serve to cultivate and helps new employees achieve a leap and transition from “students” to “novices”, developing pool of talents for Chaoyang Rural Commercial Bank.





Guarding the Health of Employees


The Bank provides annual medical checkups, supplementary medical care and accident insurance for its employees to protect their health. To provide better support in case of emergency, the Bank sets up employee health service teams, and establishes health liaison officers to assist employees in solving difficulties in seeking medical treatment. Focusing on the health of employees, the Bank organizes various activities such as health lectures, first-aid training, psychological healing to equip them with necessary skills to protect themselves and help them relieve psychological pressure. As supplementary, staff sympathy and assistance activities are also carried out on regular basis with timely material support and spiritual care for employees in difficulty.

Case

Caring for Employees’ Health



▲ Consultation by famous doctors and lectures on how to keep good health



▲ Training on first-aid to cope with emergency

Making Employees Feel Like at Home

Following a “people-oriented” approach, Labor union of the Bank is committed to building a “home culture” with warm and harmonious atmosphere for employees. Based on the spiritual and cultural needs of the employees, the Labor union plans various activities at traditional festivals, sports and health activities, afternoon tea gatherings, knowledge and skills and other thematic activities, and organizes more than 400 activities of various types throughout the year. Innovative “small farmers” brand of parent-child activities, explore a series of family open day, college cheer for employees’ families, etc., to guide the construction of “family-friendly” enterprises, with the “big family” enterprise. The company’s “big family” is used to care for and cohesion of employees’ “small families”, greatly enriching the connotation and extension of the “home culture”.

Case Diversified Cultural and Sports Activities



▲ Spring Festival Activity- “Calligraphy for Spring, Golden Dragon for Blessings”



▲ Non-heritage embroidery activity - “Embroider flowers for yourself”



▲ Networking Tea Program- “Spring in the air”



▲ Employee Basketball Games- “Excellent Player Thriving”



Delivering Care and Support

The Bank practices corporate social responsibility with active engagement in public welfare and charitable causes. On June,30, 2024, the Bank donated RMB2.055 million during “Guangdong Poverty Alleviation and Relief Day”, which supported the renovation of villages and houses to help those people in need. In addition, in response to the call of the government, the Bank pays tribute and extends cares to female workers working at grassroots communities and sanitation workers.

Case Participating Activity Celebrating “International Working Women’s Day”, Paying Respect to Women Workers Working at Grassroots Communities

On the occasion of Women’s Day, the Bank, together with the Women’s Federation and the Political and Legal Affairs Commission of Dongguan City, donated women-caring kits worth RMB 250,000 to the front-line female workers to pay tribute to the perseverance and dedication to grass-roots affairs.



Case Sending Breakfasts to Sanitation Workers



Dongkeng Sub-branch of the Bank, together with the Dongkeng Federation of Labor Unions, the Urban Management Bureau and Dongguan Bank, carried out activities targeting “City Beautician”, sending breakfasts and warm care to sanitation workers, which demonstrated its corporate responsibility.

Case Convenient Service at “Labor Union Station”

Wanjiang Sub-branch of the Bank cooperated with the Urban Management Bureau to carry out a series of activities providing grass-root workers with convenient service for them to relax, which is a concrete action responding to the initiative of the provincial labor union to make use of stations on the streets, conveying social care and practicing corporate responsibility.



ESG Performance Overview

Economic Performance

Indicators	Unit	2024	2023	2022
Total assets	RMB billion	745.904	708.854	657.690
Operating income	RMB billion	12.312	13.260	13.236
Net profit	RMB billion	4.861	5.346	6.083
Non-performing loan ratio	%	1.84	1.23	0.90
Capital adequacy ratio	%	16.54	15.85	15.98
Loans Coverage Ratio	%	207.72	308.30	373.83
ROE	%	8.10	9.61	11.72

Note: The statistical scope covers the Group.

