

China Minsheng Banking Corporation Limited

2020 Environmental, Social and Governance Report

March 2021

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About the Report

Introduction

This Report aims to disclose the environmental, social and governance (ESG) management and performance of China Minsheng Banking Corp., Ltd. (hereinafter referred to as “China Minsheng Bank”, “CMBC”, “the Company”, “we” or “us” in this Report) and thus, to enhance full understanding and communication between various stakeholders and the Company. This Report should be read together with the “Corporate Governance” section in the 2020 Annual Report of China Minsheng Banking Corp., Ltd. and the 2020 Corporate Social Responsibility Report of China Minsheng Banking Corp., Ltd. for a more comprehensive understanding of our efforts and achievements in the ESG field.

Reporting Period

Unless otherwise specified, this Report covers the period from 1 January 2020 to 31 December 2020. This may however, includes certain information beyond this period for the comparability and completeness of the Report.

Reporting Scope

Unless otherwise stated, the disclosure scope of this Report includes headquarter of China Minsheng Banking Corp., Ltd. and its branches. The reporting scope of relevant data and calculation methodology are specified in the Report.

Basis of Preparation

This Report complies with the *ESG Reporting Guide* set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The reference to the *ESG Reporting Guide* is attached as appendix in the Report. This Report has complied with the “Comply or explain” provisions set out in the *ESG Reporting Guide*.

Confirmation and Approval

This Report was deliberated and approved at the 7th meeting of the 8th Session of the Board of Directors of the Company on March 30, 2021.

About China Minsheng Bank

The Company was formally established in Beijing on 12 January 1996. It is China's first national joint-stock commercial bank that was initiated and established mainly by non-state-owned enterprises (NSOEs). It is a financial institution established strictly in accordance with the *Company Law* and the *Commercial Bank Law* of the People's Republic of China. Over the past 25 years, along with the rapid development of China's economy, the Company has been forging ahead with the spirit of pioneering and innovation, ranking 23rd among the 2020 "Top 1000 World Banks" of *The Banker* (a British magazine) and 239th among the 2020 "Global 500" of *Fortune* (an American magazine).

During the Reporting Period, the Company has been continuously improving corporate governance, vigorously promoting reform and transformation and constantly innovating business model, products and services. In facing the steep challenges brought by the COVID-19 pandemic and the complex and ever-changing domestic and international economic environment, we closely focus on the requirements of "ensuring stability on the six fronts (employment, financial operations, foreign trade, foreign investment, domestic investment and expectations) and security in the six areas (job, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains and the normal functioning of primary-level governments)", and insist on the strategic goal of "building a first-class commercial bank with distinctive characteristics, value growth, continuous innovation, and stable operation", give full play to the advantages of systems and mechanisms as a non-state-owned bank, provide high-quality large NSOEs with all-round comprehensive financial services, focus on the micro, small and medium enterprises along the upstream and downstream of the supply chains of high-quality core enterprises and in the regions with distinctive characters, striving to become the first choice bank for NSOE customers. We carry out all-round digital innovation and transformation, take retail business as the focus of digital transformation, and create a digital bank with agility, efficiency and ultimate experience. We aim to establish a business coordination system to provide customers with integrated and comprehensive services. We strengthen all-

round refined management to resolutely follow the path of steady and sustainable development.

ESG Management

ESG Management Strategy

The Company actively undertakes environmental, social and governance responsibilities, continues to strengthen ESG management and promotes the integration of ESG-related concepts and tools into operation and management to improve ESG management capabilities.

At the governance level, the Company strictly complies with relevant national and local laws and regulations, constantly improves corporate governance operating mechanism, and actively explores the development of a modern corporate governance system which meets regulatory requirements and reflects CMBC's unique characteristics. We continuously strengthen internal control compliance and risk prevention capabilities as well as the compliance culture. We continuously consolidate the anti-corruption and anti-money laundering ("AML") compliance system and increase employees' awareness of integrity.

At the social level, the Company integrates the concept of "customer-centric" into customer service culture, marketing culture, credit culture, risk management culture and compliance culture, actively promotes the digital transformation empowered by technology and digital finance, optimise service quality, constantly improves customer experience and serves customers attentively. We insist on talent building and career development of employees, protect employees' legitimate rights and interests, and provide broader opportunities for learning and development to realise their personal value. We actively assume social responsibilities, make constant contributions in public welfare undertakings such as poverty alleviation, increase investment in cultural welfare undertakings and support community development through in-depth communications, in an aim to build a good corporate image.

At the environmental level, the Company insists on green development, actively deploy green finance, leverages its financing role to promote the development of green economy, low-carbon economy and circular economy. We pay attention to preventing environmental and social risks, restrict credit placement to high-polluting and high energy-consuming industries, and expedite exit from non-productive enterprises to promote industrial restructuring. We advocate green office, practice green operation and promote suppliers to implement environmental and social responsibilities through green procurement.

ESG Management Structure

The Company is committed to establishing a high standard ESG management system to improve ESG governance structure and management. The Board of Directors reviews ESG reports regularly, researches and discusses on ESG issues, guides and supervises the management to carry out ESG related works, and includes assessing the performance of social responsibilities, such as economic, environmental and social welfare undertakings, into its duties, so as to ensure the effectiveness of ESG governance. The Board of Directors has established the Strategic Development and Customer Rights Protection Committee to oversee the review and supervision of ESG issues related to inclusive finance and customer rights protection.

Relevant departments of the Company formed the ESG working team to implement specific ESG works. Under the guidance of the ESG working team, branches at all levels carry out local ESG works to ensure ESG risks involved in the Company's businesses can be properly managed, and the ESG responsibilities can be effectively fulfilled.

In March 2020, the Strategic Development and Customer Rights Protection Committee of the Board of Directors and the Board of Directors reviewed and approved the *2019 Environmental, Social and Governance Report of China Minsheng Bank*. In 2020, in order to actively respond to the new ESG requirements and changes in the capital market and improve the ability of ESG management, the Board of Directors launched a value management

improvement project. In May 2020, it reviewed the *Value Management and Improvement Report of China Minsheng Bank*, which further promoted the improvement of ESG management and value enhancement.

Stakeholder Engagement

The Company actively communicates with stakeholders to understand and respond to their needs, and takes their key concerns as a reference for our reports and direction of actions. The table below sets out our major stakeholders, their main ESG concerns and major communication channels.

Major stakeholders	Main ESG concerns	Major communication channels
Government and regulators	Environment and natural resources, climate change, product responsibility, anti-corruption and community investment	Policy consultation, work report, information disclosure, routine inspection, regulatory agency meeting, carbon verification
Investors/Shareholders	Climate change, employment, product responsibility and anti-corruption	Company's shareholders' meeting, information disclosure, regular announcements, investor hotline
Customers	Product responsibility	Customer satisfaction survey, 95568 hotline, complaint at lobby, complaint by letters and visits
Employees	Employment, health and safety, development	Staff congress, employee activities, employee happiness index survey

and training, and labour standards

Community and NGOs	Environment and natural resources, climate change and community investment	Volunteer activities, community education, environmental protection actions
Suppliers	Supply chain management and anti-corruption	Open bidding process, supplier review, supplier hotline

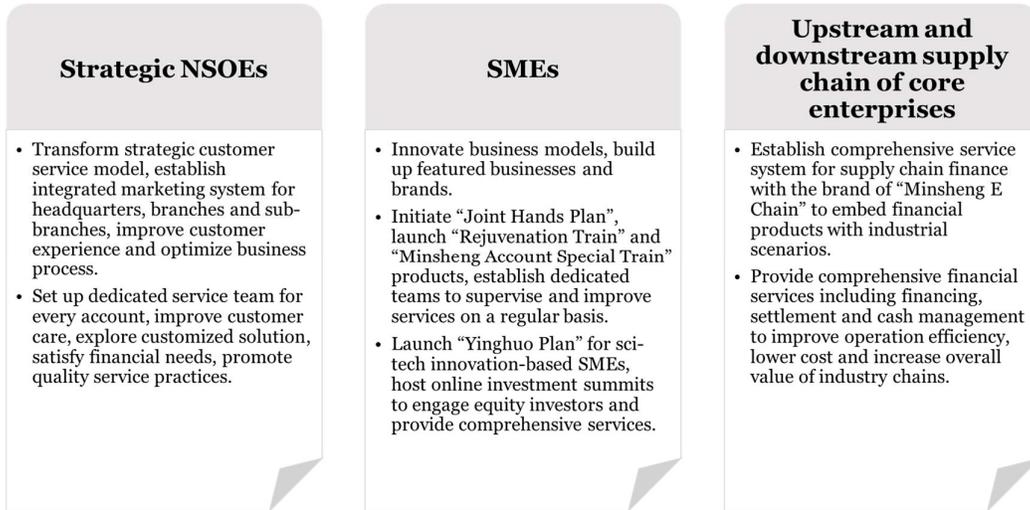
The Company integrated the concerns and suggestions of the Company's Board of Directors, management, employees and external stakeholders to conduct materiality assessment on ESG topics relating to 12 aspects as set out in the *ESG Reporting Guide*, and identified the important topics, including “product responsibility”, “anti-corruption”, “employment”, “development and training” and “community investment”. Other related topics include “emissions”, “use of resources”, “environment and natural resources”, “climate change”, “health and safety”, “labour standards” and “supply chain management”. This Report will focus on discussing each of these topics.

