



2022

SOCIAL RESPONSIBILITY REPORT

HUI SHANG BANK
CORPORATION LIMITED

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Information

About this Report

The Huishang Bank Corporation Limited hereby issues the Bank’s Social Responsibility Report for the purposes of assisting all its stakeholders in understanding the Bank’s ideas, practices, and achievements of sustainable development in 2022. This Report is the 8th Social Responsibility Report we have published since 2015.

Reporting scope

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

This Report is an annual report covering the period from 1 January 2022 to 31 December 2022. In order to ensure the completeness and coherence of the narrative, partial content of this Report goes beyond the above-mentioned scope.

References

This Report is written in accordance with the requirements of “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) in Appendix 27 to the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and the GRI Standards (2021) (“GRI Standards”) issued by the Global Sustainability Standards Board (GSSB) with reference to the:

- The former China Banking Regulatory Commission’s “Opinions on Promoting the Social Responsibility of Financial Institutions”
- The China Banking Association’s “Social Responsibility Guidelines for Financial Institutions in China’s Banking Sector”
- Shanghai Stock Exchange “Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No.1-Standard Operations”
- International Standardisation Organization (ISO) “Guidance on Social Responsibility (ISO 26000:2010)”
- Sustainability Accounting Standards Board (SASB) Standard for Commercial Banks
- UN Sustainable Development Goals (“SDGs”)

Principles of this Report

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

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

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

“Consistency”: This Report is consistent with the statistical and KPI disclosure methods of “Huishang Bank 2021 Social Responsibility Report”.

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

Data sources

The financial data in this report are all from the Huishang Bank 2022 Annual Report (“Annual Report”), which has been independently audited by Ernst & Young Hua Ming LLP, while others are from relevant statistical reports or official documents of the Bank. The currency involved in this Report is measured in Renminbi (“RMB”).

Abbreviations

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

Report availability

This Report is available in both hard and electronic copies. The electronic copies can be viewed on the Bank’s official website at <http://www.hsbank.com.cn/> and the HKEx website at <https://www1.hkexnews.hk/search/titlesearch.xhtml>. This Report is published in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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Chairman's Statement

The past year 2022 witnessed the convocation of the 20th National Congress of the Communist Party of China. We adhere to the guidance of Xi Jinping's Thoughts of Socialism with Chinese Characteristics in the New Era, conscientiously study, promote and implement the gist of the 20th National Congress of the Communist Party of China. Under the strong leadership of the Anhui Provincial Party Committee and The People's Government of Anhui Province ("Provincial Government"), we create benefits for society, provide services for customers, build a platform for employees, create value for shareholders, add momentum to the future, and strive to build an excellent local mainstream bank, further demonstrating the image of a responsible corporate citizen with warmth.

Based on Anhui, the Bank provides service for more, and fully demonstrates social benefits. We fully completed the task of policy loan delivery and were rated "excellent" in the provincial government's assessment of local development. We focused on the five major areas of rural revitalization, green finance, urban renewal, strategic new industries, and industries of specialization and innovation, and helped the construction of "three regions and one district" with practical actions, with a cumulative loan balance of more than RMB 230 billion. We increased our support for policy-based loans, achieved rapid growth in loans for manufacturing, strategic new industries, green finance enterprises and technology-based enterprises, successfully issued RMB 5 billion of green financial bonds and RMB 10 billion of small and micro financial bonds, and the balance of green credit was RMB 54.58 billion, a year-on-year increase of 69.6%. We took the initiative to help enterprises with difficulties, by extending payment for existing eligible loans "as much as possible" and approving eligible new loans "as much as possible", improved the multi-level credit supply system for small and micro enterprises, and enhanced the availability of loans for small and micro private enterprises.

The Bank improves service and continuously optimizes customer experience devotedly. As a customer-centric bank, we effectively integrate resources such as commercial banks, investment banks, transaction banks, digital banks, and financial lease wealth management to provide one-stop, professional and integrated financial services. We continued to increase product innovation, timely launch new service models such as "loan of efficiency per *mu*", "equipment purchase loan", park loan, EOD, etc., and develop the first "Antelope Platform" online supply chain financing product in Anhui Province. We improved the wealth management system and promoted the appreciation of residents' wealth, with an average daily non-reserve asset of RMB 233.73 billion, an increase of RMB 25.42 billion over the beginning of the year. The establishment of the top 100 outlets achieved remarkable results, and Wuhu Nanling Sub-branch was shortlisted for the top 100 demonstration outlets of China's banking industry civilized and standardized service, with the second highest score in the province. The consumer protection supervision

evaluation won the highest evaluation level in the province and was awarded the “Top Ten Most Satisfied Enterprises in Fulfilling Social Responsibilities” and “Residents’ Most Satisfied Bank”, ranking first in the banking industry in the province’s service industry resident satisfaction survey for consecutive years.

With party building leading the way, the Bank shows loyalty and responsibility, and the staff team is vigorous. We deeply studied, promoted, and implemented the gist of the 20th CPC National Congress, strictly implemented the “first issue” system, and comprehensively improved the quality of party building work with political construction. We selected full-time secretaries of discipline inspection commissions of various branches and subsidiaries and assigned them to carry out a series of activities for the 100th anniversary of the founding of the regiment and won the honorary titles of “Advanced Unit of United Front Work System of Anhui Province”, “Excellent Unit of Provincial Petition Work” and “Provincial May Fourth Red Banner Youth League Committee”. The designated assistance work was rated as “good” in provincial units. We improved the construction of the talent team, created a growth channel and training system for professional and technical talents covering all employees, with more than 95% of the bank’s employees having bachelor’s degrees or above, 18.2% of intermediate and senior professional titles, and a localized employment rate of 86.5%. We vigorously carried forward the spirit of model workers, labour spirit and craftsman spirit, carried out the recommendation and selection of “One First, Two Excellent”, “Red Pillar Stone Party Branch” and party member “Pillar Stone Pioneer” demonstration post, and won the “Anhui Province Worker Pioneer”, and the cadre team of the whole bank showed an unprecedented change.

The Bank develops vigorously and does not slacken in our efforts, achieving new highs in value creation. The asset scale and profitability rose to a higher level. The market share of deposits and loans in the province doubled and the main business indicators ranked in the forefront of urban commercial banks in the country. We signed strategic cooperation agreements with governments, key enterprises, and industry institutions in many places to comprehensively deepen multi-level and all-round practical cooperation in various fields. By the end of 2022, the total assets exceeded RMB 1.5 trillion. The net profit exceeded RMB 13 billion. The market share of public deposit loans ranked first in the province. The market share of savings deposits in the province reached a record high. The actual tax payment exceeded RMB 9 billion, and the Bank was continuously rated among “Anhui Province’s Top 10 Tax Contributors of State-Owned Enterprises”. We coordinated development and security, balanced benefits and risks, strengthened risk management and control across institutions, businesses, processes and categories, achieved a “double reduction” of non-performing loans, continued to increase the provision coverage ratio, and kept generally controllable risks of all kinds, making positive contributions to maintaining local financial stability.

The Bank is determined to innovate, strives for the leading position, and the momentum of transformation is growing stronger. We adhere to the principle of innovation for transformation, focus on the “first-hand chess” of innovation, and firmly rank in the “first square” of urban commercial banks in terms of innovation ability. We solidly promoted the company’s integrated finance, online and offline integration of small and medium-sized enterprises and other high-quality development key tasks, with county business growing to be a new highlight of development. Guided by technology-led and data-driven ideas, we accelerated digital transformation, built an open, integrated and win-win financial service ecosystem, formulated enterprise-level business, and IT architecture plans, promoted the construction of an Internet financial cloud platform, integrated development and operation platform, and risk control model, and continuously improved independent research and development and risk control capabilities. We established and improved the internal governance system, set up the high-quality development office of the party committee, and established a mechanism for the bank’s leaders to contact branches and affiliated institutions. The organizational restructuring of the private financial sector was smoothly implemented. The company, credit parallel operation, and collaborative linkage mechanism were deeply constructed, and the new momentum of transformation and development accelerated the aggregation.

The year 2023 is the first year to fully implement the gist of the 20th National Congress of the Communist Party of China, and it is also a year for the Bank to fully implement the five-year strategic plan. We will be guided by Xi Jinping’s Thoughts of Socialism with Chinese Characteristics in the New Era, to fully implement the gist of the 20th National Congress of the Communist Party of China, and unswervingly shoulder responsible for society, customers, employees, shareholders, and future development, striving to build excellent local mainstream banks and helping local high-quality development with high-quality financial services.

Executive Director and Chairman: Yan Chen

President's Statement

Rain and shine of the past year have born rich fruits. In 2022, Huishang Bank adheres to the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics and resolutely implements the gist of the 20th CPC National Congress. With serving the real economy as its own responsibility and reform, innovation and transformation as the driving force, the Bank helped local economic construction, maintained regional financial stability, practiced social responsibility, and achieved the coordinated development of economic and social benefits. By the end of 2022, the total assets of the Bank reached RMB 1.58 trillion. The net profit reached nearly RMB 13.7 billion, and the number of regular employees exceeded 11,000, and the value creation and social contribution continued to increase.

The Bank adheres to our function as a financial institute and serves the development of the real economy. We earnestly implemented a series of measures to stabilize the economy, increased credit investment, and increased the total amount of loans and advances of RMB 109.51 billion throughout the year, achieving the best level in the same period in history. To ensure the development of market entities and stabilize people's livelihood, the balance of loans for manufacturing, new industries and science and technology enterprises was RMB 84.68 billion, RMB 86.02 billion and RMB 58.53 billion respectively, an increase of RMB 15.06 billion, RMB 20.56 billion and RMB 14.63 billion over the end of the previous year, and the target of various policy loans was fully completed. We were devoted to helping enterprises solve economic difficulties. We issued RMB 10 billion of financial bonds for small and micro enterprises, provided loans of RMB 104.56 billion to 175,000 inclusive small and micro enterprises, and handled RMB 13.06 billion of deferred principal and interest loans for 2,960 small and medium-sized enterprises, and the weighted average interest rate of inclusive small and micro enterprise loans was reduced by 0.28 percentage points from the beginning of the year.

The Bank keeps in mind the mission and contributes to the rural revitalization strategy. Putting the service of the county economy in a more important position, 146 service outlets and 67 rural withdrawal service points have been set up in the county areas of Anhui Province to solve the "last mile" problem of rural financial services. Guiding opinions on the high-quality development of county institutions were issued, and 41 rural revitalization financial product lineages were established around "one township, one industry" and "one village, one product", with loans from county institutions exceeding RMB 200 billion. The balance of agriculture-related loans of RMB 181.99 billion, an increase of RMB 43.06 billion over the end of the previous year. The Bank solidly carried out the construction of credit villages led by party building, provided RMB 4.57 billion for 1,062 new agricultural business entities, invested RMB 14.23 billion in new rural revitalization loans to former poverty-stricken counties (districts) in Anhui Province, and was rated as "good" in the designated assistance work of Anhui Province.

The Bank protects green waters and mountains and promotes the construction of green finance. Guided by green and low-carbon development, the Bank has introduced a green finance action plan, issued RMB 5 billion of green financial bonds, formulated financial service plans for water-saving loans and national reserve forest projects, landed the first eco-environment-oriented development model (EOD) project loan of RMB 3.2 billion, and invested RMB 1.19 billion in green bonds of non-financial enterprises, helping the comprehensive green transformation of economic and social development. By the end of 2022, the Bank's green credit balance was RMB 54.57 billion, an increase of RMB 22.39 billion over the end of the previous year, taking up 6.98% of all loans of the Bank. Particularly, in February 2023, the Bank successfully joined the Green Finance Professional Committee of the China Society for Finance and Finance and officially became a member of the committee.

The Bank relies on technology empowerment and improves customer service quality and efficiency. Adhering to customer-centric ideals, the Bank's Wuhu Nanling Sub-branch was shortlisted for the candidates of the 100 Best Outlets of the China Bank Association with the second place in Anhui Province, and the supervision evaluation of consumer rights protection won the highest level in the banking and insurance industry in the province, becoming the first pilot bank in the province to provide "completing the service nearby" social security business. The Bank cooperated with the Antelope Industrial Internet Platform, signed a strategic agreement, formulated an implementation plan, and launched the Antelope Industrial Interconnection Loan to help the digital transformation of industries in Anhui Province. The Bank vigorously promoted mobile banking and online banking, and smart self-service terminals have achieved a replacement rate of 72.3% for counter business, and the number of accounts involved in anti-telephone fraud cases and the proportion of peers in the province have both decreased. For the first time, the personal customer management platform was launched in an independent and controllable manner, actively promoting the construction of the Internet financial cloud platform, continuously enriching transaction scenarios, and better improving customer experiences.

The Bank enhances risk awareness and promotes sound and compliant operations. The Bank solidly carried out the construction of "Safe Huishang Bank", coordinated and grasped the work in the fields of petition and stability maintenance, safe production, ideology, and other fields, and won the title of "Excellent Unit for Petition Work in Anhui Province in 2022". The Bank's non-performing loan ratio and non-performing loan amount both decreased, and the non-performing loan provision coverage ratio was 276.5%, both achieving the best level in the past three years. The Bank actively responded to market fluctuations, continued to increase publicity efforts, and did not have major reputational risk events throughout the year. The Bank strengthened internal control and compliance management and became the only corporate bank in Anhui

Province that has been rated to implement the relevant regulations of the People's Bank of China and the A-class evaluation of anti-money laundering supervision.

The Bank practiced the “people-oriented” concept and created a good corporate culture. The Bank established a mechanism for bank leaders to contact branches and affiliated institutions, introduced several measures to improve work style, rectified formalism as the main points of work to reduce the burden on the grassroots level, and strived to solve the problem of “urgency, difficulty, and anxiety” at the grassroots level. The Bank strengthened the construction of the talent team, improved the multi-level training system, recommended 3 people to be shortlisted for the ninth batch of “special support plan” financial innovation leading talents in Anhui Province, and approved as the “Anhui Province Financial Talent Practice Base” unit. The Bank organized the selection of “One First, Two Excellent” and “Top Ten Outstanding Youths”, innovatively carried out “Youth Relay to Sing Songs for Communist Youth League” and “Youth Great Study” activities, and the Bank's employees won the titles of “National Financial May Day Labour Medal” and “Anhui Province 38 Red Flag Bearer”, creating a good environment of striving for excellence.

The year 2023 is the first year to fully implement the gist of the 20th CPC National Congress, and it is also a key year for the reform, innovation, transformation, and development of Huishang Bank. In the new year, we will continue to strengthen this institution, accelerate the digital transformation, adhering to the principle of professionalism, compliance, coordination and agility. We will unswervingly seek development, risk prevention, promote transformation, strong management, excellent style, and strive to build an excellent local mainstream bank, create more value for customers, employees, and shareholders, and make new and greater contributions to promoting sustainable economic, social, and environmental development!

President of the Bank: Kong Qinglong

About the Bank

Huishang Bank is the first regional joint stock commercial bank in the PRC established through the merger and reorganisation of city commercial banks and urban credit cooperatives with the approval of CBRC (Previous “China Banking Regulatory Commission”). Headquartered in Hefei, Anhui Province, the Bank was incorporated on 4 April 1997. On 12 November 2013, the Bank was listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 3698).

With the market positioning of “serving local economy, small and medium enterprises, and the public”, the Bank’s business continues to develop rapidly. The Bank’s comprehensive strength has been gradually enhanced. The Bank’s operation and management have been steadily improved, thus achieving coordinated development of scale, quality, and efficiency. As of the end of December 2022, the Bank had a registered capital of RMB 13,889,801,211.

The Bank’s business mainly contains absorbing corporate and personal customer deposits in China, using the absorbed deposits to issue loans, and engaging in capital business, including money market business, investment and transaction business, and brokerage business. Besides headquarters, the Bank has 21 branches, 466 operations and 552 self-service zones (outlets).

The Bank has four subsidiaries, namely Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin Rural Bank Co., Ltd. and Jinzhai Huiyin Rural Bank Co., Ltd., and the Bank is the shareholder of Chery Huiyin Motor Finance Service Co., Ltd. and Mengshang Bank Co., Ltd.

The Bank was fully recognised and widely praised by all walks of life in the society. In 2022, the Bank was selected among the top 200 of the “Top 1000 World Banks” and “Top 500 Banking Brands” by “The Banker” from the UK, ranking 128th and 155th respectively. The Bank was also shortlisted in the “Fortune China 500” by “Fortune”, with an overall ranking of 347th, and ranked 19th among commercial banks and 6th among city commercial banks.

For further development, the Bank’s headquarters relocated to and opened the headquarters at Huiyin Building, No. 1699 Yungu Road, Binghu New District, Hefei on 14 March 2022. The Bank will take the new building as a starting point to promote the high-quality development of Huishang Bank at a higher level and provide customers with better and more efficient financial services.



Note: Huishang Bank's new office site - Huiyin Building

| Time | Awards | Awarded By |
|------------------|---|---|
| Jan. 2022 | Financial Debt Innovation Award of China Development Bank in 2021 | China Development Bank |
| Jan. 2022 | Financial Debt Best Progress Award of China Development Bank in 2021 | China Development Bank |
| Jan. 2022 | Excellent Underwriter of Financial Bond Interbank Market of China Development Bank in 2021 | China Development Bank |
| Jan. 2022 | Excellent Underwriting and Market-making Institution for Financial Bonds of the Agricultural Development Bank in 2021 | Agricultural Development Bank of China |
| Jan. 2022 | Agricultural Development Bank Best City Commercial Bank of Financial Bond Underwriting of the Agricultural Development Bank in 2021 | Agricultural Development Bank of China |
| Jan. 2022 | Excellent Underwriter of Financial Bonds of the Export-Import Bank of China in 2021 | Export-Import Bank of China |
| Jan. 2022 | Shanghai Clearing House "2021 Excellent Issuer of Issuance, Registration, Custody and Settlement Business" | Shanghai Clearing House |
| Jan. 2022 | Advanced Units of Financial Business Reports Submission of Anhui Province | Department of Finance of Anhui Province |
| Feb.2022 | Top 10 State-Owned Enterprises in Tax Contributions of Anhui Province | Anhui Provincial Committee of the CPC, Anhui Provincial People's Government |

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| Mar.2022 | “Enterprise Standard Leader” for Hefei Municipal Government Standardization Project | Hefei Market Supervision Bureau, Hefei Finance Bureau |
| Mar.2022 | 2021 First Prize of Non-tax Income Agency Bank Anhui Province | Anhui Provincial Department of Finance, Hefei Central Sub-Branch, People’s Bank of China |
| Mar.2022 | Excellent Broker | Shanghai Commercial Paper Exchange |
| Mar.2022 | Excellent Market Organization | Shanghai Commercial Paper Exchange |
| May 2022 | 2021 May-Fourth-Red-Banner Committee Branch of Anhui Province Youth League Committee of Wuhu Branch Youth League Committee of Tongling Branch | Anhui Provincial Committee of the Communist Youth League |
| May 2022 | 2021 May-Fourth- Red-Banner Regiment Branch of Anhui Province League Regiment of Lu’an Yeji Sub-Branch Urban League Regiment of Suzhou Branch The 7 th League Regiment of Chizhou Branch | Anhui Provincial Committee of the Communist Youth League |
| May 2022 | Anhui Province Worker Pioneer | Anhui Provincial Labor Contest Committee, Anhui Federation of Trade Union |
| May 2022 | In the 2021 evaluation of financial institutions in Anhui Province serving the development of local real economy, the Bank’s result was “excellent”. | Financial Work Leading Group of Anhui Province |
| May 2022 | 2021 Taxpayers with a Tax Credit Rating of A | Anhui Provincial Taxation Bureau, State Administration of Taxation |
| May 2022 | Second Prize of 2021 Anhui Province and Hefei City Financial Statistics Work Evaluation of Financial Institutions | Hefei Central Sub-Branch, People’s Bank of China |
| Jun.2022 | Third prize in the 2021 Banker Work Evaluation Survey | Hefei Central Sub-Branch, People’s Bank of China |

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| Jun.2022 | The 5th (2022) Digital Finance Innovation Competition Intelligent Marketing Innovation Award | China e-Banking Network |
| Jul.2022 | Huishang Bank's "Technology-Type" Innovation Capability Evaluation System for Technology-based Enterprises won the "Financial Scene Innovation Outstanding Case Award" in the 2022 3rd Digital Intelligence Transformation Outstanding Case Selection of Small and Medium-sized Financial Institutions | Organizing Committee for the Selection of Excellent Cases of Digital Intelligence Transformation of Small and Medium-sized Financial Institutions |
| Jul.2022 | Second Prize of 2022 Hold the "Money Bag" Promotional Video Competition | Hefei Central Sub-Branch, People's Bank of China |
| Aug.2022 | "Digital Finance Joint Publicity Year" - The 5th Digital Finance Innovation Competition: Huishang Bank's Mobile Financial Transaction Anti-Fraud Platform won the "Digital Risk Control Gold Award" | China e-Banking Network |
| Aug.2022 | "Digital Finance Joint Publicity Year" - The 5th Digital Finance Innovation Competition: Huishang Bank Bus Code Payment won the "Digital Intelligence Platform Gold Award" | China e-Banking Network |
| Aug.2022 | Best Foreign Currency Pair Member | China Foreign Exchange Trading Centre |
| Aug.2022 | Largest Progress Award for Foreign Currency Pair Member | China Foreign Exchange Trading Centre |
| Aug.2022 | The 16th Digital Business Communication Forum and the 13th Tiger Roar Awards --- Bronze Award for Collaborative Marketing | Organizing Committee of Huxiao Award |
| Sep.2022 | Excellent Organization for Data Quality of Credit Investigation System (Enterprise Business) | Credit Reference Centre, People's Bank of China |
| Sep.2022 | Excellent Organization for Data Quality of Credit Investigation System (Personal Business) | Credit Reference Centre, People's Bank of China |
| Sep.2022 | First Prize of 2021 Key Research Project of Anhui Finance Society ("Special Research Report on Huishang Bank's Support for New Energy Vehicle Industry") | Society for Finance and Banking of Anhui Province |
| Nov.2022 | 2022 (2nd) "Jinxintong" Fintech Innovation and Application Outstanding Case | China Academy of Information and |

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| | | Communications Technology |
| Nov.2022 | “Consumer Finance Business Development Award of the Year” | Financial Digital Development Alliance |
| Nov.2022 | Huishang Bank won the second prize of the 2022 Anhui Province Financial Reform and Innovation Business Competition Group. | Hefei Central Sub-Branch, People’s Bank of China, Anhui Provincial Federation of Trade Unions |
| Nov.2022 | 2022 Jinbei Asset Management Competitiveness-2022 Excellent Brand Construction Bank | 21st Century Business Herald, 21st Finance |
| Nov.2022 | 2022 China Golden Tripod Award - 2022 Support for Local Economic Development Award | National Business Daily 2022 Golden Tripod Award Organizing Committee |
| Nov.2022 | Annual City Commercial Bank of 2022 TOP Financial List | Organizing Committee of The Paper TOP Financial List |
| Dec.2022 | 2022 Outstanding City Commercial Bank | 21st Century Business Herald, 21st Century Institute of Finance, The 17th Asian Finance Annual Conference Forum |
| Dec.2022 | 2022 Outstanding Contribution Award for Digital Transformation of the Financial Industry (Application Software Category) | China Finance |
| Dec.2022 | “Application Case of Intelligent Voice Technology in Bank Settlement Account Management” won the “Top Ten Excellent Case Award of the Year” in the Urban Financial Services Excellent Case Selection Activity | City Commercial Banks Clearing |
| Dec.2022 | Huishang Bank’s “Introducing Financial Living Water and Helping Efficiency Per <i>Mu</i> Reform – Loan of Efficiency Per <i>Mu</i> ” won the 2022 Urban Financial Service Product Innovation Excellent Case Award | City Commercial Banks Clearing |
| Dec.2022 | 2022 Urban Financial Services Outstanding Case Selection Marketing Innovation Outstanding Case Award | City Commercial Banks Clearing |

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| Dec.2022 | China Construction Engineering Decoration Award | China Building Decoration Association |
| Dec.2022 | Best Personal Mobile Banking Award | China Financial Certification Centre |
| Dec.2022 | Anhui Province Service Industry Resident Satisfaction Survey “Top 10 Most Satisfied Enterprises in Fulfilling Social Responsibilities” | Anhui Centre for Provincial Survey |
| Dec.2022 | Anhui Province Service Industry Resident Satisfaction Survey “First Place in Banking Industry” | Anhui Centre for Provincial Survey |
| Dec.2022 | Anhui Province Service Industry Resident Satisfaction Survey “Residents Most Satisfied Bank” | Anhui Centre for Provincial Survey |
| Dec.2022 | 2022 Internal Audit Theory Seminar Excellent Organization Award | Anhui Institute of Internal Auditors |
| Dec.2022 | Anhui Women and Children Development Foundation “Caring Enterprise” | Anhui Women and Children Development Foundation |
| Dec.2022 | Impact of the Year – Money Market Trader | National Interbank Funding Centre |
| Dec.2022 | Market Innovation Award – Interbank Institutional Exchange | National Interbank Funding Centre |
| Dec.2022 | Core Trader of the Year 2022 | National Interbank Funding Centre |
| Dec.2022 | Bond Market Trader of the Year 2022 | National Interbank Funding Centre |
| Dec.2022 | Market Innovation Award of the Year 2022 - X-bond | National Interbank Funding Centre |
| Dec.2022 | Market Innovation Award of the Year 2022 - X-bargain | National Interbank Funding Centre |
| Dec.2022 | Market Innovation Award the Year 2022 - iDeal | National Interbank Funding Centre |
| Dec.2022 | “Excellent Issuer of Issuance Registration Custody and Settlement Business in 2022” | Shanghai Clearing House |
| Jan.2023 | National Quality Project Award | China Association of Construction Enterprise Management |
| Jan.2023 | Outstanding Contribution Award of 2022 UnionPay Debit Card Business | China UnionPay Co., Ltd. |
| Jan.2023 | Excellent Organizational Unit for Financial Consumer Education in 2022 | China Banking and Insurance Regulatory |

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| | Excellent Work of “Learn about Risks with Cases” | Commission, Anhui Office |
| Jan.2023 | 2022 China Development Bank “Excellent Underwriter in the Interbank Market” Award | China Development Bank |
| Jan.2023 | 2022 China Development Bank Financial Debt Innovation Award | China Development Bank |
| Jan.2023 | 2022 Agricultural Development Bank “Best City Commercial Bank Award” | Agricultural Development Bank of China |
| Jan.2023 | 2022 Export-Import Bank of China “Award for Promoting Coordinated Regional Development” | Export-Import Bank of China |
| Jan.2023 | 2022 Best Marketing Cooperation Award | Anhui Branch of China UnionPay Co., Ltd. |
| Jan.2023 | Excellent Financial Bond Issuer | China Central Depository & Clearing Co., Ltd. |
| Jan.2023 | Top 100 Self-Operated Settlements | China Central Depository & Clearing Co., Ltd. |
| Jan.2023 | Excellence Award of 2022 UnionPay Cooperation | Anhui Branch of China UnionPay Co., Ltd. |
| Jan.2023 | Top 10 State-Owned Enterprises in Tax Contributions of Anhui Province | Anhui Provincial Committee of the CPC and Anhui Provincial People’s Government |
| Feb.2023 | Excellent Unit of Petition Work in Anhui Province in 2022 | Anhui Provincial Joint Conference on Petition Work |

Responsibility Management

Huishang Bank assumes the responsibility of financial institutions. Through enhancing the capability to manage and practise social responsibility and responding to the expectations of shareholders, customers, employees and stakeholders, Huishang Bank endeavours to realise achievements in economy, environment, and social value.

1. Social responsibility

Adhering to the values of “treating people with sincerity, upholding justice while pursuing interests”, the Bank takes the responsibility of “achieving customers’ dreams, creating values for shareholders, promoting staff development and assuming civic responsibilities”, and integrates social responsibility into development goals:

- Take shareholders, customers, employees and other stakeholders into consideration to comprehensively increase economic benefits, environmental benefits and social benefits.
- Leverage the professional advantages of financial companies and encourage and unify the entire Bank to practise inclusive finance and empower rural revitalisation.
- Advocate green office, energy conservation and environmental protection to minimise the negative impact of daily operations on the environment.
- Advocate the gist of public welfare, and promote concepts of paying attention to people’s livelihood, environment protection and charity by encouraging employees to carry out environmental protection and charity practices as volunteers. The Bank carries out welfare projects under its brand in areas such as elderly care, disabled support and poverty alleviation to fully show its image of a good corporate citizen.

2. ESG and social responsibility governance

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

The Board of Directors of the Bank, as the highest responsible body for ESG management, is responsible for supervising ESG matters. The Board of Directors has thoroughly implemented ESG governance in accordance with the “ESG Reporting Guide”, and reviewed the establishment and implementation of ESG objectives, as well as the effectiveness of the ESG risk management and internal control systems. In addition, as the

Board of Directors has been involved in the assessment, prioritisation and management of ESG matters, please refer to the sections “Stakeholder Engagement” and “Materiality Assessment” in the Report for details.