Social Performance

Service Coverage

Indicators	Unit	2024	2023	2022
Number of e-banking clients	10000	746.32	669.01	590.67
Total number of transactions	10000	62,525.59	67,135.99	58,204.97
Total number of transactions through e-banking	10000	61,579.49	65,974.85	56,866.87
Total number of transactions through online banking	10000	1,390.97	1,297.49	1,257.15
Total number of transactions through mobile banking	10000	2,270.82	2,316.01	2,192.13
Number of online banking customers	-	722,867	711,666	693,470
Number of mobile banking customers through mobile app	-	5,083,561	4,599,891	4,089,700
Number of WeChat banking customers	-	1,656,734	1,378,534	1,123,551
E-banking substitution (diversion) rate	%	98.49	98.27	97.70
Number of smart machines put into service	-	617	557	391
Number of ATMs in operation	-	621	787	851
Number of POS machines in operation	-	5,922	10,966	15,164

Note: The statistical scope covers the parent bank only.

Anti-corruption

Indicators	Unit	2024	2023	2022
Confirmed corruption incidents	Number of cases	0	0	0
Number of corruption cases concluded	Number of cases	0	0	0
Number of anti-corruption training	Number of trainings	1	1	1
Number of person-time participated in anti-corruption training	Person-time	6,104	5,716	5,775
Number of corruption prosecutions	Number of cases	0	0	0

Note: The statistical scope covers the parent bank only.

Number of Suppliers

Indicator	Unit	2024	2023	2022
Total number of suppliers	-	581	626	663
Number of suppliers by region	Within the Province	348	431	504
	Out Guangdong Province	233	195	159

Note: The statistical scope covers the parent bank only.

Supporting Rural Revitalization

Indicator	Unit	2024	2023	2022
Agriculture-related loan balance	RMB billion	39.640	38.536	33.999

Note: The statistical scope covers the parent bank only.

Serving Small and Micro Enterprises

Indicators	Unit	2024	2023	2022
Balance of inclusive loan to micro and small Enterprise	RMB billion	40.474	32.973	26.600
Number of MSME customers	Number	23,840	23,608	23,132
Proportion of loan balance provided to MSMEs in total loan balance of the Bank	%	64.74	62.84	58.37
Growth rate of credit supply for MSMEs	%	10.02	10.65	15.12
Balance of individual start-up business loans	RMB billion	0.698	0.666	0.421
Increase in individual start-up business loan	%	4.80	58.57	-9.68
Number of individuals benefiting from start-up business loan	Number of people	496	1298	668

Note: The statistical scope covers the parent bank only.

Customer Responsibility

Indicators		Unit	2024	2023	2022
Number of customer complaints accepted		Number of complaints	1,331	1,316	1,087
Proportion of complaint by business categories	Debit card business	%	27.27	30.24	36.80
	Loan business	%	26.75	29.93	27.41
	Credit card business	%	35.16	28.12	16.83
	RMB deposit business	%	3.83	5.78	9.94
	Wealth management, payment settlement, intermediate business, others	%	6.99	5.93	9.02
Proportion of complaints by region	Dongguan	%	98.95	99.39	98.53
	Huizhou	%	0.45	0.38	0.92
	Guangzhou	%	0	0.08	0.28
	Qingyuan	%	0.45	0.15	0.18
	Zhuhai	%	0.15	0	0.09
Settlement rate of customer complaints		%	100	100	100

Note: The statistical scope covers the parent bank only.