Attentive Services

The Company serves customers attentively, endeavours to support the healthy development of the real economy by giving full play to the advantageous systems and mechanisms of a non-state-owned bank and focusing on serving NSOEs. We actively practise the development strategy of inclusive finance, and continuously explore innovative business models to enhance service capabilities of small business finance. We stick to IT empowerment to carry out all-round digital transformations. Upholding the customer-centric principle, we provide customers with high-quality services and protect their rights and interests in a comprehensive manner.

Support NSOEs

The Company is committed to supporting the development of NSOEs. Through product innovation, model exploration, classified management, comprehensive services, etc, we've established a multi-level financial service system covering micro, small, medium and large enterprises and ecosystem chain enterprises to develop win-win partnership with them and improve service capabilities. As at the end of 2020, the Company had a total of 1,270 small and medium-sized sci-tech innovation-based small and medium-sized enterprises (SMEs) signed up for the "Yinghuo Plan" and established partnership with 110 equity investment institutions. We had 12,726 NSOE customers with corporate loan balances of RMB 980.029 billion.



Practice Inclusive Finance

As an active practitioner of national policies, the Company takes various measures to provide inclusive finance services. We invest in inclusive finance with greater efforts and more resources, and make substantive efforts in advancing increase in volume, coverage expansion, quality improvement and cost reduction of credit granting for small business. As at the end of 2020, the Company's inclusive loan balance for small business totaled RMB 452.762 billion.



We provided more loans to small and micro enterprises, promoted renewal of non-principal repayment loans, ensured stable credit services, and provided services including increasing credit lines, adjusting prices, reducing and exempting interests and diversified product mix, in an aim to help them make through difficulties.



We increased credit loan extension and first loan customer base, initiated coordinated and integrated development of supply chains, accelerated development of scenario-based finance, in an aim to satisfy diversified financing needs of micro and small customers and expand coverage of inclusive financial services.



We applied fintech to promote development of online businesses, upgraded and promoted online credit loan of “Online Tax Loan” and online mortgage loan of “Cloud Fast Loan”, and promoted “Cloud Fast Mortgage” model based on “internet+real estate mortgage registration”, in an aim to improve efficiency of loan services.

In order to serve inclusive finance wholeheartedly, all rural banks of the Company intensively cultivate regional markets by improving service levels and continuously exploring sustainable business models. This year, many of our rural banks achieved good results in serving inclusive finance and fulfilling social responsibilities, and won the "2020 Inclusive Financial Business Bank", "Top Ten Inclusive Financial Innovation Institutions" and other external honor and recognition.

Rural Banks	Honorary Recognition
Rural Banks of Songjiang, Jiading, Tiantai, Qijiang, etc.	"Top 100 Rural Banks of China"
Qijiang Rural Bank	"Top 10 Rural Banks of China for Supporting Agriculture and Small and Micro Businesses"
Tiantai Rural Bank	"Top 100 Rural Banks of China with Best Comprehensive Services"
Penglai Rural Bank	"Advanced Bank for Supporting Local Development"

Empower Digital Finance

The Company continues to increase science and technology input, accelerate digital transformation, and apply cutting-edge technologies such as big data, artificial intelligence, blockchain, and 5G to various fields such as product innovation, customer service, business operation, and risk control to create strong capabilities in terms of ecosystem scenario management, big data-based risk control, and enterprise-level technology. This year we focused on key business areas of digital finance, launched the industry's first 5G mobile bank, opened our first "smart bank experience store", continued to upgrade the 95568 remote banking services, and accelerated the development of a full-cycle, full-coverage and diversified digital product system and quick response service capabilities.

5G Mobile Bank	Smart Bank Experience Store	95568 Remote Bank
<p>We launched the industry’s first 5G mobile bank which applied 5G technology in mobile finance for the first time. Together with cutting-edge technologies, such as AI, big data, AR and IoT, and based on innovations of interactive experience and smart services, we ushered in a brand new age of digital finance with fresh visual interaction, enriched service contents, smooth voice interaction and dedicated remote banking service.</p>	<p>In December 2020, we opened the first “Smart Bank Experience Store” in Zhongguancun of Beijing, which provided customers with brand new smart service experiences of full-touch perception, full-journey companion and full-service connection. Following the concept of “finance+IT+ecosystem”, it provided more convenient and efficient online smart services by applying 8 types of emerging mainstream technologies and 6-dimension intelligent design.</p>	<p>We continued to upgrade the 95568 remote banking services by expanding personal service scenarios to provide customers with zero-contact, indoor and warm financial service experiences. During the severe period of the COVID 19 pandemic, the number of remote banking customers surpassed the total number of offline outlets of the Company, and the number of single-day personal remote banking users peaking at 27 thousand.</p>

Provide Excellent Services

The Company attaches great importance to customer service and customer experience, and integrates the concept of “customer-centric” into service culture, marketing culture, credit culture, risk culture and compliance culture, and is committed to providing quality services and creating value for customers. We have established a top-down organisation for customer rights protection with the Board of Directors as the supreme leader. We actively implement the *Law of the People's Republic of China on Customer Rights Protection*, the *Administrative Measures on Complaints Handling of Banking and Insurance Institutions* and other industry requirements, strictly implement the *Administrative Measures on Customer Rights Protection of China Minsheng Bank*, the *Administrative Measures on Assessment and Evaluation on Customer Rights Protection of China Minsheng Bank* and other special policies to further improve customer protection system and service and management.

During the Reporting Period, the Company strengthened the management and control of customer rights protection in respect of retail products and services, and formed a whole-process management and control mechanism that combined “pre-sale review + in-sale control + after-sale follow-up”, to further gain customer trust and reputation. We earnestly implement regulatory requirements, successively organised and carried out financial customer education activities, including “3•15 education week”, “Protect your wealth”,

“Financial Knowledge Promotion Tour”, “Month of Financial Knowledge Education”, to spread financial knowledge, improve the level of integrity among the public, and drive the benign interaction between the public and the finance industry. Faced with the pandemic prevention and control requirements, the Company innovated the content and form of relevant publicity and education activities to integrate various “contactless” publicity channels and build a publicity and education system that involves participants from all parties and diversified forms of participation. We were awarded as “3•15” Outstanding Organisation and “2020 Outstanding Organisation for Joint Publicity and Education Activities” by the China Banking and Insurance Regulatory Commission (“CBIRC”).

To actively respond to the complaints and suggestions from customers, serve the customers in a timely manner and improve customer satisfaction, we strengthened the management of multiple customer complaint channels that included 95568 customer service hotline, business outlet services and letters and visits, to standardise customer service requirements.

95568 Customer Service Hotline

95568 customer service hotline is a telephone service system that provides services, consultation, complaint reception and suggestions for individual customers, and is committed to providing 365 days and 24 hours non-stop and one-stop customer service. According to the industry standard in *Statistical Classification and Coding of Complaints Filed by Financial Customers (Banking Financial Institutions)* of People's Bank of China, the Company refined 95568 customer service hotline complaint grading and classification criteria, classified complaint data on a monthly basis, and supervised and urged relevant departments to improve the efficiency of complaint handling. At the same time, for complaints that have been handled, return visits of customer complaints satisfaction will be carried out to supervise and urge the relevant departments to continuously enhance service quality.

Key Performance Indicators Related to Customer Service

Indicators	2020
Number of customer complaints received via 95568	19,066
Rate of closing customer complaints received via 95568 (%)	99.8
Customer satisfaction rate with 95568 (%)	98.8
Number of customers served with remote bank (video) (person-time)	4.725 million
Customer satisfaction rate with remote bank (video) (%)	99.5

Outlet Services

In order to improve the customer service quality of physical outlets and standardise the customer complaint management at outlets, the Company has benchmarked its existing policies against the regulatory requirements including the *Implementation Measures of the People's Bank of China for Protecting Financial Customers' Rights and Interests* and the *Civilised and Standardised Service Evaluation Index System and Scoring Standards for Banking Outlets*, and upgraded its outlet channel complaint management and monitoring indicators system. Besides, the Company has formulated the *Administrative Measures on Customer Complaints at Outlets of China Minsheng Bank (Trial)*, which set out clear specifications and requirements for the process of handling customer complaints at outlets and the timeliness of complaint handling, strengthen and implement the management of complaint at outlets, effectively improving the quality and effectiveness of customer complaint management at outlets and protecting customers' rights and interests.