- **Board of Directors**

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

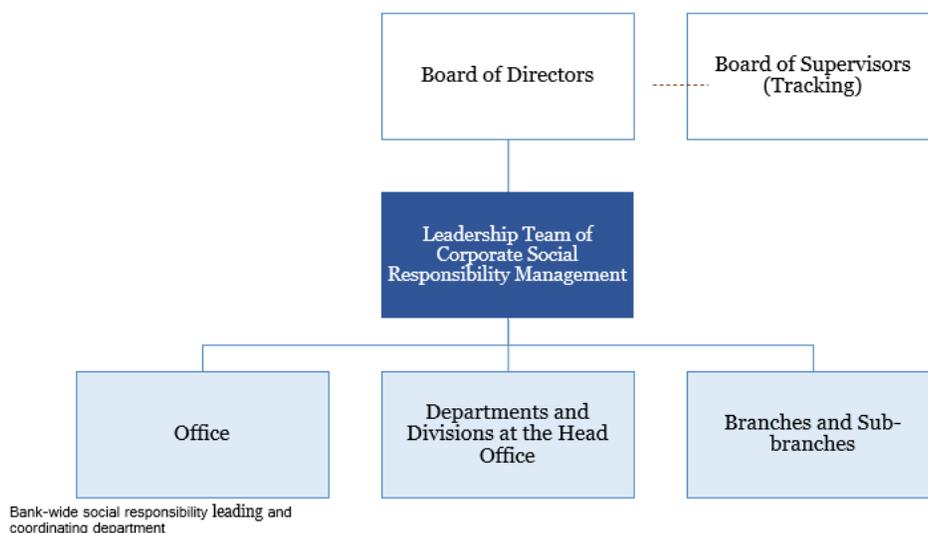
- Proposing strategies, policies and targets of the Bank’s corporate social responsibility and integrating social responsibility into the Bank’s strategic planning of development, making fulfilment of social responsibility one of the Bank’s strategic goals of development.
 - Assessing and determining the Bank’s social responsibility risk and ensuring that appropriate and effective management of social responsibility risk and internal monitoring systems are in place.
 - Supervising, inspecting and evaluating the Bank’s fulfilment of corporate social responsibility.
 - Reviewing and approving corporate social responsibility reports.
 - Reviewing and approving corporate social responsibility proposals.
- **Board of Supervisors**
- Supervising and evaluating the specific implementation of the Bank’s corporate social responsibility work.

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

Leadership team of corporate social responsibility management is the social responsibility governing body in the Bank. The leaders of the leadership team are served by the Chairman of the Board and the Bank President, and the deputy leaders are served by the persons in charge of the Office, and the team members consist of principal persons in charge of relevant departments, jointly promoting the efficient and orderly development of social responsibility management. Responsibilities of the leadership team of corporate social responsibility management include:

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

The leadership team of corporate social responsibility management has an office, which is based on the Head Office and is responsible for the daily work of corporate social responsibility management. The office director is the principal responsible person of the leadership team at the Head Office, responsible for the Bank’s daily management and coordination of social responsibility.



Note: Framework of Huishang Bank’s social responsibility management

The Bank promotes the construction of social responsibility capability and tries to better understand the concept of sustainable operation to refine the management system of social responsibility. With a streamlined management system in place, covering organisation and implementation, tracking and inspection, final assessment and report release, the Bank aims to improve the decision-making on such issues and the level of responsibility fulfilment.

In 2022, to further improve social responsibility management, we revised the “Performance Assessment Plan for Senior Management of Huishang Bank” with the social responsibility indicator added.

3. Stakeholder engagement

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

| Stakeholders | Communication mechanism | Stakeholders' expectations | The Bank's Response |
|--------------|---|--|---|
| Government | <ul style="list-style-type: none"> • Regulatory documents • Work reports • On-site inspection • Off-site inspection | <ul style="list-style-type: none"> • Implement national economic policies • Support real economy • Serve small and micro enterprises • Increase job opportunities • Stable tax revenue increase | <ul style="list-style-type: none"> • Implement national economic policies and propel economic transition • Step up efforts in leveraging finance to serve real economy • Achieve “two increases and two controls” in small and micro enterprise loans • Create job opportunities • Create good business performance and pay more tax |
| Regulators | <ul style="list-style-type: none"> • Regulatory documents • Work reports • On-site inspection • Off-site inspection | <ul style="list-style-type: none"> • Prudent and compliant day-to-day operation • Effective risk prevention • Stable and orderly financial system • Accelerate digital transformation | <ul style="list-style-type: none"> • Compliance with laws and regulations • Strengthen risk management • Maintain financial order and reinforce compliance and disciplines • Strive to establish a digital bank |
| Shareholders | <ul style="list-style-type: none"> • Shareholders' general meeting • Board of Directors • Performance announcements • Daily communication | <ul style="list-style-type: none"> • Continuous and reasonable return on investment • Thorough, timely and accurate information disclosure • Good corporate governance | <ul style="list-style-type: none"> • Achieve good business • Disclose information in a thorough, timely and accurate manner • Promote corporate governance |
| Customers | <ul style="list-style-type: none"> • Product promotion and introduction • Hotline 40088-96588 • Customer service centre • Regular customer visits | <ul style="list-style-type: none"> • Diversified products • Diverse service channels • Continuously improved service quality • Effective protection of consumers' rights and interests | <ul style="list-style-type: none"> • Create diverse financial products • Promote the establishment of service channels • Improve civilised and regulated services • Protect financial consumers' rights and interests |

| | | | |
|------------------------|--|--|---|
| | | | <ul style="list-style-type: none"> • Guarantee the health and safety of financial consumers |
| Employees | <ul style="list-style-type: none"> • Staff communication • Labour union • Workers' Congress • Bank affairs disclosure • Corporate cultural activities | <ul style="list-style-type: none"> • Reasonable compensation and benefits • Satisfying work environment • Good professional development • Health and occupational protection | <ul style="list-style-type: none"> • Ensure staff's legitimate rights and interests • Enrich corporate culture • Expand professional development channels • Protect safety and health |
| Suppliers and partners | <ul style="list-style-type: none"> • Centralised procurement • Tender centre • Business communication cooperation | <ul style="list-style-type: none"> • Fair cooperation opportunities • Honest contract fulfilment • Stable win-win relationship | <ul style="list-style-type: none"> • Stick to responsible procurement • Strengthen strategic cooperation |
| Public and communities | <ul style="list-style-type: none"> • Financial community services • Financial knowledge dissemination • Community public welfare activities | <ul style="list-style-type: none"> • Harmonious social relations • Comprehensive and effective responsibility fulfilment as a corporate citizen | <ul style="list-style-type: none"> • Create diverse financial products • Disseminate financial knowledge • Build a harmonious community environment • Charity and public welfare activities |
| Media | <ul style="list-style-type: none"> • Media information disclosure | <ul style="list-style-type: none"> • Open and transparent information disclosure | <ul style="list-style-type: none"> • Enhance media communication • Disclose information in a comprehensive, timely and accurate manner |
| Environment | <ul style="list-style-type: none"> • Business activities • Environmental protection activities • Policy information disclosure | <ul style="list-style-type: none"> • Green financial services • Continuous reduction of energy consumption and carbon emission • Active environmental protection | <ul style="list-style-type: none"> • Develop green finance • Improve green services • Promote green operation • Involve in green public welfare undertakings |

4. Materiality assessment analysis

The Bank conducts materiality assessment in accordance with the “ESG Reporting Guide” to identify the priority of each social responsibility topic and determines the materiality of each topic for the Bank’s business development and each stakeholder. The result of such

assessment serves as an important reference for the Bank to develop social responsibility management strategies and prepare ESG reports.

Step 1 Identify social responsibility topics

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

| No. | Issue | Aspect | No. | Topic | Aspect |
|-----|--|--------------------------|-----|--|-----------------------------------|
| 1 | Improve business performance | Product responsibility | 15 | Overall risk management | Product responsibility |
| 2 | Propel economic development | Product responsibility | 16 | Favourable employment environment | Employment/ Labour standards |
| 3 | Serve real economy | Product responsibility | 17 | Guarantee safe card use | Product responsibility |
| 4 | Protect shareholders' rights and interests | Product responsibility | 18 | Pay attention to health and safety | Safety and health |
| 5 | Serve small and micro enterprises | Product responsibility | 19 | Build intelligent outlets | Product responsibility |
| 6 | Practise inclusive finance | Product responsibility | 20 | Develop green finance | Environment and natural resources |
| 7 | Compliance with the legal and supervisory requirements | Product responsibility | 21 | Expand green channels | Emission |
| 8 | Enhance customers satisfaction | Product responsibility | 22 | Promote green operation | Use of resources |
| 9 | Monitor business risk | Anti-corruption | 23 | Prevent telecommunication fraud | Product responsibility |
| 10 | Facilitate rural revitalisation | Product responsibility | 24 | Intensive involvement in public welfare events | Community investment |
| 11 | Focus on mobile finance | Product responsibility | 25 | Stick to green purchase | Supply chain management |
| 12 | Safety protection measures | Health and safety | 26 | Disseminate financial knowledge | Community investment |
| 13 | Promote professional development | Development and training | 27 | Support cultural and sports undertakings | Community investment |
| 14 | Implement clean governance | Anti-corruption | 28 | Public welfare activities | Community investment |

| | | | | | |
|--|--|--|--|-------------------------|--|
| | | | | promoting green concept | |
|--|--|--|--|-------------------------|--|

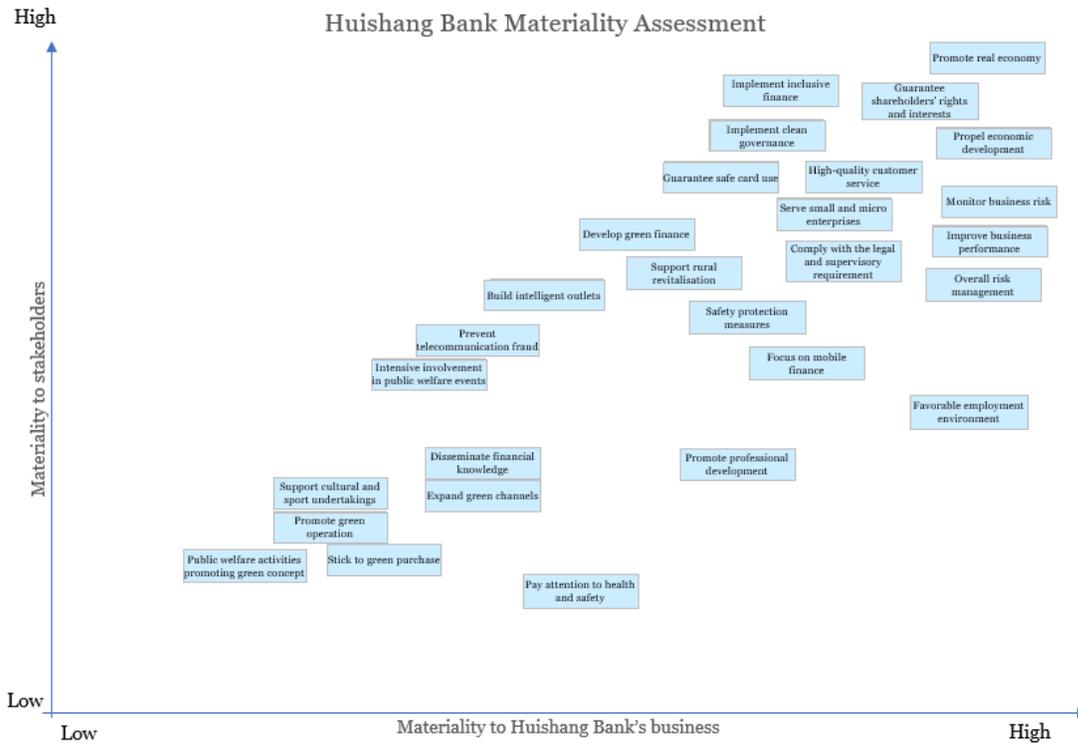
Step 2 Determine the materiality

Based on the results of interviews and questionnaires for internal stakeholders, the Bank has prioritised topics in terms of “materiality to Huishang Bank” and “materiality to external stakeholders” and generated a materiality assessment matrix accordingly.

Step 3 Review assessment results

The Bank’s leading team in charge of corporate social responsibility management has reviewed and confirmed the assessment results, and then determined significant material issues for disclosure and response in this report.

In 2022, the Senior Management of the Bank discussed the materiality assessment results of previous years and decided to adopt the results of previous years given that there are no significant changes in the business and operating environment.



5. Response to the UN SDGs

The Bank benchmarks the identified ESG issues with the United Nations Sustainable Development Goals (SDGs) and formulates and takes corresponding measures to actively respond to stakeholder expectations and major national strategic needs.

| | SDG | Specific measures | Social responsibility topics | Section(s) |
|---|---|--|--|---|
| Economic |  | Improve governance system | Serve small and micro enterprises | Consolidating modern corporate governance |
| | | Equal employment and protect employees' rights and interests | Favourable employment environment | Supporting regional economy |
| | | Offer reasonable professional development channels | Promote professional development | Facilitating rural revitalisation |
| | | Provide strong support to real economy | Improve business performance | Practising inclusive finance |
| | | Support small and micro enterprises | Overall risk management | Driving emerging industries |
| |  | Digitisation | Promote economic development | Facilitating rural revitalisation |
| Support economic transformation | Improve real economy | Practising inclusive finance | | |
| Serve agriculture, rural areas and farmers | Build intelligent outlets | Driving emerging industries | | |
| Boost infrastructure construction | Inclusive finance in rural areas | Benefiting people's well-being | | |
| Social |  | Conduct rural revitalization in an efficient and orderly way | Practice rural revitalization | Facilitating rural revitalisation |
| | | Boost infrastructure construction | Inclusive finance in rural areas | Benefiting people's well-being |
| |  | Create a healthy working environment | Safety protection measures | Creating "Safe Huishang Bank" |
| | | Care about employees' physical and mental health | Pay attention to health and safety | Enriching culture and sports activities |
|  | Actively support social cultural activities | Support cultural and sports undertakings | Protecting customers' rights and interests Supporting education Giving back to society | |
| | Carry out financial knowledge publicity activities in communities | Disseminate financial knowledge | | |
| | Provide employees vocational training and relevant skills training | Intensive involvement in public welfare events Promote professional development | | |

| | | | | |
|--|---|--|---|---|
| |  | <p>Share information with regulators Maintain social stability</p> <p>Provide strong support to real economy</p> | <p>Prevent telecommunication fraud</p> <p>Intensive involvement in public welfare events</p> <p>Disseminate financial knowledge</p> <p>Promote economic development</p> <p>Improve real economy</p> | <p>Protecting customers' rights and interests</p> <p>Giving back to society</p> <p>Supporting regional economy</p> <p>Facilitating rural revitalisation</p> <p>Benefiting people's well-being</p> |
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Environmental</p> |  | <p>Promote green loans</p> <p>Support the development of clean technologies</p> <p>Advocate green office</p> <p>Carry out charitable and environmental protection activities</p> | <p>Develop green finance</p> <p>Promote green operation</p> <p>Expand green channels</p> <p>Stick to green purchase</p> <p>Participate in public welfare activities promoting green concepts</p> | <p>Developing green finance</p> <p>Promoting green operation</p> |

Responsibility Performance

| Areas | Indicators | Unit | 2022 | 2021 | 2020 |
|--|--|--------------------|--------------------|-----------|-----------|
| Economic Performance | Total assets | In RMB 100 million | 15,802.36 | 13,836.62 | 12,717.01 |
| | Revenue | In RMB 100 million | 362.30 | 355.14 | 322.90 |
| | Net loans and advances | In RMB 100 million | 7,643.09 | 6,283.06 | 5,533.99 |
| | Shareholders' equity | In RMB 100 million | 1,196.08 | 1,115.16 | 1,056.73 |
| | Net profit | In RMB 100 million | 136.83 | 117.85 | 99.21 |
| | Average return on total assets | % | 0.92 | 0.89 | 0.83 |
| | Non-performing loan ratio | % | 1.48 | 1.78 | 1.98 |
| | Non-performing loan provision coverage | % | 273.76 | 239.74 | 181.90 |
| | Capital adequacy ratio | % | 12.02 | 12.23 | 12.12 |
| | Social Performance | Total tax payment | In RMB 100 million | 91.23 | 70.82 |
| Balance of small and micro enterprises loans | | In RMB 100 million | 3,146.19 | 2,560.41 | 2,351.86 |
| Balance of agriculture-related loans | | In RMB 100 million | 1,819.98 | 1,389.41 | 1,169.60 |
| Complaint handling satisfaction | | % | 98.15 | 97.84 | 98.04 |
| Total number of employees | | Persons | 11,190 | 10,701 | 10,688 |
| Proportion of female employees | | % | 50.80 | 50.95 | 51.47 |
| Training expenses per employee | | RMB | 2,021.27 | 2,496.45 | 3,166.02 |
| Assistance funds to financially-distressed employees | | In RMB 10 thousand | 18.20 | 16.00 | 24.80 |
| Total number of outlets | | / | 466 | 478 | 481 |
| Total number of county outlets | | / | 150 | 157 | 156 |
| Automatic services machines | | / | 1,875 | 2,002 | 2,019 |
| Number of corporate online banking customers | | In 10 thousand | 34.6 | 31.09 | 27.36 |
| Number of phone banking customers | | In 10 thousand | 401.35 | 380.65 | 351.95 |

| | | | | | |
|----------------------------------|---|--------------------------|----------|--------|--------|
| | Number of mobile banking customers | In 10 thousand | 848.27 | 704.93 | 603.44 |
| | Number of personal online banking customers | In 10 thousand | 753.94 | 674.03 | 582.40 |
| Environmental Performance | Green credit balance | In RMB 100 million | 545.76 | 321.81 | 209.16 |
| | Water use of the Headquarters | In 10,000 tons | 9.19 | 3.80 | 3.50 |
| | Electricity use of the Headquarters | In 10,000 kWh | 1,828.82 | 487.20 | 457.80 |
| | Gas use of the Headquarters | In 10,000 m ³ | 73.76 | 24.80 | 25.80 |
| | Number of bank-wide video conferences | / | 219 | 278 | 145 |

Topic: Studying, promoting, and practising the gist of the 20th National Congress of the Communist Party of China (“CPC”) for a better future

2022 is the year of the 20th CPC National Congress, and also an important year for the whole Party and the people of all ethnic groups to embark on a new journey of building a socialist modern country in an all-round way and march towards the second centenary goal. Huishang Bank has always adhered to the leadership of the Party. The Bank’s Party organizations at all levels have conscientiously implemented the work deployment of the Party Central Committee, the Provincial Party Committee, and the Provincial State-Owned Assets Supervision and Administration Commission Party Committee. We have taken the study, promotion, and implementation of the gist of the 20th CPC National Congress as an important political task at present and in the future. We have absorbed great ideological strength, worked hard to forge ahead with the new journey of the times, and worked hard to produce an excellent answer sheet.

The Bank attaches great importance to strengthening organizational leadership.

Before the opening of the conference, the Party Committee of Huishang Bank made arrangements for Party members and staff of the whole Bank to watch the opening conference; After the closing of the conference, the Bank held a meeting immediately on October 21st to convey the gist of the 20th CPC National Congress, study and deploy the work of learning, promotion and implementation of the gist of the 20th CPC National Congress, take learning, promotion and implementation of the gist of the 20th CPC National Congress as the primary political task at present and in the future, form a working mechanism of “the whole Bank as one” and “integration of the top and the bottom”, and clarify the work of learning, promotion and implementation of the gist of the 20th CPC National Congress. The work was carried out under the unified leadership of the Bank’s Party Committee, with the Secretary of the Bank’s Party Committee taking the overall responsibility, and the members of the Party Committee team, relevant functional departments and primary-level Party organizations taking their respective responsibilities, making overall progress and compacting the main responsibilities at all levels. For major tasks involving the overall situation and the long term, special work teams were established. Task lists and responsibility lists were prepared, and special personnel were assigned to implement them.

On the morning of October 28, Huishang Bank held a bank-wide meeting to convey and study the gist of the 20th CPC National Congress. On the morning of November 1, Huishang Bank held a party committee (enlarged) meeting to convey and study the “Decision of the CPC Central Committee on Seriously Studying, Promoting and Implementing the Gist of the Twentieth National Congress of the CPC”, and to study and

implement measures. In the afternoon of November 4, the Party Committee of Huishang Bank held a meeting, deliberated and approved the plan of learning, promoting and implementing the gist of the 20th CPC National Congress and the division of work.

The Party Committee of Huishang Bank made scientific planning and careful organization, compacted responsibilities and pooled forces to promote the rapid upsurge of learning, promotion and implementation of the gist of the 20th CPC National Congress throughout the bank. It was made clear that the Party committee of each unit was responsible for the implementation of the learning and promotion of the unit, and the main responsible comrades were the first responsible persons. It was made clear that we established and improved the working mechanism of overall planning and coordination, daily scheduling, tracking and effectiveness, inventory summary, assessment, rewards and punishment, and formed a closed loop of communication and learning, deployment, research and supervision, and task implementation. Discipline inspection institutions at all levels included the study, promotion and implementation of the gist of the 20th CPC National Congress into the important content of political supervision and inspection work, focused on the problems in the work, and strictly supervised and enforced discipline. The organizational departments at all levels incorporated the study, promotion, and implementation of the gist of the 20th CPC National Congress into the comprehensive assessment of the leading group and leading cadres as an important basis for the selection, appointment, rewards and punishment of cadres. Propaganda departments at all levels did a solid job in publicizing the gist of the 20th CPC National Congress and creating a strong atmosphere for learning and implementing the gist of the 20th CPC National Congress. Trade unions at all levels, the Communist Youth League and other mass organizations gave full play to their own advantages and carry out learning and education activities with different characteristics.

In order to make the work more orderly, the Bank implemented the “wall map operation”, formulated and issued the “Implementation Plan of the Party Committee of Huishang Bank on Seriously Studying, Promoting and Implementing the Gist of the 20th CPC National Congress” and the “Work Plan of Huishang Bank on Studying, Promoting and Implementing the Gist of the 20th CPC National Congress”, determined the overall plan and task list of studying, promoting and implementing the gist of the 20th CPC National Congress, and identified 38 specific tasks, made specific arrangements for the work related to the study and implementation of the gist of the 20th CPC National Congress, steadily promoted the relevant plans according to the time plan, and supervised the implementation of responsibilities on a weekly basis. We effectively strengthened organizational leadership, set a good tone and guidance, innovated ways and enhanced effectiveness, mobilized the whole Bank to fully understand the significance of learning, promoting and implementing the gist of the 20th CPC National Congress, comprehensively and accurately learned and understood the gist of the 20th CPC National Congress, conscientiously carried out the study and training of the gist of the 20th CPC

National Congress, comprehensively and thoroughly carried out the propaganda of the gist of the 20th CPC National Congress, and firmly promoted the implementation of the decisions and arrangements of the 20th CPC National Congress.

The Bank conveyed the gist of the Congress in a timely manner.

On October 16, the Bank immediately organized party organizations at all levels to listen to and watch the opening meeting of the 20th National Congress of the Communist Party of China, with the participation of nearly 400 primary-level party organizations and more than 5,800 people. The Bank conscientiously grasped well the gist of General Secretary Xi Jinping's important speech at the First Plenary Session of the 20th CPC Central Committee, the report of the 20th CPC National Congress, the work report of the 19th Central Commission for Discipline Inspection, and the study of the Party Constitution. We set off a great upsurge of study the gist of the 20th National Congress of the Party in the whole Bank.

Team leaders played an exemplary role. While deploying the whole bank to study, promote, and implement the gist of the 20th Party Congress, we formulated a study plan for the theoretical study centre group of the party committee, and continued to study and discuss the gist of the 20th Party Congress and the Constitution of the Communist Party of China (Amendment) in depth on several topics, continued to conduct the in-depth study through the study of the theoretical study centre group and other forms, and gave full play to the exemplary role of team leaders. On November 9, the Party Committee of Huishang Bank held a seminar on studying the gist of the 20th National Congress of the Communist Party of China, and Yan Chen, Secretary of the Party Committee and Chairman of Huishang Bank, exchanged his understanding and experience of studying and understanding the gist of the 20th National Congress of the Party with the theme of "Persisting in the Spirit of Fight and Overcoming All Difficulties", and further put forward requirements for the whole Bank to study, promote, and implement the gist of the 20th National Congress of the Party. Other members of the leading group of the party committee of Huishang Bank talked about their understanding and experience in turn in connection with their work, further deepened their understanding and grasp of the important milestones of the 20th CPC National Congress, further deepened their understanding and comprehension of the gist of the 20th CPC National Congress, and further enhanced their high consciousness of using the gist of the 20th CPC National Congress to guide practice and promote work. In order to promote study at primary levels, leaders went to various branches to carry out special lectures on "Raising the Banners and Sending Theories" to study and implement the gist of the 20th CPC National Congress.

Primary-level Party organizations studied comprehensively and deeply. We carried out publicity and implementation work through multiple channels such as "Three Sessions and One Lesson" and Theme Party Day Activities, and we carried out concentrated study, exchange, and discussion of learning notes. The Bank vigorously promoted the study of

the gist of the 20th National Congress of the Party at the primary level. The party committees and 442 party branches of 25 second-level units under the jurisdiction of the Bank comprehensively carried out the study of the gist of the 20th National Congress, with a coverage rate of 100%. Party members and employees of party organizations at all levels of the Bank carefully wrote and studied the report of the 20th National Congress of the Communist Party of China in light of the actual work conditions. The Bank collected and distributed five issues of “Huishang Bank’s Party Members and Employees Conscientiously Study and Understand the Gist of the 20th Congress of the Party”, which included the main responsible comrades of 21 branches, 5 subsidiaries, 29 party branch secretaries of headquarters offices and 12 primary-level front-line employees sharing the study experience of the 20th CPC National Congress report, creating a strong learning atmosphere throughout the Bank. The Bank actively organized employees to participate in the training courses of the Anhui Provincial Party Committee and the State-Owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government (hereinafter referred to as “ State-Owned Assets Supervision and Administration Commission of Anhui Province ”) to study, promote, and implement the gist of the 20th National Congress of the Communist Party of China, held training courses by classification and grading, and included the gist of the 20th National Congress of the Party as a compulsory course in the education and training content of management personnel, and purchased the online training course of the National Academy of Administration as the training course for party affairs cadres and regiment cadres of the whole Bank in 2022. In addition, the Bank made full use of its online advantages and used the online training platform to carry out various forms of learning activities such as the Micro-propaganda Competition of the Gist of 20th National Congress of the Communist Party of China, compiling and shooting micro-propaganda videos, and conducting learning and publicity in innovative forms. We strengthened online education and training and created an “online + offline” three-dimensional learning model.

The Communist Youth League organizations at all levels of Huishang Bank carried out the study of the gist of the 20th National Congress of the Party in light of the characteristics of youth work. We organized league organizations at all levels of the Bank to listen to and watch the opening meeting of the 20th National Congress of the Communist Party of China and carried out the activity of collecting impressions on the report of the 20th National Congress of the Party as soon as possible. We solidly promoted the theme education and practice activities of “studying the 20th National Congress, always following the party, and forging ahead on a new journey”. We held the 2022 full-time and part-time regiment cadre training and took the gist of the 20th National Congress of the Party as a compulsory course and include it in the key content of regiment cadre training.

The Bank actively promoted and vigorously created a strong atmosphere.

Huishang Bank coordinated all resources and built a rich publicity platform. On internal and external portal websites, electronic screens, publicity windows, “Huiyin Party Publicity” WeChat official account and other platforms, we set up a column of “conscientiously studying, promoting and implementing the gist of the 20th CPC National Congress”, and reprinted important contributions and interpretations of the gist of the 20th CPC National Congress by authoritative media such as Xinhua News Agency and People’s Daily in a timely manner; 105 display boards and more than 800 slogans for the gist of the 20th CPC National Congress were arranged in the public areas such as the lobby of the headquarters office building, the canteen corridor, and the conference floor; The propaganda slogans of the report of the 20th CPC National Congress were published on the platforms such as screens at the front of each business outlet, the special bulletin board, and the large screen in the hall. Party organizations at all levels of the Bank purchased more than 10,000 copies of learning materials related to the 20th National Congress of the CPC, including the Collection of Documents of the 20th National Congress of the CPC, the Guidebook of the 20th National Congress of the Party, the Guidance Questions of the 20th National Congress of the Party, and the Constitution of the Communist Party of China (Newly Revised). In the Party member activity room, staff activity centre, youth home, honour room, reading room and other staff activity positions, we arranged books, publications, audio and video materials related to the 20th CPC National Congress. We propagandized the gist of the 20th CPC National Congress through wide coverage, multiple fields and full platform, creating a strong atmosphere throughout the Bank.

The Bank kept abreast of the implementation of the relevant deployment of the Party Committee on learning, promotion and implementation of the gist of the 20th CPC National Congress by Party organizations at all levels throughout the Bank, publicized the good work and successful experience of each unit, and timely publicized the relevant situation of the study of the gist of the 20th National Congress of the Party through meetings of the Party Committee, branches of the Party Committee, and Party Committee Theoretical Study Centre Group. We widely publicized the activities of primary-level Party organizations relying on the “Three Sessions and One Lesson”, Party member activities, themed Party days and other activities to carry out in-depth studies of the gist of the 20th Party Congress; We continued to publicize the situations of the promotion of the gist of the 20th Party Congress, thematic education activities, study and training organized by Party organizations at all levels. We compiled and issued five series of reports on “Huishang Bank continues to set off the upsurge of learning, promotion and implementation of the gist of the 20th CPC National Congress”, selected learning notes of outstanding party members and employees throughout the Bank, timely released them on internal and external portals and new media platforms and organized extensive publicity throughout the Bank to create a strong atmosphere. According to the relevant work deployment of the Provincial Party Committee, the Provincial Party Committee of State-Owned Assets Supervision and Administration Commission and the Bank’s Party

Committee, the Bank actively promoted and mobilized the majority of Party members and staff to participate in activities such as “Welcoming the 20th CPC National Congress reading contest”, “Learning and promoting the gist of the 20th CPC National Congress Micro-Speech Contest” and so on. Party organizations at all levels have successively organized internal staff to carry out recitation competitions and micro-speech competitions, select outstanding staff representatives and recommend them to the head office to participate in the bank-wide finals to form a good atmosphere. Huishang Bank actively “told the Huishang story”, publicized the specific measures and outstanding achievements taken by Party organizations at all levels to apply the results of the study report to specific work, and promoted achievements of the innovation and transformation of Huishang Bank, promotion of high-quality development, and service to the real economy, further reflecting the responsibility of Huishang Bank. We also strengthened cooperation with external media, and actively publicized and displayed the good image of Huishang Bank.

The Bank carefully followed instructions and promoted the full implementation of the gist of the Congress.