Employment

Indicators	Unit	2024	2023	2022
Total employees of the Group	Number of people	7,859	7,924	8,009
Number of male employees	Number of people	4,610	4,663	4,716
Number of female employees	Number of people	3,249	3,261	3,293
Proportion of male employees	%	58.66	58.85	58.88
Proportion of female employees	%	41.34	41.15	41.12
Number of part-time employees	Number of people	0	0	0
Number of full-time employees	Number of people	7,859	7,924	8,009
Proportion of part-time employees	%	0	0	0
Proportion of full-time employees	%	100	100	100
Number of employees under 30	Number of people	1,631	1,664	1,680
Number of employees aged 30-50	Number of people	5,379	5,422	5,455
Number of employees over 50	Number of people	849	838	874
Proportion of employees under 30	%	20.76	21.00	20.98
Proportion of employees aged 30-50	%	68.44	68.43	68.11
Proportion of employees over 50	%	10.80	10.58	10.91
Number of employees in Dongguan, where the head office is located	Number of people	5,677	5,666	5,725
Number of employees in other parts of the province	Number of people	2,126	2,199	2,225
Number of employees outside the province	Number of people	56	59	59
Proportion of employees in Dongguan, where the head office is located	%	72.24	71.50	71.48
Proportion of employees in cities other than Dongguan in the province	%	27.05	27.75	27.78
Proportion of employees outside the province	%	0.71	0.75	0.74
Male employee turnover rate	%	1.81	1.62	1.99
Female employee turnover rate	%	1.87	2.23	1.59
Number of employees under 30 that quit jobs compared with the previous year	Number of people	83	80	55
Number of employees aged 30-50 years that quit jobs compared with the previous year	Number of people	60	64	87
Number of employees over 50 that quit job compared with the previous year	Number of people	2	5	4
Turnover rate of employees under 30	%	5.04	4.78	3.29
Turnover rate of employees aged 30-50	%	1.11	1.18	1.59
Turnover rate of employees over 50	%	0.24	0.58	0.48
Turnover rate of employees in Dongguan where the head office is located	%	1.66	1.37	1.41
Turnover rate of employee in other regions of the province	%	2.22	3.07	2.62
Turnover rate of employees outside the province	%	5.22	5.08	11.38
Number of deaths at work	Number of people	0	0	1
Proportion of work-related deaths	%	0	0	0.01
Number of working days lost due to work-related injuries	Number of days	549	563	630

Notes:

- 1.The scope of the Employee Employment Statistics covers the Group.
- 2.The 2024 male employee turnover rate is equal to the number of male employees lost in 2024 divided by the average of the number of male employees in 2023 and the number of male employees in 2024.
- 3.The 2024 female employee turnover rate is equal to the number of female employees lost in 2024 divided by the average of the number of female employees in 2023 and the number of female employees in 2024.

Training and Development

Indicators		Unit	2024
Number and proportion of employees trained by functional category	Number of senior management	Number of people	8
	Number of managerial-level employees	Number of people	163
	Number of employees at the grassroots level	Number of people	5,485
	Number of senior management trained	Number of people	8
	Number of managerial-level employees trained	Number of people	163
	Number of grass-roots employees trained	Number of people	5,485
	Total number of employees trained	Number of people	5,656
	Proportion of senior management trained	%	100
	Proportion of managerial-level employees trained	%	100
	Proportion of grass-roots employees trained	%	100
Number and proportion of employees trained by gender	Proportion of total employees trained	%	100
	Number of male employees trained	Number of people	3,272
	Number of female employees trained	Number of people	2,383
	Proportion of male employees trained	%	100
	Proportion of female staff trained	%	100

Note: The statistical scope covers the parent bank only.

Indicators		Unit	2024
Average training hours for employees by functional category	Training hours for senior management	Hours	873.9
	Training hours for managerial-level employees	Hours	12,531.3
	Training hours for grassroots employees	Hours	313,350.81
	Total training hours for all employees	Hours	326,756.01
	Average training hours for senior management	Hours	109.24
	Average training hours for managerial-level employees	Hours	76.88
	Average training hours for grassroot employees	Hours	57.13
	Average training hours for all employees	Hours	57.77
Average training hours for employees by gender	Training hours for male employees	Hours	190,934.80
	Training hours for female employees	Hours	135,797.49
	Average training hours for male employees	Hours	58.35
	Average training hours for female employees	Hours	56.99

Note: The statistical scope covers the parent bank only.

Labor Guidelines

Indicators	Unit	2024	2023	2022
Confirmed discrimination incidents	Number of cases	0	0	0
Confirmed incidents of forced labor	Number of cases	0	0	0
Confirmed child labor	Number of cases	0	0	0

Note: The statistical scope covers the Group.