Complaints by Letters and Visits

The Company has a working system for handling complaints by letters and visits to process complaints and tip-offs reported via letters, calls, e-mails, faxes and on-site visits, in a timely manner. The Company has established the *Management Measures on Complaints by Letters and Visits of China*

Minsheng Bank, which clearly defined the work scope and duties and handling process regarding complaints by letters and visits. The departments involved are required to respond within 7 days and close the cases within 30 days in principle.

Responsible Operations

The Company insists on honest and compliant operation, enhances internal control compliance management, and raises employees' awareness of compliance; continuously improves the risk management system, enhances comprehensive risk management capabilities; strengthens AML management and integrates AML requirements into business processes and operations; focuses on creating a culture of integrity, promotes publicity and education on anti-corruption, and continuously strengthens supervision; continues to improve information security management, strengthens employees' awareness of information security protection, and builds a fully-fledged financial security protection system; attaches great importance to the prevention of intellectual property (IP) risks, and takes measures to enhance employees' awareness of IP protection and control measures; emphasizes on interaction with partners, advocates and supervises the fulfillment of social responsibilities of suppliers, and actively promotes the digital transformation of supply chain management.

Strengthen Compliance Management

The Company adheres to the concept of “compliant operation is the core competitiveness”, continues to improve the internal control and compliance system, strengthens the development of a compliance culture, and continuously enhances the Company's awareness of operating in compliance with laws and regulations at all times.

During the Reporting Period, the Company vigorously improves the internal control and compliance mechanism and system and improves the case prevention and control management mechanism; builds and promotes off-site inspection system, launches a compliance information system, and conducts comprehensive inspections on business lines; increases accountability and implements an accountability tracking mechanism for operating units; establishes a compliance assessment system and promotes the improvement of the compliance assessment system for operating units; implements the code of conduct and guidance for bank practitioners, and establishes a long-term investigation mechanism for misconduct by practitioners; continuously

improves employee behavior management from aspects including strengthening case prevention, internal control construction, education and training improvement, enforcing accountability and promoting compliance management throughout the entire process of business development.

In order to improve employees' awareness of compliance, improve employee behavior management, this year we carried out various mandatory trainings on compliance, with a total of 44,000 participants; carried out company-wide educational activities with a theme of "learning and abiding by the Code of Conduct to promote the culture of integrity", to reinforce compliance principles of "legal red line", and "bottom line", with a total of 60 thousand participants.

Improve Risk Prevention and Control

The Company has established a comprehensive risk management system, constantly strengthened the coordination of comprehensive risk management, continuously improved the three lines of defence for risk management, of which the first line bears the primary responsibility for risk management, the second line performs due diligence and the third line plays a more independent supervisory role.

During the Reporting Period, we have strengthened the development of overall risk management capability, profoundly promoted the integrated whole-process management of credit risks, reinforced the guiding role of credit policies, improved the capability of forward-looking early warning, improved management capabilities both at origination and during the process, and strictly controlled the emerging credit risks of credit business. The Company has also concentrated on building critical capabilities in areas, such as market risk, operational risk, and liquidity risk, with regard to the eight major risk factors of commercial banks, clearly defined the risk management responsibilities, comprehensively reshaped the culture of risk compliance and further improved the risk management capabilities.

During the Reporting Period, the Company carried out a total of 15 training sessions covering around 28,000 attendees through various means such as offline training, live broadcasting, centralised courses, case analysis and

interactive practice programs. The contents included risk performance promotion trainings, trainings on operational risk, online trainings on impairment management and the optimisation of internal rating system, and trainings on the bank-wide promotion of corporate customer RAROC and retail business RAROC, trainings on non-retail customer rating, which improved the professional level of risk management of the Bank.

Insist on Governance with Integrity

The Company strictly abides by relevant laws and regulations on anti-corruption such as the *Banking Supervision Law of the People's Republic of China* and the *Interim Provisions on Banning Commercial Bribery*. We have formulated and implemented the *Measures on Punishments on Violations by Employees of China Minsheng Bank*. We always stick to the principle of integrating strict punishment and prevention, focus on creating a culture of integrity and raise employees' awareness of performing duties with integrity, and has set up a leading group to enhance prevention and management and control of employee moral risks.

During the Reporting Period, the Company has promoted anti-corruption trainings. An educational video named *Professional Ethics Exhortation to the Employees of China Minsheng Bank*, which focused on the 24 high risk issues vulnerable to violations of laws and regulations in the financial industry, was shared and briefed to all the employees, forging the ethos and disciplines that deters corruption. As at the end of 2020, the Company has carried out 466 anti-corruption trainings with all the employees covered.

Prevent Money Laundering Risks

The Company strictly abides by the *Anti-Money Laundering Law of the People's Republic of China* and the *Administrative Measures on Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions* and other AML related laws and regulations, and has formulated and implemented the *Administrative Measures on Money Laundering and Terrorist Financing Risks of China Minsheng Bank*. We have further enhanced AML management through strengthening the internal control system of AML,

accelerating the development of AML system empowered by technology, creating a solid foundation of anti-money laundering. During the Reporting Period, the Company comprehensively assessed the effectiveness of the AML system, and deployed more AML management posts and accountability framework, upgraded four existing policies, which further improved the bank-wide AML system. 45 specific AML related working rules were established and revised. A detailed list of of AML policies was issued to instruct all operating organizations to improve their AML management level.

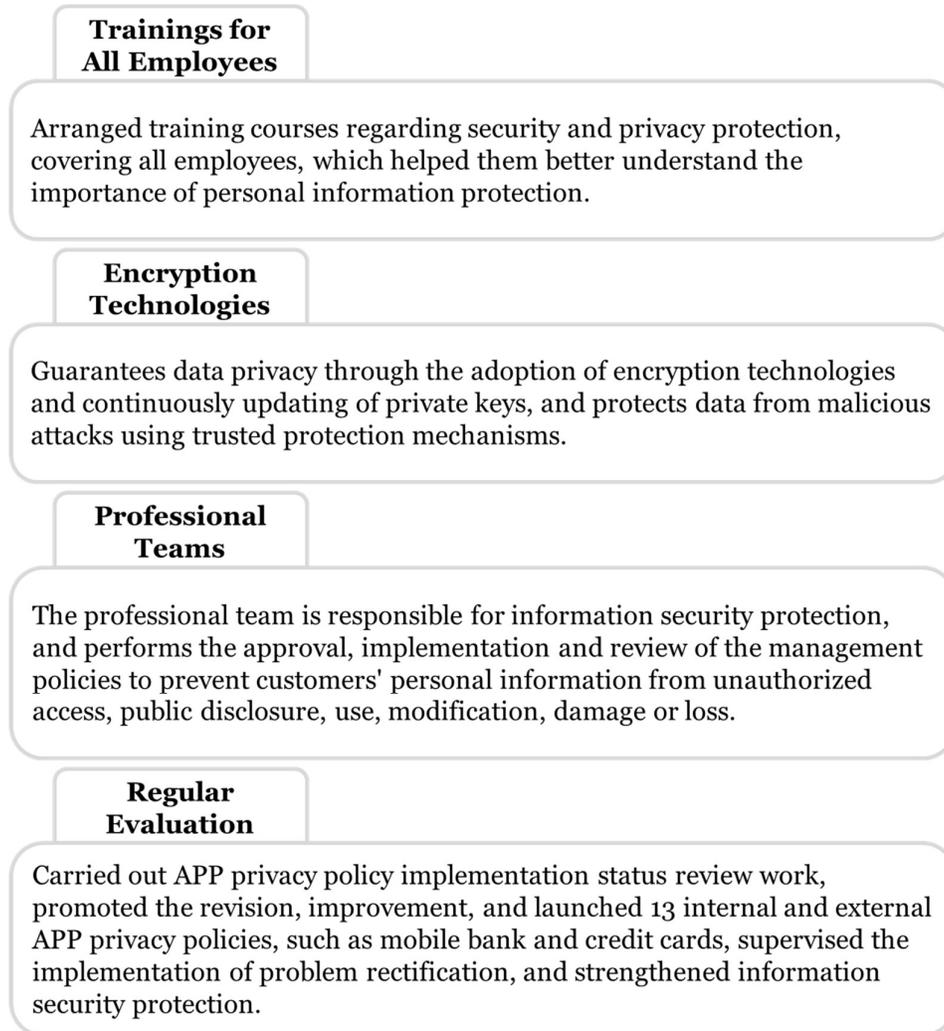
This year, the Company has actively carried out AML to increase employees' awareness. We carried out 18,749 AML trainings, accumulatively covering a total of 590 thousand trainees. In order to fulfil the responsibility of financial institutions for AML, and increase the awareness of the bank employees and the public, the Company continues to carry out relevant educational activities, such as "China Minsheng Bank AML Publicity Contest on Tiktok", video recording of the AML education video programme of the People's Bank of China, which reached accumulatively more than 5.14 million people.