In order to fully implement the gist of the 20th CPC National Congress, the Bank takes Xi Jinping Thoughts on Socialism with Chinese Characteristics in the New Era as its guide and takes multiple measures to promote the implementation of the gist of the 20th National Congress. Party organizations at all levels of Huishang Bank adhere to the principle of integrating learning and thinking, and unifying knowledge and belief in practice, and permeated the gist of the 20th CPC National Congress in all aspects of reform, development, and stability of the entire Bank, and implemented it in doing a good job in the year 2022’s work and making good arrangements for future work. The gist of the 20th National Congress of the Communist Party of China should be embodied in the political consciousness of wholeheartedly supporting the “two establishments” and faithfully practising the “two safeguards” and doing a solid job in serving the real economy, preventing and controlling financial risks, and deepening financial reform.

Huishang Bank updated its organizational structure and related systems to coordinate the high-quality development of the whole Bank, promoted the implementation of the gist of the 20th National Congress of the Party with practical achievements, promoted the implementation of the gist of the 20th National Congress of the Party with high-quality development, based on Anhui but serve more, and did a good job in financial services. We focused on the real economy and continued to increase support for key areas such as rural revitalization, modern industrial system construction, regional coordinated development strategy, high-level opening up, and green development.

Huishang Bank conscientiously implemented the relevant work arrangements put forward in the report of the 20th National Congress of the Communist Party of China on insisting on focusing on the real economy, promoting new industrialization, and accelerating the

construction of manufacturing power. Huishang Bank focused on the key track of Anhui's manufacturing industry development, further expanded business fields, promoted financial innovation around industrial innovation, and added impetus and vitality to the high-quality development of regional manufacturing.

Huishang Bank embodied the gist of the 20th CPC National Congress in its pragmatic measures to do practical things for the masses. Focusing on the urgent problems of customers, grassroots and employees, we regularly carry out the "I do practical things for the masses" activities, and regularly carry out civilized volunteer service practice activities in the new era. Focusing on continuing to promote the consolidation and expansion of poverty alleviation achievements and the effective connection of rural revitalization, we continued to carry out Party building to lead the construction of credit villages, and strictly implemented the tasks of designated assistance. We took multiple measures to promote the "double building and double construction" work of non-party intellectuals in 2022, and further improved the work level of the United Front Work and the Youth League Committee. We conscientiously implemented the system of receiving and approving letters from the masses by party-member management personnel and did a good job in the work of first letters and initial visits and resolving the backlog of cases.

Implementing the gist of the 20th CPC National Congress is a test of the entrepreneurial style of all officers in the Bank. Huishang Bank insists on encouraging practical work and appointing cadres based on actual performance, creates a clean political ecology, guides the vast number of party members and managers to fully implement the requirements of "one change, two dos, and five dones", enhances the sense of crisis and urgency that "slow progressing is retreating, and not advancing is retreating", starts a business with a better style, and strives to create excellent achievements that can stand the test of the reality, the people and the history.

The year 2022 witnessed the 20th CPC National Congress. Meanwhile, it is a crucial year for fully entering the development period of the 14th Five-Year Plan. Facing the new situation, new tasks and new requirements, Huishang Bank unites closely around the Party Central Committee with Comrade Xi Jinping as the core and strives to accomplish the annual target with vigour and perseverance under the strong leadership of Anhui Provincial Party Committee and the People's Government of Anhui Province. Huishang Bank is committed to building an excellent local mainstream bank and making greater contributions to the construction of Anhui and the stable macroeconomy.

In the next step, Huishang Bank will continue to deeply study, promote and implement the gist of the 20th CPC National Congress, adhere to the guidance of Xi Jinping's thoughts of socialism with Chinese characteristics in the new era, closely focus on the strategic goal of building a modern economic system, focus on key areas and weak links of high-quality development, place its development in the overall environment of the province's economic development, adhere to symbiosis and common prosperity with local economic and social development, and become better and stronger in helping regional high-quality

development. We will strengthen confidence, unite and struggle, forge ahead, and promote the implementation of the gist of the 20th CPC National Congress with practical actions, which will become the core driving force for the high-quality development of Huishang Bank.

[Case] Mr Yan Chen, the Secretary of the Party Committee and Chairman, went to Hefei Branch to give lectures on the gist of the 20th CPC National Congress

On 16 November 2022, Mr Yan Chen, the Bank’s Secretary of the Party Committee and Chairman, went to Hefei Branch to give lectures on the gist of the 20th CPC National Congress. Secretary Yan Chen stressed that it is necessary to fully understand the decisive significance of the “Two Establishments” and transform the political consensus of the “Two Establishments” into practical actions of “Two Upholds”, implement the methods, principles, and policies, and fully study, understand, and implement the gist of the 20th National Congress.



[Case] “China Bank Insurance News” published an article authored by Yan Chen, secretary of the party committee and chairman of the bank

On November 15, 2022, China Banking and Insurance News, hosted by the China Banking and Insurance Regulatory Commission, published an article authored by Yan Chen, Secretary of the Party Committee and Chairman of the Bank. The article pointed out that Huishang Bank regards the study, promotion and implementation of the gist of the 20th National Congress of the Communist Party of China as the primary political task at present and for some time to come and contributes financial strength to the comprehensive construction of a modern socialist country and the comprehensive promotion of the great rejuvenation of the Chinese nation.



[Case] Participated in the recitation contest themed welcoming the 20th CPC National Congress and harvested good results

In August 2022, our employees actively participated in the recitation contest with the theme of “Following the Party’s Lead and Contributing to the Development of the Yangtze–Huaihe River Valley” by Anhui Provincial Stated-Owned Assets Supervision and Administration Commission to welcome the 20th CPC National Congress. In the final contest, with the theme of “Steadily Fulfil Our Original Aspiration and Mission with Ever-changing Banking Business”, three participants introduced the rapid development of China’s financial business to demonstrate the original intention and mission of the CPC to lead the financial industry and to seek happiness for the people and rejuvenation for the nation. Eventually, our employees won the third prize.



[Case] Actively participated in the “Micro-Propaganda Competition of Study, Promotion, and Implementation the Gist of the 20th National

Congress of Anhui Province State-Owned Assets System” and achieved good results

The Bank actively publicized and mobilized the majority of Party members and employees to participate in the “Micro-Propaganda Competition of Study, Promotion, and Implementation the Gist of the 20th National Congress of Anhui Province State-Owned Assets System” and carried out the micro-propaganda competition throughout the Bank.

Institutions and subsidiaries at all levels of the Bank held nearly 20 micro-propaganda competitions, with nearly 110 contestants participating in the competition, and nearly 20,000 direct and indirect listeners. A group of outstanding young talents who “understand the theory, understand the masses, and do well in public speaking” stood out, and a group of micro-propaganda videos received massive clicks, actively creating a good atmosphere.

On December 9, 2022, the final of the micro-propaganda competition of the Bank to study, promote and implement the gist of the 20th National Congress of the Communist Party of China was successfully held in Hefei. A total of 26 micro-video works from all over the Bank were selected as finalists. After intense competition, the first prize, second prize, third prize, excellence award and so on were finally selected.

On the afternoon of February 8, 2023, in the final of the competition of the State-Owned Assets System Party of Anhui Province, Huishang Bank was awarded the “Excellent Organization Award” for careful planning and extensive mobilization, and the contestant Lang Zhiguo, an employee of Wuhu Branch, won the “Second Prize” and Yuan Haoran, an employee of the head office, won the “Excellence Award”.





[Case] Youth education for circulating the gist of the Party

To promote the learning for the gist of the 20th CPC National Congress, the Bank completed a solid job in ideological and political education for the youth of all its members, issued the “Practical Activities of the Youth League of Huishang Bank themed ‘Welcome the 20th CPC National Congress, Always Follow the Party, and Advance to A New Journey’”, and organised a special study on “the Party’s youth movement history” to carry out the “Youth Study” activity on a regular basis. We also pushed 186 related articles on the WeChat official account “Huiyin Communist Youth League” to help young people to build the correct ideology in a favourable educational environment and cultivate reserves for the Party on the new journey.

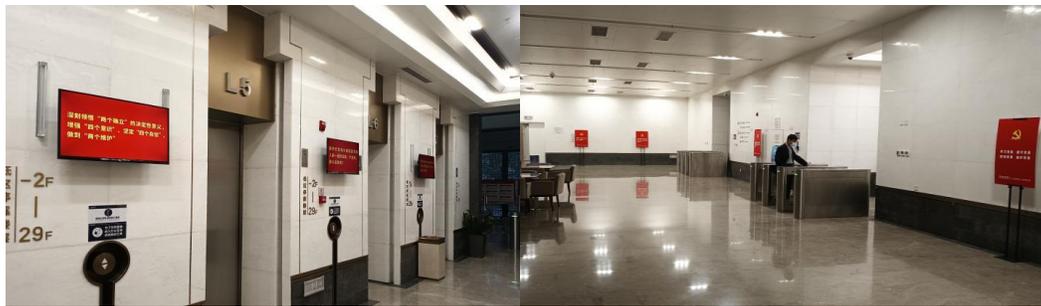
We launched a series of themed activities such as “Welcome the 20th CPC National Congress, always follow the Party, and advance to a new journey”, “Sing the song of the Communist Youth League”, recitation of red classics, marking the centenary of the founding of the Communist Youth League, and mini-courses of the League, which encouraged the learning trend for the gist of the 20th CPC National Congress within the Bank.



[Case] The whole Bank carried out promotion on the gist of the 20th National Congress of the Party to create a good atmosphere

In order to implement and study the gist of the 20th National Congress of the Communist Party of China, the Bank did a solid job in relevant publicity work through internal and external channels. The headquarters and branches of the Bank produced exhibition boards

for the propaganda of the gist of the 20th National Congress of the Communist Party of China and arranged them in the lobby of the head office, the canteen corridor, the conference floor and other passages and public areas where people were concentrated and frequented. We also broadcast and widely publicized through electronic display screens and floor display boards to jointly create a strong atmosphere.



I Sticking to Integrity and Stability to Build the Cornerstone of Governance

Huishang Bank sticks to the guidance of Party building, deeply integrates the Party's leadership with corporate governance, gives full play to the guiding role of strictly strengthening the Party's self-discipline, and continuously improves the robustness and effectiveness of corporate governance. Meanwhile, the Bank insists on honest operation, comprehensively promotes risk prevention and control, strictly adheres to the bottom line of business ethics, and focuses on building brand and corporate culture, so as to gather the strength of Huishang Bank and build an excellent local mainstream bank.

1. Insisting on governance through Party building

1.1 Ideological guidance

The Bank consistently adheres to the guidance of Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era, takes the study and promotion of the gist of the 20th CPC National Congress as the primary political task, promotes governance with Party Building and embodies the Party's leadership in all aspects of corporate governance.

The Bank strictly implements the pre-procedure of the Party Committee to study and discuss the relevant proposals submitted to the shareholders' meeting and the Board, and concentrates on the direction, policies and events to always keep the Bank developing in the right direction. The Bank also implements a "two-way entry and cross-appointment" idea for members of the Party Committee, directors, supervisors and members of senior management, further exerting the leading role of the Party organisation as the core of leadership and politics.

The Bank also actively carries out learning and implementation of Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era and issued the "Opinions on the Establishment and Implementation of the 'First Issue' Study System of the Party Committee". In 2022, the Party Committee of the Bank studied General Secretary Xi Jinping's important speeches and instructions through the "primary political task" to lay a good theoretical foundation. The Bank adopted the form of "self-study of original text + leadership to lead the learning + expert guidance + concentrated discussion", and held multiple study meetings and seminars throughout the year; The Bank relied on the "Huiyin Academy" mobile learning platform to set up a special learning column and hold training courses for party cadres, and further broaden learning channels; The Bank also held special democratic life meetings on Party history study and education, organized party members of branches to visit revolutionary memorial halls and other activities, further enriching the forms of Party history study and education, and further improving the effectiveness of Party members' study and education work.

To effectively improve governance, the Bank organised annual supervision of Party building, held job review and assessment meetings, and urged the whole Bank to strengthen weak areas in a timely manner.

[Case] The Bank participated in the joint study meeting of the Party Committee of the Anhui Provincial State-Owned Assets Supervision and Administration Commission and the Theoretical Learning Centre of the Party Committee of the Provincial Enterprise and the Report Meeting on the Construction of a Clean Party

On the afternoon of December 9, 2022, the Party Committee of the State-Owned Assets Supervision and Administration Commission of Anhui Province held a joint study meeting of the Party Committee of the Provincial State-Owned Assets Supervision and Administration Commission and the Theoretical Learning Centre of the Party Committee of Provincial Enterprises and a report meeting on the construction of a clean party. Members of the party committee of Huishang Bank, internal executives, responsible persons of discipline inspection and supervision agencies, and main responsible persons of various departments and offices of the head office attended the meeting at the branch venue.



[Case] The Bank went to the Anhui Provincial Archives to carry out Party history learning and education

In August 2022, the Theoretical Study Centre Group of the Party Committee of the Bank went to the Anhui Provincial Archives to carry out Party history learning and education. The education included visiting the “CPC’s Centenary: Towards a Brighter Future” themed archive exhibition and viewing the 3D film “Anhui”. We drew strength from the Party history of one hundred years and effectively turned what we learned from Party history into a strong driving force for the high-quality development of Huishang Bank.

[Case] The Bank organised Party history learning by film screening

On 1 January 2022, in order to carry forward the great revolutionary gist and guide the Party members and employees to inherit the red tradition and the red gene, the Party Committee of the Bank organised a movie-viewing activity of “Learning party history in Party classes”,

and more than 400 Party members watched the red movie “Crossing the Yalu River” together.



[Case] Party organizations at all levels of the Bank diversified the study and education of Party history

In 2022, in order to carry forward the spiritual lineage of Chinese communists, party organizations at all levels of the Bank carried out themed party day activities and diversified party history learning and education in combination with the red resources of their own localities, to inherit the great revolutionary gist, and stimulate the enthusiasm of officials for entrepreneurship.





1.2 Party building

The Bank continues to carry out Party organisation-building activities to promote the integrated development of Party building and corporate governance. In addition, we continue to build and improve the “Huiyin Party Building +” brand creation project with 10 specific matters to be focused on. We always stick to the leadership of the Party and implement targeted policies for innovative development under the guidance of party building, thus providing strong political and organisational guarantees for high-quality development.



Note: “Huiyin Party Building +” brand creation project with 10 specific matters of focus

The Bank actively organises the recommendation and selection of “One Advanced Party Organisation, Excellent Party Members and Party Workers”, “Red Pillar Party Branch” and “Pillar Pioneer” demonstration positions for Party members to consolidate Party building at the primary level. In addition, in 2022, the Bank built the Reading Room for Party Building of the Headquarters Party Member Home (Youth Home) to enrich the activities of Party members.

[Case] The Party Committee of the Bank held a meeting to circulate and study the gist of the session of CPC Central Committee’s Political Bureau

In the afternoon of 8 November 2022, the Party Committee of the Bank held a meeting to circulate and study the gist of the session of CPC Central Committee’s Political Bureau dated 25 October in an attentive manner. Mr Yan Chen, the Party Committee Secretary and Chairman of the Bank, presided over the meeting and members of the Party Committee attended the meeting.

The meeting emphasised that the Party organisations at all levels of the Bank should comprehensively strengthen political building, profoundly understand the decisive significance of the “Two Upholds”, resolutely uphold General Secretary Xi Jinping’s core position on the CPC Central Committee and in the Party as a whole and uphold the Central Committee’s authority and its centralised, unified leadership. Besides, we should always closely follow the Central Committee with comrade Xi Jinping as the core in terms of thinking, political orientation, and actions, carry forward this great founding gist to promote our glorious traditions, fully enforce the Party Central Committee’s eight-point decision on conduct and Provincial Party Committee’s rules for implementation of the decision, continue to improve the conduct, stick to self-reliance and arduous struggle and work together to write a new chapter in the high-quality development of Huishang Bank.

1.3 Improving Party conduct

The Bank has fully implemented the gist of General Secretary Xi’s important speech on Party conduct and intensified the work on Party conduct and anti-corruption. In 2022, the Bank improved the organisational structure of discipline inspection and appointed a dedicated secretary to the discipline inspection commission. The Bank formulated the “Implementation Opinions of the Party Committee of Huishang Bank on Strengthening Discipline Inspection Work under the New Situation”, clarifying the work responsibilities, management system and coordination mechanism of discipline inspection institutions at all levels of the Bank. At the same time, the Bank developed the “Measures for Pursuing the Main Responsibility and Supervision Responsibility of Huishang Bank for the Construction of Party Conduct (Trial)” to establish and improve the framework of discipline inspection and supervision system.

The Bank formulated a work plan for inspection, rectification, and supervision, and comprehensively promoted the inspection and supervision work. In 2022, the Bank successfully completed on-site inspections of 15 branches and online inspections of 2 branches and 4 subsidiaries.

The Bank vigorously promoted the culture of integrity. In 2022, the Bank formulated the “Guiding Opinions on Promoting the Integrity Culture of the Party Committee of Huishang Bank in 2022” to integrate the requirements of integrity into operation and management. In addition, various integrity cultural activities were conducted to enhance the integrity awareness of Party members, including:

- Organising the selection of integrity-themed calligraphy, painting, and photography works, and sending excellent works to the State-Owned Assets Supervision and Administration Commission of Anhui Province for further competition.
- Participating in the compilation of the Anhui Provincial Banking Association’s “A Letter to the Family” integrity-themed financial culture reader.
- Purchasing a series of books on Party conduct education and CDs on warning education.
- Carrying out the signing work of “Welcoming the 20th National Congress and Bearing Integrity in Mind” to commit to integrity business.

[Case] The Bank organised training for discipline inspection officials to improve professional capabilities

The Bank organised the comprehensive business training for discipline inspection officials in the whole Bank in 2022 and invited experts from the Provincial Commission for Discipline Inspection and the Provincial Commission of Supervision to give lectures. The course provided a detailed interpretation of normative documents in accordance with the doubts and difficulties in the anti-corruption work, comprehensively strengthened the ideological awareness of discipline inspectors and improved their professional ability from the perspectives of the Huishang Bank Discipline Inspection Commission’s practice on accountability for overseeing discipline compliance, the handling of problem clues, and the use of review and investigation measures.

[Case] Create a clean culture on the cloud exhibition hall and innovate to promote the construction of a clean culture

In order to implement the “Several Measures of the Party Committee of Huishang Bank on Strengthening the Construction of a Clean Culture in the New Era” and effectively promote the construction of a clean culture as a basic project to promote “not daring to be corrupt, not being corrupt, and not wanting to be corrupt”, from October 20 to December 20, 2022, the Discipline Inspection Commission of Xuancheng Branch of Huishang Bank organized the third “Clean and Honest Huixuan” clean cultural works collection activity, and explored the establishment of a clean culture cloud exhibition, so that party members can have education remotely.

The cloud exhibition hall adopts VR panoramic technology to set up 6 exhibition halls for Huixuan Chronicles, Huixuan Sounds, Hui Xuan Paintings, Hui Xuan Books, Hui Xuan Photography and Hui Xuan Sets. A total of more than 50 clean cultural works were displayed in multiple scenes and angles. All the works displayed were created and performed by branch staff and their families, fully demonstrating the positive spirits of branch staff and

their families, expressing the feelings and backbone of financial workers, and planting the soil for the construction of a culture of integrity.

1.4 Uniting the people

The Bank implements the Party's working principle of "from the people to the people" and persists in uniting and serving the people. Focusing on improving the united front work, the Bank set up additional teams for united front work, and actively carried out education activities on the theme of "Establishing firm ideals and convictions, and also a good social image, making contributions to achieve excellent performance, and providing suggestions to serve the overall situation of development" for non-Party intellectuals. 2022 marks the 100th anniversary of the founding of the Communist Youth League of China. The Bank carried out special learning activities such as "The History of the Party's Youth Movement" and "The Gist of the 100th Anniversary of the Founding of the Communist Youth League", as well as innovative bank-wide activities such as singing the League song, "Reciting the Chapters of the Times, Burning the Dreams of Youth" reciting red classics, and attending in the centenary of the founding of the Communist Youth League of China. We actively selected the best-advanced models and carried out the sixth "Huishang Bank Top Ten Outstanding Youths" selection activity. A number of national, provincial, and city-level "Two Red and Two Excellent" outstanding individuals and advanced regiment organizations stood out. Zhang Yan, a member of the Youth League Committee, was awarded the National Outstanding Communist Youth League Cadre. The Youth League Committee of Wuhu and Tongling Branches was awarded the Provincial May Fourth Red Banner Youth League Committee. The League Branch of Lu'an Yeji Sub-Branch, the Urban Youth League Branch of Suzhou Branch, and the Seventh Regiment Branch of Chizhou Branch were awarded the Provincial May Fourth Red Banner Regiment Branch. Wu Wenqian, Secretary of the Youth League Committee of Huangshan Branch, and Li Qinyi, Secretary of the Youth League Committee of Lu'an Branch, were awarded the Provincial Outstanding Communist Youth League Cadres. We mobilized young employees to shoot videos such as "Glory, Chinese Communist Youth League" and "We Are All Dreamers" to welcome the centenary of the founding of the Youth League and the meeting of the 20th CPC National Congress.

The Bank continues to carry out the practical activities of "practical work for the people" to gain a deeper understanding of the needs of the community. The Bank continued to utilize the WeChat mini programme "Code makes it quicker" to make the feedback channels smoother for primary-level employees. In 2022, the WeChat Mini Programme "Code makes it quicker" adopted 182 suggestions from employees.

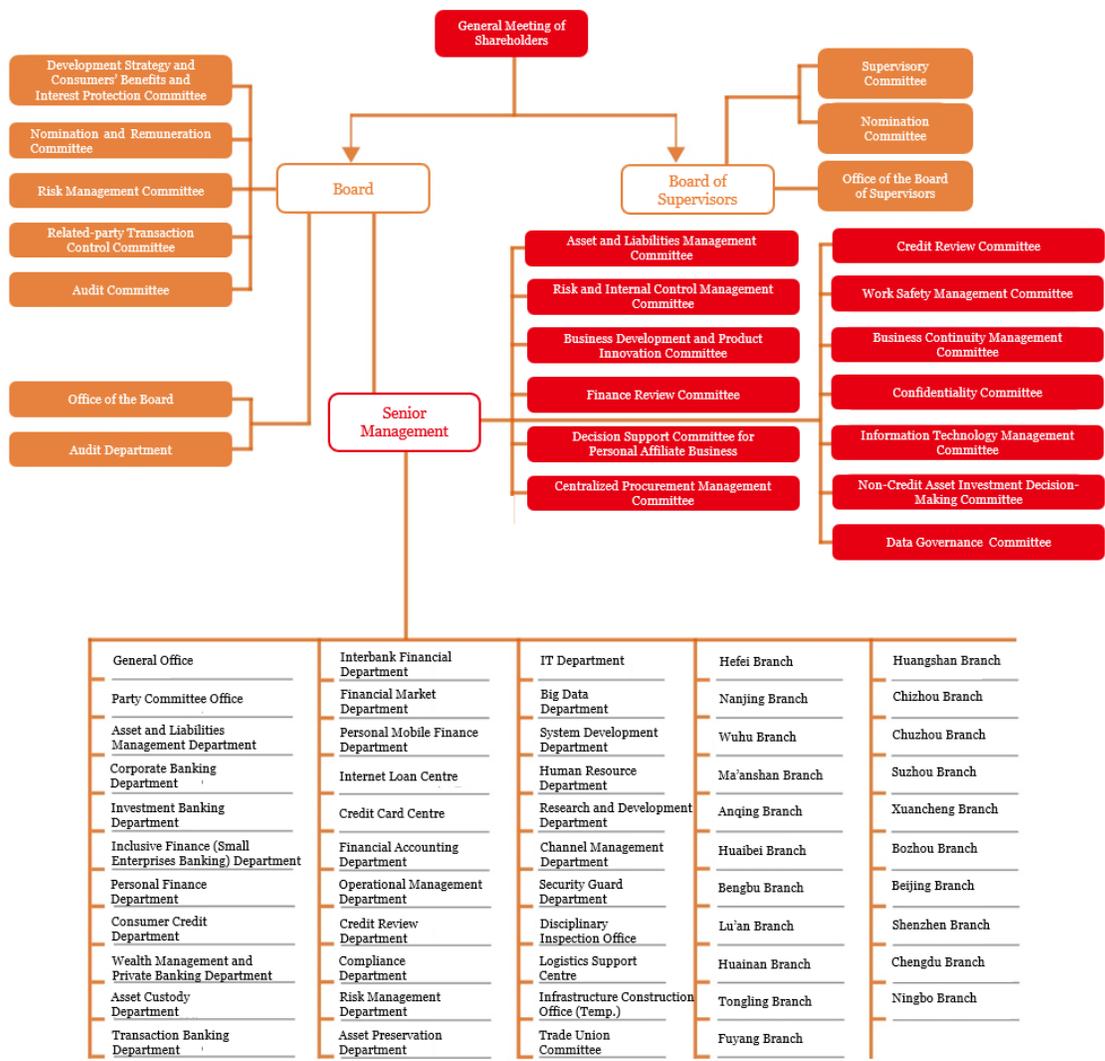


Note: WeChat mini programme “Code makes it quicker” of Huishang Bank

2. Consolidating modern corporate governance

2.1 Governance structure

The Bank is committed to establishing a high-level corporate governance system and continuously improving corporate governance capabilities. The Bank has established a complete corporate governance structure, which specifies the responsibilities of the General Meeting, the Board of Directors, the Board of Supervisors and senior management, and continuously improved the Bank’s decision-making, executive and supervision mechanisms to ensure the independent operation of all parties and effective checks and balances.



Note: Organisational structure of Huishang Bank

The General Meeting is the authority of the Bank. In 2022, the Bank held 1 General Meeting and passed a total of 17 proposals.

The Board of Directors is the decision-making organ of the Bank. It consists of 15 board members, including 1 executive director, 8 non-executive directors and 6 independent non-executive directors, and more than one-third of the total number of directors are independent. In 2022, the Bank convened 9 board meetings, discussed, and reviewed 82 proposals, held 28 meetings of the special committees of the Board of Directors, and discussed and reviewed 103 proposals.

Diversity of the Board of Directors plays a key role in achieving good corporate governance and strategic goals. Hence, the Bank's Board of Directors has fully considered various factors such as gender, age, educational background and professional experience when

appointing Board members: In 2022, the Bank's Board of Directors included 3 female directors. The age span of directors was about 20 years old, and the directors specialised in management, economics, finance, accounting, etc., with working experience in government, enterprises, universities, think tanks and other kinds of organisations.

The Board of Supervisors is the supervisory organ of the Bank. The Board of Supervisors consists of 8 supervisors, including 4 employee supervisors, 1 shareholder supervisor, and 3 external supervisors. In 2022, the Board of Supervisors and its special committees held 16 meetings in total, where 33 proposals were deliberated, and 42 special reports were reviewed.

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

Please refer to the section of the “Corporate Governance Report” in the “Huishang Bank 2022 Annual Report” for details relating to the members of the Board of Directors and the Board of Supervisors.

2.2 Information disclosure

The Bank conscientiously implements the “Securities Law of the People's Republic of China” and related regulatory provisions, and fully complies with regulations on information disclosure. In 2022, the Bank revised the “Administrative Measures for Information Disclosure” to further improve the authenticity, accuracy, timeliness, and standardisation of information disclosure.

The Bank issues various periodic reports and interim reports on the website of Hong Kong Stock Exchange or the official website of the Bank in accordance with the law to release information to domestic and foreign investors.

2.3 Communication with investors

The Bank puts a high premium on investor relations management. We strengthen effective communication with investors, answer their questions, and enhance the market's understanding and recognition of the Bank through an Investor Relations section on our official website, telephone, email, visits, etc. In 2022, we held the 2021 Annual General Meeting of Shareholders, and launched the 2022 mid-year online performance announcement through multiple online platforms. We successfully launched the brand promotion campaign for the 9th anniversary of listing on the Hong Kong Stock Exchange, fully demonstrating the Bank's transformation and development achievements and boosting investor confidence.

3. Overall risk management

The Bank always places equal emphasis on risk management and business development and gradually improves the top-down design of overall risk management. We strive to improve the overall risk management ability and establish a risk appetite and risk limit management mechanism that is aligned with our development strategy. We strengthened the risk control in key areas and promoted technology empowerment and smart risk control, thus achieving a steady and sustained development of the Bank.

The Bank, following regulatory requirements, has established a risk management organizational structure with clear responsibilities, reasonable division of labour, mutual checks and balances, and clear reporting relationships, including the board of directors, board of supervisors, senior management, etc. For overall risk management, the Board of Directors assumes ultimate responsibility, and the Board of Supervisors assumes supervisory responsibility while Senior Management and Branch Management assume execution responsibility.



Note: Organisational structure for risk management of Huishang Bank

The Bank fully implements the digital transformation strategy, adheres to innovation-driven and technology-empowered principles, establishes and improves the intelligent risk control system, and continuously improves the ability to identify, monitor and evaluate risks. In 2022, we completed the switching of the new and old risk early warning platform systems, realizing the digital management of the whole process of customer risk early warning; A public index database of risk models and a risk management information monitoring platform were established to gradually strengthen the intensive management of risk middle office; The credit business file management module, real estate online valuation module and electronic deposit certificate pledge function were put into operation, and digital risk control tools have provided strong support for business management.

The Bank insists on improving the risk management system. In 2022, the Bank updated its risk management measures in key areas such as Internet loan risk management, market risk management, non-credit loan portfolio risk limit management, and post-loan management of credit business, further leading the whole Bank to standardize operations. We improved the Bank’s risk management capabilities in an all-round way:

- Formulating core risk management policies such as risk management policy guidance and risk appetite statement, which timely directs action for risk management of the whole Bank and clarifies the bottom line of business and various types of risk tolerance.
- Conducting a risk assessment of individual institutions, completing and updating recovery plan and disposal plan recommendations, implementing the Bank’s risk data consolidation management, and improving overall risk management capabilities.
- Implementing the “Two Stability and One Promotion¹” special operation to effectively control new overdue and non-performing loans.
- Proposing 11 risk management measures in a coordinated way to guide branches outside Anhui province to operate steadily.
- Strengthening supervision of post-loan management through on-site inspections, troubleshooting, etc. of the Headquarters and branches.