Environmental Performance

Indicators	Unit	2024	2023	2022
Green Credit Balance	RMB billion	16.016	13.047	9.923
Balance of loans to support green enterprises	RMB billion	15.444	12.392	9.146
Number of green enterprises supported	Number	135	86	79
Yearly growth in the number of green enterprises supported	Number	49	7	14
Yearly growth rate of loans to support green enterprises	%	24.63	35.49	24.70

Note: The statistical scope covers the parent bank only.

Indicators	Unit	2024	2023	2022
Direct greenhouse gas emissions and resource consumption				
Gasoline consumption of official vehicles	liter	15,735.27	20,199.00	24,720.00
Diesel consumption of official vehicles	liter	4,310.58	9,015.01	10,163.90
Water consumption in office	ton	112,825	117,259	285,895
Water consumption in office per unit area	tons/square meter	0.84	0.87	2.12
Direct greenhouse gas emissions	10000 tons of carbon dioxide	0.005	0.007	0.008
Direct greenhouse gas emissions per capita	tons of carbon dioxide/per capita	0.01	0.01	0.01
Indirect greenhouse gas emissions and resource consumption				
Purchased power	KWH	42,368,300	46,591,287	40,894,858
Indirect greenhouse gas emissions	10000 tons of carbon dioxide	1.87	2.65	2.39
Indirect greenhouse gas emissions per capita	tons of carbon dioxide/per capita	3.20	4.65	4.13
Total greenhouse gas emissions	10000 tons of carbon dioxide	1.87	2.66	2.40
Greenhouse gas emissions per capita	tons of carbon dioxide/per capita	3.21	4.66	4.14

Notes:

- 1.The greenhouse gas emissions generated from business activities in 2024 include emissions the head office and branches within its jurisdiction;
- 2.The scope of gasoline/diesel consumption statistics is the total amount of gasoline/diesel consumed by vehicles of the Head Office and branches within the jurisdiction;
- 3.The scope of statistics on office water consumption covers the Head office only, and does not include branches within the jurisdiction.
- 4.Direct greenhouse gas emissions (scope 1) include the consumption of oil and gas resources of the head office and self-owned transportation vehicles;
- 5.Indirect greenhouse gas emissions (scope 2) include the consumption of purchased power used by the head office and its branches for business and office activities;
- 6.The calculation of emission density is based on the total emissions, that is, the emissions of head office building and the branches within the jurisdiction;
- 7.The accounting method of greenhouse gases in 2024: among emission factors of various energy sources (including gasoline, diesel and purchased electricity), if the energy type used is purchased electricity, the carbon dioxide emission factor is derived from the "Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2022" issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. The provincial average carbon dioxide emission factor for electricity in 2022 is 0.4403 tons of carbon dioxide per megawatt hour in Guangdong Province; For vehicles using gasoline as the energy source, the carbon dioxide emission coefficient is derived from the "Greenhouse Gas Accounting Method for Public Building Operation Enterprises" and is 3.04 tons of carbon dioxide per ton of gasoline; For vehicles using diesel as the energy source, the carbon dioxide emission coefficient is derived from the "Greenhouse Gas Accounting Method for Public Building Operation Enterprises" and is 3.14 tons of carbon dioxide per ton of diesel;
- 8.The Bank is gradually establishing a statistics mechanism for collection of waste gas and wastes, and plans to disclose it in the future.
- 9.Considering features of the banking industry, the financial products and services provided by the Bank do not involve a large amount of packaging materials, so the total amount of packaging materials used is not included.



Independent Assurance Report

CECEP(HK) Advisory Company Limited (hereinafter referred to as "CECEP (HK) Advisory", or "we") has been commissioned by the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd. ("Dongguan Rural Commercial Bank") to conduct an independent limited audit of the data and information related to sustainable development disclosed in the "2024 Environmental, Social and Governance Report" ("ESG Report") of Dongguan Rural Commercial Bank, and to disclose the audit results and conclusions to users of the ESG Report in the form of an independent audit statement.