Ensure Information Security

The Company attaches great importance to customer information security management, strictly complies with relevant regulations such as the *Law of the People's Republic of China on the Protection of Customer Rights and Interests* and the *Cybersecurity Law of the People's Republic of China*, and has revised relevant internal policies such as the *Rules for the Implementation of Information Security Management* and the *Assessment Methods for Data Governance*. Moreover, trainings were held on relevant regulations for the whole bank to improve employees' awareness of information security, and further improve the information security management system.

The Company has built an integrated information security management and protection system which is based on the principle of "centering on in-depth and proactive defence as the foundation and goal". Through the systematic concepts of "management as the core, tools as the means, policies as the basis and processes as the orientation", we deploy security measures, tools and processes

at different levels of network security, system security, application security, and data security to eliminate potential security threats and achieve various levels of control and linkage under the in-depth protection system. With the application of various technologies such as big data, behaviour analysis, threat reporting and security interaction, we have established a comprehensive protection model, preventing customers' personal information from being leaked or damaged during the process of collection, storage and transmission.



During the Reporting Period, the Company successfully completed key information security protection management tasks in every critical period, achieved no occurrence of level-3 or above significant information security

incidents, and carried out 5 company-wide cybersecurity offensive and defensive drills. The Company participated in the “2020 Cybersecurity Offensive and Defensive Drill” held by the Ministry of Public Security, achieving a leading result, and was invited to share experiences on the “2020 Cybersecurity Level Protection and Key Infrastructure Protection Convention” held by the Ministry of Public Security, which was recognised by both the Ministry of Public Security and regulators. In the “2020 National Password Application and Technological Innovation Competition of Financial Password Cup” jointly hosted by the Digital Currency Research Institute of People’s Bank of China and the Password Theory and Technology Research Centre of Tsinghua University, the Company won the third prize and the Outstanding Innovation Prize.

Protect Intellectual Property

Pursuant to the *Anti-Unfair Competition Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Advertisement Law of the People's Republic of China* and other relevant laws and regulations, the Company has formulated the *Administrative Measures on Intellectual Property* and the *Administrative Measures on Brand Management*. The IPs are managed in aspects of innovative protection, license management and infringement protection to prevent IP risks, comprehensively promoting the standardization and unification of the Company's brand culture and image.

The Company has formulated and enforced the *Legal Risk Management Regulations on the Protection of Intellectual Property Rights* in response to the introduction of *Civil Code of the People's Republic of China* and the new requirements. We have carried out trainings for all employees for the purpose of updating the legal concept of IP protection of employees and improving their awareness of IP protection. As at the end of 2020, the Company has completed the registration of 34 copyrights, application of 9 trademarks, authorisation of 4 trademarks, renewal of 10 domain names, renewal of 16 trademarks and authorisation of 5 patents.

Deenpen Cooperation for Mutual Benefits

Supplier Management Policies

Adhering to the principle of win-win cooperation, the Company attaches great importance to the beneficial interaction with partners and suppliers to build a sustainable value chain, and strives to achieve mutual benefit in the whole industry. We constantly improve the procurement management rules and regulations and enhances bidding and supplier management. The Company actively promotes the implementation of green procurement policies, encourages suppliers to improve their environmental and social risk management capabilities, and works with suppliers to assume social responsibilities.

Strictly complying with the laws and regulations such as *Anti-Unfair Competition Law of the People's Republic of China*, the Company continues to promote the regulation and standardisation of supplier management. An integrated supplier management system, which includes the regulations such as the *Centralized Procurement Measures*, the *Tendering and Bidding Management Measures*, the *Suppliers Management Measures*, the *Procurement Incorruptibility Regulation*, etc., has been established to provide guidance for the procurement of products and services.

Supplier Assessment and Digital Management

The Company has established a strict supplier access system. We require suppliers to comply with national laws and regulations, and to have good business reputation and sound financial and accounting systems. The products or services they provide should meet national and industrial standards and green procurement standards. Suppliers should also follow the occupational health and safety management, labour laws and regulations and employee remuneration related standards. Suppliers should be willing and able to accept the supervision and administration from the Company whilst providing products and services. As for projects that are under public open bidding, the Company critically assesses the qualification of suppliers during the project evaluation phase, while for projects that are of non-public bidding, the records

of significant violations of the law and regulations, breach of contracts, public opinion and labour dispute are subject to review in the process of supplier selection. The supplier assessment covers all procurements and suppliers of the Company.

To ensure that suppliers strictly abide by the supplier guidelines of the Company during services, we carry out continuous supervision and spot-check on the effectiveness of the supplier's policies, systems and management procedures, including management requirements about whether to comply with the Company's social responsibilities, occupational health and safety management, labour standards, environmental protection and so on, and conduct on-site audits as appropriate. We have also formulated a supplier evaluation standard. Through the annual periodic evaluation and the general evaluation upon the end of the contract, the centralized purchasing department, purchase requisition departments, and demand departments jointly conduct statistics, analysis and feedback on the performance of existing suppliers. The results will be an important evidence for the Company's decision on future purchasing contract.

During the Reporting Period, the Company actively implemented the on-line supplier management, developed a supplier management module. We continued to optimise and iterate system functions, and conduct real-time management of suppliers through the system. In order to ensure the successful implementation of the supplier management module, we have carried out systematic training courses for supplier systems to enhance supplier management in a more intelligent and efficient manner.

Key Performance Indicators Related to Suppliers in 2020

Indicators	2020
Total number of suppliers¹	748
East China	173
Central China	7
North China	441
South China	103
Northwest China	1
Northeast China	7
Southwest China	16

Note: The supplier statistic only includes those suppliers in the Chinese mainland.

Green Procurement

To better implement green procurement policies, the Company encourages suppliers to incorporate environmental protection, energy saving and other requirements into their management system. We give priority to the suppliers who have obtained the certification of environmental management system and whose products are certified as environmentally friendly. The Company actively conveys its view and support on the social responsibility of the procuring behaviours to the suppliers in order to promote the environmental behaviours of the suppliers. The Company adheres to and implements the concept of green procurement. The conditions and evaluation criteria for green procurement as a priority are clearly defined in the bidding requirements for procurements such as engineering projects, the construction of outlets, IT equipment, office furniture, and we procure energy-saving and environmentally friendly products. As for the construction projects, the Company clearly states in the procurement documents that the building materials used by the suppliers meet the requirements of environmental protection. As for the procurement of display equipment, the Company prescribed in the scoring rules for procurement that the products with energy conservation certification could obtain higher scores. As for the office furniture, the products have to comply with the country's environmental protection requirements for furniture products, and we incorporate environmental protection into the scoring rules when preparing the procurement assessment standards.

Green Development

The Company actively responds to the national initiative of building a beautiful China and China's goal of striving to peak carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060, promotes the implementation of the green financial development strategy, and supports green economy, low-carbon economy and recycling economy. The Company practices a sustainable development concept of low carbon and environmental protection, energy saving and emission reduction. Strictly complying with national and local laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, the Company achieves energy saving and emission reduction through various means, fulfilling environmental responsibility. The Company also actively enhances employees' awareness of environmental protection, and implements various measures which support green offices and promote the development of environmental protection charitable activities. In addition, the Company pays close attention to climate change, takes the initiative to communicate and exchange with the People's Bank of China, the CBIRC, China Banking Association, Green Finance Committee of China Society for Finance and Banking, and inter-bank institutions to explore, research and cooperate in green finance and climate change at home and abroad, contributing more to the development of ecological civilisation.

Implement Green Finance

With the carbon peak and carbon neutrality of our country as the target, the Company profoundly implements the green concept, promotes the development of green finance and the layout of investment and financing as a whole, actively fulfills the commitment made in the *Common Commitment on Green Credit of China Banking Industry*. The Company promotes the development of green finance from a macro strategic aspect, clearly proposes the requirements for accelerating the deployment of green finance at the policy level, and sets qualitative and quantitative targets for the annual development of green finance. In this year, as a member of the Asia Financial Cooperation

Association (AFCA), the Company participated in the establishment of the Green Finance Committee of AFCA.

In terms of credit granting, the Company actively conducts industry research in key fields, and formulates differentiated credit granting standards and requirements, regional strategies, product strategies, etc., for key green industries and fields such as hydropower, wind power, and photovoltaic power generation. The Company adheres to the system of “one-vote veto” for environmental assessment to promote the steady development of green finance under the premise of controllable risks.

The Company continues to improve green finance management and resources, refines its green finance management evaluation indicators, and incorporates green finance management into the balanced assessment scorecard. The Company gives certain incentives to branches with better growth in the scale of green finance business. The Company organizes best green finance cases to be elected in its internal "golden case" innovation and competition. The Company has carried out special trainings on green finance for two consecutive years to enhance the green development awareness of all employees.

On July 29, 2020, China Development Bank's first “Bond Connect” green financial bond with the topic of “Tackling Climate Change”, which was underwritten by the Company, was successfully issued. The funds raised will be used for low-carbon transportation and other green projects, which are expected to save about 413,000 tons of standard coal and reduce carbon dioxide emissions by approximately 912,000 tons annually, making a positive contribution to reducing emissions.

As at the end of December 2020, the Company's green credit balance was RMB 52.669 billion, up by RMB 20.414 billion, or 63.29%, as compared with the beginning of the year. The scale and balance of green loans have achieved a steady growth. In terms of the usage of loans, the Company's green loans were mainly dedicated to the following four areas: green infrastructure upgrading (55.26%), energy-saving and environmental protection industry (16.31%), clean energy industry (14.40%) and ecological environment industry (8.70%).

Control Industries of “High Pollution, High Energy Consumption, and Overcapacity”

The Company strictly controls credits to the industries that are of “high pollution, high energy consumption and overcapacity”, and focuses on monitoring the industry policies on “overcapacity” in various regions, and changes in environmental protection, expectations, safety, quality and other standards in a timely manner, as well as quickly withdrawing lending from outdated production capacity and "zombie companies". The Company continues to strengthen the risk control of the whole process of green finance, and strictly implements environmental and social risk assessment and conducts due diligence reviews, compliance inspections, credit approvals, contract management, fund allocations and post-lending management. The Company's balance of loans to the customers in the industries of “overcapacity” has gradually decreased since 2017. As at the end of 2020, the Company's total balance of loans to the industries of “overcapacity” was RMB 54.725 billion, decreased by RMB 4.55 billion as compared with that at the end of 2019.

Promote Green Office

The Company always adheres to green operations, reduces energy resource consumption, and actively fulfills its environmental responsibilities. We strictly follow the national and local *Energy-saving Design Standards for Public Buildings* to carry out the development of green bank, and thoroughly implement the concepts of green, energy-saving, and environmental protection into the construction of our offices and business outlets.

 <p>Site Design</p> <p>A new office building is required to maximise and utilize existing resources as much as possible during the site design stage to reduce damage to the site environment.</p>	 <p>Building Materials</p> <p>The main materials of the main functional areas in the office buildings and business outlets are selected from aluminum plates, stainless steel plates, LVT stone plastic flooring and other hard inorganic green materials with good environmental compatibility.</p>	 <p>Lighting System</p> <p>The lighting in the foyer, front room, public walkway, etc. adopts sound and light self-extinguishing switch control or intelligent lighting control system; the light source of the lamps mainly adopts LED lights; the lighting power density (LPD) value of each area is lower than the target value specified in the current national standard <i>Architectural Lighting Design Standard (GB50034-2013)</i>.</p>
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The Company advocates resources saving and opposes extravagance. Since August 2020, we have issued proposals, set up rolling bulletin boards, and posted posters to strengthen publicity and education, and cultivate good habits of resources saving of employees. Regarding the use of resources and energy, we conduct irregular inspections and alert employees and departments that violate the regulations. We intensify the investigation of the electricity consumption of all outlets, monitor electricity consumption expenditures, and conduct inquiries and supervision on outlets that are with electricity consumption of significantly higher than that of average.



Stop Food Waste

Resolutely stop food waste, respond to the " Empty Plate Campaign " initiative, and create a good atmosphere of food saving.



Fixed Asset Management and Control

Control the entire process of the acquisition, use, storage, repair, allocation, inventory, disposal and recovery of fixed assets, and extend recycle use of fixed assets through repair and maintenance as much as possible to improve resources efficiency and reduce resource waste.



Save Paper

Make full use of the OA system to issue notices and announcements, submit administrative, financial, personnel, fixed asset and other matters for approval, and strictly control the number of paper documents printed. Office paper is printed on both sides or reused, e.g. single-sided waste paper are re-used as much as possible for draft documents.



Conserve Water

On the basis of meeting the basic requirements of use, control the water output of each faucet, strengthen the maintenance and management of water equipment, solve the water supply failure in time, and prevent water dripping, leaking and long running water.



Save Electricity

When using office automation equipment such as computers, printers, copiers, etc., it is required to minimize standby consumption, and to be switched off in time after long periods of non-use and/or after work. Fully purchase energy-saving lighting equipment, reduce the power consumption of lighting equipment, and turn off lighting equipment in public areas at regular intervals after work every day.



Vehicle Management

Promote the concept of green travel, maintain conditions of vehicles regularly, reduce abnormal wear and tear of vehicle components, and provide regular fuel-saving training to drivers.

Environmental Performance Indicators

Emissions

Indicators ^{1' 2}	2020
Exhaust emissions (in tonne)³	1.15
Nitrogen oxides (in tonne)	1.12
Sulphur dioxide (in tonne)	0.03
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne)⁴	79,767.07
Direct emissions (scope 1) (in tonne)	9,829.84
Natural gas (in tonne)	5,337.59
Coal gas (in tonne)	23.72
Diesel (in tonne)	1,197.54
Gasoline (in tonne)	3,270.99
Indirect emissions (scope 2) (in tonne)	69,937.23
Electricity purchased (in tonne) ⁵	69,937.23
Greenhouse gas emissions per unit area (scope 1 and scope 2) (in tonne/m²)	0.07

Notes:

1. The statistical scope of environmental performance indicators only covers the office buildings of the Head Office and the headquarters of tier-1 branches.

2. The office area used for the calculating the intensities of emissions, energy consumption and wastes only covers the office buildings of the Head Office and the headquarters of 42 tier-1 branches.

3. In consideration of the Company's business nature, exhaust emissions mainly refer to emissions from company vehicles, comprising mostly nitrogen oxides and sulphur dioxide.

4. In consideration of the Company's business nature, greenhouse gases (GHGs) emissions arise mainly from purchased electricity and fossil fuel combustion. GHGs include carbon dioxide, methane and nitrous oxide. GHGs are measured in carbon dioxide equivalents and calculated based on the *2019 Baseline Emission Factors for Regional Power Grids in China* issued by the Ministry of Ecological Environment of the People's Republic of China and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 revision)* issued by the Intergovernmental Panel on Climate Change (IPCC).

5. The GHGs emissions of Hong Kong Branch are calculated by conversion factors provided by local power company.

Energy and Water Consumption

Indicators	2020
Energy consumption (in MWh) ¹	155,339.41
Direct energy consumption (in MWh)²	45,516.59
Natural gas (in MWh)	27,297.18
Coal gas (in MWh)	176.65
Gasoline (in MWh)	13,460.81
Diesel (in MWh)	4,581.95
Indirect energy consumption (in MWh)	109,822.82
Electricity (in MWh)	109,822.82
Energy consumption per unit area (in MWh/m²)	0.14
Water consumption (in tonne)	1,008,572.17
Water consumption per unit area (in tonne/m²)	0.91

Notes:

1. Energy consumption of the Company mainly refers to natural gas, gasoline, diesel, petroleum gas and electricity purchased.
2. Energy consumption is calculated based on the amount of electricity and fuel consumption and the conversion factors provided in the *General Rules for Comprehensive Energy Consumption Calculation (GB/T 2589-2008)*.

Waste Management

Indicators	2020
Total hazardous waste (in tonne)	181.87
Waste lead-acid accumulators (in tonne)	152.68
Hazardous waste consumables (in tonne) ¹	29.19
Hazardous waste per unit area (in tonne/m²)	0.0002
Total non-hazardous waste (in tonne)²	25,867.63
Domestic waste (in tonne)	19,725.27
Canteen waste (in tonne)	5,662.51
Office equipment waste (in tonne)	180.72
Electronic consumables waste (in tonne)	7.14
Electronic products waste (in tonne)	97.71
Security equipment consumables waste (in tonne)	38.24
Security products waste (in tonne)	156.04
Non-hazardous waste per unit area (in tonne/m²)	0.02

Notes:

1. Hazardous waste consumables, including toner cartridges, carbon powder and cartridge, etc. purchased by the Company, are calculated based on the data in the purchase list provided by the supplier.

2. Domestic waste and canteen waste among the non-hazardous waste are accounted for according to the data provided by the garbage collection and transportation company. Office equipment waste includes discarded or disposed office supplies (with fixed asset numbers) such as desks, chairs, bookcases, file cabinets, etc., and is calculated based on the actual scrapping each year. Electronic consumables waste includes U disk, consumables for teller's machine, mobile hard disk, mice and keyboards, and is calculated according to the data in the purchase list provided by the supplier. Security equipment consumables, including fire extinguishers, walkie-talkies, and glare flashlights purchased by the Company, are calculated based on the data in the procurement list provided by the supplier. Security equipment includes access control, monitoring equipment, etc. (with fixed asset numbers) discarded or disposed by the Company, and is calculated based on the actual scrapping each year.

Talent Building

The Company respects and protects the legitimate rights and interests of employees, adheres to the employee development orientation, and fully stimulates the vitality of the organisation. We provide diversified training resources, build a professional and technical sequence system, strengthen the construction of young employees, and smooth the path of employees' career growth; reform performance appraisal and compensation, strengthen standardized management of employees, and establish a market-oriented mechanism for selection and employment; continuously pay attention to the safety and health of employees, and provide reliable safety protection and health protection conditions for employees; pay attention to humanistic care, care for employees' after work life, organise various employee activities, regularly carry out employee satisfaction survey and happiness index survey, and continuously improve employee satisfaction and happiness.

Protect Employees' Rights and Interests

The Company strictly abides by the national laws and regulations related to employment and labour, such as *the Labour Law of People's Republic of China* and the *Labour Contract Law of the People's Republic of China* to formulate the *Administrative Measures on Labour Contracts of China Minsheng Bank (Revised)*, *Administrative Measures on Employee Departure of China Minsheng Bank* and *Administrative Measures on Employee Induction of China Minsheng Bank*. In the process of signing, renewing, terminating and rescinding labour relations, we strictly abide by legal procedures to ensure that all relevant procedures are fair and open, irrespective of gender, race or other factors. We avoid employing child labour and prohibiting forced labour. We pay basic social insurance such as basic old-age pension, basic medical treatment, unemployment, work-related injury and maternity for our employees, establish supplementary employee welfare systems such as housing provident fund, enterprise annuity and supplementary medical insurance, and protect all labour rights and legitimate rights and interests of our employees in accordance with the law.

During the Reporting Period, the Company initiated the reform of human resources system and mechanism according to the requirements of strategic development. In order to further attract, select and cultivate young talents, build scientific and technological talent team, the Company continued to optimize characteristic recruitment program, organised and carried out special campus recruitment projects such as the "Future Banker" and the "Chip of Minsheng", emphatically introducing talents with scientific and technical backgrounds such as data analysis and information technology. We enrich the talent pool of science, technology and finance through all-round internship experience, whole-process technical guidance from mentors and systematic innovation training, so as to provide young talents guarantee for promoting the healthy development of business and maintaining the vitality and stability of talent team.

In order to strengthen the support for the introduction of core talents, the Company continued to carry out the "Elite Talents Recruitment Plan" for mid-and-high-end talents. Through the publicity plan of precise recruitment, systematic talent-hunting mechanism, customised recruitment and selection model and concrete talent attraction strategy, we introduce core talents who are urgently needed for reform and transformation for corporate teams, small business teams, financial management teams, and data and IT teams, ensuring that those talents are all in the right place.

During the Reporting Period, the Company won the award of "Excellent Model of Talent Management 2020" jointly issued by Beisen Talent Management Institute and Renmin Business School.

Key Performance Indicator Related to Employment in 2020

Employment Profile in 2020¹		
Indicators	Headcount²	Percentage
Total employees	56,653	100.00%
By employment type		
Full-time	56,653	100.00%
Part-time	0	0
By gender		
Male	25,767	45.48%
Female	30,886	54.52%
By age		
<=30	16,536	29.19%
30 to 50 years old	38,796	68.48%
>50	1,321	2.33%
By geographical region		
East China	16,376	28.91%
Central China	3,974	7.01%
North China	22,456	39.64%
South China	5,656	9.98%
Northwest China	1,851	3.27%
Northeast China	2,132	3.76%
Southwest China	3,976	7.02%
Hong Kong, Macao and Taiwan of China	232	0.41%

Notes:

1. The scope of employee data covers the Head Office, branches and sub-branches at all levels of China Minsheng Bank.
2. The number of employees is the headcount as of December 31, 2020.

Key Performance Indicator Related to Turnover in 2020

Employee turnovers in 2020	
Indicators	Turnover rate¹
Total turnover rate	4.59%
By gender	
Male	5.13%
Female	4.15%
By age	
<=30	5.83%
30 to 50 years old	4.29%
>50	1.69%
By geographical region	
East China	4.87%
Central China	4.32%
North China	3.72%
South China	4.58%
Northwest China	6.96%
Northeast China	5.13%
Southwest China	5.55%
Hong Kong, Macao and Taiwan of China	14.10%

Note:

The employee turnover rate represents the ratio of the number of turnovers in 2020 to the headcount as of December 31, 2020.

Democratic Management of Employees

In accordance with relevant provisions of the *Trade Union Law of the People's Republic of China* and the *Constitution of Trade Union of China*, the Company supports the independent work of the trade union and democratic election of its chairman and makes available funds, so as to protect the democratic management rights of employees. In 2020, the Company held the fifth session of the first Worker Representatives Congress in accordance with relevant requirements of the *Measures on the Implementation of Democratic*

Management of Enterprises in the Financial Sector of China, and the *Operating Procedures for Congress of Worker Representatives in the Financial Sector of China*, elected the employee supervisors of the eighth Board of Supervisors, reviewed and approved significant policies such as the *Collective Contracts of China Minsheng Bank Co., Ltd.*, and the *Administrative Measures on Employee Attendance of China Minsheng Bank (2020 revision)*, effectively guaranteeing employees' rights to know, participate, express, and supervise.

During the Reporting Period, in order to actively promote the implementation of democratic management, the Company's branches and sub-branches at all levels planned and held numerous thematic competitions such as "Proposals from Employee Representatives" and "My Advice for Minsheng". Among them, Nanchang Branch was awarded the honorary title of "National Excellent Unit for Open Company Affairs and Democratic Management" by the All-China Federation of Trade Unions. Beijing Branch and Chongqing Branch were awarded the honorary title of "Exemplary Unit for the Construction of Worker Representatives Congress in the National Financial Industry" by Chinese Financial Workers' Union.

Protect Female Employees' Rights and Interests

The Company earnestly protects the legitimate rights and interests of female employees, attaches great importance to the care of female employees, and establishes the Committee for the Protection of the Rights and Interests of Female Employees of the Trade Union to continuously strengthen the protection and care of the physical and mental health of female employees. In 2020, the Company has improved the provisions of the collective contracts for female employees by refining the contents in relation to protection of female employees, providing more policy supports in this regard. Booklets such as the *Manual for Promotion of Gender Equality in Workplace* and the *Mini Manual for Protection of Rights and Interests of Female Employees* have been distributed to enhance female employees' awareness of safeguarding their rights. At the same time, branches and sub-branches at all levels of the Company independently carry out a variety of activities exclusive to female

employees, including "Jointly building the female employee care room", building a psychological counseling platform, increasing the physical examination programs for female employees and so on, to care for the physical and mental health of them. In view of the outstanding performance in protecting the rights and interests of women in the workplace, caring for female employees, helping their career development and many other aspects, the Company was awarded with the "2020 Outstanding Employer of Female Era" by Liepin.com.

Open Channels for Development

During the Reporting Period, the Company issued the *Reform Plan for Professional Sequence System Construction* to comprehensively promote the professional sequence reform, provide open channels for the development of the talents of the Company, and build a professional talent team that meets the needs of the Company's reform, transformation and business development.

The Company firmly upholds the concept of transformation from "training" to "cultivation". Under the overall framework of human resource system reform, we strive to improve the growth system of young employees, strengthen the cultivation and training of young backbone employees. The Company trains young employees in a fast and all-round way by optimising assessment, regular position shift, broadening channels and so on, so as to improve the growth and incentive system for young employees. This year, we organised the "Minsheng Youth Labour Competition and SMART Action". In accordance with the Company's labour and skills competition management methods and combined with business development needs, we organised and carried out a series of labour and skills competitions such as insurance knowledge debate competitions, job innovation project incubation competitions, youth wisdom challenges, retail wealth management business compliant sales competition and business credit investigation skills PK competition, further improving the business skills of young employees.

For professional talents, we establish a clear employee development path which is designed around the competence and career planning of employees, and is

oriented with the sequential professional qualifications and professional value contributions. We carried out a reform of the phased training system and the construction of “Learning Map” covering more than 130 sub-sequences in the six segments of the Company, i.e., corporate business, retail, financial markets, risk management, IT, middle and back-office, which strengthened the integration of trainings and employee development.

This year, we organised a series of " Fintech Talent Training Projects", among which the "Knowledgeable Talents" training project aims to improve the basic knowledge of employees in fintech, containing 44 learning hours and 35 systematic courses. It was awarded the "Chinese Talent Development Elite - Best Learning Project Award" by *"the Training"* magazine and "Bo'ao Awards-Best Business Support Award" by Online-Edu.com, and the cumulative number of participants reached 46,947; the "Excellent Talents" training program aims to cultivate fintech application-oriented talents, where more than 1,900 persons involved in fintech application scenarios have been trained, of whom about 1,600 have obtained the CFT primary and intermediate qualification certification of China Banking Association; the "Professional Talents" training program aims to create a composite fintech talent team for product managers, professionals in core positions such as data analysis and agile development. We have also carried out external core certification training, where 75 persons have passed the CPDA data analyst certification, with a pass rate of 60%, higher than the average level of the industry association.

Key Performance Indicator Related to Employee Trainings in 2020

Training hours of employees in 2020	
Indicators	Average training hours¹
Average training hours of employees	89.4
By employee ranking	
Senior management	82.7
Middle-level management	83.5
General employees	90.6
Percentage of employees trained in 2020	
Indicators	Percentage of employees trained²
By employee ranking	
Senior management	98.0%
Middle-level management	99.6%
General employees	98.5%
By gender	
Male	98.2%
Female	98.6%

Notes:

1. Average training hours of employees represents the ratio of the total training time recorded in the Company's system as at December 31, 2020 to the average headcount of the Company in the year.
2. The percentage of employees trained represents the ratio of employees taking trainings as at December 31, 2020 to the average headcount in the year.

Protect Health and Safety***Care for the Well-being of Employees***

The Company attaches great importance to the employees' health and safety. In accordance with relevant national laws and regulations such as the *Labour Law of the People's Republic of China*, the Company manages employees' safety and health by providing them with comprehensive insurance schemes, including accident insurance, comprehensive medical insurance, etc..

During the Reporting Period, the Company further strengthened the implementation of EAP, built an all-round employee psychological care service system, and continued to consolidate the planning and dissemination of EAP contents through special events such as the *Enhancement of Employee Happiness Ability* series of micro-classes and livestream lectures on spiritual care for employees' children. We provide consultation hotline and online interactive services, by which a total of 1,000 employees use the EAP hotline, with a cumulative consultation time of about 700 hours.

This year, we continue to carry out the annual Happiness Index Survey. A total of 54,604 employees participated in the assessment, hitting a record high in participation and effectiveness rates. The Company can effectively know the work and living conditions of employees by the survey results and data analysis. The results also provides key data support and scientific decision-making basis for targeted improvement. On this basis, we held an online course of "Employee Happiness Ability Growth Camp" to inspire employees, and at the same time promote the connectivity of employees with each other and also with the organisation, create a good workplace atmosphere, and improve the operational efficiency of the whole organisation.

Regular Pandemic Prevention and Control Mechanism

During the Reporting Period, the Company coordinated and promoted the pandemic prevention and control works, requiring business outlets to strictly implement the Company's prevention and control policy requirements of regular cleaning and disinfection, employees must wear masks at work, and maintain safety distance of more than 1 meter during work. We require online customer service personnel to be online 24 hours a day in order to promptly conduct publicity and prevent criminals from using the pandemic to commit financial fraud. We are in strict compliance with the "Daily Reporting and Zero Reporting" system, and the trade unions at all levels purchased protective equipment to ensure safe resumption of work and production by employees. Special care funds were established for the employees and their families who were infected, while psychological counselling was provided, so as to comprehensively strengthen pandemic prevention and control.

Safety Defence Management in Workplace

In strict compliance with related laws and regulations such as the *Fire Prevention Law of the People's Republic of China* and *Requirements on Safety Provisions of Banking Business Premises*, the Company has established a sound fire prevention and control system, and is committed to creating a safe and reliable work environment for employees by means of strengthening safety defence management at business outlets, enhancing fire prevention management at offices, and improving employees' safety awareness.

Attaching great importance to employees' security training and education, we regularly organise trainings on security knowledge and skills, and conduct emergency response drills. Every year, business outlets organise at least 4 emergency response drills and 2 fire evacuation drills. Security departments of units at all levels are responsible for the unified arrangement of drills and development of drill plans, while sub-branch outlets organise employees to implement the drill plans. Constant trainings and drills have effectively improved employees' security awareness and emergency prevention capabilities. In 2020, branches at all levels of the Company organised 23,200 security trainings and educations, involving 554,547 participants; conducted 4,975 safety emergency drills of various types, with 138,262 participants.

The Company strictly conducts safety and fire prevention inspections. The security guards conduct safety inspections on each floor and in each office at least once a month and supervise the correction of existing problems. We organised professional trainings for fire prevention management staffs of all branches, focusing on fire prevention accountability, awareness, staff quality improvement, fire accident response, self-rescue and mutual rescue techniques, etc.

Finance for Good

The Company strives to assume broader social responsibilities. While providing high-quality financial services to the market and various customers, we devote ourselves to poverty alleviation, make all efforts in the pandemic prevention and control, actively promote cultural undertakings, innovate and support charity, and popularize the concept of wildlife protection, and play our part in building beautiful communities. In 2020, the Company was selected as the “Top 50 Enterprise Poverty Alleviation Cases” of the State Council’s Poverty Alleviation Office, and the “Excellent Cases of Targeted Poverty Alleviation” of the People’s Daily “Decisive Poverty Alleviation” Targeted Poverty Alleviation Forum, and won the “Best Targeted Poverty Alleviation Contribution Award” by the China Banking Association, “2020 China Charitable Company” by Tencent, “Most Socially Responsible Listed Company of the Year” award from Sina Finance and Economics Golden Unicorn Hong Kong Stock Value List, “Annual Corporate Social Responsibility Award” by Shanghai Securities News, “Vitality Charity Award” by China Internet Philanthropy Summit, etc. The Company was also rated as the first in the Chinese banking industry and the first among NSOEs in the “2020 Social Responsibility Development Index of China’s Top 300 Enterprises” by the Chinese Academy of Social Sciences.

Eradicate Poverty

The Company strives to fight against poverty, integrates internal and external resources, and explores the poverty alleviation system of “One Body with Two Wings”, encompassing targeted poverty alleviation tasks of the central government as the “key body”, focusing on those deeply impoverished areas i.e. “three regions and three prefectures”, and adopting the “ME Innovation Funding Program” as the “two wings”. It formed a “Ten in One” targeted poverty alleviation working mode featuring “party building, education, health, industry, finance, skills, consumption, e-commerce, culture, and employment”, and successfully completed the tasks of targeted poverty alleviation half a year ahead of schedule. This helped to well achieve the poverty alleviation indicators of Hua County and Fengqiu County in Henan Province as scheduled. In 2020,

the Company donated RMB 45.59 million in poverty alleviation and allocated RMB 23.964 billion targeted poverty alleviation loans, including RMB 11.037 billion personal poverty alleviation loans and RMB 12.927 billion corporate poverty alleviation loans.

During the Reporting Period, the Company has strengthened consumption and cultural poverty alleviation to consolidate the results of poverty alleviation. We have built an integrated and characteristic consumption poverty alleviation model of "production + processing + sales + promotion", established poverty alleviation industrial cooperatives in two counties, created the exclusive branded products of Minsheng Bank, and sold high-quality agricultural products in an "online + offline" manner, innovatively promoted the products through new media platforms to enhance the effectiveness of poverty alleviation. We carry out in-depth cultural poverty alleviation, and cooperate with the Central Academy of Fine Arts, Beijing Minsheng Modern Art Museum and other professional institutions to carry out the "Art + Empowerment Program" series of projects. Through in-depth exploration of the intangible cultural heritage of the two counties, we promoted the upgrading of poverty alleviation product packaging design and expanded the publicity channels of cultural and creative products, helping the sales and promotion of local products. We created the "Beautiful Countryside Picture Scroll Project" to implement aesthetic education and training, exploring the road to rural revitalization through cultural poverty alleviation.

Facilitate Resumption of Work and Production

The Company thoroughly implements the national policy requirements, coordinates the implementation of pandemic prevention and control, adheres to the key emphasis on responsibility and operation, and comprehensively improves the ability and level of responding to external challenges and better serving the real economy. At the beginning of 2020, the Company immediately donated RMB 50 million to hospitals in Wuhan and other areas with severe pandemic situation to contribute medical supplies and provide related assistance, of which RMB 30 million was used to set up the "China Minsheng Bank's Hospital Support Fund for Fighting the COVID-19", in order to support

the pandemic prevention works of hospitals and medical staffs in the affected areas. A total of RMB 61.49 million was donated throughout the year.

During the pandemic, the Company rationally coordinated the operations of outlets across the country to ensure their cash supply, refined various e-channels to ensure smooth operations of payment, settlement, remittance and cash business. In order to actively implement the requirements of "ensuring stability on the six fronts and stability in the six areas" and support the resumption of work and production of enterprises, the Company has issued the *Notice on Further Improving Financial Services for Pandemic Prevention and Control* and the *Notice on Strengthening Business Operations and Pandemic Prevention and Control* and other documents. For micro and small enterprises, we have increased credit supports, proactively lowered the pricing of small business loans and comprehensive financing costs, upgraded non-contact financial services, and opened up the entire process of online processing of small business loans to help temporarily affected enterprises tide over the difficulties. For SMEs, we have supported severely impacted SMEs to resume work and production through online services, special loans, and speeding up approvals. For the wholesale and retail, accommodation and catering, logistics and transportation industries that have been greatly affected by the pandemic, we have formulated special supporting policies to provide enterprises with temporary repayment difficulties with multiple credit extension methods to continue to support their development.

Promote Cultural Public Welfare

Minsheng Art Museum is an art institution initiated and established by the Company. During the Reporting Period, in order to cope with the impact of the pandemic and explore the construction of digital art museums, Minsheng Art Museum strengthened cooperation with new media video platforms, adopted VR technology to record art works in a panoramic view, synchronized expert commentary and guidance, and created a "virtual art museum". The "Boundless Art Museum/The Souls VR Exhibition", "Boundless Art Museum/Flow with Matter VR Exhibition" and other online exhibitions, through the "art + technology" VR exhibition mode, topped the Xuexi.cn

platform and explored new cultural communication channel.

Upon the stabilised pandemic situation and following the prevention and control requirements, the Minsheng art museums gradually resumed offline exhibitions. As at the end of 2020, it has held a total of 8 offline exhibitions and 127 public education activities throughout the year, which directly benefited 640 thousand people. Beijing Minsheng Art Museum held an annual major exhibition of "Duration: Chinese Art in Transformation", showing the development of Chinese contemporary art for more than 40 years, and was the first permanent exhibition of contemporary art across the country, and 30 public education activities centered on the theme of the exhibition were held. Shanghai Minsheng Art Museum held 7 exhibitions highlighting the annual exhibition of "Flow with Matter", and carried out 97 public education activities, attracting 600 thousand people to participate in the exhibition online and offline. Among them, "Poetry Comes to the Art Museum" and "Invisible Beauty" won the nominations of the "Excellent Public Education Project Awards" and the "Excellent Exhibition Awards" of the Ministry of Culture and Tourism in 2019.

Pioneer Public Welfare Innovation

" My Choice - Minsheng ME Innovative Funding Plan for Public Welfare " is a characteristic charity project that the Company has held for six consecutive years. It aims to build a highly credible funding platform to select innovative teams in the field of charity and social services to solve their difficulties such as funding pressure, insufficient project execution experience and limited ability. The "ME Innovation Funding Plan" has always followed the call of the country, the needs of the people and social hot spots, and has continuously improved social influence and coverage. It has provided a total of RMB 66 million in innovation funding for 135 public welfare projects, covering 30 provinces (cities or regions). The number of direct beneficiaries reached 240 thousand, including migrant workers, disabled groups, and aging parents who lost their only child. During the Reporting Period, the Company conducted public welfare project assessments and provided support in the following five areas: targeted poverty alleviation, community development, education support, health and

welfare, and ecological civilization. 20 projects were selected as the new models, and each received RMB500 thousand of innovation funds; 5 projects were selected as the new institutions, and each received RMB 200 thousand innovation funds.

Number of selected institutions in various fields during the Reporting Period

Fields	New Models	New Institutions
Total	20	5
Targeted poverty alleviation	5	1
Community development	4	2
Education support	5	1
Health and welfare	4	1
Ecological civilization	2	0

Popularize Concept of Wildlife Protection

In order to promote the popularization of scientific wildlife protection and call on young people to participate in the cause of wildlife protection, the Company has joined hands with the non-profit public welfare organization - Nature Guardian Wildlife Conservation and Development Research Center (hereinafter referred to as "Nature Guardian"), leveraging the bank's network channel. Through the issuing of Nature Guardian wildlife protection co-branded debit card and the launch of a global wildlife protection volunteer service platform, it has bridged the way for young people to participate in the cause of wildlife protection. In 2020, the Company's wildlife protection public welfare projects have attracted more than 5 thousand volunteers, and organized 7 online and offline public welfare activities to allow more people to understand and participate in wildlife protection work.

Appendix: ESG Reporting Guide Content Index

Aspects	Performance Indicators	Relevant Chapters	Pages
A1 Emissions	General Disclosure: Information on: relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	Promote Green Office	P26 – P30
	A1.1 The types of emissions and respective emissions data.	Promote Green Office	P26 – P30
	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promote Green Office	P26 – P30
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promote Green Office	P26 – P30
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promote Green Office	P26 – P30
	A1.5 Description of measures to mitigate emissions and results achieved.	Promote Green Office	P26 – P30
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Promote Green Office	P26 – P30
A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Promote Green Office	P26 – P30

	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).	Promote Green Office	P26 – P30
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promote Green Office	P26 – P30
	A2.3 Description of energy use efficiency initiatives and results achieved.	Promote Green Office	P26 – P30
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Promote Green Office	P26 – P30
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	-
A3 Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources.	Implement Green Finance Control Industries of "High Pollution, High Energy Consumption, and Overcapacity"	P24 – P26
	A3.1 Policies on minimising the listed company's significant impact on the environment and natural resources.	Implement Green Finance Control Industries of "High Pollution, High Energy Consumption, and Overcapacity"	P24 – P26
B1 Employment	General Disclosure: Information on: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (1) the policies; and	Protect Employees' Rights and Interests	P31– P36

	(2) compliance with relevant laws and regulations that have a significant impact on the issuer		
	B1.1 Total workforce by gender, employment type, age group and geographical region.	Protect Employees' Rights and Interests	P31– P36
	B1.2 Employee turnover rate by gender, age group and geographical region.	Protect Employees' Rights and Interests	P31– P36
B2 Health and Safety	General Disclosure: Information on: relating to providing a safe working environment and protecting employees from occupational hazards. (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	Protect Health and Safety	P38 – P40
	B2.1 Number and of rate work-related fatalities.	Not Available	-
	B2.2 Lost days due to work injury.	Not Available	-
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Protect Health and Safety	P38 – P40
B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Open Channels for Development	P36– P38
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Open Channels for Development	P36– P38
	B3.2 The percentage of employees trained by employee category and gender (e.g. senior management, middle management).	Open Channels for Development	P36– P38
B4 Labour	General Disclosure: Information on: relating to preventing child and forced labour.	Protect Employees' Rights and Interests	P31 – P32

Standards	(1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer		
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protect Employees' Rights and Interests	P31 – P32
	B4.2 Description of steps taken to eliminate such practices when discovered.	Protect Employees' Rights and Interests	P31 – P32
B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Deenpen Cooperation for Mutual Benefits	P21 – P23
	B5.1 Number of suppliers by geographical region.	Deenpen Cooperation for Mutual Benefits	P21 – P23
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Deenpen Cooperation for Mutual Benefits	P21 – P23
B6 Product Responsibility	General Disclosure: Information on: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	Provide Excellent Services Improve Risk Prevention and Control Ensure Information Security	P11 – P15 P16 – P20
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable	-
	B6.2 Number of products and service related complaints received and how they are dealt with.	Provide Excellent Services	P13

	B6.3 Description of practices relating to observing and protecting intellectual property rights	Protect Intellectual Property	P20-P21
	B6.4 Description of quality assurance process and recall procedures.	Not Applicable	-
	B6.5 Description of customer data protection and privacy policies, how they are implemented and monitored.	Ensure Information Security	P18 – P20
B7 Anti-corruption	General Disclosure: Information on: relating to bribery, extortion, fraud and money laundering. (a) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	Insist on Governance with Integrity Prevent Money Laundering Risks	P17 – P18
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the listed company or its employees during the reporting period and the outcomes of the cases.	Not Available	-
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Insist on Governance with Integrity	P17
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.	Eradicate Poverty Facilitate Resumption of Work and Production Promote Cultural Public Welfare Pioneer Public Welfare Innovation Popularize Concept of Wildlife Protection	P41 – P45
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Eradicate Poverty Facilitate Resumption of Work and Production	P41 – P45

		<p>Promote Cultural Public Welfare</p> <p>Pioneer Public Welfare Innovation</p> <p>Popularize Concept of Wildlife Protection</p>	
	<p>B8.2 Resources contributed (e.g. money or time) to the focus area.</p>	<p>Eradicate Poverty</p> <p>Facilitate Resumption of Work and Production</p> <p>Promote Cultural Public Welfare</p> <p>Pioneer Public Welfare Innovation</p> <p>Popularize Concept of Wildlife Protection</p>	<p>P41 – P45</p>