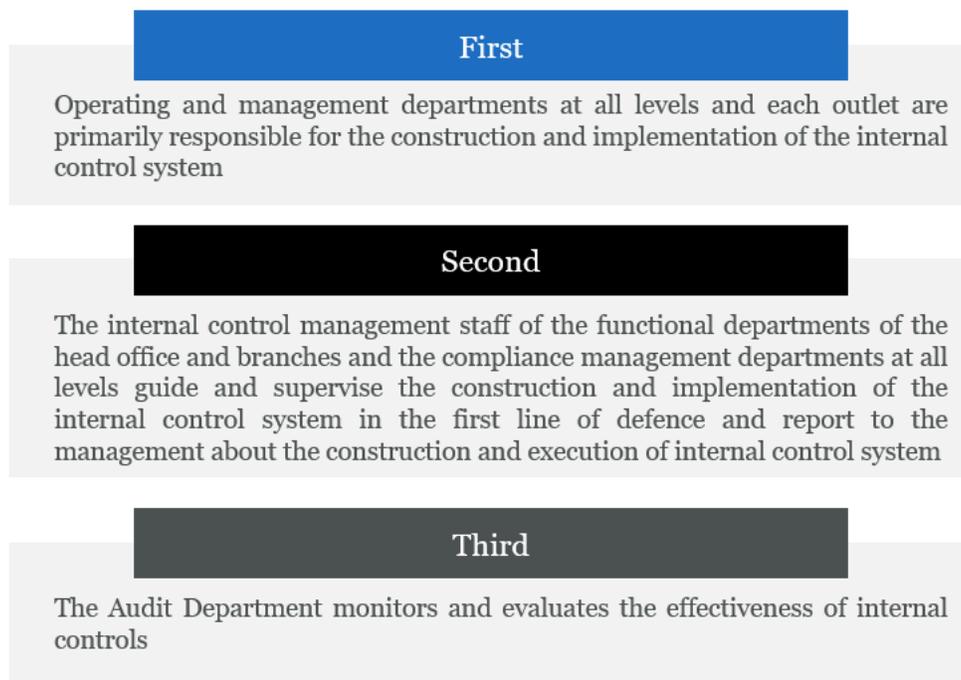
In 2022, the Bank focused on emerging ESG risks in its annual risk management policy guidance for the first time. We attach importance to green finance in resource allocation. In the fields of green credit and green investment, we will comprehensively improve the capacity of green financial services. At the same time, we prospectively study and judge environmental and climate risks, carry out key research on eight high-carbon emission industries, including chemical and thermal power, and issue corresponding industry credit policies. When necessary, we will conduct high-carbon industry portfolio stress tests to estimate the impact of the transformation on the Bank’s capital and asset quality in advance.

4. Intensifying internal control and compliance

In strict accordance with the “Guidelines on Internal Control of Commercial Banks” and other regulatory requirements and internal control principles, the Bank has built an

¹ “Two Stability and One Promotion” refers to stabilising the Bank's asset quality, stabilising key areas without cluster risks, and promoting the Bank's ability to improve active risk management.

internal control and compliance risk management system and three lines of defence centred on the five elements of the control environment, risk assessment, control activities, information and communication, and internal monitoring, as well as three levels of branch governance, business line management, and process operation.



Note: “Three lines of defence” of internal control and compliance risk management

In 2022, the Bank initially established a bank-wide system management lineage to make its rules and regulations in line with the existing regulatory policies, organisational structures, and business types, improving the scientific management system. The Bank’s measures for renovating internal control and compliance:

- Establish a map of rules and regulations: Establish a top-level relationship between the bank-wide system, clarify the collusion relationship with regulatory regulations and business types, and improve the scientific nature of the system management system.
- Improving legal service capabilities: Participate in the Bank’s innovative products and difficult projects and cooperate with legal counsels to provide legal support for the Bank’s business and promote the steady development of the business.
- Pilot internal control and balance system: Guide pilot branches to formulate effective internal control management improvement plans through preliminary guidance, data analysis, and comprehensive diagnosis.

- Reform the accountability mechanism: Improve the working mechanism for small and micro enterprises to be exempt from due diligence, issue the “Small Business Due Diligence Exemption List”, implement the pilot adjustment of responsibility recognition authority, and stimulate the enthusiasm of officers to start a business.

The Bank actively conducts compliance training to enhance the compliance awareness of all employees. In 2022, we recorded the online courses of “Huiyin Compliance Lecture” to continuously create a good compliance culture. At the same time, the Bank optimised the “Huishang Bank Compliance” WeChat official account and pushed more than 300 issues of various compliance information in 2022.



Note: Huiyin Compliance Lecture

5. Adhering to business ethics

5.1 Anti-money laundering

In strict accordance with the “Anti-Money Laundering Law of the People’s Republic of China” and other laws and regulations, the Bank establishes a money laundering risk self-assessment system, workflow, and index system for money laundering risks at different levels such as regions, customers, businesses and channels, and strengthens money laundering risk management and control.

The Bank has reformed its anti-money laundering work model and set up anti-money laundering teams in 18 branches to improve the timeliness of data reporting and the efficiency of business handling. The Bank continues to carry out technology-empowered anti-money laundering research, actively explore the standardisation of anti-money laundering data, and develop an intelligent anti-money laundering early warning model with a higher capturing rate of suspicious users. For further improvement on anti-money laundering capabilities, we also carried out a self-assessment of anti-money laundering classification and rating and sorted out the implementation of the work through the self-assessment reporting system.

The Bank actively conducts anti-money laundering education to the public. The Bank chased the clouts at both online and offline platforms and carried out various forms of activities including online anti-money laundering quiz lottery, and printed anti-money laundering masks, to effectively enhance the public's anti-money laundering awareness through diversified activities.

5.2 Anti-corruption

Huishang Bank strictly abides by the “Criminal Law of the People’s Republic of China”, the “Interim Provisions on Banning Commercial Bribery” and other relevant laws and regulations. The Bank has established the Internal Supervision Committee. The Bank’s Internal Supervision Committee coordinates and shares information with supervision work such as Party Committee’s supervision, Board of Supervisors’ supervision, compliance inspection, risk investigation, organisation and personnel, letters and visits reporting, and auditing, so as to improve the Bank’s supervision system and enhance the early warning and effectiveness of supervision.

The Bank attaches great importance to integrity, actively investigates possible integrity risks in all links of centralised procurement, and strictly prevents corruption in business dealings with suppliers. In 2022, the Bank carried out special inspections on centralised procurement and conduct on-site inspections in Wuhu Branch and Chizhou Branch to control the risk of procurement corruption.

The Bank actively inspects the management personnel for integrity risk. We earnestly performed the duties of supervising the exchange and rotation of branch presidents, and strictly reviewed the division of labour among officials of branches and institutions, the appointment and dismissal of key personnel, and the adjustment of personnel in major positions.

Enforcing Party discipline became the norm and was conducted during the holidays. We sent integrity work reminders to prevent “four prohibited actions” and work tips of no drunk-driving on New Year’s Day, Spring Festival, Labour Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day in 2022.

The Bank provides anti-corruption training courses to staff and the Board of Directors through the distribution of integrity materials and the organisation of special training to ensure that they understand the Bank’s anti-corruption system and the significance of complying with it. In 2022, the Bank held 27 sessions of anti-corruption training in total, with 900 hours of anti-corruption training for employees.

The Bank encourages employees and external stakeholders to report any suspected fraud through a variety of channels. Any discrimination or retaliation against the whistle-blower will not be tolerated, and the whistle-blower will be protected as he or she assists the investigation. In 2022, the Bank completed 4 anti-corruption cases.

6. Highlighting brand building

6.1 Reputation risk management

Huishang Bank establishes and formulates systems and requirements related to reputation risk management to proactively and effectively prevent reputation risks and respond to reputation incidents, with a focus on prevention and strict attention to the monitoring, analysis and early warning of public opinion, so as to minimise losses and negative impacts while strengthening positive publicity. In 2022, we implemented management policies related to reputation risks to continuously establish and improve a working mechanism and system for brand management.

The Bank focuses on strengthening positive publicity. In 2022, focusing on the themes of Party building leading development, supporting local economic development, serving rural revitalisation, and strengthening the popularisation of financial knowledge, 43 articles were reported in mainstream media for 229 times to narrate the story of Huishang Bank.

The Bank has further improved its response speed and ability to deal with negative public opinions. Through cooperation with external organisations, the Bank strengthens the monitoring of public opinions through various channels and promptly reports false information. As for the information that is easy to be misinterpreted or causes speculation, the Bank always responds quickly, communicates with the media actively and establishes a working mechanism involving positive interaction with the media. The Bank also conducts reputation risk training and emergency drills to enhance response capabilities.

6.2 Intellectual property rights management

In accordance with relevant laws and regulations, including the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China and the Copyright Law of the People’s Republic of China”, the Bank has updated the “Interim Measures for the Administration of Intellectual Properties of Huishang Bank” to consistently improve the management of intellectual property rights. We strengthen the copyright review and approval of various materials in daily advertising design, so as to enhance the copyright awareness of all employees. As of the end of 2022, the Bank owned 55 trademarks. In 2022, the Bank successfully obtained 16 software copyright certificates.

7. Building corporate culture

In order to build a high-quality corporate culture that is compatible with the development strategy of Huishang Bank, and has the gist of the times and the characteristics of Huishang Bank, and steadily promotes the operationalization of the “Implementation Opinions on the Building of Corporate Culture of Huishang Bank 2020-2024”, the Bank has compiled and distributed the “Key Points of Corporate Culture Construction of

Huishang Bank in 2022”, sorted out the 19 key points of corporate culture construction in the three major aspects of the Bank, and guided the construction of corporate culture in 2022.

The Bank speeds up the construction of its culture. In 2022, we completed the compilation of “Huishang Bank’s Major Events in 2021” and “Huishang Bank’s External Honours in 2021”, and strengthened publicity and reporting on party building on internal and external networks and internal publications with improved quality of information submitted to regulatory authorities.

7.1 Insisting on governance through Party building

The Bank adheres to the deep integration of party building work and operation and management and tests the effectiveness of the work of Party organizations with the development results of the whole Bank. We fully implement the “Huiyin Party Building +” brand creation project and strengthen the construction and publicity of the eight brand cultural systems of Huishang Bank. We also guide employees to establish the values and professionalism of abiding by laws and regulations, practising honestly, being loyal to their duties, and operating in good faith and dedication.

7.2 Focusing on business transformation

The Bank improves data governance, promotes the expansion of data platform assets, actively promotes the building of a digital risk control system, and leads business transformation with data. At the same time, the Bank revises the risk assessment mechanism, optimises the structure of the assets and liabilities business, allocates resources in an income-based way, which guarantees development and fairness, continuously promotes the business’s stable growth, and improves its ability to serve the real economy.

7.3 Improving service quality

The Bank promotes the creation of excellent services of branches, smooths the collaborative handling mechanism for customer complaints, carries out special training and education on the protection of consumer rights, improves the intelligence of counter services, broadens robot application scenarios, and comprehensively improves services. At the same time, we further strengthen brand promotion by focusing on new products, new businesses, and new services, through online and offline channels.

7.4 Cohering everyone

In close combination with the financial work requirements such as business operation, internal control management, service improvement, culture construction, social responsibility and party conduct, the Bank conscientiously selects outstanding organisations and individuals, and uses both online and offline platforms to strengthen

the publicity of exemplary models, creating an atmosphere for all employees to strive for excellence, and motivating employees to make contributions in their positions.

7.5 Strengthening brand building

In 2022, the Bank continued to strengthen positive publicity and guidance, tell the story of the reform and development of Huishang Bank, and continued to carry out positive publicity around the development of Party Building, supporting local economic construction, serving rural revitalization, and strengthening the popularization of financial knowledge, which was reported by external mainstream media with 43 articles and 229 times, effectively establishing a good brand image. We continued to strengthen the reporting to banking associations and other regulatory information. We ranked top in the 2022 industry information reporting ranking of the Anhui Banking Association.

7.6 Creating a good atmosphere

The Bank vigorously cultivates a good corporate culture construction atmosphere. We continued to strengthen the construction and publicity of the eight brand culture systems of Huishang Bank. We gave full play to the role of the internal magazine “Huishang World”, the official website of the internal website and the external network, WeChat, micro-video, as well as various information bulletins and publicity exhibition boards. We strengthened guidance for the construction of propaganda and cultural fronts in branch banks. We did a good job of publicizing the important activities and outstanding achievements of the Bank’s operation and management through multiple channels and forms.

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| [Case] The Bank optimized services to help enterprises and made financing more accurate and convenient |
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| On December 28, 2022, People’s Daily released a special report “Huishang Bank Optimized Services, Helped Enterprises, and Made Financing More Convenient”, reporting that many enterprises and merchants were currently facing problems such as declining income and tight funds. Huishang Bank quickly developed targeted financial products to solve the urgent needs of enterprises and make financing more accurate and convenient. |
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工业企业的利润结构持续改善

【新华社北京11月13日电】国家统计局13日发布的工业企业利润数据表明，工业企业利润结构持续改善，盈利能力进一步增强。1-10月，规模以上工业企业实现利润总额10080.2亿元，同比增长10.1%。其中，主营业务收入利润率为17.8%，较上年同期提高0.2个百分点。

从行业看，1-10月，采矿业利润总额同比增长1.2%，制造业同比增长11.5%，电力、热力、燃气及水生产和供应业同比增长10.8%，建筑业同比增长10.1%，批发和零售业同比增长10.1%，住宿和餐饮业同比增长10.1%，房地产业同比增长10.1%，其他行业同比增长10.1%。

从企业规模看，1-10月，国有控股企业利润总额同比增长10.1%，集体企业同比增长10.1%，股份制企业同比增长10.1%，外商投资企业同比增长10.1%，港澳台商投资企业同比增长10.1%，私营企业同比增长10.1%。

从地区看，1-10月，东部地区利润总额同比增长10.1%，中部地区同比增长10.1%，西部地区同比增长10.1%，东北地区同比增长10.1%。

百个规模化深远海海上风电项目开工

【新华社北京11月13日电】国家能源局13日在京召开新闻发布会，介绍我国海上风电发展情况。会上表示，我国海上风电发展迅速，已成为全球海上风电装机容量最大的国家。目前，我国海上风电装机容量已突破100万千瓦，同比增长20%以上。

会上还宣布，我国将启动百个规模化深远海海上风电项目。这些项目将分布在渤海、黄海、东海和南海海域，总装机容量将达到1000万千瓦以上。这标志着我国海上风电进入规模化、深远海发展阶段。

产业谋振兴 群众得实惠

【新华社北京11月13日电】国家统计局13日发布的农村经济数据表明，农村经济持续向好，农民收入稳步增长。1-10月，全国农村居民人均可支配收入10680元，同比增长10.1%。其中，工资性收入同比增长10.1%，经营性收入同比增长10.1%，财产性收入同比增长10.1%，转移性收入同比增长10.1%。

从地区看，1-10月，东部地区农村居民人均可支配收入同比增长10.1%，中部地区同比增长10.1%，西部地区同比增长10.1%，东北地区同比增长10.1%。

融资租赁业精准更便捷

【新华社北京11月13日电】工业和信息化部13日在京召开新闻发布会，介绍我国融资租赁业发展情况。会上表示，我国融资租赁业发展迅速，已成为全球融资租赁规模最大的国家。目前，我国融资租赁行业总资产规模已突破10000亿元，同比增长20%以上。

会上还宣布，我国将启动融资租赁业精准更便捷专项行动。该行动将重点支持制造业、农业、服务业等领域，推动融资租赁业与实体经济深度融合，提高金融服务实体经济的能力和水平。

技术创新持续提升 民营企业活力不断迸发

核心观点

技术创新持续提升，民营企业活力不断迸发。随着国家创新驱动发展战略的深入实施，民营企业已成为我国技术创新的主力军。近年来，民营企业研发投入持续增加，创新能力不断提升，涌现出一大批具有自主知识产权的新技术、新产品、新业态。

在核心技术攻关方面，民营企业积极参与国家重大科技专项，攻克了一批“卡脖子”技术。在新兴产业发展方面，民营企业抢抓机遇，大力发展人工智能、大数据、云计算、物联网等新兴产业，成为推动我国产业结构转型升级的重要力量。

在创新创业方面，民营企业营造了良好的创新创业氛围，吸引了大量人才投身创新创业。通过搭建创新创业平台、提供创新创业服务等方式，民营企业为创新创业者提供了有力的支持和保障。

创新驱动发展 群众得实惠

【新华社北京11月13日电】国家统计局13日发布的农村经济数据表明，农村经济持续向好，农民收入稳步增长。1-10月，全国农村居民人均可支配收入10680元，同比增长10.1%。其中，工资性收入同比增长10.1%，经营性收入同比增长10.1%，财产性收入同比增长10.1%，转移性收入同比增长10.1%。

从地区看，1-10月，东部地区农村居民人均可支配收入同比增长10.1%，中部地区同比增长10.1%，西部地区同比增长10.1%，东北地区同比增长10.1%。

融资租赁业精准更便捷

【新华社北京11月13日电】工业和信息化部13日在京召开新闻发布会，介绍我国融资租赁业发展情况。会上表示，我国融资租赁业发展迅速，已成为全球融资租赁规模最大的国家。目前，我国融资租赁行业总资产规模已突破10000亿元，同比增长20%以上。

会上还宣布，我国将启动融资租赁业精准更便捷专项行动。该行动将重点支持制造业、农业、服务业等领域，推动融资租赁业与实体经济深度融合，提高金融服务实体经济的能力和水平。

百个规模化深远海海上风电项目开工

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会上还宣布，我国将启动百个规模化深远海海上风电项目。这些项目将分布在渤海、黄海、东海和南海海域，总装机容量将达到1000万千瓦以上。这标志着我国海上风电进入规模化、深远海发展阶段。

临沂兰山
依托沂蒙文化根基 凝聚跨越发展新动能

临沂兰山，依托沂蒙文化根基，凝聚跨越发展新动能。项目位于临沂市兰山区，占地面积广阔，建筑风格独特，集办公、商业、休闲于一体。项目建成后，将成为临沂市新的地标性建筑，为临沂市的发展注入新的活力。

II Promoting Progress for Real Economy Development

Closely following the major strategic development of the national “14th Five-Year Plan”, Huishang Bank insists on returning to its origin to serve the real economy, serves the whole country on the basis of Anhui Province, focusing on primary areas of “rural revitalisation”, “green finance”, “urban renewal”, “strategic emerging industries” and “specialised, refined, special and new enterprises”, promotes the high-quality development of local economy and society, optimises the business environment, and continuously delivers financial driving force for the construction of “Three Places and One Zone” in Anhui Province.

1. Supporting the regional economy

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

Closely following the general development trend of Anhui Province, the Bank fully supports the major strategies of Anhui Province, deepens bank-government cooperation, and strengthens comprehensive financial services, so as to provide inexhaustible financial support for the high-quality development of Anhui’s economy. In 2022, we continued to work on the “Implementation Plan of Huishang Bank Investment Banking Business for the Construction of “Three Places and One Zone””, and fully support local governments to revitalise existing assets, further expand effective investment, and assist local governments in attracting investment by issuing M&A loans, so as to benefit Anhui’s manufacturing industry. As of the end of 2022, the balance of the Bank’s loans in Anhui Province was RMB 681.513 billion, an increase of RMB 105.021 billion or 18.22% over the beginning of the year, which was 2.92 percentage points higher than the growth rate of various loans of financial institutions in Anhui Province.

In addition, the Bank has provided credit support to 257 customers in the “2022 Anhui Province’s Key Project Investment Plan”, with a cumulative approval limit of RMB 93,561 million and a cumulative amount of loans issued of RMB 39,343 million, demonstrating the Bank’s responsibility as a local financial institution in Anhui.

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| [Case] The Bank jointly underwrote the “Supporting Freight and Logistics” financial bonds to help ease the freight logistics industry’s burden |
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| The Bank jointly underwrote the first financial bond “Supporting Freight and Logistics” in Anhui Province. The issuance amount of the bond is RMB 1 billion with a term of 3 years, the funds raised will be used to provide truck owners with deferred principal and interest |
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payments, new investment, and continue to provide financial credit support for the freight logistics industry under special circumstances.

[Case] The Bank’s “Loan of Efficiency Per *Mu*” case won a number of awards

“Loan of efficiency per *mu*” is a special product of the Bank’s finance in response to the reform and innovation of Anhui Province’s “Performance Evaluation on Efficiency Per *Mu*”, which is used to support the improvement of inefficient enterprises and industrial inefficient land governance. The Bank issued the “Service Plan of Huishang Bank’s Financial Support for ‘Performance Evaluation on Efficiency Per *Mu*’” and “Special Promotion Plan of Huishang Bank’s Financial Support for ‘Performance Evaluation on Efficiency Per *Mu*’”, giving full play to financial help to stabilise the economy and improve the quality, quantity and efficiency of the manufacturing industry.

In 2022, the case of “Promoting the Reform of Efficiency Per *Mu* with finance support - Loan of Efficiency Per *Mu*” selected by the Bank was awarded the “Product Innovation Outstanding Case Award” in the list of excellent cases of urban financial services, and the Collective Second Prize of the 2022 Anhui Province Financial Reform and Innovation Business Competition. The Bank’s work in the reform of “Performance Evaluation on Efficiency Per *Mu*” and the innovative achievements of “Loan of Efficiency Per *Mu*” was especially praised by the Office of the Anhui Province Joint Conference on Evaluation on Efficiency Per *Mu*. The Bank was also awarded the “First Prize of 2021 Provincial Government Non-tax Income Agent Bank” for 16 consecutive years.

[Case] Issue M&A loans to support local economic development

Ma’anshan Zhengpu Port New Area Comprehensive Bonded Zone is a national bonded zone in Anhui Province. The Bank issued M&A loans to an investment company in the area. After the acquired party obtains the capital increase, it will participate in the investment of key scientific and technological innovation projects in Zhengpu Port New Area to better promote the development of high-tech enterprises and Zhengpu Port New Area.



2. Facilitating rural revitalisation

The Bank implements a series of decisions and deployments of the Central Party Committee, Anhui Provincial Party Committee and Provincial Government on rural revitalisation, shoulders the responsibility as a state-owned enterprise to comprehensively serves the rural revitalisation strategy, and continues to effectively link poverty alleviation and rural revitalisation financial services with its advantages as a financial enterprise. As of 31 December 2022, the balance of the Bank’s rural revitalisation serial loans was RMB 40,256 million, an increase of RMB 19,226 million over the beginning of the year, and RMB 26,954 million was newly invested in 2022. The balance of Agro-related loans was RMB 181.998 billion, an increase of RMB 43.057 billion or 23.66% over the previous year, covering 26.6% of the Bank’s total loans.

2.1 Improving the top-level design

At the Headquarters level, the Bank has established the “Huishang Bank Rural Revitalisation Leading Group”, which is led and coordinated by main persons in charge and set up a task force.

In 2022, the Bank formulated and issued the “Action Plan for Rural Revitalisation in Company Line of Huishang Bank (2022-2025)” and the “Activity Plan for Business Improvement of County Sub-Branch Companies in 2022”, detailing various work requirements, establishing a number of guaranteed mechanisms, allocating internal pricing subsidies for rural revitalisation loans issued, and expanding the margin of concessions. In order to enhance the research and innovation of financial support for rural industry revitalisation projects, the Bank has also established a cross-departmental research team of financial support for rural industry revitalisation to carry out policy research, market research, product innovation, case promotion and other work to efficiently serve the implementation of rural revitalisation strategy.

2.2 Enriching banking product series

The Bank has developed an “online + offline” product system for rural revitalisation covering credit, investment, settlement and comprehensive service in key areas such as poverty-alleviation relocation, integrated land consolidation and ecological restoration and recovery of mine sites.

Consolidate bedrock for grain production

Promote loans for requisition-compensation balance of farmland, transforming dry farmland to paddy and other farmland construction projects in 16 cities of Anhui Province; support the reclamation of low-quality forests, abandoned ditches, ponds, rural construction land, ecologically damaged land and rural idle land; and further assist the transformation of dry farmland to paddy.

Support ecological restoration by innovation

Following the “Guiding Opinions of the General Office of the State Council on Encouraging and Supporting Social Capital to Involve in Ecological Restoration” and other related policies, the Bank launches innovative green loan products regarding ecological restoration, supports social capital to involve in the six major issues of ecological restoration, and provides financial support to improve the ecological environment for the optimal development of agriculture, farmers and rural areas.

Facilitate the role of the leading seed industry province

Cooperate with Anhui Provincial Department of Agriculture and Rural Affairs to formulate the “Notice on Organising Targeted Financing Service for Seed Industry Enterprises”; collect data on the 905 local enterprises engaged in the seed industry, and contact the leading ones by categories to grant them credit support.

Cultivate green agriculture products and industries

Promote the cultivation of the ten RMB100 billion worth green food industries; support the construction of processing and supply bases for green agriculture products in Yangtze River Delta; provide credit support for cold chain logistics for warehousing and preserving agriculture products; explore more applicable credit products and services for cold chain logistics industry and support the construction of smart agriculture and rural e-commerce.

Note: Financial support to key areas of rural revitalisation

The Bank implemented the “One County, One Case” model. With a focus on serving the industrial chain of Chinese medicinal materials, strawberries, wheat, vegetables, pears and other industrial chains, we strive to accelerate the interconnection between finance and people’s livelihood and improve the availability of rural financial services in the county. For leading enterprises in the agricultural industry, we have launched the “Agriculture e-Loan” product, which allows online application and approval. For rural individual businesses such as family farms and specialised agricultural family operations, we have designed and developed customised credit products based on local conditions like “Credit e-Loan for Party Construction”, “Homestay Hotel Loan” and “Aquaculture Loan”.

[Case] Launching “Agriculture e-Loan” to solve financing problems for enterprises

Leading agricultural industrialisation enterprises and pig breeding enterprises were struggling with insufficient guarantees for loans. In light of this, the Bank and the guarantee company jointly launched the “Agriculture e-Loan” product. The product has a long repayment period of 3 years with a fast online approval process, and is guaranteed by Anhui Agricultural Credit Guarantee Co., Ltd. As of the end of 2022, the Bank launched “Agriculture e-Loan” of RMB 689 million accumulatively to 148 customers.

In March 2022, the Bank issued “Agriculture e-Loan” amounting to RMB 3 million for a grain sourcing and processing enterprise in Lu’an City, Anhui Province, which took only five working days from application to loan issuance.

[Case] Issuing loans to support local featured industries

To develop local agriculture, Fuyang City, Anhui Province started to build a demonstration base for the planting of ecological seedlings and aromatic plants in 2022. The project involves sales of seedlings and aromatic plants, sightseeing, study tour and other services. As of the end of 2022, the Bank issued loans totalling RMB 150 million to the project,

effectively supporting the organic integration of local featured industries and rural revitalisation.

[Case] Providing financial support for featured town construction

Niumian Village of Duanyuan Town in Huaibei City of Anhui Province was building the town into a leisure and tourism destination featuring “Red Culture”, “Niumian Culture”, and “Grape Culture”. After learning about the financing requirements of the project, the Bank declared a 15-year loan amounting to RMB 105 million for local environment renovation and the construction of the grape planting base. The project covers a number of business scenarios related to rural industrial revitalisation, which effectively promotes local industrial development, increases employment, and improves the living environment in rural areas.

3. Practising inclusive finance

As an important component of national economic and social development, medium, small, and micro enterprises play an irreplaceable role in accelerating economic growth, facilitating employment stability, and promoting technological innovation. Adhering to the “Original Intention” of serving medium, small and micro enterprises, the Bank has formulated institutional documents such as the “Implementation Opinions of Huishang Bank on Supporting the Development of Private Enterprises”, “Special Improvement Plan of Huishang Bank to Further Strengthen the Financial Services of Small, Medium and Micro Enterprises” and “Huishang Bank SME Online and Offline Business Integration Development Pilot Work Plan” to continuously increase credit and financial services for small and micro enterprises. As of 31 December 2022, the balance of inclusive small and micro enterprise loans of RMB 10 million or less on a single-family credit line of the Bank was RMB 104.555 billion, with an increase of RMB 21.65 billion over the same period of the previous year and an increasing rate of 26.11%. The loan served 175.7 thousand clients, with an increase of 48 thousand clients over the same period of the previous year.

3.1 Strengthening policy guidance

Sticking to the principle of “only valuing the performance of enterprises instead of considering their ownership, scale, industry”, the Bank refined the multi-level credit supply system for small and micro enterprises, adhered to the equal treatment of private enterprises and small and micro enterprises, and supported the development of high-quality small and micro enterprises and private enterprises in various fields, and enhanced the availability of loans. In 2022, the Bank postponed repayment of capital and interest for loans amounting to RMB 13.06 billion borrowed by 2,960 medium, small and micro enterprises.

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| Internal supporting policies | Strengthening the policy guidance, encouraging all business lines to better serve private enterprises and small and micro enterprises |
| Credit resources | Increasing support and ramping up efforts to issue more loans |
| Product pricing | Certain discounts provided to make financing more accessible and affordable for small and micro enterprises |
| Asset quality assessment | Certain tolerance for adverse records introduced in inclusive credit granting |

Note: Policy guidelines of Huishang Bank supporting small and micro enterprises

In 2022, the Bank reinforced assistance to enterprises to alleviate financial difficulties. We formulated the “Special Service Plan of Huishang Bank on Guaranteeing the Financial Demands in Key Areas”, and issued the “Notice on Managing Loan Extension for Enterprises and Industries with Difficulties”, focusing on helping small and micro enterprises, and individual businesses to mitigate the impact of external disadvantages:

- Deferring repayments of all eligible stock loans, and granting new loans for all eligible applications
- Optimising “Easy-renewal Loan”, a product that supports loan renewal without repayment of principal, for small and micro enterprises, by eliminating the limit on the number of renewals.
- Lowering interest rates of inclusive loans for small and micro enterprises, putting the cost reductions and benefits surrendering policy into practice.