In line with the AccountAbility1000 Assurance Standard (v3) ("AA1000AS v3"), CECEP (HK) Advisory conducted an audit on Dongguan Rural Commercial Bank's adherence to principles of Inclusivity, Materiality, Responsiveness, and Impact under AA1000. At the same time, CECEP (HK) Advisory also conducted limited verification on the reliability and quality of performance indicators in the ESG report of Dongguan Rural Commercial Bank, in accordance with the Environmental, Social and Governance Reporting Guidelines (ESG Reporting Guidelines) issued by The Stock Exchange of Hong Kong Limited (HKEX).

Should there be any discrepancy between the Chinese and English versions of this verification statement, the Chinese version shall prevail.

I Independence and Capacity

CECEP (HK) Advisory did not engage in the collection and preparation of data or compilation of the ESG report. The assurance conducted by CECEP (HK) Advisory is independent from Dongguan Rural Commercial Bank. Apart from due services specified in the assurance contract, CECEP (HK) Advisory has no other contact with Dongguan Rural Commercial Bank.

The team of CECEP (HK) Advisory is composed of experienced professionals in the industry, and they have received trainings on a wide range of sustainability related standards including the GRI Sustainability Reporting Standards released by the Global Reporting Initiative, AA1000AS v3, and ESG Reporting Guidelines of Hong Kong Stock Exchange, and ISO 17001, ISO 9001.

The team of CECEP (HK) Advisory has rich assurance experience and has a full understanding and ability to work under AA1000AS v3. At the same time, they carry out assurance on sustainable development in accordance with the internal regulations of CECEP (HK) Advisory.

II Responsibilities of Dongguan Rural Commercial Bank

Dongguan Rural Commercial Bank is responsible for prepare its ESG report in accordance with the ESG Reporting Guidelines issued by the Hong Kong Stock Exchange. Dongguan Rural Commercial Bank is also responsible for and implements relevant internal control procedures to ensure no significant misstatements in the ESG report arising from fraud or error.

III Responsibilities of Assurance Organization

CECEP (HK) Advisory is responsible for issuing an independent assurance statement to the Board of Directors of Dongguan Rural Commercial Bank in accordance with AA1000AS v3 and the ESG Reporting Guidelines issued by the Hong Kong Stock Exchange. This independent assurance statement is only for the purpose of verifying contents within the scope defined in the ESG report of Dongguan Rural Commercial Bank, and is not intended for any other purpose. CECEP (HK) Advisory ensures that personnels participating in the assurance meet professional qualifications, training, and experience requirements, and have the ability to conduct assurance. All confirmed and verified results are internally reviewed by senior personnels to ensure that the methods we use are rigorous and transparent.

IV Assurance Scope

The scope of assurance is limited to the data and information of Dongguan Rural Commercial Bank and its subsidiaries covered by the ESG report, and does not include data and information of Dongguan Rural Commercial Bank's suppliers, contractors, and other third parties;

Type 2 Moderate Level under the AA1000AS is adopted to evaluate the nature and degree of Dongguan Rural

Commercial Bank's adherence to principles of Inclusivity, Materiality, Responsiveness, and Impact outlined in AA1000AS v3;

The time frame for assurance is limited to data from January 1, 2024 to December 31, 2024. Any other data included in the ESG report other than this time frame is not within the scope of our assurance. Therefore, we do not make any conclusions regarding that information; as well as

The scope of assurance is based on and limited to the information provided by Dongguan Rural Commercial Bank. Any inquiries regarding the contents or related matters stated in this independent assurance statement will be responded by Dongguan Rural Commercial Bank.

V Assurance Methodology

CECEP (HK) Advisory conducts assurance at the headquarters of Dongguan Rural Commercial Bank and some of its subsidiaries, assurance work including:

Assess the compliance of the stakeholder engagement process of Dongguan Rural Commercial Bank;

Conduct interviews with employees of Dongguan Rural Commercial Bank regarding sustainability management, ESG report preparation, and data and information collection;

Verify whether the preparation and management process of the ESG report follows the principles of Inclusivity, Materiality, Responsiveness, and Impact outlined in AA1000AS v3;

Inspect and test the systems and processes used to generate, record, and report selected data, and conduct sampling verification and inspection of supporting evidence related to data reliability and quality; as well as

Other work that we deem necessary.

