

China Merchants Bank Co., Ltd.

Sustainability Report 2024

H Share Stock Code: 03968

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I. About the Report

Since 2007, China Merchants Bank Co., Ltd. (referred to as “China Merchants Bank”, “CMB”, or “the Company”) has annually published Social Responsibility/Sustainability Reports, focusing on disclosing sustainability-related information in the fields of environmental, social, and governance (ESG). This report is the 19th Social Responsibility/Sustainability Report released by the Company.

Reporting Scope

- Organizational Scope:** The report covers the Company, its subsidiaries including CMB Wing Lung Bank Limited (“CMB Wing Lung Bank”), CMB Financial Leasing Co., Ltd. (“CMB Financial Leasing”), CMB International Capital Holdings Corporation Limited (“CMB International Capital”), CMB Wealth Management Company Limited (“CMB Wealth Management”), China Merchants Fund Co., Ltd. (“China Merchants Fund”), CIGNA & CMB Asset Management Company Limited (“CIGNA & CMAM”), China Merchants Bank (Europe) Co., Ltd. (“CMB Europe S.A.”), as well as joint ventures such as CIGNA & CMB Life Insurance Co., Ltd. (“CIGNA & CMB Life Insurance”) and Merchants Union Consumer Finance Company Limited (“MUCFC”).
- Time Frame:** The report covers activities from January 1, 2024 to December 31, 2024, with some content going beyond these dates to ensure continuity.

Reporting Standards

As a company listed on the main boards of the Shanghai Stock Exchange (stock code: 600036) and the Hong Kong Stock Exchange (stock code: 03968), the report is prepared with reference to *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the Hong Kong Stock Exchange’s *Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code*. The disclosure of each indicator in this report can be found in the Index of *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the Index of *Hong Kong Stock Exchange Environmental, Social, and Governance Reporting Code* in the Content Index.

In addition, the report is prepared with reference to the Global Sustainability Standards Board (GSSB) *Sustainability Reporting*

Standards (GRI Standards), with the disclosure of each indicator available in the Content Index under the GRI Standards Content Index.

This report follows the disclosure principles outlined in the Hong Kong Stock Exchange’s ESG Reporting Code:

- **Materiality:** This report discloses the sustainability issues materiality assessment conducted during the year under “Sustainability Management”, including the processes, methods, and results of identifying sustainability issues, the identified stakeholder groups, and their engagement modes and frequency. The process and results of the materiality analysis of sustainability topics are reviewed and approved by the CMB Board of Directors along with other contents in the report.
- **Quantification:** This report uses a quantitative approach to measure applicable key performance indicators and discloses the measurement methods and processes. Specifically, in the “Environmental Key Performance” section, the report discloses the sources of standards and conversion factors used in calculating Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and energy consumption.

- **Consistency:** Some key performance indicator statistical methods in this report have changed compared to the previous year. For details, please refer to the “Environmental Key Performance”, “Social Key Performance”, “Governance Key Performance” sections for explanations of changes in indicators and data calibers.

Data and Information Sources

The information and data disclosed in this report are mainly obtained through the following methods:

- Company’s internal data collection system and related statistical reports
- Excellent sustainability practice cases
- Qualitative and quantitative information collection forms based on the reporting framework

All operational data disclosed in the report is sourced from the *China Merchants Bank Co., Ltd. Annual Report 2024* (referred to as “*Annual Report*”). In case of any discrepancies, the data in the Annual Report shall prevail. Unless otherwise specified, all monetary amounts in the report are presented in RMB.

Report Assurance

To ensure the authenticity and reliability of the report, this report has been independently assured by TÜV SÜD China Ltd., an independent third party, in accordance with *the AccountAbility 1000 Assurance Standard v3 (AA1000AS v3)* and *the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised)*. An independent assurance report has been provided,

which can be found in the “Independent Assurance Report” section.

Accessing the Report

This report is available for viewing and downloading on the Shanghai Stock Exchange website (www.sse.com.cn), the Hong Kong Exchanges and Clearing Limited website (www.hkex.com.hk), and our Company’s website (www.cmbchina.com).

II. The Chairman's Statement

2024 witnessed profound transformations in the global landscape, epochal shifts of our times, and historical changes that continue to reshape humanity. The convergence of a new round of technological revolution, industrial transformation, and the low-carbon transition has presented unprecedented opportunities and challenges for human development. Over the past year, China has made steady progress in advancing high-quality development and taken new and solid strides forward in the pursuit of Chinese modernization. Throughout the year, China Merchants Bank remained steadfast in nurturing a profound sense of national responsibility. By elevating our strategic vision, strengthening our commitment, and implementing concrete measures to advance ESG principles, we integrated sustainable development goals into daily operations and management, continuously composing new chapters in “advancing the era through commercial success”.

With the Brush of Green, Co-Creating a Low-Carbon Future.

Guided by our mission to serve national ecological civilization development and the “Dual Carbon” strategy, we deepened our green transformation to foster harmony between humanity and nature. In 2024, we further refined our top-level green development design, establishing dual governance

mechanisms for green finance business development and green operation management, while comprehensively optimizing our climate change response framework. We accelerated green finance innovation, deepened industry-specific operations, and strengthened green product and service development. Notably, we launched the industry's first comprehensive ESG Management Solution for Enterprises and issued the first “Climate Change Mitigation” Themed Green USD Bond among Chinese banks, injecting financial vitality into societal green development. We enhanced our green operation management system, expanded greenhouse gas emission accounting, and actively implemented emission reduction measures. Pioneering prefabricated decoration pilot projects, we improved the efficiency of low-carbon operations. Advocating green principles, we collaborated with clients and partners on initiatives such as carbon reduction, environmental protection, energy conservation, and afforestation, mobilizing public participation in ecological co-creation and fostering a new ethos of green civilization.

With a People-Centered Heart, Embracing Responsibility.

Upholding the ethos of serving the nation through finance, and nurturing a deep commitment to public welfare, we aligned our

growth with the broader national agenda. We enhanced our contributions to the real economy and social well-being, achieving synergy between economic and societal value. In 2024, we vigorously supported the development of modern industrial systems, prioritizing five strategic themes: technology finance, green finance, inclusive finance, pension finance, and digital finance. We increased resource allocation, optimized organizational structures, and cultivated distinctive advantages. We actively integrated into national regional strategies, aiding the development of Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle. We advanced high-level opening-up by refining cross-border financial services, supporting Chinese enterprises in global expansion, and facilitating dual domestic-international circulation. Committed to rural revitalization, we expanded agricultural loans and deepened 25 years of targeted poverty alleviation in Wuding and Yongren, Yunnan Province, through education, healthcare, industry, ecology, and talent initiatives. Strengthening consumer rights protection, we broadened the reach, precision, and warmth of client services, meeting societal demands for high-quality financial solutions.

With the Helm of Governance, Steering Steady Growth. We have continuously enhanced the corporate governance

standardization and effectiveness, thereby driving high-quality sustainable development through high-quality governance. In 2024, we further refined our corporate governance framework, optimized the composition of the Board of Directors, and improved the diversity and inclusivity of decision-making mechanisms. We strengthened the “Technology Empowering Bank” strategy by restructuring the Digital Transformation Committee into the Digital Finance Committee. Under strict adherence to technology ethics, we actively explored new models such as “AI + Finance” and “Human + Digital Intelligence”, accelerating our transition from “Online CMB” to “Digital Intelligent CMB”. We consolidated our fortress-style overall risk and compliance management system, maintaining robust asset quality and industry-leading loan loss provision coverage ratio, thereby safeguarding against systemic risks. We intensified the development of an “Integrity CMB”, enhancing education on integrity culture and adopting a “zero-tolerance” stance in disciplinary oversight and accountability to foster a transparent and ethical work environment. We expanded platforms for employee growth, improved talent exchange mechanisms, refined hierarchical training systems, elevated professional competencies, and promoted shared growth and development between employees and the Company.

2025 marks the conclusion of the 14th Five-Year Plan and the formulation of the 15th Five-Year Plan. Anchored in our strategic objective to become a value-creating bank, we will resonate with the pulse of our times, align with the trajectory of civilizational progress, and remain deeply rooted in the well-being of the people. Through reform and innovation, we will explore, pioneer, and broaden the path of financial development with Chinese characteristics, and dedicate CMB's

strength to building China into a financial powerhouse!

Miao Jianmin

China Merchants Bank Co., Ltd.

Chairman

March 2025

III. The President's Statement

In 2024, amid a complex and volatile external operating environment marked by both opportunities and challenges, China Merchants Bank remained steadfast in our original aspiration of serving the nation through finance, anchored in the strategic vision of becoming a value bank, deepened our commitment to sustainable development, fostered a high-quality growth model driven by “strict governance and principled innovation”, and strived to create greater comprehensive value for clients, employees, shareholders, partners, and society at large. This effort yielded “steady progress and upward momentum” in our operational performance, with MSCI upgrading our ESG rating to AAA.

Nourishing All Sectors, We Channeled Financial Vitality to Support the Real Economy. Serving national strategies and supporting the real economy are integral to our mission. We rigorously implemented national macroeconomic policies and regulatory requirements, focusing on the development of a modern industrial system and new quality productive forces. By increasing resource allocation, enhancing product innovation, and accelerating service upgrades, we deepened our support for “Two Major Projects and Two New Initiatives”, actively implemented financing coordination mechanisms for the real

estate sector and small and micro enterprises, and provided financing totaling RMB3.5 trillion to 72,000 corporate clients and 5.46 million individual clients throughout the year. We prioritized the five strategic themes, by the end of 2024, loans for technology, green, and inclusive finance grew by 9.73%, 9.03%, and 10.37%, respectively, outpacing the Company's average loan growth. Services for the silver economy and digital economy also improved significantly, the cumulative number of personal pension accounts opened has exceeded 10 million, and the number of corporate clients using our financial cloud services has reached 615,200. We bolstered high-level opening-up by refining cross-border financial services to support the Belt and Road Initiative and Chinese enterprises' global expansion, achieving 19.26% and 19.40% growth in cross-border payments and client transactions. Aligning with national policies, we reduced fees for fund and insurance sales, lowered existing mortgage rates, and waived payment service charges, saving clients over RMB10 billion in total.

Empowering Millions, We Enhanced Public Well-Being Through Excellence in Service. Upholding the people-centered value orientation is at the core of our heart. We focused on enabling a better life for the people and advancing

the goal of “common prosperity”, continuously improving professional service capabilities in wealth management, asset management, payment and settlement, retail credit, and other areas. By expanding the supply of inclusive financial products, we created value for more clients. The number of retail wealth management clients increased by 13.31% compared to the end of the previous year, with CMB Wealth Management, China Merchants Fund, and Merchants Union Consumer Finance serving 35.78 million, 70.53 million, and 158.75 million individual clients, respectively. We promoted financial inclusion through technological empowerment, increasing investments in technology, advancing R&D and application of cutting-edge technologies, and building a “Human + Digital Intelligence” customer service model. This has reduced transaction costs, expanded service boundaries, and improved efficiency, bringing financial accounts and quality services to millions of households. The monthly active users (MAU) of CMB App and CMB Life App reached 123 million. We enhanced financial accessibility for new urban residents, seniors, and foreign nationals. Tailored financial products for new urban residents were launched, with annual loans exceeding RMB100 billion to this group. Senior-friendly and barrier-free services were expanded through multiple channels, including a dedicated hotline for elderly clients (95555), achieving a service satisfaction rate of 99.58%. We optimized account opening and

payment services for foreign nationals in China by introducing an English version of the CMB App. Strengthening consumer rights protection, we further improved long-term mechanisms for consumer rights protection, implementing 9 service enhancement initiatives. Diverse financial education campaigns were conducted 34,700 times, covering 565 million financial consumers. We intensified efforts to combat telecom fraud, intercepting more than 400,000 suspected fraudulent transactions throughout the year.

Giving Back, We Amplified Social Good with Purpose.

Actively contributing to society and being a responsible corporate citizen are integral to our vision of building a value bank. We have continuously enhanced our bank-wide public welfare and philanthropy system, launching the “CMB Philanthropy · Love Delivers Results” brand and establishing a dedicated volunteer team to deepen engagement in charitable activities such as poverty alleviation, educational support, and environmental conservation. Through our philanthropic platforms, we mobilized 517,200 participants in the “More Pleasure from Monthly Donations” program. The “Points for Micro Charity” platform donated 2.8561 million free meals and 346,500 books for children. We wholeheartedly supported rural revitalization, with agricultural loan balances growing by 19.85% compared with the beginning of the year. For 25

consecutive years, we have implemented targeted assistance in Wuding and Yongren counties, Yunnan Province, investing RMB56.0665 million in 54 projects in 2024 and facilitating agricultural product sales worth RMB23.3707 million.

Pioneering Green Growth, We Helped Build a Beautiful China. Actively advancing the “Dual Carbon” strategy is a concrete practice of our commitment to the new development philosophy. We accelerated the development of green finance, refined the “Five Horizontal and Seven Vertical” green product and service system, and introduced innovative offerings such as carbon pledge repurchase transactions and low-carbon green credit cards. We strengthened specialized services for green energy, green transportation, and green transformation of traditional industries. The total balance of green finance product aggregate (FPA), green retail, and green investment across all business lines reached RMB1,135.174 billion, representing a 23.33% increase from the previous year. We systematically advanced our internal green transformation by establishing a green operations management committee, building a multi-dimensional, comprehensive green operations management system, deepening energy-saving technology applications, accelerating carbon reduction measures, and enhancing employee awareness of green, low-carbon, and environmental protection practices. In 2024, the Company’s headquarters

building was awarded the “Three-Star Green Property Management Certification” by the Shenzhen Housing and Construction Bureau, becoming a benchmark for green property management in Shenzhen.

Fortifying Foundations, We Strengthened Development with Robust Governance. Adhering to the principle of “Two Unwavering Principles” and continuously improving the modern corporate governance system are fundamental to achieving sustainable, high-quality development. We have further optimized the operational mechanisms of the “Three Committees and One Management Layer” governance structure to ensure efficient decision-making and robust execution. We strengthened the Board of Directors’ ESG governance duties to enhance ESG governance efficacy, and actively engaged in multi-level communication with global investors to articulate the “CMB Story”. Prioritizing compliance, we refined internal control and compliance management systems, vigorously promoted a “law-abiding” compliance culture, and upheld lawful and compliant operations. Risk-centered management remained our focus, as we consolidated our fortress-style risk and compliance management system, effectively preventing and resolving risks in key areas such as real estate and local government debt. Asset quality remained stable, and risk mitigation capabilities stayed robust. We

resolutely advanced anti-corruption initiatives, launching the inaugural “Integrity Culture Promotion Month” and conducting 2,526 integrity training sessions covering 323,400 employees. Accelerating the development of a “professional, diversified, market-oriented, and international” talent system, we aligned employee growth with corporate development, securing a spot among China’s Top 10 Best Employers for the 14th consecutive year and ranking first for the first time.

Looking ahead, the grand vision of Chinese modernization surges forward, and the journey to build a financial powerhouse is radiant with promise. Action achieves results; perseverance leads to success. Guided by our value bank strategy and

committed to serving the real economy and people’s livelihoods, we will dedicate “CMB’s capabilities” to meet “national priorities” and “client needs”, creating greater value for all stakeholders and striving to write a new chapter of high-quality development.

Wang Liang

China Merchants Bank Co., Ltd.

President and Chief Executive Officer

March 2025

IV. Our Sustainability Footprints in 2024

Economic¹

Indicator (Unit)	2022	2023	2024
Total assets (RMB100 million)	101,389.12	110,284.83	121,520.36
Operating income (RMB100 million)	3,447.83	3,391.23	3,374.88
Total profit (RMB100 million)	1,651.13	1,766.18	1,786.52
Net profit (RMB100 million)	1,392.94	1,480.06	1,495.59
Total taxes (RMB100 million)	610.04	562.40	526.48
Non-performing loan ratio (%)	0.96	0.95	0.95

Environmental

Indicator (Unit)	2022	2023	2024
Balance of green loans (RMB100 million)	3,553.57	4,477.65	4,882.00

¹ The statistical scope follows the group scope, covering China Merchants Bank and its subsidiaries.

Converted annual emission reduction of carbon dioxide equivalent from green loan projects (ten thousand tons)	1,613.05	1,778.67	1,928.78
Converted annual emission reduction of standard coal from green loan projects (ten thousand tons)	733.01	799.42	856.08
Converted annual emission reduction of chemical oxygen demand (COD) from green loan projects (ten thousand tons)	35.72	27.66	28.49

Social

Indicator (Unit)	2022	2023	2024
Balance of loans to technology enterprises (RMB100 million)	/	5,380.76	5,904.56
Balance of loans to inclusive SMEs (RMB100 million)	6,783.49	8,042.79	8,876.79
Remote online omni-channel customer satisfaction (%)	98.53	99.10	99.69
Number of monthly active users of CMB App (ten thousand)	6,686.20	7,505.43	8,267.81
Number of new policies, products and services reviewed (item)	76,464	102,983	180,921
Number of ethnic minority employees (person)	4,625	4,942	5,192
Percentage of female employees (%)	56	57	57
Total external donations (RMB100 million)	0.95	1.15	1.27

Governance

Indicator (Unit)	2022	2023	2024
Number of female directors (person)	1	0	2
Number of training attended by board members (session)	4	7	11
Number of anti-corruption trainings (session)	1,500	1,880	2,526
Number of anti-corruption training participants(ten thousand person-times)	16.40	19.79	32.34

V. About CMB

(I) Company Profile

Founded in 1987, China Merchants Bank is headquartered in Shenzhen, China. The Company mainly focuses on the market in China with branches primarily covering major cities in the Chinese mainland, as well as international financial centers such as Hong Kong of China, New York, London, Singapore, Luxembourg and Sydney. The Company was listed on the Shanghai Stock Exchange in April 2002 and the SEHK in September 2006.

Strategic vision: We are committed to building the best value creation bank with innovation-driven development, leading model and distinguished features.

Strategic objective: Building a value creation bank.

The Company upholds the philosophy of win-win business and business for common good to grow into a value creation bank. The Company manages to maximize the comprehensive value of customers, employees, shareholders, partners and the

society, aiming to become a world-class commercial bank.

Core value: Being customer-centered and creating values for customers.

Strategic focus: China Merchants Bank commits to dynamically balanced development in respect of “Quality, Efficiency and Scale”, upholding the central role of retail banking, concentrating on enhancing core capabilities in wealth management, fintech and risk management to foster the continuous evolution of organizational culture. Grounded in the nation’s needs, corporate demands, and China Merchants Bank’s capabilities, the Company diligently applies ESG principles to effectively serve the real economy and meet the needs of the public, paving the way for a new era of high-quality development.

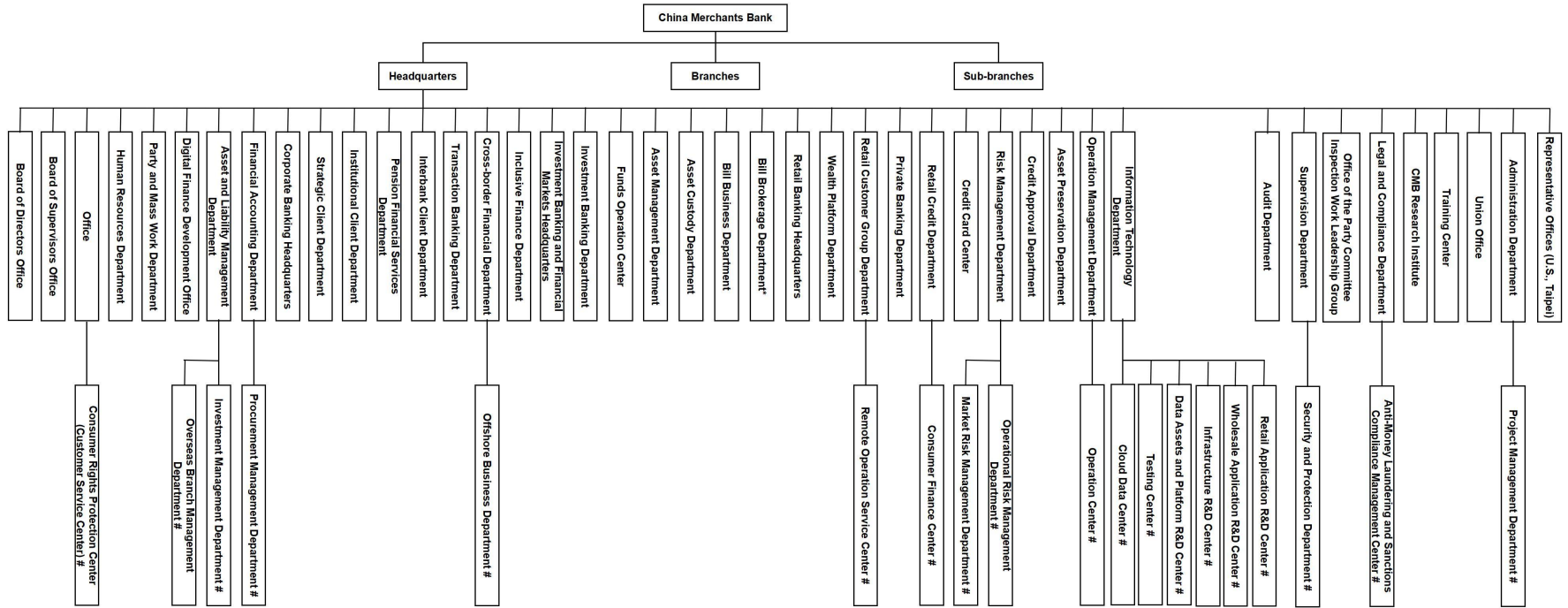
The Company provides customers with various wholesale and retail banking products and services, and maintains treasury businesses for proprietary purpose and on behalf of customers. Many innovative products and services of the Company have

been well accepted by the market. Retail banking services include the account, payment and settlement service based on the “All-in-one” multi-function debit card and credit card, segmented and classified wealth management services including the “Sunflower Wealth Management” services and private banking services, retail credit services, CMB App, CMB Life App, “All-in-one Net” comprehensive online banking service platform, and other online services. Wholesale banking services include payment and settlement, wealth management, investment and financing and digital services, cash management, technology finance, green finance, inclusive finance, pension finance, digital finance, supply chain finance and cross-border finance services, asset management, asset custody and investment banking services etc. The Company continues to tap further into the living and business circles of customers to provide customers with customized, intelligent and comprehensive solutions for their supply chains and investment chains.

The Company has come up with the strategic vision of “building the best value creation bank with innovation-driven

development, leading model and distinguished features” based on the internal and external situation and its own development. The Company actively supports the advancement of Chinese modernization, continuously enhancing the quality and efficiency of its services to the real economy and social well-being. It strives to create greater value for customers, employees, shareholders, partners, and society, making a greater contribution to the progress of Chinese modernization.

(II) Organizational Structure



Note: # denotes secondary departments,
 * denotes independent secondary departments.

(III) Honors and Awards

Category	Granted by	Awards
General	<i>Fortune</i>	<ul style="list-style-type: none"> Ranked on the <i>Fortune Global 500</i> list for 13 consecutive years, securing the 179th position
	<i>The Banker</i> (UK)	<ul style="list-style-type: none"> Ranked 10th globally on the <i>2024 Global Top 1,000 Banks</i> list with a Tier 1 capital of USD148.145 billion, marking its first time in the top 10
	Brand Finance	<ul style="list-style-type: none"> Ranked 10th globally on the <i>2024 Global 500 Most Valuable Banking Brands</i> list with a brand value of USD26.644 billion
	China Central Television (CCTV) Financial Program Center	<ul style="list-style-type: none"> Ranked 37th on the <i>China ESG Listed Companies Pioneers 100 (2024)</i> List
	China Financial Media	<ul style="list-style-type: none"> Selected for the <i>Top 20 Banks in ESG Performance</i> List <i>2024 Typical Case of ESG Practices in the Banking Industry</i>
	Securities Times	<ul style="list-style-type: none"> <i>2024 High-Quality Development Bank Tianji Award</i>

Category	Granted by	Awards
	<i>Yicai</i>	<ul style="list-style-type: none"> • <i>2024 Yicai Financial Value Rankings Annual Joint-Stock Bank</i> • <i>2024 Yicai Financial Value Rankings Most Valuable Wealth Management Joint-Stock Bank</i>
	<i>21st Century Business Herald</i>	<ul style="list-style-type: none"> • <i>Annual Excellence in Banking</i> • <i>2024 Excellence in Brand Influence</i>
	<i>Daily Economic News</i>	<ul style="list-style-type: none"> • <i>Annual Excellence in Retail Banking Award</i>
	<i>Sina Finance</i>	<ul style="list-style-type: none"> • <i>Annual Best Joint-Stock Commercial Bank</i> • <i>Annual Best Fintech Bank</i>
	<i>Southern Weekly</i>	<ul style="list-style-type: none"> • <i>Top 10 in the Banking Industry Overall Ranking</i> • <i>Top 1 in the Digital Finance Ranking</i> • <i>Annual ESG Investment</i>

Category	Granted by	Awards
Environmental	Hong Kong Quality Assurance Agency (HKQAA)	<ul style="list-style-type: none"> Outstanding Green and Sustainable Loan Service Institution (Renewable Energy Category) — Largest Single Sustainability-Linked Loan Award
	China Newsweek	<ul style="list-style-type: none"> 2024 Annual Low-Carbon Case Award
	China.org.cn	<ul style="list-style-type: none"> Annual Outstanding Green Finance Case
	Shenzhen Green Finance Association	<ul style="list-style-type: none"> Best Practice Award for Sustainable Information Disclosure
	KPMG China	<ul style="list-style-type: none"> 2024 Green Finance Pioneer Award
	China Academy of Information and Communications Technology, News and Publicity Center of the Ministry of Industry and Information Technology, Open Data Center Committee, Green Grid Standards Promotion Committee of the China Communications Standardization Association	<ul style="list-style-type: none"> Data Center Green Level AAAA Certification (Design Category)

Category	Granted by	Awards
	Shenzhen Municipal Bureau of Housing and Urban-Rural Development	<ul style="list-style-type: none"> The Headquarters Building Awarded the Highest Honor of <i>Green Property Management Three-Star</i> Certification
	<i>Euromoney</i>	<ul style="list-style-type: none"> <i>Best Digital Bank in China</i> <i>Best National Joint-Stock Private Bank Award</i> <i>Best Digital Bank in the Guangdong-Hong Kong-Macao Greater Bay Area</i>
Social	<i>The Asian Banker</i>	<ul style="list-style-type: none"> <i>Best Wealth Management Bank in Asia-Pacific</i> <i>Best Joint-Stock Retail Bank in China</i> <i>Most Recommended Retail Bank in China (BQS Consumer Survey)</i> <i>Best Retirement/Pension Financial Services in China</i>
	<i>China Banking and Insurance News</i>	<ul style="list-style-type: none"> <i>2023 Annual Outstanding Financial Services for the Elderly Case</i>

Category	Granted by	Awards
	<i>Financial Electronics</i>	<ul style="list-style-type: none"> Jin Ding Award for <i>Outstanding Financial Technology Application Innovation Case</i> <i>15th Financial Technology Application Innovation Award</i>
	Ministry of Industry and Information Technology	<ul style="list-style-type: none"> CMB App's Innovation in Elderly Services Selected as an Excellent Case for <i>Mobile Internet Application Service Capability Enhancement</i> by the Ministry of Industry and Information Technology
	Beijing National FinTech Certification Center	<ul style="list-style-type: none"> Financial Digitalization Capability Maturity Rated with the Highest "Excellence" Certification
	Zhilian Recruitment, Peking University Social Survey Research Center	<ul style="list-style-type: none"> Ranked in the <i>Top 10 of Best Employers of the Year</i> for 14 consecutive years and first-time winner of the top spot <i>Most Socially Responsible Employer</i> <i>Most Female-Attractive Employer</i>

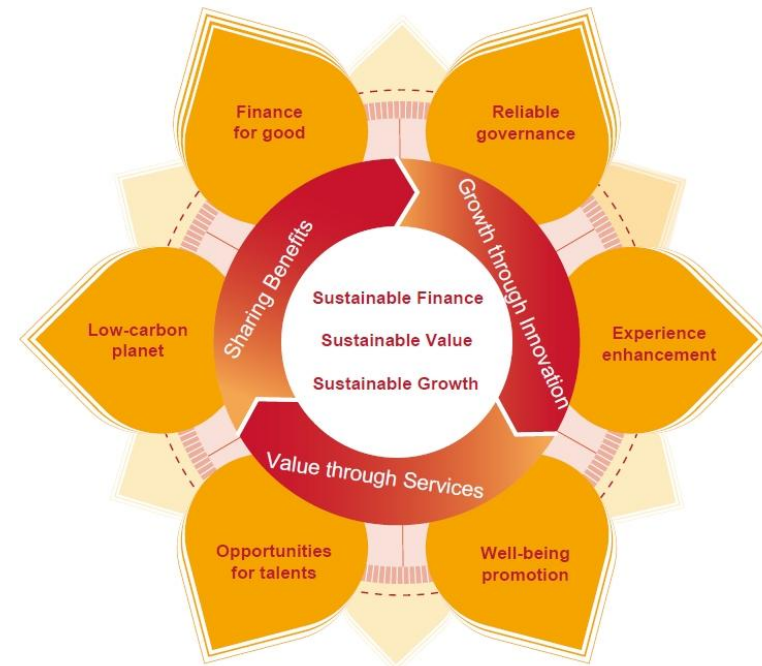
Category	Granted by	Awards
Governance	<i>Institutional Investor</i>	<ul style="list-style-type: none"> Awarded <i>Asia's Most Respected Company, Best Board of Directors, Best ESG, Best Investor Relations Program, and Best Investor Relations Team</i> in the <i>2024 Best Management Teams in Asia's Ranking</i>
	<i>The Asian Banker</i>	<ul style="list-style-type: none"> <i>China Liquidity Risk Management Achievement Award</i>
	China Banking Association	<ul style="list-style-type: none"> Ranked 2nd among National Commercial Banks in the <i>2024 GYROSCOPE Evaluation of Commercial Banks' Development Capability</i>
	Securities Times	<ul style="list-style-type: none"> <i>China Listed Companies Investor Relations Tianma Award</i>

VI. Sustainability Management



(I) Sustainability Strategy

China Merchants Bank adheres to the value proposition of “advancing sustainable finance, enhancing sustainable value, and contributing to sustainable development”. Centered around the “SUNFLOWER” sustainability model, the Company comprehensively implement sustainability practices across key focus areas, striving to create long-term shared value for all stakeholders.

CMB SUNFLOWER Sustainability Model



<p>Finance for good</p>	<p>Integrate ESG principles comprehensively into the Company's products and service systems, ensuring finance becomes a positive force for social progress and equity. Through financial means, the Company continuously meets the people's aspirations for a better life.</p>		<p>Opportunities for talents</p>	<p>Adhere to attracting high-quality talent, streamline career development pathways, prioritize talent capability enhancement, enrich talent cultivation systems, foster an inclusive, friendly, and open workplace environment, and promote mutual growth for employees and the enterprise.</p>	
<p>Low-carbon planet</p>	<p>Actively participate in climate governance, drive green finance innovation, refine green investment and financing policies, increase financial support for green industries, implement green operations and green public welfare initiatives, and consistently advance the green transformation of the economy and society.</p>		<p>Well-being promotion</p>	<p>Implementing the national Rural Revitalization Strategy, the Company actively engages in social public welfare activities to contribute to Common Prosperity.</p>	
			<p>Experience enhancement</p>	<p>By leveraging financial technology (fintech), the Company continuously enhances the capability, efficiency, and accessibility of customer services, fully safeguards consumer rights, and promotes financial literacy</p>	

	and services to reach every household, thereby optimizing the customer experience comprehensively.			
Reliable governance	Refine corporate governance framework to strengthen its scientific rigor, operational	 		robustness, and governance efficacy. Adhering to prudent operations and reinforcing risk prevention and control, the Company provides robust institutional safeguards for the Company's high-quality and sustainable development.

(II) Sustainability Governance Framework

China Merchants Bank has closely integrated the SUNFLOWER Sustainability Model with its development strategies and operational activities, optimizing the sustainability management system from top to bottom, and translating sustainability commitments to stakeholders into concrete actions.

CMB Sustainability Governance Framework

Decision-Making Level

- The Board of Directors is responsible for reviewing ESG development strategies, fundamental management systems, and related reports, as well as approving or authorizing ESG-related major matters.
- The Board Strategic and Sustainable Development Committee oversees ESG-related responsibilities, including deliberating on ESG strategies and core management frameworks, assessing the implementation progress of ESG initiatives, and promoting the

implementation of other ESG-related tasks required by regulatory authorities.

Management Level

- **Green Finance Business Development Committee** has been established at the Head Office, responsible for formulating green finance strategic plans and annual work plans, covering aspects such as institutional development, business growth, risk management, team building, brand influence, and internal control compliance.
- **Green Operations Management Committee** has been established at the Head Office, tasked with planning, deliberating, implementing, and overseeing green operations-related initiatives to ensure the effective execution of decisions and measures.
- **Technology Finance Committee** has been established at the Head Office, responsible for decision-making on the technology finance overall strategic planning, annual

objectives, key product and model innovations, and major operational strategies for priority customer segments.

- **Inclusive Finance (Rural Revitalization) Management Committee** has been established at the Head Office, overseeing the formulation of holistic strategic plans and objectives for inclusive finance and rural revitalization, as well as deliberating on major related matters.
 - **Digital Finance Committee** has been established at the Head Office, responsible for the centralized planning and organizational promotion of digital finance across the Company.
 - **Consumer Rights Protection and Service Supervision Committee** has been established at the Head Office, responsible for guiding the establishment of a consumer rights protection management system with clear objectives, rational structure, sufficient safeguards, and effective implementation. It formulates, reviews, and coordinates the bank-wide consumer rights protection work plans, initiatives, and tasks to ensure the effective execution of strategic goals and policies in this area.
-

- **Information Security Management Committee** has been established at the Head Office, responsible for centrally managing cybersecurity and data security.
 - **Work Safety Management Committee** has been established at the Head Office, tasked with planning, coordinating, and supervising the bank-wide work safety and security safeguarding operations.
 - **ESG Secretariat** has been established under the Head Office's General Office Department, responsible for identifying sustainability-related issues pertinent to the Bank, optimizing the ESG information disclosure mechanism, planning sustainability and ESG-related activities, and conducting sustainability knowledge promotion and education.
-

Execution Level

- Branches, Head Office departments, subsidiaries, and joint ventures are responsible for the daily advancement of sustainability initiatives. They implement specific tasks according to their divisions, maintain communication with key stakeholders, and regularly report on implemented measures, performance metrics, and exemplary cases.
-

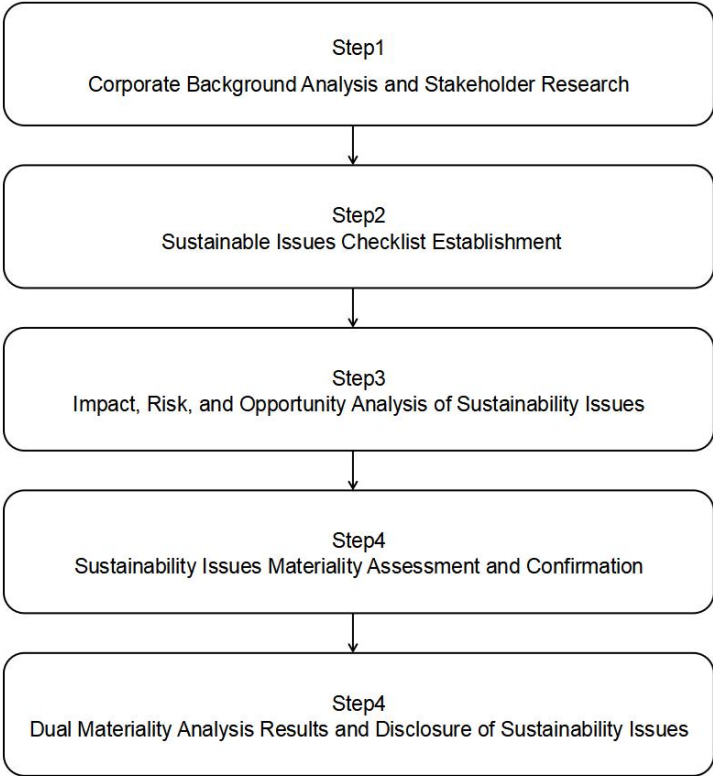
-
- Since 2022, the Company has conducted annual ESG management special audits, focusing on green investment and financing, green operations, consumer rights protection, social public welfare, inclusive finance, human capital development, ESG risk management, financial service accessibility, and data privacy
-

protection.

(III) Sustainability Issues Materiality Assessment

In 2024, the Company conducted its first-ever dual materiality analysis on sustainability-related issues, in compliance with the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and referencing the *Shanghai Stock Exchange Self-Regulatory Guide No.4 – Sustainability Report Preparation* for issue prioritization. This analysis evaluates both impact materiality and financial materiality, ensuring alignment with regulatory requirements and international ESG disclosure trends.

CMB 2024 Dual Materiality Assessment Process for Sustainability Issues



1. Step 1: Corporate Background Analysis and Stakeholder Research

The Company has established a foundational framework for dual materiality analysis by systematically evaluating the effectiveness of internal strategic plan implementation, the progress of business activities, and changes in the external environment. Simultaneously, the Company has identified six categories of primary stakeholders impacted by Company's operations and development, including: government and regulatory authorities, shareholders and investors, clients, employees, partners, and society. By engaging with departments responsible for daily communication with these stakeholders, the Company has gathered insights into their expectations and concerns regarding the Company's sustainability efforts. For detailed information on stakeholder engagement, please refer to the "Communications with Stakeholders" section under the "Sustainability Management".

2. Step 2: Sustainability Issues List Establishment

Based on the understanding of the Company's background and stakeholder research, the Company has developed its 2024 sustainability issues list by referencing major regulations and standards.

Basis and Dimensions for Compiling CMB's 2024 Sustainability Issues List

- The 21 sustainability issues stipulated in the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*.
- Disclosure requirements outlined in the *Hong Kong Stock Exchange Environmental, Social, and Governance (ESG) Reporting Guide*.
- The sector-specific characteristics of commercial banks and regulatory requirements from authorities such as the People's Bank of China and the National Financial Regulatory Administration.
- Issues emphasized by domestic and international ESG rating agencies.

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- The Company's business activities and operational environment.
 - Results from the Company's 2024 stakeholder engagement survey.
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Based on a comprehensive consideration of the above together, the Company's 2024 sustainability issues list includes 16 topics, categorized as follows: **3 environmental issues:** climate change tackling, green finance, and environmental impact management in operations. **10 social issues:** technology finance, inclusive finance, pension finance, digital finance, consumer rights protection, cybersecurity, information and data security, customer privacy protection, employees, contributions to the society, and supply chain management. **3 governance issues:** corporate governance, financial risk management, and business ethics.

3. Step 3: Impact, Risk, and Opportunity Analysis of Sustainability Issues

For the identified 16 sustainability issues, the Company conducts an analysis of their impacts, risks, and opportunities based on its business activities and operational realities.

- **Impact Analysis:** This refers to the effects of CMB's performance on each issue on the economy, society, and environment. The Company categorizes the nature of impacts into three types: positive impact¹, negative impact,² and mixed impact (positive and negative)³. Based on this categorization, the Company evaluates specific impact scenarios.
- **Risk and Opportunity Analysis:** This examines the risks and opportunities arising from each issue that may affect

¹ Actions taken or planned by CMB in relation to the issue may promote sustainable economic growth, enhance social well-being, improve environmental quality, or align with stakeholders' core concerns.

² Actions taken or planned by CMB in relation to the issue may hinder sustainable economic growth, reduce social well-being, degrade environmental quality, or fail to align with stakeholders' core concerns.

³ Actions taken or planned by CMB in relation to the topic may simultaneously generate both positive and negative effects, such as advancing certain sustainability goals while creating trade-offs in other areas.

CMB's business operations, financial position, operating results, cash flows, and other critical areas.

CMB 2024 Impact, Risk, and Opportunity Analysis of Sustainability Issue

Issue Name	Impact Analysis	Risk and Opportunity Analysis
Climate Change Tackling	<ul style="list-style-type: none"> • Positive Impact: Vigorously developing green investment and financing businesses and transition finance initiatives, along with advancing green operations, energy conservation, emissions reduction, and carbon management, will help reduce greenhouse gas emissions from both clients and the Bank. • Negative Impact: Continued financing support for high-carbon or non-green enterprises/projects may increase atmospheric greenhouse gas emissions from their operations. 	<ul style="list-style-type: none"> • Risk: The post-loan management of green investment&financing business and transition finance projects (such as tracking environmental benefits), as well as the implementation of various green operation tasks, all require the input of personnel, technology, consulting services and other resources, which may lead to an increase in capital expenditures and business and management expenses. • Opportunity: Providing financial services aligned with green and low-carbon transitions enables CMB to capitalize on business opportunities arising from climate action. Continuously improving green operational mechanisms will enhance long-term sustainability capabilities.

Issue Name	Impact Analysis	Risk and Opportunity Analysis
Green Finance	<ul style="list-style-type: none"> • Positive Impact: Increasing investment and financing support for green and low-carbon industries and providing diversified green financial products and services will help disseminate green concepts to clients and the public, thereby accelerating the green transformation of economic and social development. 	<ul style="list-style-type: none"> • Risk: The stability of national subsidy policies for green and low-carbon industries may affect the Company's credit decision-making, and the long return cycles of green/ESG-related investments could temporarily impact operational performance. • Opportunity: Supported by national policies on green finance, rising market demand for sustainable financing creates opportunities to expand related businesses.
Environmental Impact Management in Operations	<ul style="list-style-type: none"> • Positive Impact: Deepening green operations and adopting digital solutions to serve clients will reduce greenhouse gas emissions and resource consumption across the value chain, contributing to environmental protection. 	<ul style="list-style-type: none"> • Risk: Implementing carbon reduction measures such as adopting eco-friendly technologies, energy-efficient equipment, and external consulting services will raise short-term capital expenditures and administrative costs. • Opportunity: Energy-saving initiatives will improve efficiency, while paperless practices in fiscal, procurement, and office processes will reduce long-term operational costs.
Technology Finance	<ul style="list-style-type: none"> • Positive Impact: Strengthening the systematic, ecosystem-based, and professional development of the technology finance framework enhances 	<ul style="list-style-type: none"> • Risk: Technology and innovation enterprises are generally characterized by light assets, substantial R&D investments, and unstable cash flows, which may increase credit risk

Issue Name	Impact Analysis	Risk and Opportunity Analysis
	<p>service efficiency for technology enterprises, promotes the growth of science and innovation-driven companies, and contributes to increased societal innovation vitality, thereby fostering the development of new quality productive forces.</p>	<p>management pressures.</p> <ul style="list-style-type: none"> • Opportunity: Supported by national policies, technology finance holds significant potential, providing the Company with opportunities to expand related businesses. The high growth potential of technology and innovation enterprises may generate substantial comprehensive income.
Inclusive Finance	<ul style="list-style-type: none"> • Positive Impact: Expanding financing support for SMEs helps address their difficulties and high costs in financing, thereby promoting employment expansion, market prosperity, and livelihood improvement. 	<ul style="list-style-type: none"> • Risk: Small and micro enterprises' small scale, limited capital, and weak risk resilience pose challenges for credit risk management. • Opportunity: Developing inclusive finance services broadens the Company's customer base and optimizes its business and income structure.
Pension Finance	<ul style="list-style-type: none"> • Positive Impact: Providing pension finance-related products and services to the public supports the development of the elderly care sector, enhances social pension security, ensures better elderly care guarantees, and promotes the growth of the silver economy. 	<ul style="list-style-type: none"> • Risk: Deficiencies in product access, sales, and information disclosure processes may lead to operational risks, regulatory violations, and client complaints. • Opportunity: Against the backdrop of intensifying population aging, pension finance offers vast opportunities. The long-term contractual nature of related businesses can generate stable

Issue Name	Impact Analysis	Risk and Opportunity Analysis
Digital Finance	<ul style="list-style-type: none"> • Positive Impact: Implementing the technology empowering bank strategy, which uses technological innovation to drive service, product, business model, and operational innovations, enhances overall economic efficiency, improves financial service accessibility, and strengthens the social credit environment. 	<p>intermediary income growth, contributing to increased operating revenue.</p> <ul style="list-style-type: none"> • Risk: Uncertainties in technological pathways, industry structures, and application paradigms may result in short-term investments failing to yield significant returns. • Opportunity: Digital finance reduces service costs while expanding the breadth, depth, warmth, and precision of client services, thereby overcoming the “impossible triangle” of balancing client volume, risk control, and banking costs.
Consumer Rights Protection	<ul style="list-style-type: none"> • Positive Impact: Providing one-stop services to clients, streamlining complaint channels, and enhancing financial education contribute to the healthy development of financial markets and safeguard consumer rights and social equity and justice. • Negative Impact: Inefficient or overly complex complaint handling processes in financial institutions may lead to excessive consumer 	<ul style="list-style-type: none"> • Risk: Ongoing consumer rights protection efforts require continuous investments in human and financial resources, leading to increased operational costs. • Opportunity: Strengthening consumer rights protection enhances corporate brand image, builds differentiated competitive advantages, and supports business growth.

Issue Name	Impact Analysis	Risk and Opportunity Analysis
	<p>rights activism, consuming excessive societal resources.</p>	
<p>Cybersecurity, Information, and Data Security</p>	<ul style="list-style-type: none"> • Positive Impact: Building a secure environment for networks, information, and data protects client information and asset safety, maintaining social stability and financial security. • Negative Impact: Incidents such as ransomware attacks or data breaches could harm client rights and trigger public trust crises. 	<ul style="list-style-type: none"> • Risk: Cybersecurity incidents may result in regulatory penalties or litigation. • Opportunity: Robust cybersecurity measures ensure business continuity and operational resilience.
<p>Customer Privacy Protection</p>	<ul style="list-style-type: none"> • Positive Impact: Properly protecting customer privacy helps safeguard customers' personal and property safety, enhances trust in financial institutions, and promotes the healthy development of financial markets. • Negative Impact: Incidents involving customer privacy breaches may trigger financial market panic, erode social trust, and potentially destabilize macroeconomic stability. 	<ul style="list-style-type: none"> • Risk: Sustaining robust customer privacy protection requires increased financial and human resource investments, leading to higher operational costs. Privacy breaches could harm customer rights, result in regulatory penalties or litigation, and diminish client confidence. • Opportunity: Strengthening customer privacy protection systems will further elevate customer trust, build a brand image of accountability, and deepen client loyalty.

Issue Name	Impact Analysis	Risk and Opportunity Analysis
Employees	<ul style="list-style-type: none"> • Positive Impact: Creating employment opportunities through diversified recruitment channels and attracting talent, coupled with robust incentive mechanisms, fully mobilizes employee enthusiasm and creativity, providing greater financial support and innovative momentum for economic development. 	<ul style="list-style-type: none"> • Risk: Expanding diversified recruitment channels may lead to rising operational costs. • Opportunity: Building a high-quality talent pool improves client experience, refines internal management, drives efficiency gains, and fosters profit growth.
Contributions to the Society	<ul style="list-style-type: none"> • Positive Impact: Enhancing public trust through philanthropic activities and providing financial support for education, healthcare, environmental protection, and other social sectors promotes common prosperity. 	<ul style="list-style-type: none"> • Risk: Poorly managed activities or funds may damage brand reputation, while ineffective project execution or unmet expectations could increase costs and expose the company to reputational risks. • Opportunity: Fulfilling corporate social responsibility strengthens social image and brand value, while innovating charitable financial products expands business domains.
Supply Chain Management	<ul style="list-style-type: none"> • Positive Impact: Guiding suppliers to fulfill environmental and social responsibilities throughout the procurement process facilitates the dissemination and implementation of ESG 	<ul style="list-style-type: none"> • Risk: Establishing and maintaining procurement systems, monitoring suppliers' ESG performance, and related activities require resource investments, which may increase the Company's capital expenditures, and operational and

Issue Name	Impact Analysis	Risk and Opportunity Analysis
	<p>principles.</p>	<p>administrative expenses.</p> <ul style="list-style-type: none"> • Opportunity: By encouraging suppliers to fulfill environmental and social responsibilities and reinforcing their commitment to integrity, CMB can mitigate moral hazards and reduce financial costs.
<p>Corporate Governance</p>	<ul style="list-style-type: none"> • Positive Impact: Improving corporate governance mechanisms and enhancing governance standards can elevate the company's market value, create value for shareholders and investors, strengthen financial stability, and foster a favorable financial environment for economic development. 	<ul style="list-style-type: none"> • Risk: Incomplete corporate governance mechanisms may impede strategic execution, management optimization, and risk mitigation, thereby undermining operational effectiveness. • Opportunity: A well-structured governance framework characterized by scientific decision-making and operational efficiency ensures stable business management and development. This strengthens the Company's reputation among investors, broadens financing channels, and lowers financing costs.
<p>Financial Risk Management</p>	<ul style="list-style-type: none"> • Positive Impact: Effective financial risk management helps ensure the stable functioning of the financial system and promotes the healthy development of financial markets. 	<ul style="list-style-type: none"> • Risk: Overly stringent risk management that fails to balance risks and returns could adversely impact operational performance. • Opportunity: Enhancing risk management capabilities enables

Issue Name	Impact Analysis	Risk and Opportunity Analysis
	<ul style="list-style-type: none"> • Negative Impact: Excessively cautious risk management may lead to missed business opportunities and insufficient credit support for innovative sectors, thereby hindering entrepreneurship, innovation-driven economic growth, and industrial upgrading. 	<p>better navigation of internal and external uncertainties, achieving stable and sustainable development.</p>
Business Ethics	<ul style="list-style-type: none"> • Positive Impact: Strengthening compliance awareness among employees and conducting business operations in compliance with clients and partners helps mitigate moral hazards and fosters a fair and integrity-driven social environment. • Negative Impact: Serious violations of regulations or ethical standards could result in misdirection of credit resources or financial risks, negatively impacting socio-economic development. 	<ul style="list-style-type: none"> • Risk: Incidents related to business ethics may trigger regulatory penalties, litigation, loss of client trust, and business attrition. • Opportunity: Strong business ethics performance enhances brand reputation, boosts client trust, and facilitates business expansion. Cultivating a compliance culture reduces employee misconduct, and lowers governance costs.

4. Step 4: Sustainability Issues Materiality Assessment and Confirmation

Impact Materiality Assessment

In 2024, the Company conducted an impact materiality assessment for sustainability issues using qualitative analysis integrated with stakeholder engagement outcomes and expert evaluations. The process included the following steps:

1. Clarifying assessment criteria for issues with different impact natures: For issues with positive impacts, the scale and scope of the impacts were evaluated. For issues with negative impacts or mixed impacts, the scale, scope, irremediability, and likelihood of occurrence were assessed.

2. Assigning Weights and Scores to Assessment Criteria: Four criteria—scale, scope, irremediability, and likelihood—are assigned weights and scored across six dimensions, each rated on a 0–5 scale. The weighting of each dimension varies depending on the nature of the impact (positive, negative, or mixed). After scoring each sustainability issue's criteria and

calculating the weighted score, the impact materiality score for each issue is determined.

3. Threshold setting and confirmation: A materiality threshold of 3 points was set. Issues scoring ≥ 3 were classified as impact-material, while those < 3 were excluded.

In 2024, the Company identified 13 impact-material issues, which are: climate change tackling, green finance, technology finance, inclusive finance, pension finance, digital finance, consumer rights protection, cybersecurity, information and data security, customer privacy protection, employees, corporate governance, financial risk management, and business ethics.

Financial Materiality Assessment

The Company adopts a combination of qualitative analysis and expert evaluation to assess the financial materiality of sustainability issues, based on the analysis of their risks and opportunities. Considering the characteristics of the banking industry, internal financial experts evaluate whether a issue is financially material by analyzing its current impact on specific

financial indicators. The financial impacts of sustainability issues are categorized into five levels. **Minimal:** The issue has an extremely limited impact on the Company's financial indicators. **Minor:** The issue has a relatively limited impact on the Company's financial indicators. **Moderate:** The issue has a discernible impact on the Company's financial indicators. **Significant:** The issue has a relatively notable impact on the Company's financial indicators. **Critical:** The issue has an exceptionally substantial impact on the Company's financial indicators. Issues with a financial impact rated as "Moderate" or above are classified as financially material issues; otherwise, they are excluded.

In 2024, the Company has identified 7 financially material issues, which are: climate change tackling, green finance, technology finance, inclusive finance, digital finance, employees, and financial risk management.

5. Step 5: Dual Materiality Analysis Results and Disclosure of Sustainability Issues

The Company integrates the outcomes of impact materiality and financial materiality analyses to formulate the 2024 Dual Materiality Analysis Results for Sustainability Issues. For issues identified as financially material, the Company incorporates four core aspects, which are "governance", "strategy", "impact, risk and opportunity management", and "metrics and targets" into the corresponding sections of this report.

CMB 2024 Dual Materiality Analysis Results for Sustainability Issues

Alignment with SSE and HKEx Sustainability Issues				
Issue Name	<i>Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies— Sustainability Report (Trial)</i>	<i>HKEx Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code</i>	Impact Materiality	Financial Materiality
Environmental				
Climate Change Tackling	1.Climate Change Tackling 18.Due Diligence 19.Communications with Stakeholders	Part B: Mandatory Disclosure Requirements- Reporting Principles Part D: Climate-related Disclosures	√	√
Green Finance ¹	1.Climate Change Tackling 4.Ecosystem and Biodiversity Protection 19.Communications with Stakeholders	Part D: Climate-related Disclosures	√	√
Environmental Impact Management in Operations	1.Climate Change Tackling 2.Pollutant Discharge 3.Waste Disposal 4.Ecosystem and Biodiversity Protection 5.Environmental Compliance Management	Part C-Aspect A1: Emissions Part C-Aspect A2: Use of Resources Part C-Aspect A3: The Environment and Natural Resources Part D: Climate-related Disclosures	×	×

¹ The four core aspects of this issue - "Governance", "Strategy", "Analysis of Impacts, Risks and Opportunities" and "Metrics and Targets" - are encompassed within the issue of climate change tackling.

Alignment with SSE and HKEx Sustainability Issues				
Issue Name	Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies— Sustainability Report (Trial)	HKEx Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code	Impact Materiality	Financial Materiality
	6.Energy Usage			
	7.Usage of Water Resource			
	8.Circular Economy			
	19.Communications with Stakeholders			
Social				
Technology	11. Innovation-Driven	/	√	√
Finance	19.Communications with Stakeholders	/	√	√
Inclusive Finance	9.Rural Revitalization 14. Equal Treatment for Small and Medium-Sized Enterprises	/	√	√
	15.Safety and Quality of Products and Services			
	19.Communications with Stakeholders			
Pension Finance	19.Communications with Stakeholders	/	√	×
Digital Finance	11. Innovation-Driven 12. Ethicsof Science and Technology	/	√	√
	19.Communications with Stakeholders			

Alignment with SSE and HKEx Sustainability Issues				
Issue Name	Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies— Sustainability Report (Trial)	HKEx Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code	Impact Materiality	Financial Materiality
Consumer Rights Protection	15.Safety and Quality of Products and Services 19.Communications with Stakeholders	Part C-Aspect B6: Product Responsibility	√	×
Cybersecurity, Information, and Data Security	16.Data Security and Customer Privacy Protection 19.Communications with Stakeholders	Part C-Aspect B6: Product Responsibility	√	×
Customer Privacy Protection	16. Data Security and Customer Privacy Protection 19.Communications with Stakeholders	Part C-Aspect B6: Product Responsibility	√	×
Employees	17.Employees 18.Due Diligence 19.Communications with Stakeholders	Part C-Aspect B1: Employment Part C-Aspect B2: Health and Safety Part C-Aspect B3: Development and Training Part C-Aspect B4: Labor Standards	√	√
Contribution to the Society	9. Rural Revitalization 10.Contributions to the Society 19.Communications with Stakeholders	Part C-Aspect B8: Community Investment	×	×

Alignment with SSE and HKEx Sustainability Issues				
Issue Name	<i>Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies— Sustainability Report (Trial)</i>	<i>HKEx Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code</i>	Impact Materiality	Financial Materiality
Supply Chain Management	13.Supply Chain Security			
	14.Equal Treatment for Small and Medium-Sized Enterprises	Part C-Aspect B5: Supply Chain Management	×	×
	18.Due Diligence			
	19.Communications with Stakeholders			
Governance				
Corporate Governance	19.Communications with Stakeholders	Part B: Mandatory Disclosure Requirements- Governance Structure	√	×
Financial Risk Management	19.Communications with Stakeholders	/	√	√
Business Ethics	19.Communications with Stakeholders			
	20.Anti-Commercial Bribery and Anti-Corruption 21.Anti-Unfair Competition	Part C-Aspect B7: Anti-corruption	√	×

(IV) Communications with Stakeholders

The Company regards engagement with stakeholders as a critical foundation for sustainability management. Based on its actual business operations and management characteristics, the Company has identified six major stakeholder groups affected by its activities. Tailored engagement systems and regular engagement mechanisms have been established for

each stakeholder group to fully listen to their opinions and feedback, respond promptly, and continuously enhance communication effectiveness. In 2024, the implementation of engagement systems with all stakeholders has been executed effectively.

Stakeholder Groups	Engagement Frequency and Channels	Engagement Issues
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Regular: Communication via phone calls, emails, and periodic reports. • Ad hoc: Communication through reports and meetings. 	Issues such as climate change tackling, green finance, technology finance, inclusive finance, pension finance, digital finance, consumer rights protection, cybersecurity, information and data security, customer privacy protection, social contribution, corporate governance, and financial risk management.
Clients	<ul style="list-style-type: none"> • Regular: Reports and information disclosures, customer risk preference assessments, customer satisfaction surveys. • Ad hoc: Telephone calls, emails, online/offline customer service channels. 	Issues such as green finance, technology finance, inclusive finance, pension finance, digital finance, consumer rights protection, cybersecurity, information and data security, customer privacy protection, social contribution, corporate governance,

Stakeholder Groups	Engagement Frequency and Channels	Engagement Issues
Employees	<ul style="list-style-type: none"> • Regular: Performance communication, employee satisfaction surveys, Workers' Congress meetings. • Ad hoc: Daily communication, cultural and health activities, trade union group meetings, research exchange sessions, complaints and whistleblowing. 	<p>financial risk management, and business ethics.</p> <p>Issues such as employees.</p>
Shareholders and Investors	<ul style="list-style-type: none"> • Regular: Telephone calls, emails, official website updates, investor communication meetings, annual general meetings, publication of annual/quarterly/semi-annual reports, roadshows. • Ad hoc: Extraordinary general meetings, interim announcements. 	<p>Issues such as climate change tackling, green finance, consumer rights protection, cybersecurity, information and data security, customer privacy protection, corporate governance, financial risk management, and business ethics.</p>
Partners	<ul style="list-style-type: none"> • Regular: Signing of <i>Integrity Co-construction Agreements</i> with suppliers, supplier training. • Ad hoc: Phone calls, emails, online/offline meetings, bidding activities, and on-site visits. 	<p>Issues such as digital finance, consumer rights protection, cybersecurity, supply chain management, and business ethics.</p>

Stakeholder Groups	Engagement Frequency and Channels	Engagement Issues
Society	<ul style="list-style-type: none"> • Regular: Online/offline educational campaigns. • Ad hoc: Employee volunteer services, public welfare donations, meetings and research exchanges under the Targeted Assistance Leadership Group, and digital outreach via WeChat, Weibo, Xiaohongshu, etc. 	Issues such as consumer rights protection, and social contribution.

VII. Environmental: Supporting Green Transition, Serving the Development of a Beautiful China

Amid unprecedented complexities in global ecological governance, frequent extreme climate events, and accelerating green transformation, the international consensus on building a community of life for man and nature has strengthened. As a key participant, contributor, and leader in global climate governance, China is comprehensively advancing ecological civilization construction, accelerating the green transformation of economic and social development, and building a modern society in harmony with nature.

Guided by its commitment to supporting China's ecological civilization development and the "Dual Carbon" strategy (peaking carbon emissions by 2030 and achieving carbon

neutrality by 2060), China Merchants Bank is accelerating the growth of green finance. It has established a multi-dimensional green financial service system encompassing green credit, green bonds, and green wealth management products, thereby supporting the transition to low-carbon development models. Simultaneously, the Company has refined its green operations management system, implemented emission reduction initiatives, and enhanced low-carbon operational efficiency to solidify the "green foundation" for high-quality development.

We Support Sustainable Development Goals (SDGs)



(I) Climate Change Tackling

China Merchants Bank actively responds to the national strategic goals of Carbon Peak and Carbon Neutrality, exploring the establishment of a climate risk management framework. The Company integrates ESG risks, including climate-related risks, into daily office operations and business processes, formulating climate action plans and specific measures from both operational and business perspectives to contribute to the green and sustainable development of the economy and society.

1. Environmental (Climate) Governance Structure

1.1 Board of Directors and Supervisory Board

In terms of governance processes, the Company's Board of Directors and relevant specialized committees review or deliberate on ESG-related issues such as green finance and climate risk management, analyzing associated risks and opportunities. The Board and its Strategy and Sustainable

Development Committee annually review proposals including the Sustainability Report, ensuring the integration of ESG elements such as climate risks into the Company's overall business strategies. The Board and its Risk and Capital Management Committee quarterly review the Comprehensive Risk Report and annually deliberate on proposals such as Risk Appetite Execution Status and Business Continuity Management Report, guaranteeing that all risk indicators including ESG risks like climate risks comply with the Board's established risk appetite requirements.

In terms of the skills of the board members, Mr. Wang Liang, Mr. Zhong Desheng, and Mr. Zhu Jiangtao, directors of the Company, possess relevant experience and expertise in climate risk management. In addition to serving as directors, Mr. Wang Liang is a member of the Board Strategy and Sustainable Development Committee, Mr. Zhong Desheng is a member of the Board Risk and Capital Management Committee, and Mr. Zhu Jiangtao is a member of the Board Related-Party

Transactions Management and Consumer Rights Protection Committee. Their extensive experience and skills in climate risk management provide strong support for the efficient operation and scientific decision-making of the Board and its specialized committees.

In terms of training and learning, the Board of Directors of the Company places emphasis on enhancing its climate risk governance capabilities. In 2024, all directors, newly appointed supervisors, and senior management personnel actively participated in green finance-related training programs. These included studies on the practices and trends in bank green finance, the sustainable finance report under the “Dual Carbon” goals, and the CMB green financial services handbook. Through these programs, they gained in-depth knowledge of green finance development experiences, including climate risk management, and further solidified their understanding of sustainable development principles.

In terms of supervisory board oversight, the Supervisory Board of the Company conducts annual reviews of proposals

such as the Comprehensive Risk Report and the Sustainability Report, and receives updates on the Execution of Risk Appetite. It focuses on major ESG-related matters, including climate risk management. The Supervisory Board regularly attends Board meetings to oversee the Board’s performance in climate risk management, ensuring that ESG-related content including climate risks is integrated into the Company’s overall business development strategy. It also evaluates the performance of the Board and senior management in these areas.

1.2 Senior Management

The Company has established the **Green Finance Business Development Committee**, chaired by a senior executive responsible for corporate finance at the Head Office, with participation from 21 departments including the Corporate Finance Headquarters, Risk Management Department, General Office, Asset and Liability Management Department, as well as subsidiaries such as CMB Financial Leasing and CMB Wealth Management. This committee is primarily responsible for formulating the green finance strategic plan and annual work

plan, covering policy development, business growth, risk management, team building, brand enhancement, and internal control compliance. The committee convenes quarterly meetings to assess the implementation of the annual work plan and strategic objectives, as well as to oversee specialized initiatives. In 2024, the committee held four meetings to coordinate research on organizing green assets in the hydropower sector, advancing green bond underwriting businesses, and building differentiated green financial service capabilities. It also formulated the 2025 key green finance work plan to promote high-quality development of green finance and enhance differentiated service capabilities.

In 2024, the Company upgraded its Green Operations Team to the **Green Operations Management Committee**, chaired by a senior executive responsible for financial management at the Head Office. The committee includes 13 departments such as the Financial Accounting Department, General Office, Corporate Finance Headquarters, and Retail Finance Headquarters, along with seven major subsidiaries including CMB Wing Lung Bank, CMB International Capital, and CMB

Financial Leasing. This committee oversees the planning, review, implementation, and supervision of green operations to ensure the effective execution of related decisions and measures. In 2024, the committee convened three meetings to review and discuss the green operations work plan, greenhouse gas emission reduction initiatives, and the development of carbon management systems for subsidiaries, thereby improving the efficiency and quality of green operations.

1.3 Specialized Departments

For green finance, under the Green Finance Business Development Committee, the Company has established five project teams: the **Green Development Planning and Implementation Team**, the **Industry and Supply Chain Research Team**, the **Customer Engagement Services Team**, the **Policy Support and Safeguards Team**, and the **Retail Green Finance Team**. These teams collaborate effectively and work in close coordination to ensure the practical implementation of green development initiatives. The Corporate Finance Headquarters and the Risk Management Department

at the Head Office lead green finance efforts. They are responsible for reporting progress on climate-related risks and opportunities, as well as pending decision-making items, to the Green Finance Business Development Committee during its quarterly meetings, based on operational conditions. These reports are submitted for deliberation and decision-making by the Committee. Additionally, the Company has established a Green Finance Team within the Corporate Finance Headquarters at the Head Office. This team coordinates the development of green finance business across the Company, including formulating strategies for green customer engagement and customer base development, building product and service systems, organizing green assets, and overseeing comprehensive management and professional talent development.

For green operations, the Company has established an **Office of the Green Operations Management Committee** under the Financial Accounting Department at the Head Office. The Financial Accounting Department primarily leads the formulation of green operations work plans and action plans. It

oversees the implementation of the bank-wide green operations action plan, ensures the execution of green operational measures within its purview, tracks the effectiveness of related initiatives, leads the compilation of carbon emission data from operational activities to support energy conservation, emission reduction, and carbon disclosure, and drives the development of the operational carbon management system.

1.4 Branches and Subsidiaries

The Company's domestic and overseas branches and subsidiaries continuously enrich and improve green finance products and services by leveraging regional characteristics and their own business development strengths. By the end of 2024, all corporate finance departments of domestic branches have assigned dedicated personnel responsible for green finance business, tasked with promoting green finance development within their jurisdictions in accordance with the unified deployment of the Head Office.

The Company actively advances the establishment of green sub-branches and encourages branches in national-level Green

Finance Reform and Innovation Pilot Zones to explore policy and operational innovations in green finance. By the end of 2024, the Company had established green branches such as

the Quzhou Longyou Green Specialized Sub-branch and the Wuhan Yangtze River Green Sub-branch, and designated the Huzhou Branch as a Green Finance Pilot Branch.

2. Environmental (Climate) Risk and Opportunity Identification and Assessment

2.1 Risk and Opportunity Identification and Analysis

In 2024, the Company advanced its management of climate-related risks and opportunities by refining and enhancing their identification and assessment processes. This effort aligns with regulatory and stock exchange disclosure requirements,

incorporates best practices from industry peers, and leverages guidelines from authoritative environmental data disclosure platforms such as CDP (Carbon Disclosure Project).

CMB's Identification and Analysis of Climate-Related Risks

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
Credit Risk	<ul style="list-style-type: none"> Physical Risks: Industries such as real estate and agriculture may 	Asset depreciation for clients in affected industries. Operational disruptions leading to	Banking Portfolio (e.g., financing for real estate and agriculture)	Medium-term, Long-term	<ul style="list-style-type: none"> Reduced crop yields may impair repayment of agricultural loans, 	<ul style="list-style-type: none"> Strengthens collaboration with external research institutions to monitor natural disasters and extreme weather

¹ Time Horizon: Short-term: Within 1 year after the reporting period (i.e., 2025). Medium-term: 1-5 years after the reporting period (2026–2030). Long-term: Beyond 5 years after the reporting period (post-2030). Rationale for time horizon definitions: Aligns with China's Five-Year Plan cycles, the Ministry of Finance's "Sustainability Disclosure Guidelines for Enterprises—General Guidelines (Trial)", and CMB's strategic planning.

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
	face impacts from typhoons, floods, droughts, and other natural disasters or extreme weather events.	loan defaults. Collateral value deterioration.			<p>increasing credit impairment losses.</p> <ul style="list-style-type: none"> • Collateral devaluation risks and stranded/non-liquid asset exposure. 	<p>patterns. Optimize credit policies and adjust risk mitigation strategies accordingly.</p> <ul style="list-style-type: none"> • Conducts research on physical risk transmission mechanisms.
	<ul style="list-style-type: none"> • Transition Risks: With China's ongoing advancement of the "Dual Carbon" Goals, traditional fossil energy industries, as well as high energy- 	These risks could lead to increased costs, declining product demand, reduced profits or investment returns, and even bankruptcy risks for clients in these industries, thereby heightening the potential for future non-	Banking Portfolio	Medium-term, Long-term	<ul style="list-style-type: none"> • Credit assets exposed to transition risks may experience deteriorating quality, leading to increased credit impairment 	<ul style="list-style-type: none"> • Strengthens research on climate-related policies and the transmission mechanisms of climate risks. Conducts climate risk stress testing for high-carbon industries based on practical conditions. • Analyzes the economic and industrial restructuring

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
	<p>consuming and high-emission manufacturing sectors, may face transition risks arising from technological upgrades, outdated capacity elimination, and shifts in demand toward alternative fields.</p>	<p>performing loans for the Company.</p>			<p>losses.</p>	<p>pathways under the “Dual Carbon” Goals, and annually revise management requirements including green finance policies and industry policies to align with the Company’s strategic goals. Allocates dedicated business, financial, and human resources to support green and low-carbon industries. Simultaneously, enhances risk management for high-carbon assets, phases out outdated capacities, and systematically transition the investment and financing structure toward green and low-carbon</p>

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
						initiatives.
Market Risk	<ul style="list-style-type: none"> Transition Risks: Driven by China's "Dual Carbon" Goals, shifts in investor risk preferences have increased price volatility for assets in high-carbon-emitting industries. 	This may lead to reduced valuations for such assets.	Banking Portfolio	Medium-term, Long-term	<ul style="list-style-type: none"> May affect fair value changes or investment returns. 	<ul style="list-style-type: none"> Continuously optimizes asset and product structures, engage in green investments, develop green-preference products, and implement risk hedging strategies.
Operational Risk	<ul style="list-style-type: none"> Physical Risks: Extreme weather events such as severe 	These risks could result in employees being unable to work normally, equipment failures, and	Direct Operations	Short-term, Medium-term,	<ul style="list-style-type: none"> Increased capital expenditures and indirect costs due to repairs or 	<ul style="list-style-type: none"> Establishes a business continuity management system to clarify departmental responsibilities. Critical

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
	heatwaves, cold snaps, droughts, hailstorms, strong winds, and tornadoes may impact critical business infrastructure, including operational sites, equipment, personnel, and information systems.	disruptions to business continuity.		Long-term	reconstruction of damaged facilities. <ul style="list-style-type: none"> Potential revenue losses from business interruptions. 	<ul style="list-style-type: none"> business units and IT departments must develop emergency response plans for unforeseen events and conduct practical drills to enhance preparedness. Integrates climate risks into business continuity assessments. Key business units regularly conduct risk evaluations. In 2024, the assessment of climate risks' impact on business continuity concluded low risk.
Liquidity Risk	<ul style="list-style-type: none"> Physical Risks: Sudden extreme weather events or 	This could result in increased customer default risks, insufficient	Banking Portfolio (Deposit and Loan Business)	Medium-term	<ul style="list-style-type: none"> Potential deterioration in loan asset quality, 	<ul style="list-style-type: none"> Closely monitors and assesses the impact of climate risks on clients and

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
	long-term climate change impacts may lead to operational difficulties for certain clients.	funding sources, and liquidity constraints for the Company, thereby affecting client transactions and internal operations.			heightening liquidity pressures.	the Company's operations, including trends in liquidity changes. Integrates climate risk factors into liquidity contingency planning.
Strategic Risk	<ul style="list-style-type: none"> Transition Risks: Failure to timely adjust business models, credit strategies, and strategic plans in response to climate change factors. 	This may lead to strategic misalignment, undermining the Company's market competitiveness.	Direct Operations, Upstream/Downstream Value Chains, Banking Portfolio	Medium-term, Long-term	<ul style="list-style-type: none"> Reduced demand for products and services may lower operating revenue. 	<ul style="list-style-type: none"> Incorporates transition risk factors into strategic risk assessments and address them during strategy formulation and execution.
Reputational	<ul style="list-style-type: none"> Physical Risks: 	This could lead to service	Direct	Short-	<ul style="list-style-type: none"> Potential damage 	<ul style="list-style-type: none"> Conducts reputational risk

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
Risk	Extreme weather events may force the Company to temporarily close operational branches or suspend services.	disruptions in affected areas, hindering the effective fulfillment of client needs and generating reputational risks.	Operations	term, Medium-term	to brand image and reduced client trust, adversely impacting business expansion.	assessments, develops contingency plans, and implements emergency public opinion response mechanisms as needed. Strengthens scenario-based emergency drills to enhance preparedness.
	<ul style="list-style-type: none"> Transition Risks: Heightened public scrutiny may result in the Company failing to meet stakeholder expectations in addressing 	This may lead to negative evaluations of the Company's operations and governance by stakeholders, thereby triggering reputational risks.	Banking Portfolio	Short-term, Medium-term		<ul style="list-style-type: none"> Strengthens ESG communication to accurately and promptly disseminate the Company's sustainability progress, fostering a positive corporate image. Regularly identifies reputational risk vulnerabilities, monitor and

Risk Type	Climate Risk Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Mitigation Measures and Resources
	<p>climate change challenges. Additionally, increasingly stringent environmental and social standards could expose the Company to environmental and social risks due to inadequate management or insufficient due diligence.</p>					<p>preempt risks related to environmental and green finance issues, and establish a public opinion response mechanism to address potential negative events and address stakeholder concerns in a timely manner.</p>

CMB's Identification and Analysis of Climate-Related Opportunities

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
Resource Efficiency	<ul style="list-style-type: none"> Optimizes capital allocation efficiency to prioritize funding for renewable energy and energy efficiency retrofitting projects. Promotes innovation in green financial products. 	<ul style="list-style-type: none"> Driving the development of green credit, green bonds, and other products. Prioritizing investments in low-carbon initiatives such as energy efficiency retrofitting. 	Downstream Value Chain, Banking Portfolio	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> Revenue growth from increased demand for products and services. Access to newly developed/emerging markets contributes to revenue growth. 	<ul style="list-style-type: none"> Establishes the Green Finance Business Development Committee to lead bank-wide green finance policy development, business growth, risk management, talent cultivation, brand enhancement, and compliance. A dedicated green finance team under the Corporate Finance Headquarters coordinates cross-departmental

¹ Time Horizon: Short-term: Within 1 year after the reporting period (i.e., 2025). Medium-term: 1-5 years after the reporting period (2026–2030). Long-term: Beyond 5 years after the reporting period (post-2030). Rationale for time horizon definitions: Aligns with China's Five-Year Plan cycles, the Ministry of Finance's "Sustainability Disclosure Guidelines for Enterprises—General Guidelines (Trial)", and CMB's strategic planning.

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
						<p>operations.</p> <ul style="list-style-type: none"> • Strengthens support for clean energy sectors (e.g., wind power, photovoltaic, pumped hydro storage) to accelerate asset deployment. • Builds the “Five Horizontal and Seven Vertical” green financial product service system, innovating products such as sustainability-linked loans and green deposits.
	<ul style="list-style-type: none"> • Energy saving and emission reduction in office space and data centers. 	<ul style="list-style-type: none"> • Improving energy utilization efficiency and reducing energy consumption. • Reasonably guarding against 	Direct Operations	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> • Short-term: The implementation of energy conservation and emission reduction measures requires 	<ul style="list-style-type: none"> • The Company systematically advances energy conservation and emission reduction efforts. The Head Office strengthens routine management through daily

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
		policy risks such as carbon emission restrictions and enjoying policy dividends such as low-carbon subsidies or tax incentives.			the purchase and use of more environmentally friendly production processes, technologies and energy-saving equipment, as well as the hiring of external experts to provide consulting services, etc., which will increase the Company's capital expenditures and operating and administrative	<p>energy inspections and monthly energy consumption monitoring, extending coverage to 1,480 domestic branches.</p> <ul style="list-style-type: none"> • Energy efficiency inspections were conducted at 70 office buildings, with customized energy-saving plans developed for 6 key facilities. • The Company promotes the <i>Carbon Reduction Toolkit for Green and Low-Carbon Operation</i> and the <i>Excellent Cases of Cost Reduction, Efficiency and Energy Consumption Reduction in Administrative Departments</i>, supported by a dedicated

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
					expenses. <ul style="list-style-type: none"> Long-term: Reducing expenditure costs such as electricity and oil costs. 	budget to ensure the implementation of carbon emission reduction measures.
Energy Sources	<ul style="list-style-type: none"> The overall energy utilization of the society tends to be low carbon and investment in the green energy sector has increased. 	<ul style="list-style-type: none"> Contributing to the Company's client restructuring and asset allocation optimization. 	Downstream Value Chain Banking Portfolio	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> Revenue growth from increased demand for products and services. Access to newly developed/emerging markets contributes to revenue growth. 	<ul style="list-style-type: none"> Increases support for green energy sector green energy projects such as photovoltaic, wind power and pumped storage. Sets up a fusion team for industry research, visits regulatory bodies, interviews and researches head enterprises and projects to enhance industry awareness and environmental and social

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
						<p>risk prevention capabilities, and forms research results such as credit review guidelines to guide business.</p> <ul style="list-style-type: none"> Invests in carbon emission reduction loans, issuing RMB15.001 billion in carbon emission reduction loans to 118 projects in 2024. Loans with a weighted average interest rate of 3.00%, leading to carbon emission reductions of 2.7048 million tonnes.
	<ul style="list-style-type: none"> Participates in electricity market trading. Promotes the 	<ul style="list-style-type: none"> Reducing the dependence on traditional energy 	Direct Operations	Short-term, Medium-term,	<ul style="list-style-type: none"> Short-term: The implementation of energy-saving and emission reduction 	<ul style="list-style-type: none"> Pilot installation of a photovoltaic power generation project at the Financial Innovation Building

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
	utilization of clean energy such as photovoltaic power generation.	sources.		Long-term	measures requires the purchase and use of more environmentally friendly production processes, technologies and energy-saving equipment, as well as the hiring of external experts to provide consulting services, etc., which increases the Company's capital expenditures and operating and administrative	<p>in Pinghu, Shenzhen, and implementation of an environmentally friendly green and clean energy programme at the Head Office's Shenzhen site.</p> <ul style="list-style-type: none"> Participating in electricity market trading, in 2024, the unit price of electricity at the Head Office's Shenzhen site was RMB14.07/MWh lower than the average market price, saving RMB2.1 million in electricity costs per year.

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
					expenses. <ul style="list-style-type: none"> Long-term: Reduce the cost of energy expenses such as electricity and fuel. 	
Market	<ul style="list-style-type: none"> Increases investment in green finance, transition finance and other business areas. The enterprises' need to improve its own ESG performance. 	<ul style="list-style-type: none"> Strengthening the forward-looking business layout of green and low-carbon transition industries. 	Downstream Value Chain, Banking Portfolio	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> Revenue growth from increased demand for products and services. Access to newly developed/emerging markets contributes to revenue growth. 	<ul style="list-style-type: none"> Formulates the <i>Enterprise ESG Management Comprehensive Service Plan</i> to help enterprises improve their own ESG performance. Researches the "dual carbon" development path, seize the market opportunities under the "dual carbon" goals, and promote the development of green finance and transition finance business.

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
Resilience (Adaptability)	<ul style="list-style-type: none"> Invests in Climate Adaptation Initiatives. 	<ul style="list-style-type: none"> Avoiding future losses and generating positive economic, environmental, and social returns. 	Downstream Value Chain, Banking Portfolio	Long-term	<ul style="list-style-type: none"> Revenue growth from increased demand for products and services. Access to newly developed/emerging markets contributes to revenue growth. 	<ul style="list-style-type: none"> Increases investment and financing support for industries that can contribute to adapting to or mitigating environmental (climate) changes.
	<ul style="list-style-type: none"> Strengthens the green operations management system to enhance greenhouse gas emissions management 	<ul style="list-style-type: none"> Increased adaptability to future regulatory changes. Enhanced operational climate resilience and real-time responsiveness 	Direct Operations	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> Reduce non-operating expenses or business and management fee losses caused by extreme weather 	<ul style="list-style-type: none"> Systematically advances energy conservation and emission reduction across the headquarters and all branches, supported by dedicated budgets to ensure implementation.

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
	<p>capabilities.</p> <ul style="list-style-type: none"> • Purchases property insurance to mitigate potential losses from extreme weather events (e.g., floods, hurricanes, droughts) on the Company's owned assets (buildings, vehicles, equipment) and collateral. • Adopt digital management 	to climate change.			or policy changes.	

Opportunity Type	Climate Opportunity Factor Description	Impact on the Company's Business Model and Value Chain	Affected Value Chain Stage	Time Horizon ¹	Financial Impact on the Company	Measures to Seize Opportunities and Resource Allocation
	technologies to improve real-time climate risk monitoring and response.					

2.2 Climate Stress Testing

In 2024, to assess the impact of climate risks on operations, the Company conducted a climate transition risk stress test. This test covered high-carbon industries such as power generation, steel, construction materials, petrochemicals, chemicals, paper manufacturing, and non-ferrous metal smelting. Using June 2024 as the baseline period, the test evaluated the potential effects of climate transition risks on the quality of the Company's credit assets over the coming years.

For testing scenarios and risk transmission, the analysis centered on carbon emissions and electricity consumption as core drivers. Under scenarios where carbon emissions are restricted, corporate production activities would be disrupted, leading to reduced electricity usage. This, in turn, would result in declining operational performance for corporate clients, heightened risks for the Company, and a deterioration in loan asset quality.

The findings indicate that while risks for high-carbon industry loans increased moderately under stress scenarios, such

assets represent a limited proportion of the Company's overall credit portfolio. Furthermore, the Company maintains sufficient provisions to absorb potential losses. Consequently, the impact of climate transition risks remains within manageable thresholds and poses no significant threat to operational stability.

3. Business-Side Environmental (Climate) Risk Management

3.1 Identification, Assessment, and Monitoring Processes

The Company has formulated the *China Merchants Bank 2024 Credit and Investment Policy*, applicable to all investment and financing activities. This policy includes a dedicated chapter on green finance, clarifying the overarching objectives and specific strategies for green finance. It mandates continuous improvements to the policy framework and reinforces full-process management of ESG risks (including climate risks).

In terms of risk appetite, based on external macroeconomic conditions, regulatory changes, and the Company's strategic

planning, green finance requirements are explicitly integrated into the risk appetite framework. Related risk appetite indicators are established to monitor green development trends in key sectors. The Company will increase support for green, low-carbon, and circular economies, refine environmental risk assessment standards, strictly control clients and projects with significant ESG risks, steadily raise the proportion of green financial assets, and advance the green transformation of the entire investment and financing structure.

In terms of client admission, the Company adheres to an “ESG evaluation veto mechanism”. Projects and clients must comply with national environmental standards in site selection, production processes, resource consumption, and pollutant emissions. The Company prohibits involvement in “high energy consumption, high emissions, and low efficiency” projects, rigorously reviews enterprises in environmentally sensitive sectors, and denies credit to projects or clients that fail to meet ESG (including climate) requirements or violate industrial policies. Existing financing for non-compliant entities will be withdrawn.

In terms of client classification, the Company has formulated the *China Merchants Bank Green Classification Management Measures for Corporate Clients and Loans*. Based on the environmental impact of enterprises or projects, as well as the severity of ESG risks related to energy consumption, pollution, land use, health, safety, resettlement, ecological protection, and climate change, corporate clients and loans are categorized into a “three-color, four-tier” system: Green (Friendly Tier 1, Friendly Tier 2), Blue, and Red.

CMB Green Classification System for Corporate Clients and Loans

Green

- Clients have established comprehensive environmental management systems, strictly comply with environmental protection laws and regulations, and direct loans toward green sectors encouraged and supported by the state, including clean energy, ecological and environmental industries, green infrastructure upgrades, energy conservation, environmental protection, clean production,
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and green services. These clients demonstrate full compliance with environmental and safety regulations.

- Friendly Tier 1: Primarily includes clients in the clean energy sector and those achieving internationally advanced standards in environmental and safety practices.
- Friendly Tier 2: Other green clients not classified under Friendly Tier 1.
- For Friendly Tier 1 and Tier 2 Green clients, priority is given to credit support.

Blue

- Clients or projects in non-green industries that comply with environmental regulations and meet legal standards for energy consumption, resource use, and pollution control.
- For Blue-category clients or projects, moderate credit support is provided.

Red

- Clients with major environmental or safety production penalties or involvement in significant environmental incidents.
- For Red-category clients, the Company implements watchlist management, regularly reviews rectification

progress, and requires clients to submit remediation reports. Until risks are resolved, the Company suspends new credit approvals and reduces existing loan exposures.

In terms of risk monitoring, the Company integrates official information from government and regulatory authorities such as the National Development and Reform Commission, the Ministry of Ecology and Environment, and the Ministry of Industry and Information Technology, along with feedback from media, the public, and on-site investigations by business personnel, to dynamically monitor and assess ESG risks associated with investment and financing clients or projects. In 2024, the Company continued to enrich ESG risk data for clients, optimized specialized models, and developed ESG risk signals to enhance the comprehensiveness and accuracy of risk monitoring.

In terms of inspection and supervision, the Company formulated the *Guidance Opinions on Risk Inspection and Supervision Work for 2024*, explicitly incorporating green finance into the scope of routine risk inspections and

supervision, and establishing relevant inspection criteria. During branch inspections, green finance development was included as a key focus area to promptly identify issues and urge branches to implement corrective measures.

In terms of special audits, in 2024, the Company conducted a special audit on green finance management. This initiative aimed to strengthen internal governance and improve the efficiency of green financial asset allocation.

3.2 Business Risk Management Processes

CMB Integrating ESG Factors into Full Business Processes

Due Diligence

- For **general routine credit**, the Company conducts background checks to assess corporate governance and operational qualifications. This includes evaluating the rationality of equity structures, internal management decision-making mechanisms, and the sustainability of business models. For enterprises requiring special permits such as hazardous materials handling or pollutant

discharge, the validity of such permits is verified. Core patents, technologies, and intellectual property critical to operations are reviewed to ensure clear authorization and absence of disputes. On-site interviews and financial audits are conducted to examine labor practices, operational environments, and information disclosure. Third-party channels are used to investigate negative information related to litigation, regulatory penalties, administrative anomalies, and credit records. The Company also evaluates industry-specific regulatory policies to ensure compliance with the Commercial Bank Law, national/regional industrial policies, credit regulations, and other statutory requirements.

- For **project loans**, additional assessments focus on intellectual property, resource endowments, and social impact. Compliance approvals such as project permits, land use rights, and environmental impact assessments are rigorously verified.

Compliance Review

- For innovative business activities involving environmental risks and other related factors, the Company conducts legal and compliance risk assessments to implement statutory and regulatory requirements, thereby preventing associated risks.
- During policy evaluations, internal regulations must comprehensively align with external normative requirements related to environmental risks.

Credit Review

- The Company revised the *China Merchants Bank Corporate Credit Business Review Work Standards* and other regulatory documents, explicitly requiring the review of ESG risk factors for clients. This includes verifying valid operating licenses such as hazardous waste disposal permits and specialized permits, environmental impact assessments, pollutant discharge certificates, and authorization for core patents or technologies. The scope of validity for all certifications is rigorously examined to ensure compliance.
- Clients with severe ESG-related violations or significant

risks are strictly restricted from receiving credit or investment.

- The Company prioritizes the impact of client operations on ecosystems, strictly adhering to biodiversity protection laws and regulations, and prohibits credit support for activities that severely harm biodiversity.

Contract Management

- In standard credit-related contract templates such as credit agreements, loan contracts, clauses related to green finance are incorporated or refined. These include the client's declaration to strengthen ESG risk management and commitments to assume corresponding liabilities for breaches, thereby reinforcing the client's focus on ESG risk management through binding contractual terms.

Disbursement Management

- During the disbursement review process, the Company strictly enforces ESG risk management requirements specified in credit review opinions and product regulations for projects or clients. This ensures compliance with disbursement conditions in areas such as environmental standards and assessment reports.
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Post-Investment and Post-Loan Management

- The Company's post-investment and post-loan management guidelines explicitly require monitoring clients' ESG risk profiles. When sudden environmental incidents, environmental violations, or other ESG-related risks are identified, targeted management measures are promptly implemented. In 2024, the Company regularly monitors and evaluates the ESG risks associated with clients or projects. Upon identifying risks, risk alerts or risk warnings will be issued immediately, stricter credit conditions will be imposed, and clients will be urged to rectify issues.
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3.3 Risk Exposure Mitigation Plans

In terms of risk escalation, the Company classifies credit clients based on grading standards for sudden environmental incidents, pollution incidents, environmental violations, corporate environmental credit ratings, and other regulatory requirements, while incorporating assessments of clients' social and governance risks. Risk mitigation is advanced through measures such as imposing stricter credit conditions, restricting

new loans, reducing credit exposure, and urging corrective actions to resolve risks.

In terms of risk reporting, client ESG risks are integrated into the major risk reporting framework. When ESG risks significantly impair clients' operational stability or threaten the Company's asset security, reports are escalated to appropriate management levels based on the financial magnitude involved. These reports include details on incident backgrounds, impacts and losses, implemented (or planned) mitigation measures, and analysis of future risk trends.

3.4 Key Area Credit Policies

CMB Key Area Credit and Investment Policies (Partial)

Agriculture

Issued the *China Merchants Bank Agriculture, Forestry, Livestock, and Fishery Sector Policy*.

- **Applicable Business Scope:** Corporate loans, project loans, investment banking, and other financing businesses.
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- **Primary Client Sectors:** Grain cultivation, seed industries, pig farming, poultry farming, forestry, and grain processing.
 - **General Credit Principles:** Policy-driven, regionally segmented, selective support, and rigorous risk control.
 - **Priority Support Areas:** Major crop production bases; leading enterprises and high-quality businesses in industrialized green food production bases; agricultural industrialization leaders listed in official directories published by the Ministry of Agriculture and Rural Affairs (e.g., those with scale advantages and brand recognition); large-scale integrated breeding enterprises compliant with environmental protection standards, possessing robust disease prevention and quality control systems; sustainable and technologically advanced aquaculture enterprises with access to high-quality aquatic resources, as well as nationally top-ranked fisheries and fishing enterprises; government-led afforestation and forest breeding projects.
 - **Prohibited Areas:** Enterprises involved in significant negative public sentiment related to food safety incidents.
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Power

Issued the *China Merchants Bank Green Energy Industry Cluster Policy*.

- **Applicable Business Scope:** Corporate loans, project loans, investment banking, and other financing businesses.
 - **Primary Client Sectors:** Hydropower, nuclear power, wind power, photovoltaic power generation, and other electricity production fields.
 - **General Credit Principles:** Proactive support and enhanced focus.
 - **Priority Support Areas:** Development of clean energy such as hydropower and nuclear power, with emphasis on large-scale hydropower projects in southwestern China, nuclear power projects meeting third-generation safety standards, and power generation projects aligned with the new round of power system reform policies; wind power projects in regions with abundant wind resources and grid integration capabilities, grid-connected solar power projects in areas rich in solar resources, and distributed PV and biomass power generation projects.
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- **Moderate Support Areas:** Daily operational working capital needs of new energy power generation enterprises.

Coal

Issued the *China Merchants Bank Coal Mining Industry Policy*.

- **Applicable Business Scope:** Corporate loans, project loans, investment banking, and other financing businesses.
- **Primary Client Sectors:** Coal mining and washing.
- **General Credit Principles:** Prioritize high-quality resources, optimize structural alignment, and implement a preferred list management system.
- **Priority Support Areas:** Whitelisted clients and industry-leading enterprises with core competitiveness and comparative advantages. Projects aligned with policies such as safe, efficient, green, and intelligent coal mining; clean and efficient coal processing; clean and efficient coal-fired power utilization; industrial clean fuels and heating; residential clean heating; comprehensive coal resource utilization; and coalbed methane development

and utilization, with increased support under market-oriented principles.

- **Prohibited and Exit Areas:** Strictly enforce requirements outlined in the *High-Quality Development Guidelines for the Coal Industry During the 14th Five-Year Plan Period* by China National Coal Association to exit coal enterprises failing to meet safety, technical, scale, environmental, or operational standards. Prohibit new client involvement in sectors with major unresolved environmental issues identified during inspections, while accelerating risk mitigation and exit strategies for existing clients. Halt new financing for coal enterprises publicly announced by provincial coal mine safety regulators for especially serious or major production safety liability accidents or failure to rectify critical hazards, followed by gradual reduction and recovery of existing financing.

Mining

Issued the *China Merchants Bank Metal Mining and Mineral Processing Industry Policy*.

- **Applicable Business Scope:** Corporate loans, project loans, investment banking, and other financing

businesses.

- **Primary Client Sectors:** The metal mining and mineral processing industry, including the extraction of ferrous minerals (such as iron ore, manganese, chromium, and vanadium used as auxiliary or raw materials in the steel industry), common non-ferrous minerals, and rare metal minerals.
- **General Credit Principles:** Risk prevention, environmental compliance, client prioritization, and structural optimization.
- **Priority Support Areas:** Target clients are large-scale mining enterprises with advanced production technologies, compliance with energy-saving and emission reduction standards, optimized production costs, and standardized operational management. Clients must obtain a pollutant discharge permit, ensure pollutant emission indicators align with national industrial policies and energy consumption/clean production requirements issued by relevant ministries, and secure an annual environmental monitoring report issued by the municipal (or higher-level) environmental authority. Mining projects

must meet the requirement that environmental protection and workplace safety facilities are designed, constructed, and commissioned simultaneously with the main project .

- **Restricted and Exit Areas:** Restrict access to mineral enterprises with insufficient environmental and safety investments, and resolutely exit enterprises with unresolved environmental or safety issues.

Oil and Gas

Issued the *China Merchants Bank Oil and Gas Exploration and Development Industry Policy*.

- **Applicable Business Scope:** Corporate loans, project loans, investment banking, and other financing businesses.
- **Primary Client Sectors:** Oil and gas exploration and development.
- **General Principles:** Prioritize high-quality resources and selective support.
- **Priority Support Areas:** Projects aligned with national oil and gas industry planning and overall industrial layout requirements, as well as projects involving the clean and efficient utilization of conventional fossil energy such as oil

and gas.

- **Prohibited Areas:** While maintaining policy stability, the Bank will adhere to market-oriented principles to provide high-quality financial services while proactively exiting outdated enterprises lacking sustained industry competitiveness or failing to meet environmental protection standards.

Biodiversity Protection

- The Company explicitly mandates support for projects involving ecological agriculture, forestry, animal
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husbandry, and fishery, ecological conservation, and ecological restoration that contribute to biodiversity protection. It strictly complies with the “Three Lines and One List” (ecological conservation redlines, environmental quality baselines, resource utilization ceilings, and environmental access lists) requirements. The Company rigorously follows laws, regulations, and policy frameworks for biodiversity conservation, closely monitors the impacts of client operations and project construction on biodiversity, and prohibits credit support for activities causing severe harm to biodiversity.

4. Environmental (Climate) Risk Management in Operations

The Company has established a regular environmental risk inspection system covering office premises, dining areas, and other public spaces. Inspections include safety evaluations of water and electrical circuits, firefighting equipment deployment, and waste storage/disposal protocols. Identified risks are addressed through rectification plans with clear timelines to ensure prompt hazard elimination. The Company also periodically assesses the effectiveness of these measures to adapt to evolving environmental management requirements.

Based on data quality and clarity of emission reduction pathways, the Company has set Scope 1 and Scope 2 emission reduction targets for specific pilot institutions. Additionally, a dedicated reduction target has been established for office paper usage under Scope 3 Category 1 (Purchased Goods and Services).

Baseline Year	Target Year	Target Scope	Baseline Year Status	Target
2023	2025	CMB's Nanjing Branch	In 2023, Scope 1 fixed emission sources generated 867.10 metric tons of carbon emissions.	By 2025, Scope 1 fixed emission source carbon emissions will decrease by 20% compared to 2023.
		CMB's Credit Card Center, Guangzhou Branch, Hefei Branch, and Zhengzhou Branch	In 2023, Scope 2 purchased electricity generated 40,671.89 metric tons of carbon emissions.	By 2025, Scope 2 purchased electricity carbon emissions will decrease by 4% compared to 2023.
		Bank-wide	In 2023, Scope 3 Category 1	By 2025, Scope 3 Category 1 office

Baseline Year	Target Year	Target Scope	Baseline Year Status	Target
			(Purchased Goods and Services) emissions from office paper usage totaled 2,632.93 metric tons.	paper-related carbon emissions will decrease by 10% compared to 2023.

The Company has set green operations targets in environmental areas such as energy, water resources, and waste management to continuously improve the quality and efficiency of environmental management at the operational level.

Baseline Year	Target Year	Target	2024 Progress
2023	2024	Energy Management In 2024, the fuel consumption of retained public vehicles at the Shenzhen premises of the Head Office will decrease compared to 2023.	In 2024, the fuel consumption of retained public vehicles at the Shenzhen premises of the Head Office was 61,587.23 liters, a year-on-year decrease of 17.79%.
		Water Resources Management In 2024, the municipal water consumption of retained office premises will decrease compared to 2023.	In 2024, municipal water consumption under the legal entity scope ¹ was 1.8384 million metric tons, a year-on-year decline of 27.89%.
		Waste Management	In 2024, food waste generated at the Shenzhen premises of

¹ The legal entity scope includes the headquarters of China Merchants Bank, as well as domestic and overseas branches.

Baseline Year	Target Year	Target	2024 Progress
		In 2024, the total food waste generated at the Shenzhen premises of the Head Office will be lower than in 2023.	the Head Office totaled 188.76 metric tons, a 36.97% year-on-year reduction.

For detailed information on the Company's environmental (climate) risk management in operations and related achievements, please refer to the "Environmental Impact Management in Operations" section in the "Environmental" chapter of this report.

5. Capacity Building for Environmental (Climate) Risk Management

In terms of professional training, the Company hosted its inaugural "Green Finance Training Program", attended by nearly 100 executives and key personnel from branches overseeing green finance, including members of branch general manager offices and energy strategy teams. Participants discussed strategies for green finance development. Additionally, a "Green Credit Identification Training" was conducted for 90 mid-office staff responsible for promoting green finance operations. A "Green Finance Learning Zone" was established on the "CMB i-Learning"

platform, offering six courses that attracted nearly 1,000 participants.

In terms of industry research, the Company formed a cross-functional industry research team to engage with regulators, interview leading enterprises, and analyze projects, thereby enhancing industry expertise and environmental/social risk prevention capabilities. Research outputs include credit review guidelines for sectors such as wind power, conventional hydropower, pumped hydro energy storage, photovoltaic manufacturing, waste-to-energy, electrochemical energy storage stations, and rail transit, providing scientific and precise guidance for green business expansion. Focused studies on

low-carbon technological upgrades in traditional industries, the automotive sector, and the circular economy have produced 21 research reports and 54 research summaries, deepening industry insights.

In terms of collaboration and partnerships, the Company organized an ESG Management Integrated Services Promotion Conference, facilitating discussions with corporate

representatives on low-carbon transition practices and ESG management to strengthen client awareness of the Bank's ESG services and elevate its green finance brand. The "Face-to-Face with Insurers-China Asset Value Discovery Exchange (Green Finance Session)" was held to provide inter-insurance matchmaking services for enterprises seeking equity financing or asset revitalization.

(II) Green Finance

Guided by its resource strengths, China Merchants Bank has positioned green finance as one of its core business development priorities. Leveraging the “Five Horizontals and Seven Verticals”¹ Green Finance Product Matrix, the Company drives comprehensive green transformation across the economy and society. The Company set targets for 2024 to ensure that “green loan growth outpaces overall loan growth” and “clean energy industry loan growth exceeds overall loan growth”, both of which were achieved. By the end of 2024, the total balance of green finance product aggregate (FPA), green retail, and green investment reached RMB1,135.174 billion, marking a 23.33% increase year-on-year.

¹ “Five Horizontals” refers to cross-sector integration of green financing, green asset operations, green investment, green retail, and carbon finance to provide one-stop financial services; “Seven Verticals” focuses on aligning with policy and market trends by embedding scenario-based products into three “deep green” sectors, including source-grid-load-storage, new energy vehicles, and rail transit as well as four low-carbon transition industries under the People’s Bank of China’s transition finance framework: thermal power, steel, construction materials, and agriculture.

1. Green Credit

In 2024, the Company continuously improved the management systems and incentive-restraint mechanisms for green credit. By the end of 2024, the balance of green loans in the context of the People’s Bank of China was RMB488.20 billion, an increase of 9.03% compared to the end of the previous year, which was higher than the growth rates of any other loans. The loans were mainly invested in the fields of energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, and green services. Among them, the balance of loans to the clean energy industry was RMB161.852 billion, an increase of 9.98% compared to the end of the previous year, which was higher than the growth rates of any other loans. Throughout the year, RMB15.001 billion of carbon emission reduction loans were issued to 118 projects, with a weighted average loan interest rate of 3.00%, driving a carbon emission reduction volume of 2.7048 million tons.

In 2024, the Company piloted carbon-linked loan programs in Huzhou (Zhejiang Province), Xining (Qinghai Province), Wuhan (Hubei Province), and Chongqing, linking corporate financing costs to their carbon emission levels. The Company executed 12 carbon-linked loans totaling RMB785 million during the year.

[Case] Wuhan Branch: Pioneering CMB's First Carbon Quota Repurchase Financing to Activate Regional Carbon Markets

Traditional industries such as cement, steel, chemicals, and glass face high energy consumption challenges. Many emission-controlled enterprises seek to reduce carbon emissions through energy-saving technological upgrades while leveraging their carbon assets for financing—without utilizing bank credit lines—to achieve dual goals of financing and emission reduction. In March 2024, upon identifying a corporate group's substantial carbon assets and urgent financing needs, CMB's Wuhan Branch proactively collaborated with securities channels to design a high-quota, low-cost financing solution tailored to the group. Concurrently, the Branch partnered

closely with the Hubei Carbon Emissions Exchange to execute CMB's inaugural carbon quota repurchase financing transaction within one week of quota issuance. This transaction marked the first tripartite collaborative innovation among banks, securities firms, and enterprises in Hubei Province's carbon market, not only realizing innovation in carbon financial service models but also invigorating regional carbon market liquidity.

2. Green Deposit

The Company has continued to advance green deposit¹ initiatives. While meeting corporate clients' deposit requirements, these efforts help integrate environmental responsibility with their operational practices. In 2024, the Company introduced online corporate banking services for green deposits and intensified promotional campaigns and training programs to facilitate business implementation. By the end of 2024, cumulative green deposit transactions totaled RMB12.162 billion .

¹ Refers to a green financial product where funds raised are allocated to sustainable green economy projects to drive low-carbon transition, climate adaptation, and sustainable development.

3. Green Bonds

3.1 Bond Issuance

In July 2024, the Company released a comprehensively upgraded *Green, Social Responsibility, and Sustainability Bond Framework*, further standardizing sustainable finance criteria. During the tenure of its domestic and international green financial bonds, the Company engaged accounting firms to issue annual assurance reports on the use of funds raised from green financial bonds and annual evaluation and certification reports on green projects. These reports track, assess, and certify project progress and environmental benefits.

By the end of 2024, the outstanding balance of RMB-denominated green financial bonds stood at RMB15.000 billion, while the balance of issued USD-denominated green, social responsibility, sustainability, and blue bonds totaled USD2.600 billion. Funds raised from these bonds primarily support industries including energy conservation, clean production, clean transportation, marine resource protection, clean energy, and green infrastructure upgrades.

[Case] Sydney Branch: Issuing the First “Climate Change Mitigation”-Themed Green USD Bond Among Chinese Banks

On July 2, 2024, CMB’s Sydney Branch issued the first “Climate Change Mitigation”-themed green USD bond by a Chinese bank, with a size of USD400 million, a 3-year tenor, and a coupon rate of Secured Overnight Financing Rate (SOFR) plus 54 basis points. This issuance marked the first inclusion of a Hong Kong-based sovereign institution and attracted participation from 70 investment institutions across Europe, Australia, Asia, and other regions, covering diverse financial entities such as state-owned commercial banks, joint-stock commercial banks, city commercial banks, rural commercial banks, securities firms, and insurance companies. The bond aligned with “UN Sustainable Development Goal 13: Climate Action” and the climate objectives of the *China-EU Common Ground Taxonomy for Sustainable Finance*, with proceeds exclusively allocated to climate mitigation projects like clean transportation, contributing to the realization of *the Paris Agreement* goals.

3.2 Bond Underwriting

In 2024, the Company facilitated 32 enterprises in issuing 68 green bonds, with a total issuance amount of RMB73.143 billion and a leading underwriting share of RMB24.835 billion. The raised funds were primarily allocated to renewable energy facility construction and operation, solid waste comprehensive utilization, urban environmental infrastructure, and advanced environmental protection equipment manufacturing. The Company ranked first among joint-stock commercial banks in green bond underwriting scale.

[Case] Underwriting the Nation's First 30-Year Green Medium-Term Notes by a Local State-Owned Enterprise

In 2024, the Company underwrote the 2024 First Tranche Green Medium-Term Notes for Sichuan Energy Investment Group Co., Ltd. With an issuance size of RMB1.0 billion and a coupon rate of 2.78%, this transaction marked the nation's first 30-year green medium-term notes issued by a local state-owned enterprise. The proceeds were specifically earmarked for the Baihetan Hydropower Station project on the Jinsha River.

Over the bond's tenure, the funds raised are expected to achieve 355,700 tonnes of CO₂ reduction, 192,600 tonnes of standard coal equivalent in fossil fuel displacement, 64.52 tonnes of SO₂ reduction, 97.10 tonnes of NO_x reduction, and 14.05 tonnes of particulate matter reduction.

[Case] Underwriting the Nation's First Two-Way Floating Sustainability-Linked Bond

In 2024, the Company underwrote the 2024 Second Tranche Medium-Term Notes (Sustainability-Linked) for Fujian Longyan Expressway Co., Ltd. With an issuance size of RMB200 million and a coupon rate of 2.05%, this transaction marked the nation's first two-way floating sustainability-linked bond. The bond incorporates interest rate adjustment clauses: During the evaluation period, if the issuer fails to achieve a 25% reduction in tunnel electricity consumption, the bond's interest rate for the third accrual year will increase by 15 basis points; if the reduction meets or exceeds the 30% target, the rate will decrease by 5 basis points; if the reduction falls between 25% and 30%, the original rate remains unchanged. This bond

innovatively links interest rates to energy-saving targets, incentivizing corporate green transformation through market mechanisms and providing a practical model for sustainable financial products.

[Case] Underwriting the Nation's First Green + Sci-Tech Innovation 10-Year Bond

In 2024, the Company underwrote the 2024 First Tranche Green Medium-Term Notes (Science and Innovation Notes) for Hunan Iron and Steel Group Co., Ltd. With an issuance size of RMB1.000 billion and a coupon rate of 2.65%, this transaction represented the nation's first 10-year green and science-innovation integrated bond. The proceeds were fully allocated to support resource conservation and circular economy initiatives in the Group's high-tech subsidiaries, projected to achieve 50,300 tonnes of annual CO₂ reduction and 95,900 tonnes of standard coal savings.

3.3 Bond Investment

The Company actively utilizes its own funds to participate in green bond investment and trading, prioritizing support for assets aligned with the *Green Bond Support Project Catalog* issued by the People's Bank of China. By the end of 2024, the Company held green bonds totaling RMB27.713 billion, representing a 16.36% increase compared to the end of the previous year.

4. Green Consumption

4.1 "Carbon Exploration Starry Sky" Low-Carbon Theme Campaign

The Company launched the "Carbon Exploration Starry Sky" low-carbon theme campaign on the CMB App for individual clients. This initiative invites users to engage in 16 low-carbon lifestyle scenarios, including public transportation usage, online bill checking, digital fund transfers, electronic IOUs, and electronic receipts. Through a user journey of "low-carbon actions—collecting starlight—unlocking constellations, redeeming

constellation blind boxes and charitable agricultural support”, the campaign incentivizes clients to adopt sustainable behaviors. By the end of 2024, users reduced carbon emissions by 1,180.02 tonnes through this program.

4.2 Green Building Mortgage Loans

In 2024, the Company established targets for green building mortgage loans and continued to increase financing support for green residential projects. By the end of 2024, the outstanding balance of green building mortgage loans reached RMB54.901 billion, representing an increase of RMB21.683 billion compared to the previous year. This initiative actively supports the adoption of energy-efficient housing and addresses the public’s demand for low-carbon living.

4.3 Low-Carbon Credit Cards

The Company further promoted low-carbon credit cards and enhanced green consumption benefits. Throughout the year, there were 433,700 new low-carbon credit cards.

4.4 New Energy Vehicle (NEV) Consumer Installment Services

The Company strengthened its leadership in NEV credit card installment services, maintaining its first-mover advantage in the NEV market. In 2024, it established new corporate-level partnerships with new energy brands such as Huawei Harmony Smart Drive, IM Motors, and XPeng, while providing green ecosystem solutions to over 30 automotive brands. Additionally, it sustained high comprehensive penetration rates in partnerships with leading brands like Li Auto, Xiaomi, and Tesla.

To elevate the online car-browsing experience, the Company collaborated with NIO, Li Auto, VOYAH, and Tesla to upgrade the “New Energy Zone” within the CMB App and CMB Life App. This upgrade optimized the “One-Stop” journey from online browsing and vehicle selection to test-drive scheduling and installment applications. The zone regularly features updates on low-carbon vehicle models, financial policies for installment plans, and in-store test-drive reservations. By creating a seamless digital green consumption ecosystem, the Company

collaborates with customers to advance a cleaner, smarter mobility future.

5. Green Wealth Management

The Company proactively introduced ESG-themed wealth management products for distribution, providing clients with diversified ESG investment options. By the end of 2024, there were 19 ESG-themed wealth management products on consignment, with a balance of RMB13.134 billion, and 94 public funds on consignment with themes of ESG, green environmental protection, new energy, and carbon neutrality, with a balance of RMB4.246 billion. Additionally, the Company's subsidiary, CMB Wealth Management, launched 8 ESG-themed wealth management products, achieving an outstanding balance of RMB7.691 billion.

6. Green Leasing

The Company's subsidiary, CMB Financial Leasing, allocated RMB73.388 billion to green financial assets in 2024, accounting for 65.68% of its total allocated amount. By the end of 2024,

CMB Financial Leasing's green leasing business balance reached RMB144.913 billion, marking a 19.27% year-on-year increase and representing 50.80% of its total leasing assets.

Green Energy

- CMB Financial Leasing's installed capacity in the green energy sector reached 21 gigawatts (GW). Its solar power business covers centralized and distributed photovoltaic power stations, while its wind power operations span offshore and onshore wind farms across diverse terrains. Additionally, CMB Financial Leasing actively develops its energy storage sector. Its "Centralized Credit Enhancement Model Leasing Solution for Distributed Photovoltaic Projects" was awarded the "First National Green Leasing Innovation Case" by the Shanghai Financial Leasing Association.

Green Shipping

- CMB Financial Leasing's fleet includes energy-efficient bulk carriers, ice-class multi-purpose pulp carriers, dual-fuel chemical tankers, and dual-fuel container ships, all of which meet the latest international environmental and energy-
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saving standards for high-end vessels.

Low-Carbon Transportation

- CMB Financial Leasing collaborates with automotive manufacturers, ride-hailing platforms, and vehicle leasing
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operators to provide new energy vehicle financing leasing services, empowering the automotive mobility industry. This supports partners in expanding their presence in vehicle-to-everything networks and charging infrastructure deployment.

(III) Environmental Impact Management in Operations

China Merchants Bank has deeply integrated the concept of green development into its operational management processes, establishing a dual-driven environmental governance system combining “green office operations” and “concept dissemination”. Through synergistic innovation in operational carbon reduction and value chain transmission, the Company achieves integration of carbon footprint management and social responsibility fulfillment.

1. Green Office Operations

The Company strictly complies with legal requirements under the *Energy Conservation Law of the People's Republic of China*, the *Water Law of the People's Republic of China*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Water Pollution Prevention and Control Law of the People's Republic of China*. It has established a multi-dimensional green operations management system covering greenhouse gases, energy, water resources, paper consumption, waste disposal, and pollutant control,

systematically advancing the transition to low-carbon office practices and effectively reducing the environmental impact of its operations. Key facilities including the Shenzhen Headquarters Tower, Research and Development Center, and Pinghu Financial Innovation Tower have obtained certifications for Environmental Management System ISO 14001:2015 (GB/T 24001-2016), and Energy Management System ISO 50001:2018 (GB/T 23331-2020). In 2024, the Company experienced no major sudden environmental incidents and incurred no significant administrative penalties or criminal liabilities related to environmental violations from ecological or regulatory authorities.

1.1 Greenhouse Gas Emissions Management in Own Operations

In 2024, the Company focused on establishing a comprehensive greenhouse gas (GHG) emissions management system for its own operations, strengthening the statistical foundation of GHG emissions data, improving the quality of GHG accounting, promoting the implementation of emission reduction measures, and researching carbon offset

solutions, thereby deepening and solidifying GHG management practices.

Management

- **Management Measures:** Formulated the *CMB Operational Carbon Accounting Management Measures* to clarify responsibilities, basic principles, and workflows for carbon accounting, providing institutional safeguards for green operations.
- **Management System:** Developed a carbon management system to optimize the collection, processing, and analysis of emissions data, achieving digitalization, standardization, and online integration of energy consumption and emissions information.
- **Management Evaluation:** Incorporated “Green Operations” indicators into the performance evaluations of headquarters, branches, and subsidiaries, and integrated operational carbon accounting into data quality assessments to drive management capabilities.

Accounting

- **Quality Enhancement:** Conducted a data quality improvement initiative for GHG emissions at the legal entity level, retrospectively auditing historical GHG data, clarifying standards and collection requirements, and enhancing the completeness, timeliness, and accuracy

of GHG accounting.

- **Scope Expansion:** Organized subsidiaries to conduct a full inventory of GHG emission sources from their operational activities over the past four years, mapping their GHG emission footprints to establish a clear baseline for subsidiary-level emissions.

Reduction

- **Green Fleet:** Accelerated the development of a new energy vehicle (NEV) fleet, achieving the annual target of 80% NEV adoption rate for newly purchased business vehicles across all branches.
 - **Green Branches:** In 2024, the Company added 12 pilot branches with prefabricated decoration, further expanding coverage to Northeast, Northwest, Southwest, and Central China regions. During the year, 32 branches commenced prefabricated decoration construction. By the end of 2024, 27 prefabricated-decorated branches had been completed.
 - **Equipment Upgrades:** The Company implemented energy-saving projects at its Headquarters, Credit Card Center Campus, R&D Center, and branches in Beijing, Harbin, Hefei, Foshan, Shanghai, Zhengzhou and other cities, including the replacement of energy-efficient lighting, smart air conditioners system retrofits,
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installation of variable frequency pumps, upgrades to façade signage and rooftop advertisements, and dynamically adjusting the operating status of equipment. On the basis of ensuring the experience of customers and employees, these measures reduced greenhouse gas emissions by approximately 10,361.16 tons of carbon dioxide equivalent in 2024.

- **Other Measures:** The Headquarters and branches in Dongguan, Kunming and Guiyang, and reduced emissions by approximately 352.97 tons of carbon dioxide equivalent through initiatives such as electronic procurement systems, optimized standardized office paper allocation, and establishment of energy inspection teams.

Offsetting

- The Company conducted proactive and dynamic research on domestic progress in green electricity, green certificates, carbon credits, and forestry carbon sinks across key regions, formulating resource deployment plans to lay a solid foundation for achieving its “Dual Carbon” goals.
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1.2 Energy Management

The Company has established a bank-wide coordinated energy management system, setting management objectives such as formulating energy management policy frameworks, expanding renewable energy applications, and enhancing employee awareness of energy conservation. Through policy refinement, adoption of energy-saving technologies, and meticulous management, the Company has advanced the implementation of energy conservation and emission reduction targets. In 2024, the Headquarters Tower was awarded the “Green Property Management Three-Star Rating”, which is the highest honor certification by the Shenzhen Housing and Construction Bureau, establishing it as a benchmark and exemplary project for green property management in Shenzhen.

Policy Refinement

- The Company issued the *China Merchants Bank Office Property Energy Management Measures*, filling gaps in energy management regulations.
 - The *Excellent Cases of Cost Reduction, Efficiency and Energy Consumption Reduction in Administrative Departments* was developed to compile exemplary cases and guide branches in implementing green operations efficiently.
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Technologies Adoption

- By the end of 2024, the energy management platform achieved auto collection and real-time monitoring of electricity consumption data across 54 headquarters and branch office buildings and 174 branch outlets.
- At the Headquarters Tower, automatic chemical dosing technology for central air conditioning water systems was implemented to enhance heat exchange efficiency in condensers and reduce energy consumption. A photovoltaic power generation pilot project was installed at the Shenzhen Pinghu Financial Innovation Tower, with an estimated annual power generation exceeding 100,000 kWh. At the R&D Center, energy management robots were deployed to monitor electricity usage, and intelligent energy-saving lighting retrofits were advanced.
- The Nanjing Branch upgraded its single gas-fired boiler heating system to a combined “air-cooled heat pump + gas-fired boiler” heating mode, projected to save approximately 328.71 tons of standard coal annually. The Hefei Branch’s central air conditioning retrofit project reduced annual electricity consumption by over 532,600 kWh. The Beijing Branch optimized the centralized control system for its headquarters office building’s air conditioning, enabling zone-specific temperature management and timed operation, resulting

in a yearly electricity reduction of 410,200 kWh compared to the previous year.

Refined Management

- **Headquarters:** Continuously implemented daily energy inspections across floors and established a monthly energy consumption statistical mechanism to promptly analyze causes of anomalies.
 - **Branches:** Conducted specialized energy management initiatives for domestic branches, extending the management scope from branch headquarters to 1,480 business outlets. Analyzed electricity consumption data, proposed management measures, and issued the *Bank-wide Electricity Consumption Index Analysis Report*; completed third-party property management quality inspections for 70 office buildings at headquarters and branches; assessed energy efficiency of 6 office buildings including Shanghai Branch and Shenzhen Branch, identified energy usage pain points, and released tailored energy-saving plans. Through a specialized review of energy-saving subsidy policies, clarified 62 local subsidy policies and established a policy tracking and response mechanism.
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[Case] Promoting the Construction of Green Data Centers

The Company has comprehensively strengthened the green development capabilities of digital infrastructure through multi-dimensional efforts including planning and design, operational optimization, and supply chain collaboration.

- In the planning and construction of self-owned data centers, environmental factors are incorporated into the considerations:** In the feasibility study report for the construction of the new-generation cloud data centers, the focus is placed on the application of energy-saving technologies for computer room air conditioning, building energy efficiency, utilization of renewable energy, and greenhouse gas emissions management. During the construction of the Chengdu Basic R&D Computer Room and the renovation of the Shenzhen R&D Data Center, energy-saving and consumption-reducing technologies and equipment such as full-frequency conversion air-cooled fluorinated pump air conditioning, natural cooling water cooling systems, and high-efficiency power distribution technologies were adopted.
- For existing self-owned data centers, energy-saving renovations have been implemented:** The Shenzhen Pinghu Data Center and Shanghai Zhangjiang Data Center utilized measures such as natural cooling sources, highly enclosed cold and hot aisles, high water supply temperature, optimized operation of chilled water systems, intelligent speed regulation of precision air conditioners, and smart lighting. Through digital means, precise regulation and refined management were enhanced, resulting in a reduction of 8,860.7 MWh in externally purchased electricity annually.
- Careful selection of leased data center suppliers:** In the process of selecting suppliers for leased data centers, the power usage effectiveness (PUE) data is included in the evaluation criteria.

1.3 Water Resource Management

The Company has systematically established a water-saving operational system, forming a comprehensive water conservation mechanism encompassing “source reduction, process control, and recycling” through the integration of hardware upgrades, management optimization, and

technological innovation. The primary water source for the Company is municipal water supply, with no instances of insufficient water pressure issues or water resource-related risks identified during the year.

Optimization of Water-Saving Facilities and Management

- Upgraded water-saving appliances, including the installation of water-saving faucets and toilets in office areas, to reduce baseline water consumption.
- Established a routine inspection and maintenance mechanism for water-using equipment, ensuring operational efficiency through regular checks and prompt leakage repairs.
- Encouraged employees to bring reusable cups to internal meetings, thereby reducing bottled water and disposable cup usage, and reinforcing water conservation awareness at the behavioral source.
- Implemented air-cooled heat dissipation systems during the construction of the Chengdu Basic R&D Computer Room and the renovation of the Shenzhen R&D Data Center. Compared to cooling tower-based systems, this approach achieves higher water resource efficiency.



Caption: Water Conservation Awareness Poster.

Water Resource Recycling and Green Cleaning Practices

- Constructed a reclaimed water reuse system. At the headquarters building, treated air conditioning condensate water is repurposed for landscape water replenishment. Branches such as Nanjing and Nantong, as well as facilities including Pinghu Financial Innovation Building, have implemented rainwater and kitchen wastewater recycling systems to achieve non-potable water regeneration.
- Introduced water-saving methods such as high-pressure water jet cleaning and drip irrigation technology, enhancing efficiency in exterior cleaning and green space irrigation, thereby realizing intensive utilization of water resources.
- Promoted environmentally friendly transformation of

cleaning processes by adopting green cleaning agents with China Environmental Labeling Certification. Optimized storage solutions and standardized the use of biodegradable packaging to reduce environmental pollution.

1.4 Paper Management

The Company has systematically advanced the transformation towards full-chain paperless operations, establishing a multi-dimensional paper resource conservation system covering office management, business processing, and customer services. This initiative enhances operational efficiency while effectively reducing paper consumption.

Paperless Office Management

- The Company has promoted paperless office practices and electronic business card functions, advocating for duplex printing. Monthly statistical analysis of high-volume printing/copying equipment usage data is conducted, with flexible adjustments to printer model configurations based on usage metrics. In 2024, the Headquarters' departmental requests for physical business card printing decreased by 39.06% year-on-year, while printing/copying volumes reduced by 20.96%
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compared to the previous year.

Electronic Seal Implementation

- A self-developed full-scenario application and anti-counterfeiting authentication service system for electronic seals has been deployed across retail finance, wholesale finance, and wealth management business scenarios. During 2024, electronic seals were utilized 127 million times, resulting in the conservation of 183 million sheets of paper.
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Paperless Reimbursement Processes

- As the first banking institution in China to achieve “paperless documentation, unmanned verification, and seamless reimbursement” process transformation, the Company has comprehensively transitioned financial reimbursement to a green operational model adhering to the principle of “maximum paperless implementation where applicable”. In 2024, 1,138,100 paperless reimbursement transactions were processed, conserving approximately 4.5524 million sheets of paper.
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Paperless Business Operations

- The Company has achieved paperless business operations through the “E-Stack Agreement Management Platform”, realizing fully digitalized approval and handover processes across all business operations. This initiative
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resulted in the conservation of 46.5888 million sheets of paper and a reduction of 419.30 metric tons of carbon dioxide emissions throughout the year.

Paperless Credit Card Services

- All personal credit card products support paperless applications. Additionally, the Company encourages credit card customers to adopt electronic statements, continuously optimizes online reconciliation services, and guides clients to access account inquiries through self-service channels. By the end of 2024, 99.45% of new credit card applicants submitted documentation via paperless methods, while 99.64% of credit card users opted for electronic statements, collectively saving 1.93 billion sheets of paper annually from physical billing.
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Paperless Procurement Management

- The Company has progressively implemented end-to-end digitalization for both centralized and decentralized procurement processes, effectively reducing resource consumption such as paper printing. By introducing third-party digital certificates, the entire tendering and contract signing procedures have been transitioned online, resulting in the conservation of approximately 23.1312 million sheets of paper annually.
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1.5 Waste Management

The Company adopts a waste management framework centered on whole life cycle management of waste, effectively mitigating potential environmental risks through coordinated implementation of standardized classification and disposal, compliant transportation control, and asset recycling and reutilization.

The Company generates four primary categories of waste: solid waste, kitchen waste, general waste, and hazardous waste. Distinct treatment methods are established for each waste type based on its specific characteristics.

Solid Waste

- Designated temporary storage areas with labeled collection containers for recyclable and non-recyclable waste.
 - Deployed specialized personnel for daily sorting to ensure accurate placement into designated temporary storage points.
 - Implemented loading height restrictions (not exceeding vehicle sideboards) during construction waste transportation, with contracted carriers holding valid transport permits for closed transportation.
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Kitchen Waste

- Utilized lidded specialized containers for centralized storage of kitchen waste, employing bagged and sealed processing.
- Liquid waste such as swill is stored in leak-proof containers to prevent odor diffusion.
- Engaged professional agencies for scheduled removal, ensuring zero spillage pollution throughout the process.
- In 2024, the headquarters cafeteria generated 188.76 metric tons of kitchen waste, representing a year-on-year reduction of 36.97%.

General Waste

- General office waste is uniformly bagged, securely tied, and disposed of in designated closed waste containers.
- A routine inspection and maintenance mechanism has been established to ensure regular cleanup of storage points and maintain environmental hygiene.

Hazardous Waste

- Dedicated closed collection containers labeled with specific hazardous waste names such as waste toner cartridges, batteries, and fluorescent tubes are deployed.
 - Transportation employs leak-proof sealed devices, with centralized disposal conducted by government-certified
-

professional agencies.

- A manifest tracking system is implemented to achieve full-process traceability from collection to final treatment.
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While rigorously implementing professional waste disposal practices, the Company has established an “Asset Reuse Repository” system. By the end of 2024, this system achieved online centralized allocation of 22 categories of recyclable assets, thereby accomplishing the dual objectives of waste reduction and resource regeneration.

[Case] Multiple Branches Promote Circular Utilization of Retired Assets

CMB’s Branches such as Nanjing and Chongqing advocate for asset reuse by implementing a structured process of “centralized recovery–demand matching–targeted reallocation” for functional equipment such as furniture, air conditioners, air purifiers from closed or renovated outlets, effectively extending the lifecycle of these assets.

CMB’s Dongguan Branch conducts periodic inventory audits and facilitates cross-branch circulation of existing furniture. In

2024, 167 pieces of furniture were reused through this mechanism, resulting in procurement cost savings of RMB313,200.

CMB's Guiyang Branch launched the "Tao Qi Bao" Asset Reuse Platform to prioritize the reuse of operational assets that meet business requirements. Throughout the year, 191 idle asset listings were published on the platform, fostering internal sharing and utilization of underutilized resources.

1.6 Exhaust Gas and Pollutant Management

The Company implements whole-process control of exhaust gas management, aiming to achieve "vehicle emission reduction and high-efficiency purification of cooking fumes". Through optimizing vehicle configurations, strengthening tailpipe emission monitoring, promoting energy-efficient driving protocols, and coordinated application of kitchen fume separation technologies, the Company has realized the integration of emission source control and terminal treatment. In 2024, neither the Company nor its major subsidiaries were included in the List of Environmental Information Disclosure in Compliance with Laws. All property wastewater discharges met government standards with zero regulatory penalties imposed.

Management of Official Vehicle Tailpipe Emissions

- **Vehicle Configuration Optimization:** Optimized shuttle bus routes and reduced operation frequencies, decreased the proportion of high-energy-consumption coaches, and strictly controlled the usage of high-fuel-consumption official vehicles.
- **Dynamic Emission Monitoring:** Established regular inspection mechanisms for vehicle engine status and tailpipe emissions to ensure compliance with national standards.
- **Driving Behavior Standardization:** Enhanced drivers' awareness of energy-saving operations, prohibited abrupt acceleration/braking, and rigorously enforced engine shutdown protocols during parking. In 2024, the headquarters' official vehicles consumed 61,587.33 liters of fuel, representing a year-on-year decrease of 17.79%.

Management of Cooking Fume Emissions

- **Headquarters Cafeteria Renovation:** A water-washing fume hood system has been installed, featuring a sprinkler system that separates the fume hood from exhaust ducts. This system achieves a grease separation rate of 93% and an odor removal rate of 55%, effectively controlling air and wall surface pollution.
 - **Branch Facility Upgrades:** Fume diversion equipment has
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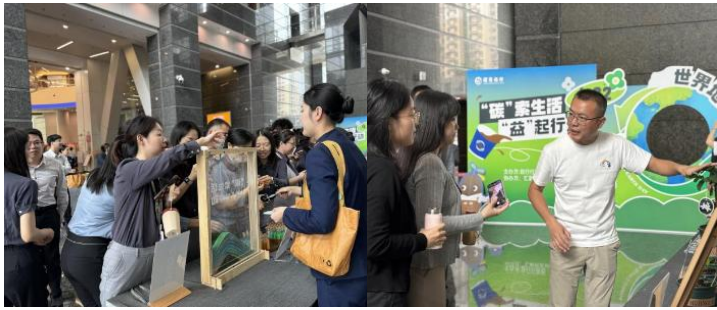
been deployed in the cooking fume emission systems at CMB's Lanzhou Branch headquarters and its business outlet cafeterias, reducing emissions of harmful substances and minimizing environmental impact on surrounding areas.

2. Dissemination of Green Concepts

Adhering to the philosophy of “Green Development, Shared Responsibility”, the Company has implemented diversified initiatives internally, including low-carbon office training programs, environmental protection knowledge competitions, and energy-saving innovation solicitation campaigns, to integrate green principles into employees' daily practices. Externally, the Company has organized thematic activities such as community environmental education, public welfare tree-planting initiatives, and riverbank cleanup operations. Through a multi-dimensional and scenario-based communication matrix, the Company strengthens collective commitment to green actions, mobilizes public participation in ecological co-creation, and fosters a new paradigm of green civilization characterized by financial institution leadership, deep employee engagement, and broad societal resonance.

[Case] “Exploring Low-Carbon Living · Acting Together for Good”: CMB World Earth Day Event

On the occasion of the 55th World Earth Day, themed “Cherish the Earth, Harmonious Coexistence Between Humanity and Nature”, the Company organized the “Exploring Low-Carbon Living and Acting Together for Good” campaign. The event featured three core modules: sand painting co-creation, environmental protection quiz, and circular economy exhibition. Employees collaboratively created symbolic sand paintings depicting ecological conservation landscapes such as mountain ranges, participated in online-offline integrated environmental knowledge dissemination, and observed live demonstrations of coffee grounds being repurposed into eco-friendly products. Upon completing tasks such as environmental quizzes, social media check-ins, and other engagement activities, employees collected achievement stamps redeemable for rewards, including complimentary freshly brewed coffee for those bringing reusable cups. This initiative seamlessly embedded low-carbon principles into daily scenarios, attracting over 700 participants and achieving dual outcomes of concept promotion and behavioral transformation.



Caption: Scene from the “Exploring Low-Carbon Living · Acting Together for Good” event.

[Case] “Recharge the Earth, Fuller Moon with You”: CMB Mid-Autumn Festival Community Cultural Event

Seizing the opportunity of the 2024 Mid-Autumn Festival, the Company integrated traditional culture with environmental protection concepts by hosting the themed event “Recharge the Earth, Fuller Moon with You”. Online initiatives included eco-themed interactive mini-games on the employee service platform, which garnered over 3,500 views. Offline

engagements featured environmental-themed games and DIY eco-friendly lantern-making sessions, encouraging employees to create festive decorations using renewable materials. Through the innovative model of “gamified learning + scenario-based experiential activities”, the event fostered deep resonance between environmental awareness and festive cultural traditions.



Caption: Interactive scene from the “Recharge the Earth, Fuller Moon with You” event.

Environmental Key Performance

1. Green Credit

Indicator (Unit)	2022	2023	2024
Green loan disbursement			
Balance of green loan ¹ (RMB100 million)	3,553.57	4,477.65	4,882.00
Balance of loans made to energy-saving and eco-friendly industry (RMB100 million)	511.13	606.58	588.29
Balance of loans made to clean production industry (RMB100 million)	88.28	79.76	87.38
Balance of loans made to clean energy industry (RMB100 million)	1,270.29	1,471.59	1,618.52
Balance of loans made to ecological and environmental industries (RMB100 million)	108.61	144.37	85.12
Balance of loans made to green upgrades of infrastructure (RMB100 million)	1,563.87	2,160.48	2,476.00
Balance of loans made to green service (RMB100 million)	11.39	14.88	26.69
Green loan balance increase compared to prior year (RMB100 million)	915.15	924.08	404.35

¹ Statistical calculation based on the People's Bank of China *Notice of the People's Bank of China on Revising the Special Statistical System for Green Loans* (PBOC [2019] No. 326).

Energy saving and emission reductions achieved by green loan projects¹

Converted annual water saving of green loan projects (10,000 tons)	1,481.79	1,552.68	1,504.36
Converted annual emission reduction of carbon dioxide equivalent from green loan projects (10,000 tons)	1,613.05	1,778.67	1,928.78
Converted annual emission reduction of sulfur dioxide from green loan projects (10,000 tons)	16.49	17.29	18.19
Converted annual emission reduction of standard coal from green loan projects (10,000 tons)	733.01	799.42	856.08
Converted annual emission reduction of chemical oxygen demand (COD) from green loan projects (10,000 tons)	35.72	27.66	28.49
Converted annual emission reduction of ammonia nitrogen (NH ₃ -N) from green loan projects (10,000 tons)	5.50	2.40	2.28
Converted annual emission reduction of nitrogen oxides (NO _x) from green loan projects (10,000 tons)	3.48	4.43	5.17

¹ Statistical calculation based on the National Financial Regulatory Administration (formerly the China Banking and Insurance Regulatory Commission) *Notice of the General Office of the China Banking and Insurance Regulatory Commission on Work Related to the Green Finance Statistics System* (CBIRC Office Letter [2020] No. 739).

2. Greenhouse Gas Emissions^{1,2,3}

Indicator (Unit)	Group Scope ⁴			Legal Entity Scope ⁵		
	2022	2023	2024	2022	2023	2024
Greenhouse gas emissions (scope 1 plus scope 2) (10,000 tons of CO ₂ equivalent)	47.81	50.36	51.92	45.87	48.43	49.99
Scope 1 (direct) greenhouse gas emissions (10,000 tons of CO ₂ equivalent)	2.31	2.93	5.33	2.18	2.81	5.15
Scope 1 greenhouse gas emissions from stationary sources (10,000 tons of CO ₂ equivalent)	0.93	0.84	0.83	0.91	0.82	0.81
Scope 1 greenhouse gas emissions from mobile sources (10,000 tons of CO ₂ equivalent)	0.34	0.36	0.34	0.32	0.32	0.32
Scope 1 greenhouse gas emissions from refrigeration release (10,000 tons of CO ₂ equivalent)	1.04	1.73	4.16	0.95	1.67	4.02

¹ The Company calculates the environmental impact of its business activities in accordance with *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition)* and *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard*. In 2024, the Company will conduct a comprehensive greenhouse gas accounting at the group level and will review and adjust the greenhouse gas emission data for 2022 and 2023.

² The Company uses the Operational Control Approach to define the organizational boundaries for its greenhouse gas accounting, calculating the total greenhouse gas emissions within the scope of the business it controls, and consistently applies this selected method.

³ Based on its operational characteristics and the actual data collection situation, the Company includes carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), and hydrofluorocarbons (HFCs) in its greenhouse gas accounting.

⁴ The group scope includes China Merchants Bank and its subsidiaries.

⁵ The legal entity scope includes the headquarters of China Merchants Bank, as well as domestic and overseas branches.

Scope 2 (indirect) greenhouse gas emissions (10,000 tons of CO ₂ equivalent)	45.50	47.43	46.59	43.69	45.62	44.84
Scope 2 greenhouse gas emissions from purchased electricity consumption (10,000 tons of CO ₂ equivalent)	43.41	44.86	44.45	41.62	43.07	42.71
Scope 2 greenhouse gas emissions from purchased heat consumption (10,000 tons of CO ₂ equivalent)	2.09	2.57	2.14	2.07	2.55	2.13
Greenhouse gas emissions intensity (scope 1 plus scope 2) (tons of CO ₂ equivalent/ person)	3.59	3.66	3.76	4.14	4.24	4.33

Indicator (Unit)	2022	2023	2024
Scope 3 greenhouse gas emissions ^{1,2,3} (10,000 tons of CO ₂ equivalent)	245.78	273.71	280.06
Scope 3 greenhouse gas emissions – Category 1: purchased goods and services (10,000 tons of CO ₂ equivalent)	161.25	174.12	170.85
Scope 3 greenhouse gas emissions – Category 2: capital goods (10,000 tons of CO ₂ equivalent)	61.08	69.58	77.91
Scope 3 greenhouse gas emissions – Category 3: fuel- and energy-related activities (not Included in Scope 1 or Scope 2) (10,000 tons of CO ₂ equivalent)	14.20	14.55	14.80
Scope 3 greenhouse gas emissions – Category 4: upstream transportation and distribution (10,000 tons of CO ₂ equivalent)	1.34	1.21	1.05
Scope 3 greenhouse gas emissions – Category 5: waste generated in operations (10,000 tons of CO ₂ equivalent)	0.70	0.61	0.54
Scope 3 greenhouse gas emissions – Category 6: business travel (10,000 tons of CO ₂ equivalent)	1.98	5.57	4.59
Scope 3 greenhouse gas emissions – Category 7: employee commuting (10,000 tons of CO ₂ equivalent)	3.82	6.57	8.76
Scope 3 greenhouse gas emissions – Category 13: downstream leased assets (10,000 tons of CO ₂ equivalent)	1.41	1.50	1.56

¹ Excluding Category 15 (investment and financing), the Company's scope 3 greenhouse gas (GHG) emission sources include: Category 1–Purchased Goods and Services, Category 2–Capital Goods, Category 3–Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2), Category 4–Upstream Transportation and Distribution, Category 5–Waste Generated in Operations, Category 6–Business Travel, Category 7–Employee Commuting, and Category 13–Downstream Leased Assets. The Company is not involved in Category 8–Upstream Leased Assets, Category 9–Downstream Transportation and Distribution, Category 10–Processing of Sold Products, Category 11–Use of Sold Products, Category 12–End-of-Life Treatment of Sold Products, or Category 14–Franchise Emissions.

² In 2024, the Company updated its emission factor database and accordingly adjusted the historical comparable data.

³ The statistical scope follows the legal entity scope, covering the headquarters of China Merchants Bank, and the domestic and overseas branches.

3. Energy Consumption^{1,2}

Indicator (Unit)	2022	2023	2024
Total energy consumption (10,000 tons of standard coal)	10.33	10.74	10.52
Direct energy consumption (10,000 tons of standard coal)	0.67	0.62	0.61
Indirect energy consumption (10,000 tons of standard coal)	9.66	10.12	9.91
Total energy consumption intensity (tons of standard coal/ person)	0.93	0.94	0.91
Direct energy consumption			
Gasoline consumption of owned vehicles (10,000 liters)	143.68	146.28	145.03
Diesel consumption of owned vehicles ³ (liters)	4,635.92	2,535.50	1,773.44
Natural gas consumption (10,000 cubic meters)	404.72	363.25	369.11

¹ In 2024, the Company conducted a comprehensive greenhouse gas accounting at the group level and will review and adjust the energy consumption data for 2022 and 2023.

² The statistical scope follows the legal entity scope, covering the headquarters of China Merchants Bank, domestic and overseas branches.

³ In 2024, the Company's use of diesel-powered official vehicles decreased, leading to a reduction in diesel consumption by company-owned vehicles.

Liquefied petroleum gas (LPG) consumption in cafeteria ¹ (tons)	48.96	53.41	5.92
Diesel consumption of backup generators (10,000 liters)	7.71	6.23	4.41
Gasoline consumption of backup generators (liters)	1,094.89	1,119.11	1,576.64
Refrigerant consumption ² (kilograms)	5,483.45	8,496.80	17,885.75
Indirect energy consumption			
Total purchased electricity consumption (MWh)	730,468.45	755,746.17	749,206.76
Cost of purchased heat (RMB10,000)	1,722.09	1,992.47	1,796.43
Data center energy consumption			
Average power usage effectiveness (PUE) of owned data centers ³	1.54	1.59	1.47

¹ In 2024, most branch cafeterias completed pipeline renovations, replacing liquefied petroleum gas with electricity or natural gas. As a result, the data shows a significant decrease compared to previous years.

² In 2024, the Company carried out the replacement of air conditioning equipment, and the statistical scope covers the refrigerant charge amount of the equipment being replaced.

³ The statistical scope for PUE (Power Usage Effectiveness) in 2023 and 2024 includes the Shenzhen R&D Data Center, Shenzhen Pinghu Data Center, and Shanghai Zhangjiang Data Center. The statistical scope for 2022 includes the Shenzhen R&D Data Center and Shanghai Zhangjiang Data Center.

Clean energy use			
Clean energy usage (GJ)	/	/	143,734.69
Natural gas usage (GJ)	/	/	130,864.79
Wind energy usage (GJ)	/	/	399.60
Water energy usage (GJ)	/	/	12,470.30
Proportion of natural gas usage (%)	/	/	0.91
Proportion of wind energy usage (%)	/	/	0.0028
Proportion of water energy usage (%)	/	/	0.09

4. Water Resource Consumption¹

Indicator (Unit)	2022	2023	2024
Total water consumption (10,000 tons)	188.46	256.28	229.07
Total municipal water supply (10,000 tons)	185.84	254.96	228.10
Total barreled water consumption (10,000 tons)	0.84	1.14	0.87
Total bottled water consumption (10,000 tons)	1.78	0.18	0.10
Water consumption intensity (tons/ person)	18.42	22.43	19.55

¹ The statistical scope follows the group scope, covering China Merchants Bank and its subsidiaries. For the statistical scope of water resource consumption in 2023 and 2022, please refer to the Company's 2023 and 2022 Sustainability Reports.

5. Paper and Material

Indicator (Unit)	2022	2023	2024
Paper consumption ¹ (tons)	1,539.38	1,521.08	1,448.07
Amount of paper used for new card and envelope packaging (10,000 pieces)	2,147	1,796	1,824
Weight of paper used for new card and envelope packaging (tons)	268.38	224.50	228.00
Usage rate of electronic credit card statements (%)	99.58	99.57	99.64
Amount of paper saved by using electronic credit card statements (100 million pieces)	19.86	18.93	19.30

¹ The statistical scope for paper consumption is based on the quantity of printing paper ordered through the “Zhaocaiyun” platform, estimated using parameters such as paper specifications and grammage from the orders.

6. Waste Emission¹

Indicator (Unit)	2023	2024
Total amount of waste (tons)	30,729.00	30,164.90
Total amount of non-hazardous waste (tons)	30,670.57	30,114.39
Total amount of hazardous waste (tons)	58.43	50.51
Non-hazardous waste intensity (kilograms/ person)	222.72	217.84
Hazardous waste intensity (kilograms/ person)	0.42	0.37
Amount of cycling waste (tons)	/	149.24

¹ The statistical scope follows the group scope, covering the China Merchants Bank and its subsidiaries.

VIII. Social: Upholding Business for Good, Co-Creating a Beautiful Social Landscape Together

Serving the real economy and promoting the well-being of people's livelihoods are the fundamental missions of the financial sector. In the face of trends such as economic development entering a new stage of high-quality development and the continuous upgrading of public livelihood demands, the financial industry's provision of high-quality financial services and fulfillment of corporate citizenship responsibilities are crucial for driving economic and social development and improving the happiness of people's livelihoods.

China Merchants Bank adheres to a people-centered value orientation, thoroughly implements the fundamental purpose of serving the real economy, and fully devotes itself to crafting the "Five Major Financial Themes" of technology finance, green finance, inclusive finance, pension finance, and digital finance. It intensifies support for national major strategies, key sectors, and weak links, striving to deliver excellent financial services for

high-quality economic and social development. It enhances consumer rights protection, safeguarding client privacy and property safety. It upholds the principle of shared growth between employees and the Company, fostering a value co-creation community. It establishes long-term mechanisms such as targeted assistance programs and public welfare platforms, continually disseminate the positive force of financial benevolence to society.

We Support Sustainable Development Goals (SDGs)



(I) Technology Finance

China Merchants Bank has positioned technology finance as one of the directions for serving the real economy. Adhering to the service philosophy of early engagement and long-term partnership, the Company maintains specialized and differentiated operations, fostering mutual development with technology-driven enterprises. It promotes a virtuous cycle among “technology-industry-finance”, and comprehensively accelerates the development of new-quality productive forces. The Company is actively implementing the target that “the growth rate of loans to technology enterprises shall not be lower than that of the Bank’s self-operated business loans”. By the end of 2024, the balance of loans to technology enterprises reached RMB590.456 billion, representing a 9.73% increase from the end of the previous year, exceeding the growth rate of self-operated business loans and achieving the established target.

1. Strengthening the Mechanisms

The Company has established a “1+20+100” technology finance organizational structure, formulated a clear technology finance development plans and built a resource guarantee

system, providing a solid foundation for the development of technology finance operations.

CMB’s “1+20+100” Technology Finance Organizational Structure

“1”: The Technology Finance Committee of the Head Office

- The Technology Finance Committee has been established at the head office. Through the mechanisms such as regular and ad hoc work meetings, this committee formulates major matters including the overall strategic planning and development goals for technology finance, annual work objectives and plans, key product and model innovation initiatives, and key customer segments and business operation strategies.

“20”: 20 Key Branches for Technology Finance

- Focusing on key regions, 20 key branches for technology finance have been set up to carry out the mechanism development of “Six Dedicated Elements”: dedicated teams, tailored products, customized policies, specialized institutions, targeted evaluations, and streamlined processes specifically for technology finance.

“100”: 100 Dedicated Sub-branches for Technology Finance

- For key branches, 100 specialized sub-branches have been set for technology finance, serving as specialized service windows for technology finance.
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The Company has formulated the 2023-2025 Three-Year Development Plan for Technology Finance, outlining the goal of “demonstrating leadership with 1,000 enterprises, nurturing growth for 10,000 enterprises, and cultivating potential in 100,000 enterprises”. The plan emphasizes the core strategies of systematic mechanisms, specialized capabilities, and ecosystem-driven scenarios, establishing the “Six Dedicated Elements” mechanism to enhance resource allocation and policy support for technology enterprises.

To further optimize resource distribution and stimulate employees’ initiative in developing technology finance business, the Company has incorporated technology finance-related indicators into branch performance evaluations. The Company has also launched a special recognition system for key branches, dedicated sub-branches, and relevant staff. Additionally, preferential internal fund transfer pricing (FTP) has been implemented for sci-tech enterprises, alongside continued provision of special loan subsidies, actively fostering

a financial environment conducive to the development of technology enterprises.

2. Enhancing Product and Service Offerings

The Company conducted in-depth research into the business needs of technology enterprises, leveraged its comprehensive service strengths, and developed integrated technology finance solutions to channel more financial service resources precisely toward crucial and core technology sectors. By the end of 2024, the Company served 162,500 technology enterprise clients under the statistical framework of the National Financial Regulatory Administration, marking an 18.71% year-on-year increase. Outstanding loans to technology enterprises totaled RMB590.456 billion, up 9.73% from the previous year. The coverage rate for “Little Giant” SSDI enterprises (Specialized, Sophisticated, Distinctive, and Innovative) reached 66.70%, with outstanding loans to these enterprises amounting to RMB78.978 billion, while loans to SSDI SMEs stood at RMB226.714 billion.

2.1 Innovative Financing Products

Focusing on nine strategic emerging industries, the Company tailored its approach to the varying growth stages of

technology enterprises. By utilizing big data reflective of innovation attributes - such as capital market performance, talent pools, national awards, and patent intensity - the Company established a qualification scoring model matrix to generate a “Qualification Score” for technology enterprises, capturing their growth value beyond traditional financial metrics.

Building on this framework, the Company launched “Kechuang Loan” (Science and Technology Innovation Loan), an exclusive financing product for technology enterprises. Leveraging digital technologies and integrating big data on innovation attributes, creditworthiness, and tax compliance, the product combines dual models (“Qualification Score” and “Risk Score”) with tailored risk strategies to efficiently meet financing needs of up to RMB30 million. It provides differentiated credit support to SMEs with high-growth potential and hard-tech capabilities. By the end of 2024, the “Kechuang Loan” had approved RMB11.511 billion in credit facilities for over 1,566 enterprises.

[Case] Partnering with a Private Rocket Company to Fully Support Aerospace Industry Development

LandSpace, China’s first privately-owned carrier rocket company to obtain all market access qualifications and the

only one to achieve orbit using a self-developed liquid engine, is a key financial partner of CMB. The Company provided timely credit support, efficiently approved comprehensive credit facilities, and assisted the company in connecting with diversified financing channels from a holistic financial planning perspective. This collaboration helped LandSpace expand financing avenues, optimize its financial structure, and strengthen its technological self-reliance. In September 2024, CMB and LandSpace jointly conducted the “Chasing Dreams with CMB” 10-kilometer vertical takeoff and landing (VTVL) test of a reusable rocket, marking a milestone in China’s pursuit of low-cost, high-capacity launch vehicles.

[Case] “Kechuang Yidai”: Addressing Funding Needs of Startups

A start-up enterprise in Shanghai conducts drug research and development by leveraging artificial intelligence evaluation models and intelligent detection technologies. It is a national high-tech enterprise and owns a number of independently developed intellectual property rights. The Company provided the company with the “Kechuang Yidai” (Easy Science and Technology Innovation Loan) product, helping enterprise complete the entire online approval process, including the credit assessment application and agreement signing. The

enterprise was approved for a credit loan line of RMB3 million within half a day, effectively solving the initial capital needs of the enterprise during its start-up period.

2.2 Delivering Diversified Services

The Company addresses the core needs of technology enterprises by providing diversified services. Through its Treasury Management Cloud Platform, the Company offers a one-stop digital experience for “monitoring, managing, allocating, and integrating” financial resources, significantly enhancing efficiency in financial and capital deployment. The Company also supports technology enterprises in cross-border scenarios such as account management, transactions, settlements, and financing, facilitating “capital inflow and product globalization”. Additionally, the Company addresses talent retention and motivation by offering wealth management, personal credit, and payroll services to help enterprises unlock workforce potential.

[Case] Subsidiaries Deepening Technology Finance

The Company’s subsidiary CMB Wealth Management prioritizes investments in innovation-driven sectors such as healthcare, advanced manufacturing, and the digital economy.

In 2024, its investments in manufacturing totaled RMB68.833 billion, with RMB42.328 billion allocated to hard-tech enterprises.

The Company’s subsidiary China Merchants Fund directs capital to entities with core technologies and sustainable growth potential actively. By the end of 2024, it invested RMB91.577 billion in strategic emerging industries and RMB147.708 billion in SMEs.

The Company’s subsidiary CMB Financial Leasing focuses on supporting high-end equipment manufacturing such as “domestic ships built by domestic manufacturers”, domestic large aircraft, construction machinery, the intelligent transformation and upgrading of traditional manufacturing enterprises, and the domestic substitution in key technology fields such as integrated circuits. By the end of 2024, it collaborated with domestic shipbuilding enterprises, building a total of 118 ships with an asset balance of RMB20.692 billion; it delivered 2 C919 aircraft to customers and became the first financial leasing company in the industry to provide leasing financing for the domestic large aircraft C919.

The Company’s subsidiary CMB International Capital, the Company’s sole overseas investment banking platform, acted

as a sponsor or underwriter for multiple hard-tech enterprises—spanning integrated logistics, healthcare, new energy, semiconductors, and advanced manufacturing—in their listings on the Hong Kong Stock Exchange.

2.3 Expanding Ecosystem Boundaries

The Company collaborates closely with science and technology innovation authorities at all levels, high-tech industrial parks, premium investment institutions, and leading academic institutions to build an open and synergistic ecosystem integrating “government, capital, and industry”. This ecosystem delivers comprehensive, efficient, and one-stop financial solutions tailored to technology enterprises.

Supporting the Expansion of Financing Channels

- **Equity Financing:** Providing end-to-end equity financing and IPO services for technology enterprises. In 2024, through its “Roadshow+” platform, CMB connected 251 high-potential technology enterprises with over 1,800 equity investment institutions, facilitating total equity fundraising of RMB123.274 billion.
- **Bond Financing:** The Company led the underwriting of 145 science and technology innovation bonds with a total underwriting share of RMB62.65 billion, ranking first in

market share.

Serving Innovation and Entrepreneurship Continuously

- For 13 consecutive years, the Company has served as the exclusive official banking partner of the China Innovation and Entrepreneurship Competition, co-building a growth platform for technology enterprises. By the end of 2024, the Company had supported 49,500 participating enterprises with cumulative credit facilities of RMB215.684 billion, accelerating their development.
- Under the “Thousand Eagles Soar” initiative for innovative growth-stage enterprises, the Company launched the “Thousand Eagles Soar 2.0 Financial Empowerment Plan,” offering integrated services such as investment financing, industrial collaboration, policy alignment, and industry networking to top performers of the competition.

[Case] Underwriting China’s First Perpetual Hybrid Science and Technology Innovation Bond

In 2024, the Company underwrote the Shanghai Lingang Economic Development (Group) Co., Ltd. 2024 Second Phase Medium-Term Note (Hybrid Science and Technology Innovation Bond). With a RMB300 million issuance and a coupon rate of 2.10%, the proceeds were dedicated to equity investments and fund contributions in Lingang’s technology

innovation projects. The bond's returns are linked to the future return of Lingang's venture capital funds, with quantitative triggers designed to maximize investor upside, providing market investors with the opportunity to share in the potential growth value of VC funds and attracting patient capital to crucial technology sectors and technology startups.

[Case] Hangzhou Branch: Customized Solutions Fueling Independent Innovation and Industrial Upgrading

A Hangzhou-based biotech company—the world's first to achieve scaled production of artificial silkworm feed and upstream and downstream applications development—faced funding challenges during technology industrialization. Beyond providing RMB547 million in credit, CMB's Hangzhou Branch structured an equity financing plan, leveraging the “Roadshow

+

 platform to secure RMB50 million in equity investment. This multi-pronged approach resolved the company's funding bottlenecks, enabling technology commercialization.

Caption: CMB's Shijiazhuang Branch and the Hebei Provincial Department of Science and Technology jointly hosted the “Strengthening Enterprises through Science and Technology in Hebei” Kechuang Loan Promotion Series, attracting nearly 400 technology enterprises.

(II) Inclusive Finance

China Merchants Bank prioritizes inclusive finance one of the main directions for serving the real economy, employing digital, intensive, and intelligent methods to build a “human + digital intelligence” service model. The Company continuously innovates in product systems, risk management, and operational frameworks to achieve precise coverage of inclusive finance clients. The Company is actively implementing the target of “the growth rate of loans to inclusive SMEs should not be lower than the growth rate of all loans of the whole bank”. By the end of 2024, the balance of loans to inclusive SMEs was RMB887.679 billion, an increase of 10.37% compared with the end of the previous year, which was higher than the growth rates of any other loans of the whole bank, achieving the established target.

1. Strengthening Organizational Support

The Company’s Board of Directors conducts annual reviews of SMEs business development. The Company has established a three-tier inclusive finance structure spanning the head office, branches, and sub-branches. **At the Head Office level**, the Inclusive Finance (Rural Revitalization) Management Committee has been established, which is responsible for

formulating the overall development strategic plans and goals of inclusive finance and rural revitalization, and deliberating and deciding on major matters. The President of the Company serves as the chairperson of the committee, and the office of the committee is responsible for carrying out daily work. **At the branch level**, inclusive finance departments have been established in all domestic province-level branches, and specialized teams have been equipped to develop inclusive finance businesses. **At the sub-branch level**, a team of inclusive account managers has been set up to further focus on inclusive businesses and serve inclusive customer groups.

2. Optimizing Operational Mechanisms

In order to better coordinate and promote inclusive finance and rural revitalization work, the Company issues guidance on inclusive finance and rural revitalization work every year, clarifying the development requirements, overall strategies, and action plans for the current year, and optimizing the operating mechanism in terms of assessment and incentives, credit resources, risk management, etc.

Enhanced Performance Incentives

- In the domestic province-level branch evaluations, the dimension of inclusive finance is listed separately.
- Policies like the *China Merchants Bank Implementation Rules for Exemption from Liability for Due Diligence in Inclusive Credit Loans*, the *China Merchants Bank Implementation Rules for Exemption from Liability for Due Diligence of Employees Engaged in Agricultural-related Loans*, and the *China Merchants Bank Implementation Rules for Exemption from Liability for Due Diligence of Employees Engaged in Retail Inclusive Finance Lending* protect the enthusiasm of employees and cultivate a good atmosphere where account managers are willing and dare to engage in relevant businesses.

Prioritized Credit Resources

- Providing pricing subsidy preferences for inclusive SMEs loans, agricultural-related loans, and inclusive agricultural-related loans.

Robust Risk Management

- Actively enhancing the digital risk management capabilities for inclusive finance and strengthening the foundation of risk control.
 - Developing the query function of industry credit policies to present the credit policies of the agriculture, forestry, animal
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husbandry, and fishery industries in a structured manner and to facilitate employees to query quickly.

- Launching the auxiliary analysis function of the industry competition situation model, and uses the system's large model to automatically generate analysis reports on industries such as agriculture, forestry, animal husbandry, fishery, and pig farming for reference by credit operation personnel.
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3. Focusing on Key Areas

3.1 Serving Small and Micro Business Entities

The Company provides loan product services with various guarantee methods such as mortgage and credit for SMEs and individual businesses. It has established and improved an inclusive finance product system and launched online financial product such as “Flash Loan” for retail customers, and “Zhaoqi Loan”, a pure online data-driven financing product for corporate clients. Online service platforms, including the Enterprise App, “Zhaodai” (“Business Loan”) App, and “Zhaodai +” (“Business Loan +”) WeChat Mini Program, have been introduced, offering tools like “Credit Eligibility Check” and the “Enterprise App Inclusive Financing Zone”. These

initiatives further deepen the digital service model for inclusive finance with CMB's distinctive features.

By the end of 2024, the balance of loans to inclusive SMEs was RMB887.679 billion, an increase of RMB83.400 billion compared with the end of the previous year; the number of inclusive SMEs with loan balances was 1.0773 million households, an increase of 72,800 households compared with the end of the previous year. In 2024, newly issued loans to inclusive SMEs amounted to RMB622.533 billion, with an average interest rate of 4.22%, a decrease of 26 basis points compared with the end of the previous year.

[Case] Accelerating the Development of Exclusive Online Service Channels for Small and Micro Customers

In 2024, the Company upgraded the dedicated digital service platforms for small and micro customers—the “Zhaodai” App and “Zhaodai +” WeChat Mini Program—providing streamlined application processes and online transaction services. Enhancements to automatic loan renewal and flexible repayment features improved the convenience of no-principal-repayment loan rollovers and fund utilization. By the end of 2024, the “Zhaodai” App had 4.2231 million registered users, a 16.48% year-on-year increase.

[Case] Issuing Special Bonds to Broaden the Financing Channels of Inclusive Finance

In 2024, CMB's New York Branch issued the first offshore social responsibility bond of Chinese-funded banks worth 300 million US dollars with the theme of “Supporting Small and Medium-sized Enterprises”. The issuance interest rate was the Secured Overnight Financing Rate (SOFR) plus 54 basis points, and the peak order subscription multiple exceeded 5.5 times. All the net funds raised will be used to support eligible small and medium-sized enterprise projects, alleviating the funding shortage problems faced by SMEs during their development.



Caption: Issuing the first offshore social responsibility bond of Chinese-funded banks with the theme of “supporting small and medium-sized enterprises”.

[Case] Serving the New Urban Resident Customer Group

Combining the financial needs of the new urban resident customer group in key areas such as entrepreneurship, employment, housing, education, medical care, and elderly care, the Company has created exclusive products for the new urban resident customer group, effectively enhancing their sense of gain, happiness, and security. In 2024, the retail credit service served 77,170 new urban resident customers, and a total of RMB104.766 billion in loans were disbursed to new urban resident customers in 2024.



Caption: Optimizing the financial services for new urban residents to help them light up a new life.

[Case] Quanzhou Branch: Tailored Products for Local Specialty Industries

Footwear and apparel are signature industries in Quanzhou. To address financing challenges for local SMEs and self-employed businesses in this sector, CMB's Quanzhou Branch introduced specialized products and service plans such as "Footwear and Apparel Loan" and "Mortgage Solutions for Footwear Industry Clients". It established differentiated credit approval, pricing, and risk management processes by leveraging credible government big data and built a quantitative risk control system for industry-specific client groups. By the end of 2024, the Branch had provided financing services to nearly 600 SMEs in the footwear and apparel industry, with cumulative credit approvals of RMB327 million and disbursements of RMB162 million.

[Case] Nanchang Branch: "Fast Cash Flow Loan" Empowers SMEs in Jiangxi

CMB's Nanchang Branch launched the "Fast Cash Flow Loan", which integrates data from the Jiangxi Provincial Inclusive Credit Enterprise Cash Flow Big Data Platform. By analyzing over 50 indicators—including cash flow, operations, collaborations, financials, and other metrics—the product uses

a scoring system to profile SMEs accurately, streamline approvals, and offer diversified financing options. By the end of 2024, the product had approved credit lines totaling RMB285 million, with disbursements exceeding RMB100 million.

3.2 Serving Upstream and Downstream Enterprises in the Supply Chain

The Company has innovated supply chain products, enhanced service capabilities, and developed a comprehensive, automated, and intelligent supply chain finance product system that covers credit output and data output models, in order to meet enterprises' supply chain financing needs in various scenarios. At the same time, the Company focuses on regional advantageous industries and provides industry-wide integrated solutions to serve customers along the upstream and downstream of the industrial chain. The annual business volume of supply chain financing was RMB1,014.712 billion, an increase of 23.94% compared with the end of the previous year; it served 8,613 core enterprises and 50,941 enterprises upstream and downstream of the industrial chain.

[Case] Leveraging the “Whole Bank Serving One” Mechanism to Provide Integrated Supply Chain Finance for a Leading Manufacturing Enterprise

The Company employed its “Whole Bank Serving One” mechanism to serve a leading manufacturing enterprise. Aligning with the enterprise's settlement patterns and needs, the Company designed and upgraded scenario-specific supply chain products. Through nationwide branch collaboration, it offered suppliers of the core enterprise strong-rights confirmation products such as reverse factoring and domestic letters of credit, alongside weak-rights confirmation solutions like Zhaolian Yidai, thereby stabilizing the core enterprise's supply chain. By the end of 2024, the Company served 258 upstream suppliers in the enterprise's industrial chain.

[Case] Zhaolian Yidai: Paving a Development Path for Small and Medium-sized Enterprises in Central Enterprises' Supply Chains

The Company proactively delivered a Zhaolian Yidai-centered solution to a central enterprise group. By breaking down data barriers between procurement platforms and financial systems, the Company unlocked the value of information and capital flow data in credit assessments, empowering SMEs within the

industrial chain. By the end of 2024, the Company provided credit services to nearly 100 small and medium-sized enterprises within the central enterprise group's industrial chain.

3.3 Serving Agriculture-Related Business Entities

The Company offers diversified products, including Xiao Wei Di Ya Dai (Micro Mortgage Loan) and Xiao Wei Sheng Yi Dai (Micro Business Loan), to meet the financing needs of agriculture-related micro and small enterprises and farmers. It focuses on key sectors such as grain production, agricultural technology, seed industry revitalization, and major agricultural products, introducing the *Marketing Plan for Agricultural (Forestry, Seed Industry) Leading Enterprises*, incorporating agricultural technology firms specializing in seed resources into its priority client list. Efforts were intensified to expand agricultural supply chain finance, forestry rights mortgage financing, and cold-chain logistics financing, comprehensively supporting rural industrial development. By the end of 2024, the balance of agricultural-related loans was RMB241.041 billion, an increase of 19.85% compared with the beginning of the year; the balance of inclusive agricultural-related loans was RMB23 billion, an increase of 29.06% compared with the end of the previous year.

Promoting Integrated Development of Rural Primary, Secondary, and Tertiary Industries

- By analyzing regional markets, identifying local specialty industries, mapping high-quality clients across industrial chains, and delivering digitalized products, the Company served rural industrial clusters such as dairy farming in Inner Mongolia, fresh corn in Heilongjiang, poultry in Shandong, furniture manufacturing in Nankang (Jiangxi), and dried tangerine peel production in Xinhui (Guangdong).

Facilitating the Utilization of Rural Assets

- The Company established cross-departmental task forces to research forestry rights mortgage lending practices in Quzhou (Zhejiang), Sanming (Fujian), and Ganzhou (Jiangxi). Leveraging China's nationwide reforms to deepen collective forestry rights systems, it launched specialized loans for forestry rights pledges.
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[Case] Forestry Rights Mortgage Resolving Financing Challenges

An enterprise in Nantong City, Jiangsu Province, is a well-known oleic acid manufacturing enterprise and a demonstration enterprise for the comprehensive utilization of industrial resources in the Yangtze River Delta region. In 2024, the Company engaged professional assessment institutions to

scientifically calculate the value of forest land use rights held by the actual controllers of enterprises. By using part of the forest rights as collateral, the Company provided loan funds to enterprises specifically for the procurement of production raw materials. This business transformed the tree resources into a guarantee for the enterprise's production funds, providing a solid financial foundation for the enterprise to expand its production scale. At the same time, it achieved the efficient conversion of waste animal and plant oils, reduced environmental pollution, and effectively supported the development of the circular economy.

[Case] CMB Financial Leasing: Agricultural Feed Equipment Leasing Project

A leading agricultural enterprise operates multiple decentralized feed production bases across urban and rural areas. To address the client's need for small-ticket, multi-borrower financing, the Company's subsidiary CMB Financial Leasing conducted extensive field research and designed a "centralized credit enhancement" leasing solution. In 2024, it provided RMB238 million in feed equipment leasing services to 11 of the client's production entities, injecting robust momentum into rural industry development.

Column: Enhancing Service Accessibility

The Company continuously upgrades its "Human+Digital intelligence" service capabilities and experiences. Through offline branches, it provides in-person support, while the 95555 Remote Service Center offers one-on-one assistance. Complemented by round-the-clock digital services via various apps, the Company strives to meet diverse financial and non-financial needs across all customer segments through both physical and digital channels.

Branch Network Coverage

By the end of 2024, the Company operated 143 branches and 1,794 sub-branches in the Chinese mainland, along with 2 specialized institutions at the branch level. It had a branch in Hong Kong, China; a representative office in Taipei, China; a branch and a representative office in New York, the United States; a branch in London, the United Kingdom; a branch in Singapore; a branch in Luxembourg; and a branch in Sydney, Australia.

Guided by the principle of "total volume control and stock optimization" for domestic branch planning, the Company added 13 new service outlets in 2024 while relocating and

upgrading 103 existing outlets to expand coverage and enhance financial service capabilities.

Elderly-Friendly Services

On the basis of centrally equipped basic facilities for assisting the elderly such as reading glasses and magnifying glasses, the Company has differentially configured customized facilities for assisting the elderly such as handheld vibrating call number devices and mobile form-filling stations, and renovated and launched the large-character version of the counter handwriting screen to improve customers' signing and reading experience.

Outlet Services

- Design senior-friendly service standards from the dimensions of personnel, environment, efficiency, facilities and equipment, business processes, etc., and provide “accompanied, one-stop, and exclusive customized” counter services at outlets for elderly customers.
- All outlets are equipped with “Senior Priority Windows” or “Silver Priority Queue Services”. Counter screens offer full-screen signature and text magnification modes.
- Launched an elder-friendly version of transaction history

printing at self-service kiosks, featuring simplified interfaces, streamlined processes, and enlarged fonts to reduce reading difficulty.



Caption: CMB's Nanchang Branch offers one-on-one “designated guides”, priority service windows, and seating for seniors, creating a seamless elderly-friendly experience.

Digital Services

- **CMB App:** The “Elder-Friendly Version” of the App uses large fonts, highlights key alerts and frequently used functions, and allows quick customization of preferred features. It introduced real-time screen sharing with voice support, enabling remote assistance for bill payments. By the end of 2024, the number of users of the “Elder-Friendly Version” was 1,958,600 households.
- **CMB Life App:** In the “Caring Version” of the CMB Life App, special simple renovations for aging-friendliness have been carried out for high-frequency and just-

needed usage scenarios, and the voice operation and customer service entrance are exposed in the form of a tab. For customers aged 60 and above, a version switch pop-up window and a more convenient manual service entrance are provided.

- **Customer Service Hotlines:** The 95555 customer service hotline actively identifies senior customers, provides senior customers with a more convenient personalized service menu, and helps senior customers quickly access the aging-friendly manual special line. In 2024, it provided 427,600 times of quick access services via phone and text for senior customers, with a phone special line connection rate of 98.25% and a customer satisfaction rate of 99.58%. The “400” hotline for credit cards supports senior customers to independently choose the manual green channel or self-service channel service according to their needs. In 2024, it provided 997,900 times of services for senior customers aged 60 and above, with a service satisfaction rate of 98.89%.
- **CMB “One-Net Access” Website:** An in-house-developed accessibility toolbar provides features like oversized cursor, extra-large fonts, and text-to-speech for

independent use by seniors.

Accessibility Services

The Company thoroughly addresses the needs of customers with disabilities across all financial service scenarios. Branches are equipped with password keypads featuring Braille labels. A dedicated “Green Channel” for visually impaired customers was launched within the 95555 hotline, enabling them to bypass automated menus and directly connect to human agents. Select branches pilot an integrated online-to-branch support model to ensure seamless service for visually impaired clients. The “Caring Version” of the CMB Life App is optimized for screen reader accessibility, with exclusive security prompts and user confirmation steps during sensitive operations like login, balance checks, repayments, and payment code usage to safeguard assets. The official website’s accessibility features were upgraded to support word-by-word reading, continuous reading, and audio speed adjustment, delivering over 500,000 audio-assisted service instances in 2024.

(III) Pension Finance

China Merchants Bank positions pension finance as a strategic business, establishing a Pension Finance Leadership Group to formulate development plans and upgrading the Pension Finance Department to a first-tier headquarters department. At the same time, fully utilizing the accumulated capabilities in customer service, wealth management and financial technology, the Company optimize the services and help achieve a sense of security and care for the elderly.

In 2024, the Company launched its pension finance brand “Together for a Better Retirement” and created the “CMB Pension Finance” WeChat Official Account. It continuously deepens the business layout in the three major fields of pension fund finance, pension service finance, and pension industry finance, builds the innovative advantage of the integration of “products + services + channels + technology”, and strives to provide customers with comprehensive, one-stop, and personalized comprehensive pension finance services.

1. Pension Fund Finance

In 2024, the Company strengthened services across China’s three-pillar pension system: basic pension insurance, enterprise (occupational) annuities, and individual pensions.

The First Pillar

- Supporting the development of the basic pension security system by providing financial services aligned with reforms by the Ministry of Human Resources and Social Security (MOHRSS), and ensuring efficient operation of social security funds.
 - Contributed to national social security informatization, assisting MOHRSS in promoting the issuance and application of electronic social security cards, and enhancing the digital services for basic pensions. In 2024, it provided convenient services such as online social security inquiry and business handling for 16.7973 million insured persons, and supported the “nearby handling” and “mobile handling” of social security in many places. By the end of 2024, a cumulative total of 77.0656 million electronic social security cards were issued, an increase of 23.14% compared with the end of
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the previous year.

The Second Pillar

- Leveraging full business licenses to improve occupational and enterprise annuity services, reducing fees for trustee collective plans and building a reputation as a “three-excellence” trustee (excellence in risk control, returns management, and service quality).
 - Introducing “custodian +” products to meet diverse asset management demands of pension clients.
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The Third Pillar

- As one of the first commercial banks offering individual pension services, the Company established end-to-end solutions covering account opening, contributions, product purchases, and tax-advantaged withdrawals.
 - By the end of 2024, the cumulative number of personal pension accounts opened has exceeded 10 million, with total contributions ranking among the highest in the market.
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[Case] Expanding Annuity Services to Secure Retirement for Small and Medium-sized Enterprises Employees

The Company adopts an efficient operation mode of “entrustment + account management” integration, launching the “Golden Life” Enterprise Annuity Collective Plans. To help

solve the common problems faced by small and medium-sized enterprises in annuity services, such as small capital scale and a small number of employees, in 2024, the Company optimized the “Golden Life” series of enterprise annuity collective plans and provided standardized, professional, and intensive annuity management services for small and medium-sized enterprises. At the same time, it reduced the management fees of some products, effectively benefiting annuity customers.

2. Pension Service Finance

The Company established a Pension Finance Zone within the CMB App, offering clients a “Unified Personal Pension Hub” that integrates social security accounts, enterprise annuities, individual pensions, and other retirement savings. Tailored to diverse age groups and needs, the Company built an end-to-end advisory system covering planning, account management, product selection, and services.

- **Account:** Developing an AI-driven pension assistant with Q&A, queries, projections, and product selection features, providing full lifecycle support from pre-investment to post-investment.

- **Product:** Adopting a “two-tier screening, optimal selection” strategy to curate financial products aligned with long-term, stable growth goals for retirement.
- **Service:** Partnered with stakeholders to launch a Pension Community Service Zone on the CMB App, enabling view-visit-trial stay experiences at senior living communities to elevate service quality.
- **Benefits:** Launching over 20 services addressing core elderly needs—healthcare, dining, housing, and mobility—including domestic/international health check-ups, medical consultations, and rehabilitation care, enhancing retirement lifestyles.

3. Pension Industry Finance

The Company strengthens the research on the pension industry, explores diversified service innovation models, and

provides all-round and integrated comprehensive service solutions for various customer groups in the pension industry. In 2024, it increased the loan support for key areas such as pension care and elderly medical and health care, enriching the financial supply for the silver economy industry; innovated the “Smart+” pension service and independently developed a smart pension supervision service platform. By the end of 2024, it carried out cooperation on the supervision of pre-charges of pension institutions with civil affairs departments in six provinces and municipalities, effectively helping the orderly and healthy development of the pension industry.

(IV) Digital Finance

China Merchants Bank strives to build a high-quality development model characterized by “strict governance and principled innovation”, driving the construction of a “Digital CMB” and accelerating its transition toward an “Intelligent Digital CMB”. The Company sets a goal to “allocate no less than 3.5% of the Group’s audited annual operating revenue from the previous year to fintech investments”. In 2024, CMB’s IT investment totaled RMB13.35 billion, accounting for 4.37% of operating revenue. Additionally, seven projects including the “Full Cloud Migration Project” and the “Distributed Architecture Transformation and Application Availability Enhancement Project for Financial Systems” were recognized in the People’s Bank of China Financial Technology Development Awards.

1. Upgrading the Organizational Mechanisms

In 2024, the Company restructured its Digital Transformation Committee into the Digital Finance Committee, the highest decision-making body for digital finance, chaired by the President and co-led by the Chief Information Officer. The committee convened four meetings¹, deliberating on seven key

topics such as large language model (LLM) capabilities and applications, intelligent operational engine development, and digital yuan (E-CNY) initiatives.

Concurrently, the Fintech Office under the headquarters was renamed the Digital Finance Development Office, with expanded responsibilities to strengthen centralized management and execution of digital finance strategies.

2. Playing a Strategic Leading Role

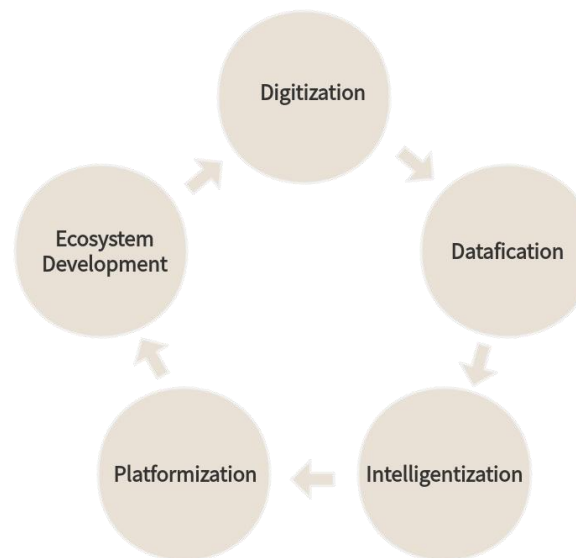
CMB elevated its *Digital Transformation Development Plan (2023-2025)* to the *Digital Finance Development Three-Year Plan (2023-2025)*, outlining a shift from “Online CMB” to “Intelligent CMB” through five evolutionary pillars namely digitalization, datafication, intelligentization, platformization, ecosystem development.

¹ Including meetings previously held by the Digital Transformation Committee.

CMB Digital Finance Development Goals

By 2025, CMB aims to fundamentally complete its digital transformation and transition into a phase of sustained digital finance development, advancing from “Online CMB” to “Intelligent CMB”. This will anchor its practice of crafting digital finance to bolster technology finance, green finance, inclusive finance, and pension finance, ultimately better serving the real economy and meeting the public’s aspirations for a better life.

CMB’s “Five Evolutionary Pillars” in Digital Finance



Pillar	CMB Practices	2024 Progress
Digitalization	Leveraging cutting-edge technologies to achieve full digitization of channels, products, operations, management, and risk control.	<ul style="list-style-type: none"> • Service: Corporate financing digitization rate reached 93.81%; retail client Net Promoter Score (NPS) stood at 75.85. • Operations: CMB App and CMB Life App monthly active users (MAU) totaled 123 million. • Management: By the end of 2024, “Zhao Hu” (virtual collaboration platform) hosted 9,764 daily online meetings and processed 8.8175 million messages.
Datafication	Establishing a closed-loop system for data acquisition, governance, and application to make data assets central to business growth, decision-making, and risk management.	<ul style="list-style-type: none"> • Management: The data mid-platform enhanced enterprise-wide data capabilities, covering 63% of employees with big data services; branch morning reports were auto-generated before daily operations.
Intelligentization	Building domestically leading large-scale model R&D and application capabilities, upgraded its existing achievements in intelligent engines, and formed the “CMB Brain” covering multiple application domains such as intelligent wealth management, intelligent marketing, intelligent risk control, intelligent	<ul style="list-style-type: none"> • Intelligent technologies have been further expanded and applied in customer service, business operations, risk control, operational management, and office administration. These technologies achieved a replacement of 26 million hours of manual work through intelligent application solutions and 8 million hours via the Hailuo Robotic Process Automation (RPA +) platform, thereby significantly enhancing business processing efficiency and service

	operations, and intelligent customer service.	quality.
Platformization	Consolidated enterprise-wide capabilities for open sharing and integration, enabling rapid innovation, agile client response, and efficient collaboration with partners.	<ul style="list-style-type: none"> By the end of 2024, the Company had cumulatively released 5,942 shared technical components¹, with the cumulative number of technology patent applications increasing annually.
Ecosystem Development	Collaborated with partners to build value ecosystems through tech capability sharing and integration.	<ul style="list-style-type: none"> “Fan Piao” (dining vouchers) served 14.6796 million users annually. Government and convenient services reached 44.4864 million users. “Xin Fu Tong” (payroll management platform) served 1.034 million enterprises. “Cai Zi Cloud” (treasury management platform) served 615,200 enterprises.

¹ Components refer to reusable system common modules provided through Application Programming Interfaces (APIs).

3. Building Advanced Technological Infrastructure

In 2024, the Company strengthened its cloud infrastructure and advanced cloud-native architecture transformation, maintaining CMB Cloud's leadership while improving availability. During the year, CMB Cloud achieved the highest-level certification in cloud-native maturity from the China Academy of Information and Communications Technology. Overall cloud service availability¹ reached 99.999%. The data mid-platform continued to enhance enterprise-wide data capabilities, with big data services covering 63.82% of employees.

4. Enhancing Operational Efficiency

Retail Client Services: Launched the “Retail Xiao Zhu” multi-agent collaboration system, empowering relationship managers, product managers, remote agents, and wealth management teams with intelligent workflows for product inquiries, market analysis, and client engagement. The upgraded Credit Card Service 4.0 reduced average processing

time for integrated service scenarios and installment order management from 7 minutes to 30 seconds by the end of 2024.

Corporate Client Services: Introducing an AI-powered CRM assistant for relationship managers, enabling single-client queries, product Q&A, and smart meeting minutes to boost efficiency.

Internal Operations: The Open Operations Service Platform (“Kaiyang Portal”) completed more than 730 intelligent process upgrades, improving efficiency for critical tasks like RMB settlement account opening and audit confirmation letters by 58.32% year-on-year.

Capital Management: Deploying digital tools for organization performance monitoring, intelligent attribution analysis, multi-scenario simulation, and risk early warning. The “ZhiBen GPT” (AI-driven capital management system) pioneered LLM and AI applications in the industry, propelling capital management into the “intelligent era”. The product pricing system further streamlined online end-to-end management.

Human Resources: Innovated HR services with the “Digital Meimei” (AI HR assistant) based on LLM technology, offering policy consultations, self-service portal functions, attendance

¹ Availability refers to the percentage of normal operation over a given period. The overall cloud service availability is the arithmetic average of the availability of key systems running on the cloud platform.

budget pre-filling, and data queries. By the end of 2024, 25,300 monthly active users utilized the assistant.

Branch Management: Developing digital tools like the “Comprehensive Branch Cockpit” and “Branch Space”, achieving a 90.43% monthly active rate among branch managers.

[Case] Guangzhou Branch: Launching the “LLM·Miao Expert” Application

CMB’s Guangzhou Branch pioneered the “LLM Miao Expert” digital solutions. “Drill Miao” uses digital avatars for AI-powered role-play training via voice and Q&A interactions, generating practice tests automatically. It conducted 27,300 online training sessions in 2024, accelerating new employee onboarding. “Service Miao” leverages AI-generated content (AIGC) for multimodal client engagement, blending cutting-edge tech with marketing to enhance customer experiences. The application won the Second Prize at the 12th Guangdong Provincial Financial Technology Innovation Awards.

5. Supporting High-Quality Business Development

The Company drives business growth through digital products and services tailored for retail and wholesale sectors.

Retail Digital Services

- **CMB App:** Launching Version 13.0 with VisionOS, English, and HarmonyOS versions, optimized for large/foldable screens. Introducing the pioneering “My Total Assets” feature for cross-platform asset management. Enhancing modules for wealth selection, smart pensions, community services, and financial management, delivering integrated intelligent finance. By the end of 2024, the CMB App had 82.6781 million monthly active users (MAU), with 159 partners on its wealth open platform.
- **CMB Life App:** Expanding digital offerings for high-frequency daily consumption scenarios, building a robust online service ecosystem. By the end of 2024, the CMB Life App reached 40.4446 million monthly active users (MAU).

Corporate Digital Services

- **Bills One-Scan Discount:** On CMB Corporate Online

Banking and CMB Corporate App, this feature automates background checks via rule-based matching and LLM analysis, enabling instant approvals for eligible discount applications. By the end of 2024, the cumulative transactions exceeded 25,000.

- **Smart Form-Filling:** On CMB Corporate Online Banking and CMB Corporate App, this tool leverages multimodal recognition and prompt-based large language model (LLM) technology, and extracts business elements from text, images, and documents to auto-fill forms. By the end of 2024, the average recognition time fell below 3 seconds, reducing form completion time by 80% with 99.58% accuracy.

[Case] Steady Expansion of E-CNY Services

The Company expanded E-CNY use cases to include credit card repayments, supply chain finance, student subsidies, and cross-border transactions. By the end of 2024, it had opened 20.7588 million individual wallets and 409,200 corporate wallets, driving digital economy growth with innovative payment experiences.

[Case] Dalian Branch: Digital Product Enhances Hospital Dining Experience

To address inefficiencies in meal data collection at Jinzhou Medical University Affiliated Hospital, CMB's Dalian Branch deployed its proprietary "E-Can Tong" platform. Features like facial recognition dining, online ordering, and personalized dietary recommendations boosted data processing efficiency by over 30%, serving more than 3,000 medical staff and tens of thousands of patients.

For hospitalized patients, the "one-bed-one-code" solution provided by "E-Can Tong" allows bedside QR code scanning for meal selection. The system auto-fills bed information and ensures precise delivery, simplifying operations and enhancing patient care.

6. Fostering Internal and External Innovation

Externally, the Company hosted the "2024 CMB Pujiang Digital Finance Ecosystem Summit", attended by over 150 banks, securities firms, fund managers, wealth management subsidiaries, insurers, and tech companies. Experts explored how digital technologies, particularly next-gen AI infrastructure and large language model ecosystems, can fuel high-quality financial development.

Internally, the Company strengthened systematic training and certification for digital talent, refining tiered training mechanisms based on detailed workforce analysis to boost organization-wide digital capabilities. By the end of 2024, the number of R&D personnel under the Group reached 10,900, accounting for 9.30% of the total number of employees under the Group. In 2024, cadres and employees participated in various digital training programs over 32,100 person-times; employees in the information technology department participated in various certifications over 51,900 person-times; branch business personnel participated in digital enablement training over 31,700 person-times and digital capability assessment certifications over 46,700 person-times.



Caption: The 3rd Creativity Competition encouraged employees to propose innovative solutions aligned with their roles, directly translating competition outcomes into productivity.

7. Preventing Technology Ethics Risks

The Company strictly complies with policies regulations such as the *Guidelines on Technological Ethics in the Financial Sector (JR/T 0258—2022)* issued by the People's Bank of China, focusing on emerging risks such as technological ethics that may be brought about by algorithm models in the field of artificial intelligence, and establish a sound management system and process implementation specifications for algorithm models. The Company conducts compliance management of algorithm models in an online and systematic manner. In 2024, there were no cases of violations of technological ethics in the Company.

Management System

- Revised and formulated the *Administrative Measures for the Lifecycle Management of Algorithm Models (Second Edition)* to standardize the lifecycle management of algorithm models in the Company, adhere to the bottom line of compliance, and clarify the principles, division of responsibilities, classification management methods of algorithm model management, as well as the principle requirements for lifecycle management by stage.

Implementation Protocols

- Formulated the *Implementation Protocols for the Process of Algorithm Models*, which put forward specific standard requirements related to the development of algorithm models, such as requirement writing and approval, development and deployment, monitoring and inspection, re-inspection and withdrawal.
 - Formulated the *Generative Artificial Intelligence Services Management Regulations (Trial)*, which standardize the management measures for generative artificial intelligence technologies that provide services to the domestic public, and effectively prevent decision-making risks brought about by the hallucinations of large models, potential bias risks in the values and ethics of large models, risks arising from omissions in customer privacy protection, and risks that may be caused by the lack of supervision of large models.
-

Management Measures

- Deployed an algorithm model compliance management system to enforce lifecycle control over demand review, development, deployment, and retirement.
- Sort out the list of algorithm models of the Company, conduct compliance inspections on algorithm models in key areas such as algorithms recommendation, for Internet information services and deep synthesis of Internet information services. Ensure compliant applications from the perspectives of the compliance of data usage, the transparency of the data processing process, the rationality of algorithm model results, and model risks.

Training and Communication

- Conduct compliance training for algorithm model developers and data analysts, emphasizing requirements for algorithms recommendation and deep synthesis technologies in internet services.
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(V) Consumer Rights Protection

China Merchants Bank integrates consumer rights protection into corporate governance, business strategies, and corporate culture. It has revised policy documents such as the *Consumer Rights Protection Work Management Regulations* and the *Consumer Rights Protection Review Management Measures (Second Edition)* to build a fair, transparent, and harmonious financial consumption environment.

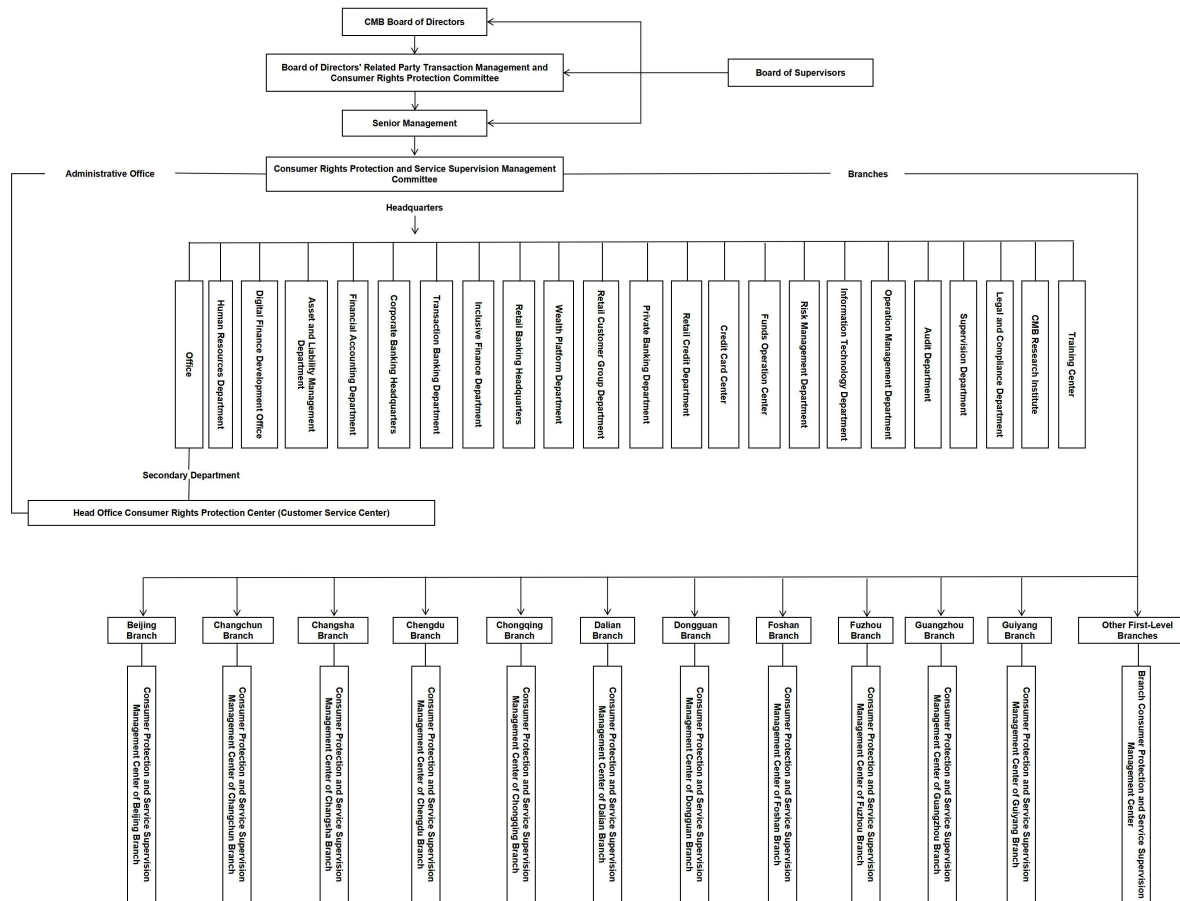
1. Consumer Rights Protection Management System

1.1 Organizational Structure

The Board of Directors serves as the highest decision-making body for consumer rights protection, overseeing the **Board**

Committee on Connected Transactions Management and Consumer Rights Protection, which exercises consumer rights protection responsibilities and supervises the senior management's execution of duties. **The senior management** centrally plans and deploys consumer rights protection work, designating a high-level executive at the headquarters and each primary branch to lead these efforts. **A dedicated Consumer Rights Protection Department** formulates and implements relevant policies and measures, supported by cross-departmental collaboration mechanisms to ensure effective protection of consumer rights.

CMB Consumer Rights Protection Organizational Structure



Board of Directors

- It is the highest decision-making body for consumer rights protection, bearing ultimate responsibility.
- In 2024, it reviewed 9 consumer rights protection proposals, including the *Report on Consumer Rights Protection Work in 2023*, the *Consumer Rights Protection Work Plan for 2024*, and the *Analysis Report on Consumer Complaints in 2023 and the Complaint Management Work Policy of the Bank in 2024*, and guided the implementation of consumer rights protection work.

Board of Supervisors

- It is responsible for supervising and evaluating the performance of the Board and senior management in consumer rights protection duties.
 - In 2024, it listened to 8 reports, including the *Report on Consumer Rights Protection Work in 2023*, the *Consumer Rights Protection Work Plan for 2024*, and the *Motion on Rectifying the Problems Pointed out in the 2023 Consumer Rights Protection Supervision and Evaluation*. It paid attention to the supervision evaluation and continuously promoted the improvement of the development of the consumer rights protection work system, the operation of the mechanism, education and publicity, and the resolution of complaints.
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Board Committee on Connected Transactions Management and Consumer Rights Protection

- It studies, guides, and supervises the consumer rights protection work, information disclosure, and the performance of relevant duties by the senior management to ensure the comprehensiveness, timeliness, and effectiveness of the consumer rights protection work.
- In 2024, it listened to 15 reports, including the *Report on Consumer Rights and Interests Protection Work in 2023* and the *Report on the Supervision of Consumer Complaints in the First Quarter of 2024 and the Key Complaint Management Situation within the Bank in the First Half of the Year*, covering the consumer rights protection work plan, the implementation of key work, internal audit, and assessment. It conducted collective research visits to branches, on-site supervised and inspected the implementation of consumer rights protection, and provided guidance.

Senior Management Committee on Consumer Rights Protection and Service Supervision

- It is responsible for guiding the establishment of a consumer rights protection management system with clear objectives, a reasonable structure, sufficient guarantees, and effective implementation. It formulates, reviews, and coordinates the consumer rights protection work plans,
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programs, and tasks of the Bank to ensure the effective implementation of the strategic objectives and policies of consumer rights protection.

- In 2024, it made overall arrangements for the annual consumer rights protection work plan, reviewed and promoted key work items such as budget support, education and training, complaint handling, system optimization, financial publicity, and personnel management. At the annual and mid-year work conferences in 2024, special arrangements were made for consumer rights protection work. Monthly reports on consumer rights protection were listened to, and efforts were made to integrate consumer rights protection into the entire process of operation and management. Throughout the year, it held 4 meetings of the Senior Management Committee on Consumer Rights Protection and Service Supervision and Management and 2 meetings on consumer rights protection and service improvement, covering all relevant departments of the head office and province-level branches within China.

Headquarters Consumer Rights Protection Center

- It is staffed with personnel with professional and comprehensive working abilities, and is responsible for taking the lead in carrying out various work related to consumer rights interests protection, organizing,

coordinating, supervising, and guiding relevant departments of the head office and branches to carry out consumer rights protection work.

Headquarters Business Departments

- It bears the direct responsibility for consumer rights protection within its competent field and is responsible for the specific implementation of all consumer rights protection work related to its own line of business.

Province-level Branches in the Chinese Mainland

- Referring to the model of the head office, a full-time department for consumer rights protection is established in the branch and full-time personnel are assigned. It is responsible for taking the lead in carrying out all work related to consumer rights protection in the branch, organizing, coordinating, supervising, and guiding relevant departments and sub-branches of the branch to carry out consumer rights protection work. It is subject to the management and guidance of the Consumer Rights and Interests Protection Center of the head office and establishes a horizontal information sharing and work coordination and cooperation mechanism among various departments of the branch.
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1.2 Assessment System

The Company has established a “one horizontal, four vertical” consumer rights protection assessment system. This system integrates consumer rights protection metrics horizontally into the performance evaluations of the head office departments and branches, and vertically into the evaluations of corporate banking, retail banking, operations, and consumer rights protection divisions at the branch level. The assessment results are incorporated into the accountability and human resources systems.

For head office departments, the assessment focuses on the mechanisms such as consumer appropriateness management, consumer rights protection reviews, and information disclosure. For branches, the assessment prioritizes critical areas where consumer rights are vulnerable, including consumer appropriateness management, traceability of sales practices, and the implementation of complaint management.

1.3 Special Inspections

The Company formed a dedicated task force to conduct special inspections on consumer rights protection in 2024. Front-line employees were granted self-inspection authority

during the process. The inspections covered standardized marketing practices, information disclosure, and appropriateness matching. Identified issues were promptly addressed, establishing a closed-loop process of “inspection-verification-rectification”.

1.4 Internal Audit

The Company formulated the *China Merchants Bank Consumer Rights Protection Audit Guidelines* and conducts annual specialized audits on consumer rights protection. Key audit areas include the completeness of the consumer rights protection framework, implementation safeguards, operational effectiveness, appropriateness of internal assessment management, and the fulfillment of the eight consumer rights¹. A standardized and regular internal audit mechanism for consumer rights protection has been established. In 2024, audits were conducted on relevant head office departments and province-level branches to improve consumer rights protection practices across the organization.

¹ These rights include: property security, informed decision-making, autonomous choice, fair transactions, legal recourse, financial education, respect, and information security.

1.5 Training for Empowerment

In 2024, the Company developed a multi-layered, role-specific consumer rights protection training system through a blend of online and offline sessions, as well as specialized and department-embedded programs. Training covered 91,438 employees, including management, front-line staff, new hires, and dedicated consumer rights protection personnel, achieving full coverage of formal employees.

For Management Personnel

- Middle and senior management personnel of the head office carried out study and discussion around the theme of *Deeply Studying and Implementing the Spirit of the Central Financial Work Conference and Striving to Build a New Pattern of Financial Consumers' Rights Protection*, and made every effort to do a good job in the consumer rights protection.
- Special study and training were carried out. Among them, two special consumer rights protection study and training sessions for departments of the head office covered 886 person-times of middle and senior management personnel related to the content, with a training coverage rate of 100%; 27,872 person-times of middle and senior management personnel of branches participated in special

study and training on the consumer rights protection, with a training coverage rate of 100%.

For Middle- and Back-Office Staff

- Focusing on key contents such as the policy highlights and review system for the consumer rights protection, policy interpretation and training were carried out, and 59,142 person-times participated in the training within the year.

For New Employees

- Systematic training on consumer rights protection and service standards was integrated into onboarding programs, and the training coverage rate for new employees was 100%.
- After new employees entered their jobs, various forms of training on the consumer rights protection were continuously carried out, and a total of 29,832 person-times participated in the training throughout the year.

For Branch Operation Staff

- Focusing on service scenarios that are prone to customer misunderstandings and complaints, the company enhanced the staff's ability to handle difficult service scenarios through specialized training, with a cumulative total of 68,100 training sessions throughout the year, achieving full coverage of operation staff at branch outlets.

For Account Manager

- For front-line account managers, training sessions were conducted focusing on annual complaint hot spots and high-risk business areas, covering topics such as retail anti-gambling and anti-fraud measures, personal information protection compliance management, aiming to enhance service quality and consumer rights protection awareness. For private banking account managers, a three-tier “basic-intermediate-advanced” training system was established, featuring specialized training on complex business operations and integrating consumer rights protection principles into business practices. Throughout the year, a total of 99,559 training participations were recorded for account managers.

For Branch Lobby Service Staff

- Centering on themes such as knowledge of consumer

rights protection, service standards, and complaint handling skills, course learning and special training were carried out in a combination of online and offline methods. 42,763 person-times participated in the training within the year.

For Customer Service Staff of 95555

- Through multiple forms such as online live broadcasts, regular training, and job clearance tests, the work ability of customer service staff in consumer rights protection and services was continuously improved. 8,770 person-times participated in the training within the year.

For Personnel Related to Credit Cards

- In key areas such as the study of laws and regulations, personal information protection, and complaint handling, the frequency of training was increased, and 35,275 person-times participated in the training within the year.
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1.6 Progress Toward Goals

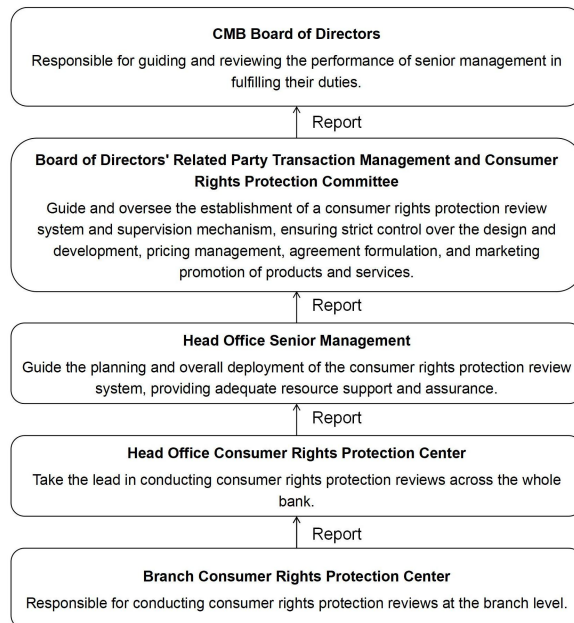
The Company formulated a three-year consumer rights protection work plan and related objectives for 2022-2024, titled “Top Issue Reduction Year”, “Service Quality Enhancement Year”, and “Consumer Protection Deepening Year”, based on market conditions and operational development. In 2024, the implementation of this three-year consumer rights protection work plan has progressed well.

Baseline Year	Target Year	Goal	2024 Achievement
2022	2024	Maintain service leadership with the Net Promoter Score (NPS) should not be lower than 70 points.	By the end of 2024, the Net Promoter Score (NPS) was 75.85 points, an increase of 2.17 points compared with 2023.
		The response rate within 1-hour for customer complaints should not be lower than 96%.	In 2024, the response rate within 1-hour for customer complaints throughout the year was 99.78%, an increase of 0.62 percentage points year-on-year.
		The coverage rate of the review for consumer rights protection should reach 100%.	In 2024, a total of 180,900 reviews for consumer rights protection were carried out, and the review coverage rate was 100%.
		The number of people reached by financial education and publicity should exceed 500 million.	In 2024, the person-times of people reached by financial education and publicity was 565 million, an increase of 1.90% year-on-year.

2. Product and Services Review

The Company establishes a clear review framework and operational mechanisms for products and services. Rigorous reviews are conducted to deliver higher-quality and more secure financial experiences for customers.

CMB Product and Service Review Organizational Structure



In 2024, the Company revised the *China Merchants Bank Consumer Rights Protection Review Management Measures (Second Edition)*, further clarifying review requirements. Comprehensive and accurate assessments were conducted on policies, regulations, business rules, pricing, contractual terms, marketing materials, and other elements that may impact consumers, enabling timely risk identification. The consumer rights protection review system was enhanced, with continuous improvements to personnel access controls, data reporting statistics, system functionalities, and mandatory compliance mechanisms. The *China Merchants Bank Consumer Rights Protection Review Guidelines* were updated based on product/service-related complaints and customer satisfaction surveys. Regular certification programs for review personnel were implemented, and specialized training courses were developed to strengthen reviewer competencies. Supervision of consumer rights protection reviews was reinforced by promoting a pre-audit review model at branches, issuing periodic consumer rights protection review advisory notices, and integrating reviews into the risk management and internal control systems.

In 2024, the Company conducted 180,900 consumer rights protection reviews, and issued 47,700 substantive review

recommendations, effectively preventing potential violations of consumer rights.

3. Customer Complaint Management

3.1 Complaint Management Structure

The Board of Directors prioritizes safeguarding the legitimate rights and interests of financial consumers as a key responsibility. Under the Board, the Related-Party Transactions Management and Consumer Rights Protection Committee regularly reviews and deliberates on complaint management performance, guides complaint management initiatives, and ensures the senior management effectively fulfills its duties. In 2024, the Board reviewed five complaint management proposals, including the *2023 Annual Consumer Complaint Analysis Report and 2024 Group-Wide Complaint Management Policy*, the *Report on Regulatory Consumer Complaints in Q1 2024 and Key Complaint Management Developments in the First Half of 2024*, and the *Report on Regulatory Feedback Regarding Consumer Complaints in the First Half of 2024*.

The Company has established a horizontal coordination system in which the Committee on Consumer Rights

Protection and Service Supervision under the senior management makes decisions, the specialized department for consumer rights protection takes the lead, and relevant departments perform their main responsibilities according to their respective duties, as well as a three-level vertical handling system consisting of the head office, branches, and sub-branches. At the same time, in accordance with the principles of “convenience, efficiency, and root-cause resolution” for complaint handling, and integrating the requirements of local management, hierarchical responsibility, and “ownership by the responsible department”, each unit assumes the responsibility for handling complaints according to its division of responsibilities based on the specific content of the corresponding complaints. In 2024, initiatives such as “Top Executives Listen to Customer Complaint Recordings” and “Branch Managers Serve in the Lobby” strengthened senior management’s engagement with consumer rights protection, driving continuous optimization of related practices.

3.2 Complaint Channels

The Company provides multiple complaint channels for customer convenience, including CMB App, CMB Life App, Customer Service Hotline 95555 (95555-7), Credit Card

Customer Service Hotline 400-820-5555 (400-820-5555-7), and in-person at branches.

For details, please refer to the *China Merchants Bank Co., Ltd. Complaint Management System Guidelines (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

3.3 Complaint Handling Process

The Company rigorously follows the complaint handling process to address every customer complaint and promptly notifies customers of resolution outcomes and available remedies.

CMB Complaint Handling Process

Step	Process Description
1	Consumers submit complaints through official complaint channels publicly designated by CMB.
2	Upon receiving complaints, the administrative unit of the relevant complaint channel promptly transfers the case to the designated complaint handling department.
3	The complaint handling department investigates and verifies the details of the complaint.
4	The complaint handling department renders a resolution

decision within 15 days and notifies the complainant. For complex cases, the deadline may be extended to 30 days, with an additional 30-day extension if necessary.

5 If the complainant disputes the resolution, they may submit a written request for review to the superior unit of the complaint handling department within 30 days of receiving the decision.

6 The reviewing unit issues a final decision within 30 days of receiving the review request and informs the complainant.

7 If the complainant remains dissatisfied, the complaint handling department may advise them to seek mediation through a financial consumer dispute mediation organization or resolve the dispute via arbitration.

For all complaints, the handling unit conducts investigations through personnel unaffiliated with the subject matter and reaches decisions based on thorough documentation review..

If a complainant disputes the resolution, they may escalate the issue to the handling unit’s superior. Each review unit must respond to appeals within stipulated timelines.

For further details, please refer to the *China Merchants Bank Co., Ltd. Complaint Management System Guidelines (2024*

Edition) in the “CMB ESG” section of the Company’s official website.

3.4 Root Cause Analysis and Rectification of Complaints

Establishing Routine Working Mechanisms

- The Company has established cross-departmental task forces to address key customer complaint issues, holding regular thematic analysis meetings to iteratively refine measures, conduct periodic reviews, and form optimization closed loops.
- An intelligent complaint monitoring system has been implemented to strengthen daily oversight of complaint data, enabling timely detection of anomalies and driving root cause analysis and rectification.
- Focusing on critical pain points in customer service, the Company formulated multiple annual service enhancement initiatives, proactively optimizing systems, products, services, and processes to improve service capabilities and reduce customer complaints at the source.

Enhancing Dispute Resolution Effectiveness

- The Company actively promotes diversified resolution of complaints through improved the mediation handling mechanism, including dynamic authorization of mediation rights, cross-regional authorization, prompt response to

mediation and streamlined approval processes to boost dispute handling efficiency.

- Continuous efforts have been made to strengthen the principle of “resolving all resolvable disputes” by enhancing communication with regulatory authorities, judicial bodies, and mediation organizations to effectively resolve customer issues.
- The Company organized a Financial Dispute Mediation Case Competition, empowering branch staff through expert training and scenario simulations to enhance their dispute resolution capabilities.

In 2024, the Company received 206,099¹ complaints, achieving a 100% complaint resolution rate. The breakdown by business category was: debit card-related complaints (41.84%), credit card complaints (26.74%), loan business complaints (15.29%), bank agency business complaints (5.24%), and other complaints including payment settlements, foreign exchange, precious metals, and personal financial information (10.89%). Regional distribution is detailed in the following table.

¹ Excludes complaints related to account control, repayment negotiations, credit reports, fee standards, and duplicate complaints.

Number of Complaints Against CMB by Region in 2024

No.	Region Name	Number of Complaints	No.	Region Name	Number of Complaints
1	Shanghai ¹	66,296	16	Suzhou	2,694
2	Shenzhen ²	28,949	17	Changsha	2,687
3	Beijing	14,720	18	Harbin	2,641
4	Nanjing	6,846	19	Nanchang	2,614
5	Wuhan	6,423	20	Zhengzhou	2,458
6	Guangzhou	6,364	21	Dalian	2,124
7	Hangzhou	5,979	22	Dongguan	1,879
8	Xi'an	5,366	23	Fuzhou	1,807
9	Jinan	4,101	24	Kunming	1,800
10	Shenyang	3,749	25	Foshan	1,789
11	Tianjin	3,446	26	Ningbo	1,681
12	Chengdu	3,410	27	Xiamen	1,600
13	Chongqing	3,331	28	Taiyuan	1,444
14	Qingdao	3,295	29	Yantai	1,368
15	Hefei	2,883	30	Changchun	1,267

¹ Includes credit card complaints.

² Includes complaints related to headquarters departments.

No.	Region Name	Number of Complaints	No.	Region Name	Number of Complaints
31	Lanzhou	1,262	38	Guiyang	691
32	Urumqi	1,258	39	Yinchuan	614
33	Shijiazhuang	1,177	40	Haikou	614
34	Wuxi	1,039	41	Quanzhou	551
35	Hohhot	1,038	42	Wenzhou	509
36	Nanjing	866	43	Tangshan	381
37	Nantong	764	44	Xining	324

4. Customer Satisfaction Management

To further enhance customer satisfaction, the Company has launched service improvement initiatives across nine key areas including payment and settlement, suitability management for elderly investors, and service capability enhancement for branch hall teams, creating new momentum for service quality improvement and continuously optimizing customer experience.

Leveraging the “Wind Chime” Customer Experience Management Platform, the Company has established a monitoring system covering 107 customer journeys with 1,605 metrics. Based on monitoring data, a closed-loop optimization mechanism spanning headquarters, branches, and sub-branches has been implemented, featuring “timely issue identification - precise problem localization - rapid response - continuous tracking and review”. Through persistent customer feedback collection, the Company gains insights into customer needs and pain points, supports critical business decisions, and drives product refinement, ultimately delivering services that make customers feel assured, convenient, cared for, and valued.

CMB Retail Customer Experience Survey Overview

Survey Type	Frequency	Content
Periodic Survey	Monthly	Overall evaluation, willingness to recommend, feedback suggestions
Real-time Survey	Immediate	Follow-up surveys on customer contact services

The Company employs Net Promoter Score (NPS) to measure overall customer satisfaction. In 2024, through stratified random sampling of 52,412 customers¹, the NPS reached 75.85 points, marking a 2.17-point increase from 2023.

5. Customer Debt Management

5.1 Customer Loan Modification Options

To address loan modification requests from existing retail credit customers, the Company has established specialized regulations and standardized processes which allow adjustments to key loan parameters including amount, term, interest rate, repayment method, and collateral arrangements. Modifications are implemented in compliance with legal and regulatory requirements based on customer qualifications and

¹ The sample size for Customer Experience Monitoring in 2024 was 3,924,900, of which the valid sample size for NPS indicators was 52,412.

actual needs, supported by dedicated review procedures. Multiple communication channels are provided, including the 95555 customer service hotline, CMB App, branch post-loan service centers, and other online and offline platforms.

For credit card business, customers may submit modification requests through the 95555 hotline, CMB Life App, branch outlets, or other manual channels. For delinquent cardholders facing repayment difficulties due to severe disasters, major illnesses, business downturns, unemployment, or extreme financial hardship, the Company implements tailored relief policies which include customized installment plans or interest or fee waivers based on verified hardship levels, debt burden, repayment willingness, and capacity, following equal consultation between both parties to alleviate economic pressures.

5.2 Customer Debt Collection Policies

The Company conducts debt collection activities in full compliance with national laws, regulations, and supervisory requirements governing loan debt collection. For further details, please refer to the *China Merchants Bank Co., Ltd. Debt Collection Policies (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

Collection Methods

- **Retail Credit Business:** Adopts an “AI+human intervention” approach, utilizing phone calls, SMS, and intelligent voice outbound reminders for repayment. Third-party collection agencies are engaged based on customer delinquency status.
- **Credit Card Business:** Sends SMS and WeChat reminders to cardholders approaching delinquency who meet notification criteria. For delinquent cardholders meeting specific conditions, repayment notifications are delivered via phone calls, SMS, WeChat, collection letters, emails, and intelligent voice systems. Third-party collection agencies are deployed according to delinquency severity.

Operational Standards

- Standardized collection procedures and service protocols have been established, requiring collection personnel to maintain professional rigor during customer interactions. Prohibited practices are strictly banned to ensure compliance throughout the collection process.
- A routine monitoring mechanism has been implemented, utilizing operational audits and post-collection reviews to enhance quality control. Identified issues are promptly rectified with accountability measures.

Specialized Training

- Regular training programs are conducted through pre-employment orientation, periodic workshops, and one-on-one supervisor coaching (both online and offline). These sessions strengthen collection personnel's expertise and compliance awareness, covering topics such as collection policies, operational techniques, client communication strategies, legal interpretation, and complaint case studies, thereby continuously upgrading professional competencies.

Additionally, the Company proactively provides professional consultation to customers experiencing repayment difficulties or exhibiting potential delinquency risks, assisting them in identifying optimal solutions for personal livelihood and business operations.

6. Fair and Compliant Marketing

6.1 Advertising and Marketing Policies

The Company strictly complies with national laws, regulations, and supervisory requirements including the *Advertising Law of the People's Republic of China* and the *Notice on Further Regulating Financial Marketing and Promotion Activities*. In conducting financial marketing and promotion, the Company

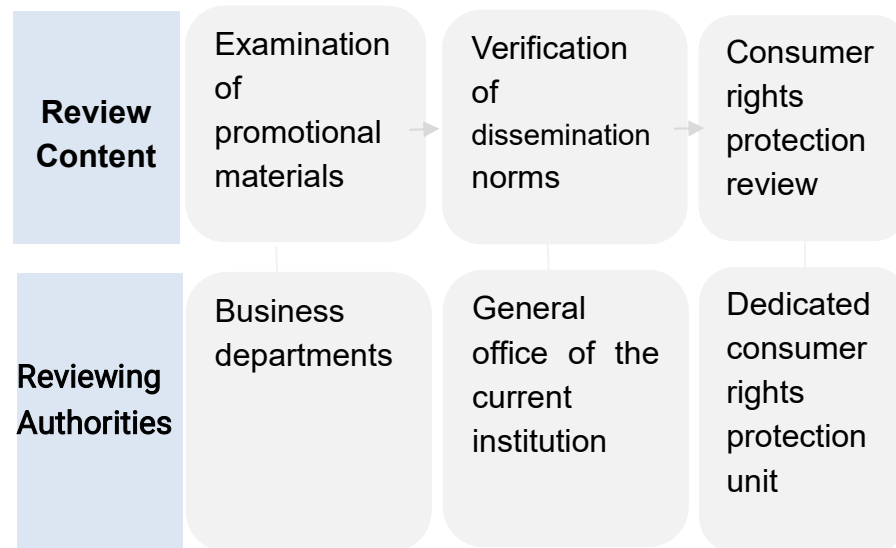
expressly prohibits illegal or out-of-scope financial marketing campaigns, marketing financial products/services through fraudulent or misleading means, engaging in marketing activities that undermine fair competition, exploiting government credibility for financial promotions, infringing upon financial consumers' right to information, inappropriate Internet-based financial marketing, sending unsolicited promotional information in violation of regulations, and any other marketing activities deemed illegal by laws or financial regulatory authorities.

In 2024, the Company revised and issued the *China Merchants Bank Financial Marketing and Promotion Conduct Management Regulations (Second Edition)*, designating the Head Office Administration Department as the centralized oversight body for brand promotion and financial marketing activities. Business units at headquarters and branches are responsible for managing marketing activities within their respective domains.

The Company implements rigorous review procedures for financial marketing content. Marketing initiatives must be proposed by relevant business units based on operational needs, creative design and production must be executed either in-house or by qualified third-party vendors. Marketing

practices are incorporated into consumer rights protection audits and accountability mechanisms. Marketing compliance is evaluated through the consumer rights protection assessment framework. Partnerships with external marketing service providers are carefully structured with clearly defined responsibilities to ensure legal compliance.

CMB Financial Marketing and Promotion Content



In 2024, the Company integrated key learning materials into its consumer rights protection training curriculum, including the *Guidelines for Financial Marketing and Promotion*, the

Interpretation of Consumer Rights Protection Review Mechanisms, the *Handbook of Financial Consumer Rights*, and the *CMB General Service Etiquette Animated Micro-courses*. These resources focused on interpreting regulatory requirements and internal policies related to consumer protection. Knowledge retention was reinforced through competency assessments, significantly enhancing awareness of consumer rights protection across all leadership levels and employees.

6.2 Sales Process Compliance

To ensure compliance in financial product sales, the Company has established and rigorously implemented a “pre-sales, in-sales, post-sales” management mechanism.

Pre-sales: Client Risk Tolerance Assessment

- The Company evaluates clients’ risk tolerance levels (categorized into five tiers from A1 to A5) through comprehensive questionnaires considering factors including age, financial status, investment experience, objectives, return expectations, risk preferences, liquidity requirements, risk awareness, and loss-bearing capacity.

In-sales: Risk Disclosure and Dual Recording Management

- Product risks are explicitly disclosed via pop-up notifications, mandatory reading sections, declaration statements, and key document displays to ensure informed purchasing decisions. All sales activities in branch outlets strictly implement “dual recording” (audio and video documentation) in designated sales areas.

Post-sales: Closed-loop Monitoring System

- The Company conducts comprehensive compliance inspections of agency sales through both remote and on-site audits. Identified issues are addressed through Bank-wide compliance briefings covering data reporting, root cause analysis, and corrective actions. Audit results are incorporated into the retail finance performance evaluation system for branches.
-

The Company strictly prohibits unlicensed personnel from conducting sales activities. Regular compliance training sessions via video conferences and specialized workshops are conducted, focusing on case studies of regulatory violations to strengthen front-line staff’s consumer rights protection awareness and operational compliance.

7. Customer Security Management

The Company has enhanced its intelligent risk control system for retail banking by improving big data modeling capabilities, optimizing cross-scenario collaborative prevention and control mechanisms, and applying risk control monitoring technologies, thereby elevating the digital, intelligent, and precise risk prevention capabilities against telecom network fraud. A tiered customer risk management model spanning “App-Remote-Branch Networks” has been implemented to strengthen account control accuracy. The upgraded “CMB Cloud Eye” (security monitoring system) and the newly established security management portal enable real-time monitoring of daily security operations.

For **personal credit business**, the Company deploys risk identification strategies based on customer profiles, application characteristics, and borrowing behaviors, intercepting fraudulent activities through manual phone interventions and video robot alerts. In **credit card operations**, leveraging a chain-based prevention and control system against telecom fraud, the Company advances digital transformation through its “Awakening Project - CMB Credit Card Anti-Fraud Intelligent Interaction System”. This initiative implements a tiered intervention framework featuring “early risk stratification”,

“lightweight interactions”, “emphasized reminders”, and “strong interventions”, establishing a digital security shield to safeguard customer assets.

By the end of 2024, the Company intercepted more than 400,000 transactions suspected of telecom and online fraud. Throughout the year, the Company prevented 40,025 external fraud incidents at operational counters, including fraudulent account openings, forged seals, telecom and online fraud, and forged or altered bills¹.

8. Financial Knowledge Dissemination

In 2024, the Company incorporated financial education programs into its annual consumer rights protection plan. A dedicated leadership group for financial education promotion was established at both headquarters and branch levels. Guided by the principles of “public welfare, effectiveness, innovation, and sustainability”, the Company leveraged digital technologies to create interactive formats such as illustrated comics and microfilms, encouraging consumers to “learn, understand, trust, and utilize financial services”, thereby comprehensively enhancing the quality and impact of educational initiatives.

¹ The statistical scope covers both manual interception and system interception.

- **Online:** Initiatives include the integration of over 20 digital platforms such as the official website, WeChat official accounts, the CMB App, and the CMB Life App, forming a robust financial education matrix. Through thematic comics, videos, and gamified content, the Company expanded the reach of financial literacy to broader audiences.
- **Offline:** Efforts involve setting up dedicated educational zones at all branches, standardizing promotional displays, and organizing activities like “branch mini-lectures” and client workshops to deliver effective financial education. Concurrently, the Company fostered a widespread financial literacy environment through rural outreach, community engagement, campus programs, corporate collaborations, and commercial district campaigns.

By the end of 2024, the Company conducted 34,700 online and offline financial education activities, reaching 565 million participants.

8.1 Centralized and Regular Financial Education Initiatives

The Company actively responds to regulatory requirements by organizing large-scale campaigns such as the “March 15 Financial Consumer Rights Protection Education Campaign” and the “Financial Education Promotion Month”, while

designating the 15th of each month as the “CMB Consumer Rights Protection Theme Day”, and launched the “2024 Warm-Hearted Financial Education Campaign” to broaden the reach and precision of financial literacy initiatives. In 2024, the Company published financial education features in People's Daily and China Banking and Insurance News, with content widely covered by media outlets such as Xinhua News Agency, China Daily, China Youth Daily, and China Women's News. The original financial education music video Guard Rights, Prevent Risks was released on the official Weibo account of the “Ministry of Public Security Criminal Investigation Bureau”, and the microfilm was reposted on the WeChat video channel of “China Police Network”.

[Case] Launch of “Financial Education Digital Advisor”

In 2024, the Company digitally modeled its financial education mascot “Zhao Xiaobao” to create CMB’s proprietary Financial Education Digital Advisor. Leveraging deep learning and language training on financial knowledge databases, the advisor provides precise answers and real-time interactions on topics including consumer rights protection, investment planning, personal credit, telecom fraud prevention, elderly scam awareness, and payment security, enabling intelligent digital dialogues with consumers.

[Case] “Intangible Heritage Scrolls, Wisdom in Every Chapter” Campaign

To enhance the engagement and effectiveness of financial literacy outreach, the Company integrated traditional Chinese cultural elements such as national-style hand-painted art and intangible heritage themes. Through the “Zhao Xiaobao” WeChat official account, it launched the “Intangible Heritage Scrolls, Wisdom in Every Chapter” campaign. This immersive program features 12 interactive scroll-card modules themed on “Financial Knowledge Meets Intangible Heritage”, where participants explore traditional art forms like shadow puppetry, paper-making techniques, and Sichuan opera face-changing while receiving personalized consumer protection tips, making financial literacy accessible to households nationwide.

[Case] Chengdu Branch: Co-developing Financial Education Courses with Universities

CMB’s Chengdu Branch collaborated with institutions such as Southwestern University of Finance and Economics and Sichuan Tourism University to design innovative financial education curricula. By embedding social hot topics and key financial concepts into gamified learning formats like interactive games and campus fairs, the branch co-created

courses that help students master financial knowledge through experiential participation.

[Case] Kunming Branch: Pioneering Yunnan’s First Urban Financial Consumer Rights Protection-Themed City Walk

Under the guidance of the National Financial Regulatory Administration Yunnan Bureau, in 2024, CMB’s Kunming Branch collaborated with multiple financial institutions in Yunnan Province to launch the “Protecting Consumer Rights in Yunnan, Empowering 3·15” Financial Consumer Rights Protection Education City Walk Campaign. This initiative pioneered a novel approach to consumer rights advocacy by integrating “financial consumer protection + public wellness + urban culture + cultural tourism innovation”.

As Yunnan’s first urban-themed financial consumer rights protection City Walk, the campaign combined financial literacy with tourism by introducing the “Financial Protection Cloud Travel” program. Participants accessed the “Protecting Consumer Rights in Yunnan” WeChat mini-program to learn financial knowledge while virtually exploring Yunnan’s scenic sites. A curated route around Kunming’s Green Lake (Cuihu) featured consumer rights protection checkpoints, enabling the public to enhance financial literacy through immersive, health-

focused urban exploration.

[Case] Lanzhou Branch: “Charm of Intangible Heritage” Financial Education

CMB’s Lanzhou Branch conducted a thematic financial education campaign titled “Charm of Intangible Cultural Heritage” at the Lanzhou Waterwheel Expo Park in Gansu Province. The initiative blended intangible cultural heritage (ICH) displays, gamified financial literacy activities, and anti-fraud workshops. ICH inheritors demonstrated traditional crafts like paper-cutting, sugar painting, and gourd carving, embedding messages of integrity, anti-fraud awareness, rational investing, and risk prevention into their art. This innovative fusion of cultural preservation and financial education provided participants with a multisensory learning experience.

[Case] Guiyang Branch: “ICH Inheritors Advocate Consumer Protection”

CMB’s Guiyang Branch produced the “ICH Inheritors Advocate Consumer Protection” video series, inviting inheritors of Guizhou’s intangible heritage such as Anshuo Nuo Mask Carving, Huangping Clay Whistle Art, Miao Ethnic Paper-

Cutting, and Batik, to share stories of their crafts while explaining consumer rights protection principles. These videos immersed viewers in Guizhou's ethnic cultural legacy while deepening public understanding of financial safeguards.



Caption: Miao paper-cutting inheritor promoting consumer rights protection knowledge.

8.2 Targeted Financial Education Initiatives for Key Populations

The Company focuses on key demographic groups, including youth, new urban residents, people with disabilities, seniors, and residents in remote areas, to implement tailored educational campaigns.

Youth Empowerment: Igniting Self-Directed Learning and Exploration

- **In Chengdu**, financial educators organized a “Millennium Journey of Currency” research program for teenagers. Through interactive games and quizzes, participants explored the origins and evolution of the world’s first paper currency, the Jiaozi, immersing themselves in the cultural legacy of China’s monetary innovation.
- **In Shanghai**, in collaboration with the Shanghai Municipal Education Commission, Shanghai Public Security Bureau, and Shanghai School Safety Association, the Company developed the “Metropolis University Financial Literacy Challenge” mini-program. This platform enables incoming college students to engage with risk-awareness quizzes, case studies, and educational content via mobile devices.
- **In Chongqing**, partnering with public security authorities and university youth leagues, the Company launched the

“Chasing Light, Little Golden Sunflower” campus brand. Activities such as prize-winning quizzes and financial literacy-themed song performances educated tens of thousands of students across more than 10 universities on identifying financial risks.

- **In Beijing**, working with law enforcement, the Company delivered case-based financial literacy workshops at the University of Chinese Academy of Sciences. These sessions simplified complex financial concepts and strengthened risk “immunity” among faculty and students.



Caption: CMB’s Changchun Branch integrated financial literacy into campus curricula through open lectures and knowledge competitions.



Caption: CMB’s Lanzhou Branch Sparked student interest in financial concepts through gamified learning experiences.



Caption: CMB’s Hohhot Branch collaborated with the Inner Mongolia Autonomous Region Anti-Fraud Center to host the “Smart Finance, Secure Future” campaign at Hohhot Minzu College.

New Urban Residents: Enhancing Well-Being

- **In Chongqing**, the Company has established “Public Service Hubs” at thematic branches to provide financial literacy lectures and advisory services, addressing

financial challenges faced by new urban residents adapting to urban life.

- **In Shenyang**, the Company launched the “Industrial Spring Breeze, Consumer Protection in Action” campaign at its financial education demonstration base. Retired industrial workers and others were invited to participate in innovative programs combining “industrial heritage storytelling + immersive interactions + guided tours” to disseminate financial knowledge.
- **In Suzhou**, the Company produced the *Hello, New Urban Residents* short drama series, weaving financial risk scenarios into relatable narratives to heighten risk awareness.
- **In Shenzhen**, the Company collaborated with local communities to organize the “Happiness Starts Here” cultural fair, featuring handicraft displays and interactive anti-fraud games like “Defuse the Scam Bomb” to equip residents with practical fraud prevention skills.



Caption: CMB’s Urumqi Branch hosted the “Anti-Fraud for All, Youth Without Worries” themed concert.

Persons with Disabilities: “Door-to-Door Education” for Inclusive Financial Empowerment

- **In Harbin**, the Company delivered financial safety materials and care packages to households of villagers with disabilities, offering simplified explanations and Q&A sessions to ensure accessibility for those with mobility challenges.
- **In Dongguan**, the Company conducted the “Voices Illuminate Shadows: Anti-Fraud Together” campaign for visually impaired individuals, sharing real-world scam cases and creating anti-fraud rhymes to strengthen awareness.

Senior Citizens: Enhancing Financial Literacy Among the Elderly

- The Company has developed a large-print anti-fraud guide titled “Guardians of Wisdom: Learning from History to Navigate Modern Risks”, which uses classical Chinese parables to deconstruct real-world cases of illegal financial activities, empowering seniors to strengthen their financial awareness.
- **In Nanchang**, the Company has conducted multiple campaigns in senior care centers, senior universities, and

communities through activities such as anti-illegal fundraising workshops, financial literacy prize quizzes, and counterfeit currency identification drills. These initiatives aim to improve elderly clients' ability to recognize risks like emerging cyber scams, and fake banknotes.

Populations in Remote Areas: Bridging the “Last Mile” of Financial Education

- Aligned with county-level characteristics and grassroots needs, the Company has innovatively launched the “Embracing New Missions, Consumer Protection in Counties” campaign, extending financial education to ethnic minority regions, remote areas, underdeveloped regions, and southeastern coastal counties. This initiative delivers financial knowledge directly to farmland and villages through tailored approaches.
- **In Tangshan**, mobile education stations were set up at the Caofeidian Free Trade Zone's Tanghai Market, distributing pamphlets and offering on-site explanations about personal information protection, credit reporting, preventing illegal fundraising, and guarding against financial fraud to vendors and farmers.
- **In Ningde**, the “Financial Education Caravan” traveled to Zuorong County's Xuelingwei Village, delivering the latest “Financial Tips” door-to-door in alleyways and village squares.

- **In Kunming**, in collaboration with the Yunnan Provincial Radio and Television Administration, the Company produced accessible financial literacy materials, translating complex jargon into colloquial “everyday language”. These resources were broadcast province-wide via rural radio systems.



Caption: CMB's Jinan Branch's financial literacy team visiting vendor stalls at rural fairs, educating stall owners on counterfeit currency detection to enhance public awareness of financial risks.



Caption: CMB's Wuhan Branch promoting financial knowledge through grassroots-friendly formats like fieldside chats, courtyard "small benches", "delivering operas to villagers", and prize quizzes.

(VI) Cybersecurity, Information, and Data Security

In response to increasingly complex information technology challenges, China Merchants Bank has positioned cybersecurity, information, and data security protection as a critical component of its sustainable development strategy. The Bank has established a comprehensive security framework encompassing organizational governance, technical safeguards, and risk management, continuously integrating security capabilities with business growth. In 2024, no significant cybersecurity, information, or data security incidents occurred at CMB.

1. Organizational Structure

The Board of Directors consistently prioritizes cybersecurity, information, and data security initiatives. The Board and its specialized committees have strengthened their responsibilities in strategic oversight and risk management, formalizing these duties in the *Articles of Association of China Merchants Bank Co., Ltd.* In 2024, the Board reviewed and approved the *2023 Data Governance Summary and 2024 Work Plan* and the *Revised and Consolidated Data Security Management Regulations of China Merchants Bank*.

The Company established the **Information Security Management Committee** to oversee cybersecurity and data security. Chaired by the President and co-led by the Chief Information Officer, this committee guides the Information Technology Department in managing cybersecurity. In 2024, the committee convened twice, approving reports such as the *2023 Cybersecurity Analysis*, the *Reports on the 2024 Data Security Work*.

Under the committee, the **Data Security Task Force** - led by the Information Technology Department and composed of department heads and data security officers to coordinate Bank-wide data security efforts. In 2024, the task force enhanced regulatory frameworks, conducted training programs, implemented full-scope data classification, established cross-border data transfer and outsourcing management systems, enforced hard-disk encryption for all office computers, and achieved closed-loop control of sensitive data on devices. All tasks were executed effectively.

2. Data Security Management

2.1 Policy Framework

In compliance with national and regulatory requirements for data security management, the Company has established a hierarchical system of primary, secondary, and associated policies, which are reviewed and refined annually.

- **Primary Policies:** The *CMB Data Security Management Regulations* define the overarching framework, responsibilities, and core requirements for data security governance, guiding the Company's comprehensive data security efforts.
- **Secondary Policies:** These include specialized regulations such as the *CMB Data Classification and Grading Management Measures (2nd Edition)*, the *CMB External Data Management Measures*, the *CMB Data Sharing Management Measures*, the *CMB Algorithm Model Lifecycle Management Measures (2nd Edition)*, the *CMB Information Security Incident Emergency Management Measures (2nd Edition)*, the *CMB Cross-Border Data Transfer Security Management Measures*, and the *CMB Data Service Management Measures*, which govern domain-specific data security practices.

- **Associated Policies:** Regulations such as the *CMB R&D Security Management Provisions* and the *CMB Employee Disciplinary Violation Handling Provisions* specify data security requirements for R&D activities, accountability standards, and disciplinary actions.

2.2 Classification and Grading

Based on data classification and grading, the Company has built a robust technical protection system covering the entire data lifecycle including collection, storage, usage, processing, transmission, provision, deletion, and destruction. Adhering to the principles of minimal and necessary data collection, the Company actively deploys commercial cryptographic protections, conducts regular data backups and recovery drills, implements safeguards such as access controls, data masking, digital watermarking, and log monitoring effectively. Additionally, the Company enhances storage media destruction protocols, monitors and addresses data security risks, and conducts periodic emergency drills to fortify baseline defenses and rigorously manage material risks, ensuring stringent prevention of data breaches.

3. Integration into Performance Evaluation

The Company has incorporated cybersecurity and data security into the 2024 institutional performance evaluation system for all headquarters departments, branches, and subsidiaries. The evaluation metrics encompass two dimensions: operational execution of responsibilities and security incident management.

4. Emergency Response Mechanisms

- Equipping a professional security monitoring team and establish a 24/7 uninterrupted monitoring and alert mechanism to monitor and handle cybersecurity incidents in real-time.
- Building a security platform based on big data distribution to ensure the platform can respond to and handle multidimensional monitoring and alert incidents in a unified manner.
- Developing emergency response plans for various security scenarios and conduct annual drills to test the effectiveness of the plans, making adjustments to the plans based on drill results.

5. Internal and External Audits

The Company incorporates cybersecurity, information and data security into the scope of specialized IT audits for all headquarters departments and branches, conducting regular cybersecurity and data security audits. In 2024, it performed specialized audits on cloud transformation-related IT risks and business continuity management, as well as audits on IT risk management at select branches and subsidiaries. These audits covered areas such as cybersecurity and data security, effectively assisting business units in addressing vulnerabilities, strengthening user and data access controls, and enhancing the security and compliance of data custodianship.

6. Professional Security Certifications

The Company strictly adheres to the requirements of *China's Cybersecurity Law* to implement the Cybersecurity Multi-Level Protection Scheme (MLPS). Annually, it engages qualified third-party evaluators to conduct grading, filing, testing, and rectification in accordance with the MLPS 2.0 standards. Systems classified as Level 3 or higher undergo mandatory security evaluations. In 2024, 48 Level 3+ systems and 15 Level 2 systems completed evaluations with excellent results in the banking sector.

Additionally, the Company obtained certifications including the Payment Card Industry Data Security Standard (PCI-DSS), the Mobile Internet Application (App) Security Certification from the China Cybersecurity Review Technology and Certification Center (CCRC), and FinTech Product Certification from the Beijing National FinTech Certification Center.

7. Training and Capacity-Building System

The Company conducts multi-dimensional security training to enhance employee competencies. Regular skills training was conducted to all employees engaged in cybersecurity, supporting certifications such as Certified Information Security Professional (CISP) and Certified Information Systems Security Professional (CISSP). A R&D security training and certification program covers headquarters, branches, and

subsidiaries. By the end of 2024, 8,346 employees passed the primary R&D security certification, and 726 achieved intermediate certification. A data security education framework for all staff includes policy briefings, case studies, and awareness campaigns via email, internal groups, desktop screensavers, and posters.

8. Partner Management

The Company has established a business outsourcing data security management mechanism to refine outsourcing policies. For outsourcing projects, it assesses data security risks, conducts regular supplier inspections, and ensures vendors implement safeguards across processes, systems, personnel permissions, and data handling activities.

(VII) Customer Privacy Protection

China Merchants Bank places paramount importance on customer information security and privacy protection, strictly adhering to legal and regulatory requirements including the *Personal Information Protection Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*. The Bank has established a robust organizational framework for customer information protection, refined policies, optimized information handling processes, and fortified defenses for customer privacy. In 2024, no significant customer privacy breaches occurred at CMB.

1. Governance Framework

The Board Risk and Capital Management Committee of the Company diligently fulfills its responsibilities for information technology security risk management, including data security and privacy protection. The Information Security Management Committee is tasked with planning and advancing data security initiatives.

At the operational level, for retail clients, the Head Office has established an Integrated Personal Information Protection Team, composed of the Retail Banking Headquarters, Information Technology Department, and Legal and Compliance Department, which coordinates with the Data Security Task Force at the Head Office. This team oversees the unified planning, guidance, and coordination of personal information protection across the Bank. Specifically: the Retail Banking Headquarters leads institutional development, establishes management mechanisms, and organizes training programs. The Information Technology Department ensures data security and cybersecurity for personal information. The Legal and Compliance Department provides legal advisory services. All business units directly responsible for personal information protection within their respective domains enhance information security and privacy protection capabilities. For corporate clients, the Corporate Banking Headquarters at the Head Office spearheads data security and privacy protection for corporate client information, with business units under the corporate division assuming direct responsibilities. When corporate operations involve associated natural person information, compliance with personal information protection requirements is strictly enforced.

2. Policy Protocols

The Company adheres to the principles of “purpose specification, data minimization, transparency, quality assurance, security safeguards, customer protection, and accountability” in formulating the *CMB Personal Information Protection Management Regulations*. The Bank publicly released the China Merchant Bank Co., Ltd. *Personal Information Protection Policy (2024 Edition)* for all business lines, proactively informing the public of its data protection practices. Privacy policies such as the *CMB Retail Business and App Privacy Policy* and the *CMB Corporate App Privacy Policy* are published across multiple channels to disclose personal information handling rules in compliance with laws.

Additionally, the *CMB Personal Information Processing Measures* specify requirements for the entire data lifecycle including collection, storage, usage, processing, transmission, provision, disclosure, deletion, while the *CMB Personal Information Protection Impact Assessment Guidelines* define scenarios, standards, and procedures for impact assessments. The *Wholesale Client Relationship Management System User Management Rules* include confidentiality clauses covering confidentiality obligations, authorized use of sensitive data, and penalties for violations.

3. Management Practices

3.1 Protecting customers' Information Rights

Regarding to retail clients, the Company safeguards the legal rights of individual clients to access, correct, and delete their personal information. Each business management department has established convenient mechanisms for accepting and processing requests to exercise these rights. Individual clients may exercise their rights to access, correct, or delete personal information through online and offline channels such as the 95555 hotline, the “Xiaozhao” service on the CMB App, the dedicated email address apppersonalprivate@cmbchina.com, and branch outlets. These rights and the methods to exercise them are explicitly outlined in policies such as the *CMB Retail Banking and App User Privacy Policy* and the *Guidelines for Opening a CMB Personal Bank Account*, unless otherwise stipulated by laws and regulations.

Regarding to corporate clients, the Company guarantees clients' rights to access, correct, delete, restrict processing, withdraw consent, and object to processing of their information. Clients may access and update their information through channels including branch counters and the CMB Corporate App, unless prohibited by laws, regulations, or regulatory policies. Within the Company's product service interfaces,

clients may directly clear or delete bound corporate accounts, message records, cached data, and other information. Additionally, they may submit requests to delete personal information under specific circumstances. Users may adjust the scope of authorization granted to the Company for collecting personal information or withdraw consent by deleting information, disabling device functions, or modifying privacy settings in the App. They may also fully revoke authorization by closing their accounts.

3.2 Minimized Collection and Retention of Customer Information

The Company obtains user data through lawful and transparent means, securing user consent when necessary.

Customer Information Collection: The Company commits to refraining from collecting personal information through fraudulent, deceptive, or misleading methods, and never collects data beyond the required scope. Prior to gathering personal information from individuals or external entities, the Company strictly fulfills its “notification-consent” obligation, clearly informing customers in a prominent manner and plain language about the data controller’s name, contact details, processing purposes and methods, categories of information

collected, retention period, and procedures for exercising their rights. Personal information is processed only after obtaining customers’ voluntary and explicit affirmative consent.

Customer Information Retention: The Company retains personal information only for the minimum necessary period required to fulfill authorized purposes or within the retention periods stipulated by laws, regulations, or regulatory authorities. Information exceeding authorized scopes or retention periods is either deleted or restricted to storage with necessary security measures, ceasing all other processing activities. The Company does not rent, sell, or provide retail or corporate customer information to third parties for purposes unrelated to transaction or service fulfillment.

3.3 Prevention and Handling of Customer Information Security Incidents

The Company employs industry-standard security measures to protect both retail and corporate customer information, utilizing encryption, de-identification, and other technical safeguards to ensure lawful and compliant data processing, prevent unauthorized access, and mitigate risks of leakage, tampering, or loss.

Access Controls and Encryption/De-identification for Retail Customer Information

- Adhering to the “accountability” principle, the Company centralizes the management and auditing of user permissions and query scopes to align roles with access rights. Batch query and download permissions are strictly controlled, with detailed logs maintained for all operations (e.g., querying, using, downloading personal information) to prevent misuse.
- De-identification or watermarking is applied to personal information in systems to reduce leakage risks during display.
- Secure transmission methods are used for sensitive personal information to ensure integrity, confidentiality, and availability.

Access Controls and Encryption/De-identification for Corporate Customer Information

- The Corporate Client Relationship Management System (CRM) implements access controls following the “Need-to-Know and Least Authorization” principle. Only personnel with client management responsibilities are granted access, while others must undergo internal approval workflows for temporary access.
 - Personal watermarks are embedded in CRM interfaces.
 - Account transaction records are accessible only to
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designated client managers, with all queries logged in back-end systems.

In the event of a security incident, the Company will promptly investigate, identify root causes, implement remediation, and notify affected customers via email, mail, phone, or push notifications. If individual notification is impractical, public announcements will be made through effective channels. The incident will be reported to national competent authorities based on its severity. Employees found responsible for violations will face disciplinary actions per internal policies; cases involving regulatory breaches or crimes will be handled in accordance with legal requirements.

By the end of 2024, the Company has conducted annual personal information security emergency drills for four consecutive years, refining protocols and mitigating risks through post-drill reviews.

3.4 Ensuring Third-Party Compliance in Handling Customer Information

The Company mandates that when providing personal information to third parties, legally binding agreements such as written contracts must clearly define both parties’

responsibilities and obligations for personal information protection. Third parties are prohibited from using customer personal information for purposes beyond the contractual scope. The Company accurately records and stores details of personal information sharing, conducts regular inspections of third-party processing activities, and requires immediate cessation of non-compliant actions, including violations of laws, regulations, or contractual terms, along with remedial measures.

3.5 Regularized Privacy Protection Training

The Company conducts ongoing personal information protection compliance training for all employees, covering topics such as regulatory requirements, internal guidelines,

application of the Personal Information Protection Law, and case studies. In 2024, the Company launched the “Annual Information Security and Personal Information Protection Awareness Campaign”, developing specialized courses and compiling typical cases of rights violations to educate employees through real-world examples. Initiatives like the “Identify Security Vulnerabilities Together” incentive program encouraged staff to propose improvements to the Company’s data protection mechanisms. Through the “Corporate Finance Learning Assistant” platform on the “Zhaohu” App, two editions of “Key Compliance Responsibilities” were disseminated to reinforce confidentiality requirements. A total of 2,950 participants, including full-time and contract employees, completed the training.

(VIII) Employees

China Merchants Bank has established a comprehensive and well-structured human resource management system. The Board of Directors is responsible for formulating the human resource development strategy, while the senior management oversees the implementation of this strategy and drives talent development initiatives. The Head Office Human Resources Department coordinates the bank-wide human resource planning, team development, and compensation and performance management. Branches and subsidiaries have designated HR departments to execute HR policies and services.

The Company steadfastly adheres to its “talent empowerment” strategy, striving to build “the Best Bank for Employee Growth” and cultivating a talent system characterized by “professionalism, diversity, market orientation, and internationalization”. The Company strengthens talent planning and continuously optimize organizational structures, prioritizing human resources allocation to front-line operations while enhancing staffing support for key business areas, critical institutions, and pivotal positions. The Company reinforces cadre team development by strictly implementing the “dual responsibilities for one position” principle, emphasizing

competency cultivation, and promoting multi-positional experience to forge a high-caliber, professional financial cadre team that is loyal, integrity-driven, and responsible. Professional capacity building is intensified through robust position certification mechanisms, mandatory qualification requirements, talent exchange programs, and a multi-tiered, comprehensive training system. The Company fully applies the “Six Capabilities Mechanism”¹ to create an environment where “the competent are promoted, the mediocre are demoted, and the unqualified are eliminated”, thereby invigorating the workforce and enhancing cohesion and combat effectiveness. Cultural influence is strengthened by integrating Chinese characteristics of financial culture with corporate values, fostering an upright and enterprising atmosphere, and shaping a workforce that passionately cherishes, safeguards, and dedicates itself to the Company.

Simultaneously, the Company annually prepares the *CMB Human Resource Management and Talent Strategy Implementation Report* for Board review. This report comprehensively evaluates human resource management

¹ “Six Capabilities Mechanism” refers to flexible leadership promotion/demotion, employee hiring/exiting, and compensation adjustment.

practices and talent strategy progress, driving continuous optimization and alignment between talent development and the Company's overall strategic objectives.

1. Employment Management

1.1 Equal and Diverse Employment

The Company strictly complies with national laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Regulations on the Prohibition of Child Labor* issued by the State Council. The Company has established policy frameworks such as the *CMB Recruitment Personnel Code of Conduct*, the *CMB Campus Recruitment Management Measures (Second Edition)*, the *CMB Social Recruitment Management Measures*, and the *CMB Employee Exit Management Measures (Third Edition)* to standardize processes for campus recruitment, social recruitment, and employee resignation, thereby effectively safeguarding employees' legal rights and interests.

The Company adheres to lawful and compliant recruitment practices, following the principles of fairness and impartiality, openness and transparency, and merit-based selection, while actively expanding the scope of talent acquisition to promote

equitable employment. The Company insists on position-based recruitment, publicly discloses recruitment information, and provides equal opportunities for qualified candidates. Recruitment notices strictly prohibit discriminatory descriptions related to appearance, gender, place of origin, age, ethnicity, race, religious beliefs, marital status, or childbearing status. All recruitment announcements from the Head Office and branches must undergo approval prior to publication, and no unauthorized recruitment information is permitted.

The Company opposes and prohibits illegal employment practices such as child labor and forced labor. During the resume screening phase, the Company rigorously verifies candidates' age and background information; resumes that fail to comply with legal requirements are automatically disqualified. In 2024, no incidents of child labor or forced labor occurred at CMB.

For further details on the prohibition of forced labor, child labor, and anti-discrimination practices, please refer to the *China Merchants Bank Co., Ltd. Human Resource Policy (2024 Edition)* in the "CMB ESG" section of the Company's official website.

1.2 Talent Recruitment

The Company positioned “continuously building and refining talent recruitment and employment systems” as a key objective of its human resource management. In 2024, the Company prioritized employment promotion for university graduates by expanding online and offline campus recruitment channels, establishing an experiential, service-oriented, and developmental campus recruitment system to help graduates achieve stable career paths.

Experiential Campus Recruitment

- The Company implemented the “DreamWorks” internship program across its Head Office and branches, collaborating with Tsinghua University, Peking University, Renmin University of China, and other domestic and international institutions to launch specialized internship initiatives such as the “Shui Mu (Hydropower)” program, “Bo Ya (Liberal Arts)” program, and “Qiu Shi (Truth-Seeking)” program. These initiatives help students gain comprehensive workplace understanding through hands-on experience, align career goals through practical engagement, and address job-role mismatches caused by information asymmetry in employment.
- The Beijing Branch was awarded the “Beijing University

Graduate Workplace Experience Base” jointly by the Beijing Municipal Education Commission and Beijing Municipal Human Resources and Social Security Bureau.

Service-Oriented Campus Recruitment

- The Company provides year-round recruitment services accommodating global academic calendars.
- It conducts campus roadshows and dedicated online Q&A sessions, delivering a “valued and purposeful” job-seeking experience through professional, standardized, and fairness-respecting written tests and interviews.

Developmental Campus Recruitment

- For eight consecutive years, the Company has organized the Digital Finance Boot Camp. In 2024, the Company pioneered the industry-first “Artificial Intelligence (AI) Boot Camp”, defining talent selection criteria for “AI+Finance” professionals through online competitions, in-person interviews, and immersive summer camp activities, thereby cultivating expertise in digital finance.

The Company continuously explores diversified and in-depth university-enterprise collaboration models. By the end of 2024, through establishing internship bases, hosting or participating in corporate open days, alumni salons, mock interviews, career planning courses, and competitions, the Head Office

and branches had collaborated with over 100 domestic and international universities.

[Case] Digital Finance Boot Camp Ignites Innovation in “AI + Finance”

CMB proactively recruits professionals in science, technology, engineering, and mathematics (STEM). In 2024, the Company upgraded its FinTech Boot Camp to the Digital Finance Boot Camp, with cultivating “AI+Finance” talents as its core objective. The program adopts a “training-first, assessment-follows” approach, integrating recruitment with talent development.

- **Knowledge Empowerment Sessions:** For the first time, industry roundtable discussions were held, inviting expert professors to share innovative practices in “AI+Finance”. The Company also launched the “AI Masterclass”, where technical experts taught participants cutting-edge applications, enabling deep understanding of AI’s current implementations and future directions in financial scenarios.
- **Competition-based Assessments:** Participants were provided with robust AI computing resources and

comprehensive business datasets to enhance practical capabilities in real-world operational environments.



Caption: Digital Finance Boot Camp in Session.

1.3 Employee Turnover Monitoring

The Company monitors employee turnover rates in real-time through human resource reporting systems, regularly generating bank-wide analysis reports on employee turnover data. Should turnover rates show significant year-on-year anomalies, responsible managers are immediately notified.

The Company incorporates the “Key Employee Categories Turnover Rate” indicator into the performance evaluation framework for province-level branches in the Chinese mainland. Monitoring thresholds are set for management personnel, high-performers, and new hires, with regular

tracking and assessment of branch-level data. To reduce attrition of critical talent, the Company implements measures including enhanced recruitment precision, optimized performance evaluation and promotion mechanisms, and improved training systems alongside compensation-benefit structures, thereby reducing turnover in key focus groups and strengthening retention of core competencies.

2. Compensation and Performance Evaluation

2.1 Compensation and Benefits

In employee compensation management, the Company strictly complies with the *Guidelines for Sound Compensation Supervision of Commercial Banks* issued by the National Financial Regulatory Administration (formerly China Banking Regulatory Commission). The Company has formulated policies including the *Employee Compensation Management Measures*, adhering to the principles of “value orientation, pay-for-performance linkage, and risk constraints”. It upholds the compensation philosophy of “flexible adjustment based on capability and performance-driven rewards”, adjusts position-based salary benchmarks according to market conditions, and provides competitive compensation packages.

The Company’s total annual employee compensation comprises regular compensation and benefits. Regular compensation includes base salary and performance-based pay. Benefits consist of statutory benefits and supplementary benefits. Statutory benefits include legally mandated contributions to the Five Social Insurances and One Housing Fund, as well as strict implementation of local policies on maternity leave, parental leave, and child nursing leave across all branches. Supplementary benefits include the enterprise annuity program established and operational since 2001.

The Company adheres to gender equality in compensation and benefits, where gender is not a determinant of remuneration. In 2024, no anomalies in gender-based compensation disparities were identified. For further details on equal pay for equal work, please refer to the *China Merchants Bank Co., Ltd. Human Resource Policy (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

In senior executive compensation, under the *CMB Senior Executive Compensation Management Measures*, the Company integrates material incentives with risk constraints in senior executive compensation. ESG principles are incorporated into the evaluation framework, with metrics spanning profitability, risk management, and operational

efficiency. All senior executives are evaluated under a unified indicator system, embodying the “shared risks, shared interests, and collective accountability” governance philosophy. Evaluation results undergo annual third-party audit verification.

Senior executive compensation comprises base salary and performance-based pay, with sustainability metrics integrated into assessments. Key performance indicators (KPIs) include return on risk-weighted assets (RORWA), return on equity (ROE), cost-to-income ratio, non-performing loan ratio, growth rate of risk-weighted assets. Sustainability-related KPIs cover inclusive finance, green credit, anti-money laundering & compliance management, and consumer rights protection.

The Company implements deferred payment and performance-based clawback mechanisms for senior executives, strictly adhere to the *Guidelines for Sound Compensation Supervision of Commercial Banks* issued by the National Financial Regulatory Administration (formerly the China Banking Regulatory Commission). Annual bonuses are tied to risk exposure and asset quality, with 40% of bonuses paid in the fiscal year following assessment, and the remaining 60% deferred over three years in equal 20% installments. Under the deferred bonus assessment mechanism, deferred payments are contingent on risk metrics. Failure to meet

assessment criteria results in suspension of deferred payments. In cases of major risk events during tenure, the Board Compensation Committee may reclaim all paid bonuses and withhold unpaid amounts.

2.2 Performance Evaluation

The Company has established a performance evaluation system covering all employees, clarifying assessment rules, strengthening process management, and fully leveraging evaluation-driven guidance. The Company implements full-cycle performance management encompassing goal setting, progress coaching, performance appraisal, and feedback communication. Evaluation criteria are customized based on job characteristics, with annual performance results serving as the foundation for communication between managers and employees to improve work quality and create a continuously optimized closed-loop performance management system.

For personnel in roles significantly impacting operational/management risks, responsible for risk control/prevention, or engaged in business operations and organizational management, the Company enforces deferred compensation execution directly linked to performance outcomes. A compensation clawback mechanism applies to all

key positions: In cases of financial statement restatements materially altering the basis for performance-based pay, falsified evaluation results, unauthorized issuance of performance incentives in violation of compensation procedures, or other violations/misconduct related to compensation distribution, the Company will reclaim all overpaid performance-linked compensation and incentive rewards from responsible personnel.

3. Career Development

CMB has established a dual-track career development mechanism (management and professional tracks), refined the horizontal-vertical position development framework, and implemented systems including talent reserve pools, position qualification certification, and talent rotation programs as core approaches for talent cultivation, providing employees with clear career progression pathways.

3.1 Management Track Development

The Company prioritizes leadership selection and appointment, strengthens leadership echelon development, and adheres to the principles of younger leadership cultivation and grassroots experience orientation. In recent years, an increasing number

of outstanding female professionals have emerged through competitive selection processes. Female senior executives fully leverage their capabilities and strengths, becoming pivotal forces driving the Company's transformation. By the end of 2024, the male-to-female ratio among senior executives at the Head Office departments and branches reached approximately 3:1.

3.2 Professional Track Development

The Company has constructed a multi-dimensional career development system, launching an "all-encompassing and differentiated" professional track framework under the *Professional Track Management Measures*. The Company has categorized specialized roles into over 30 vertical tracks, established pan-position grade certification and promotion evaluation mechanisms, and refined competency assessment criteria.

3.3 Talent Reserve

The Company maintains talent reserve pools to facilitate internal mobility, cross-functional learning, and multi-positional development. A comprehensive multi-tier talent rotation system supports employees' multifaceted growth.

Domestic Talent Reserve and Cultivation

- At the head office level, select outstanding employees with development potential to undertake assignments at branch offices for practical experience. Issue branch-level talent exchange guidelines to promote the establishment of intra-branch talent exchange systems, facilitating personnel mobility among province-level, city-level branches, and county-level sub-branches.
- Establish short-term exchange learning mechanisms through the “Seal Program”, implement professional empowerment initiatives and key regional special exchange projects to strengthen talent collaboration across institutions.

Global Talent Reserve and Cultivation

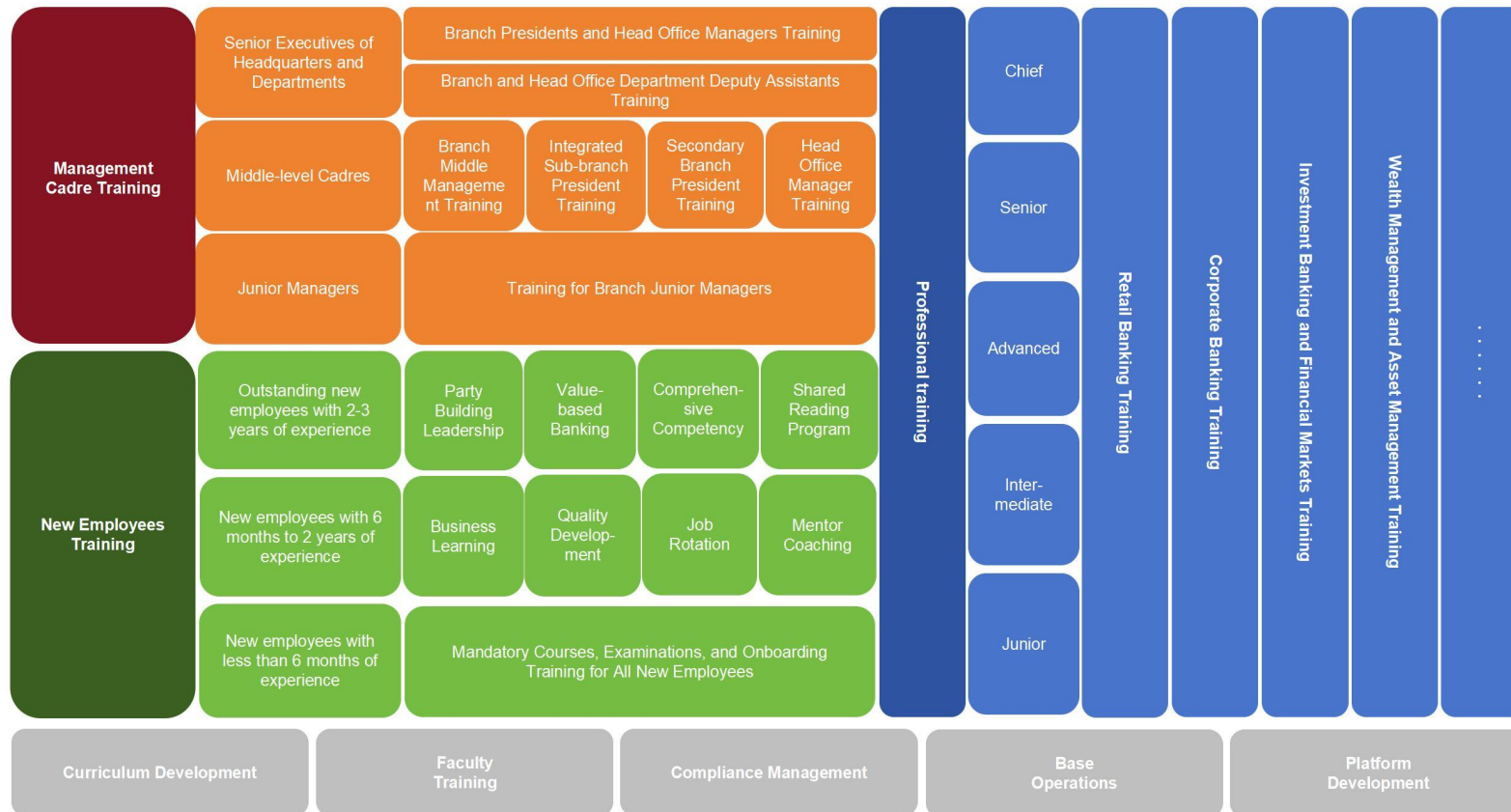
- The Company positions “building global talent pipelines and fostering international career ecosystems” as key objectives. In 2024, the Company intensified global talent development through overseas reserve selection programs, international exchange initiatives, and targeted training.
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4. Training and Development

4.1 Employee Training System

The Company is committed to integrating employees’ self-development and value realization with corporate growth. The Company has refined a categorized, professional, and digital talent cultivation system, adopting online-offline hybrid training models to meet career development needs across all employee levels.

CMB Employee Training System



The Company has formulated bank-wide policies including E-learning course management, external trainer management, and training administrator guidelines to standardize employee development resources and enhance training efficacy.

4.2 Leadership Training

The Company has established a hierarchical leadership training framework. At the Head Office level, programs include branch president and head office department general manager training, deputy/assistant leadership training, newly appointed/senior manager training, strategic training for specific roles such as comprehensive branch presidents, tier-2 branch presidents. Branches conduct parallel leadership development initiatives in alignment with Head Office standards. In 2024, 11 management training sessions were conducted, covering over 660 management personnel-times.

4.3 New Employee Training

To enhance training precision, the Company conducts new employee profiling and needs assessments, distinguishing between campus recruits and experienced hires to deliver customized programs. These initiatives improve learning

outcomes and accelerate team integration. In 2024, new employee training achieved a 4.94/5 satisfaction rating.

The Company launched the bank-wide new employee training brand “Light Pursuit Program” in 2024, adopting a three-phase model. Online compulsory courses covered corporate history, ESG topics such as consumer rights protection, risk compliance, HR policies, green finance, and confidentiality education. More than 5,000 new employees completed courses with certification. Offline intensive workshops targeted high-performing employees with 2-3 years’ tenure. Sustained empowerment implemented the “Co-Reading Program” with curated book lists and online reading clubs to foster lifelong learning habits.

[Case] Wuhan Branch: Job Skill Drills for New Employees

In 2024, CMB’s Wuhan Branch pioneered the “New-Quality Generalist” Integrated Product Knowledge Competition for recent campus hires. Through cross-functional teams, online quizzes, case studies, and project presentations, the initiative ignited employee innovation while expanding professional competencies.



Caption: “New-Quality Generalist” integrated product knowledge competition.

4.4 Professional Talent Cultivation

The Company continues to strengthen the development of professional talent teams, covering core business areas including corporate finance, retail finance, investment banking and financial markets, wealth management, asset management, and risk management. These initiatives comprehensively enhance professional competencies and operational capabilities across all business lines.

[Case] Building Three-Tier Training Systems to Forge Corporate Finance Expertise

In 2024, the Company launched a series of capability-building programs targeting corporate finance managers, relationship

managers, and product specialists. **For Management**, implemented the New Leadership Exchange Program for heads of corporate finance divisions and the Cross-Branch Learning Program for business leaders. Conducted the TOP Team Leader (Branch President) Bootcamp to strengthen strategic execution and operational management capabilities. **For Relationship Managers**, organized four sessions of the “Kunpeng Program” Elite Relationship Manager Training, delivering expert courses on client relationship management, digital tool utilization, industry specialization, and credit risk mitigation. **For Top-Performing Product Specialists**, launched the “Trailblazer Program” Cross-Functional Product Specialist Training, focusing on client pain points and best practice sharing to elevate solution design capabilities across branches.

[Case] “Dual Five Actions” for Risk Management Capacity Building

The Company implemented the “Five Core Teams” (branch presidents, credit officers, risk managers, front-line supervisors, and relationship managers) and “Five Core Mechanisms” (access, cultivation, constraints, incentives, exit) framework to enhance public asset risk management.

In 2024, the Company conducted Risk and Compliance Management Workshops for branch presidents and department heads, alongside specialized training for newly appointed risk executives. Innovated “Risk Manager Live Lectures” with 14,500 online participants. Developed the Essentials of Credit Risk Management curriculum and rolled out weekly branch-level knowledge reinforcement sessions. Administered credit discipline certification exams to 18,600 employees of nationwide branches. Updated the risk training courses for new employees, putting online 12 courses related to credit fundamentals, pre-credit, credit, and post-credit for new employees, and reinforcing practical exercises to ensure that the branch puts the training into practice

[Case] Beijing Branch: “Five-Stage Advancement” Training System

CMB’s Beijing Branch established a five-stage progression framework (Onboarding, Integration, Growth, Advancement, Excellence) tailored to corporate finance relationship managers’ career phases. In 2024, the Branch hosted 7 training sessions with over 950 participants, covering communication skills, client acquisition, and service optimization. Piloted innovative learning formats including “Complaint-Style Stand-Up”, “Immersive Scenario Simulations”,

“Debate Collisions”, and “CMB Academy Awards Microfilm Premieres” to capture front-line insights and strengthen team cohesion.



Caption: CMB’s Beijing Branch team-building course under the growth program.

4.5 Training Platform Development

The Company has enhanced the “CMB i-Learning” platform matrix by innovatively creating a learning zone for the “Five Priority Areas”, customizing a “City-level Branch Learning Zone”, launching a “Book Recommendation” channel, and initiating the “Digital Finance Forum” project, thereby expanding the resource coverage dimensions of the learning platform. In 2024, the “CMB i-Learning” platform achieved a daily average of over 22,400 active users and cumulatively supported more than 165 million participations in online

learning, examinations, live-streamed sessions, and other educational activities.

Simultaneously, the Company developed the “AI Zhao Xiao Pei” intelligent training assistant, establishing a smart knowledge base and Q&A repository to enable policy, regulatory, and operational process inquiries through intelligent dialogue, thereby enhancing training management efficiency. In 2024, the “AI Zhao Xiao Pei” assistant addressed over 1,000 queries monthly on average.

[Case] Digital Empowerment for High-Quality Training Benefiting Front-line Employees at City-level Branches

The Company pioneered a “1 System + 3 Lecturers + 5 Core Courses” on-site training delivery model for city-level branches. The “City-level Branch Learning Zone” on the “CMB i-Learning” platform provides 11 standardized online courses accessible to all city-level branch staff. In 2024, targeted training programs were conducted in 8 branches including Zhanjiang, Zhongshan, and Yancheng, delivering 55 customized courses and empowering over 1,400 city-level branch employees to strengthen grassroots professional capacity building.

4.6 Training Resource Support

The Company actively integrates external training resources, collaborating with prestigious institutions such as Tsinghua University School of Economics and Management to invite industry experts for knowledge-sharing sessions on sector trends and business needs, thereby broadening the expertise and vision of mid-to-senior management. In 2024, six intensive study programs were organized, covering 478 management personnel.

The Company conducted empowerment training workshops for outstanding part-time instructors, covering professional competencies, career development planning, and course certification, to enhance teaching skills and professional literacy, thereby improving training quality and effectiveness.

[Case] Yantai Branch: Integrating Internal and External Resources to Empower Management Training

To elevate leadership and team efficiency among management cadres, CMB’s Yantai Branch launched a leadership-specific training program at Shanghai Jiao Tong University. The curriculum focused on performance management, macroeconomic trends, digital transformation, digital marketing,

and leadership enhancement. Through lectures by external experts and case analysis, participants systematically acquired cutting-edge industry insights and management methodologies in banking practices.

4.7 Professional Qualification Certification

The Company places high importance on employees' professional capacity building. It has formulated the *Notice on External Professional Qualification Certification for 2024* and established a certification list covering 91 high-value professional credentials, including the Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), and Association of Chartered Certified Accountants (ACCA), based on criteria of value relevance, authority, and business alignment. The Company has optimized the reimbursement scope for examination fees, opened self-service consultation channels for employees, and supports all full-time employees in participating in external professional qualification certification examinations to enhance their professional competencies and career development.

4.8 ESG Specialized Training

To further cultivate a green culture and popularize ESG concepts across the organization while improving employees' understanding of ESG-related work, the Company has launched ESG training courses through multiple channels, including online and offline, for all employees. By the end of 2024, the "CMB i-Learning" platform had rolled out ESG-related courses such as the *Quick and Effective Identification of Green Credit Clients*, the *"Green" Makes Us Unique*, the *Introduction to Green Loan Systems and Regulatory Reporting*, the *Consumer Rights Protection Course*, and the *Guidelines for Consumer Rights Protection in Banking*, with cumulative learning participations reaching 4.7667 million.

5. Non-Monetary Benefits and Employee Care

5.1 Rest and Leave Rights

The Company safeguards employees' rights to rest and leave by formulating the *Administrative Measures for Leaves and Holidays of China Merchants Bank (Fourth Edition)*, which explicitly regulates the management of public holidays, statutory holidays, annual leave, marriage leave, bereavement leave, maternity leave, parenting leave, child care leave, work-

related injury leave, sick leave, and personal leave. In case of rights infringement, employees may report the matter to the designated leave rights protection officers published on the HR portal, who will lead the verification and resolution process.

5.2 Workplace Safety

The Company strictly complies with national policies and legal requirements including the *Law of the People's Republic of China on Work Safety*, the *Fire Protection Law of the People's Republic of China*, the *Regulations on the Reporting and Investigation of Production Safety Accidents*, and the *Administrative Measures for Emergency Response Plans*. It has established comprehensive regulations such as the *Basic Workplace Safety Provisions*, the *Security Guarding Regulations*, the *Emergency Management Rules*, and the *Fire Safety Management Measures* to cover safety in business premises and offices, thereby building a robust workplace safety responsibility system. The Company has established a Work Safety Management Committee at the head office level to coordinate bank-wide safety operations, while labor unions exercise democratic supervision. Each branch maintains dedicated security departments, forming a multi-tiered safety governance framework.

The Company adopts a hierarchical classification approach to identify safety risks and their sources in office environments, ensuring timely detection, identification, and rectification of potential hazards to safeguard employee safety. At the headquarters level, the Company implements categorized management of branch safety performance evaluations, safety liability accidents, daily operations, and system monitoring, conducting differentiated on-site inspections and guidance. At the branch level, comprehensive assessments of subordinate units' historical safety records, surrounding environments, and fire safety conditions are performed to establish tailored liaison mechanisms, ensuring precise and effective safety governance. In 2024, the Company maintained a zero-incident record in employee safety liability accidents.

[Case] Safety Awareness Campaigns

In 2024, the Company organized safety education and emergency response drills during key periods including National Security Education Day, Disaster Prevention Day, and Workplace Safety Month. These initiatives enhanced employees' safety awareness and self-rescue capabilities, with 223 training sessions reaching 155,100 participant-times and 5,466 emergency drills involving 146,200 participant-times throughout the year.

5.3 Occupational Health and Safety

The Company consistently prioritizes the physical and mental well-being of employees by establishing a dual-dimensional health service system encompassing “prevention + alleviation”, comprehensively safeguarding employee health.

Preventive Health Services

- Annual comprehensive health checkups are provided to all employees, with professional physicians offering one-on-one report interpretations to facilitate timely health awareness. Health-related activities include lectures, specialized screenings, vaccination programs, and first-aid skills training to enhance health literacy and emergency response capabilities.
- Mental health initiatives such as thematic lectures, stress management courses, psychological assessments with expert analysis are conducted to scientifically identify and prevent mental health issues.

Palliative Health Services

- A 24/7 psychological counseling hotline, in-person counseling sessions, and the Employee Assistance Program (EAP) ensure all employees receive prompt professional support when needed.
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The Company has optimized office environments to foster safer and healthier workspaces. Key measures include replacing outdated fluorescent lighting with glare-reducing LED lamps, equipping computers with blue-light filters, introducing ergonomic chairs and purified water dispensers, deploying real-time environmental monitoring devices in shared spaces, and installing Automated External Defibrillators (AEDs) in head office lobbies. The head office building, R&D center, and Pinghu Financial Innovation Building in Shenzhen have obtained ISO 45001:2018 (GB/T 45001-2020) certification for their Occupational Health and Safety Management Systems.

[Case] Nanchang Branch: Art Therapy Nurtures Employee Well-being

To help employees manage stress and improve emotional regulation, CMB’s Nanchang Branch launched the “Relieve Stress, Empower Happiness” group art therapy program. Professional instructors utilize painting analysis to interpret elements such as composition, color, and symbolism, enabling employees to gain self-awareness, unlock potential, and enhance productivity.



Caption: A psychologist guides employees in art therapy sessions.



Caption: CMB's Jinan Branch combines theory and practice in first-aid training. Participants passing the assessment receive certification from the Red Cross Society of China.

5.4 Female Employee Care

The Company prioritizes the well-being of female employees by deepening targeted support initiatives. In 2024, the Company implemented innovative measures focusing on four key areas: protection of women's rights, safeguarding during the Four Critical Phases (menstruation, pregnancy, childbirth, and breastfeeding), mental health support, and cultural enrichment. The Company organized extensive activities celebrating International Women's Day and legal awareness campaigns for female employees. A total of 241 "Rose Fragrance Reading Festivals" were conducted, attracting 12,940 participants. To address practical needs, the Company accelerated the construction of Female Employee Care Rooms equipped with maternal-infant facilities. By the end of 2024, 151 such rooms had been established across the branches.



Caption: Establishing cross-industry public welfare social platforms to enrich female employees' social lives.

[Case] Women-Exclusive Training Programs to Amplify “Her Power”

The Company launched the “Pink Empowerment Program: Gathering ‘Her Power’ ” training series, featuring customized courses addressing workplace challenges specific to women, including career development, emotional stress management, and rights protection.

5.5 Employee Care and Assistance

The Company delivers holiday and birthday greetings to employees, fostering a warm corporate culture that enhances belongingness, happiness, and cohesion.

In 2024, the Company issued the *Implementation Measures for Labor Union Care and Assistance at China Merchants Bank*, which standardized beneficiary identification criteria and operational protocols to ensure precise support for employees in need. Through the “Warmth Delivery Project”, a dual mechanism combining regular visits and targeted assistance was implemented. Throughout the year, 1,174 care visits were made to support disadvantaged staff members.



Caption: The subsidiary, CMB Financial Leasing, organizing festive-themed employee engagement activities.

5.6 Diverse Cultural and Sports Activities

The Company actively promotes diversified cultural and sports activities to encourage employees to develop personal interests beyond work. In 2024, the Company launched the

“Enhancing Employee Experience, Fueling Value Growth” Fitness Walking Event, integrating walking exercises with quiz challenges to promote physical fitness. Over 60,000 employees participated. Organized the inaugural “Value-Driven, Rise to the Challenge” China Merchants Bank Men’s Basketball Tournament, engaging over 1,000 athletes and coaches. A corporate basketball team was formed to compete in the China Financial Trade Union Basketball Tournament. Additionally, the “Value Navigation, Jin Spirit” Navigation Cup Football Tournament and Talent Scouting Competition was held, selecting core players from more than 200 participants to establish the Company’s football team for the China Financial Trade Union Football Tournament. By the end of 2024, 495 Cultural and Sports Employee Clubs had been established, covering arts, sports, and outdoor activities.



Caption: “Value-Driven, Rise to the Challenge” China Merchants Bank First Men’s Basketball Tournament.



Caption: “Value Navigation, Jin Spirit” Navigation Cup Football Tournament and Talent Scouting Competition.



Caption: CMB’s Taiyuan Branch Golden Microphone Singing Competition.



Caption: CMB's Urumqi Branch Second Talent Show.



Caption: Joint venture, MUCFC Basketball Friendship Match.

[Case] Harbin Branch: Building Seasonal Employee Care Brand Initiatives

In 2024, CMB's Harbin Branch established its "Four Seasons" employee care activity series, including "Spring Blossoms: A 'Berry' Sweet Journey Together" Strawberry Picking Activity, "Nurturing Childhood Dreams, Embracing Nature" Zoo Excursion, "Great Heat, Little Heat: Polar Adventure" Polar

Museum Tour, "Summer Refreshment: Riding the Waves" Water Park Activity, "Immerse in Landscapes, Escape the Mundane" Mountain Hiking. These programs allow employees to recharge, enhancing work-life balance.

5.7 Corporate Culture Development

The Company has established a comprehensive cultural communication system through the "One Newspaper, One Journal, One Museum, One Wall" initiative, which includes the CMB E-News, CMB Micro-Journal, Corporate History Exhibition Hall, and "Culture Corner" display boards. This multi-dimensional framework fosters a cohesive corporate culture and enhances employee belonging.

In 2024, the 20th Corporate Culture Festival, themed "Growing Together with CMB", featured a series of cultural activities "Tracing Entrepreneurial Footsteps, Embarking on New Journeys" hiking event, President as Lobby Managers program, Centennial CMB Forest tree-planting campaign, Family Open Day for employee families, Wish List Book Donation initiative, Employee art exhibitions, and Culinary culture festival.



Caption: Presidents as Lobby Managers Activity.



Caption: Culinary Culture Festival.



Caption: 2024 Centennial CMB Forest Tree-Planting Site.



Caption: Family Open Day Event.

6. Democratic Management

6.1 Protection of Employee Rights and Interests

The Company continuously improves democratic communication mechanisms and channels to listen to

employees' opinions and suggestions, safeguarding their legitimate rights, interests, and reasonable needs.

The Company has established a democratic management system centered on the Staff and Workers' Congress, ensuring employees' rights to information, participation, expression, and oversight in operational management. In 2024, the Company convened the 10th and 11th meetings of the Second Staff and Workers' Congress, reviewing and voting on six regulations directly related to employees' interests, including the *Standards for Signing the Employee Training Contract at China Merchants Bank*, thereby effectively protecting fundamental employee rights.

The Company utilizes the "Danke" Intelligent Suggestion Platform (hereinafter referred to as "Danke") to encourage free expression of value-adding suggestions, driving operational improvements and managerial enhancements. The platform employs an anonymous mechanism to fully protect user information security. In 2024, "Danke" continued to collect high-value proposals, fostering a constructive communication culture and amplifying its role in "pooling collective wisdom".

6.2 Employee Satisfaction Survey

The Company conducts annual Employee Satisfaction Surveys across all positions and hierarchical levels. In 2024, a questionnaire covering four dimensions - employee care, professional development, managerial effectiveness, and workplace experience - was designed and distributed, with over 83% of employees participating and providing feedback.

The results showed an average employee satisfaction score of 8.93/10 and an employee engagement score of 8.29/10.

Based on survey data, the Company produced a comprehensive Employee Satisfaction Analysis Report and tailored reports for each branch and headquarters department. These reports inform management decisions, identify weaknesses in employee experience, and optimize career development pathways through targeted interventions.

(IX) Contributions to the Society

China Merchants Bank has steadfastly advanced its targeted assistance in Wuding County and Yongren County of Chuxiong Yi Autonomous Prefecture (hereinafter referred to as the “two counties”), Yunnan Province. Through diversified support mechanisms, the Company has wholeheartedly aided these regions in pursuing prosperity. It has also enhanced public welfare platforms, enriched charitable practices, and mobilized collective compassion to promote social equity and justice. In 2024, the Company’s total external donations amounted to RMB127 million, achieving a social contribution value per share of RMB16.92 across the Group¹.

1. Targeted Assistance

Since 1999, the Company has implemented targeted assistance in two counties. In 2024, guided by the Five Revitalizations framework—industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization, and organizational revitalization—the Company formulated the *CMB 2024 Rural Revitalization Assistance Work Plan* and

implementation strategies, refined its management protocols for assistance personnel and projects, standardizing operational procedures to ensure effective implementation of rural revitalization efforts.

In 2024, the Company allocated RMB 56.0665 million in assistance funds to 54 projects in the two counties. It facilitated RMB150.00 million in investment promotion for Yongren County and RMB0.7 million in external assistance funds for Wuding County. Additionally, the Company supported local economies by purchasing and facilitating the sale of agricultural products totaling RMB23.3707 million from both counties.

1.1 Deepening Educational Assistance to Boost Teaching Quality

The Company continues to prioritize investments in education—a “century-long foundational project”—providing transformative momentum to improve educational attainment in Wuding and Yongren Counties, thereby addressing regional disparities at their root.

¹ Social Contribution Value Per Share = Basic Earnings Per Share + (Total Taxes Paid + Employee Expenses + Interest Expenses + Total External Donations) / Total Common Shares Outstanding at Period-End.

Improving Educational Infrastructure

- Throughout 2024, the Company implemented 13 campus enhancement projects including the “CMB Caring Restroom Renovation”, “CMB Scholarly & Cultural Campus Initiative”, “CMB Sanitation Facilities Upgrade”, “CMB Multifunctional Classroom Project”, “CMB E-Commerce Training Labs”, and “CMB Safe Drinking Water Program”, collectively creating safer and more conducive learning environments for students and faculty.

Motivating Teachers and Students through Diverse Methods

- The “CMB Teaching Excellence Award” recognizes educators demonstrating outstanding contributions.
- The “CMB Scholarship & Grant Program” motivates academically gifted students while ensuring equitable access to education for underprivileged rural families, effectively mitigating poverty risks linked to educational barriers.

Strengthening Teaching Capacity

- Leveraging group-based assistance models, the Company executed the Yunnan Normal University Affiliated High School Trusteeship Program in Wuding County to elevate pedagogical standards.
- The Company deployed renowned principals and master

teachers from Fujian Province to drive curriculum reforms in Yongren County, advancing the high-quality balanced development of compulsory education.

- In 2024, both counties achieved record-breaking college admission rates, with undergraduate enrollment surging by 41.36% year-on-year.

1.2 Improving the Healthcare Systems to Promote Public Health Standards

The Company comprehensively advances the development of medical infrastructure and grassroots healthcare teams to improve primary medical conditions in Wuding and Yongren Counties. These efforts aim to bridge the “last mile” of healthcare services, alleviate difficulties in accessing medical care for rural residents, and prevent populations who has lifted out of poverty returning to poverty due to illness.

Enhancing Primary Healthcare Service Capabilities

- A three-tier healthcare assistance system (county-township-village) has been established to ensure “minor illnesses are treated within villages, major illnesses within counties”.
 - **At the county level**, key projects include the “CMB Ultrasound Imaging Center” at Wuding County People’s
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Hospital, the CMB Ophthalmology Department, and the “CMB Bright Vision Program”.

- **At the township-level**, initiatives feature the standardized operating room renovation at Gaoqiao Town Central Health Center and the maternity ward construction at Bailu Town Health Center.
- **At the village-level**, upgrades encompass the “CMB Yongguang Village Clinic” in Yongren County and a regional cloud-based electrocardiography network across 62 village clinics in four Wuding townships, enabling real-time electrocardiography data sharing within the medical consortium.

Building Healthy Communities

- In Yongren County, the CMB “Xingfuli” National Health Community was developed with RMB4.284 million in assistance funds, deploying the National Health Management Information System and establishing sub-communities in multiple villages. This initiative provides lifelong health management services for 104,800 residents.

Strengthening Rural Medical Workforce

- Through the “CMB Distinguished Village Doctor Studio” program, village clinics are modernized, and exemplary practitioners are incentivized. This stabilizes the rural

medical workforce, elevates clinical skills, and enhances clinic service capacities.

1.3 Focusing on Industrial Cultivation to Strengthen County-Level Self-Sustaining Capacity

The Company focuses on industrial revitalization by supporting key industrial projects and expanding agricultural sales channels, thereby activating self-sustaining growth drivers in county-level economies.

Promoting Industrial Upgrading

- Supported the construction of the “CMB Yunnan-Sichuan Livestock Smart Distribution Center”, which has become Yongren County’s largest, most functional, and most digitally advanced livestock circulation hub. By the end of 2024, the center facilitated the trading of 9,744 livestock with a transaction value of RMB9.133 million.
- Advanced modernization in the forestry and fruit industries. In Yongren County, the Company collaborated with “CMB Forestry and Fruit Research Institutions”, implemented the “CMB Forestry and Fruit Quality Certification (Organic Certification)” initiative, formulated a five-year industrial plan, provided technical training, and equipped facilities for fruit quality testing (organic

certification), pesticide residue testing, and heavy metal detection. A premium pomegranate variety improvement demonstration zone was established.

- Created two “CMB Weidi Township Agro-Photovoltaic Complementary Sericulture Industrial Park Demonstration Villages” in Chuxiong Weidi County to drive industrial restructuring and boost income for local villagers and collective economies.

Expanding Sales Channels

- Introduced e-commerce platforms to build diversified online and offline sales channels, helping high-quality agricultural products from the two counties reach markets beyond Yunnan.
- Hosted the “Wisdom Aids Agriculture, Enjoy a Bountiful Year” agricultural support campaign. Through online livestreams, group purchases, and offline exhibitions, the Company promoted specialty agricultural products from paired assistance regions and built regional agricultural brands.

[Case] CMB “Xingfuli Industrial Workers’ Community”: Building a “Doorstep” Employment Ecosystem

Amid the growth of Yongren County’s specialty forestry and fruit industries, the region faced a dual challenge of seasonal

labor shortages for local enterprises and unstable employment for residents. To resolve these issues, the Company collaborated with the Yongren County Human Resources and Social Security Bureau to establish the “Xingfuli Industrial Workers’ Community”, a model base for local employment. This initiative fosters a synergistic development model where “industry attracts talent, and talent drives industry”. Developed the “CMB Xingfuli” digital service software to improve labor demand matching efficiency. Repurposed idle school buildings into worker communities with accommodations, dining, and medical facilities. Launched a digital employment visualization platform integrating workforce management, skills training, and salary distribution. The “Flexible Working with CMB” system enables dynamic labor management and one-stop enterprise services. This sustainable employment system injects new momentum into rural industrial revitalization.

1.4 Upgrading Ecological Governance to Build Model of Livable Villages

The Company prioritizes public welfare needs and focuses on ecological livability goals, systematically advancing comprehensive environmental governance in the two counties, supporting the construction of “Four Beauties” villages

characterized by “beautiful environments, beautiful farmlands, beautiful villages, and beautiful courtyards”.

Addressing Public Urgencies and Concerns

- Implemented the “CMB Streetlight Project” in seven key rural revitalization villages throughout the year, achieving full nighttime lighting coverage for main roads and public areas. This initiative has created safer and more convenient travel conditions for villagers.

Creating Demonstration Sites for the "Thousand Villages Exemplary, Ten Thousand Villages Renovation" Project

- In 2024, the Company established multiple demonstration sites for the “Thousand Villages Exemplary, Ten Thousand Villages Renovation” project in Yijiu Town and Yongding Town, Yongren County. Efforts focused on domestic wastewater and garbage treatment, village appearance improvement, public infrastructure upgrades, and rural cultural development. Additionally, human settlement improvements were carried out in Chadian Town, Wuding County, and Lianchi Township, Yongren County. These included addressing domestic sewage pollution, repairing rural roads, and driving holistic enhancements to the living environments across both counties through targeted pilot initiatives.
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1.5 Advancing Cultural Heritage to Stimulate Innovation in Intangible Cultural Heritage (ICH)

The Company deeply explores the cultural resources of the two counties, nurturing rural revitalization through cultural empowerment. Initiatives include innovating ICH education and inheritance mechanisms, fostering characteristic cultural industry clusters, and improving public cultural service systems.

Preserving and Promoting ICH Culture

- Launched the “CMB ICH Culture on Campus” initiative in Yongren County. This program established the “CMB Love Stage,” purchased Yi ethnic costumes and traditional musical instruments, developed school-based ICH curricula and teaching materials, and organized training sessions for ethnic instrumental music, dance, and Yi embroidery. These efforts protect, promote, and pass down ICH culture, enabling young students to deeply appreciate the charm and value of local intangible heritage. A total of 262 sessions of the “Zhaoyin ICH Culture on Campus” activities were held in 2024.
 - Vigorously supported the development of Yi embroidery. In Wuding County, the Company helped build a Yi Embroidery Cultural and Creative Industry Base,
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workshops, and studios, fostering a “base + enterprises + workshops + embroiderers” industrial model. Specialized support was provided to cultivate management, sales, and design talent for the Yi embroidery industry. The Company also introduced a “cultural creativity + agricultural products” consumption model, integrating Yi embroidery mystery bags with local specialty agricultural products to bring Yi embroidery into households nationwide.

Strengthening Public Cultural Infrastructure

- Implemented the “CMB Cultural Service Center Upgrade Initiative”, improving infrastructure at 136 village/community education and practice bases across 11 townships. This project benefits 281,000 residents, addressing gaps in local cultural service facilities and enhancing villagers’ cultural literacy.

2. Public Welfare Platforms

2.1 “More Pleasure from Monthly Donations” Initiative

The Company advocates the concept of “public welfare for all” and has collaborated with multiple public welfare organizations to launch a small-scale monthly donation program. Clients can independently select public welfare projects under the “More Pleasure from Monthly Donations” initiative through the CMB

App or Personal Online Banking, bringing warmth and assistance to groups in need such as rural schools and left-behind children. In 2024, the “More Pleasure from Monthly Donations” initiative attracted 517,200 participants, with total donations amounting to RMB2.9312 million.

2.2 Credit Card “Points for Micro Charity” Initiative

Since 2012, the Company has introduced the credit card “Points for Micro Charity” initiative, which integrates public welfare philanthropy with credit card reward points. Projects such as “Free Lunches for Children”, “Yangfan Public Welfare Books”, and “One-Square-Meter Grassland Protection Plan” have been launched. These enable cardholders to participate in charitable actions through point donations, track the flow of points and project progress, and receive personalized electronic certificates. By the end of 2024, cardholders had cumulatively donated 621 million reward points through this initiative, translating to 2.8561 million free lunches for children and 346,500 public welfare books distributed.

3. Public Welfare and Philanthropy

The Company continuously improves its bank-wide public welfare and philanthropy system, strengthens the CMB Public

Welfare Volunteer Team, and carries out initiatives such as supporting the disadvantaged, compassionate education assistance, disaster relief, and volunteer services. By innovating philanthropic approaches and building bridges for charitable exchanges, the Company guides clients to participate in public welfare causes. In 2024, the Company launched the “CMB Philanthropy, Love Delivers Results” brand, continuing its pragmatic and responsible approach to organizing diverse, impactful public welfare activities in its operational regions, ensuring the transmission of compassion and the relay of goodwill.

3.1 Supporting the Disadvantaged and Aiding the Needy

The Company upholds the value of “Finance for Good” by providing timely and heartfelt assistance to vulnerable and underprivileged groups in need.

[Case] Love Relay: Warm Winter with CMB

Prior to the winter of 2024, over ten branches including Dalian Branch, Dongguan Branch, Hohhot Branch, and Shijiazhuang Branch jointly initiated the “Love Relay: Warm Winter with CMB” campaign. This initiative targeted children in Sewi Village, Xinlong County, Ganzi Tibetan Autonomous Prefecture,

Sichuan Province, which is a key national rural revitalization assistance area. By mobilizing branch employees and caring clients to donate winter clothing, school supplies, and other materials, the campaign ensured timely delivery of “care packages” to safeguard the well-being of children in remote regions during the harsh winter.



Caption: Employees of CMB's Dalian Branch donate winter clothing for the “Love Relay: Warm Winter with CMB” campaign.



Caption: CMB's Hohhot Branch promotes the “Love Relay: Warm Winter with CMB” campaign at its branch outlets.



Caption: Employees of CMB's Shijiazhuang Branch donate winter clothing for the "Love Relay: Warm Winter with CMB" campaign.

[Case] Xi'an Branch: Winter Care Initiative for Sanitation Workers

In response to the needs of outdoor workers during winter, CMB's Xi'an Branch distributed "care packages" containing thermos cups, scarves, and gloves to sanitation workers near its over 50 urban branches in 2024. The branch also established "Love Stations" at its outlets to provide rest areas, improving working conditions for sanitation workers.

[Case] Chongqing Branch: Art Charity Sale to Aid Women and Children in Need

CMB's Chongqing Branch collaborated with the Chongqing Women and Children Foundation to launch the "Love in Action with CMB" series. Through the collection, exhibition, and charity sale of public welfare artworks, the initiative raised funds to support disadvantaged women and children.



Caption: Scene from the "Love in Action with CMB" charity event hosted by CMB's Chongqing Branch.

[Case] Sydney Branch: Charity Walk for Children's Health

CMB's Sydney Branch partnered with the Sydney Children's Hospitals Foundation to organize the second "Walk with Love, Toward a Brighter Future" charity walk. The campaign launched a charitable donation initiative, encouraging

employees, clients, and partners to contribute funds supporting critically ill children in accessing quality medical care.

[Case] Fuzhou Branch: A Series of Public Welfare Initiatives to Give Back to Society

In 2024, CMB's Fuzhou Branch tailored its public welfare activities to societal needs, embedding compassion and goodwill into every corner of the city.

“CMB Signature Love Shops” Special Initiative: Identified community-based small businesses offering public welfare services that assist residents, adopting a “Shops Help Communities, CMB Helps Shops” model to reduce operational costs and expand outreach.

“Warm Winter with Paws: Stray Animal Care” Campaign: Collaborated with the Fujian Suxin Stray Animal Protection Center to host the 83rd Fuzhou Pet Adoption Day and the “Warm Winter with Paws: Stray Animal Care” initiative, promoting the “Adopt, Don't Shop” philosophy.



Caption: A “CMB Signature Love Shop” providing free haircuts for elderly residents.

[Case] Joint Venture CIGNA & CMB Life Insurance: “Aiyou Children’s Home” Project

In 2024, the joint venture CIGNA & CMB Life Insurance donated RMB400,000 to the Aiyou Charity Foundation to fund surgeries for children with congenital heart disease from low-income families and support the operation of “Aiyou Children’s Homes” for disadvantaged and left-behind children. Key achievements included providing more than 1,200 in-home intervention services in Zhaotong, Yunnan Province, and Liangshan, Sichuan Province, offering child welfare support and parental education. Distributing over 1,000 care packages (food, clothing, hygiene supplies, and school materials) to improve rural children’s living and learning conditions.

By the end of 2024, CIGNA & CMB Life Insurance had cumulatively donated over RMB3.9 million, aiding more than 180 children with congenital heart disease and assisting over 17,000 orphans and left-behind children.



Caption: Children supported by joint venture CIGNA & CMB Life Insurance's donations thrive in a joyful environment.

3.2 Compassionate Education Assistance

The Company actively carries out education assistance initiatives to pave the way for students to overcome challenges and pursue their dreams, continuously advancing educational equity.

[Case] Education Assistance Empowering Dreams

- The Company supports educational revitalization in Hezheng County, Lintao County, and other regions of

Gansu Province. In 2024, a donation of RMB2.7 million was made to the China Foundation for Rural Development, benefiting over 150 teachers and 1,400 students in local areas.

- **CMB's Beijing Branch** conducted public welfare donations to universities, contributing approximately RMB9 million to institutions including Peking University, Renmin University of China, Beijing University of Posts and Telecommunications, University of Science and Technology Beijing, and China University of Mining and Technology. These funds supported teaching and research, discipline development, campus infrastructure, and scholarship programs.
- **CMB's Taiyuan Branch** collaborated with the Taiyuan Children's Welfare Institute, volunteer organizations, enterprises, and clients to provide "Jin Kui Hua (Golden Sunflower) Art Warmth Packages" to local schools and offer intangible cultural heritage traditional culture courses for children in welfare institutions.

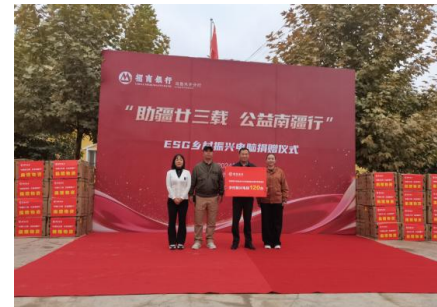
[Case] Kunming Branch: Guarding Youth Basketball Dreams

In 2024, CMB's Kunming Branch invited professional athletes from the Women's Chinese Basketball Association (WCBA) to

deliver the “Basketball Youth, Answer the Call with CMB” public welfare basketball clinic at Wuding No.1 Middle School in Yunnan. The program included athlete storytelling, technical demonstrations, and a friendly match between the “Golden Sunflower” and “Love in Action with CMB” teams. Through sportsmanship, this initiative empowered youth development and inspired students to strive courageously toward their aspirations.



Caption: Friendly match during the “Basketball Youth, Answer the Call with CMB” public welfare basketball clinic.



Caption: CMB’s Urumqi Branch donates computers to a rural revitalization demonstration village to support the construction of night school training bases.

3.3 Disaster Relief

In response to natural disasters caused by extreme weather, the Company proactively allocated resources and leveraged its service advantages to deliver timely care to affected communities through donations, volunteer services, and other means, demonstrating its commitment to social responsibility.

[Case] Standing Together in Adversity: Full Support for Disaster-Affected Regions

In June 2024, severe flooding triggered by torrential rains caused significant damage in Shenfan Village, Jinniu Town, Daye City, Huangshi, Hubei Province. The Wuhan Branch

swiftly donated relief supplies, including bottled water, food, medicine, and office essentials, to help affected residents weather the crisis.

In August 2024, Jianchang County, Huludao City, Liaoning Province, experienced historically rare torrential rains, leading to widespread flooding. CMB's Shenyang Branch donated RMB200,000 to support disaster-affected communities in restoring normal life and rebuilding homes.

In September 2024, Super Typhoon Yagi made landfall in Wenchang City, Hainan Province, severely disrupting local livelihoods and production. CMB's Haikou Branch immediately mobilized a volunteer service team to provide daily necessities to affected residents and enterprises. The team also assisted neighboring communities in road cleaning and debris removal. In November 2024, the branch donated RMB1 million to the Hainan Provincial Charity Federation to aid reconstruction efforts in key disaster-stricken areas.

3.4 Volunteer Services

The Company advocates and encourages employees to actively participate in volunteer activities, harnessing their collective strength to deliver continuous compassion and care

to society. By mobilizing the energy of its youth workforce, the Company drives the development of public welfare initiatives. All branches and subsidiaries adapt to local conditions by registering on the China Volunteer Service Website, collaborating with the Red Cross Society of China, and partnering with public welfare organizations to establish the CMB Volunteer Team. These teams conduct diverse volunteer activities and organize professional skills training to enhance service capabilities. By the end of 2024, the Company had 665 registered employee volunteers.



Caption: CMB's Dalian Branch provides volunteer services for the 2024 Summer Davos Forum, processing "Youth Dalian · City Volunteer Certificates" and disbursing volunteer subsidies.



Caption: Employees of CMB's Qingdao Branch participate in blood donation drives.

The Company assists provincial/municipal Communist Youth League committees and volunteer organizations in upgrading volunteer service systems, establishing dedicated service frameworks, and improving digital management in volunteerism.

[Case] Hohhot Branch: Launch of Inner Mongolia Youth Volunteer Co-Branded Card

In 2024, CMB's Hohhot Branch partnered with the Inner Mongolia Youth Volunteers Association to issue the Inner Mongolia Youth Volunteers Co-branded Card. Volunteers can apply for the card by completing real-name registration through the "Volunteer North Frontier" Volunteer Service Information System. The co-branded card features the

volunteer's name and identification number on its surface. Beyond standard debit card functions, cardholders can scan a QR code to verify volunteer identity, access volunteer service records, enjoy exclusive consumption benefits, accumulate credit points, and participate in public donations.

3.5 Philanthropic Innovation

The Company actively guided wealth toward social good. Throughout the year, the Company collaborated with charitable organizations to host 8 live-streamed discussions on the "Charity Forum" within the CMB App, organized 13 offline philanthropic salons and experiential events, and established a philanthropic communication bridge to promote charitable concepts to clients. The Company provided over 100 professional charity advisory services, assisting families and enterprises in clarifying philanthropic visions, structuring charitable frameworks, and facilitating major donations to implement corporate and family philanthropic plans. The Company supported high-net-worth clients in establishing 23 charitable trusts, with philanthropic expenditures totaling RMB13.7289 million directed toward education, healthcare, and rural revitalization initiatives. By the end of 2024, the Company has facilitated 52 charitable trusts, managing client charitable assets totaling RMB369 million.

(X) Supply Chain Management

China Merchants Bank adheres to the principles of “openness, fairness, impartiality, and good faith” in procurement. The Company has established policy frameworks such as the *CMB Procurement Management Regulations (3rd Edition)*, the *CMB Centralized Procurement Management Measures (6th Edition)* and the *CMB Decentralized Procurement Management Measures (3rd Edition)* to implement a hierarchical and categorized management model. These measures continuously enhance the intensive and refined management of procurement processes.

1. Preventing Procurement Risks

The Company integrates the principles of “unified standards, collective decision-making, segregation of duties, rational division of labor, and recusal reporting” into both centralized and decentralized procurement processes. Multiple safeguards measures had been implemented to ensure fairness and impartiality.

- **Enriching the Supplier Database:** Expanding channels for suppliers to access procurement information and participate in bids through increased promotion of public

supplier recruitment announcements and the “Smart Sourcing Hub” platform. The “Supplier Revitalization Initiative” offers potential collaboration opportunities for qualified potential suppliers.

- **Enforcing Recusal Policies:** Strictly controlling admission of suppliers affiliated with current or former CMB employees and prohibiting such suppliers from competing in the same projects.
- **Ensuring Equal Opportunities:** Providing all bidders with site inspection opportunities and determining supplier presentation order via random draw prior to evaluations.
- **Strengthening Bid Evaluation Oversight:** Utilizing technical tools to detect risks such as bid-rigging and collusion. All online centralized procurement presentations are recorded via audio-video monitoring. A dedicated supervision team oversees bid evaluation on-site for key projects.
- **Securing Bid Response Confidentiality:** Implementing third-party digital certificates to encrypt supplier response files, which are decrypted by suppliers only during designated bid opening periods.
- **Fostering Collaborative Partnerships:** Conducting preemptive risk warning talks and integrity meetings to

identify and address unethical supplier behavior. A supplier rating classification system deepens long-term strategic partnerships with high-performing suppliers.

2. Enhancing Procurement Efficiency

The “Zhao Cai E” platform (CMB procurement online platform) is the Company’s procurement sourcing management platform. In 2024, the “Zhao Cai E” platform implemented natural language interaction and intelligent process guidance to improve user experience; established an online closed-loop management system covering the entire process of supplier registration, capability assessment, performance evaluation, and exit management; and built a procurement risk control center foundation, comprehensively strengthening procurement compliance through unified management, automated verification, and real-time alerts.

Simultaneously, as a digital platform that pioneered the integration of procurement, finance, and asset management in the industry, the “Zhao Cai Cloud” platform leverages large language model technology and knowledge base management to enhance intelligent customer service response rates; refined price monitoring tools to comprehensively improve cost control

capabilities; and optimized supply risk models to proactively identify procurement risks.

3. Promoting Responsible Procurement

The Company actively practices responsible procurement principles by fully incorporating ESG factors into procurement management systems and processes, and by implementing ESG review standards to drive sustainable development across the supply chain. For further details on responsible procurement, please refer to the *China Merchants Bank Co., Ltd. Responsible Procurement Policy (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

Environmental Dimension

- The Company encourages suppliers to provide qualification certificates related to energy conservation and environmental protection during the access evaluation phase.
 - In tenders for equipment such as servers, computers, and air conditioners, explicit requirements for energy conservation and consumption reduction are specified. Under equivalent conditions, priority is given to products with energy-saving and environmentally friendly attributes and enterprises aligned with green development principles.
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- For decoration engineering suppliers, the Company mandates the use of eco-friendly and energy-efficient building materials during construction. Office furniture suppliers are required to provide products certified with the China Environmental Labeling Certification and the Forest Stewardship Council (FSC) timber supply chain certification. Suppliers participating in the auction and disposal of scrapped electronic equipment must possess qualifications such as the *Registration Certificate for Renewable Resource Recycling Operators* to ensure proper and harmless treatment of discarded resources.
- A “carbon emissions” information submission function has been added to the supplier management platform, extending greenhouse gas emission management to the supply chain.
- In 2024, the Company incorporated ESG evaluation criteria, including environmental protection, energy efficiency, and social responsibility, into the scoring rules for procurement projects such as office space renovations, data center construction and leasing, office furniture, air conditioning equipment, and desktop/laptop computers. Following ESG due diligence, the Company selected or contracted with 35 suppliers that meet these standards.

Social Dimension

- The Company requires suppliers to provide supporting documents in their bidding files, including the legal representative certificate and authorization letter, employee social insurance participation certificate, and copies of employees’ identity cards.
- Contracts signed with suppliers include clauses on maintaining commercial confidentiality and protecting data security.

Governance Dimension

- Suppliers are required to sign the *Anti-Commercial Bribery Commitment Letter* before submitting bids, pledging to adhere to conflict-of-interest avoidance principles, oppose and resist unfair commercial competition practices, and reject commercial bribery. The letter also stipulates that any illegal or bribery activities must be reported with evidence.
- Suppliers are required to provide tax filing records during the bidding process and disclose whether they have been involved in significant legal violations, major economic litigation, or administrative penalties imposed by government/state authorities in the past three years.
- In 2024, the Head Office signed the *Integrity Co-construction Agreements* with 306 key suppliers. Building on multiple integrity co-construction awareness sessions

and exchange meetings, selected key suppliers were required to submit the *Internal Integrity Control Reports* to jointly establish a risk prevention mechanism and optimize the procurement business environment.

By the end of 2024, the Company did not have any outstanding accounts payable (including notes payable) to suppliers exceeding RMB30 billion or accounting for more than 50% of its total assets.

Feature: Expanding Domestic Demand to Boost the “Dual Engines” of Investment and Consumption

The 2024 Central Economic Work Conference prioritized “vigorously boosting consumption, improving investment efficiency, and comprehensively expanding domestic demand” as the foremost of nine key tasks. China Merchants Bank focused on critical and weak areas in economic and social development, intensified credit support, stimulated investment vitality, strengthened efforts to boost household consumption demand, and supported the formation of a virtuous cycle featuring optimized supply, elevated consumption, and enhanced confidence.

1. Serving the “Two Major Projects”

The Bank leveraged the “Two Major Projects” (major national strategies and major areas of security capacity building) to enhance medium- and long-term loan support for critical sectors such as highway construction and national logistics hub development, providing high-quality financial services to ensure the smooth functioning of the national economic cycle, stabilize industrial and supply chains, and build a modern transportation infrastructure system. By the end of 2024, the Company’s outstanding corporate RMB loans to the

transportation, warehousing, and postal sectors reached RMB456.196 billion, an increase of RMB29.855 billion from the previous year. Loan balances for SMEs, individual customers, and dual entities in these sectors stood at RMB101.103 billion, RMB14.923 billion, and RMB528 million, respectively.

To support new infrastructure construction, including 5G, big data centers, artificial intelligence, and industrial internet, the Company established a Head Office-level Working Group for Key Industry Research and Integrated Operations. This group formed specialized teams for industries such as telecommunications and electronics. These teams conducted in-depth research and analysis on typical clients in subdivided industries, identified key target clients and project lists, formulated tailored strategies for operations, product services, credit approval, and improved the credit policies, and risk exit mechanisms.

2. Supporting the “Two New Initiatives”

The Company actively seized the policy opportunities under the “Two New Initiatives” (large-scale equipment renewal and consumer goods trade-in programs), focusing on both corporate investment and household consumption to optimize product and service experiences, thereby driving domestic demand growth.

Supporting Large-Scale Equipment Renewal

- The Company established dedicated task forces, strengthened pricing subsidies, clarified credit application and approval procedures for equipment renewal loans, assigned pre-approval loan officers to each key project, and implemented framework credit approvals for projects with confirmed borrowers but pending usage specifics. Throughout the year, the Company funded 117 large-scale equipment renewal projects, with a total investment of RMB6.237 billion.

Supporting Consumer Goods Trade-In Programs

- The Credit Card Center partnered with China UnionPay to launch a “CMB Trade-In Subsidy Enhancement Program” task force, rolling out enhanced credit card subsidy campaigns in 11 regions nationwide. Consumers using CMB credit cards received exclusive additional subsidies

on top of government trade-in incentives. By the end of 2024, the Company’s combined subsidies drove over RMB60 million in trade-in consumption transactions.

3. Stimulating Consumption Vitality

The Company leverages its financial role in “expanding domestic demand and benefiting people’s livelihoods” to boost consumption vitality through multiple channels and forms, unleashing market consumption potential.

Product Innovation

- The Company pioneered the launch of the Mastercard Dual Application Chip Credit Card, embedding two standards on a single chip. This card supports binding with mainstream domestic payment wallets in Chinese mainland, and enables contactless “tap-to-pay” functionality overseas, achieving true “global accessibility with one chip”. Building on this technology, the Company issued the CMB Mastercard Platinum Credit Card and CMB Mastercard World Credit Card, featuring differentiated benefits such as cashback on domestic and international flight tickets, discounts on overseas museum tickets, and other global travel exploration incentives.
- In collaboration with Starbucks, the Company introduced

China's first Starbucks Co-branded Credit Card. Cardholders enjoy exclusive perks, including extra discounts for bringing reusable cups, reduced fares for low-carbon transportation such as metro and bus rides, and contributions to water conservation initiatives through spending, promoting green consumption and lifestyles.

Thematic Campaigns

- **Consumption Incentives:** The Company launched campaigns like “Cashback on Every Mobile Payment”, “Golden Autumn Travel”, “Global Adventures”, and “New Year Gifts”, connecting dining, entertainment, shopping, tourism, and e-commerce scenarios to further activate consumer spending.
- **Consumption Installment Services:** The Company deepened its presence in core 3C¹ digital and e-commerce scenarios while expanding into local lifestyle and travel sectors. It established a “Zero-Interest Installment Plan for up to 24 Months” as a regular promotion mechanism, focusing on 3C product launches and key shopping events like “618” and “Double 11”. Integrated strategies, including device purchase subsidies and installment discounts, effectively lowered consumption barriers.

¹ Refers to three types of electronic products: computer, communication and consumer electronics.

[Case] Launching the “Credit Benefits for the People” Initiative

In 2024, the Company actively responded to the call of the Ministry of Commerce by organizing the “Credit Benefits for the People” campaign. Aligned with major holidays such as the Mid-Autumn Festival and National Day, the initiative integrated online no-threshold “Golden Autumn” consumption vouchers with exclusive offline discounts in core commercial districts. A total of 780 consumption promotion campaigns were launched across 38 cities nationwide to stimulate credit-based spending in commercial areas. Concurrently, the Company rolled out the “Golden Autumn Consumption Benefits” program, offering reduced interest rates on personal consumption loans. This initiative provided consumer credit services to over 600,000 customers, effectively enhancing the quality and scale of the consumer market.

[Case] Haikou Branch: Launching Hainan's First “Island Master” Themed Bankcard

In Hainan Province, lighthouses serve as critical safeguards for maritime safety and symbolize the island's nautical heritage and cultural identity. Inspired by this motif, the CMB's Haikou Branch introduced the “Island Master” Themed Bankcard

tailored for local residents. The card features exclusive benefits, including a Hainan-themed interface on the CMB App, dedicated “Lighthouse” account manager services, and waivers of card issuance fees and account management fees. The bankcard utilized non-contact inductive current technology. When customers use the card for transactions at ATMs or POS terminals, the built-in LED beads in the card’s lighthouse design will glow with flashes of light, gradually illuminating the tower’s peak. By offering more distinctive and identity-resonant financial products, Haikou Branch effectively supported the enhancement of consumption experience and quality of life for residents in Hainan Province.



Caption: The “Island Master” Themed Bankcard launched by the Haikou Branch.

4. Optimizing Payment Services

In 2024, the Company established a dedicated task force to address cash services, foreign currency exchange, and other key initiatives. It formulated the *CMB Payment Optimization Plan for Foreign Nationals Visiting China and Senior Citizens* to bridge the digital divide and deliver high-quality, efficient, and convenient payment services for elderly individuals and foreign visitors.

4.1 Facilitating Cross-Border Payments

To accommodate the preferences of some foreign visitors for card or cash payments, the Company continuously enhanced cross-border payment convenience, providing robust support for high-level international openness.

Offline Channels

- All ATMs in the Chinese mainland support foreign nationals using Visa or Mastercard-issued overseas bankcards for RMB cash withdrawals. Over 1,700 offline branches offer foreign currency exchange services.
 - The Company optimized account-opening services for foreign visitors by providing bilingual (Chinese-English) application forms and service guides at branches,
-

ensuring streamlined account setup.

Online Channels

- The CMB App English Version has been launched, enabling users to conduct one-stop queries on assets and transaction records, utilize domestic and international transfers, foreign exchange services, and other functionalities. Additionally, it provides a dedicated voice customer service portal and English-speaking service representatives to offer real-time solutions, professional guidance, and advice through voice communication.
- The Salary Purchase and Foreign Exchange Service is available on the CMB App, allowing overseas workers in China to conveniently handle salary-related foreign exchange and remittance transactions online.

[Case] Haikou Branch: Enhancing Payment Convenience to Construct a “Comfort Zone”

CMB’s Haikou Branch actively participated in establishing the “Payment Service Experience Zone for Overseas Visitors” at Haikou Meilan International Airport. The Branch set up 4 foreign currency exchange agencies in key Hainan cultural and tourism venues, such as hotels, shopping malls, schools, and areas with high concentrations of foreign nationals,

significantly advancing payment convenience in the Hainan Free Trade Port.



Caption: CMB’s Hangzhou Branch installed foreign currency exchange machines equipped with multilingual interfaces and multi-currency exchange capabilities, providing overseas visitors with instant cash conversion services.



Caption: During the International School Sport Federation Football World Cup, CMB's Dalian Branch distributed multilingual brochures around event venues to promote foreign currency exchange, foreign card withdrawals, and small change services to international players.

4.2 Facilitating Cash Payments

The Company intensified efforts to promote cash services, offering a “small-denomination currency ‘change purse’

service” as a regular offering. This initiative addresses challenges faced by merchants, elderly customers, and foreign visitors in handling small change, catering to diverse payment needs across society.

[Case] Enhancing Cash Service Experience for Elderly Customers

The Company enables elderly clients to schedule cash services via the CMB App, phone calls, or in-person visits, with a dedicated “Silver Generation Reservation Zone” on the App. To meet the high demand for small change among elderly customers, more than 1,800 cash-service branches now provide routine small-denomination currency exchange. Each branch maintains sufficient small change reserves and has established green channels for expedited exchange based on customer traffic.

Feature: Prioritizing People’s Well-being, Continuously Safeguarding and Improving Livelihoods

China Merchants Bank remains committed to ensuring and enhancing people’s livelihoods through development, implementing more initiatives that benefit and warm the hearts of the public. The Company focuses on resolving urgent, difficult, and pressing issues faced by the people, constantly strengthening their sense of fulfillment, happiness, and security, improving their quality of life, and advancing social welfare.

1. Providing Convenient Public Services

Government Services Convenience: In the realm of public services such as housing provident funds, social security, medical insurance, taxation, and real estate, the Company has continuously upgraded the “Convenience Service Cloud Platform” on the CMB App. By integrating artificial intelligence technologies, the platform offers customers one-stop inquiries for the “Five Social Insurances and One Housing Fund” and enables online housing provident fund withdrawals through “voice-activated processing”. By the end of 2024, the CMB App had integrated 1,731 online government services, with the “Convenience Service Cloud Platform” serving 44.4864 million users annually. The Company also promoted the nationwide

application of the National Medical Insurance E-Certificate (Medical Insurance Code), providing services such as activation, payment, inquiry, processing, and cross-region medical care registration via the platform. A feature allowing users to display the code instantly by long-pressing the CMB App was introduced. By the end of 2024, 30.0809 million Medical Insurance E-Certificates had been activated, facilitating 15,100 cross-region medical care registrations.

Daily Life Payment Services: The Company expanded partnerships with external institutions to diversify online payment scenarios, including utilities such as water, electricity, gas, heating, and campus payments. Leveraging features like automatic payments and consolidated billing on the CMB App, the Company optimized customers’ payment experiences.

2. Supporting Housing Aspirations

The Company continued to enhance personal housing loan services in 2024. It actively implemented minimum down payment ratios and adjusted existing personal housing loan interest rates, expanded the coverage of online pre-approval processes, and supported city-specific policies tailored to local

conditions. Meanwhile, the Company also advanced innovations in home purchase and settlement products and services.

As one of the cooperative banks of the Ministry of Housing and Urban-Rural Development National Housing Provident Fund Public Service Platform, the Company provided users with convenient online services such as account inquiries, cross-regional transfer continuation, and authorization for information access. It promoted “code-based verification for processing” of individual housing provident fund certifications, serving 11.106 million contributors in housing provident fund scenarios throughout the year. In 2024, the Company collaborated with 26 housing provident fund centers to enable flexible employment personnel to contribute to housing provident funds. Through policy formulation, research initiatives, fund management, and contribution promotion, the Company worked to extend the benefits of the housing provident fund system to flexible workers, advancing the vision of “Building Dreams and Settling Homes”.

3. Supporting Students’ Academic Success

Since 2022, the Company has been providing agent settlement services for student-origin credit student loan

beneficiaries under the National Development Bank (NDB) for a five-year term. These services include online account opening, loan disbursement, identity verification for loan renewal applications, loan repayments, and value-added offerings such as the “Dream-Building Scholarship”, employment internships, and travel insurance. By the end of 2024, the Company had facilitated the disbursement of over RMB10 billion in national student loans on behalf of the NDB.

Additionally, the Company collaborated with 167 educational authorities nationwide to safeguard parents’ prepaid course purchase rights. By the end of 2024, it had secured prepayment funds for 122 million parent transactions and empowered over 1,200 K12 schools through financial technology, providing 635,100 students and parents with convenient digital campus services, thereby advancing the digital transformation of education.

[Case] Kunming Branch: “Crossing Provinces” to Provide Student Loan Card Services

Since obtaining authorization in 2022 to handle student loan card services for the NDB’s Yunnan Branch, CMB’s Kunming Branch has annually mobilized over 1,200 staff members to serve for the loan needs of university students from 26 ethnic

groups across 129 districts and counties in Yunnan Province, covering a service area of 400,000 square kilometers. By the end of 2024, the branch had assisted 360,000 students in securing student loans, significantly promoting educational equity.

4. Meeting Travel Needs

The Company has enhanced travel services across various modes including public transit and metro, shared mobility, passenger ferries, air travel, and high-speed rail. Among them, the CMB App supports offline code display for boarding without login and introduced “credit-based password-free payment”, delivering seamless and convenient travel experiences for customers.

5. Safeguarding Migrant Workers’ Rights

The Company collaborates with government agencies to ensure the protection of migrant workers' labor income. By the

end of 2024, it had opened 28,804 special wage accounts for migrant workers, disbursing RMB291.6 billion in wages to safeguard the rights of 13.5868 million migrant workers.

[Case] Guiyang Branch: Digital Empowerment for Migrant Wage Disbursement

In 2024, CMB's Guiyang Branch upgraded its online wage disbursement network for migrant workers. Partnering with the Guizhou Provincial Department of Human Resources and Social Security, it integrated the “Qian Xin Bao” Labor Employment Big Data Supervision Platform, enabling seamless migration of existing migrant worker accounts. This initiative reduced processing time for wage disbursements to under 30 minutes, achieving a 20-fold efficiency improvement. The enhanced digital services effectively mitigated wage arrears risks and ensured timely compensation for laborers.

Feature: Proactive Initiatives to Serve High-Level Opening-Up

As a pioneer in financial services supporting the dual-circulation development paradigm, China Merchants Bank leverages its “five-in-one” service advantages, including spanning domestic and overseas markets, local and foreign currencies, onshore and offshore operations, online and offline channels, and investment-commercial banking integration, to meet enterprises’ cross-border settlement, exchange rate hedging, cross-border trade financing, and full-cycle cross-border capital market needs. This supports high-quality development of foreign trade, facilitates trade and investment circulation, contributes to free trade port and pilot free trade zone development, and promotes China’s efforts to build a higher-level open economy.

Cross-Border Financial Service

Cross-Border Settlement Facilitation Services

- Developed global cash management services covering unified account views and group fund balance management to address enterprises’ demands for security, liquidity, and profitability in cross-border capital operations.
- Provided online specialized services for diverse cross-

border settlement scenarios, enabling enterprises to conduct transactions “without leaving their offices”.

- Established an efficient and diversified cross-border RMB clearing service network, expanding the coverage of participants in the RMB Cross-Border Payment System (CIPS) to advance RMB internationalization. By the end of 2024, the Company’s cross-border RMB transaction volume increased by 18.65% year-on-year.

Foreign Exchange Transaction Facilitation Services

- Implemented the “exchange rate risk-neutral management” philosophy by launching a multi-tiered, broad-scope, and 24/7 integrated derivatives trading service system. This digitalized workflow addresses enterprises’ high-frequency forex settlement demands and mitigates exchange rate risk management challenges.

Digital Services for Capital Account Transactions

- As a pioneer in launching digital pilot programs for capital account transactions, the Company has achieved end-to-end online processing of foreign exchange operations, reducing the time required for each foreign exchange capital transaction - from fund

receipt to payment - from the original 5-7 days to as fast as 1 day, significantly enhancing capital turnover efficiency. By the end of 2024, domestic branches had processed 99,700 digital capital account transactions.

Cross-Border Trade Finance Services

- The Company has enhanced its “Lightning” series of international trade finance products and introduced the innovative export data financing product “Export Lightning Loan”. Leveraging big-data risk control models, it provides purely credit-based, fully online credit services to eligible small and medium-sized export enterprises, addressing their convenience-driven financing needs.

Directory Registration Services for Goods Trade Enterprises

- In compliance with the State Administration of Foreign Exchange (SAFE) policy requirements for optimizing the “Directory Registration of Enterprises for Goods Trade Foreign Exchange Receipts and Payments”, the Company has pioneered a dual-channel service model (“Corporate Online Banking + Bank Branches”) to offer greater convenience for the development of foreign trade enterprises.

[Case] Supporting the Globalization of Chinese Enterprises

With the growing influence of the Belt and Road Initiative, Chinese enterprises are accelerating their global expansion. The Company has launched *the Financial Services Plan for the Globalization of Chinese Enterprises*, focusing on four key scenarios: cross-border trade, cross-border investment and mergers&acquisitions, overseas operations, and overseas treasury centers. The plan provides services such as country risk research, global cash management, foreign exchange hedging, and overseas investment and financing, empowering Chinese enterprises in their global operations and contributing to the high-quality development of the Belt and Road Initiative.

Cross-Border Settlement Support: For a photovoltaic (PV) enterprise’s “Green Electricity Goes Global” investment plan, the Company introduced the “One Account, Hundred Currencies” Small-Currency Clearing Service. This service eliminates the need for enterprises to open small-currency accounts. Clients can initiate small-currency remittance requests via the Company’s online banking, selecting USD or RMB for deduction, and achieve T+2 settlement for currencies such as the Brazilian Real (BRL) and UAE Dirham (AED). This

innovation drastically reduces time costs and provides robust support for Chinese enterprises expanding overseas.

Trade Financing Solutions: Through its “Anxin Guarantee” service, the Company assisted a marine engineering client participating in an offshore drilling platform project in the Gulf of Thailand. The Company conducted pre-review of bid and performance guarantee formats and established a green channel to efficiently issue guarantees, ensuring seamless progress for the client’s overseas project construction.

[Case] Deepening Innovation in Free Trade Finance

The Company actively supports the national development strategy for Free Trade Pilot Zones (FTZs) and Free Trade Ports, continuously enhancing its free trade financial products and service ecosystem. In 2024, it implemented Multi-Functional Free Trade Account (MFTA) services in the Hainan Free Trade Port and Hengqin-Guangdong-Macao Deep Cooperation Zone, and hosted free trade business seminars in Tianjin, Hengqin, and Haikou to drive high-quality development of regional free trade hubs. By the end of 2024, the Company had provided cross-border financial account services based on the free trade framework to over 2,600 enterprises.

[Case] Guangzhou Branch: Serving Cross-Border E-Commerce Export Enterprises

In 2024, CMB’s Guangzhou Branch launched the “Cross-Border E-Commerce Smart Hub Platform”, the banking industry’s first end-to-end, online one-stop digital integrated service platform for cross-border e-commerce. By unifying the management of logistics, capital flows, and information flows in cross-border e-commerce, the platform establishes a comprehensive data system covering key areas such as export declaration, foreign exchange receipt for exports, tax planning, and import settlement. It provides cross-border e-commerce enterprises with “compliant, transparent, efficient, and inclusive” digital one-stop services for customs, foreign exchange, and taxation, earning the “Brand Globalization” Outstanding Case Award from the Guangzhou Municipal Bureau of Commerce. This made the Company the only banking institution to receive this accolade. By the end of 2024, the platform had processed 9.3625 million import declaration transactions with a payment volume of RMB6.923 billion, and 22,400 export declaration transactions totaling RMB103 million.

[Case] Suzhou Branch: Pioneering the Company's First Cross-Border RMB mBridge Project

The Multilateral Central Bank Digital Currency Bridge Project (mBridge) , initiated by the Digital Currency Institute of the People's Bank of China (PBOC) in collaboration with the Hong Kong Monetary Authority (HKMA) , Bank of Thailand (BOT) , and Central Bank of the United Arab Emirates (CBUAE) , aims to explore innovative applications of central bank digital currencies (CBDCs) in cross-border payments. In 2024, Suzhou Branch participated in the mBridge pilot program, facilitating a cross-border payment and settlement transaction for an ink import-export company using digital yuan (e-CNY). The transaction achieved second-level settlement of over

RMB1 million, providing the enterprise with faster, lower-cost, and more secure cross-border payment services. This initiative broadens RMB cross-border settlement channels and accelerates the internationalization of the RMB.



Caption: CMB's Wuhan Branch hosted the "Boundless Cross-Border Finance" seminar.

Feature: Unwavering Commitment to Coordinated Regional Development

In 2024, China Merchants Bank aligned closely with the national regional coordinated development strategy, intensifying resource allocation for key regions including Beijing-Tianjin-Hebei, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, Chengdu-Chongqing, and the West Coast of the Taiwan Strait Economic Zone. This effort aimed to enhance the quality and efficiency of financial services supporting regional economic growth and social welfare.

Policy Prioritize

- The Company updated the *Bank-wide Collaborative Mechanism Guidelines for Corporate Clients* and formulated the *Key Regional Integrated Collaborative Work Mechanism*. Regional coordination meetings were held in strategic areas such as the Greater Bay Area, Chengdu-Chongqing, and the West Coast of the Taiwan Strait Economic Zone to improve cross-branch collaboration.
- The Company issued the guidelines for accelerating development in key regional branches, tailoring differentiated strategies and support policies to empower regional branches, thereby driving high-quality growth

aligned with national coordination goals.

Research-Driven Empowerment

- The Company established Specialized Industry Research Teams to formulate credit strategies for dominant industries in key regions, ensuring targeted financial support for regional economic strengths.
- The Company published the research report *Greater Bay Area and Yangtze River Delta: New Momentum for Integrated Development*, analyzing regional dynamics to strengthen the role of these hubs as engines of high-quality development.
- A series of studies on new urbanization strategy were conducted, summarizing current progress and opportunities to provide actionable insights for financial institutions supporting urbanization.

[Case] Shenzhen Branch: Implementing Hengqin Multi-Functional Free Trade Account Services to Drive Innovative High-Quality Integration of Hengqin and Macao

The development of the Hengqin-Guangdong-Macao Deep Cooperation Zone is a key initiative under the Guangdong-Hong Kong-Macao Greater Bay Area Development Plan. The

Multi-Functional Free Trade Account (MFTA) in Hengqin serves as a critical institutional framework to advance the zone's role as an open platform within the Greater Bay Area. On May 6, 2024, the day the Hengqin-Guangdong-Macao Deep Cooperation Zone Multi-Functional Free Trade Account Business Management Measures officially took effect, CMB's Shenzhen Branch successfully activated MFTA services for multiple overseas institutions and Hengqin-based entities, facilitating cross-border fund transfers, foreign exchange transactions, and other financial operations. By integrating the advantages of MFTA with its "Global Integration" Cross-Border Financial Service System, the Branch has established a more advanced financial infrastructure for Chinese enterprises expanding globally, further supporting the high-quality integration of Hengqin and Macao.

[Case] Subsidiary CMB Wing Lung Bank: Facilitating Financial Market Interconnectivity in the Guangdong-Hong Kong-Macao Greater Bay Area

The Company's subsidiary, CMB Wing Lung Bank, actively engages in cross-border financial cooperation within the Greater Bay Area. Through innovative services such as the "Cross-boundary Wealth Management Connect 2.0", "Greater Bay Area Mortgage Connect", and "Greater Bay Area Account

Opening Connect", CMB Wing Lung Bank addresses the cross-border investment and consumption needs of residents in the region.

"Cross-boundary Wealth Management Connect 2.0 Wealth Management Service": Building on multi-currency deposit products, the service offers nearly 200 Southbound Channel funds approved by the Securities and Futures Commission (SFC) of Hong Kong for purchase by qualified Greater Bay Area investors, expanding cross-border investment between the Chinese mainland, Hong Kong, and Macao. By the end of 2024, the balance of Southbound Channel fund accounts reached HKD 1.772 billion.

"Greater Bay Area Mortgage Connect Service": For residents in Hong Kong permanent residents, providing mortgage loans and mortgage financing services for existing homes to customers who plan to purchase or have purchased residential commercial housing in nine cities in the Greater Bay Area, including Shenzhen, Guangzhou and Zhuhai, effectively meeting the needs of Greater Bay Area residents for asset optimization and capital turnover.

"Greater Bay Area Account" Opening Connect Online Application Service: This digital service allows Hong Kong

clients to remotely open Category II personal bank settlement accounts in the Chinese mainland without cross-border travel. The accounts can be linked to Mainland mobile payment tools, offering seamless convenience for Hong Kong residents' cross-border daily expenses in the Greater Bay Area.

[Case] Xiamen Branch: Advancing Cross-Strait Financial Integration

CMB's Xiamen Branch aims to become a "Cross-Strait Financial Cooperation Benchmark Bank" and has established a Cross-Strait Financial Service Center to strengthen collaboration with Taiwanese financial institutions. This initiative fosters complementary advantages and mutual benefits, actively promoting cross-strait financial development and economic prosperity.

In 2024, leveraging its Cross-Strait Financial Center license, the Branch facilitated over RMB50 billion in Taiwan-related account financing. It promoted Cross-Border Interbank Payment System (CIPS) indirect participant services, achieving a cross-border clearing volume exceeding RMB9 billion, all related to Taiwan. By the end of 2024, 27 interbank clients had opened RMB interbank clearing accounts at the Branch, with Taiwanese banks accounting for 54% of cross-

border interbank agency clearing accounts.

[Case] Nanjing Branch: Supporting the Yangtze River Economic Belt's Comprehensive Transportation Corridor

As a key contributor to the high-quality development of the Yangtze River Economic Belt, CMB's Nanjing Branch focused on advancing the comprehensive three-dimensional transportation corridor. In 2024, it innovatively utilized publicly offered Real Estate Investment Trusts (REITs) to provide RMB700 million in strategic placement financing for the Nanjing Raoyue Expressway Southeast Section REIT – China's first ring expressway REIT. The underlying asset, located at the geometric center of the Yangtze River Delta, serves as a core transportation hub. This financing initiative significantly enhances regional connectivity, economic agglomeration, and the development of a "Rail-Integrated Yangtze River Delta".

[Case] Chongqing Branch: Regional Solutions for Chengdu-Chongqing Economic Circle Integration

Mr. Li, a Chongqing resident, sought to expand his Chengdu-registered company using his Chongqing mortgaged property. CMB's Chongqing Branch introduced its "SME Mortgage Loan

Expansion Program”, enabling clients with Sichuan-registered businesses to renew loans directly. This resolved Mr. Li’s financing challenges. By the end of 2024, the Branch had

issued 61 SME loans totaling RMB66 million within the Chengdu-Chongqing Economic Circle, significantly improving financial accessibility and convenience for the region.

Social Key Performance

1. Service Scope

Indicator (Unit)	2022	2023	2024
Number of domestic business outlets	1,899	1,924	1,937
Number of business outlets in rural and county areas	126	128	131
Number of community banks	150	134	115
Number of outlets with barrier-free accesses	1,899	1,924	1,937
Number of domestic and foreign branches	1,910	1,935	1,948
Number of domestic self-service banks	2,695	2,226	2,190
Number of self-service equipment	5,855	5,281	5,277
Number of visual devices	12,511	7,603	4,953

Total retail customers (100 million)	1.84	1.97	2.10
Number of new individual customers (10,000)	1,060	1,282	1,295
Number of users of CMB App (100 million)	1.88	2.07	2.26
Number of monthly active users of CMB App (10,000)	6,686.20	7,505.43	8,267.81
Cumulative number of users on CMB Life App (100 million)	1.37	1.44	1.49
Customer coverage rate of corporate online channels (%)	94.71	96.21	96.83
Number of customers on the online corporate banking platform (10,000)	233.38	264.64	299.35
Number of customers on the CMB Corporate App (10,000)	148.88	185.02	218.74
Transaction amount on the CMB Corporate App (RMB100 million)	8,649.25	7,507.15	10,160.34

2. Service Quality

Indicator (Unit)	2022	2023	2024
Remote online omni-channel customer satisfaction (%)	98.53	99.10	99.69
Remote online omni-channel human response rate within 20 seconds (%)	94.89	92.52	90.99
Average service response time (second)	3.63	3.70	3.66
Customer praise and recognition (times)	205,947	162,507	155,909

3. Technology Finance¹

Indicator (Unit)	2022	2023	2024
Number of technology enterprise clients served (10,000)	/	13.69	16.25
Balance of loans to technology enterprises (RMB100 million)	/	5,380.76	5,904.56

¹ In 2024, the Company adjusted the 2023 data accordingly in accordance with the reporting requirements of the National Financial Regulatory Administration.

4. Digital Finance

Indicator (Unit)	2022	2023	2024
Amount of IT investment (RMB100 million)	141.68	141.26	133.50
Proportion of IT investment in main business revenue (%)	4.51	4.59	4.37

5. Inclusive Finance

Indicator (Unit)	2022	2023	2024
Balance of loans to inclusive SMEs (RMB100 million)	6,783.49	8,042.79	8,876.79
Amount of newly issued inclusive SMEs loans within this year (RMB100 million)	4,762.43	6,028.21	6,225.33
Number of inclusive SMEs loan customers (10,000)	99.07	100.45	107.73
Balance of agriculture-related loans ¹ (RMB100 million)	1,769.00	2,011.26	2,410.41
Proportion of agriculture-related loan balance to total loan balance ² (%)	3.04	3.21	3.56

¹ In 2024, due to the redefinition of the agricultural loan statistics criteria by the People's Bank of China financial statistical system, the Company has adjusted the data for 2022 and 2023 in accordance with the latest criteria.

² The Company statistically measures the outstanding loan balances in accordance with the People's Bank of China financial statistical system, with the statistical scope being the fully denominated RMB loan balances within the Company's domestic consolidated operations.

6. Consumer Rights Protection

Indicator (Unit)	2022	2023	2024
Number of new policies, products, and services reviewed (item)	76,464	102,983	180,921
Number of people covered by consumer rights protection training (person)	89,600	99,797	91,438
Annual accumulative number of consumer education activities (times)	14,940	18,256	34,669
Number of consumer education participants (10,000 person-times)	50,801.00	55,465.00	56,521.83
Rate of customer complaints handled (%)	/	100	100
Amount of money involved in major liability incidents related to product and service safety and quality during the reporting period (RMB10,000)	0	0	0

7. Recruitment and Employment

Indicator (Unit)	2022	2023	2024
Employee number	112,999	116,529	117,201
Number of employees by type			
Number of employees under labor contracts	105,419	109,665	111,901
Number of employees under labor dispatch agreements	7,580	6,864	5,300
Number of employees by gender¹			
Number of female employees	59,405	62,085	63,807
Number of male employees	46,014	47,580	48,094
Number of employees by age¹			
Number of employees aged 30 and below	46,066	45,405	44,019

¹ The statistical scope includes employees under labor contracts.

Number of employees aged between 31 and 50	55,861	60,265	63,424
Number of employees aged above 50	3,492	3,995	4,458
Number of employees by region²			
Number of employees in the Yangtze River Delta region	28,555	29,066	28,023
Number of employees in the Bohai Rim region	13,941	14,471	15,058
Number of employees in the Pearl River Delta and Haixi region	35,289	36,176	36,292
Number of employees in Northeast China	5,114	5,217	5,273
Number of employees in Central China	11,691	12,361	12,832
Number of employees in Western China	15,332	16,029	16,435
Number of overseas employees	3,077	3,209	3,288

² The statistical scope includes employees under labor contracts and those under labor dispatch contracts.

Indicator (Unit)	2022	2023	2024
Number of new hires ³	10,639	10,611	9,119
Number of new hires by category¹			
New hires in campus recruitment	6,276	7,113	6,365
New hires in social recruitment	4,363	3,498	2,754
Number of new hires by gender¹			
Number of new female hires	6,162	6,505	5,365
Number of new male hires	4,477	4,106	3,754
Number of new hires by age¹			
New hires aged 30 and below	9,296	9,422	8,085
New hires aged between 31 and 50	1,308	1,147	987
New hires aged above 50	35	42	47

³ The statistical scope includes employees under labor contracts.

Indicator (Unit)	2022	2023	2024
Employee turnover rate ¹ (%)	7.14	6.61	5.72
Employee turnover rate by gender¹			
Female employee turnover rate (%)	6.65	6.32	5.82
Male employee turnover rate (%)	7.78	6.70	5.59
Employee turnover rate by age¹			
Turnover rate of employees aged 30 and below (%)	10.73	10.22	10.37
Turnover rate of employees aged between 31 and 50 (%)	4.76	4.13	3.18
Turnover rate of employees aged above 50 (%)	3.46	1.94	2.15
Employee turnover rate by region¹			
Turnover rate of employees in the Yangtze River Delta region (%)	6.75	6.26	6.54

¹ The statistical scope includes employees under labor contracts.

Turnover rate of employees in the Bohai Rim region (%)	4.14	3.02	2.74
Turnover rate of employees in the Pearl River Delta and Haixi region (%)	9.25	9.47	5.97
Turnover rate of employees in Northeast China (%)	3.95	2.55	2.16
Turnover rate of employees in Central China (%)	3.68	3.47	2.69
Turnover rate of employees in Western China (%)	5.67	5.26	3.08

8. Diversity and Equal Opportunity¹

Indicator (Unit)	2022	2023	2024
Number of ethnic minority employees	4,625	4,942	5,192
Percentage of female employees (%)	56	57	57
Percentage of male employees (%)	44	43	43
Percentage of female employees in senior and middle management (%)	22	23	22
Percentage of male employees in senior and middle management (%)	78	77	78

¹ The statistical scope includes employees under labor contracts.

9. Labor Relations Management

Indicator (Unit)	2022	2023	2024
Labor contract signing rate ¹ (%)	100	100	100
Social insurance coverage rate (%)	100	100	100
Union establishment rate (%)	100	100	100

¹ The statistical scope includes employees under labor contracts.

10. Occupational Health and Safety

Indicator (Unit)	2022	2023	2024
Number of workdays lost due to work-related injuries ¹ (day)	1,886	2,310	4,472
Number of work-related fatalities	0	0	0
Proportion of work-related fatalities (%)	0	0	0

¹ The increase in the number of injured employees in 2024 compared to 2023 resulted in an increase in the number of workdays lost due to work-related injuries data for 2024.

11. Training and Development

Indicator (Unit)	2022	2023	2024
Employee training expenses (RMB10,000)	52,683	54,777	59,681
Number of employee training rounds	6,715	8,596	10,091
Number of employees who attended training	79,603	84,603	86,048
Number of employees who participated in training (10,000)	43.00	55.19	63.09
Number of employees who participated in online learning (10,000)	12,259	18,763	16,544
Percentage of employees accepting training (%)	98.00	98.12	98.08
Percentage of male employees accepting training (%)	98.00	97.99	97.99
Percentage of female employees accepting training (%)	98.00	98.20	98.14
Percentage of senior managers accepting training (%)	100	100	100

Percentage of middle-level managers accepting training (%)	96.50	99.50	97.83
Percentage of grassroots employees accepting training (%)	99.00	98.11	98.08
Average training time per capita (hour)	88.43	113.79	141.24
Average training time for male employees (hour)	82.61	107.62	131.54
Average training time for female employees (hour)	92.34	117.91	147.68
Average training time for senior managers (hour)	69.00	83.10	104.30
Average training time for middle-level managers (hour)	23.85	86.08	66.63
Average training time for grassroots employees (hour)	88.78	113.94	141.62

12. Charity

Indicator (Unit)	2022	2023	2024
Total amount of external donations (RMB100 million)	0.95	1.15	1.27
Total number of credit card “Points for Micro Charity” donation cardholders (10,000)	16.21	24.90	15.39
Total points of credit card “Points for Micro Charity” donations (10,000)	3,543.83	2,115.36	2,178.72
Investment amount in rural revitalization ¹ (RMB10,000)	/	/	5,606.65
Number of people benefited from rural revitalization ² (10,000)	/	/	33.67

¹ The statistical scope includes the amount of assistance provided by the headquarters to Wuding County and Yongren County in Chuxiong Yi Autonomous Prefecture, Yunnan.

² The statistical scope includes the population in Wuding County and Yongren County in Chuxiong Yi Autonomous Prefecture, Yunnan, benefiting from the headquarters' targeted assistance projects.

13. Procurement Management

Indicator (Unit)	2022	2023	2024
Number of suppliers for centralized procurement projects ¹	528	476	461
Number of suppliers in the Chinese mainland	498	454	451
Number of suppliers in overseas and Hong Kong, Macao, and Taiwan regions	30	22	10
Number of suppliers included in supplier database ²	29,868	30,252	43,734
Number of suppliers passing certification audits ² (10,000)	1.20	1.20	1.80
Number of orders placed through the “Zhaocaiyun” Platform	390,000	499,724	691,297

¹ The coverage scope includes selected suppliers from the headquarters' institutions.

² The coverage scope includes the Company's supplier database, including registered and certified suppliers.

Number of centralized procurement projects ¹	282	252	312
Budget of centralized procurement projects ¹ (RMB100 million)	49.19	25.56	58.80
Average cycle of centralized procurement projects ¹ (day)	24	25	23
Coverage rate of contract performance management for centralized procurement catalogue projects ² (%)	100	100	100
Coverage rate of supplier review ³ (%)	100	100	100
Number of supplier social responsibility training sessions	/	/	4

¹ Specifically refers to centralized procurement projects conducted by the headquarters.

² The coverage scope includes supplier performance management under the bank-wide centralized procurement catalog managed by the headquarters.

³ The coverage scope includes suppliers from the headquarters' centralized procurement certification database.

IX. Governance: Strengthening Standardized Operations, Building a Solid Foundation for High-Quality Development

Amid escalating global economic uncertainties and continuously tightening financial regulations, the banking sector, as a critical hub of economic operations, has seen heightened importance placed on robust governance. Sound corporate governance not only serves as a robust barrier against economic and financial risks but also acts as a pivotal driver for the healthy development of the banking industry and the enhancement of its capacity to serve the real economy. It is integral to the stability and advancement of financial markets.

China Merchants Bank has consistently prioritized the refinement of a modern corporate governance system as a cornerstone for achieving high-quality development. The Company continuously optimizes its corporate governance structure, integrates ESG principles into governance processes,

enhances the scientific rigor and effectiveness of board decision-making, and drives sustainable and high-quality growth. It has established a fortress-style overall risk and compliance management system to precisely identify, scientifically assess, and effectively mitigate risks, ensuring stable business operations. Upholding the ethical bottom line of commerce, the Company strengthens employee conduct management and fosters a healthy, integrity-driven corporate environment.

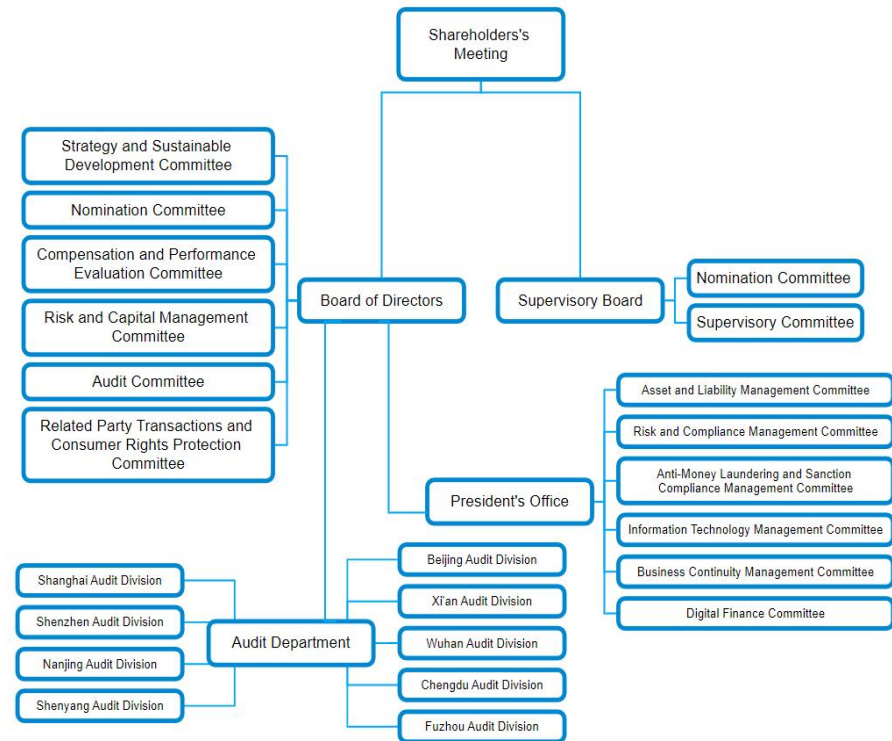
We Support Sustainable Development Goals (SDGs)



(I) Corporate Governance

China Merchants Bank strictly complies with the laws, regulations, and regulatory documents of its domestic and overseas listing jurisdictions. The Company has established policy frameworks such as the *Articles of Association* to build a corporate governance system characterized by clearly defined responsibilities, specialized divisions of labor, mutual collaboration, and effective checks and balances. The governance architecture, comprising the General Meeting of Shareholders, the Board of Directors and its specialized committees, the Board of Supervisors, and the Senior Management, provides a solid foundation for the Company's high-quality development.

CMB's Corporate Governance Structure



1. Upholding Standardized Operations

1.1 Board of Directors and Its Specialized Committees

In 2024, the Board of Directors and its specialized committees of the Company diligently fulfilled their duties, maintaining strategic foresight and unwavering commitment to long-term objectives. Leveraging their professional expertise and extensive management experience, they advanced strategic transformation and upgrading, drove operational improvements, strengthened comprehensive risk management, and ensured the stable execution of all initiatives.

Board Effectiveness

- In accordance with the *Articles of Association*, directors are elected or replaced by the General Meeting of Shareholders, with each term lasting three years and eligibility for reappointment upon expiration. The effectiveness of the Board is evaluated annually across dimensions such as gender diversity, skills, and professional expertise. By the end of 2024, the Company's Board comprised 14 directors, including 3 executive directors, 6 independent non-executive directors, and 5 non-executive directors.
- During 2024, the Board and its specialized committees

convened 57 meetings, reviewing 238 proposals and receiving 50 reports. Specifically, the Board held 15 meetings to review 103 proposals and receive 22 reports, while its specialized committees conducted 42 meetings to review 135 proposals and receive 28 reports. The overall attendance rate of directors reached 97.10%.

Board Independence

- Formulated the *CMB Independent Director Policy*, which explicitly stipulates that a natural person may serve as an independent director in a maximum of five domestic and overseas enterprises. Additionally, no individual may concurrently hold independent director positions in more than three listed companies in the Chinese mainland or two commercial banks.
- In 2024, the number of external appointments held by non-executive directors/independent non-executive directors complied with the regulations of the National Financial Regulatory Administration (NFRA, formerly the China Banking and Insurance Regulatory Commission), the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE), and the Hong Kong Stock Exchange (HKEx), among other relevant authorities.

Board Professionalism

- The professional backgrounds and industry experience of the Board members span multiple fields, including finance, economics, and financial accounting. All members possess extensive management experience and professional qualifications, ensuring robust support for the Board's scientific decision-making processes.

Board Diversity

- Incorporated the board diversity policy into its *Articles of Association*, explicitly mandating the Board Nomination Committee to promote diversity among Board members.
-

This includes, but is not limited to, gender, age, cultural background, educational qualifications, and professional expertise. The Committee regularly reviews and monitors the implementation of diversity initiatives.

- By the end of 2024, the Company's Board comprises 2 female directors, aligning with the gender diversity requirements under the Hong Kong Stock Exchange (HKEx) Listing Rules. The Company will continue to identify potential female candidates who meet the criteria in terms of skills, knowledge, and experience, ensuring the Board's gender diversity remains robust in the long term.
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Positions and Professional Backgrounds of CMB Board Members

Name	Gender	Position	Professional Background
Miao Jianmin	Male	Chairman Non-Executive Director	Economics, Finance
Shi Dai	Female	Non-Executive Director	Economics, Public Administration, Human Resources
Sun Yunfei	Male	Non-Executive Director	Economics, Financial Accounting
Wang Liang	Male	Executive Director	Economics, Finance, Risk Management (including Climate Risk Management)
Zhang Jian	Male	Non-Executive Director	Economics, Finance, Digitalization, Risk Management
Chen Dong	Male	Non-Executive Director	Economics, Financial Accounting
Zhong Desheng	Male	Executive Director	Economics, Finance, Risk Management (including Climate Risk Management)
Zhu Jiangtao	Male	Executive Director	Economics, Finance, Risk Management (including Climate Risk Management)
Li Menggang	Male	Independent Non-Executive Director	Economics, Information Technology

Liu Qiao	Male	Independent Non-Executive Director	Economics, Finance
Tian Hongqi	Male	Independent Non-Executive Director	Financial Accounting, Information Technology
Li Chaoxian	Male	Independent Non-Executive Director	Economics, Finance
Shi Yongdong	Male	Independent Non-Executive Director	Economics, Finance, Financial Technology
Li Jian	Female	Independent Non-Executive Director	Economics, Finance

To further ensure the effective performance of the Board members, the Company conducts regular internal and external evaluations of Board duty fulfillment.

Internal Evaluation

- The Company has established policy documents such as the *CMB Guidelines on Values and Conduct for Directors, Supervisors, and Senior Management* and the *CMB Evaluation Measures for Directors and Supervisors*. These frameworks evaluate the duty fulfillment performance of directors and supervisors across five dimensions: fulfillment of fiduciary duties, fulfillment of diligence obligations, professional competence, independence and ethical standards, and compliance with regulatory requirements. This ensures that directors, supervisors, and senior management adhere to ESG standards, promoting the Company's stable, sustainable, and high-quality development.
- In 2024, adhering to the principles of "lawful compliance, objectivity and fairness, unified standards, scientific effectiveness, and strict accountability" the Board of Supervisors comprehensively evaluated the duty fulfillment performance of the Board and its members for 2023. Through methods such as attending meetings, conducting research and analysis, duty fulfillment interviews, and

questionnaires, all 14 directors received an evaluation result of "Competent".

Third-Party Independent Evaluation

- The Company engaged a third-party auditing firm to verify duty fulfillment data and supporting documents for directors in 2023. The audit focused on whether the duty fulfillment activities of the Board and its specialized committees covered critical areas such as strategic positioning, risk appetite, and rational control over business development speed and scale. After verification, the third-party auditor raised no objections to the evaluation results in the *2023 Annual Evaluation Report on Directors' Duty Fulfillment Performance*.

1.2 Board of Supervisors

The Board of Supervisors of the Company has effectively exercised its supervisory functions, continuously enhancing the effectiveness and standardization of corporate governance. In 2024, the Board of Supervisors convened 11 meetings, and its specialized committees held 4 meetings, deliberating 46 proposals and reviewing 28 reports. Additionally, the Supervisors attended 1 General Meeting of Shareholders and observed 17 on-site meetings of the Board of Directors and its

specialized committees, as well as independent director meetings.

2. Advancing ESG Governance

In 2024, the Board of Directors and its specialized committees of the Company diligently fulfilled their responsibilities in the ESG domain, deeply integrating ESG principles into the Company's overall business development strategy and comprehensive risk management system.

Board of Directors

- The Board is tasked with reviewing ESG development strategies, fundamental management policies, and related work reports, as well as approving or authorizing approval for major ESG-related matters.
- In 2024, the Board reviewed and approved proposals covering critical ESG areas, including the *2023 Annual Sustainability Report*, the *2023 Annual Strategic Implementation Report*, the *2023 Annual Inclusive Finance Development Status and 2024 Work Plan Report*, the *2023 Human Resources Management and Talent Strategy Implementation Report*, the *2023 Data Governance Summary and 2024 Work Plan*, the *2023 Consumer Rights Protection Work Report*, the *2023*

Consumer Complaint Analysis Report and 2024 Complaint Management Policy, and the *2024 Consumer Rights Protection Work Plan*.

Strategy and Sustainable Development Committee

- The Committee is responsible for coordinating ESG-related responsibilities, reviewing ESG development strategies and fundamental management policies, ESG-related work reports, periodically evaluating the implementation of ESG development strategies, and advancing ESG-related tasks required by regulatory authorities.
- In 2024, the Committee reviewed and approved proposals including the *2023 Annual Sustainability Report*, the *2023 Annual Strategic Implementation Report*, the *2023 Annual Inclusive Finance Development Status and 2024 Work Plan Report*, the *2023 Human Resources Management and Talent Strategy Implementation Report*, the *2023 Data Governance Summary and 2024 Work Plan*, and the *Proposal on Revising the CMB Data Security Management Regulation Policy*. These documents reviewed the Company's progress in areas such as inclusive finance, human capital development, public welfare, social responsibility, and data governance.

Related Transactions Management and Consumer Rights Protection Committee

- The Committee oversees and evaluates consumer rights protection efforts, reviews consumer rights protection strategies, policies, and objectives, monitors the performance of senior management in consumer rights protection, reviews consumer rights protection work reports and related proposals, and provides recommendations to the Board of Directors.
- In 2024, the Committee reviewed and approved documents including the *2023 Annual Consumer Rights Protection Work Report*, the *2024 Consumer Rights Protection Work Plan*, the *2023 Consumer Complaint Analysis Report and 2024 Bank-Wide Complaint Management Policy*, the *2023 Consumer Rights Protection Assessment Results*, the *Report on the 2023 Consumer Rights Protection Audit and Rectification Status*, the *2024 Consumer Rights Protection Internal Evaluation Plan*, the *2024 Service Improvement Special Project Report*, the *Proposal on Rectifying Issues Identified in the 2023 Regulatory Evaluation of Consumer Rights Protection*, the *Report on the Implementation of Consumer Rights Protection Measures under the “14th Five-Year Plan” Strategic Framework for the First Half of 2024*, the *Report on Consumer Complaint Regulatory*

Notifications for the First Half of 2024, and the Report on the Revision of Consumer Rights Protection Regulations in 2024.

Risk and Capital Management Committee

- The Committee oversees the senior management’s control of major risks, regularly evaluates the Company’s risk policies, risk tolerance, and capital management status, and provides recommendations for improving risk and capital management.
 - In 2024, the Committee reviewed and approved the *2023 Annual Comprehensive Risk Report*, the *2023 Annual Risk Appetite Implementation Report*, the *2023 Annual Execution Status of Major Asset Allocation and 2024 Allocation Plan*, the *2023 Annual Business Continuity Management Report*, the *2023 Annual Employee Behavior Assessment Report*, the *2023 Annual Anti-Money Laundering and Sanctions Compliance Report*, the *2024 Q1 Comprehensive Risk Report*, the *2024 H1 Comprehensive Risk Report*, the *2024 Q3 Comprehensive Risk Report*, the *2023 Annual Money Laundering and Terrorist Financing Risk Assessment Report*, and the *2023 Annual Sanctions Risk Assessment Report*. Additionally, the Committee reviewed the *2023 Annual Cybersecurity Information Analysis Report*.
 - The Committee consistently adhered to the dynamic
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equilibrium development philosophy of “quality, efficiency, scale, and structure”, focused on the strategic goal of building a “value creation bank” and the Company’s operational realities, optimizing risk appetite frameworks, integrating ESG risk management into the comprehensive risk management system, and ensuring that climate risk and other ESG metrics aligned with the Board’s defined risk tolerance requirements.

The Directors of the Company actively participated in training activities aimed at enhancing their ESG-related governance capabilities. In 2024, all members of the Board of Directors engaged in multiple specialized training sessions covering areas such as climate change, green finance, and inclusive finance, with 100% of Board members receiving training on anti-commercial bribery and anti-corruption. The average annual training duration per Director reached 13.27 hours.

3. Investor Relations Management

The Company engages in multi-format, multi-channel, and multi-level communication with investors to enhance the proactiveness and transparency of information disclosure, thereby safeguarding the rights and interests of all shareholders, including minority shareholders.

3.1 Investor Communication

Regular Earnings Disclosure

- Prior to earnings briefings, the Company publishes live-streaming links and solicits investor questions in advance. Post-Annual General Meeting (AGM), a Q&A session is arranged, and transcripts of investor exchanges are published on the Company’s official website. During the AGM, annual earnings briefings, and interim/quarterly earnings conferences, the Company actively addresses investors’ key concerns.
- The Company facilitates pre-meeting registration and on-site participation services for minority shareholders attending the AGM, assisting them in fully exercising voting rights and protecting their interests.

Targeted Communication Activities

- Led by senior management, the Company conducts domestic and international roadshows to engage in in-depth discussions with investors.
 - In 2024, the Company participated in 45 investment strategy conferences hosted by investment banks and securities firms, hosted 93 analyst and investor research sessions, and met with over 1,200 investor representatives. The Company also organized ESG-focused meetings with institutional investors, highlighting
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progress in inclusive finance, green finance, business ethics, data security, and environmental (climate) risk management.

Daily Communication Activities

- The Company addresses investor inquiries through its official website, investor mailbox, consultation hotline, and the Shanghai Stock Exchange (SSE) “e-Interaction” platform.
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3.2 Information Disclosure

The Company strictly fulfills its statutory information disclosure obligations and has established a comprehensive information disclosure management policy, including the *CMB Information Disclosure Affairs Management Policy* and the *CMB Insider*

Information and Insider Management Policy. These frameworks standardize internal control procedures and management measures for disclosing insider information and other significant information, establishing targeted workflows and processes to ensure truthful, accurate, complete, timely, and fair information disclosure, thereby effectively protecting the lawful rights and interests of investors.

Guided by investor needs, the Company enriches the disclosure of investor-focused content and hot-button issues, optimizes the format of annual reports, and enhances the readability of disclosures for investors. In 2024, the Company was awarded the highest rating of “A” in the Shanghai Stock Exchange (SSE) annual information disclosure evaluation for the eleventh consecutive year.

(II) Financial Risk Management

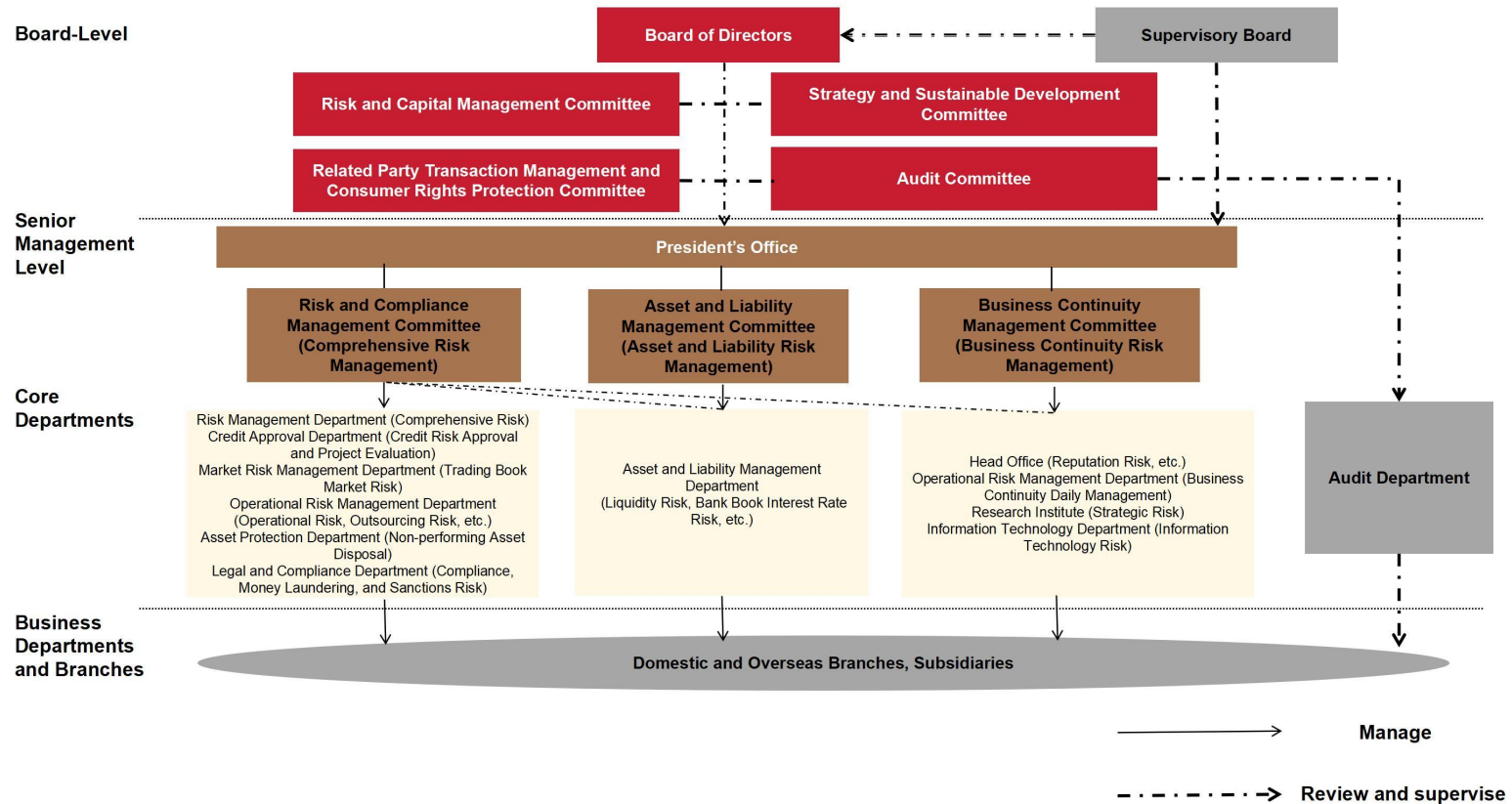
China Merchants Bank has deeply implemented its value creation bank strategy, centering on the guiding principles of “enhancing capabilities, preventing risks, and promoting development”. By establishing critical mechanisms and solidifying management foundations, the Company has continuously strengthened and elevated its fortress-style overall risk and compliance management system.

1. Risk Management Framework

The Company has established a comprehensive risk governance framework where the Board of Directors bears

ultimate responsibility, the Board of Supervisors exercises effective oversight, senior management provides direct leadership, risk management departments serve as the operational backbone, business units, domestic and overseas branches, and risk-integrated subsidiaries collaborate closely, internal audit departments conduct independent audits. This framework covers all institutions, risks, business lines, and processes.

CMB's Risk Management Organizational Structure



Board of Directors

- As the supreme decision-making body for risk management, it regularly reviews comprehensive risk management reports, assesses risk exposure, risk management effectiveness, and risk appetite, and provides strategic guidance on risk management.
- The Board Risk and Capital Management Committee, a sub-committee, fulfills designated risk management responsibilities.

Senior Management

- The Risk and Compliance Management Committee under senior management, serves as the deliberative and decision-making body for risk and internal control compliance, overseeing anti-money laundering and sanctions compliance management.
- Through risk analysis meetings, internal control reviews, and thematic sessions, this committee operates within the Board-approved risk management strategy, policies, and authority framework. It reviews major risk management initiatives, compliance strategies, and progress reports.

Core Departments

- A “Three Lines of Defense” mechanism with clear defined responsibilities and effective coordination ensures robust isolation and mitigation of risks.
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- **First Line-Business Units and Line Management Departments:** Bear direct risk management responsibility by embedding risk controls at the front-line, enhancing risk awareness and capability.
 - **Second Line-Risk and Compliance Departments:** Formulate risk management policies, analyze systemic risk exposure, monitor departmental compliance, and report on comprehensive risk governance.
 - **Third Line-Internal Audit Departments:** Validate the effectiveness of the first and second lines through independent inspections and supervision.
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2. Risk Management Strategy

The Company has formulated the *Risk Culture, Strategy, and Appetite (Fifth Edition)* and established a risk appetite management system in accordance with the requirements of its risk management strategy. The system sets limits for various risk categories and ensures the effective transmission of risk appetite through daily monitoring and early warning mechanisms.

Under the *China Merchants Bank 2023-2027 Capital Management Plan*, during the planning period (2023-2027), the Group aims to maintain its Core Tier 1 Capital Adequacy Ratio,

Tier 1 Capital Adequacy Ratio, and Total Capital Adequacy Ratio at or above 10.0%, 11.0%, and 13.0%, respectively. In 2024, the Group's Advanced Approach Core Tier 1 Capital Adequacy Ratio, Tier 1 Capital Adequacy Ratio, and Total Capital Adequacy Ratio stood at 14.86%, 17.48%, and 19.05%, respectively, all exceeding the targets outlined in the plan.

3. Risk Management Process

The Company has established a risk appetite indicator system integrating both qualitative and quantitative metrics. For quantitative aspects, specific measurable targets are set for quantifiable risks such as credit risk, market risk, and liquidity risk. For qualitative aspects, clear requirements are defined for risks that are challenging to quantify directly, including reputational risk and strategic risk. The Company employs risk limit tiered management to proactively communicate risk appetite and utilizes early warning monitoring mechanisms to retrospectively evaluate adherence to risk preferences.

The Company systematically identifies and assesses substantive risks across business operations, integrates diverse risk management information, evaluates overall risk exposure comprehensively, and actively manages and operationalizes risk controls.

Risk Identification

- The Company identifies 12 major risk categories under its comprehensive risk management framework, encompassing credit risk, market risk, operational risk, banking book interest rate risk, liquidity risk, reputational risk, anti-money laundering and sanctions compliance risks, compliance risk, strategic risk, concentration risk, country risk, and information technology risk. These are assessed based on their likelihood of occurrence and potential impact.

Risk Assessment

- Regular evaluations of inherent risk levels and corresponding management capabilities are conducted for each risk type, ensuring alignment with risk appetite and governance objectives.
- Periodic reviews of risk management practices are performed to identify systemic gaps, diagnose deficiencies in risk mechanisms and behavioral execution, and define actionable improvements to elevate risk management standards.

Risk Limits

- Risk limits are established by respective risk owners in accordance with the Company's risk appetite and operational realities.
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- A daily monitoring and early warning mechanism for risk limits is maintained to promptly address deviations.

Risk Reporting

- Regular reports on risk appetite, limit compliance, and risk management status are submitted to the Board of Directors and Senior Management. Ad hoc reports are issued for special risk assessments and other critical risk management updates.

4. Risk Management Measures

In 2024, the Company has strengthened its risk management system to enhance the effectiveness of comprehensive risk governance.

Strengthening Unified Credit Granting to Enhance Concentration Management

- Issued the unified credit granting management measures for corporate clients to consolidate the foundation of unified credit granting across all dimensions.
- Optimized the control rules of the unified credit granting system to automatically approve credit limits for online and hybrid (online-offline) approval processes.

Upholding Rationality and Proportionality to Optimize Authorization Management Mechanisms

- Increased basic approval authority for branch credit exposures and refined authorization frameworks for merger financing and project financing, ensuring alignment between risk controls and operational efficiency.
- Standardized approval authority for consolidated institutions and enhanced mechanisms for senior management authorization and centralized approval oversight.

Refining Policy Frameworks to Standardize Product Risk Management

- Formulated the guidelines for product innovation risk management, clarifying risk management requirements from product creation to retirement, with unified standards and risk appetite.
- Conducted periodic evaluations of external regulation internalization and product policy reviews, dynamically optimizing risk management systems for bond investments, factoring, and other products.
- Updated or established supporting policies for stock buyback loans, equipment renewal loans, and other products in line with regulatory updates and business needs.

Improving Early Warning Mechanisms to Enhance Post-Investment/Loan Management Effectiveness

- Revised the customer credit risk early warning management measures, with supporting effective measures, to improve the long-term mechanism for post-investment/loan management.
- Promoted differentiated post-loan management by tailoring management strategies to different client types and further standardizing management practices for key business areas.
- Enhanced the early warning indicator system and its application through expanding sources of risk signals, enriching internal alerts with external data, re-optimizing warning indicators for diverse clients and businesses, and establishing a digital early warning system to enhance the foresight and effectiveness of risk identification.

Focusing on Key Areas and Improving the Wealth Management Risk Management Mechanism

- Refined the scope of responsibilities of Headquarter Investment and Wealth Management Committee, added pre-emptive risk review duties, strengthened the access management of partner institutions.
- Improved the risk approval and authorization management of wealth management business, clarify the approval authorization rules and control requirements for

distribution businesses in key areas, with detailed accountability for key personnel at every stage of distribution operations.

- Established a two-dimensional risk rating system for major wealth management partners and products, empowering business departments in partner/product due diligence and lifecycle management.
 - Launched a wealth management risk management platform to advance digitization, intelligence, and visualization, enabling data-driven risk governance.
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In 2024, the Company vigorously advanced and refined the development of various risk management systems. Notably, the Group Risk Management System (GRS) was established, with end-to-end functionality deployed for domestic branches and a standardized version implemented for overseas branches and select subsidiaries. This system ensures the seamless migration of all existing protocol documents across the Bank and facilitates the orderly development of legacy data migration capabilities. By strengthening the digital risk control foundation, the Company has significantly enhanced operational efficiency.

5. Risk Management Audit

The Company adheres to a risk-oriented approach and incorporates risk management performance into various internal audit projects, including routine audits and special audits.

Routine Audits

- The audit scope covers the risk management status of branches and subsidiaries over the past two years, with a focus on reviewing the risk management system development, implementation of measures, fulfillment of responsibilities, and system operation and maintenance in key areas such as credit risk, compliance risk, operational risk, and information technology risk.

Special Audits

- In 2024, the Company conducted special audits on anti-money laundering and sanctions compliance management, information technology risk management, and capital and risk management, examining the establishment, optimization, and operational effectiveness of risk management systems at branches and subsidiaries.
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6. Risk Management Culture

The Company has established a comprehensive, multi-level, and three-dimensional risk management education and training system to meet diverse learning needs of employees through rich and varied training programs, continuously enhancing the relevance and professionalism of risk management education.

Top Executives Delivering Risk Management Lectures

- Heads of domestic tier-1 branches conducted specialized lectures for all managerial staff within their jurisdictions, focusing on the “Ten Principles of Risk Management” and credit discipline requirements, reinforcing bottom-line thinking in risk governance.

Promotion of Risk Management Culture

- Promoted risk and compliance training for all employees across domestic and overseas branches and subsidiaries, ensuring the prudent and cautious risk compliance culture is deeply internalized.
 - Established a “Risk and Compliance Special Campaign Action” section in the CMB e-Newsletter to strengthen the dissemination of risk compliance culture.
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(III) Business Ethics

China Merchants Bank deepens compliance-oriented operation management, fosters the philosophy of “Compliance First, Compliance Creates Value, and Compliance Starts from Senior Leadership”, comprehensively strengthens the foundation for compliant operations, and builds a robust compliance management system.

1. Employee Conduct Management

1.1 Management Framework

The Company has established a top-down, well-structured, and systematic organizational framework for employee conduct management, with clear division of responsibilities and collaborative mechanisms across all levels, jointly creating a long-term mechanism for sound compliance and internal control.

CMB Employee Conduct Management Framework

Board of Directors

- Bears ultimate responsibility for employee conduct management, cultivates a culture of law-abiding compliance and integrity, approves the employee code of

conduct and its implementing rules, oversees the implementation of conduct management by senior management, and delegates partial duties to its subordinate Risk and Capital Management Committee.

Supervisory Board

- Monitors and evaluates the performance of the Board and senior management in employee conduct management.

Senior Management

- Executes Board resolutions and assumes implementation responsibilities.
- Establishes a comprehensive employee conduct management system, clarifies roles of relevant departments, organizes the formulation and implementation of the employee code of conduct and its rules, reports annual conduct evaluation results to the Board, and oversees the development of an employee conduct management information system.

Head Office and Branch Key Departments

- **Legal and Compliance Department:** As the lead department for employee conduct management, it is responsible for establishing and improving the employee conduct management system; organizing the formulation

of the employee code of conduct and behavioral guidelines for all business lines; conducting regular internal control and compliance education and training, employee misconduct investigations, and annual employee behavioral assessments.

- **Supervision Department:** As the centralized management department for case prevention, accountability, and disciplinary actions, it is responsible for establishing a reporting system, accepting and verifying employee reports, escalating serious cases to senior management based on severity, conducting case investigations, handling, responsibility determination, and pursuing accountability, and disciplining personnel involved in violations.
- **Human Resources Department:** Responsible for conducting background checks on prospective hires, performing behavioral assessments for leadership candidates; establishing a performance-linked deferred compensation and clawback policy tied to the conduct of senior executives and key personnel; incorporating employee conduct standards and compliance education into training programs; and implementing disciplinary actions based on accountability findings.
- **Risk Management Department:** Responsible for organizing investigations and resolutions of major risk

incidents and sharing information on employee misconduct with relevant departments.

- **Audit Department:** Responsible for auditing and overseeing employee conduct management across all units.

1.2 Policy Framework

The Company strictly adheres to laws, regulations, and regulatory requirements such as the *Law of the People's Republic of China on Commercial Banks* and the *Guidelines for Professional Ethics of Practitioners in Banking Financial Institutions*. It has formulated employee conduct standards including the *China Merchants Bank Employee Compliance Manual*. The *China Merchants Bank Employee Compliance Manual* serves as the fundamental code of conduct that all employees, including labor dispatch personnel, must comply with. In 2024, the Company further standardized employee conduct management measures covering the entire lifecycle of pre-employment, in-service, and post-employment stages based on internal regulations such as the *Employee Conduct Management Regulations*, thereby promoting the establishment of a clear, process-complete, and collaborative employee conduct management system. For further details on employee conduct management, please refer to the *China Merchants*

Bank Employee Compliance Manual (2024 Edition) under the “CMB ESG” section of the Company’s official website.

1.3 Misconduct Monitoring

The Company continuously strengthens the monitoring of employee misconduct through measures such as abnormal behavior investigations and pre-departure due diligence. Additionally, based on the misconduct restriction list management mechanism, employees found to have engaged in serious illegal, non-compliant, or disciplinary violations are added to the list, thereby restricting their eligibility for business qualifications, career advancement opportunities, performance evaluations, and awards.

CMB Employee Misconduct Monitoring Measures

Abnormal Behavior Investigations

In addition to conducting routine quarterly investigations, the Company implements targeted investigations into personal investment irregularities, deposit-related malpractices, and other areas, with a focus on strengthening scrutiny of employees in critical roles and high-risk misconduct.

Pre-Departure Due Diligence

For asset management personnel applying for departure, the Company conducts pre-departure due diligence. Employees associated with non-performing assets due to improper performance of duties, negligence, or accountability-related issues may only process departure procedures after undergoing accountability reviews.

1.4 Accountability Management

The Company’s functional departments investigate employee misconduct identified or reported during daily supervision and management, compliance inspections, and other processes. They determine responsibility for relevant personnel and submit written investigation conclusions to the supervision and disciplinary inspection department for accountability actions. Based on the *China Merchants Bank Employee Violation and*

Disciplinary Handling Regulations, the supervision and disciplinary inspection department proposes disciplinary actions such as warnings, demerits, demotions, dismissals, probationary employment reviews, or terminations, as well as measures including suspension, position adjustments, removal from roles, or termination of labor contracts. These proposals are reviewed by authorized approval bodies to finalize disciplinary decisions. Cases meeting criminal prosecution standards are transferred to judicial authorities.

The *China Merchants Bank Accountability Management Regulations* explicitly allow employees to appeal accountability decisions and outline procedures and mechanisms for handling appeals.

CMB Employee Appeal Handling Process

- Employees subject to disciplinary actions who disagree with the decision may file a written appeal. For such appeals, the Supervision and Disciplinary Inspection Department of the employee's unit shall conduct a re-examination within the prescribed time limit and issue a re-examination decision after obtaining approval from the authorized approver.
- If the employee still disagrees with the re-examination

decision, they may apply for a re-review to the higher-level Supervision and Disciplinary Inspection Department. The department shall process the appeal in accordance with established procedures to safeguard employees' legitimate rights and interests. Following re-examination or re-review, the original disciplinary decision may be upheld, revoked, or modified as per regulations, and the outcome shall be promptly communicated to the employee.

The Company requires all involved institutions and personnel to strictly adhere to confidentiality principles and disciplinary requirements during the appeal process. They are prohibited from unlawfully disclosing the appellant's personal information or specific appeal details, and from retaliating against the appellant through any means, thereby ensuring fair treatment of the appellant.

1.5 Audit Supervision

The Company strengthens oversight of employee conduct standards, business ethics, and anti-corruption through internal audit methods such as routine audits, special audits, and economic responsibility audits. During routine and special audits, the Company focuses on identifying employee misconduct, potential violations of discipline, or behaviors that

may lead to incidents or legal cases. It conducts annual dynamic inspections of employee conduct, business ethics, and anti-corruption practices to achieve early identification, early warning, and early resolution, thereby ensuring effective performance of responsibilities by all accountable entities. From 2023 to 2024, routine audits achieved full coverage of domestic and overseas branches and wholly-owned subsidiaries. In annual economic responsibility audits, the Company prioritizes the inspection and supervision of leadership integrity in professional conduct.

1.6 Compliance Culture

The Company actively cultivates a “law-abiding” compliance culture and conducts regular compliance awareness activities to strengthen employees’ compliance awareness and bottom-line mindset.

Management Personnel Delivering Compliance Training

- Primarily through in-person sessions, institutional leaders must conduct compliance training at least annually, Compliance Officers¹ at least semi-annually, and Compliance Supervision Officers² at least quarterly. The training covers all employees, including labor dispatch personnel, with content encompassing regulatory requirements, internal/external policy interpretations, internal control systems, and case-based warning education.

New Employee Compliance Training

- Centralized full-time training is the primary method. Annually, leaders from the internal control and compliance department deliver courses during new employee onboarding, covering foundational knowledge of compliance laws and regulations, internal management systems, and employee conduct standards.

Specialized Compliance Training

- In-person or video-based training is tailored to roles such as legal compliance department heads, compliance management specialists, and anti-money laundering
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¹ Refers to leaders overseeing internal control and compliance.

² Refers to department heads or branch managers.

staff. These sessions are irregularly held to address job-specific compliance needs.

To meet regulatory requirements and internal governance needs, the Company periodically organizes employees to sign compliance commitment letters under various scenarios, including: Compliance Duty Commitment Letters, Ten Discipline Commitments for Integrity and Discipline Enforcement, Customer Information Confidentiality and Prohibition of Insider Trading Compliance Pledges, Party Conduct and Integrity Construction Responsibility Pledges, Integrity Self-Discipline Commitment Letters.

1.7 Compliance Consultation

The Company provides employees with consultation services on business ethics and employee conduct management. The primary methods include: offering real-time Q&A and advisory services during compliance training sessions; publicly disclosing the contact persons and their contact information for employee inquiries in each employee code of conduct policy; and accepting employee consultations on content related to conduct standards within their respective jurisdictions through the Legal and Compliance Departments of the Head Office and branches.

2. Anti-Commercial Bribery and Anti-Corruption

2.1 Supervision Mechanisms

The Company strictly adheres to the requirements of laws, regulations, and regulatory normative documents, including the *Criminal Law of the People's Republic of China*, the *Measures for the Risk Prevention and Control of Criminal Cases Involving Banking and Insurance Institutions*, and the *Measures for the Administration of Criminal Cases Involving Financial Institutions*. It has signed and implemented the *Commitment on Anti-Commercial Bribery in the Banking Sector* and the *Code of Ethics and Conduct for Banking Practitioners* issued by the China Banking Association, and has formulated and enforced internal rules such as the *Ten Rules on Integrity and Discipline of China Merchants Bank (Third Edition)*, continuously improving its supervisory and restraint mechanisms. For further details on anti-corruption and anti-bribery initiatives, please refer to the *China Merchants Bank's Anti-Corruption and Anti-Bribery Policy (2024 Edition)* published in the "CMB ESG" section of the Company's official website.

The Company's Board of Directors, Supervisory Committee and senior management jointly supervised anti-bribery and anti-corruption matters, and the internal disciplinary and supervisory

departments, the legal compliance department, the risk management department and the audit department promoted joint governance. At the same time, the Company worked closely with governmental departments of discipline inspection and supervision, financial supervision and management to identify, assess, investigate and control possible bribery and corruption risks in a timely manner.

CMB Anti-Bribery and Anti-Corruption Supervision “Three Lines of Defense”

First Line of Defense: Business Supervision

- **All business departments** strictly supervise the entire process involving funds, assets, and materials. They leverage their professional expertise to enhance supervisory and restraint measures, rigorously review and verify transactions, and prevent integrity risks at the source.

Second Line of Defense: Functional Supervision

- **All functional departments** are responsible for developing the supervision systems, regulatory frameworks, and oversight teams within their respective domains. They also lead inspections and oversight activities within their defined responsibilities.

Third Line of Defense: Disciplinary Supervision

- **Disciplinary inspection and supervision departments,**

inspection and patrol units, and audit departments at all levels exercise the role of “supervision of supervision”. They monitor whether business and functional departments fulfill their duties, intensify the verification of clues related to violations and disciplinary breaches, and enforce accountability with strict disciplinary actions.

The Company employs a coordinated approach to supervision, establishing systematic mechanisms to prevent integrity risks. In 2024, the Company strengthened oversight through measures such as signing integrity pledges, enhancing integrity collaboration with partner institutions, conducting supervisory dialogues, delivering integrity education, investigating leads, and issuing disciplinary inspection and supervision recommendations. The Company deepened specialized governance targeting improper benefits exchanged with clients and third-party partners, project construction irregularities, excessive hospitality expenditures, and violations of the Central Committee’s Eight-Point Decision on Improving Conduct, effectively reducing opportunities for disciplinary and legal violations. Adhering to the principle of rectifying misconduct while promoting positive norms, the Company rigorously enforced discipline during critical periods and advanced the normalization and long-term effectiveness of conduct improvement initiatives. In 2024, pre-appointment integrity

briefings were conducted for 3,333 personnel, with no litigation or major administrative penalties occurring due to commercial bribery or corruption.

2.2 Whistleblowing Management

The disciplinary inspection and supervision departments at all levels of the Company publicly disclose the scope of accepted complaints and reports, as well as reporting channels including mailing addresses, reception office locations, reporting hotline numbers, fax numbers, and email addresses. The reporting hotline operates 24/7 to ensure round-the-clock accessibility. Additionally, reporting mailboxes are established and opened monthly by two designated personnel under dual-person supervision to guarantee fairness and impartiality in handling complaints.

The Company strictly adheres to the requirements of the *Work Rules for Disciplinary Inspection and Supervision Organs in Handling Accusations and Reports* issued by the General Office of the Central Committee of the Communist Party of China when receiving and processing reports. The primary procedures include complaint acceptance, leads handling, and case resolution.

To safeguard whistleblowers' legitimate rights and interests, the Company has formulated the *Management Measures for Disciplinary Inspection and Supervision Complaints and Reports (2024 Edition)*. These measures explicitly prohibit suppressing, discriminating against, harassing, or retaliating against whistleblowers and their family members, forbid transferring accusation materials or related information to the accused parties or irrelevant entities, and strictly investigate violations of whistleblowers' democratic rights. All disciplinary inspection and supervision departments accept anonymous reports and conduct training for staff on whistleblower protection through online and on-site programs.

2.3 Routine Training

The Company implements regular anti-corruption and integrity education for all employees. Through initiatives such as establishing integrity education columns, screening warning documentaries, convening thematic integrity education meetings, circulating typical cases of violations and disciplinary breaches, and organizing visits to integrity education bases, the Company advances tiered and categorized integrity guidance across all levels. Targeted anti-corruption risk prevention training is provided to leadership cadres, personnel in key roles such as credit approval, asset disposal, procurement, and

personnel selection, as well as new hires, fostering a culture of integrity and ethical conduct.

In 2024, the Company deepened its efforts in case-driven rectification and governance to promote integrity culture. May is designated annually as the Bank-wide Integrity Culture Publicity and Education Month, with the inaugural “Integrity Culture Publicity and Education Month” launched this year. Through a combination of online and offline channels, centralized advocacy, and self-directed learning, the Company conducted anti-corruption system training to reinforce ideological safeguards and mitigate integrity risks. Throughout the year, all directors participated in anti-commercial bribery and anti-corruption training, covering topics such as current challenges in Party conduct and integrity within the financial sector, key priorities for the Company’s integrity initiatives, and case studies of disciplinary actions.

3. Management of Money Laundering Risks¹

3.1 Management System

The Company strictly complies with laws, regulations, and

¹ Includes money laundering, terrorist financing, and proliferation financing risks.

regulatory requirements such as the *Anti-Money Laundering Law of the People’s Republic of China*, the *Counter-Terrorism Law of the People’s Republic of China*, and the *Anti-Money Laundering Regulations for Financial Institutions*, as well as the standards set by international organizations including the *Financial Action Task Force (FATF)* and the *Basel Committee on Banking Supervision (BCBS)*. The Company has formulated the *China Merchants Bank Anti-Money Laundering and Sanctions Compliance Policy*, which applies to the head office, domestic and overseas branches, and subsidiaries. This policy defines the Group’s risk appetite management strategies and cultural development goals for money laundering and sanctions compliance, organizational structure and responsibilities, risk assessments, suspicious transaction monitoring, sanctions list screening, data storage, confidentiality, and sharing. Additionally, the *China Merchants Bank Anti-Money Laundering and Sanctions Compliance Management Measures* are implemented for the head office and domestic branches, specifying the institutions, roles, and responsibilities for anti-money laundering (AML) and sanctions compliance management. These measures cover customer due diligence (CDD), retention of customer identity information and transaction records, reporting systems for large-value, suspicious, and terrorist financing transactions, business and institutional money laundering risk assessments, targeted

sanctions, AML investigations and asset freezing, and AML management. The Company has also established specialized AML policies, including those for customer due diligence, identity information retention, money laundering risk assessment and classification, and reporting of large and suspicious transactions, as well as business-line-specific AML operational guidelines. Notably, customer identity information and transaction records must be retained for at least 10 years after the termination of business relationships or transactions, with longer retention periods applied where required by laws or administrative regulations.

At the same time, the Company has established a money laundering risk management structure with a sound organization, complete structure and clear responsibilities, and the “three lines of defence” cooperate with each other and work closely together to form a clear and effectively coordinated money laundering risk management operation mechanism.

CMB’s Money Laundering Risk Management Organizational Structure

Board of Directors

- The Board of Directors bears ultimate responsibility for money laundering risk management, establishes the

cultural development goals for AML risk management, and reviews or authorizes its specialized committees to review the Group’s fundamental AML policies, work reports, and risk assessment reports.

- It has established a Risk and Capital Management Committee, delegated by the Board, to periodically review AML work reports, address major AML-related matters, and provide professional recommendations to the Board on AML risk management.

Board of Supervisors

- The Board of Supervisors oversees the accountability of the Board and Senior Management in AML risk management, monitors their compliance with duties, proposes rectifications, and provides recommendations for improving AML risk management practices.

Senior Management

- The Senior Management is responsible for implementing AML risk management strategies and executing Board resolutions. It has established an AML and Sanctions Compliance Committee, chaired by a senior executive overseeing AML risk management. This committee serves as the decision-making body for AML and sanctions compliance.
 - A designated senior executive is appointed to lead AML
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risk management independently and report directly to the Board.

Two-Tier AML Teams at Head Office and Branches (Including Subsidiaries)

- The Head Office Legal and Compliance Department oversees the AML and Sanctions Compliance Management Center, which manages AML policy development, sanctions list screening, large and suspicious transaction reporting, AML investigations, training, and performance evaluation with a professional team. A dedicated team maintains AML IT systems.
 - Business departments and branches (including subsidiaries) appoint Compliance Officers to lead AML affairs. They establish AML and Sanctions Compliance Committees or AML task forces, designating internal departments or specialized roles to implement AML operations.
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The Company conducts annual independent internal audits on AML. The audit scope primarily covers AML internal control mechanisms, CDD, and retention of AML records.

For further details on AML, please refer to the *China Merchants Bank Anti-Money Laundering Policy (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

3.2 Customer Due Diligence

The Company adheres to the “Risk-Based Approach” and “Know Your Customer (KYC)” principles. The *China Merchants Bank Customer Due Diligence and Customer Identity Information and Transaction Record Retention Management Measures* clearly define the timing, procedures, and methods for conducting CDD when providing services to clients.

Due Diligence at the Establishment of Business Relationships

- Conduct due diligence for clients opening accounts, entering into agreements, or engaging in one-time financial transactions above a specified amount. This includes identifying and verifying the identity of customers and their beneficial owners, registering their identity information, and retaining copies or digital images of their identity documents.
 - Understand the purpose and nature of the business relationship and transactions initiated by the client.
 - For clients with higher money laundering risks, investigate the sources and uses of funds, and implement enhanced due diligence measures based on risk assessments.
 - When establishing business relationships or providing financial services through non-face-to-face channels, verify
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customer identity and transaction legitimacy through government databases, the Company's internal systems, commercial databases, and non-face-to-face verification methods.

Continuous Due Diligence

- During the continuation of business relationships, the Company continuously monitors and assesses the client's overall risk profile and transactional activities.

Enhanced Due Diligence

- When higher money laundering risks are identified in client characteristics, business relationships, transaction purposes, transaction nature, or fund sources/uses, the Company implements differentiated enhanced due diligence (EDD) plans tailored to specific scenarios. For Politically Exposed Persons (PEPs) and other high-risk clients, the Company conducts further investigations into the sources and purposes of their assets or funds, account-opening objectives, expected use of products/services, and transaction scale. Such measures require approval from Senior Management and are followed by continuous monitoring of the client and business relationship throughout the business relationship lifecycle.

To enhance CDD, the Company has developed an AML KYC platform, integrating with account management systems, cross-

border transaction systems, and customer relationship management systems to standardize and digitize CDD processes. The platform generates customized due diligence checklists based on clients' actual risk profiles and assigns appropriate approval hierarchies. In 2024, the AML KYC platform added 23 new business due diligence scenarios covering critical stages such as client onboarding, product eligibility screening, and in-process transaction verification, enabling personalized configuration of due diligence models to empower branches in proactively managing money laundering risks.

3.3 Suspicious Transaction Management

The Company fosters a compliance culture of "Combating Money Laundering is Everyone's Responsibility", mandating all employees to report suspicious transactions through their access rights to the AML Monitoring and Analysis System. The Company requires business partners and stakeholders to report suspicious transactions or non-compliant activities identified during collaborations and cooperate in investigations. For clients involved in confirmed or suspected money laundering, the Company promptly reports to regulators and implement risk control measures, including but not limited to restricting transaction volumes/channels, limiting product

access, suspending services, or terminating business relationships.

The Company has advanced the application of artificial intelligence in the Intelligent Recommendation System for Suspicious Transaction Monitoring Rules. In 2024, 105 new transaction monitoring rules were added and 135 existing rules optimized, alongside the rollout of a Unified AML Dashboard, significantly improving the efficiency of suspicious transaction analysis.

3.4 Training and Awareness

In 2024, the Company conducted AML and Sanctions Compliance Training for senior management, newly appointed personnel, new employees, AML/sanctions compliance-related staff, and relevant business personnel across all levels of the Group. These trainings were integrated into key forums such as the Annual Bank-wide Work Conference, Risk and Compliance Conference, Overseas Branch Conference, and Sanctions Compliance Policy Briefings, covering topics including annual sanctions risk management key priorities, AML KYC operational guidelines, and the new model and processes for client money laundering risk rating systems. A total of 1,258 AML training sessions were organized in 2024, covering 270,000 employee

participants.

4. Anti-Unfair Competition

The Company strictly complies with the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and has signed and implemented the *Banking Industry Anti-Unfair Competition Convention* issued by the China Banking Association. The Company adheres to the principles of voluntariness, equality, fairness, and good faith to safeguard financial market order.

The Company prohibits employees from engaging in unfair competition practices such as spreading false information to damage competitors' reputation, making exaggerated or misleading comparisons about products/services, or soliciting clients through unethical means. Preventive measures include business model assessments and legal contractual constraints. Violations of the commercial competition management measures are addressed through internal disciplinary actions, and cases involving legal offenses are referred to judicial authorities. In 2024, no litigation or major administrative penalties related to unfair competition were recorded.

For further details, please refer to the *China Merchants Bank Employee Conduct Compliance Manual (2024 Edition)* in the “CMB ESG” section of the Company’s official website.

5. Tax Compliance

The Company strictly adheres to national laws and regulations, including the *Enterprise Income Tax Law of the People’s Republic of China*, the *Individual Income Tax Law of the People’s Republic of China*, and *Tax Collection and Administration Law of the People’s Republic of China*, as well as tax policy requirements. The Company has established internal regulations such as the *China Merchants Bank Tax Risk Management Measures* and the *China Merchants Bank Value-Added Tax (VAT) Operational Procedures* to refine the tax risk management framework and ensure robust tax compliance.

In 2024, the Company followed the principle of “operating in good faith and paying taxes in accordance with the law”, proactively adapted to changes in tax laws and regulations and policies, continuously optimized its tax management process, strengthened tax compliance and tax risk control, and improved its compliance with tax laws.

6. Intellectual Property Protection

The Company rigorously complies with the *Copyright Law of the People’s Republic of China*, the *Trademark Law of the People’s Republic of China*, and the *Patent Law of the People’s Republic of China*. The Company has implemented internal policies such as the *China Merchants Bank Intellectual Property Management Regulations*, the *Software Legalization Management Measures*, and the *Notice on Strengthening Copyright Management in Business Activities* to establish a comprehensive intellectual property management policy. This policy covers patent applications, maintenance, licensing, and transfers, while identifying, assessing, and mitigating potential legal risks to prevent infringement.

The Company encourages innovation and strengthens independent R&D capabilities. In 2024, the Company filed 604 new patent applications for inventions, obtained 45 invention patent grants, and maintained 215 valid patents (including inventions, utility models, and designs). Among these, 76 technology innovation patents were applied to core business operations. No significant IP-related legal violations occurred during the year.

Governance Key Performance

1. Financial Performance¹

Indicator (Unit)	2022	2023	2024
Total assets (RMB100 million)	101,389.12	110,284.83	121,520.36
Operating income (RMB100 million)	3,447.83	3,391.23	3,374.88
Total profit (RMB100 million)	1,651.13	1,766.18	1,786.52
Net profit (RMB100 million)	1,392.94	1,480.06	1,495.59
Total taxes (RMB100 million)	610.04	562.40	526.48
Non-performing loan ratio (%)	0.96	0.95	0.95
Non-performing loan balance (RMB100 million)	580.04	615.79	656.10
Provision coverage ratio for non-performing loans (%)	450.79	437.70	411.98

¹ The statistical scope follows the group scope, covering China Merchants Bank and its subsidiaries.

Leverage ratio (%)	7.95	8.26	8.46
Return on average assets attributable to shareholders (ROAA) (%)	1.42	1.39	1.28
Return on average equity attributable to shareholders (ROAE) (%)	17.06	16.22	14.49

2. Corporate Governance

Indicator (Unit)	2022	2023	2024
Number of directors	15	15	14
Number of executive directors	1	2	3
Number of independent non-executive directors	6	6	6
Number of other non-executive directors	8	7	5
Number of female directors	1	0	2
Number of male directors	14	15	12
Number of non-executive directors with industry experience ¹	9	7	6
Average tenure of board members (year)	5.6	4.4	4.5
Average board meeting attendance (%)	97.52	96.06	97.10
Number of training organized for board members (session)	4	7	11

¹ The statistical scope is based on the Global Industry Classification Standard (GICS) for the financial industry. The Company has adjusted the data for 2022 and 2023 in accordance with the latest criteria.

3. Employee Conduct Management

Indicator (Unit)	2022	2023	2024
Number of employees punished for violations ¹	514	678	1,057

¹ In 2024, an increased effort to address employee violations continued with a number of special remediation activities in the Company. The number of accountable personnel has increased compared to previous years.

4. Anti-corruption

Indicator (Unit)	2022	2023	2024
Anti-corruption training times	1,500	1,880	2,526
Number of people covered by anti-corruption training (10,000)	16.40	19.79	32.34
Total number of directors covered by anti-bribery and anti-corruption training	/	/	14
Percentage of directors covered by anti-bribery and anti-corruption training (%)	/	/	100
Total number of senior management covered by anti-bribery and anti-corruption training	13	13	10
Percentage of senior management covered by anti-bribery and anti-corruption training (%)	100	100	100
Total number of grassroots employees covered by anti-bribery and anti-corruption training	/	/	81,834
Percentage of grassroots employees covered by anti-bribery and anti-corruption training (%)	/	/	95.57
Number of corruption litigation cases filed against the company or employees that have been concluded	0	0	0
Number of cadres' integrity talks before taking office ¹	1,757	1,667	3,333

¹ In 2024, the Company adjusted the job hierarchy of cadres and expanded the scope of cadres' integrity talks before taking office. A greater increase in the number of cadres' integrity talk before taking office was recorded during the year than in previous years.

5. Anti-money Laundering

Indicator (Unit)	2022	2023	2024
Number of anti-money laundering (AML) training times	1,268	1,298	1,258
Number of people covered by anti-money laundering (AML) training (10,000)	38.62	26.00	27.00

6. Anti-unfair Competition

Indicator (Unit)	2024
Amount of money involved in litigation or significant administrative penalties due to unfair competition practices (RMB10,000)	0

7. Intellectual Property Protection

Indicator (Unit)	2024
Number of invention patent applications	604
Number of authorized invention patents	45
Number of valid patents	215
Number of technological innovation invention patents applied to main business operations	76

X. Independent Assurance Report

Independent Verification Statement



Verification Statement: EIV2 131262 0001 Rev. 00

To the management and stakeholders of CMB.

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by China Merchants Bank Co., Ltd. (hereinafter referred to as "CMB" or "the Company") to perform an independent third-party verification on CMB ESG Report for Fiscal Year 2024 (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with CMB and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by CMB and provided to TÜV SÜD. The scope of verification is limited to the given information. CMB shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by CMB during the reporting period from January 1st, 2024 to December 31st, 2024, including governance, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
China Merchants Bank Building, No.7088 Shennan Avenue, Futian District, Shenzhen, Guangdong

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of CMB and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report, and
- The data and information of CMB's suppliers, partners and other third parties, and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2024 are beyond the scope of this verification.
- TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

Basis for the Verification

TÜV SÜD Certification and Testing (China) Co., Ltd.
No.51 Heng Tong Road, Shanghai 200070

Page 1 of 3
Tel: +86 21-64410123
Fax: +86 21-64408600
Web: www.tuv-sud.com

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Independent Verification Statement



Verification Statement: EIV2 131262 0001 Rev. 00

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- AA1000AS v3, Type 1 Engagement and Moderate Assurance
- International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance
- Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by CMB, tracing and verification of key performance information;
- Special interview with the representative of CMB's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in CMB's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity	CMB has identified the internal and external stakeholders such as shareholders and investors, employees, customers, suppliers, governments, and regulatory authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	CMB has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	CMB has disclosed the management approach and performance of high material topics that stakeholders concern, such as climate change, green finance, digital finance, and employee-related practices, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	CMB has established a Sustainability Committee to oversee, monitor, measure, and hold the Company accountable for its performance in environmental, social responsibility, and corporate governance. The committee integrates impact assessments into organizational governance and strategy, and establishes clear processes and mechanisms to measure and manage ESG-related risks and opportunities, ensuring the transparency and credibility of the Company's reporting.

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Verification Statement: EIV2 131262 0001 Rev. 00

Recommendations on Continuous Improvement

- It is recommended that the Company continues to implement the low-carbon development strategy, and more directly reflects the impact of climate change on the Company's business.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1966, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences. TÜV SÜD and CMB are two entities independent of each other and both TÜV SÜD and CMB and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by CMB. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Zhu Wenjun



Zhu Wenjun
TÜV SÜD Sustainability Authorized Signatory Officer
March 20th, 2025
Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

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XI. Content Index

(I) Content Index of Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)

Dimension	Number	Issue	Article	Page Number
Environment	1	Climate change tackling	Article 21	P53-P89
			Article 22	P58-P75
			Article 23	P58-P75
			Article 24	P112-P114
			Article 25	P112-P114
			Article 26	P112-P114
			Article 27	P86-P88, P98-P100, P112-P114
			Article 28	P90-P109
	2	Pollutant discharge	Article 30	P107-P108
	3	Waste disposal	Article 31	P105-P107, P120

	4	Ecosystem and biodiversity protection	Article 32	P85
	5	Environmental compliance management	Article 33	P98
	6	Energy usage	Article 35	P100-P102, P115-P117
	7	Usage of water resources	Article 36	P102-P104, P118
	8	Circular economy	Article 37	P106-P107
Society	9	Rural revitalization	Article 39	P131, P207-P219, P246
	10	Contributions to the society	Article 40	P207-P219, P258
	11	Innovation-driven	Article 42	P140-P148, P244
	12	Ethics of science and technology	Article 43	P147-P148
	13	Supply chain security	Article 45	P220-P223
	14	Equal treatment to small and medium-sized enterprises	Article 46	P220-P223
	15	Safety and quality of products and services	Article 47	P153
	16	Data security and customer privacy protection	Article 48	P176-P184, P248-P257
	17	Employees	Article 50	P185-P206
Sustainability-	18	Due diligence	Article 52	P32-P48

related governance	19	Communications with stakeholders	Article 53	P49-P51
	20	Anti-commercial bribery and anti-corruption	Article 55	P284-P287
	21	Anti-unfair competition	Article 56	P291-P292

(II) Content Index of HKEx's ESG Reporting Code

Subject Areas, Aspects, General Disclosure and KPIs		Page Number
A. Environment		
Aspect A1: Emissions	General Disclosure: Information on: (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air discharges into water and on land, and generation of hazardous and non-hazardous waste.	P105-P108
KPI A1.1	The types of emissions and respective emissions data.	P112-P114
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P120
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P120

	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	P87-P88
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P105-P108
Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.		P98
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P115-P117
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P118
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P87-P88
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for appropriate purposes, water efficiency target(s) set and steps taken to achieve them.	P87-P88, P102

	KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	P119
Aspect A3: Environment and Natural Resources	General Disclosure: Policies to reduce the significant impact of issuers on the environment and natural resources.		P81-P85
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage relevant impacts.	P100-P109

B. Social

Employment and Labor Practices

Aspect B1: Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		P185-P186
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	KPI B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region.	P248-P250
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P251-P252
Aspect B2: Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		P199
	KPI B2.1	Number and rate of work-related fatalities occurring in each of the past three years including the reporting year.	P255
	KPI B2.2	Lost days due to work injury.	P255
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P199-P202
Aspect B3: Development and Training	General Disclosure: Policies on improving employee knowledge and skills for discharging duties at work. Description of training activities.		P192-P198

	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P256-P257
	KPI B3.2	The average training hours completed per employee by gender and employee category.	P256-P257
Aspect B4: Labor Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		P185-P186
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	P185-P186
	KPI B4.2	Description of steps taken to eliminate these practices when discovered.	P185-P186
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.		P220-P223
	KPI B5.1	Number of suppliers by geographical region.	P259-P260

	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P220-P223
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P220-P223
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P220-P223
Aspect B6: Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		P149
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P160-P162

	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P292
	KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P176-P184
Aspect B7: Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		P284-P287
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and outcomes of the cases.	P297
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P284-P287
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	P284-P287

Community

Aspect B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure their activities take into consideration the communities' interests.		P207-P219
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P207-P219
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P258

(III) GRI Standards Content Index

Instructions for use	China Merchants Bank Co., Ltd. reported the information cited in this GRI Content Index with reference to GRI standards from January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure item	Page Number
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	P17-P18
	2-2 Entities included in the organization's sustainability reporting	P4
	2-3 Reporting period, frequency and contact point	P4, P321
	2-4 Restatements of information	P112
	2-5 External assurance	P301
	2-6 Activities, value chain and other business relationships	P33
	2-7 Employees	P248-P257
	2-8 Workers who are not employees	P248
	2-9 Governance structure and composition	P262-P268
	2-10 Nomination and selection of the highest governance body	P262-P268
	2-11 Chair of the highest governance body	P262
	2-12 Role of the highest governance body in overseeing the management of impacts	P268-P270
	2-13 Delegation of responsibility for managing impacts	P268-P270

	2-14 Role of the highest governance body in sustainability reporting	P29, P268-P270
	2-15 Conflicts of interest	P279-P284, P291
	2-16 Communication of critical concerns	P49-P51
	2-17 Collective knowledge of the highest governance body	P262-P268
	2-18 Evaluation of the performance of the highest governance body	P189-P191
	2-19 Remuneration policies	P189-P191
	2-20 Process to determine remuneration	P189-P191
	2-22 Statement on sustainable development strategy	P26-P27
	2-23 Policy commitments	P26-P27
	2-24 Embedding policy commitments	P26-P27
	2-26 Mechanisms for seeking advice and raising concerns	P49-P51
	2-27 Compliance with laws and regulations	P98
	2-29 Approach to stakeholder engagement	P49-P51
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P32-P48
	3-2 List of material topics	P45-P48
Material Issues		
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	P293-P294
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P293-P294
	201-2 Financial implications and other risks and opportunities due to climate change	P58-P75
	201-3 Defined benefit plan obligations and other retirement plans	P198-P199
Indirect Economic Impacts		

GRI 3: Material Topics 2021	3-3 Management of material topics	P224-P229
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	P224-P229
	203-2 Significant indirect economic impacts	P224-P229
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	P220-P223
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P220-P223
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	P284-P287
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P284-P287
	205-2 Communication and training about anti-corruption policies and procedures	P284-P287
	205-3 Confirmed incidents of corruption and actions taken	P297
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	P292
GRI 207: Tax 2019	207-1 Approach to tax	P292
	207-2 Tax governance, control, and risk management	P292
	207-3 Stakeholder engagement and management of concerns related to tax	P292
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	P104-P105
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P119
Energy		

GRI 3: Material Topics 2021	3-3 Management of material topics	P100-P102
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P115-P117
	302-2 Energy consumption outside of the organization	P115-P117
	302-3 Energy intensity	P115-P117
	302-4 Reduction of energy consumption	P100-P102
	302-5 Reductions in energy requirements of products and services	P100-P102
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	P102-P104
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	303-2 Management of water discharge-related impacts	P102-P104
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XII. Reader Feedback

Dear readers:

Thank you for reading this report. To continuously improve our ESG work, increase our social responsibility fulfillment ability, level of management, and optimize the quality of preparing social responsibility reports, we sincerely hope you can take time out of your busy schedule to put forth your valuable opinions and suggestions.

Please make assessments by answering the following questions:

1. Do you think the report provided the information you need to know?	Yes ___ Partly___ No ___
2. Do you think the report has fully reflected the economic, social and environmental performance of China Merchants Bank?	Yes ___ Partly ___ No ___
3. Do you think the report can comprehensively respond to the expectations and demands of China Merchants Bank's stakeholders?	Yes ___ Partly ___ No ___
4. Do you think the quantitative information disclosure in the report is positive, true and effective?	Yes ___ Partly ___ No ___
5. Do you think the writing in the report is well organized, uses common language and easy to understand?	Yes ___ Partly ___ No ___
6. Do you think the format design of the report can help you understand relevant information?	Yes ___ Partly ___ No ___

7. If you have a more detailed assessment and/or feedback, please write and let us know:

You can give your suggestions to us through the following ways:

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The English version is the translation of China Merchants Bank Co., Ltd. Sustainability Report 2024 (Chinese version). Should there be any inconsistencies between Chinese and English versions, the Chinese version shall prevail.