[Case] Offering timely support to help relieve loan repayment pressure

A new materials company based in Wuhu was engaged in research and development, production and sales of flame retardant, sound and thermal insulation materials. Due to the impact of external disadvantages, the company's accounts receivables had an extended payment period, which brought pressure on the withdrawal of funds and affected its daily turnover to some extent. After understanding the situation, the Bank extended the enterprise's loans for six months and subsequently released the "Easy-renewal Loan", which supports loan renewal without repayment of principal. The loan helped release the enterprise's burden on loan repayment, demonstrating the Bank's commitment to supporting the development of small and micro enterprises.

3.2 Innovating products and services

The Bank strives to provide professional and efficient financial services to private, small and micro enterprises. We continue to promote the gradual transformation of traditional offline business practice to the "online + offline" model. We have created the online financial service brand of "Hui-e-Finance" series that integrate Credit-e-Loan, Technology-e-Loan, Guarantee-e-Loan, etc., and preliminarily built an online product system covering credit and non-credit scenarios. Small and micro enterprises can apply for the loan through mobile apps or WeChat mini-programs. The Bank will review and monitor the application online, which improves the credit quality, reduces the financing cost, and comprehensively meets the financing needs of small and micro enterprises.

3.3 Building exchange platform

The Bank vigorously promotes platform building to better connect with enterprises. For industrial parks in Anhui Province, the Bank sorts out the list of enterprises in the parks and checks with the Bank's whitelist, to conduct precise marketing and granting of "Loans for Industrial Parks". We also actively cooperate with government departments and industry associations to explore new platforms for connection with enterprises. In 2022, the Bank sorted out a list of 1,883 targeted enterprises through associations and chambers of commerce in Anhui Province, and jointly organised nearly 100 bank-enterprise connection meetings and product presentations with relevant departments, to provide financing opportunities for small and micro enterprises.

[Case] Issuing "Loans for Industrial Parks" to help alleviate difficulties for small and micro enterprises

In April 2022, affected by external disadvantages, a packaging company in Anhui was in urgent need of working capital, but lacked valid guarantees and mortgages. After understanding the situation, the Bank actively connected with the local industrial park, and issued RMB 5 million of working capital loan to the enterprise through the "Loans for Industrial Parks" product. As of the end of 2022, the Bank's "Loans for Industrial Parks" contracted 121 industrial parks and served 770 customers with a loan balance of RMB 3,069 million.

[Case] Cooperating with MYbank to serve small and micro e-commerce enterprises

In 2022, the Bank joined the “Micro Assistance Plan” jointly launched by MYBank, All-China Federation of Industry and Commerce, Agricultural Development Bank of China, Industrial and Commercial Bank of China, Ping An Bank, Bank of Beijing and Chongqing Rural Commercial Bank, to support the production and operation of small and micro enterprises, individual businesses and farmers throughout the country, and to boost the real economic development. As of the end of 2022, the joint loan with MYbank served 49,219 inclusive individual business customers with a loan balance of RMB 1,825,600.2 thousand; and 28,261 inclusive small and micro enterprises with a loan balance of RMB 2,035,577 thousand, accounting for approximately 70% of the small and micro enterprise customers.

4. Driving emerging industries

Following the major strategic development direction of the “14th Five-Year Plan”, the Bank has formulated the “Action Plan of Huishang Bank to Support the Development of Strategic Emerging Industries (2022-2025)”, which specifies the objectives and main measures to support the strategic emerging industries during the “14th Five-Year Plan” period. The Bank has formulated comprehensive service plans for major emerging industry projects, engineering and bases and the ten emerging industries in Anhui Province and is committed to acting as a host bank for the development of local strategic emerging industries.

In the “Guidance on Business of Huishang Bank in 2022”, the “Credit Policy of Huishang Bank in 2022”, and the “Guidance on Credit Evaluation of Huishang Bank in 2022”, the Bank has specified strategic emerging industries such as new energy and new materials as the key areas of business development and refined relevant supporting systems. Under the guidance of specialised policies, we have strengthened bank-wide support for emerging industries:

- Establishing specialised sub-branches: Set up 5 technological finance sub-branches in Hefei, Wuhu, Bengbu and Chuzhou to strengthen technological and innovative financial services support.
- Increasing resource allocation: Increased loan placement pricing subsidies in key areas to stimulate the expansion of customer marketing and enhance the competitiveness of branches in serving emerging industry projects.
- Optimising business process: Established the “Company-Credit Grant” and “Company-Investment” linked coordination mechanisms, and held regular coordination meetings to improve business declaration, approval and implementation efficiency.

- Strengthening assessment guidance: Included new assessment indicators for the strategic emerging industries and technology-based industries in the target-oriented responsibility assessment system of branches.
- Intensifying technology empowerment: Selected high-quality “whitelist” customers and the government’s list of key emerging industry projects based on big data technology, to precisely seek customers of strategic emerging industries.

As of the end of 2022, the Bank’s balance of loans to strategic emerging industries amounted to RMB 86,021 million, an increase of 31.4% over the end of 2021. The Bank’s loans to technology-based enterprises amounted to RMB 58.53 billion, a net increase of RMB 14,633 million, or 25% over the beginning of the year. The balance of loans to manufacturing industries amounted to RMB 73.29 billion, an increase of RMB 13,857 million over the beginning of the year.

[Case] Providing financial support to the new energy vehicle industry

Taking into account the characteristics of the automobile industry chain in the procurement, production and sales, the Bank provides a comprehensive range of financial services to upstream suppliers and manufacturers, and downstream distributors and end-users for core enterprises in the new energy vehicle industry. In 2022, as a major partner of a car company, the Bank provided a credit line of RMB 450 million. Moreover, we provided over RMB 900 million of financing to the customers’ upstream suppliers through the online product “Supply Chain Finance”, influencing 230 enterprises.

5. Benefiting people’s well-being

The Bank is committed to serving the public, and continues to increase financial supply and assistance in solving problems related to people’s livelihoods. In 2022, we made constant efforts in sectors of infrastructure, public services, housing loans and consumption. We constantly innovate financial products and create multi-dimensional banking services, in an effort to improve the quality of people’s daily life.

5.1 Supporting public services construction

Infrastructure construction is an important component of economic and social development. The Bank attaches great importance to financial support for key infrastructure projects in Anhui Province, with emphasis on projects such as rail transportation, water supply, public transportation, urban roads and rural roads, to propel local economic development. As of the end of 2022, we provided credit support for 20 integration projects of urban and rural water supply in Anhui Province, amounting to RMB 8.02 billion, with RMB 3,848 million granted; and provided credit support for 6 integration projects of urban and rural public transportation, amounting to RMB 813 million, with RMB 242 million granted.

We have innovated the “Special Bonds+” service model and initiated the “Special Bonds Alliance” in Anhui Province. As of the end of 2022, the Bank served 63 special bonds projects for county areas, completed the declaration and storage of RMB 29.695 billion of bond issuance demand, devoted mainly to people’s livelihood areas which are closely connected with their daily lives, such as pre-school education, care for the senior and children, medical care, ecological restoration, rural tourism, urban and rural water supply, sewage treatment, construction of cemeteries.

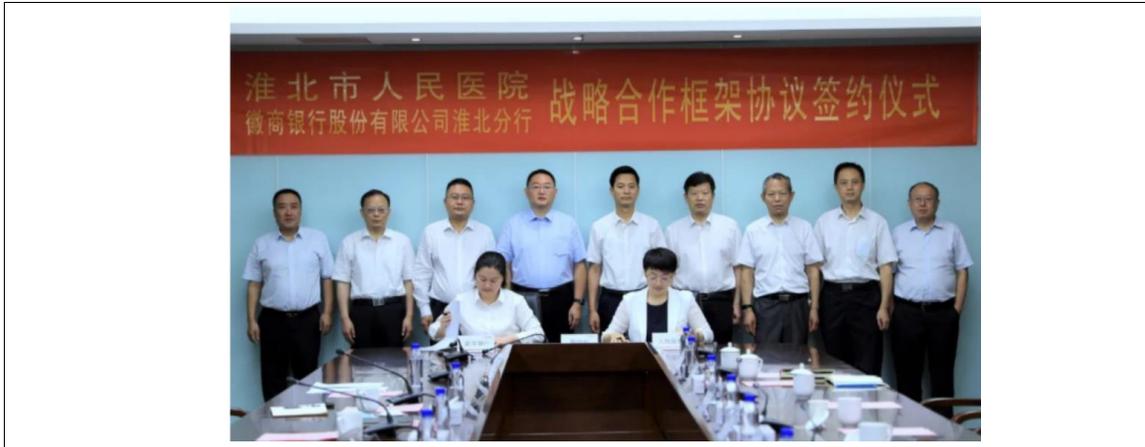
[Case] “Ride Code” won the “Gold Award of Digital Intelligent Platform”

The Bank and a company in Hefei City jointly launched the “Ride Code”. The code can be connected to Hefei City Card code platform via “Easy Login”, an encrypted communication channel, which is safe and convenient. Users can open the ride code on the Bank’s mobile banking app. In “Digital Finance Joint Publicity Year” -- The Fifth Digital Finance Innovation Competition, the code won the “Gold Award of Digital Intelligent Platform”.



[Case] Huaibei Branch signed “bank-hospital” strategic cooperation framework with People’s Hospital of Huaibei City

On 8 July 2022, Huaibei Branch signed the “bank-hospital” strategic cooperation framework with People’s Hospital of Huaibei City. Huaibei Branch organised a specialised service team to provide comprehensive and personalised services to patients, staff and the hospital, and help improved the hospital’s intelligent information service to facilitate medical treatment for the public.



5.2 Supporting the needs of affordable housing and entrepreneurship

The Bank supports people’s need for affordable housing by implementing city-specific policies. We have optimised the mortgage credit policy of new citizens and launched the “Rental Instalment for Talent Apartments” product with lower down payment and interest rates by reference to those for customers with rigid demand. In 2022, Fuyang Branch and Anqing Branch periodically lowered the interest rate floor for the first commercial individual housing loans to 3.95%.

In addition, the Bank launched online entrepreneurial mortgage loans, which can be applied for through the “Wan Shi Tong” platform (the mobile app for Anhui government affairs). In 2022, our online entrepreneurial mortgage loans covered 79 districts and counties across the province, with the loan balance exceeding RMB 1.4 billion.

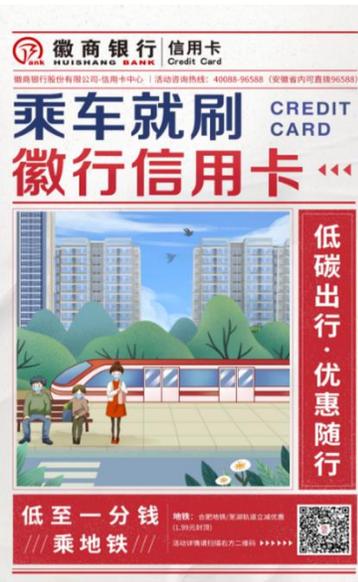
5.3 Making efforts in consumer finance services

The Bank actively develops consumer finance for a better life. In 2022, we consolidated our existing products and created the “Huiyin e-Loan” product system around Huiyin e-Loan product series, which is supplemented by Decoration e-Loan and Pledge e-Loan. The products involve consumer goods, electric appliances, building materials, furniture, automobiles, etc. We vigorously innovate credit card marketing by expanding the use to small-scale while high-frequency consumption scenarios such as public transportation,

subway, catering, shopping malls and supermarkets, so as to facilitate daily life.



Note: Introduction of “Huiyin e-Loan”



Note: Taking the subway for RMB 0.01



Note: Marketing activity of “discount when spending enough”

III Upgrading Financial Services with Digital Innovation

Huishang Bank always sticks to the principle of “customer-centric”. We upgrade financial services through digital innovation to enable efficient, professional, beneficial, intelligent and safe products and services, safeguarding the legitimate rights and interests of consumers while improving consumer experience and satisfaction. We are devoted to regional development and people’s livelihood needs, continue to strengthen consumer protection awareness and service concepts, integrate consumer rights protection into business management and daily services, keep in mind the financial mission, shoulder responsibility, and build a safe and healthy financial consumption environment for financial consumers.

1. Protecting customers’ rights and interests

1.1 Diversified consumer protection initiatives

The Bank attaches great importance to the protection of consumers’ rights and interests. Adhering to the concept of “customer-centric”, we strictly comply with laws and regulations such as the “Law of the People’s Republic of China on Protection of Consumer Rights and Interests”, and continuously improve the mechanism for consumer protection. The Bank has incorporated the protection of consumer rights and interests into all aspects of corporate governance and has taken “consumer rights protection” as an important strategic theme and included it in the five-year strategic action plan.

In 2022, the Bank further optimized the monthly meeting system of the Consumer Protection Leading Group, and the head office presided over the monthly consumer rights protection leadership group meeting, and managers took the lead in listening to customers’ voices. Throughout the year, 26 typical cases of products and services were analysed. 50 improvement measures such as process optimization and service improvement were proposed and implemented, and 118 valuable customer suggestions “Voice of Customers” were collected.

In 2022, the Bank was awarded the highest-grade A+ in the 2021 Consumer Rights Protection Evaluation of the People’s Bank of China.

As of 31 December 2022, the Bank had 8 outlets listed as “Top 1,000 Civilised and Normative Model Outlets”, ranking top among peers in Anhui Province.

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| [Case] Huishang Bank ranked 1st in the satisfaction survey of the banking industry |
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| In the “Survey of Resident Satisfaction in Service Industries in Anhui Province” held by Anhui Modern Provincial Investigation and Research Centre in 2022, the Headquarters of Huishang Bank received “First Place of the Banking Industry”, “Top 10 Most Satisfied Enterprises in Fulfilling Social Responsibility” and the “Residents’ Most Satisfied Bank”. Chuzhou Branch and Bozhou Branch were awarded the “Best Enterprise of Exemplary Service Window” and the “Best Enterprise of Service Quality” respectively. |
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The satisfaction survey was conducted in five aspects, including service quality, service attitude, service environment, service innovation, and banking ethos, demonstrating the performance of the Bank in product and service innovation, service quality management, protection of consumer rights and interests, etc.



[Case] Wuhu Nanling Sub-branch shortlisted as “Top 100” outlet.

In August 2022, the Wuhu Nanling Sub-branch was shortlisted as “Top 100 Civilised and Normative Model Outlets” with the second highest score in Anhui Province, making it one of the three Top 100 candidates recommended by Anhui Banking Association to China Banking Association and the only one shortlisted in Wuhu City.

“Building Civilised and Normative Model Services Unit” is the only project among financial institutions approved by the State Council at present. The “Top 100” outlet, as the civilised and normative model service brand of China’s Banking industry, represents the highest service standard of China’s banking industry. The shortlisting of Nanling Sub-branch into the Top 100 outlets is the result of the “Joint management at Headquarters, branch and sub-branch levels to build service brand”, which marks the continuous improvement of the Bank’s customer service level. The Bank will take the opportunity of building the “Top 100” outlets to set the benchmark for quality service. Through internal promotion of the experience of the sub-branch, the Bank will facilitate the incorporation of standards and requirements of civilised and normative service into operation management and business, so as to provide better financial service experiences for customers.

- **Improving consumer protection mechanism**

The Bank continues to improve the protection mechanism for consumer rights and interests, and continuously improves the quality of consumer protection with better management structure and relevant systems.

For management structure, based on the original structure of “Decision by the Board of Directors, guidance by special committees, execution by executive management, leadership by functional departments, coordination and cooperation among departments, and implementation by branches”, in 2022, the Headquarters set up a supervision team under the Department of Consumer Rights and Interests Protection. Moreover, we set up the Department of Consumer Rights and Interests Protection at branches to improve work efficiency and further clarify accountabilities.

Regarding relevant systems, in 2022, the Bank formulated two and revised three policies on internal controls of consumer rights protection, which further completes the system of customer rights protection and provides clearer rules and regulations for consumer protection work.

- **Standardising the review on consumer protection**

The Bank continues to standardise the review on consumer protection work. In this regard, the Bank updated the “Administrative Measures of Huishang Bank for Review of Protection of Customers’ Rights and Interests” and the “Specific Guidelines of Huishang Bank for the Review of Protection of Consumers’ Rights and Interests”, requiring the Bank to strength prior reviews on products and services, marketing and publicity, and customer agreements, so as to standardise risks from the source. In addition, we regularly carry out bank-wide self-checking on financial advertising to reduce potential risks.

- **Enhancing internal training**

To improve the awareness of consumer protection, the Bank organised a variety of training on the protection of consumer rights and interests. At the Headquarters level, we organised training sessions for senior and middle management on rules and regulations, including the “Convention on Self-regulation Mechanism of Anhui Province for the Protection of Financial Consumers’ Rights and Interests”, internal consumer protection systems and requirements, and the latest regulatory trends. To optimise the Bank’s complaint response capability, the Bank conducted many training sessions on the enhancement of complaint handling and reviews on consumer protection. At the branch level, we carry out quarterly leading group meetings and training on consumer protection to enhance the focus of our branches on related work. In 2022, the training on consumer protection received more than 25,000 participations from senior and middle management, frontline business staff and new employees.

1.2 Optimising complaint management

The Bank continuously optimises the complaint management system. To guarantee the quality of complaints handling, we have added special posts such as the complaint

handling supervision post and the complaint handling inspection post in the Headquarters to monitor the implementation of related work. In addition, we have formulated relevant documents such as the “Notice on Further Improving the Handling of Complaints”, the “Emergency Response Plan for Complaints of Huishang Bank”, and the “Administrative Measures of Huishang Bank on Diversified Solutions to Customer Complaints” (provisional), to promote the efficient resolution of customers’ complaints and disputes, and to strengthen the ability of relevant personnel on dealing with various types of customer complaints.

The Bank continues to enhance the overall process control of customer complaints:

- Before the complaint: Performing prior reviews on consumer protection
- During the complaint: Defining accountabilities at each level and strengthening customer complaint verification and follow-up
- After the complaint: Implementing the “Complaint Analysis Conference” system, and holding leading group meetings on consumer protection in the Headquarters monthly to analyse the causes of the complaints and advance governance

Moreover, we implement various dispute resolution mechanisms such as internal reconciliation, mediation by third parties, and pre-complaint mediation, to improve the quality and effectiveness of complaint handling. In 2022, the Bank received a total of 2,016 customer complaints, mainly involving credit card business, wealth management business and Internet loan business. The sources of complaints are mainly distributed in Hefei, Wuhu and Bengbu areas. Hefei Sanli’an Sub-branch of Huishang Bank was awarded the 2022 Yangtze River Delta “Golden Mediation Star” gold medal outlet.

[Case] The Bank conducted a tabletop exercise on serious complaint incidents to help enhance complaint-handling capability

In September 2022, the Bank conducted an online emergency response drill on serious complaint incidents. The drill was conducted in a tabletop exercise approach and simulated the situation of group petition and the circumstance of petitioners blocking the Headquarters building, where the staff of various responsible departments would exercise the preparation process, reporting process and onsite handling process as per the emergency response plan, so as to truly experience the real consumer complaint scenario.

After the drill, the Headquarters actively summed up the lessons learned and shared them throughout the Bank. Besides, the Bank drove the implementation of emergency response drills for serious complaint incidents at 21 branches under its management, further enhancing the bank-wide emergency response capability for major complaint incidents.

1.3 Strengthening financial education and publicity campaigns

The Bank proactively undertakes the social responsibility of popularising financial consumption knowledge among the public. We implemented the requirements of the “Convention on Self-regulation Mechanism of Anhui Province for the Protection of Financial Consumers’ Rights and Interests” and supported the work arrangements of the

self-regulatory mechanism committee of the banking industry to lead the Working Group on Financial Knowledge Popularisation and Financial Consumer Education to conduct publicity work. As the leading institution for consumer publicity and education activities in the banking and insurance industry in Anhui Province and various cities in 2022, we actively carried out 41 online and offline education and publicity activities.

The Bank has also built a long-term consumer education mechanism. Relying on the Anhui financial education demonstration base established in March 2021, the Bank carried out diversified and experiential financial education activities, such as the “International Day for Protecting Consumers’ Rights”, “Protect Your Wealth”, “Financial Knowledge Popularisation -- a Long Way to Go” and “Serving the New Citizens through Finance”. In 2022, focusing on farmers, new citizens, teenagers, the elderly, the disabled, and other key groups, the Bank launched special educational products such as the hand-drawn cartoon series “Consumer Protection Encyclopaedia of Huishang Bank”, and carried out special events like the “Financial Knowledge Popularisation in Rural Areas”, the “Financial Knowledge Popularisation for Enterprises”, and “Financial Knowledge Popularisation on Campus”. The education and publicity work were “normalized” with “characteristics”. We established a branch-level financial consumer education and publicity demonstration contact point and established the first “Anhui Province Financial Education Demonstration Base Bank-School Joint Construction Point” at Hefei University of Technology.

In 2022, the Bank conducted more than 4,800 online and offline activities on education and publicity, involving more than 19 million consumers, covering all 21 branches and outlets and completing a total of 486 pieces of original promotional work. The event briefings and original promotional works were adopted by financial regulatory departments at all levels and provincial industry associations for 40 times. More than 100 activities were reported and publicized through mainstream media, including 17 times of education and publicity by mainstream media at the central, provincial and ministerial levels. The Bank has been rated as the “Financial Consumer Education and Financial Knowledge Popularisation Excellent Organisational Unit” of the banking and insurance industries in Anhui for three consecutive years. As the first place in the banking and insurance industry in Anhui, the Bank was awarded the 2022 Excellent Organizational Unit for Financial Consumer Education and Financial Knowledge Popularization.



Note: Staff from Hefei Branch in the village and the agricultural trade market

Note: Staff from Lu'an Jinzhai Sub-branch and Jinzhai Meishan Sub-branch in Maohe Village Primary School of Yanzihe Town, providing on-site assistance to local villagers



Note: Staff from Ma'anshan Branch in Xianzong Town, Hanshan County to carry out publicity activities on popularizing financial knowledge and preventing illegal fundraising

Note: Staff from Ma'anshan Hunan Road Sub-branch in Jiashan Community

[Case] Branches and sub-branches of Huishang Bank conducted targeted education and publicity for special communities

Since 1 March 2022, the Bank has launched a series of educational activities on financial consumer protection. Branches of the Bank walked into nursing homes, campuses, rural areas and communities to publicise knowledge among “the elderly and the youth” and rural farmers.

➤ **Financial knowledge popularisation in nursing homes**

Chuzhou Fengyang Linhuai Sub-branch carried out financial knowledge popularisation in a nursing home in Fengyang County for Marth 15th World Consumer Rights Day. Staff from the sub-branch shared relevant knowledge on the eight major interests of financial consumers and the knowledge on fraud prevention and distributed the sub-branch’s anti-fraud manual to elderly customers.



➤ **Financial knowledge popularisation on campuses**

Ningbo Branch, Xuancheng Branch, Huaibei Branch and Suzhou Branch entered local primary and middle schools to share knowledge on anti-telecom and online fraud and consumer protection. Through on-site explanation and quiz games, brochures and leaflets, and case sharing, they popularised anti-fraud techniques and financial consumption knowledge to students in an educational and fun manner.



Note: Xuancheng Branch of the Bank launched the “Financial Knowledge Popularization Month” theme activity to promote financial knowledge on campus.

➤ **Financial knowledge popularisation in rural areas**

Luan Branch, Anqing Branch, Xuancheng Branch and Suzhou Branch conducted publicity activities for farmers through on-site lectures, establishment of a base at the village committee court and villagers’ meetings at Maohe Village of Yanzihe Town, Jinzhai County, Gangkou Village of Ningguo City, Kongzhuang Village of Dalukou County, Si Town, so as to help the villagers better identify illegal financial activities and protect their property.



Note: Staff from Lu’an Jinzhai Sub-branch and Jinzhai Meishan Sub-branch in Maohe Village of Yanzihe Town, providing on-site assistance to local villagers



Note: Xuancheng Branch went to Lingzhi Village, Qinxi Town, Jing County to carry out anti-telecom fraud activities.

➤ **Financial knowledge popularisation in communities**

The Bank’s Ma’anshan Branch and Suzhou Branch respectively went to Jiashan Road Community and Community Elderly Activity Centre to popularize financial knowledge.



Note: Ma’anshan Hunan Road Sub-branch at Jiashan Community Note: Suzhou Branch at community elderly centre

[Case] Become a “new streamer” to popularize financial knowledge in rural areas

Suzhou Branch of Huishang Bank organized employees to go to the village committee to act as “village streamers”, and with the help of “village broadcast”, to explain financial knowledge such as personal information protection in a colloquial form, prevention of illegal fundraising, and prevention of new means of telecommunications network fraud for villagers. At the same time, we also carefully printed a consumer protection manual and included it in the “weekly newspaper” of the village committee, integrating financial knowledge publicity into the daily life of villagers, continuously enhancing villagers’ awareness of self-protection, and improving their ability to prevent non-fraud.



2. Sharing a smart life

2.1 Digital financial products

● Online loan products

The Bank continues to innovate online products and enrich the product matrix. We have created the online financial service brand of “Hui-e-Finance” series and preliminarily built an online product system covering credit and non-credit scenarios. “Hui-e-Finance” features an extra simple interface, rich scene, good user experience and flexible product portfolio, and integrates Credit-e-Loan, Technology-e-Loan, Guarantee-e-Loan, Agriculture e-Loan, etc.

In 2022, in the “Hui-e-Finance” product series, we focused on optimising the online loan products for small enterprises and promoted systematic process management, in an effort to reduce operational time, improve credit quality and meet the financing needs of small and micro enterprises. In addition to the “Hui-e-Finance” product series, we proactively develop the individual consumer loan product “Huiyin- e-Loan”, the individual operation loan product “Huiyin Cloud Loan” and the “Export-e-Loan” for medium and small export enterprises. We continue to expand online product series to facilitate a wider customer base. In 2022, the Bank provided loans of RMB 54,669 million to 13,286 small and micro enterprises through online loan products.

[Case] “Credit-e-Loan” to relieve financing difficulties for enterprises

The Bank’s “Credit-e-Loan” product uses big data technology to provide fast and efficient credit loan services for small and micro enterprises through online processing and approval.

In June 2022, a technology company was in urgent need of capital to expand production. However, the company did not receive timely financing support due to the absence of valid guarantees. After learning about the financing needs through the Enterprise-Banking

Connection Conference organised by Lu'an City, we visited the company and issued a "Credit e-Loan" of RMB 4 million to ensure smooth operation of the company's production plan.

[Case] "Export-e-Loan" to relieve working capital pressures for export enterprises

The Bank's "Export-e-Loan" is an online credit loan product specifically designed for medium and small export enterprises. Through authorised access to information such as tax, credit records, and credit information on a cross-border blockchain platform, the Bank utilises big data to establish an accurate portrait of the enterprise and provides credit lines accordingly.

In 2022, a trading enterprise in Jinzhai County, Anhui Province, doubled the number of orders, and the annual export volume was expected to exceed USD 10 million, which resulted in an increasing pressure on production cost input and working capital needs. After adequately understanding the financing needs of the customer, the Bank recommended the "Export-e-Loan". In July, the company generated a special credit line of RMB 3 million for international trade financing through the approval from the Bank's online model, which strongly powered its production and operation and effectively relieved capital pressure.

● **Transactional banking products**

The Bank has launched a number of transactional banking products to provide strong support to trade finance and other fields. In 2022, the Bank completed the connection with Anhui Province's "Antelope" Industrial Internet Platform and launched the first exclusive online supply chain financing product, "Industrial Interconnection Loan" on the platform, to provide precise credit support to medium, small and micro enterprises. We have also exploited the service scenarios of expanding the marketing to corporate clients and the liability business by taking initiatives such as building smart government affairs scenarios, innovating business models, and exploring linked marketing service plans. In addition, the Bank has built the international settlement online product system "Easy Trading" series, which improves the efficiency of international trade and transactions.

The Bank has assisted the government in its digital transformation and officially implemented new business scenarios such as "Policy Direct Platform" and "Healthcare Industry and Financial Integration", providing one-stop online fund management solutions for multiple government agencies such as the Human Resources and Social Security Bureau, the Finance Bureau, the Data Management Bureau, and the Medical Insurance Bureau, facilitating the disbursement process of medical insurance funds, talent subsidies, start-up subsidies and other funds.

2.2 "Mobile first" strategy

We insist on the "mobile first" strategy, actively promote the digital transformation of traditional businesses and create mobile banking, personal online banking, WeChat

banking and other online channels. We also continuously optimise the basic functions of special channels such as Jiaoyijia platform, and Huiyin e+, to enrich various mobile service scenarios.

● **Mobile banking**

In 2022, the Bank continued to optimise the basic functions and UI design of mobile banking. We upgraded the smart voice navigation function, completed the customer hierarchical framework and added interactive features in the design to provide strong support for marketing while enhancing the customer experience. Moreover, we have optimised the “Easy Mode of Huishang Bank” for the elderly. As of the end of 2022, the number of mobile banking certified and card binding customers reached 8,482.7 thousand, with an increase of 1,433.4 thousand, or 20.33% over the same period of the previous year. We handled 226,812.9 thousand accounting transactions in the whole year and the transaction amount of RMB 1,723.699 billion.



Note: Huishang Bank received the Best Individual Mobile Banking Award of 2022

[Case]Expanding the ecological scenarios for a happy life

We focus on the innovation and expansion of ecological scenarios. In 2022, the Bank focused on financial service scenarios such as digital business district construction, government affairs and people’s livelihood services, smart campus services, and catering coupon distribution, seeking to expand our service scenarios to various aspects of people’s life.