The assurance is based on the relevant information provided by Dongguan Rural Commercial Bank to CECEP (HK)Advisory, and ensures that the information provided is complete and accurate.

VI Limitation

Due to the lack of internationally recognized and universally accepted standards for evaluating and measuring non-financial data, the application of different but acceptable information and measuring techniques may affect comparability with other institutions.

VII Findings and Conclusions

Regarding adherence to principles of Inclusivity, Materiality,

Responsiveness, and Impact outlined in AA1000AS v3, we found that:

Inclusivity

Dongguan Rural Commercial Bank has identified the main stakeholders and continuously communicated with them through various means to understand their expectations and focus areas. Base on that, Dongguan Rural Commercial Bank has also considered the expectations of and potential impacts on major stakeholders in formulating relevant policies. Our professional opinion is that Dongguan Rural Commercial Bank follows the principle of inclusivity.

Materiality

Dongguan Rural Commercial Bank conducted material issue analysis for its ESG report, collected opinions from major stakeholders, identified substantive issues through appropriate methods, and presented the evaluation results of material issues in its ESG report. Our professional opinion is that Dongguan Rural Commercial Bank follows the principle of materiality.

Responsiveness

Dongguan Rural Commercial Bank has established communication channels with its stakeholders to collect their concerns and responded to material issues related to sustainable development. Our professional opinion is that Dongguan Rural Commercial Bank follows the principle of responsiveness.

Impact

Dongguan Rural Commercial Bank has allocated adequate resources to understand, measure, evaluate, and manage the impacts arising from operation. In order to achieve more effective decision-making and result-based management within the organization, it has appropriately disclosed its impact in the ESG report. Our professional opinion is that Dongguan Rural Commercial Bank follows the principle of impact.



April 8, 2025
Hong Kong, China

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Index of ESG Reporting Guidelines of Hong Kong Stock Exchange

Reporting boundaries and aspects	General disclosure and key performance indicators		Relevant chapters
A. Environment			
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.		Committed to green finance Driving low carbon transformation
	KPI A1.1	The types of emissions and respective emissions data.	Environmental performance
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Environmental performance
	KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Due to the characteristics of banking business, there will not be a large amount of waste generated. In addition, the bank has already entrusted all generated waste to third parties for recycling and compliance treatment. Therefore, a complete statistical mechanism has not been established and plans to disclose it in the future.
	KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Due to the characteristics of banking business, there will not be a large amount of waste generated. In addition, the bank has already entrusted all generated waste to third parties for recycling and compliant treatment. Therefore, a complete statistical mechanism has not been established and plans to disclose it in the future.
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Committed to green finance Driving low carbon transformation
Aspect A2: Use of resources	KPI 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.	Driving low carbon transformation Due to the characteristics of banking business, there will not be a large amount of waste generated. In addition, the bank has already entrusted all generated waste to third parties for recycling and compliant treatment.
	General disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.		Driving low carbon transformation
	KPI 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).	Driving low carbon transformation Environmental performance
	KPI A2.2	Water consumption in total and intensity (e.g., Per unit of production volume, per facility).	Environmental performance
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Driving low carbon transformation
	KPI 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.	Driving low carbon transformation
	KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Considering features of the banking industry, the financial products and services provided by the Bank do not involve a large amount of packaging materials, so the total amount of packaging materials used is not included.

Reporting boundaries and aspects	General disclosure and key performance indicators		Relevant chapters
Aspect A3: The Environment and Natural Resources	General disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Driving low carbon transformation
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Driving low carbon transformation
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.		Responding to climate change
	KPI 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.	Responding to climate change
B. Society			
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.		Build a harmonious workplace
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social performance
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social performance
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.		Build a harmonious workplace
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social performance
	KPI B2.2	Lost days due to work injury.	Social performance
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Build a harmonious workplace
	General disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Build a harmonious workplace Accelerated development by digital and intelligent application
Aspect B3: Development and training	KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Social performance
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Social performance
Aspect B4: Labor standards	General disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Build a harmonious workplace
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Build a harmonious workplace
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Build a harmonious workplace

Reporting boundaries and aspects	General disclosure and key performance indicators		Relevant chapters
Aspect B5: Supply Chain Management	General disclosure: Policies on managing environmental and social risks of the supply chain.		Promote sunshine procurement
	KPI B5.1	Number of suppliers by geographical region.	Social performance
	KPI 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.	Promote sunshine procurement Social performance
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Promote sunshine procurement
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Promote sunshine procurement
Aspect B6: Product responsibility	General disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Strengthening data security Focusing on customer needs
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Bank does not directly provide physical products; therefore, it is not within the scope of the report.
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social performance
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Integrity and compliance management
	KPI B6.4	Description of quality assurance process and recall procedures.	The Bank does not directly provide physical products; therefore, it is not within the scope of the report.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Focusing on customers' needs
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.		Integrity and compliance management
	KPI 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.	Social performance
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Integrity and compliance management
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Integrity and compliance management Social performance
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.		Focusing on Customer Needs Delivering Care and Support
	KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Focusing on Customer Needs Delivering Care and Support
	KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Delivering Care and Support

The Global Reporting Initiative GRI Standard Index

Indicator description		Relevant chapters
GRI2 General Disclosure 2021		
1. Organization and its reporting practices	2-1 Organization details	About us
	2-2 Entities included in the organization's sustainability reporting	About us
	2-3 Reporting period, reporting frequency and contact point	About us
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Independent assurance report
2. Activities and workers	2-6 Activities, value chains and other business relationships	About us
	2-7 Employees	Build a harmonious workplace
	2-8 Workers who are not employees	Build a harmonious workplace Social performance
3. Governance	2-9 Governance structure and composition	About us Improve corporate governance Reference to 2024 Annual Report
	2-10 Nomination and selection of the highest governance body	Improve corporate governance Reference to 2024 Annual Report
	2-11 Chair of the highest governance body	Improve corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Improve corporate governance Comprehensive Risk Prevention and Control Integrity and Compliance Management
	2-13 Delegation of responsibility for managing impacts	Improve corporate governance Comprehensive Risk Prevention and Control Reference to 2024 Annual Report
	2-14 The role of the highest governance body in the sustainable development report	Social Responsibility Management
	2-15 Conflict of Interest	Reference to 2024 Annual Report
	2-16 Communication of critical concerns	Improve corporate governance Social Responsibility Management Reference to 2024 Annual Report
	2-17 Collective knowledge of the highest governance body	Improve corporate governance Social Responsibility Management Reference to 2024 Annual Report
	2-18 Evaluation of the performance of the highest governance body	Improve corporate governance
	2-19 Remuneration policies	Reference to 2024 Annual Report
	2-20 Process to determine remuneration	Reference to 2024 Annual Report
	2-21 Annual total compensation ratio	Reference to 2024 Annual Report