- For the digital business district construction, the Bank invested and developed the “Huixiang Life” service platform and made pilot progress.
- For the government affairs and people’s livelihood services, we launched the Chuzhou Digital Talent Service scenario, which aims to help the government attract and retain talents, Bozhou Housing Management business, which provides comprehensive

services to the tenant group, and “Smart Canteen” in Suzhou to provide dining assistance to the elderly.

- For the smart campus services, we launched the smart pass card function for Anhui Jinzhai Vocational School and Fuyang College of Technology, which allows teachers and students to recharge through mobile banking. More than 48,000 online transactions have been made since the launch.
- For the catering coupon distribution services, as of 31 December 2022, the Bank’s mobile banking platform issued over RMB 9.46 million of various consumer vouchers, which effectively contributed to the economic recovery of the region.



● WeChat banking

In 2022, we added and optimised many functions of WeChat banking. As of the end of 2022, the Bank’s WeChat banking customer scale had reached 2,913.5 thousand, an increase of 1,586.7 thousand, or 119.58% over the same period of last year.

We added

- entry to the “Housing Loan Express” mini program to improve the ability of synergy among individual mobile financial channels
- WeChat transaction notification statistical statement and user logout functions

We optimised

- WeChat transaction notification mechanism to enable more comprehensive services and superior customer experiences



Note: WeChat banking transaction notification service of Huishang Bank

- **Online banking**

In 2022, we upgraded the online banking payment channel to improve the security of online banking. In terms of payment channel construction, we added the intelligent payment routing for customers to select payment channels based on the rate, amount and timeliness, etc. For information security, we conducted emergency drills in response to unexpected events. And we follow the “Work Plan for the Application and Innovation of Passwords in Finance and Major Areas (2018-2022)” of the People’s Bank of China, with 100% issuance of new domestic-made and password-based online banking security equipment. As of the end of 2022, the Bank had 7,539.4 thousand online banking customers and handled 43,260.7 thousand accounting transactions in the whole year and reached the transaction amount of RMB 456.383 billion.

- **Internet loans**

The Bank’s Internet loans closely follow the changes in market supervision policies, innovate Internet proprietary loan products from the perspectives of asset investment, core profit creation, and risk control model construction, and comprehensively promote the development of Internet loan business. As of the end of 2022, the balance of personal online loans managed by the Bank’s Internet Loan Centre was RMB40.726 billion, an

increase of RMB6.517 billion from the end of 2021, and a total business income of RMB1.548 billion.

- **“Jiaoyijia” transaction platform**

“Jiaoyijia” transaction platform is the unified service portal for corporate clients. We explored more service scenarios and launched new functions. Since its go-live in July 2019, the platform has been offering comprehensive and one-stop financial services, including account management, payment and settlement, investment and wealth management, trade finance, electronic bills, treasury management, and international business, enabling more efficient transactions for corporate clients. As of the end of 2022, the transaction platform has served over 345.8 thousand clients. A total of 29,636,200 accounting transactions were recorded, and the annual transaction volume exceeded RMB 5.22 trillion.

- **Huiyin e+ platform**

Huiyin e+ platform, a digital platform built based on e-banking, mainly promotes key businesses and products, and provides special services such as rewards points accumulation and redemption, intelligent service, and branch preferential policies for retail clients. In 2022, we optimised the platform’s basic functions to provide clients with a better experience. 128 activities were carried out in 2022.

2.3 Intelligent service support

With further investment made in intelligent customer service, the Bank upgraded basic functions and scenarios of intelligent voice robot systems, video customer service and other service channels, and explored new application areas where human agent service is supported by digital service. As a result, the service quality and efficiency were greatly improved.

In 2022, the Bank made more efforts in intelligent senior-friendly service, intelligent systems, video customer service and outbound robot, building more dynamic, comprehensive, and intelligent customer service channels.

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| <p>“Intelligent senior-friendly service”</p> <p>The system automatically identifies elder clients and provides the “Special line for the aged” service with functions including the one-click dial and direct-to-customer service in place for their convenience.</p> | <p>Intelligent system</p> <p>The Bank launched the new integrated customer service system equipped with various new functions. Updated network marketing is adapted to system IE of the service platform to improve the platform service capacity.</p> | <p>Video customer service</p> <p>New services are available, namely signing for a credit card instalment plan via a video call with the customer service centre, and verifying online credit use by a video call with the customer service, which enables verification online and improves the ability to control business risks.</p> | <p>Outbound marketing</p> <p>The Bank carries out outbound marketing for products related to account opening and auto-transfer on the mobile banking application, and auto-transfer on WeChat, enhancing the efficiency through data screening and “manual + robot” mode.</p> | <p>Identification of credit limit adjustment needs through outbound calls</p> <p>To improve efficiency, the system firstly screens the scenario and identifies the trigger, and then customer service staff will contact the client to address their credit limit adjustment needs.</p> |
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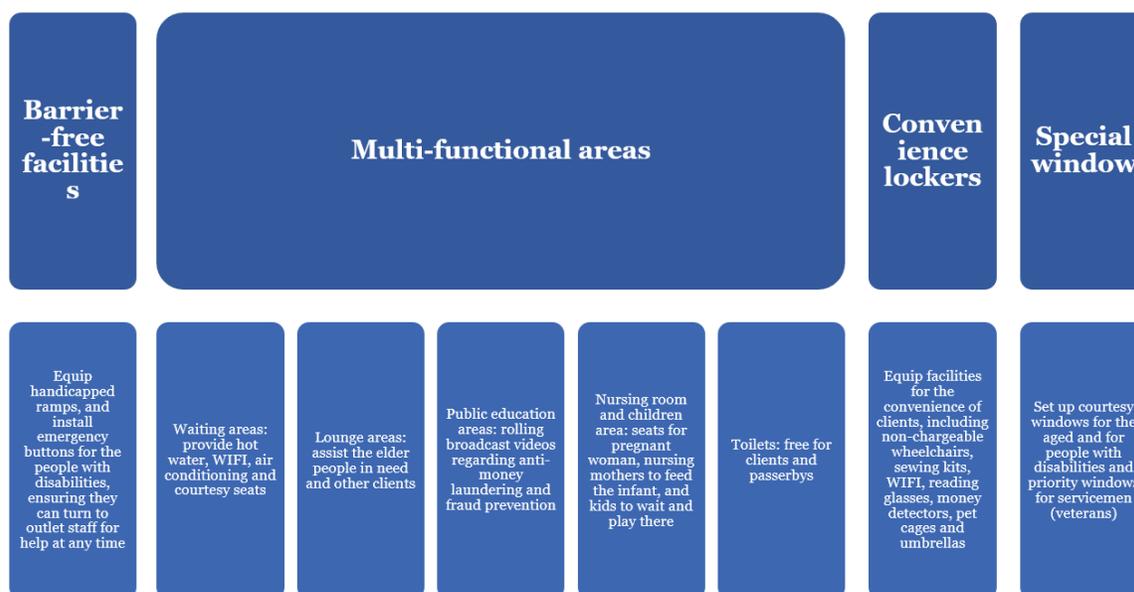
Note: Huishang Bank’s intelligent voice assistant

In 2022, our “intelligent customer service” system processed 1,021.9 thousand service requests, with 15.76% of the requests diverted to intelligent processing. The customer service robot achieved a standard response rate of 90.40% and diverted 56.84% of the questions to text responses. With the intelligent customer service function, 96.54% and 94.53% of questions were identified and answered. In addition, the intelligent voice assistant processed 225.9 thousand service requests and identified 97% of questions.

3. Service for public interests

3.1 Construction outlets of convenience

As outlets directly face customers, the Bank sets higher standards for outlets and stays committed to providing quality services and enhancing customer satisfaction. In 2022, our outlets were upgraded with more facilities, such as accessible facilities, functional areas, convenience offerings, courtesy windows, and priority windows for servicemen (veterans). The courtesy window was specially designed, and the wheelchair can be directly pushed into the inside of the counter, to meet the needs of all customers. Meanwhile, branches continued to provide more high-quality services in different forms. As of the end of 2022, there were 405 barrier-free access business outlets in branches, and a total of 451 courtesy window outlets.





Note: Convenient services in Huishang Bank outlets

3.2 Transformation of intelligent outlets

To improve operational capacities at outlets, the Bank opened more self-service channels and pushed forward the intelligent transformation. As of the end of 2022, the Bank had 466 business outlets, 552 self-service outlets and 1,875 self-service equipment bank-wide, including 1,062 cash recycling systems (CRS) and 813 self-service terminals (STM).

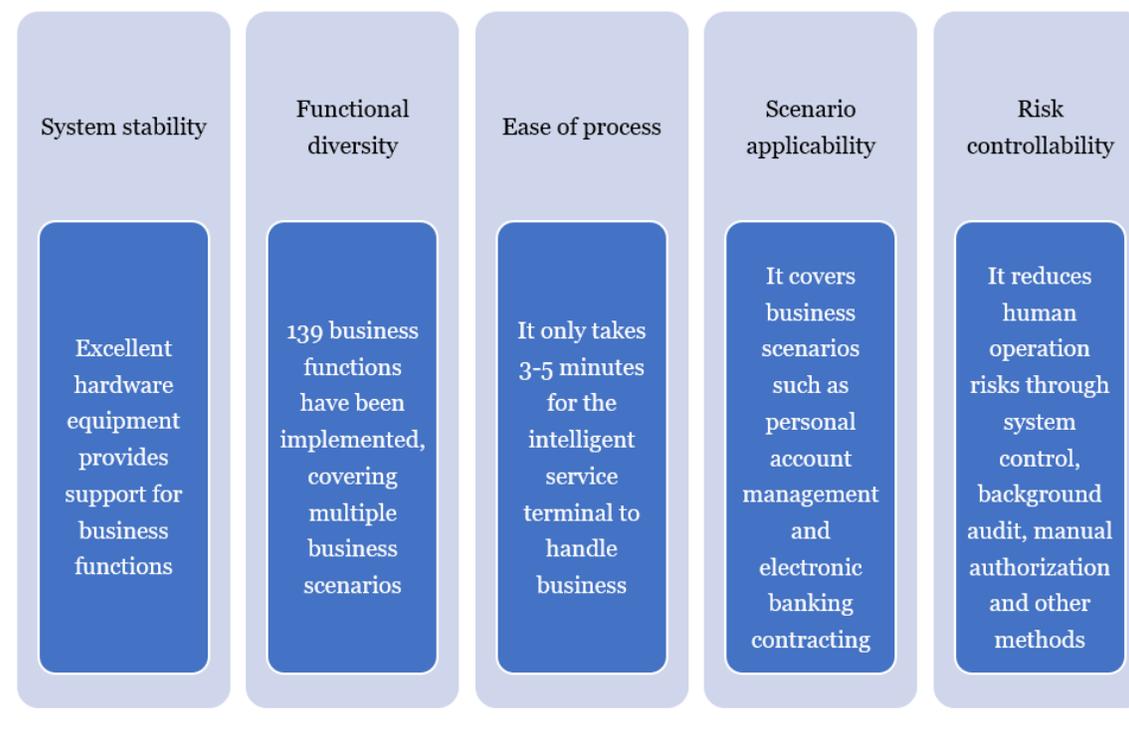
In addition, outlets were urged to apply the new STM with upgraded functions, which significantly improved customer experience and business efficiency. To equip customer service staff with a better understanding and skills of intelligent tools, we organised training through the “Zhi Niao” platform, Huiyin Online School, remote videos, and other channels. Staff from each business line are required to learn bank-wide outlets

management and development process, as well as self-service outlets and self-service equipment operation. As a result, STMs are running with higher efficiency.

[Case] Outlets empowered by the new STMs

The new STM, an intelligent one-stop terminal integrated with multiple self-service functions, can save customers from filling forms, signing names, going through complex procedures at the counter.

In 2022, the Bank made STM more intelligent by optimising “real-time facial recognition” ID matching mechanism, and introducing pre-issued cards sub-process, fault tolerance mechanism and other functions. By the end of 2022, a total of 139 common transaction functions were available on STM, replacing 72.24% of the counter business.



3.3 Strengthening services for the elderly

As a financial institution with warmth, Huishang Bank has always accurately understood customer needs and brought a more intelligent and humanized service experience to the elderly through the “age-appropriate” transformation of the service process.

Understanding the operational difficulties of elderly customers such as “can’t find”, “can’t understand” and “can’t hear clearly”, Huishang Bank actively carries out “age-appropriate” transformation to better serve elderly customers. We Launched the “simplified e” version in mobile banking and Huixing credit card APP, and launched the “green pine” version for the elderly on self-service equipment, with a more concise and simpler operation interface, so that the elderly who are lost in the Internet for a long time can gradually integrate into

the digital era. In every link of offline business handling, the staff of Huishang Bank also “think one more step and do one more step” with care, implement age-appropriate service, set up “special seats” for elderly customers in branch branches, create VIP channels, open convenient windows for the elderly with specialized personnel, and provide service privileges for the elderly in need. In 2022, we have provided a total of 2,653 door-to-door services for elderly customers and built 64 special service outlets for the elderly. Considering the special needs of the elderly, the branches are equipped with reading glasses, magnifying glasses, dictation boards and other tools of different degrees to facilitate the elderly to handle business more conveniently. At the same time, the staff of the branch halls pay attention to the customers entering the door at any time and take the initiative to help the elderly with reduced mobility, inquire about business matters, and assist in filling in forms, so that elderly customers can travel smoothly on the way to business. We improved emergency safeguard measures and carried out 196 service drills for the elderly.

In terms of financial knowledge education, the Bank continues to organize financial activities to help the elderly and protect their money. Through a series of promotion activities such as hall micro-salons, special salons for the elderly, financial knowledge services “into the university for the elderly”, “into the community”, “into the street” and “into the countryside”, we created teaching methods that are popular with the elderly. We start from the products and businesses that the elderly customers are interested in, carry out intelligent service knowledge publicity for the elderly customers, help the elderly to be familiar with the use process of mobile payment products and services, actively publicize the knowledge of anti-gambling and anti-fraud to the elderly, and explain to the elderly how to identify telecom fraud to improve the risk awareness and legal awareness of the elderly, help elderly customers prevent financial fraud, and guard their money bags.





Note: Huishang Bank provides convenient services to the old

[Case] Senior-friendly renovation at outlets of Lu'an Branch

In 2022, 32 outlets managed by Lu'an Branch improved their facilities in accordance with the Bank's work manual, aiming to better provide convenient and senior-friendly services:

- Set up courtesy windows, priority windows for servicemen (veterans), courtesy seats, priority counters for the elderly, provide “one-on-one” services such as guidance and form filing, and offer reading glasses, first-aid kits, wheelchairs, etc.
- Play financial knowledge videos (e.g., prevention of telecoms fraud) repeatedly in public education areas, offer financial knowledge flyers and “Fraud Prevention Handbook for the Elderly”, and teach the elderly to detect financial scams in protection of their rights and interests through financial knowledge education.
- Offer “Common Business Guidance” at counters and in waiting areas for the elderly.

4. Guarding against information leakage

4.1 Information security

The Bank continues to improve the level of information security management. In 2022, the Bank continued to improve the information protection mechanism, optimized the organizational structure, strengthened institutional construction, system construction, internal control and risk management, and built a gridded data security management system. In an attempt to improve information security management, we appoint data security officers across the Bank. They are responsible for taking data security measures and further refining the data security grid management system. In compliance with the “Law of the People’s Republic of China on Guarding State Secrets”, “Regulation on the Implementation of the Law of the People’s Republic of China on Guarding State Secrets”, “Cybersecurity Law of the People’s Republic of China” and “Data Security Law of the People’s Republic of China”, we formulated the “Archives Management Measures of Huishang Bank”, “Emergency Response Plan for Customer Service Centre”, “Reporting Escalation Guidance for Emergency and Incident at Customer Service Centre”, “Information Security Management Standards for Customer Service Centre”, “Implementation Rules for Data Extraction of Huishang Bank”, “Interim Measures for Data Security Management of Huishang Bank”, “Emergency Plan for Data Security Incidents”, “Technical Specifications for Data Desensitization”, “Implementation Rules for Security Management of Information System Data Permissions”, “Data Security Risk Assessment Specifications”. These policies and plans specify regular management standards of financial information and handling processes for unexpected information leakage, to reduce the risk and mitigate consequences of information leakage.

● **Well-established security defence system**

The Bank builds a sound information security defence system through:

- Cybersecurity strategy: we centrally manage cybersecurity strategies of the Headquarters and 21 branches at a highly detailed level, and narrow cybersecurity risk exposure through control over outbound firewalls of certain branches. With a total-traffic situation awareness device deployed at branches, we can monitor real-time security posture based on analysis of collected security logs, safeguarding the operation of our network.
- Desktop terminal security management: To enhance the security in the network, we vigorously promote the use of desktop security management systems and anti-virus software and offer terminal security control strategies such as virus protection, cybersecurity, and external device control to realize secure data flow and create a secure data usage environment.
- Email security management: We deployed the email security gateway to protect email communication. The gateway automatically identifies and blocks spam and malicious emails leveraging the industry’s advanced virus database, rules database and machine learning engine.
- Proactive defence processing: We carried out full-traffic monitoring, intelligent analysis, and automated disposal to effectively resist more than 4,200 thousand Internet attacks and block more than 4,000 network attack addresses from more than 30 countries and regions.

- **Refined disaster recovery system**

By refining the disaster recovery system, the Bank built a data centre architecture of “three centres in two cities” that covers a disaster recovery centre in another city. In 2022, advocating the disaster recovery system and dual-active mode, the Bank optimised the information system disaster recovery architecture. Further, disaster recovery switchover drills were conducted in the same city to validate the disaster recovery system’s capacity to take over operations, and various measures were taken to assist the Bank in coping with information leakage.

- **Enhanced data security**

The Bank adopts the “personnel protection + technical protection” mode to enhance data security. In respect of personnel protection, the Bank led data compliance assessment of internal systems and conducted on-site inspections, in strict accordance with policies related to data security management. Moreover, special training was held to raise awareness of data security among core staff.

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| [Case] Carry out data security training to enhance employees’ awareness of data security |
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| In order to popularize the basic knowledge of data security, enhance the data security awareness of all employees of the bank, and prevent the risk of data leakage, in May 2022, |
|---|

the head office completed the training on data security laws and regulations and security awareness on the Zhiniaio platform.

This data security laws, and regulations and security awareness training mainly explained three parts: data security policies, data security warning cases and data security risks in the workplace. One is to introduce China’s current data-security-related laws and regulations and technical specifications, and the other is to explain the classic cases of data security cases that have occurred in recent years, emphasizing the seriousness of the current data security situation in the financial industry and the importance of strengthening data protection, and the third is to demonstrate 20 data security risk examples in daily office scenarios to improve personnel’s ability to identify data security threats and enhance data security awareness.



In respect of technical protection, we launched the sensitive data identification and classification project to achieve regulated data classification and refined data management. Watermarks and screen savers were applied, and sensitive information checking, document tracking, and other tools were introduced to improve the data security control capability of terminals. We also set sensitive data identification rules for protecting customer identity information. In addition, we added application scenarios to the cloud desktop, including technology operation and maintenance, data query, and emergency office. In this way, sensitive data is effectively protected as it is not stored in endpoints. In 2022, we completed classification and matching of over 100 information systems and over 100,000 fields, further improving our data management capabilities.

[Case] Award for “Sensitive Data Identification and Security Assessment” project

In November 2022, our “Sensitive Data Identification and Security Assessment” project was selected as the outstanding case of fin-tech innovation and application in the second “Jinxintong” organised by China Academy of Information and Communications Technology (CAICT). In accordance with the “Financial Data Security Assessment Specification (Draft for Discussion)” released by PBOC, the project mainly covered “sensitive data identification and classification”, “comprehensive assessment of data security risk”, “standardised data security system” and “data security development plan”.



4.2 Customer privacy

With respect to customer privacy protection, the Bank formulated regulations such as the “Administrative Measures of Huishang Bank for Protection of Customers’ Financial Information”, “User Privacy Policy of Huishang Bank”, “Individual User Privacy Policy”, “E-banking Customer Service Agreement”, and “Archives Management Measures of Huishang Bank”. Based on this, the Bank formed a clear organisational structure for financial information protection and set standards and requirements for the whole life cycle of customer information. In 2022, the Bank revised the privacy policy of individual users of Huishang Bank, the comprehensive authorization letter for personal credit investigation, and issued the authorization letter for the processing of credit card personal credit information (including personal sensitive information). We also included the protection of personal information in the scope of prior consumer protection reviews.

In 2022, to mitigate privacy and security risks arising from online channels like Personal Online Banking, Mobile Banking, and WeChat Banking, the Bank added or revised several rules related to user information collection, storage and use. These rules cover service scenarios such as facial recognition in mobile banking, quick pass payment, use of Cookie technology, third-party collection of user location in personal mobile banking, cancellation of Personal Online Banking account or other accounts, as well as handling of information of minors.

Customer privacy protection is included in the prior reviews as part of the protection of consumers’ rights and interests. Privacy policies, customer-authorized texts, authorisation clauses of customer agreements, information protection clauses of third-party agreements, etc. are subject to strict scrutiny. For data acquisition, we also strictly regulate the data extraction process. To maintain data security from the source, bank staff who have access to extraction results are required to permanently delete such data after use, with a general data retention period of 3 months. In business, customer information, such as ID cards, phone numbers, and names, is well protected by data masking. To prevent information leakage at all stages, we promote a paperless office, set watermarks on office computer

screens, and prohibit the use of mobile phones in key areas. In addition, with a focus on information security, we continued to carry out inspections on the information system, as well as on-site inspections of data management security at the customer service centre. In this way, we aim to reduce the risk of information leakage during our operations.

4.3 Card security

Adopting the “Data Security Management Standards for Huishang Bank Credit Card Centre” as the basis of credit card security management, the Bank properly manages data collection, use, transfer, and other processes, and takes comprehensive measures to reduce credit card risks and guard customers’ accounts.

● Preventing risks associated with account opening

Strictly following requirements of regulators, the Bank verifies the identity and credit profile of each credit card applicant through online verification, mobile phone number verification, facial recognition, etc. To identify risks more precisely, a multi-channel credit approval platform for credit cards was developed. Connected to the “Online Personal Identity Verification System”, “Personal Credit Database of People’s Bank of China” and other systems through data interface, the platform can complete customer identity verification, comprehensive credit evaluation, etc. Assisted by the platform, the Bank can identify and reject high-risk customers, to prevent risks in the credit card application. Further, free service for credit card loss guarantee is available to protect interests of card holders.

● Credit card risk monitoring

The Bank manages its credit card risk by conducting “7*24” transaction monitoring and using the early warning system. To further lower the credit card risk, the Bank also takes measures to screen abnormal transactions. The Bank has also optimised the transaction monitoring rule and warning process. For suspicious transactions, the Bank will temporarily stop the payment before calling the user to verify the transaction. For clients whose credit cards are confirmed to be fraudulently used, the Bank will provide free card change services via outbound calls and the relevant insurance payouts.

● Education on telecom fraud prevention

The Bank actively carries out education activities themed by card use security and telecom fraud prevention. For card use security, we push a series of education activities on telecom fraud prevention in the WeChat official account of credit cards. We also add relevant knowledge and reminders on card use security in the Credit Card APP and on the back of the new version of card paper. To prevent wire fraud, we organised education activities themed “Reminders on preventing telecom fraud”, “Always be vigilant to prevent telecom fraud”, “Launching the ‘Account Opening Regulation’ campaign, resisting sales of accounts“, “Taking countermeasures in the ‘Account Opening Regulation’ campaign to

fight against card selling traps”, “Learning the ‘Law of the People’s Republic of China on Combating Telecom and Online Fraud’ to safeguard people’s properties” and “Special Action to Combat and Rectify Pension Fraud”. Through these activities, we helped the public know about preventing telecom fraud and increase their awareness of risk prevention. In 2022, the Bank cracked down on telecom network fraud and helped customers recover RMB 2,025,500 in economic losses.

[Case] “Anhui Rong e-stack Anti-Fraud Publicity and Education Base” was awarded to the Bank

On May 30, 2022, the awarding ceremony of Anhui Province’s banking institution “Anhui Rong E-stack • Anti-Fraud Publicity and Education Base” was held at the Hefei Yungu Road Sub-branch of the Bank. 16 branches in the province of the Bank were awarded the “Anti-Electricity Fraud Publicity and Education Base”, turning primary-level outlets into anti-fraud publicity positions and battle fortresses.



IV Working Together for A Good Life

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

1. Building a happy workplace Safeguarding employees’ interests and rights

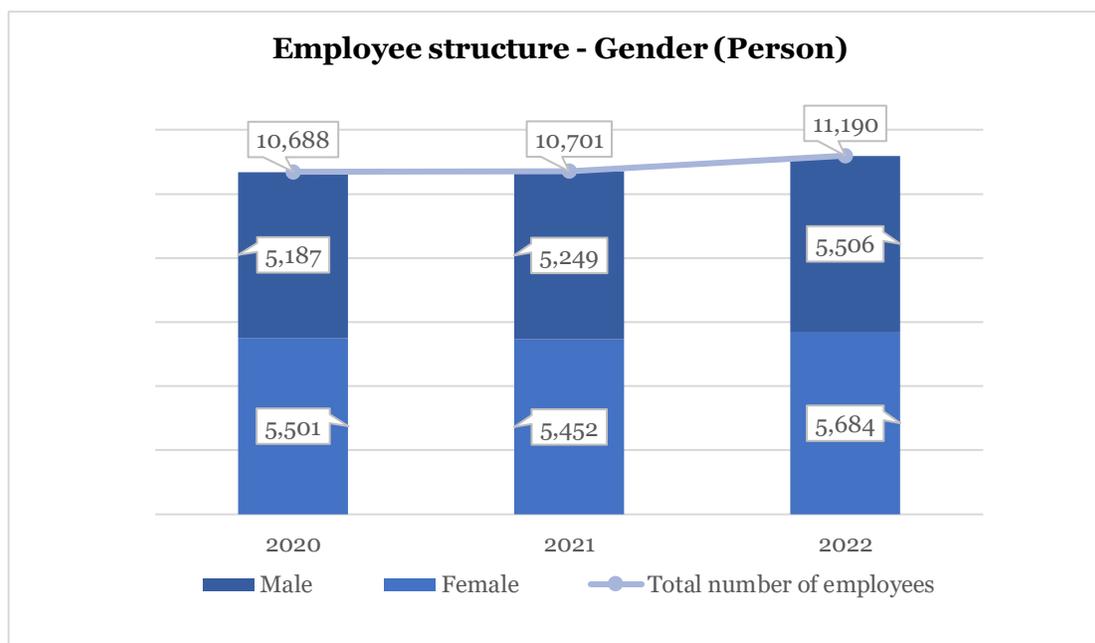
The Bank strictly complies with the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Prohibition of Using Child Labour” and other labour-related laws and regulations, and has formulated the “Measures for the Management of Employees’ Compensation of the Huishang Bank”, the “Measures for the Management of Employee Recruitment of the Huishang Bank”, the “Measures for the Management of Employee Demission of the Huishang Bank”, the “Attendance Management Policy for the Huishang Bank” and other management systems to safeguard the legitimate rights and interests of employees. In 2022, the Bank updated the systems on attendance, demission, performance assessment, salary, etc. to safeguard the legitimate rights and interests of employees with well-established systems and mechanisms.

● Recruitment and demission

Based on the principle of “setting up posts and prescribing staffing quota; filling vacant posts with qualified personnel; upholding equality, fairness and openness and practising two-way selection; selecting the superior and ensuring quality”, the Bank continuously standardises and strengthens recruitment management, improves the market-oriented recruitment mechanism, and optimises its staff structure. In 2022, the Bank took multiple measures to improve the campus recruitment process and attract more talents:

- **Publicity:** making the Bank’s first promotional video on-campus recruitment and conducting online recruitment talks.
- **Post:** recruiting by post for the first time and increasing the recruitment number for management trainees.
- **Digitalisation:** realising progress inquiry for the full-process recruitment via the mobile banking service.

As of the end of 2022, the Bank had 11,190 employees in total, and they were all full-time employees. Most of them belonged to the age groups of under 30 and 30-39. The majority of employees had bachelor's degrees or above. The local employment rate reached 86.48%. In 2022, the number of new recruits was 875 and the turnover number was 324, with a turnover rate² of 2.81%.



| Employee structure in 2022 | | | |
|----------------------------|----------------|--------|------------|
| Type | Indicator | Number | Percentage |
| By gender | Female | 5,684 | 50.80% |
| | Male | 5,506 | 49.20% |
| By age group | < 30 | 2,927 | 26.16% |
| | 30-39 | 5,490 | 49.06% |
| | 40-49 | 1,773 | 15.84% |
| | ≥ 50 | 1,000 | 8.94% |
| By education background | Bachelor below | 504 | 4.50% |
| | Bachelor | 8,216 | 73.42% |
| | Master | 2,446 | 21.86% |

² Employee turnover rate = number of lost people in the reporting period / (total number of employees at the end of the period + number of lost people in the reporting period)

| | | | |
|------------------|----------------|-------|--------|
| | Doctor | 24 | 0.21% |
| By region | Anhui Province | 9,677 | 86.48% |
| | Other regions | 1,513 | 13.52% |

| New recruitment structure in 2022 | | | |
|--|------------------|-----------------------------------|-------------------|
| Type | Indicator | Number of new recruitments | Percentage |
| By gender | Female | 440 | 50.29% |
| | Male | 435 | 49.71% |
| By age group | < 30 | 725 | 82.86% |
| | 30-39 | 131 | 14.97% |
| | 40-49 | 16 | 1.83% |
| | ≥50 | 3 | 0.34% |
| By region | Anhui Province | 677 | 77.37% |
| | Other regions | 198 | 22.63% |

| Employee turnover in 2022 | | | |
|----------------------------------|------------------|------------------------|----------------------|
| Type | Indicator | Turnover number | Turnover rate |
| By gender | Female | 154 | 2.64% |
| | Male | 170 | 3.00% |
| By age group | < 30 | 142 | 4.63% |
| | 30-39 | 152 | 2.69% |
| | 40-49 | 26 | 1.45% |
| | ≥50 | 4 | 0.40% |
| By region | Anhui Province | 205 | 2.07% |
| | Other regions | 119 | 7.29% |

- **Equality and diversity**

The Bank sticks to the principle of fairness and equality, and provides employees with equal job opportunities and a working environment, allowing no discrimination based on national origin, gender, religious belief, disability, age, health condition, marital status, maternity plan, sexual orientation, etc. In 2022, the Bank recruited 201 ethnic minority employees and 14 employees with disabilities. In addition, the Bank actively supports the resettlement of veterans, and has been praised by Anhui Provincial Government for such work.

- **Labour standards**

In strict compliance with the “Labour Contract Law of the People’s Republic of China” and the “Prohibition of Using Child Labour”, the Bank has zero tolerance for the use of child labour. The Bank has formulated a rigorous employment review process to examine candidates’ ID cards, avoiding the use of child labour by mistake. In case we inadvertently employ a child, we will immediately terminate the labour contract according to laws and regulations, as appropriate, and send the child back where he or she comes from to the parent or other guardians, so as to protect his or her legitimate rights and interests. The Bank strictly abides by national laws and regulations, stipulates the working hours of employees, and resists all forms of forced labour. As of the end of 2022, the Bank did not have any case concerning the use of child labour and forced labour.

- **Compensation and benefits**

The Bank connects salary administration with job hierarchy management, adapts the total volume to risk-adjusted performance, aligns improved competitiveness with sustainable development, balances efficiency with internal equity, combines short-term incentives with medium- and long-term kinds, reflects team performance in employee compensation, and coordinates dynamic maintenance with standardised and unified management. In obedience to adjustments of macro-policies and systems and changes in the regional market environment, we further dilute regional differences to improve the Bank’s competitiveness and employees’ stability. In 2022, the Bank revised the “Performance Assessment and Compensation Allocation of Branches” to enhance compensation allocation management of branches and sub-branches.

In accordance with the laws and regulations, the Bank pays social security and provident fund for all employees. The Bank has also established a bank-wide annuity plan and a supplementary medical security plan, and promotes a flexible benefits platform, to ensure and improve the level of employee benefits, so as to promote employees’ enthusiasm for labour and establish a long-term incentive mechanism for talents. Besides, the Bank also provides employees with routine benefits such as quarterly personal protective equipment, washing work suits free of charge, and shoe polishing coupons.

- **Employee care**

The Bank specially cares about female employees, employees in straitened circumstances, employees in the customer centre, and other employee groups.

The Bank continuously implements the “Special Provisions of Anhui Province on Labour Protection for Female Employees” and the “Programme for the Development of Women of Anhui Province (2021-2030)”, and actively carries out activities on caring for female employees. In 2022, the Bank finished granting protection fees on the rights and interests of female employees in the authority organs. In addition, the Bank consulted widely with

female employees and provided them with make-up courses and colour-matching lectures on “Women’s Day”.

Abiding by the “Implementation Opinions on Building Harmonious Labour Relations”, the Bank pays attention to employees in straitened circumstances, and supports employees in extreme difficulty. In 2022, the Bank assisted and supported a total of 110 employees in straitened circumstances.

Given the nature of the work in the Customer Service Centre, the Bank pays special attention to the mental health of these employees. To help employees in the Customer Service Centre release stress, the Bank invited external experts to provide psychological counselling. In addition, the Bank also set up a balance room and a stress release room in the office area.

[Case] The Customer Service Centre conducts the service stories appraisal and selection activity themed by the Mid-Autumn Festival

On 9 September 2022, the Customer Service Centre of the Bank conducted the service stories appraisal and selection activity themed “Listening to our service stories on the Mid-Autumn Festival”. With the theme of “My Stories in the Customer Service Centre”, an on-site voting was carried out for audio and video works of the employees collected previously in the activity. In the end, 12 excellent works were selected and exhibited on the culture wall of the Customer Service Centre. At the same time, an activity themed by the Mid-Autumn Festival was also carried out, and employees were eating moon cakes while enjoying the festival.



1.2 Supporting education

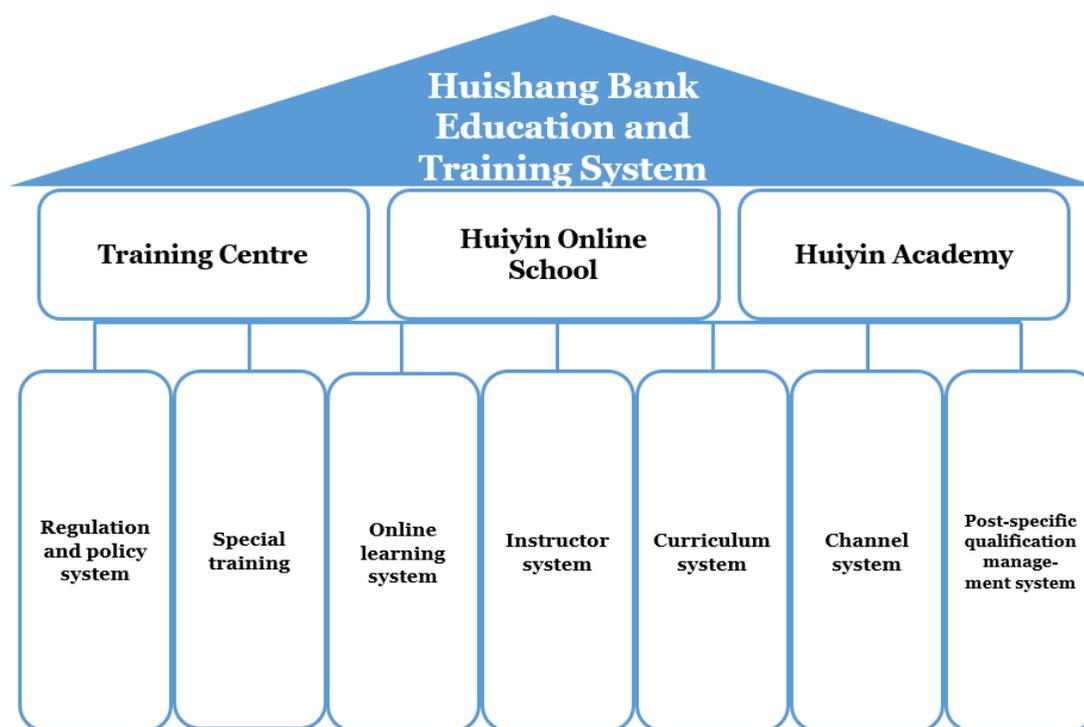
With the goal of “building a bank with value and higher quality”, the Bank is actively building an open platform for employees’ success. We continuously promote the leadership of the Party and arrange systematic and targeted training for cadres and talents

required for technology empowerment and digital transformation. In addition, we continue to advance the establishment of a special talent training programme adapted to the development needs of the Bank and reinforce the innovation of the education and training mechanism, so as to improve staff ability and quality.

The Bank has formulated the “Interim Measures for Job Hierarchy Management of Huishang Bank” to improve the talent management mechanism and to expand the development space and promotion channels of employees. The Bank has built a basic framework for bank-wide career development management and classified all jobs into four promotion channels, namely, management, profession, administration and marketing.

The Bank attaches great importance to the construction of a talent pool, especially the training and selection of young managers and reserve talents. For this purpose, the “Management Measures for the Middle Management Selection and Employment of the Huishang Bank” and other management personnel selection and appointment systems have been formulated to promote the management personnel according to the principle of promotion step by step. The Headquarters regularly conducts quality assessments on the second-level team leaders and senior managers of each department to provide an important reference for the training and selection of middle management personnel of the Bank.

Through continuously optimising the training system, the Bank strives to create a diversified and professional training system for staff, help them develop skills, and strengthen their soft and hard skills. On the basis of continuously improving the three training platforms of the “Training Centre”, “Huiyin Online School” and “Huiyin Academy”, we have steadily promoted the construction of several special training programmes, such as the special training on Party building, the training of building the brand of “Hui” series and online learning to continuously update the Bank’s education and training system and build a learning bank.



Note: Education and training system of Huishang Bank

In 2022, the Bank revised the “Management Measures for Education and Training of Huishang Bank”, and increased investment in education and training in various aspects. To enrich the sources of online courses, the Bank carefully selected high-quality external courses and held development competitions for model cases. Huiyin Online School launched a total of 2,948 online micro-courses cumulatively.

The Bank has been advancing the development of the internal trainer team in accordance with the “Management Measures for Internal Trainer of the Huishang Bank”. The Bank supports all its business lines to enhance the selection, training, evaluation and hiring of internal trainers, and successfully carried out the first evaluation and hiring work on senior internal trainers.

In addition, the Bank has developed and implemented the “Administrative Measures of Huishang Bank for Vocational Qualifications” to enhance the standardised management on vocational qualifications and promote scientific, institutionalised and standardised appointment of employees with certificates. Internal post qualification examinations are also organised for more subjects and at higher frequencies.



Note: Post-specific qualification examination of Huishang Bank



Note: Course overview of Huiyin Online School

The Bank continuously optimises the omni-channel training system and developed the brand of “Hui” series training sessions. In 2022, the Bank updated the “Huixing Plan”, optimised the training system for management trainees, and launched the “Huiyun Plan” to provide online special training courses.

| Education brand | Objectives | Our achievements in 2022 |
|---------------------|---|---|
| Huidun Plan | To promote branch presidents’ personal competence in negotiation thinking, structural thinking, leadership skills, etc., and help them get familiar with key business knowledge within the Bank | A dual-platform learning supervision mode was adopted, which consisted of the Zhiniao online learning platform of the Huiyin Online School and the WeChat learning group. The average learning time of each employee reached 28.29 hours. |
| Huiying Plan | Specially designed for the second-level team leaders at the Headquarters, aiming to further improve their awareness of the ethical standards of the Party, enhance their leadership skills, executive ability, and other management skills, and to broaden their horizons | Training was arranged for 36 second-level team leaders from 27 departments and offices, with the trainers invited from Tsinghua University and the national-based think tank. |
| Huijing Plan | To upgrade the professionalism, occupational resilience, business | Training carried out practical modelling guidance and grouping |

| | | |
|---------------------|---|---|
| | capabilities and comprehensive abilities of young talents and accelerate their professional growth, thus setting a good example | based on business cases of the Bank by using the platforms and data of the Bank for the first time. A total of 9 live broadcasts were completed, delivering 60.26 class hours. 142 students were involved, completing a total learning time of 4,314 hours, with 20 practical case results submitted. |
| Huixing Plan | To train high-quality young talents capable of adapting to the digital transformation need of the Bank, and to build a solid ideological and moral foundation, professional business foundation and management foundation for management trainees | By learning the 7 online training courses, 56 management trainees gained an in-depth understanding of the frontier economic situation, improved self-leadership and structural thinking ability, enhanced comprehensive quality and professional ability. |
| Huihang Plan | To help new employees understand the corporate culture, development planning and talent cultivation strategy of the Bank, and understand all aspects of the business knowledge of the Bank | Training organised for new employees with over 20 internal instructors from 12 departments and offices and 3 external instructors. |
| Huiyun Plan | To improve employees' understanding and basic attainment of fintech, help them master practical marketing skills, and cultivate employees' innovation ability and innovative thinking | 62 training courses provided via "Huiyin Online School" of the Zhiniao platform. The learning time totalled 954.5 thousand hours with 33.28 courses completed per capita. |



Note: “Huihang Plan” - Exchange meeting of new and experienced employees



Note: “Huiying Plan” – Training for second-level team leaders at the Headquarters



Note: “Huijing Plan” – Training camp for digitalised talents

In addition, to build a learning organisation, the Bank actively carried out multiple online special training, such as “Foresight and leadership lecture for middle and senior management”, “Lecture for strategy publicity and implementation”, “Lecture on corporate businesses”, “Analysis on typical credit cases” and “Empowering study centre”.

[Case] The Bank conducted special training in the form of foresight and leadership lecture for middle and senior management

From August to December 2022, the Bank held 6 special training sessions in the form of foresight and leadership auditorium to enhance middle and senior management’s trend research and judgement ability on the macroscopic situation, their innovation ability and risk control ability. Experts from prestigious universities and relevant government sectors were invited to provide the management personnel of the Bank with training on macro economy, management methods, technological innovations, etc.



In 2022, the Bank organised various online and offline training that covered 100% of the employees with RMB 2,021.27 spent for every participant. The duration of the centralised training totalled 607.3 thousand hours, representing 54.27 training hours per employee.

| Employees' trainings in 2022 | | | |
|------------------------------|-------------------|---------------------------|------------------------|
| Type | Indicator | Average hours of training | Proportion of trainees |
| By gender | Female | 56.06 | 50.99% |
| | Male | 52.43 | 49.01% |
| By category | Senior management | 30.46 | 0.10% |
| | Middle management | 24.69 | 2.10% |
| | Junior employees | 54.93 | 97.80% |

1.3 Maintaining transparent communication channels

The Bank advocates democratic communication and maintains transparent communication channels for employees. The Bank deeply implements the employee representative meeting system, gives play to the role of employees' representatives, and effectively safeguards employees' rights to know, participate, express and supervise. In 2022, the Bank had a trade union established at every single business location with all employees signing in. In addition, all departments of the Bank have prepared a variety of anonymous feedback and satisfaction surveys to better listen to the voices of employees. Employees can also have their voices heard or suggestions known via proposals collection, the "Employees' Home" forum in the internal network, and the "Code makes it Quicker", a WeChat mini programme.

1.4 Creating “Safe Huishang Bank”

The Bank is committed to creating a safe working environment for its employees. In 2022, the Bank formulated the “Security Management Plan for Office Buildings at Binhu Headquarters of Huishang Bank” and the “Work Plan for Special Check and Rectification on Safe Production of Huishang Bank” to further increase its safety management level.

The Bank implements multiple measures to strengthen the security management on the headquarters’ buildings from the dimensions of staff, facilities, technology, and fire protection to continuously enhance detailed management on the security of the office buildings:

- Formulating the procedure for cleaning domestic water tanks to safeguard drinking water safety.
- Comprehensively checking the safety of glass curtain walls.
- Archiving kitchen operation videos to ensure food safety.
- Formulating the procedure for rescuing people trapped in an elevator to safeguard elevator operation safety.
- Deploying more physical safeguard facilities and setting up infrared alarm systems at the periphery of the headquarters.
- Equipping firefighting facilities such as respiratory masks and fire extinguishers.

The Bank also attaches importance to the security work of its branches and sub-branches. The Bank continuously advances the creation of “Safe Huishang Bank” and has selected multiple “optimally safe branches” and “optimally safe sub-branches”. The branches and sub-branches are also encouraged to share their security experience. The Bank also conducts off-site checks on branches, carries out standardised transformation for outlets in an overall way, and urges all branches and sub-branches to enhance safety management. In addition, to increase its early warning capability, the Bank also carried out pilot work for the three-level alarm platform so that alarm information of pilot branches’ outlets could be uploaded to the Headquarters in real-time.



Seven key tasks for a “Safe Huishang Bank”

- Allocate responsibility regarding security work
- Strengthen inspection to eliminate possible security risks
- Highlight fire prevention management
- Carry out training and drills to enhance the ability to handle security emergencies
- Refine plans to effectively respond to special occasions
- Promote branches to conduct security work
- Establish stable operation based on information technology

Note: Seven key tasks of “Safe Huishang Bank”

To enhance the safety awareness of employees, the Bank regularly organises employees to carry out a host of security emergency drills and firefighting training, so as to increase their awareness, improve their skills of security, and instruct employees in skills about fire suppression and escape. Branches carry out activities relating to firefighting based on specific situations, including knowledge contests, drills, training, etc.

From 2020 to 2022, no work-related fatalities were noted. In 2022, the number of lost days due to work injury³ was 858.

[Case] Conducting practical fire drills

In September 2022, the Bank organised all employees to participate in practical fire drills in batches, with a total of 1,889 participants. The fire drills enhanced employees’ awareness of fire safety and improved their ability of organisation, coordination, and response.

³ Lost working days due to work-related injuries refers to the loss of working hours caused by one or more workers’ being unable to work normally due to occupational diseases or accidents.



The Bank cares about employees' health and offers a comprehensive health insurance plan to all employees, including coverage of outpatient and emergency medical expenses, inpatient expenses and other four types of medical expenses. The Bank organises employee physical examinations every year, with the health examination rate for employees reaching 100%. The Bank also organises special health examinations for female employees and offers the pulmonary CT examination.

1.5 Enriching culture and sports activities

The Bank organises diversified culture and sports activities to help employees strike a balance between their work and life. The Bank actively promotes the building of hobby groups, including fitness clubs on balls, Taiichi, yoga, and the April Day Chorus, securing a total of 8,000 members. We also hold drawing contests, ball games, etc. for the children of our employees. In addition, we manage to expand the public activity spaces. The employee activity centre and the new reading room at the Headquarters located in Binhu New District of Hefei City further help employees release stress, cultivate temperament and enhance group cohesiveness.

Because offline activities were restricted in 2022, the "Foodie League" group organised online activities to enhance employees' mental health.



Note: Billiards club's activity



Note: Tennis club's activity



Note: Chorus' activity



Note: Badminton club's activity



Note: New reading room for Party Building

[Case] Customer Service Centre of the Bank conducts a table tennis competition to celebrate the 101st anniversary of the founding of the Communist Party of China

To celebrate the 101st anniversary of the founding of the Communist Party of China, welcome the successful holding of the 20th CPC National Congress, and promote communication among employees, the Customer Service Centre of the Bank held a table tennis competition. There were three events in the competition, namely, mixed doubles, men's singles and women's singles. A total of 29 players participated in the competition. Through the activity, the employees in the Customer Service Centre exchanged table tennis skills, enhanced friendship, and enriched spare-time life.



[Case] The Bank carries out the “Welcome the 20th CPC National Congress · Children’s drawing competition” activity

To welcome the 20th CPC National Congress, the Bank carried out a bank-wide parent-child drawing competition themed “Welcome the 20th CPC National Congress · Children’s drawing competition” in the year 2022. With a total of 706 employee families participating and 273,429 votes, the activity was highly welcomed and praised by employees.



2. Giving back to society

The Bank fulfils social responsibilities in a proactive manner and presents a responsible image as a corporate citizen. The Bank actively responds to the national strategy on rural revitalization. Through targeted assistance, the Bank helps rural areas to develop characteristic industries, improve farmers’ professional skills in agriculture, expand the

market for agricultural products and facilitate local employment. In addition, to support the building of a beautiful countryside, we also actively help improve the rural environment and enrich the cultural life in rural areas. In 2022, the Bank sent 5 assistance work teams (32 special cadres) to carry out targeted assistance for 1 county and 32 villages. We continued to help Wangzhou Village of Si County and added Shuguang Village and Dinghu Town of Si County to the assistance list. Starting from the aspects of Party Building guidance, intellectual support, industrial assistance, employment assistance, consumption assistance, project fund assistance, resource allocation support, etc., we refined the list of assistance and rapidly promoted various works.

2.1 Building a beautiful countryside

● Industry-based assistance

Industrial assistance is fundamental to helping local areas solve the problem of employment for people in straitened circumstances while enhancing self-reliance. The assistance work teams of the Bank are assembled to help deepen industry revitalization, expand product sales channels, explore new directions of industrial development, broaden the industrial development scale, and promote industrial integration development

[Case] The Bank assisted Wangzhou Village in taking a new development way - growing flowering plants and shrubs

To help address the land shortage in Wangzhou Village, the work team assists the village in taking a high-value-added development mode of growing flowering plants and shrubs. Through the team's effort, a major flower farmer from Heze City, Shandong Province was introduced to the village and obtained a farm loan of RMB 700 thousand. The ultimate purpose was to help local areas develop new industries and local people increase income.



[Case] The Bank helped build the “Pear orchard village” tourism project to promote industrial integration development

Based on Xiaosong's Pear Orchard, the work team in Shuguang Village plans to build a characteristic tourism project in the "Pear orchard village", which will integrate recreation and sightseeing, tourism, pear picking, dining and entertainment. The project will cover 1,500 *mu* (1 *mu* =2/3 hectares) of standardised pear orchards, 10 *mu* of "toadstool" plastic greenhouses integrating intelligent temperature control, watering and fertilising, 2 *mu* of trial planting plastic greenhouse bases, 12 characteristic guesthouses and 3 agritainments. In 2022, Shuguang Village completed the projects such as "Shouting fountain", "3D wall painting" and "ornamental plants in vases", further promoting the integration of tourism and agriculture and increasing industrial benefits.



● Educational assistance

Education plays a fundamental and leading role in rural revitalization. The Bank attaches great importance to education in rural areas. By donating supplies to rural schools for many times and carrying out farming skill training, the Bank helps improve the professional skills of local talents.

[Case] Work teams of the Bank carried out agricultural technology training to enhance farmers' professional skills

In 2022, the work teams of the Bank carried out a total of 9 trainings on professional skills. The work team in Wangzhou Village invited relevant authorities such as the Rural Revitalization Bureau and the Agricultural Sciences Research Institute to conduct 6 training relating to fertilization, planting technology, etc. By centring on comprehensive skill training for new farmers, the work team in Shuguang Village carried out 3 training on the growing of *Rhizoma Corydalis* and pears, the key industries in the village. The training helped farmers enhance their professional skills and enabled them to carry out production activities more efficiently.



- **Poverty alleviation through consumption**

Poverty alleviation through consumption will help rural industries develop sustainably. By using its own resources, the Bank explores new markets and supports the online marketing of agricultural products, in an effort to help farmers increase income.

[Case] The Bank helped find markets for agricultural products to increase farmers' income

To increase the competitiveness of the agricultural products, the work team in Wangzhou Village helped design the packaging for all products in the village in order to meet the market demand. To broaden the sales channel and attract more customers, the work team helped design the purchase link QR code and develop online sales platforms. In 2022, the work team helped the villagers sell a total of 23,990 *jin* (1 *jin* = 0.5 kilogramme) of taros, 3,806 *jin* of vermicelli and 10,224 of beef and mutton, realising an income of RMB 1.1 million for the village collective.

The work team in Shuguang Village helped poverty-stricken households grow pear trees, farmer households engage in characteristic industries and plastic greenhouse vegetables and fruits growers contact local supermarkets and community property management to ensure that their agricultural products had ready markets. In 2022, the work team assisted in selling more than 4,000 *jin* of pear syrup and 200 thousand *jin* of pears, realising an income of over RMB 800 thousand for the collective economy and a 30% increase in income for 146 orchardists.



● **Improving the environment**

Improving the living environment in rural areas is an important measure to increase the happiness index of villagers in their daily life. The Bank attaches importance to improving the living environment in rural areas and takes multiple measures to empower the building of beautiful and pleasant villages:

- Conducting toilet upgrades, wastewater treatment, waste disposal and increasing hardware facilities.
- Putting up publicity posters and broadcasting publicity audios on environmental protection.
- Organising public-service personnel and volunteers to thoroughly clean the villages for many times.
- Carrying out special actions on “ban the burning of straw and stalk” to effectively prevent environmental pollution.



Note: Work team equips waste bins for the village

- **Cultural assistance**

The Bank attaches importance to cultural supply and assistance in rural areas and is committed to enriching the spiritual and cultural life of villagers. For this purpose, the Bank carries out a series of activities to promote cultural and ethical progress, including guiding villagers to change outmoded conventions and customs, helping children left behind and veteran party members, playing movies, organising singing competitions, etc.



Note: Annual activity on selecting “countryside sages” in Wangzhou Village



Note: Activity of “changing outmoded conventions and customs, commemorating the loved ones in a civilised way” on the Tomb-Sweeping Day



Note: Carrying out the activity to send care for children left behind

2.2 Conducting public welfare and charity activities

The Bank also continues to carry out various forms of voluntary service activities focusing on environmental protection and caring for the growth of teenagers, in an effort to repay the society and achieve harmonious development with the world at large. In 2022, the branches of the Bank carried out a total of 250 charity programmes, provided 18,453.88 hours of voluntary services, and spent RMB 2,428.1 thousand on charity programmes.

[Case] Huishang Bank won the honour of “Caring Enterprise” of the Women and Children Development Foundation in Anhui Province

On December 19, 2022, the 40th-anniversary commemoration of the Anhui Women and Children Development Foundation was held in Hefei. As a representative of caring enterprises and institutions, the Bank was invited to participate in the event and received commendations. At the event site, the Bank, the host and other guests of the conference jointly launched the public welfare project “Anhui Family Happiness and Well-being Project: Anhui Home Care Action”.



[Case] The Bank carried out voluntary tree-planting activity

To celebrate the 44th Tree Planting Day on March 12, 2022, Huishang Bank organised a voluntary tree planting activity to actively practise the ecological concept of “lucid waters and lush mountains are invaluable assets” and promote the gist of voluntary services.



[Case] “Huiyin Youth Home” cares about the growth of teenagers

On the afternoon of September 6, 2022, with the approaching of the Mid-Autumn Festival, Huishang Bank Ma’anshan Branch walked into Yushan Experimental School to carry out the “Huiyin Youth Home” series of activities to celebrate the Mid-Autumn Festival. During the event, various versions of banknotes and anti-counterfeit money were displayed for financial literacy education, in addition to DIY mooncake making. More than 30 people, including the Youth League Ma’anshan Municipal Committee for Junior Schools, the Youth League Committee of Yushan Experimental School, the Youth League Committee of Huishang Bank Ma’anshan Branch, the Youth Civilization Collective of Huishang Bank, and student representatives participated in the activity.



Bengbu Branch of Huishang Bank carried out practical activities on Children’s Day. 22 children and their parents learned their hometown stories together and their minds were enriched.



[Case] The New Era Civilization Practice Station of Anqing Branch of Huishang Bank carried out the volunteer service activity of “Free Diagnosis into the Community to Serve the People”

In June 2022, in order to practice practical things for the people, build a strong civilization practice matrix in the new era, and connect the “last mile” of education and service for the masses, the New Era Civilization Practice Station of Anqing Branch of Huishang Bank recently joined hands with the Nanshui Hui Community New Era Civilization Practice Station and Anqing Traditional Chinese Medicine Hospital to hold the “Free Diagnosis into the Community to Serve the People” activity, anchoring the key needs of the community people, solving urgent problems such as difficulty in seeking medical treatment, difficulty in obtaining financial knowledge, and long distance in financial services, and further promoting the brand of “Huiyin Party Building +” volunteer service at the primary-level level.



[Case] Many branches of the Bank carried out activities centring on Mother’s Day

Around Mother's Day in 2022, the branches of Huishang Bank in Anqing, Hefei, Wuhu, Ma'anshan, Huainan, Beijing all carried out activities themed "Showing gratitude on Mother's Day" to carry forward Chinese traditional virtues and gather positive social energy.

On 7 May, Anqing Branch of the Bank, together with the party committee of Nanshui Hui Nationality Community, visited sanitation workers in the community. By giving flowers and gifts to them, the Bank paid respect and gratitude to them for their hard work.

On 8 May, Huaibei Branch of the Bank organised families in communities to carry out the plant rubbing activity themed "Showing gratitude on Mother's Day". Guided by instructors, the participants did plant rubbing and made gifts for their mothers to show gratitude.



[Case] Branches carried out examination support activities

During the period of the 2022 college entrance examination, to continue the tradition of examination support activities for many years, branches of Huishang Bank in Hefei, Wuhu, Ma'anshan, Anqing, Fuyang, Bozhou, Suzhou, Chengdu and other branches all carried out volunteer service activities for caring for the exam.

From June 7th to 8th, Hefei Branch of Huishang Bank, together with the Municipal Committee of the Youth League and the Shushan Youth League District Committee, carried out the volunteer service activity of "Youth and Love" at various test centres in the jurisdiction.

During the college entrance examination from June 7 to 9, in order to ensure candidates a quiet examination and rest environment, Wuhu Nanling Branch of Huishang Bank and Nanling County Tongji Community Volunteer Service Corps launched the "silent" initiative to escort the college entrance examination.

On June 7th, Ma'anshan Branch of Huishang Bank, together with the Municipal Party Committee and the Municipal 12355 Comprehensive Service Centre, carried out the volunteer service activity of "Loving Service and Helping the College Entrance Examination" in 7 test centres in the urban area and 6 test centres in the county, sending sincere care, help and blessing to the majority of candidates and parents, and helping the college entrance examination with actions.





V Practising Low-carbon Development to Support Environmental Protection

Faced with the major challenge of global climate change, Huishang Bank unwaveringly promotes the implementation of low-carbon development. The Bank actively responds to the financial policies of both the central government and local government. In the fields of green credit, green investment and green investment banking, the Bank comprehensively enhances its ability on green finance services and has defined the strategic direction of green finance. We continuously improve the green finance management system, set up green finance teams and expand green finance product portfolios. Through these measures, we make contributions to the state forest reserve, water saving, ecological restoration, etc. In the Bank's daily operation, we make every effort to reduce environmental impacts from its businesses in order to make contributions to the Beautiful China Initiative and preserve lucid waters and lush mountains for future generations.

1. Developing green finance

1.1 Improving top-level design

The Bank actively responds to the financial policies of both the central government and local government and has defined the strategic direction of green finance. In 2022, to deepen the work in green finance, the Bank formulated the “Green Finance Action Plan of Huishang Bank (2022-2025)” and systematically arranged the green finance development work of the Bank in order to better support pollution prevention and control.

In 2022, by implementing the “Notice of Anhui Banking and Insurance Regulatory Bureau on Further Enhancing Green Finance Development to Realise Carbon Peak and Carbon Neutrality”, the Bank defined the corporate banking department as the green finance governing body of the Bank, set up professional green finance teams and established inter-department green finance coordination mechanisms and green finance task breakdown forms to promote the development of green finance across the Bank. In addition, the Bank set up a “green finance research team” to conduct further study on policies and industries related to green finance. The Bank also founded a green finance periodical of which 4 issues were released. We also actively support the green finance teams in external exchanges. In 2022, the Bank joined the Green Finance Committee of China Finance Society and actively participated in the relevant research activities of the committee as a governing unit.

1.2 Expanding product portfolios

The Bank gives full play to its comprehensive financial advantages and has established and perfected a multi-tier and extensive-coverage system of green financial products like green

credit, green bonds, and green investment. The Bank continuously promotes the development of green financial businesses and increases support for the green industry to provide Anhui Province with robust financial support and help build an overall green transformation area in the course of economic and social development.

The Bank has formulated and implemented a series of financial service plans such as the “Financing Service Plan of Huishang Bank to Support Ecology Oriented Development (EOD) Projects”, “Financial Service Plan of Huishang Bank for ‘Water Saving Loans’” and “Service Plan of Huishang Bank to Support the ‘State Forest Reserve Project’” and guided its branches and sub-branches to fully use green financial products in support of green and low-carbon industries. To regulate green financial services related to ecological restoration of abandoned mines, the Bank has also formulated the “Implementation Opinions of Huishang Bank on Green Loans for Ecological Restoration of Abandoned Mines”.

The Bank issued the “Administrative Measures of Huishang Bank for Carbon Emission Rights Pledge Financing Business (Trial)” and developed the carbon emission rights pledge financing product. The product helps reduce carbon emission intensity of entities, achieves energy conservation and emission reduction to the utmost extent and promotes green transformation of development, bringing environmental and economic benefits.

As of the end of 2022, The Bank’s green credit balance (PBOC calibre) totalled RMB54.576 billion, an increase of RMB22.396 billion, or 69.59% from the end of 2021. Among them, the total balance of green loans in Anhui Province was RMB 50.209 billion, an increase of RMB 20.153 billion or 67.05% over the end of 2021. The proportion of green credit balance (corporate calibre) in the balance of domestic and foreign currency loans of the Bank was 6.98%, an increase of 2.15 % from the end of 2021. The balance of green bond investment held by the Bank was RMB1.189 billion, an increase of RMB 578 million or 94.58% over the beginning of the year.

[Case] The Bank developed innovative financial service products for the state forest reserve project

According to the “Development Plan on State Forest Reserve (2018-2035)”, China plans to complete 20 million hectares of state forest reserve by 2035. To respond to the plan, the Bank developed innovative financial service products for the state forest reserve project. These loan products, which had a maturity of up to 30 years and could cover 80% of the total investment of the project, were mainly for developing state-owned forest reserve projects. In 2022, the Bank approved RMB 490 million loans for the state forest reserve project and already issued RMB 10 million.

[Case] Issuing “Water Saving Loans” to support the urban-rural integrated water supply project in Susong County

To facilitate the overall development of the urban-rural water supply system, the No. 1 and No. 2 running water plants in the urban area of Susong County in Anhui Province carried out transformation projects on urban-rural water quality improvement and water resource utilization efficiency promotion. The total investment reached RMB 340,546.8 thousand. The Bank paid high attention to the projects and designated principals from Anqing Branch to take charge of the implementation. On 28 June 2022, the Bank approved project loans of RMB 270 million. As of the end of 2022, all the loans were issued.



1.3 Green credit management

The Bank earnestly implements national laws and regulations on environmental protection and relevant policies and provisions, and strictly executes the “one-vote veto” policy for environmental protection issues as required by related regulators. The Bank has formulated green credit extension policies to direct credit capital to the fields of resource conservation, technological development and ecological environment protection, guide enterprises to focus on green production and environmental protection, and encourage consumers to practise the green consumption concept, so as to promote sustainable economic and social development.

Allocating resources properly

The Bank strictly controlled the credit granting to heavy-pollution and high-emission industries, and gradually reduced the ratio of loans to those high-pollution, high-energy consumption, and overcapacity industries. The Bank increased the credit support for fields like clean utilisation of coal resources and the shift towards a green economy, supporting the shift towards a green and low-carbon economy while ensuring the security of energy supply. We stepped up efforts to promote the allocation of credit resources to industries and

| | |
|--|---|
| | enterprises with low energy consumption, low resource consumption, low pollution, and low emissions. |
| <u>Due diligence</u> | The Bank implemented a “one-vote veto” policy for environmental protection, conducted investigations from the aspects of industry access, production permits, technical standards, business qualifications, production safety, environmental approval, etc., evaluated, and classified customers’ environmental and social risks, and identified and prevented potential risks arising from non-compliance with the environmental and social standards. |
| <u>Follow-up monitoring after credit granting</u> | Adhering to the principle of “comprehensive management, classified management, dynamic management, and sustainable management”, customers’ environmental and social risk information was included in the range of duration management after credit granting, so as to ensure timely identification and proper handling of customers that fails to meet relevant national environmental and social standards. |
| <u>Assessment and evaluation indicators</u> | The Bank established a green credit assessment system by a series of indicators such as the implementation of the green credit system, growth rate of the green credit business, ratio of green loan balance, quality of green credit statistical data and implementation of risk limits for overcapacity industries. Conclusions from the assessment were directly reflected in the annual performance assessment of branches. |

2. Promoting green operation

2.1 Advocating green office

Strictly following the “Environmental Protection Law of the People’s Republic of China” and other laws and regulations, the Bank makes great efforts to achieve environmental objectives in its operation, continuously improves the scope and accuracy of energy and resource utilisation, and strives to promote the green, low carbon and sustainable development of its operation.

- **Reducing emission**

The Bank is committed to promoting emission reduction, monitors emissions and waste from daily operations, and takes active measures to reduce its impact on the environment.

As a financial institution, the Bank produces little emissions of industrial effluent, waste gases or hazardous wastes. We dispose and discharge a small amount of office and domestic wastewater in accordance with applicable laws and regulations including the “Water Pollution Prevention and Control Law of the People’s Republic of China”.

Greenhouse gas emissions of the Bank are mainly attributed to the purchased electricity and the combustion of petrol and fossil fuels by the Bank’s commercial vehicles. The Bank takes measures to preserve energy and reduce emissions, such as promoting energy conservation, adopting LED light sources, and strictly controlling the use of vehicles.

The Bank has been strictly following the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. All waste in its office buildings are sorted. Non-recyclable wastes will be timely handled by municipal cleaning companies. Recyclable wastes will be placed at temporary sites and recycled on time by specialised recycling companies.

| Emissions | 2022 | 2021 | 2020 |
|--|----------------------|----------------------|----------------------|
| Total GHG emissions (Scopes 1 and 2) (tonnes of CO₂ equivalent) | 28,130.1 | 4,074.3 | 3,869.5 |
| Direct GHG emissions (Scope 1) (tonnes of CO₂ equivalent) | 2,857.4 | 646.8 | 648.9 |
| Including: Natural gas emissions (tonnes of CO₂ equivalent) | 1,827.7 | 535.8 | 557.8 |
| Including: Petrol emissions (tonnes of CO₂ equivalent) | 1,029.6 | 111.1 | 91.1 |
| Indirect GHG emissions (Scope 2) (tonnes of CO₂ equivalent) | 25,272.7 | 3,427.5 | 3,220.6 |
| Including: Purchased electricity emissions (tonnes) | 25,272.7 | 3,427.5 | 3,220.6 |
| Total GHG emissions per employee (tonnes of CO₂ equivalent/employee) | 5.28 | 2.9 | 2.9 |
| Wastewater discharge (10 thousand tonnes) | 14.27 | 3.0 | 2.8 |
| Total non-hazardous waste emissions (tonnes) | 81.81 | 10.1 | 13.6 |
| Non-hazardous emission intensity (tonnes/employee) | 4.0×10 ⁻² | 7.2×10 ⁻³ | 1.0×10 ⁻² |

Notes: 1. The statistics of the KPIs for resource use include the headquarters and branches of the Bank, the scope of which is larger than that in previous years; (Among them, the total amount and density of non-hazardous waste only include the data of the headquarters of Huishang Bank.) The headquarters of the Bank was relocated to the new office building in 2022. Therefore, the data are significantly different from those of previous years.

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

3. Greenhouse gases include carbon dioxide. Greenhouse gas emissions are presented as CO₂e and accounted for according to the “Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Public Building Operators” issued by the National Development and Reform Commission.

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

5. The Bank’s main source of water and electricity consumption is the data centre. In 2022, data centre accounted for 52.9% of the electricity consumption of the headquarters building.

6. The headcount includes all employees in the head office and branch premises, as well as outsourced personnel such as property.

● **Reducing resource consumption**

In strict adherence to the “Energy Conservation Law of the People’s Republic of China”, the Bank is committed to upgrading the use efficiency of resources and energy. Specific measures are as follows:

| | |
|-----------------------------|--|
| <p>Energy saving</p> | <ul style="list-style-type: none"> • Adjust the running time of air conditioners based on real-time weather changes, to minimise electricity and natural gas consumption as far as possible. • Reduce standby time for office equipment such as computers, printers and photocopiers. • Take advantage of natural light where possible to reduce electricity consumed for lighting. • Set up elevators in an intelligent manner to avoid separate operations without passengers, etc. • Urge property management personnel to enhance equipment maintenance. • Increase inspection of buildings to avoid unnecessary lighting in daylight or leaving lights on all day. • Collectively control light use, using LED energy-saving lamps and inductive switches in public areas. |
| <p>Water saving</p> | <ul style="list-style-type: none"> • Induction faucets applied in areas such as the restaurants and restrooms. |

| | |
|---------------------|--|
| | <ul style="list-style-type: none"> Strengthen water management in key areas by putting up logos, conducting routine patrolling, etc., and avoid “water running out, bubbling, leaking or dripping”. Enhance resource utilisation by adopting a rain and sewage water diversion system. |
| Green office | <ul style="list-style-type: none"> With active use of telecommuting to reduce unnecessary business travel, the Bank held 219 video conferences during the reporting period. Set up office supplies purchase and receipt policies to regulate the procedures of office supplies maintenance, receipt, recycling, and disposal, etc.; circulate documents through the OA system. Default to double-sided printing, in an effort to cut paper waste. |

[Case] Building the green data centre

In 2022, the Bank continued to improve the infrastructure management system of Binhu Data Centre, enhance the energy utilisation of the centre, and reduce its PUE (Power Usage Effectiveness) value. The Bank has set the goal of achieving a PUE of no more than 1.5 by 2025 and has planned an energy conservation improvement plan for the next three years. Specific measures of Binhu Data Centre include establishing a monitoring and management system for energy consumption, optimising the power density of the cabinet, adjusting the operation of precision air conditioning, installing an intelligent spraying system, etc.

| Use of resources | 2022 | 2021 | 2020 |
|---|----------|---------|---------|
| Total energy consumption (MWh) | 49,284.7 | 8,005.9 | 7,740.5 |
| Total direct energy consumption (MWh) | 13,352.7 | 3,133.9 | 3,162.5 |
| Including: Gasoline (10 thousand litre) | 46.4 | 5.0 | 4.1 |
| Including: Natural gas (10 thousand m³) | 84.5 | 24.8 | 25.8 |
| Total indirect energy consumption (MWh) | 35,932.0 | 4,872.0 | 4,578.0 |
| Including: Electricity purchased (10 thousand kWh) | 3,593.2 | 487.2 | 457.8 |
| Total energy consumption per employee (MWh/employee) | 9.3 | 5.7 | 5.9 |

| | | | |
|---|------|------|------|
| Water consumption (10 thousand tonnes) | 17.8 | 3.8 | 3.5 |
| Water consumption per employee (tonnes/employee) | 33.5 | 27.1 | 26.5 |

Notes: 1. The statistics of the KPIs for resource use include the headquarters and branches of the Bank, the scope of which is larger than that in previous years; (Among them, the total amount and density of non-hazardous waste only include the data of the headquarters of Huishang Bank.) The headquarters of the Bank was relocated to the new office building in 2022. Therefore, the data are significantly different from those of previous years.

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

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

4. The Bank’s main source of water and electricity consumption is the data centre. In 2022, data centre accounted for 52.9% of the electricity consumption of the headquarters building.

5. The headcount includes all employees in the head office and branch premises, as well as outsourced personnel such as property.

2.2 Promoting green procurement

Pursuant to applicable laws, regulations and policies including the “Bidding Law of the People’s Republic of China” and the “Regulation on the Implementation of the Bidding Law of the People’s Republic of China”, the Bank enhanced the regulated management of procurement from the aspects of supplier admission, annual supplier assessment, etc. In 2022, we revised the “Plan for Dynamic Evaluation and Management for Bidding Agencies” to specify the scope, methods and management of evaluation, further strengthening the management of the Bank’s centralised procurement bidding agencies and improving the quality and efficiency of centralised procurement. As of the end of 2022, the Bank had a total of 1,046 centralised procurement suppliers, including 590 suppliers in Anhui Province and 456 suppliers beyond Anhui Province.

For the supplier admission, the Bank strictly adheres to green environmental protection standards and gives priority to the energy-saving environmental protection products. We grant additional points during admission assessment to suppliers who have obtained the environmental management system certification and the quality control system certification. We also require suppliers to exhibit their green, energy-saving and low-carbon environmental protection practices, and specifically require that tender documents be printed on both sides with simple decoration.

In terms of supplier supervision, we establish and improve the supplier adverse information notification mechanism and carry out daily supervision and annual evaluation according to the supplier’s product performance, service ability and service efficiency as indicators. In the annual evaluation, we divide suppliers into four grades: A, B, C, and D, of which C and D are unqualified suppliers and will be eliminated. In 2022,

the Bank conducted an annual evaluation of all suppliers, and the results are as follows: Grade A for 781 suppliers, Grade B for 255 suppliers, Grade C for 6 suppliers and Grade D for 4 suppliers.

2.3 Response to climate changes

Extreme weather such as heat, typhoons and droughts caused by global warming may have a significant impact on the sound operation of the Bank. The Bank actively responded to such risks by formulating the “Emergency Response Plan of Huishang Bank for Natural Disasters”, “Emergency Response Plan of Huishang Bank for Flood Control”, etc. In 2022, the Bank continued to promote the “Safe Huishang Bank”, such as improving protection against extreme weather such as typhoons, heavy rains, and floods, further improving detailed management of safety and security work, and fostering a safe and stable environment for business operation.

GRI Standards Index

| | |
|-------------------------|---|
| Statement of use | Huishang Bank prepared the report from 1 January 2022 to 31 December 2022 in accordance with the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standards | Disclosure Title | Chapter (s) | Remark |
|---|--|--|---------------|
| General Disclosures | | | |
| GRI 2: | | | |
| General Disclosures | | | |
| The Organisation and its Reporting Practices | 2-1 Organisational details | Information | |
| | 2-2 Entities included in the organisation's sustainability reporting | Information | |
| | 2-3 Reporting period, frequency and contact point | Information | |
| | 2-4 Restatements of information | Not applicable | |
| | 2-5 External assurance | Not applicable | |
| Activities and Workers | 2-6 Activities, value chains and other business relationships | About the Bank | |
| | 2-7 Employee | Safeguarding employees' interests and rights | |
| | 2-8 Workers who are not employees | Safeguarding employees' interests and rights | |
| Governance | 2-9 Governance structure and composition | Consolidating modern corporate governance | |
| | 2-10 Nomination and selection of the highest governance body | Consolidating modern corporate governance | |
| | 2-11 Chair of the highest governance body | Consolidating modern | |

| | | |
|---|--|---|
| | | corporate governance |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Consolidating modern corporate governance |
| | 2-13 Delegation of responsibility for managing impacts | Consolidating modern corporate governance |
| | 2-14 Role of the highest governance body in sustainability reporting | ESG and Social responsibility governance |
| | 2-15 Conflicts of interest | Not applicable |
| | 2-16 Communication of critical concerns | Consolidating modern corporate governance |
| | 2-17 Collective knowledge of the highest governance body | Consolidating modern corporate governance |
| | 2-18 Evaluation of the performance of the highest governance body | Consolidating modern corporate governance |
| | 2-19 Remuneration policies | Safeguarding employees' interests and rights |
| | 2-20 Process to determine remuneration | Safeguarding employees' interests and rights |
| | 2-21 Annual total compensation ratio | Not applicable |
| Strategy, Policies and Practices | 2-22 Statement on sustainable development strategy | ESG and Social responsibility governance |
| | 2-23 Policy commitments | ESG and Social responsibility governance |

| | | | |
|--|--|--|--|
| | 2-24 Embedding policy commitments | ESG and Social responsibility governance | |
| | 2-25 Processes to remediate negative impacts | ESG and Social responsibility governance | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Stakeholder engagement | |
| | 2-27 Compliance with laws and regulations | Not applicable | No significant instances of non-compliance with laws and regulations |
| | 2-28 Membership associations | Not applicable | |
| Stakeholder Engagement | 2-29 Approach to stakeholder engagement | Stakeholder engagement | |
| | 2-30 Collective bargaining agreements | Maintaining transparent communication channels | |
| Material topics | | | |
| GRI 3: Material Topics Disclosures on Material Topics | | | |
| | 3-1 Process to determine material topics | Materiality assessment analysis | |
| | 3-2 List of material topics | Materiality assessment analysis | |
| | 3-3 Management of material topics | Materiality assessment analysis | |
| GRI 201: Economic Performance | 201-1 Direct economic value generated and distributed | Responsibility performance | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Overall risk management | |

| | | |
|-----------------------------------|--|--|
| | 201-3 Defined benefit plan obligations and other retirement plans | Safeguarding employees' interests and rights |
| | 201-4 Financial assistance received from government | Not applicable |
| GRI 202: | | |
| Market Presence | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Not applicable |
| | 202-2 Proportion of senior management hired from the local community | Not applicable |
| GRI 203: | | |
| Indirect Economic Impacts | 203-1 Infrastructure investments and services supported | Benefiting people's well-being |
| | 203-2 Significant indirect economic impacts | Not applicable |
| GRI 204: | | |
| Procurement Practices | 204-1 Proportion of spending on local suppliers | Not applicable |
| GRI 205: | | |
| Anti-corruption | 205-1 Operations assessed for risks related to corruption | Not applicable |
| | 205-2 Communication and training about anti-corruption policies and procedures | Adhering to business ethics |
| | 205-3 Confirmed incidents of corruption and actions taken | Adhering to business ethics |
| GRI 206: | | |
| Anti-competitive Behaviour | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Not applicable |
| GRI 207: | | |
| Tax | 207-1 Approach to tax | Not applicable |
| | 207-2 Tax governance, control and risk management | Not applicable |
| | 207-3 Stakeholder engagement and management of concerns related to tax | Not applicable |
| | 207-4 Country-by-country reporting | Not applicable |
| GRI 301: | | |
| Materials | 301-1 Materials used by weight or volume | Not applicable |
| | 301-2 Recycled input materials used | Not applicable |

| | | |
|---|---|-------------------------|
| | 301-3 Reclaimed products and their packaging materials | Not applicable |
| GRI 302: Energy | 302-1 Energy consumption within the organisation | Advocating green office |
| | 302-2 Energy consumption outside of the organisation | Advocating green office |
| | 302-3 Energy intensity | Advocating green office |
| | 302-4 Reduction of energy consumption | Advocating green office |
| | 302-5 Reductions in energy requirements of products and services | Advocating green office |
| GRI 303: Water and Effluents | 303-1 Interactions with water as a shared resource | Advocating green office |
| | 303-2 Management of water discharge related impacts | Advocating green office |
| | 303-3 Water withdrawal | Advocating green office |
| | 303-4 Water discharge | Advocating green office |
| | 303-5 Water consumption | Advocating green office |
| GRI 304: Biodiversity | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Not applicable |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Not applicable |
| | 304-3 Habitats protected or restored | Not applicable |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Not applicable |
| GRI 305: Emissions | 305-1 Direct (Scope 1) GHG emissions | Advocating green office |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Advocating green office |
| | 305-3 Other indirect (Scope 3) GHG emissions | Advocating green office |

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| | 305-4 GHG emissions intensity | Advocating green office |
| | 305-5 Reduction of GHG emissions | Advocating green office |
| | 305-6 Emissions of ozone-depleting substances (ODS) | Not applicable |
| | 305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions | Not applicable |
| GRI 306: Waste | 306-1 Waste generation and significant waste-related impacts | Advocating green office |
| | 306-2 Management of significant waste-related impacts | Advocating green office |
| | 306-3 Waste generated | Advocating green office |
| | 306-4 Waste diverted from disposal | Advocating green office |
| | 306-5 Waste directed to disposal | Advocating green office |
| GRI 308: Supplier Environmental Assessment | 308-1 New suppliers that were screened using environmental criteria | Promoting green procurement |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Promoting green procurement |
| GRI 401: Employment | 401-1 New employee hires and employee turnover | Safeguarding employees' interests and rights |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Safeguarding employees' interests and rights |
| | 401-3 Parental leave | Safeguarding employees' interests and rights |
| GRI 402: Labour/Management Relations | 402-1 Minimum notice periods regarding operational changes | Not applicable |

| | | |
|---|---|--|
| GRI 403: Occupational Health and Safety | 403-1 Occupational health and safety management system | Creating “Safe Huishang Bank” |
| | 403-2 Hazard identification, risk assessment and incident investigation | Creating “Safe Huishang Bank” |
| | 403-3 Occupational health services | Creating “Safe Huishang Bank” |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Creating “Safe Huishang Bank” |
| | 403-5 Worker training on occupational health and safety | Creating “Safe Huishang Bank” |
| | 403-6 Promotion of worker health | Creating “Safe Huishang Bank” |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Creating “Safe Huishang Bank” |
| | 403-8 Workers covered by an occupational health and safety management system | Creating “Safe Huishang Bank” |
| | 403-9 Work-related injuries | Creating “Safe Huishang Bank” |
| | 403-10 Work-related ill health | Creating “Safe Huishang Bank” |
| GRI 404: Training and Education | 404-1 Average hours of training per year per employee | Supporting education |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Supporting education |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Supporting education |
| GRI 405: Diversity and Equal Opportunity | 405-1 Diversity of governance bodies and employees | Consolidating modern corporate governance |
| | 405-2 Ratio of basic salary and remuneration of women to men | Safeguarding employees’ interests and rights |

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|--|--|--|----------------------------|
| GRI 406: Non-discrimination | 406-1 Incidents of discrimination and corrective actions taken | Not applicable | No such incidents occurred |
| GRI 407: Freedom of Association and Collective Bargaining | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Not applicable | |
| GRI 408: Child Labour | 408-1 Operations and suppliers at significant risk for incidents of child labour | Not applicable | No such incidents occurred |
| GRI 409: Forced or Compulsory Labour | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | Not applicable | No such incidents occurred |
| GRI 410: Security Practices | 410-1 Security personnel trained in human rights policies or procedures | Not applicable | |
| GRI 411: Rights of Indigenous Peoples | 411-1 Incidents of violations involving rights of indigenous peoples | Not applicable | No such incidents occurred |
| GRI 413: Local Communities | 413-1 Operations with local community engagement, impact assessments, and development programs | Not applicable | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Not applicable | No such incidents occurred |
| GRI 414: Supplier Social Assessment | 414-1 New suppliers that were screened using social criteria | Promoting green procurement | |
| | 414-2 Negative social impacts in the supply chain and actions taken | Not applicable | No such incidents occurred |
| GRI 415: Public Policy | 415-1 Political contributions | Not applicable | No such incidents occurred |
| GRI 416: | 416-1 Assessment of the health and safety impacts of product and service categories | Safeguarding users' rights and interests | |

| | | | |
|---|---|--|----------------------------|
| Customer Health and Safety | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Not applicable | No such incidents occurred |
| GRI 417: Marketing and Labelling | 417-1 Requirements for product and service information and labelling | Safeguarding users' rights and interests | |
| | 417-2 Incidents of non-compliance concerning product and service information and labelling | Not applicable | No such incidents occurred |
| | 417-3 Incidents of non-compliance concerning marketing communications | Not applicable | No such incidents occurred |
| GRI 418: Customer Privacy | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer | Not applicable | No such incidents occurred |

ESG Reporting Guide Index

| KPI | Description | Chapter (s) | Remark |
|----------------------------|---|-------------------------|--|
| A1 Emissions | | | |
| General Disclosures | 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. | Advocating green office | |
| A1.1 | The types of emissions and respective emissions data | Advocating green office | |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility) | Advocating green office | |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility) | Not applicable | Hazardous wastes produced from the Bank's operation are recycled by vendors for disposal |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility) | Advocating green office | |
| A1.5 | Description of emission target(s) set and steps taken to achieve them | Advocating green office | |
| 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 | Advocating green office | |
| A2 Use of Resources | | | |
| General Disclosures | Policies on the efficient use of resources, including energy, water and other raw materials. | Advocating green office | |
| 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 | Advocating green office | |

| | | | |
|---|--|--|--|
| | facility) | | |
| A2.2 | Total water consumption and intensity (e.g., per unit of production volume, per facility) | Advocating green office | |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Advocating green office | |
| 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 | Advocating green office | |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | Not applicable | The item is not relevant to the Bank's operation |
| A3 The Environment and Natural Resources | | | |
| General Disclosures | Policies on minimising the issuer's significant impact on the environment and natural resources | Not applicable | The item is not relevant to the Bank's operation |
| A3.1 | Description of the significant impacts of business activities on the environment and natural resources and actions taken to manage them | Not applicable | The item is not relevant to the Bank's operation |
| A4 Climate Change | | | |
| General Disclosures | Polices on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer | Developing green finance | |
| 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 | Developing green finance | |
| B1 Employment | | | |
| General Disclosures | Policies on remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with relevant laws and regulations that have a significant impact on issuers | Safeguarding employees' interests and rights | |

| | | |
|-------------|---|--|
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region | Safeguarding employees' interests and rights |
| B1.2 | Employee turnover ratio by gender, age group and geographical region | Safeguarding employees' interests and rights |

B2 Health and Safety

| | | |
|----------------------------|--|-------------------------------|
| | Information on: | |
| General Disclosures | (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 | Creating "Safe Huishang Bank" |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | No such incidents occurred |
| B2.2 | Lost days due to work injury | Creating "Safe Huishang Bank" |
| B2.3 | Description of occupational health and safety measures adopted and how they are implemented and monitored | Creating "Safe Huishang Bank" |

B3 Development and Training

| | | |
|----------------------------|--|----------------------|
| General Disclosures | Policies on improving employees' knowledge and skills for discharging duties at work | Supporting education |
| | Description of training activities | |
| B3.1 | The percentage of employees trained by gender and employee category (e.g., senior management, middle management) | Supporting education |

| | | |
|-------------|---|----------------------|
| B3.2 | The average training hours completed per employee by gender and employee category | Supporting education |
|-------------|---|----------------------|

B4 Labour Standards

| | | |
|----------------------------|---|--|
| General Disclosures | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labour | Safeguarding employees' interests and rights |
|----------------------------|---|--|

| | | |
|-------------|---|--|
| B4.1 | Description of measures to review employment practices to avoid child and forced labour | Safeguarding employees' interests and rights |
|-------------|---|--|

| | | |
|-------------|--|--|
| B4.2 | Description of steps taken to eliminate such practices when discovered | Safeguarding employees' interests and rights |
|-------------|--|--|

B5 Supply Chain Management

| | | |
|----------------------------|--|-----------------------------|
| General Disclosures | Policies on managing environmental and social risks of the supply chain | Promoting green procurement |
|----------------------------|--|-----------------------------|

| | | |
|-------------|---|-----------------------------|
| B5.1 | Number of suppliers by geographical regions | Promoting green procurement |
|-------------|---|-----------------------------|

| | | |
|-------------|--|-----------------------------|
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | Promoting green procurement |
|-------------|--|-----------------------------|

| | | |
|-------------|---|-----------------------------|
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Promoting green procurement |
|-------------|---|-----------------------------|

| | | |
|-------------|--|-----------------------------|
| B5.4 | Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored | Promoting green procurement |
|-------------|--|-----------------------------|

B6 Product Responsibility

| | | |
|----------------------------|---|--|
| General Disclosures | <p>Information on:</p> <p>(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</p> | <p>Promoting progress for real economy development</p> <p>Upgrading financial services with digital innovation</p> |
|----------------------------|---|--|

| | | | |
|-------------|---|--|--|
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | Not applicable | The item is not relevant to the Bank's operation |
| B6.2 | Number of products and services related complaints received and how they are dealt with | Safeguarding users' rights and interests | |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights | Intellectual property rights management | |
| B6.4 | Description of quality assurance process and recall procedures | Not applicable | The item is not relevant to the Bank's operation |

| | | |
|-------------|--|--------------------------------------|
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored | Guarding against information leakage |
|-------------|--|--------------------------------------|

B7 Anti-corruption

| | | |
|----------------------------|---|-----------------------------|
| General Disclosures | 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 | Adhering to business ethics |
|----------------------------|---|-----------------------------|

| | | |
|-------------|---|-----------------------------|
| 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 | Adhering to business ethics |
|-------------|---|-----------------------------|

| | | |
|-------------|--|-----------------------------|
| B7.2 | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored | Adhering to business ethics |
|-------------|--|-----------------------------|

| | | |
|-------------|---|-----------------------------|
| B7.3 | Description of anti-corruption training provided to directors and staff | Adhering to business ethics |
|-------------|---|-----------------------------|

B8 Community Investment

| | | |
|----------------------------|--|------------------------|
| General Disclosures | 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 | Giving back to society |
|----------------------------|--|------------------------|

| | | |
|-------------|---|------------------------|
| B8.1 | Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport) | Giving back to society |
|-------------|---|------------------------|

B8.2 Resources contributed (e.g., money or time) to the focus area Giving back to society

Readers Feedback Form

Thank you for reading “Huishang Bank 2022 Social Responsibility Report”. In order to provide more valuable information to the Bank’s stakeholders and improve its ability and level of fulfilling social responsibilities, the Huishang Bank would welcome any feedback or suggestions you might have about this report.

You can send this form to any of the following:

Email address: bangongshi@hsbank.com.cn

Mailing address: Huiyin Building, No. 1699 Yungu Road, Baohe District, Hefei City, Anhui Province, China

How would you rate your opinion of Huishang Bank 2022 Social Responsibility Report?

Very High High Neutral Low Very Low

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

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

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

Excellent Good Fair Poor Terrible

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

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

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

Yes Neutral No

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



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