Indicator description		Relevant chapters
4. Strategy, Policy and Practice	2-22 Statement on sustainable development strategy	Board statement
	2-23 Policy commitments	Chairman's statement Board statement Reference to 2024 Annual Report
	2-24 Embedding policy commitments	Chairman's statement Board statement Reference to 2024 Annual Report
	2-25 Processes to remediate negative impacts	Comprehensive Risk Prevention and Control Responding to Climate Change
	2-26 Mechanisms for seeking advice and raising concerns	Social Responsibility Management Improve corporate governance
	2-27 Compliance with laws and regulations	Related contents in all chapters
	2-28 Membership associations	About us
	2-29 Approach to stakeholder engagement	Stakeholder engagement
5. Stakeholder engagement	2-30 Collective bargaining agreements	Build a harmonious workplace
GRI3 Substantive Issue 2021		
1. Disclosure of substantive issues	3-1 Process to determine material topics	Material Issues Analysis
	3-2 List of material topics	Material Issues Analysis
	3-3 Management of material topics	Material Issues Analysis
CRITERIA FOR GRI ISSUES		
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Key performance Economic performance Reference to 2024 Annual Report
	Financial implications and other risks and opportunities due to climate change	Adapt to climate change
	Defined benefit plan obligations and other retirement plans	Compensation and benefits Reference to 2024 Annual Report
203-1	Infrastructure investments and services supported	Economy
203-2	Significant indirect economic impacts	Economy
204-1	Proportion of spending on local suppliers	Promote sunshine procurement
205-1	Operations assessed for risks related to corruption	Integrity and Compliance Management
	Communication and training about anti-corruption policies and procedures	Integrity and Compliance Management
	Confirmed incidents of corruption and actions taken	Integrity and Compliance Management
301-1	Energy consumption within the organization	Environmental performance
	Energy intensity	Environmental performance
	Reduction of energy consumption	Environmental performance
	Reductions in energy requirements of products and services	Committed to green finance

Indicator description		Relevant chapters
303-1	Interactions with water as a shared resource	Driving low carbon transformation
	Management of water discharge-related impacts	Driving low carbon transformation
	Water consumption	Environmental performance
305-1	Direct (Scope 1) GHG emissions	Environmental performance
	Energy indirect (Scope 2) GHG emissions	Environmental performance
	GHG emissions intensity	Environmental performance
	Reduction of GHG emissions	Environmental performance
308-1	New suppliers that were screened using environmental criteria	Promote sunshine procurement
	Negative environmental impacts in the supply chain and actions taken	Promote sunshine procurement
401-1	New employee hires and employee turnover	Social performance
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Build a harmonious workplace
403-1	Occupational health and safety management system	Build a harmonious workplace
	Hazard identification, risk assessment, and incident investigation	Build a harmonious workplace
	Occupational health services	Build a harmonious workplace
	Worker participation, consultation, and communication on occupational health and safety	Build a harmonious workplace
	Work injuries	Social performance
	Health problems arising from work	Build a harmonious workplace
404-1	Average hours of training per year per employee	Social performance
	Programs for upgrading employee skills and transition assistance programs	Build a harmonious workplace
405-1	Diversity of governance bodies and employees	Build a harmonious workplace
406-1	Incidents of discrimination and corrective actions taken	Build a harmonious workplace
413-1	Operations with local community engagement, impact assessments, and development programs	Delivering Care and Support
414-1	New suppliers that were screened using social criteria	Promote sunshine procurement
414-2	Negative social impacts in the supply chain and actions taken	Promote sunshine procurement
416-1	Assessment of the health and safety impacts of product and service categories	Focus on customer needs

Reader Feedback Form

Thank you for reading the 2024 Corporate Social Responsibility Report of Dongguan Rural Commercial Bank Co., Ltd. In order to improve the Bank's social responsibility governance, we look forward to receiving your valuable comments and suggestions through a questionnaire, and you can give feedback in the following ways.

Address: Dongguan Rural Commercial Bank Building, No. 2, Hongfu East Road, Dongcheng District, Dongguan

Tel: (86) 769-961122

Post code: 523123

1. Your overall evaluation of this report:

☐ Bad ☐ Average ☐ Good ☐ Very good

2. Do you think this report fully reflects the Bank's economic performance?

☐ Yes ☐ Average ☐ No

3. Do you think this report comprehensively reflects the Bank's social performance?

☐ Yes ☐ Average ☐ No

4. Do you think this report comprehensively reflects the performance of the Bank in terms of environment?

☐ Yes ☐ Average ☐ No

5. Do you think the information disclosed in this report is complete?

☐ Yes ☐ Average ☐ No

6. Do you think the content and format of this report are clear and easy to understand?

☐ Yes ☐ Average ☐ No

Any other comments and suggestions on improving the Bank's performance of social responsibilities and this report:

