



2017

Environmental, Social and Governance Report



Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing, China

Zip Code: 40010

Fax: 0086-23-63799257

BANK OF CHONGQING CO.,LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1963)

(Stock Code of Preference Shares: 4616)



重庆银行
BANK OF CHONGQING

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ABOUT THIS REPORT



INTRODUCTION OF REPORT

This is the second Environmental, Social and Governance Report (the **“ESG Report”** or the **“Report”**) of Bank of Chongqing Co., Ltd. (the **“Bank of Chongqing”** or the **“Company”**), which aims to provide the stakeholders with an overview of the Company’s efforts regarding the environmental, social and governance (**“ESG”**) aspects to continuously reduce the impacts arising from its daily operations on the environment and society.

SCOPE OF THE REPORT

This Report aims to provide a balanced description of the Company’s policies and performance regarding the environmental and social aspects. Unless otherwise stated, the Report covers the Bank of Chongqing and its branches, and the reporting period is from 1 January 2017 to 31 December 2017. For corporate governance, please refer to the “Corporate Governance Report” of the Annual Report.

REPORTING GUIDELINES

The Company appoints an independent third-party consultant to disclose the environmental and social aspects of the Company’s annual performance in accordance with the Appendix 27 Environmental, Social and Governance Reporting Guide (**“ESG Reporting Guide”**) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) published by The Stock Exchange of Hong Kong Limited (the **“SEHK”**), GRI Sustainability Reporting Guidelines issued by Global Reporting Initiative, and supplementary guidelines of financial services industry. Meanwhile, this Report satisfies the requirements of Opinions on Enhancing the Social Responsibilities of Banking and Financial Institutions issued by China Banking Regulatory Commission and Guidance on Corporate Social Responsibilities of China Banking and Financial Institutions issued by China Banking Association.

GIVE US YOUR FEEDBACK

For any query and suggestion about the Report, it is welcomed to inform us through the following contact details:

Corporate Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing, China

Corporate Website: <http://www.cqcbank.com>

E-mail: ir@cqcbank.com

ABOUT US



Overview of the Company

The Bank of Chongqing is the earliest local joint-stock commercial bank established in West China and the upper reach of the Yangtze River in 1996. According to the development strategy "Restructuring, Introduction of Strategic Investors and Going Public" of municipal government of Chongqing, the Bank of Chongqing was listed on the Main Board of the SEHK on 6 November 2013, becoming the first one of urban commercial banks in mainland China that listed on the SEHK. With supports from other parties in recent years, the Bank of Chongqing has developed into a "Small and Excellent" profitable commercial bank with good business structure, good asset quality, high profitability and great potentiality.

As of 31 December 2017, the total assets had reached RMB 422.763 billion and successfully broken the amount of RMB 400 billion; the bank deposit balance had reached RMB 238.705 billion and the net amount of customer loans and advances was RMB 172.162 billion. The risk management indicators such as non-performing loan ratio and capital adequacy ratio remained at an excellent level in the industry. Regulatory indicators were all up to the standard.

In recent years, the brand image of the Bank of Chongqing has been comprehensively upgraded. The Company became the first urban commercial bank which has private placement on SEHK and listed on the mainland. The Banker established in British ranked thousands of banks in 2016 and the Bank of Chongqing was at No. 290 and entered the top 300 over the world. In China's banker's annual comprehensive ranking of assets and business scale of more than RMB 200 billion, the whole Bank of Chongqing has entered the top three urban commercial banks of the whole country. Besides, the H-share of the Bank of Chongqing has been selected as a constituent stock of Morgan Stanley Global Small Cap Index (MSCI), being the first urban commercial bank in Mainland China to be selected as a stock. In 2017, the S&P Global Ratings gave the Bank of Chongqing "BBB-" for long-term issuer credit rating and the "A-3" for short-term issuer credit rating and "Stability" for the rating outlook. At the same time, it also gave the Bank of Chongqing "cnA" for the long-term Greater China scale rating and the "cnA-2" for short-term Greater China scale rating. The credit rating results were at the highest level in city commercial banks with international rating. By the end of 2017, the bank had 141 branches and 4,066 employees. The bank outlets have covered all districts and counties in Chongqing and 26 branches and sub-branches have been established in Chengdu, Guiyang and Xi'an.



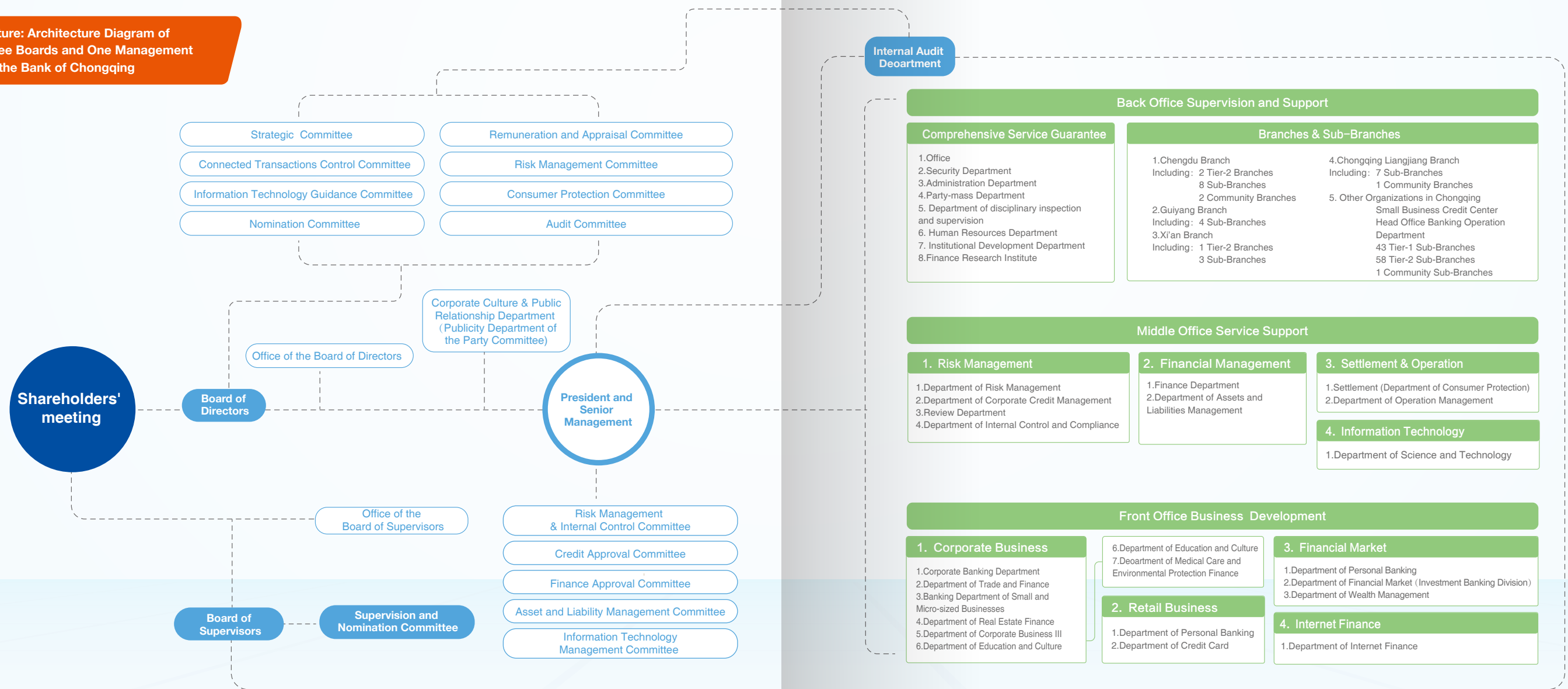
Corporate Governance

Governance Framework

In accordance with the Corporate Law, the Law of the People's Republic of China on Commercial Banks and relevant rules of Hong Kong Exchanges and Clearing Limited, the Bank of Chongqing continuously improves the modern corporate governance structure of the Shareholders' meeting, the Board of Directors, the Board of Supervisors and the senior management as the core components, strengthens the construction of its internal control system, regulates the connected transactions and the internal information management, ensures that the corporate information is disclosed in a transparent, fair and impartial manner, actively strengthens investor relations management and achieves better business performance and shareholder returns.

In order to further improve the Company's decision-making level and sustainable development, the Company seriously implement the national policy and regulatory requirements, continuously promote the mutual constraint and balance and the good interactive relationship of the "Three Boards and One Management" concerning the Company's operation development characteristics and environment.

Picture: Architecture Diagram of Three Boards and One Management for the Bank of Chongqing



Responsibility Management

The Bank of Chongqing is always committed to responsible operation, integrating the core value with social responsibility concept organically, constantly enhancing the content of social responsibility, actively exploring the characteristic social responsibility practice corresponding to the Company's actual situation, and achieving the value sharing among enterprises, society and environment.

The Company attaches great importance to the opinions of all stakeholders and takes it as an important basis for formulating the overall development strategy. In 2017, the Company held 1 annual general meeting of shareholders, 1 interim general meeting; 1 domestic shareholders' class meeting and 1 H shareholders' class meeting;also held 11 Board of Directors meetings, 1 meet-and-greet between independent directors and auditors, accumulatively wrote, edited and sent 105 resolutions in total. At the same time, the Bank of Chongqing attached great importance to the opinions of stakeholders and uses diversified means of communication and platform to establish close relationship with different stakeholders. The Bank of Chongqing kept listening to their needs, and considered appropriate feedback about the business, so as to consistently improve the service quality of the Company and fulfilled the social and environmental responsibilities. The main stakeholders of the Company include customers, employees, shareholders and investors, community, and the government and regulators.

In 2017, the Bank of Chongqing actively communicated with the external stakeholders through the above communication channels and conducted a survey themed on what needed to be disclosed in the Report with the various departments and members of the Company. In the process of communication, the Company determined the key aspects of disclosure and the scope of business operations covered by this Report through understanding the issues concerned by the stakeholders. The detailed information will be elaborated in the subsequent chapters.

Main Stakeholders	Customers	Employees	Shareholders	Community	Government	Regulators
Expectations and Appeals	<div>Providing multiple financial products and services.</div> <div>Offering complete, authentic and accurate information about products and services.</div> <div>Guaranteeing the information security for customers and protecting the personal and property safety of customers.</div>	<div>Providing reasonable salaries and treatment.</div> <div>Offering comfortable working environment.</div> <div>Establishing a smooth communication mechanism.</div> <div>Providing proper growing spaces.</div>	<div>Standardizing the corporate governance.</div> <div>Raising the shareholders' returns.</div> <div>Increasing the profitability.</div> <div>Maintaining sustainable development.</div>	<div>Organizing public welfare.</div> <div>Caring for disadvantaged groups.</div> <div>Publicizing financial knowledge.</div>	<div>Obeying national laws and regulations and industrial standards rules.</div> <div>Guaranteeing the capital security for the bank.</div> <div>Competing fairly in accordance with laws.</div> <div>Serving the local economic development.</div>	<div>Operating according to laws and regulations.</div> <div>Intensifying risk control.</div> <div>Safeguarding the financial stability.</div>
Communication and Responses	<div>Innovating financial products and providing convenient and fast financial services.</div> <div>Releasing timely announcement with authentic and accurate content.</div> <div>Asking customers for opinions and suggestions and improving security of the banking outlets.</div>	<div>Adhering to the principle of equal pay for equal work.</div> <div>Guaranteeing the health and safety of employees.</div> <div>Organizing recreational and sports activities, and regularly communicating with employees.</div> <div>Providing on-the-job training and offering multiple channels for promotion.</div>	<div>Formulating and implementing development strategies.</div> <div>Improving corporate management.</div> <div>Enhancing risk prevention.</div> <div>Advancing the social responsibility management.</div>	<div>Actively participating in donations.</div> <div>Helping disadvantaged groups.</div> <div>Developing financial education.</div> <div>Organizing volunteer services.</div>	<div>Responding to the national call and implementing the supervising policies.</div> <div>Participating in formulating industrial standards and rules.</div> <div>Improving the performance on operation and management, and supporting the development of real economy.</div>	<div>Actively implementing the requirements of the regulatory agency.</div> <div>Regularly reporting the work.</div>





Company Honor

Number	Award Name	Issuing Authority	Issuing Time
1	The 5 th Session National Civilized Units	Central Guidance Commission on Building Spiritual Civilization	2017.11
2	Third Prize of the Banking Technology Development Award in 2016	People's Bank of China	2017.08
3	Top 100 Demonstration Units of Civilized and Standardized Service in China Banking Industry in 2017	China Banking Association	2017.11
4	Best Social Responsibility Practice Case Award in the Banking Industry in China in 2016	China Banking Association	2017.06
5	Best Social Responsibility Special Contribution Branch Award in the Banking Industry in China in 2016		2017.06
6	Excellent Achievement of Internal Audit Informatization in 2016		2017.04
7	Outstanding Contribution Award of the Second Standing Committee of Industry Development Committee of China Banking Association	China Banking Association	2017.12
8	The Best Listed Company in 2017	China Finance	2017.11
9	The Most Valuable Brand in 2017		2017.11
10	Excellent Competitiveness of Small and Micro-finance Service Bank in 2017	China Business News	2017.11
11	Outstanding Smart Bank Award in 2017	Financial Industry	2017.11
12	Outstanding Small and Medium Bank of Piloting China Award in 2017		2017.11
13	National May 4 th Red Flag Youth League Branch in 2016	The Central Committee of the Communist Young League	2017.05
14	Outstanding Achievement Award of Payment Transactions and Clearing Operation in 2016	Capital Clearing Center of City Commercial Bank	2017.08

Number	Award Name	Issuing Authority	Issuing Time
15	Excellent Institution of Reporting key Suspicious Transactions in 2016	Chongqing Operation and Management Department of the People's Bank of China	2017.02
16	Excellent Innovative Project of Anti-money Laundering in 2016		2017.02
17	Excellent Institution of Fulfilling Anti-money Laundering in 2016		2017.02
18	Advanced Unit of Operational Maintenance for Payment System in 2016		2017.04
19	Advanced Financial Institution Applying Financial Technology in Chongqing Banking Industry in 2016		2017.04
20	Advanced Unit of Application Innovation in 2016		2017.02
21	Good Unit on Credit Guide Comprehensive Evaluation in 2016		2017.04
22	Excellent Unit on Small and Micro Business Credit Evaluation in 2016	China Comment	2017.10
23	The Best Urban Commercial Bank in 2017		2017.07
24	Advanced Unit of Small and Medium-sized Enterprises Financial Service of Supporting Chongqing Economic Development	General Office of Chongqing Municipal People's Government	2017.08
25	Outstanding Entity of Financial Services form Institutions to Small and Micro Enterprises in the Banking Industry in 2016	CBRC Chongqing	2017.04
26	Advanced Collective of "Financial Knowledge in to Thousands of Households" in Promotion Service Month in 2017		2017.12
27	May 4 th Red Flag Youth League Committee in 2016	Chongqing Youth League Committee	2017.05
28	Advanced Unit of Chongqing Communist Youth League in 2016		2017.02

Optimizing Service and Stabilizing Operation



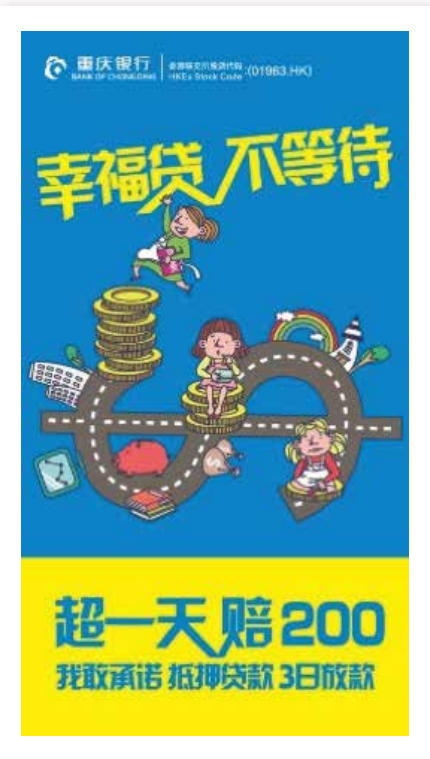
Establishing the Development Patterns with Innovation

In 2017, Bank of Chongqing improved the development quality and effectiveness to achieve steady self-development mainly based on product innovation, service innovation and management innovation. The Company continuously improved the electronic service channel, orderly proceeded the new core system construction, further strengthened the supporting role of information technology in financial services and service platform. The Company guided the innovative development with big data intelligence reform, further subdivided the tasks, and implemented the work responsibilities. The Company devoted to big data intelligence construction and strived to become the industrial benchmark for innovative development of big data intelligence in national City Commercial Bank. For small and micro business and retail business, the Company accelerated its transaction to the internet financial services with big data risk control models as the core and independent self-development-oriented. The Company set developing with high quality as the target, took reform and innovation at a high starting point as the driving force, took management with high standard as the guarantee, and continued to improve financial services level to pay society back as the responsibility.

Enhancing the Product Innovation

In this year, Bank of Chongqing has innovated a series of products and developed the business of domestic guarantee and foreign debt with dual currencies, You You Dai (優優貸), order debt financial products, knowledge value loan on credit service, and the pledge version of "Hao Qi Dai" (好企貸). The launch of "Jie e Dai" (捷e貸) and "Xin e Dai" (薪e貸) ended the situation that the Company lacked self-owned online products. Online credit products utilize internet information technology to overcome the limitations of time and space. This technology reduces the time cost for customers to obtain loans, achieving approval intelligently in a second and optimizing the credit process of traditional business, so as to effectively solve the financing difficulty for individual as well as small and micro enterprises.

Products Display



Products Display



Promoting Industry Upgrading

In 2017, Bank of Chongqing put over 35 billion loans on Chongqing entity economy, accounting for over 80% of the total amount of credit invested in this region. The Company focuses on serving the emerging industry, equipment manufacturing industry, actively allocates credit resources to the field of high-end manufacturing, advanced complete equipment manufacturing, information technology and modern logistic. We assist in implementing of major strategies such as the Yangtze River economy construction and other key strategies, actively support the entity economy development, continuously increase the credit investment into green industry and environmental protection industry, so as to promote the development of industries in relation with low-carbon, green, energy conservation and environmental protection.

Measures

Strengthen the industrial research

- ▶ Focusing on the fields of intelligent manufacturing, super traffic, countryside revitalization, energy conservation and environment protection, education and culture, healthcare, and develop the service of "Financing + Melting Intelligently".
- ▶ Leading funds cooperation by deepening industries; actively exploring investment linkage, merger and acquisition financing and equity mortgage model of "Risk Participation, Revenue Sharing"; Supporting the entity economy and young periodic industry enterprises.

Explore the industrial fund model

- ▶ Supporting the high-end equipment manufacturing, automobile, agriculture, countryside and farmers (三農), education and culture, and other local pillar industries.
- ▶ Prior to guarantee the investment of entity economy enterprises when credit resources constraints, actively supporting to pull the enterprises through.
- ▶ Providing the prime rate to entity economy enterprises to reduce the low financing cost.

Establish the new urbanization fund

- ▶ Jointly setting up 23 new urbanization funds with local state-owned enterprises in cities and counties of Chongqing, Sichuan, Guizhou.

Provide diverse service

- ▶ Strengthening customer communication; guiding customers to reinforce the post-investment management for "Entrepreneurial Funds" and other innovation services, ensuring the innovation services operate and develop in compliance.



Improving Service Level Diligently

Bank of Chongqing devotes to create corporate culture which emphasizes on being courageous, responsible and holds concept of service first and client-focused. We continuously improve service quality and efficiency by formulating standardize service processes and promoting series of activities themed at creating high-quality service. We also satisfy the diverse needs of customers through sticking close to markets and scenes to continuously optimize self-owned online financial products. According to the result of customer satisfaction survey in 2017, the average satisfaction score was 95, which demonstrated customers' recognition of the Company's service quality.

Adhering to the Advanced Concept

Bank of Chongqing took almost two years for the project of process bank (phase I) construction which officially put into service on November 21, 2017. Centering on the development vision of "13th Five-year Plan" strategy. Starting the operation and management model of "Big operation, Big concentration officially, Big back office". Forming the pattern of "A unified receiving in the front office, a centralized processing in back office". Establishing the centralized processing center model are able to separate the front and back office for dealing with public and private business respectively, which are constantly increasing the efficiency, saving the cost, enhancing the customer experience, promoting the customer satisfaction and acquisition, strengthening the ability and the effect of business risk control. Eventually building up a new bank management model of "Processes as the core, customers as the center, efficiency as the guide".

Process Bank

Aim at:

I

Improving the efficiency of clearing and settlement of operations, setting up an automatic and intelligent system, and optimizing the allocation of positions.

II

Reforming the mode of clearing and settlement of operations, carrying out intelligent, refined and user-friendly services.

III

Controlling the risk of clearing and settlement of operations strictly, performing streamlined, specialized and centralized risk control.



At the same time, the Company continues to strengthen the training for financial practitioners, and convenes employees to learn the latest relevant documents, including industrial standards such as The Development Plan for Constructing Financial Industry Standardization System (2016-2020), The Basic Requirement for Branch Services in Banking Industry, and internal policies such as Bank of Chongqing Tentative Method of Personal financial Information Protection Management, Notification of Further Standardization of Product Sales Process, Bank of Chongqing Tentative Method of Retail Sales Marketing Personnel Management (2017), so as to regulates the service standard of financial practitioner and improves the service quality of the Company.

Case

Xi'an International Port District Branch Implemented Service Enhancement Training

Xi'an International port district branch adheres to improve the practical operation of branch's staff by communicating with other employees continuously, for instance sharing in morning conference and service meeting, which cultivates all employees to work in a professional and dedicated manner and own an integrity-oriented management service concept. The branch requires not only the staff to be gracious and polite, but also to dress uniformly, to bring the staff card and to stand up when dealing with business. All service counters should meet the requirement of Head office and branches, including the unified service standards, the same image design, the unified LOGO, the office supplies should be placed orderly placed, so that devoting to create a first-class service image.



Enriching the Communication Channels

Bank of Chongqing continues to expand the communication channels with customers so as to increase the communication efficiency, improve the transformation to the electronic service platform, combine the information data with financial services and provide a better service experience to customers. At the end of 2017, "Online Intelligent Customer Service" was officially put into service that not only changed the current situation of inefficient artificial operation maintenance, but also has been driving the customer operation maintenance mechanism to a further intelligence.



Case

Guiyang Chengdong Branch Launched “Spreading Financial Knowledge Long March” Activity



In order to cultivate customers to correctly, safely, and efficiently use electronic bank, Bank of Chongqing Chengdong branch introduced the business knowledges and safety precautions of published intelligent services on August 14, 2017, such as online banking service, mobile banking, telephone banking, and self-service machines, etc. Furthermore, we recommended specific electronic intelligent services for different types of customers and guided interested customers to do consultation in branch office where was not only providing operation experience, but also one-to-one directing them to use various electronic intelligence services.

Case

Enjoying Vacation with Bank of Chongqing, Learning Fencing with Family

In order to let the VIP customers to learn financial management easily, Bank of Chongqing Jiulong plaza branch carried out July VIP experience activity on July 9, 2017, i.e. Fresh touch of fencing ceremony. Financial manager of the Bank of Chongqing explained the fund directed investment to VIP customers at the first half while the second half was light-hearted parent-child fencing learning and match section. The VIP customers were not only learning the financial management knowledge under a relaxed and pleasant atmosphere but also experienced a great weekend with their children in an enjoyable interaction.



Protecting the Rights of Consumers

Bank of Chongqing strictly abides by a series of laws and regulations such as the Law of the People's Republic of China on Commercial Banks, Banking Supervision Law of the People's Republic of China, Law of the People's Republic of China on the People's Bank of China, Notice of the China Banking Regulatory Commission on Issuing the Guidelines for the Internal Controls of Commercial Banks, Notice of the China Banking Regulatory Commission on Issuing the Guidance on the Professional Conduct of Practitioners of Banking Financial Institutions, as well as sets the internal institutions such as Bank of Chongqing Method of Accountability Management, Integrity Whistle-blowing System, Method of Whistle-blowing and Complaints Management. Bank of Chongqing accepts telephone reporting, written letter reporting, face to face reporting, report box, and other forms of complaints and whistle-blowing and then will completing corresponding deliberation, investigation, verification, and handling procedures.



Classification Of Customers Complaints

General Complaints

- ▶ The product design is not reasonable.
- ▶ Errors or mistakes in employee's operation, or unsatisfied with the services that leads to customer dissatisfaction with the Company's products or services.

Urgent Complaints

- ▶ flawed product.
- ▶ Violating the corresponding laws and regulations, or business rules and regulations in employee's operation.
- ▶ Re-complaining due to the unsatisfied result of handling.
- ▶ Important and big customers.

Particularly Urgent Complaints

- ▶ Deficient design of product.
- ▶ Violating the corresponding laws and regulations, or business rules and regulations in employee operation and leading customers to report to the supervision body, media or other social organizations.
- ▶ Occurring group events or major negative public opinion due to the customer's complaint.
- ▶ Customer's complaint turns to lawsuits.

Procedures of Handling Customer Complaints

To confirm whether the complaint is related to the Company's products, services, employee behavior, internal management and other factors, which belongs to the scope of Company's acceptance. If the complaint is not within the scope of the Company's acceptance, employee should explain the reason to the customers and suggest other channels.

Within two working days from the date of receiving the complaint, the complaint handling specialist should inform the customers of the confirmation and acceptance.

To implement investigation when facing complaint. To deal with it within the prescribed limited time, and detailedly record the investigation process, processing results, etc.

To reply the customers about the result of complaint that handled within the prescribed limit time. The case could be closed and filled after the confirmation of the customer. If customer is unsatisfied or unaccepted the result, the complaints should be rehandled in accordance with the complaint procedures until the customer feel satisfied or accepted the result.

In 2017, Bank of Chongqing handled 485 customer complaints with 1,513 suggestions, including 420 effective suggestions and 24 commends. In terms of handling time, 99% complaints were completed within 15 working days, and customers' satisfaction with the result up to 93%. Meanwhile, the customer service center fully excavated the customer feedback information and made suggestions to other departments. 121 out of 201 suggestions were adopted. It facilitated the continuous optimization of our products and service processes.

Bank of Chongqing strictly complies with national and local laws and regulations such as Advertising Law of the People's Republic of China, Tort Law of the People's Republic of China, and seriously implements Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers' Rights and Interests, People's Bank of China on Issuing the Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests, China Banking Regulatory Commission Guidelines on Consumer Rights Protection. The Company establishes the consumer protection leadership group in which the consumer protection department is in charge of planning and guiding the whole bank's customer information protection, and correspondingly formulates Bank of Chongqing Management Measures for the Protection of Consumer Rights and Interests, Bank of Chongqing Evaluating Measures for the Protection of Consumer Rights and Interests, protects the legal interest of consumers, and impartially and objectively evaluates the implementation of consumers' protection in various branches.

Case

Bank of Chongqing Gaoxin District Branch Launched “3.15” Financial Knowledge Publicity Education Activity

To better promote financial knowledge education activity in the period of “3.15”, Bank of Chongqing Gaoxin district not only followed the Bank of Chongqing education activity plan for financial knowledge publicity for the period of “3.15” in 2018 that formulated by the Head office, but also carried out the publicity activities around the subordinate branches. Using the public education platform, providing a small class on financial knowledge, popularizing the identification method of illegal advertisement and misled by illegal advertisement, actively distributed Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Advertising Law of the People's Republic of China and relative knowledge flyer. During the activity, three branches simultaneously launched different kinds of publicity activities, popularized consumer rights protection knowledge, and fulfilled the social responsibility of the financial institution.



At the same time, with combination of laws and regulations, such as Law of the People's Republic of China On the People's Bank of China, Law of the People's Republic of China on Commercial Banks, The Provisions Concerning the Real-Name Personal Savings Account System, Interim Measures for the Administration of the Basic Data of Individual Credit Information, Cybersecurity Law of the People's Republic of China, and regulations are issued by Bank of Chongqing, i.e. Bank of Chongqing Tentative Measures for the Protection of Personal Financial Information Management that issued according to the practical situation, Bank of Chongqing Methods of Data Security Management, Bank of Chongqing Measures of Information Technology Needs Management, the Company increases the protection level of personal financial information, reinforces the personal financial information security management, protects the legal rights and interests of the Company's consumers and improves the Company's social images. Personal financial information should be protected from two aspects, i.e. “Technical defense” and “Human defense”, and the express term regulates that personal financial information is not allowed to authorize or use for marketing or external provision. It is a prerequisite for establishing business relations with individual customers.



Ensuring Healthy Operation with Compliance

In order to strengthen the compliance and risk management of the Company and further improve the risk control ability of the whole bank, according to the China Banking Regulatory Commission on Guidelines on Compliance Risk Management in Commercial Banks, Chongqing Banking Regulatory Bureau on Guidance on the construction of compliance culture of Chongqing banking industry and other relative regulations, the Company formulates Bank of Chongqing Measures for the management of compliance officer (Revision) which has been specified the compliance management mechanism and the responsibility of compliance officer. It drives various institutions and lines of business to actively implement the compliance management.

Protecting Intellectual Property Rights

Bank of Chongqing strictly complies with Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, Patent Law of the People's Republic of China, Tort Law of the People's Republic of China. According to Guideline for Official Software Management, Bank of Chongqing Measures for the Intangible Assets Management, Bank of Chongqing Measures for the Information Technology Asset Management, Bank of Chongqing formulated Bank of Chongqing Information Technology Software Asset Management Implementation Detailed Regulation. The allocation of software assets in Bank of Chongqing strictly are following the relevant laws and regulations and the relevant rules in the industry. It follows the principles of security, applicability, economic efficiency and formalization. It is stipulated that employees shall not configure unlicensed software, and all the purchased software shall be submitted to information technology department of the Head office for storage management.

In addition, Bank of Chongqing also focuses on the protection of domain name. It also actively registers and updates the domestic and overseas domain names, as well as obtains the registration certifications. During this reporting period, Bank of Chongqing has successfully applied for 91 registered domain names.

Regulating the Marketing Activities

While Bank of Chongqing maintaining the stable operations, it is continuously improving the service quality and regulating the marketing activities. The Company introduced Bank of Chongqing Notice on further standardize the product sales process in 2017, which specifies the product sale should be strictly implemented by zone management and sales behavior should be recorded during the whole process. Meanwhile, product sales qualification certificate of the sales is shown to the public (For those who have not acquired the relevant qualification certificate for financial management and consignment sales shall not sell the relevant products). It's strictly prohibited for any other person to carry out any form of marketing activities in the branches except for the company's salesperson.

Bank of Chongqing follows the “Double-entry” requirement of China Banking Regulatory Commission, standardizes the product sales activities of the financial institutions and protects consumers' right to information and self-choice. It also provides the financial institutions with evidence to protect themselves when occurring reputation risk, which is the important measures to cultivate the financial service awareness of “Seller has the responsibility” and the financial investment awareness of “Buyer takes the responsibility”.



In order to satisfy the investment demand of individual clients for financial products, standardize the sales operation of personal financial products, promote the development of the Company's personal financial services and effectively prevent the operational risk, the Head office refers to practical operation rules of financial products and formulates Notification of Guidelines for Business Operation Regulations (2017 edition) and Personal Finance Services Sales Management in which require to submit relevant business data to the Banking Regulatory Authority in accordance with the relevant regulations of the banking supervision department, and acquire the approval for issuing personal financial products or record. The business regulations, operation procedures, printing and issuing business vouchers are formulated as well.

Case

Improving the Service Environment and Service Quality

In order to provide more professional and efficient services to customers and improve the customer's satisfaction, Bank of Chongqing Liangjiang branch actively implemented the learning activity of Bank of Chongqing Service Quality Management Manual on August 17, 2017. The observation learning is the 6S management specification of the sales department of a five-star branch, respectively from the aspect of self-service area, customer waiting area, convenience service area, service environment of the financial services area, article display, equipment and facilities management, etc.



Fight Against Corruption and Bribery

In order to promote the staffs of Bank of Chongqing abide by the professional ethics, standardize integrity practices, strengthen the internal management, prevent the ethical hazarder, educate and guide staff self-discipline, the Company strictly follows Supervision Law of the People's Republic of China, Law of the People's Republic of China on Commercial Banks, Anti-Unfair Competition Law of the People's Republic of China, and the Head office formulates Bank of Chongqing Rules on Staff Integrity which required all staffs must always standardize their practices. They have to strictly abide by the spirit of eight regulations in central, enforce financial discipline, comply by the law, keep secret, follow the fair competition standard, and constantly improve the occupational quality and ethical standard. According to Notification of the Reaffirmation of Disciplinary Requirements, if there are any identified violation of disciplines, it should be implemented by the relevant regulation of Bank of Chongqing Measures for Processing employee's violation, and seriously investigated with the "Zero Tolerance" manner. All suspected crimes shall be transferred to the Administration of Justice for processing.

Case

The Working Conference of Party and Integrity Building and Anti-corruption

The working conference of party and integrity building and anti-corruption in 2017 was held as scheduled. Bank of Chongqing followed the working policy of decomposed tasks, detailed requirements, defined the working principle of responsibility, consummating a four-in-one reporting and acceptance platform of "Letters, Visiting, Telephone, internet". It deeply promoted relative rules of financial discipline violation, adopted measures of prevention beforehand, inspected randomly, seriously dealt with prohibited behavior, improved system, and signed the Statement of responsibility for Anti-Corruption Construction Target.



Connecting to Society and Promoting Win-win





Promoting Public Welfare

Bank of Chongqing actively organizes all staffs to get involved in social charity activities, such as caring for underprivileged children, elderly without family, the disabled, and other disadvantaged groups, and established "Love Public Welfare Funds of Bank of Chongqing" in 2014. Whereby this platform, all staffs' volunteerism and love are condensed together, and a variety of volunteer activities have been carried out. The Company has formulated Measures on Donations to External Bodies (Trial) and fulfilled the social responsibility, i.e. giving back to society. In 2017, Bank of Chongqing donated RMB 11,962,900 in the public welfare while the average social contribution of each share was RMB 5.45.

Case

"Financial Knowledge into Thousands of Households", Bank of Chongqing Walk into Huaifu Factory Station

Protecting the legitimate rights and interests of the consumer are regarded as basis of management of Bank of Chongqing so the Company are actively fulfilling the social responsibility and implementing the public education of financial knowledge. On September 20, 2017, Bank of Chongqing Xiaolongkan branch arrived Huaifu factory station and provided a series of colorful content, including three aspects of decrypting bank "Double Records", identifying counterfeit money and Crazy phone fraud. Also, the professional sign language teacher is hired to simultaneous translation, ensuring the financial knowledge could be delivered to the disabled workers.



Case

Zunyi Branch Successfully Prevented the Suspected Fraud of the Elderly People House Purchase Remittance

On October 31, 2017, Bank of Chongqing Zunyi branch successfully prevented the suspected fraud of the elderly people house purchase remittance. The cheated elderly is a financial customer of Zunyi branch, who is over 70 years old. Under the joint analysis and communication of lobby manager and branch staff, the fraud was successfully prevented, which effectively protected the money loss of elderly, and reflected the strong risk prevention awareness of branch counter service personnel.



Case

The Volunteers' Activity of "Patriotic Cleaning at End of the Month"

As of November 31, 2017, Bank of Chongqing Nanchuan branch has actively organized volunteer's association to carry out cleaning activity and sanitation inspection maintenance at the end of each month, which had been 15 times in total, contributing to building a more beautiful, cleaner and civilized place to live.



Responding the Targeted Poverty Alleviation

Bank of Chongqing always focuses on the overall situation. It not only takes advantage of the junctions of “the Belt and Road” and Yangtze River Economic Belt, but also actively integrates into the major strategies and open economic developments. It continues to increase the allocation of financial resources to local economic development, launch target poverty alleviation, demonstrate the financial power, fulfill the mission and responsibility of state-owned enterprises. According to Notice on Further Strengthening Poverty Alleviation Microcredit Management, poverty alleviation microcredit business must adhere the principle of “The Supporting Target is Accurate, the use of Loans is compliance, risk sharing is in place, the handling procedures are standardized”. In 2017, Bank of Chongqing established 59 poverty alleviation demonstration sites in 18 poverty counties of Chongqing. The credit exceeds RMB 100 million. The 21 built construction of poverty alleviation demonstration sites can help nearly 1,500 people to get rid of poverty and be rich.

Case

Bank of Chongqing Keeps the Faith and Carries about the Industrial Poverty Alleviation

On September 27, 2017, Bank of Chongqing Personal Banking Department united with the Head office and launched the industrial poverty alleviation volunteer activity of “Let Love Growth” in Construction village, Yongxin town. In this activity, a total of 1,200 chickens were donated, as well as technical support was provided during the key stages of chicken breeding. Including the repurchase, it helped the villagers to earn a total income of RMB 80,000. The industrial poverty alleviation model in Bank of Chongqing has transformed the traditional transfusion poverty alleviation into hematopoietic poverty alleviation, which truly gave benefits to the villagers and achieved the commitments of poverty alleviation.



Case

Bank of Chongqing Longtousi Branch Launched Charity Activity in Jinan Primary School

On December 8, 2017, Bank of Chongqing Longtousi branch consciously fulfilled the social responsibility. It led the employees to Jinan primary school at Yubei district and launched donation activities to help students. During this activity, the employees from Bank of Chongqing Longtousi branch engaged in communication deeply, which fully understood the situation of poverty student. It also donated reference books and school supplies to 73 primary students.



Case

Helping People with Giving Winter Gifts to Practice Social Responsibility

On December 27, 2017, The Party of Yan'an Branch went into the community and helped people in need by distributing the love materials. It also actively promoted the popularization of financial knowledge, improved the public awareness of risk prevention and financial investment channels that implemented the social responsibility.



Inheriting the Spirit of Dedication

Case

Voluntary Blood Donation Demonstrating the Love of Bank of Chongqing

On July 12, 2017, Bank of Chongqing actively responded to the call of the district government for 2017 Summer emergency voluntary blood donation activity. It summoned the employees to participate the voluntary blood activity that organized by Chongqing Blood Bank Center. This activity gained the active support and participation of the staff with a total of 77 volunteers and 21,400 ml blood donation.



Case

Bank of Chongqing Donated "Charity Fund" for Changhong Village, Wuxi County

On August 2, 2017, Bank of Chongqing held a donation ceremony of "Assisting Targeted Poverty Alleviation and Performing Social Responsibility" in Changhong village, Tongcheng town, Wuxi county. This donation was arranged by the "Charity Fund" of Bank of Chongqing. With the theme of "Selfless Devotion and Mutual Assistance", it donated RMB 50,000 to the poor households of Bayu homestay in Changhong village.



Hold Hands to Achieve Win-win Cooperation

Bank of Chongqing follows Opinions of the State Council on Supporting the Sound Development of Micro and Small Enterprises, Implementation Opinions of the General Office of the State Council on Providing Financial Support for the Development of Small and Tiny Enterprises to promote refined management model, professional operating mechanism. It also upgraded "Hao Qi Dai" and other products and developed special loan such as continued loan and growth loans. We also increase the support for small and medium-sized enterprises in science and technology so as to further promote the development of small and micro enterprises.

On December 2017, Bank of Chongqing was awarded as "Million Track People Favorite Loan Product Brand" for its brand concept of "Know your needs, fulfill your wishes" and innovation on small and micro-credit model. As the first small and micro online credit product, "Hao Qi Dai" utilized the Internet information technology to break through the time and space limitation so as to achieve the true intelligent second-approval. It broke through the traditional credit process and effectively solved the difficult financing of small and micro enterprises.



By the end of 2017, the small and medium-sized loan balance was 663.92 billion yuan, increasing by 73.92 billion yuan compared with that of the beginning year and accounting for 43.4% of all the new loans of the whole bank. The loan growth rate was 12.53%, which was 1.25% higher than the average loan growth rate of the whole bank. The number of credit customers was 21,130, increasing by 8 compared with that of the same time of last year. The approval rate of customer applying the loans was 86.48%, which was 0.03% higher than that of the same time of last year. It comprehensively achieved the regulatory requirement of "Three Not less".

Establishing the Strategic Cooperation

Bank of Chongqing keeps following the trend that implemented a series of strategic cooperation policies issued by the state. Aiming at the country's "One belt and one road" strategy and the research on the development of strategic emerging industries, we formulate Bank of Chongqing Measures for Strategic Planning and Management (Trial). It not only extends and standardizes the inter-bank credit but also further strengthens the cooperation between banks and enterprises as well as looks for other cooperation models with emerging industry.

Case

Bank of Chongqing Overall Strategic Cooperation with Chongqing General Trading Group

On July 19, 2017, Bank of Chongqing led Corporate Banking Department, trade Financial Department, Small and Micro Enterprise Banking Department, Credit Card Department, Internet Finance Department, as well as manager of Yuzhong management department to Chongqing General Trading Group to not only explore the comprehensive cooperation scheme, but also optimize and deepen the cooperative relationship. The participants discussed the overall strategic cooperation, the development status and future plan of respective enterprises. They also talked about looking for the new model of cooperation base on innovative products of various business lines in the Company.



Bank of Chongqing Inter-bank Credit Policy Seminar

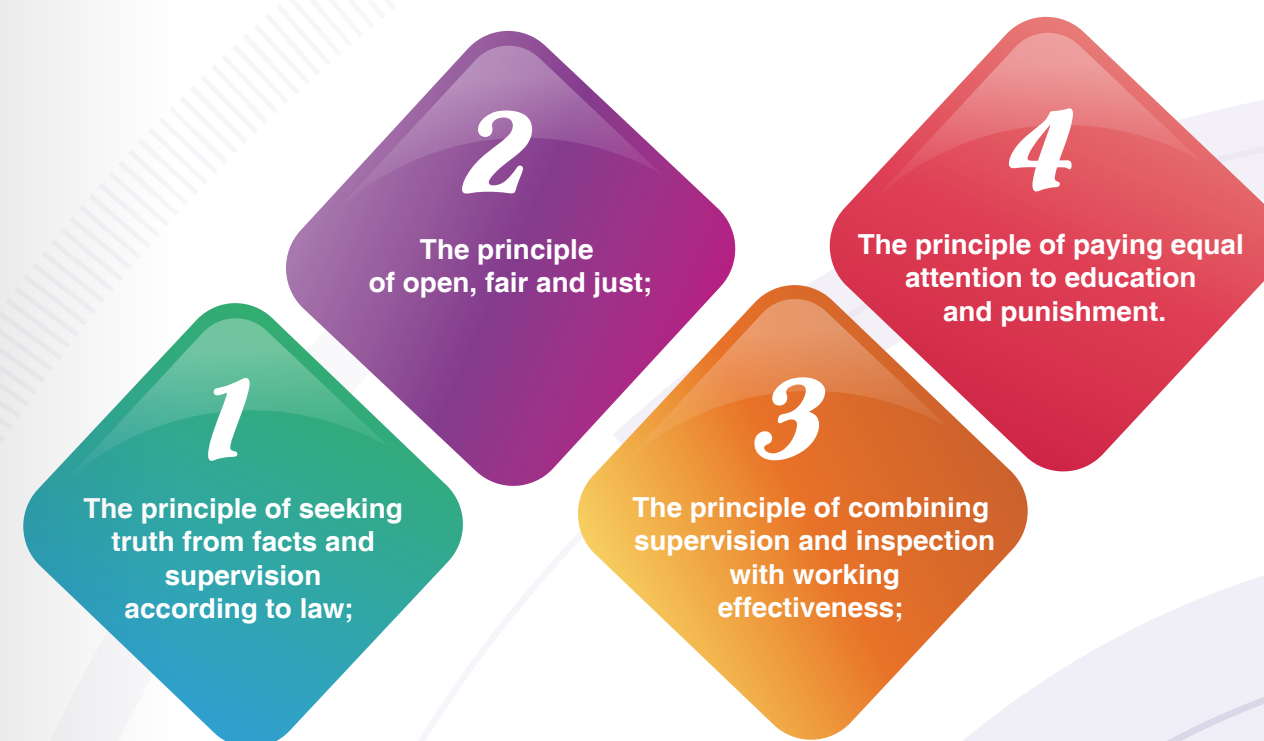
To carry out the principles of “unified credit granting” and “moderate credit” as well as increase the quality of same business credit in the Company, Bank of Chongqing issued the Bank of Chongqing Measure on Inter-bank Credit Management and held seminar on credit policies to accelerate the implementation of relevant regulations.



Standardizing the Purchasing Management

To strengthen the procurement bidding supervision and restriction mechanism, Bank of Chongqing strictly complies with The Bidding Law of the People's Republic of China, and The Bidding Regulations in Chongqing to revise and issue Bank of Chongqing Measures on Centralized Purchasing Management (Trial), Bank of Chongqing Centralized Purchasing Instruction (Trial), Bank of Chongqing Centralized Purchasing Catalog (Trial), which regulates that all procurement bidding must accept inspection and supervision such as internal control, internal audit, discipline inspection, including pre-supervision of procurement bidding, the bid opening supervision, the bid assessment supervision, the bid confirmation supervision. Also, the suppliers are checked whether they strictly comply with national laws and regulations, whether they violate the rules of integrity or self-discipline, whether it occurs any environmental accident and potential environmental risk, whether they conduct financial management and financial supervision in accordance with national financial regulations, financial discipline and financial regulations, whether they are in compliance with the preciseness of business standards and technical regulations.

The 4 principles for procurement and bidding that Bank of Chongqing adopted:



Protecting Environment
and Creating Green Office



Concerns over Air Quality

With the aggravation of global warming, glacier melting and rising sea level, climate change has been global issue faced by the mankind. As a socially responsible enterprise, the Company always insists on achieving a balance between business development and environmental protection, and tries to be the supporter of green environment and the builder of ecological civilization. In response to global warming and air pollution, the Company strongly encourages low-carbon life style, and practices the strategy of green development with the purpose of making contributions to beautiful China.

In view of reducing carbon emissions and improving the efficiency of vehicles use, the Company formulated the Official Vehicle Management Approaches of the Bank of Chongqing (Revised) according to the Environmental Protection Law of the People's Republic of China. Employees are required to take carpool for off-site work and encouraged to use public transport or legal private car service. The Company follows the principle of “Domestic Manufacturing, Business Secured, Safety and Economic, Energy Conservation and Environmental Protection” when purchasing business vehicles. In addition, the operating process of office materials distribution has also been set up, which means office materials of all branches will be collectively distributed weekly to reduce the frequency of vehicle usage.

CO2 Emission from Headquarter (scope 1 and scope 2)

From vehicle (scope 1)	69	metric ton
From liquefied natural gas used in canteen (scope 1)	0.43	metric ton
From electricity (scope 2)	1,082	metric ton
Total emission	1,151	metric ton
Emission intensity	0.02	metric ton/m ²

While concerning about global warming and related climate issues, the Company also pays great attention to the effect of other gas pollutant on environment. Through actively creating culture of green office and advocating the concept of environmental protection, the Company desires to minimize the emission of air pollutant. In 2017, the main emission source of air pollutant in the Company was from office vehicles.

Air Emission from Office Vehicle of Headquarter

NO _x emission	34.72	kg
SO _x emission	0.45	kg
CO emission	370.91	kg
PM _{2.5} emission	1.64	kg
PM ₁₀ emission	1.80	kg



Rational Use of Resources

The Company attaches great importance to the rational use of energy and resources, and advocates incorporating environmental concepts into daily work through insisting on starting from petty things. In order to actively respond to the call of energy conservation and environmental protection, the Company signed the strategic cooperative agreement and energy saving transformation agreement with Municipal Construction Committee and Tongfang Co. Ltd, and became the first financial enterprise to conduct energy conservation and emissions reduction through the contract management among the domestic financial institutions. Meanwhile, the new office building of Bank of Chongqing had passed the green building assessment of two-star in terms of energy saving design and was one of the first batch of two-star model buildings in respect of energy saving that were approved by Municipal Construction Committee.

The Bank of Chongqing strictly prohibits energy waste from long-lighting and other office appliances standby during non-office hours. Office equipment and lighting facilities of all departments can only be turned on when necessary and the specific staff assigned should check and turn off the lights and office equipment in the office area after work. Meanwhile, tips are posted on the lighting switches and also in the toilets to encourage employees to conserve electricity and water. In 2017, the Bank of Chongqing primarily sourced water from the municipal water plant and encountered no difficulty in water sourcing.

Water and Electricity Consumption in the Headquarter in 2017	
Water consumption	20.2 thousand tonne
Water consumption intensity	0.29 tonne/ sqm of office area
Electricity consumption	2057.3 thousand Kwh
Electricity consumption intensity	29.39 Kwh/ sqm of office area



Enhance Waste Management

The Company deeply understands that creating a paperless working environment can not only reduces disruption to environmental, but also saves operating costs. For that reason, the Company has taken multiple measures, such as establishing an office automation system, promoting electronic and paperless office as well as double-sided printing. These measures effectively reduced the number of paper archives and waste from the source, which subsequently supported environmental protection.

Beyond advocating paper saving and environmental protection, the Bank of Chongqing also pays attention to developing employees' habit of cherishing and saving food as well as encourages the canteen to save original materials and energy. In the process of raw material processing, the Company takes a strict control and requires related person not only to make the maximum use of food according to the characteristics of raw materials but also strengthen the use of fertilizer and corner residue with the sense of rejecting wasting food. In 2017, a total of 102 tons of food waste were produced in the canteen of headquarters, which were collected intensively by the sanitation administration department.

Because of the business characteristics and vigorous promotion of paperless office, the quantity of waste papers and batteries was small although they were mainly kinds of harmless wastes and harmful wastes produced in the operation of the Company respectively. Hence, no specific staff was arranged to record related data. In the coming future, the Company will pay more attention to the data collection work in related to wastes such as paper and waste batteries, and further improve the internal data collection system and quantify the achievements in the process of emission reduction.



Promotion of Green Credit

As a financial services enterprise, apart from the environmental impacts generated from business operations, the Company pays more attention to the provision of green finance services for enterprises and the community, so as to protect and improve the ecological environment. The Company incorporates the concept of “Green-credit Policy” into credit policy formulation, business management and process optimization. According to the requirements of the Green Credit Guidance, the Bank of Chongqing continuously improves the credit guidance system in the process of developing “Green-credit Policy”, laying a solid foundation for further implementation.

Detailed Measures for Green Credit



Case

Building Beautiful Countryside in Banan District

Actively responding to the rural development strategy of “Building Beautiful Countryside and Creating the Characteristics of Rural Tourism in Banan”, the Company offered the door service by client managers and provided the needy farmers with funds.

Since June 2015, the Bank of Chongqing’s credit loan balance has reached RMB 11 million in Banan district credit villages, and over 120 households have received the Company’s loan service. With the help of the Company, some farmers have started rural tourism. Some have expanded the scale of production and operation. Other farmers even have launched second startup. Their income and quality of life were greatly improved.



Caring the Employee and Developing Together



Guarantee Rights and Interests of the Employee

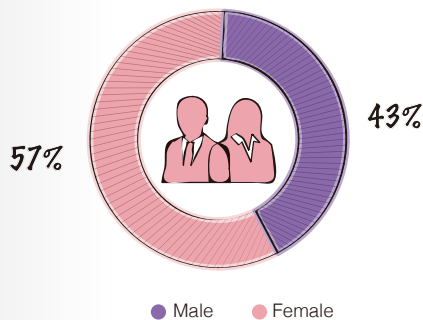
Equal Opportunities and Recruitment

The Company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations with regard to matters such as recruitment, dismissal, remuneration, promotion, working hour, leave, equal opportunity, diversity, anti-discrimination, etc, and formulated the Management Measures on Labor Contracts of the Bank of Chongqing based on the realities. Regardless of gender, age, nationality, physical defects and so on, all employees in the Company have access to respectful and equal opportunities regarding employment and career development.

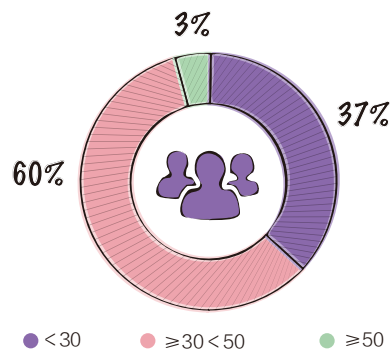
Employees are the driving force of the development of the enterprise and the important intellectual assets to the Bank of Chongqing. The Company actively expands the recruitment channels and endeavors to attract and retain talents from different backgrounds to meet the needs of the Company's strategy and business development. In order to further standardize the recruitment of employees, the Company has formulated the Management Measures on the Recruitment of Employees in the Bank of Chongqing (Trial), which requires the recruitment process be strictly in accordance with the principles of rational division of labor, strict control, admission of the best applicants and so on. The Bank of Chongqing is committed to establishing an employment management system with the feature of unified policy, reasonable authorization, scientific and effective management and subdivision in the whole company.

By the end of 2017, the Bank of Chongqing has hired 4,066 employees in total, in which 1,761 of them were males and 2,305 were females. The Company insists that our staff team with reasonable age gradient and diverse culture can provide multiple thinking and various skills for the Company. For this reason, the Company continues to make effort and innovate recruitment policies for talents to enhance the Company's vitality and progressiveness.

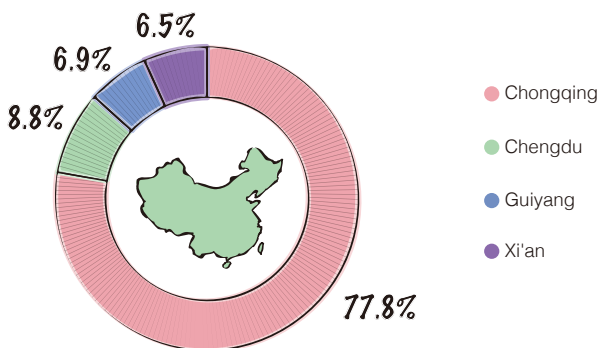
Number of Employee (by Gender)



Number of Employee (by Age)



Number of Employee (by Region)



Salary and Welfare

To further enhance the Company's competitiveness and establish scientific and reasonable incentive and restrictive mechanism, the Company formulated Management Measures on Employees' Salary Adjustment of the Bank of Chongqing according to the relevant state laws, regulations and industry regulatory requirements and combined with the Company's practical situation. The Bank of Chongqing follows four principles in remuneration management, which are the principle of salary determined by position, the principle of performance orientation, the principle of scientific incentives and the principle of moderate flexibility respectively, desiring to provide a fair and scientific salary system for the staff.

The principle of salary determined by position

determining the level of salary based on the relative value of positions to ensure that the income level of employees matches with job contribution, and fully reflect the internal equality of remuneration incentives.

The principle of performance orientation

distinguishing position obligations to determine the percentage of fixed salary and performance, and insisting that the performance pay matches with performance appraisal results

The principle of scientific incentives

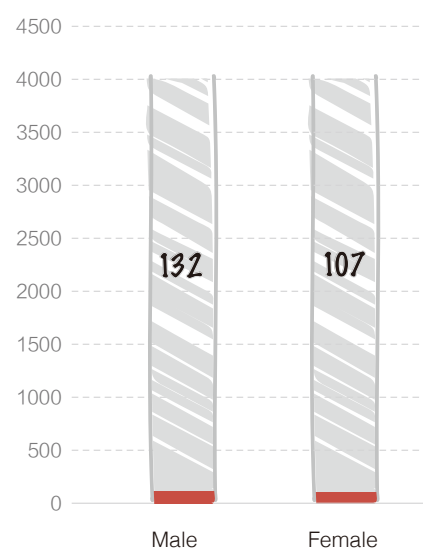
setting a scientific, rational, highly feasible remuneration classification, promotion and adjustment rules, to maximize the incentive role of remuneration for employees

The principle of moderate flexibility

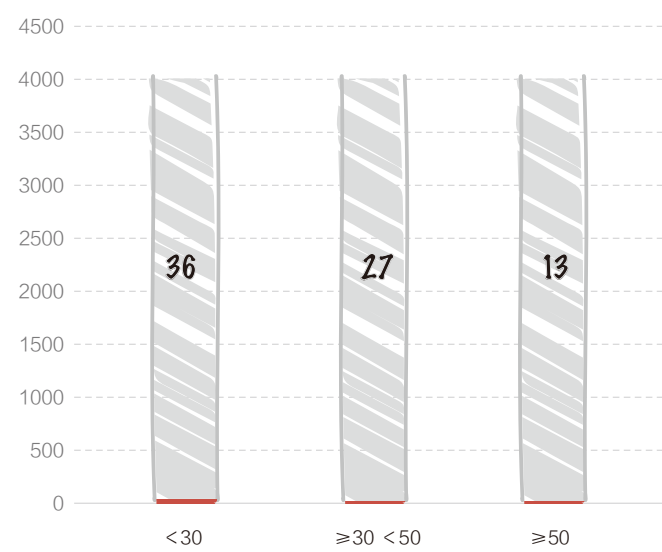
fully providing career development opportunities for employees with no limit, and increasing the incentive efforts for important and outstanding people, in order to attract and retain talents

The Company actively guarantee the basic rights of employees and scientifically formulate working hours. The Management Measures on the Regulations of Leave of Employees of Bank of Chongqing stipulates that employees are entitled with paid annual leave, work leave, maternity leave, nursing leave, marriage leave, funeral leave and family leave. During the contract period, the labor insurance treatment and other welfare benefits during the period of pregnancy, maternity leave and lactation shall be carried out according to the relevant provisions of the State or the administrative measures formulated by the Company. Besides, in order to help employees with critical illness get better treatment, the Company has formulated the Management Measures on Employees' Major Disease Subsidy of the Bank of Chongqing to ensure that they are free from economic worries. During the year of 2017, the Company's retention rate was 94%.

Turnover (by Gender)



Turnover (by Age)



Caring for the Employee's Health

The Company values the health and well-being of employees and endeavors to provide a safe, efficient and harmonious working environment to staff. In accordance with the Emergency Response Law of the People's Republic of China and the Fire Protection Law of the People's Republic of China, the Company formulated the Criterion for Safety Projection Work of the Bank of Chongqing. Through the establishment of internal security system, the Company implemented safety precautions and ensured personal safety and capital safety for employees. During the Reporting Period, there was no death recorded due to work in the Company.

In order to improve the employees' awareness of vigilance and abilities of self-protection, the Company held a series of seminars and working meetings about safety knowledge during the Reporting Period, which effectively improved employees' awareness of safety and protection, and formed a healthy and safe working environment.

Case

Holding Working Conference on Security and Stability

On September 29, 2017, the Company held a working conference on security and stability. This meeting mainly deployed tasks to ensure the security at the important festival. Lin Jun as the secretary of the party committee delivered a speech at this meeting.

In his speech, Lin Jun pointed out that the work about ensuring security concerns had a great influence on the overall situation. The leader at all levels must shoulder the responsibility of ensuring security, spare no effort to arrange related work and carry out it by practical action. After this meeting, the relevant people responsible for the department of security and human services thought and studied deeply. They made specific arrangements for strengthening the management of safety in production, reputation risk prevention and maintaining the stability through the petition letter, which effectively guaranteed the safety and stability of the Company.



The Company always believes that maintaining a work-life balance is essential for sustainability as well as the physical and mental health of employees. To this end, the Company has provided a variety of activities for its employees, such as the five-person football match and table tennis match of the Bank of Chongqing. These recreational and sports activities not only strengthened relationship among employees, but also enriched their leisure time and helped them relieve stress.

Case

The 9th Final of the Five-person Football Match Held by the Bank of Chongqing

On September 2, 2017, the 9th final of the five-person football invitational tournament was

launched in Chongqing Tiandi No.11 football pitch. 12 teams from every department of the Head Office, the main city branches as well as the remote branches, including nearly 200 employees, participated in the competition.

The number of participating teams and participants in this match had reached a new high. All players were full of high spirit and confidence. The enthusiastic atmosphere reflected the fighting spirit of employees from Bank of Chongqing.



Case

The 9th Table Tennis Match of Bank of Chongqing

To enrich the leisure culture life of employees, promote their healthy development of physical and mental health, and build a healthy and harmonious corporate sports culture atmosphere, the Labor Union affiliated to the Head Office of Bank of Chongqing held the 9th table tennis match. After 40 days of intense competition, this competition was concluded in July 25.

This competition was based the principle of pursuing fitness and happy ping-pong. Everyone was free to form a team and made use of their spare time to participate in competition reflecting the spirit of mass sports. After the competition, players all said that this activity not only relaxed their body and mind, but also established team friendship to help each other.



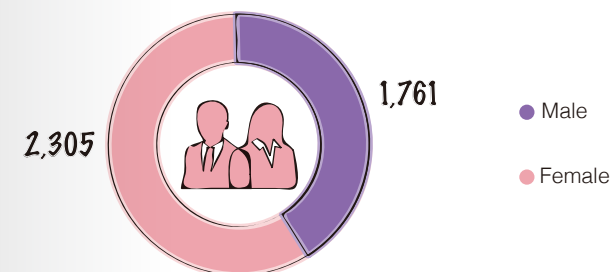
Improving the Employee's Development

Optimizing Training System

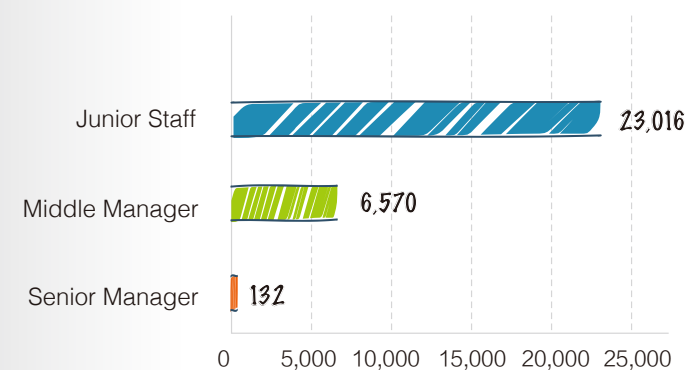
The Company well knows that the improvement of employee's comprehensive quality has a crucial impact on the sustainable development and service level of enterprises. To this end, the Company pays close attention to the input of staff education resources. The annual expense for staff training is not less than 2% of their total compensation and maintains a 5% annual growth rate. According to the level of positions of staff, the Company continuously optimizes the training system and establishes a project brand system with four levels of "light green set sailing", "green sea flying upward", "sky blue soaring" and "dark blue oceangoing voyage".

Among of these levels, the "light green set sailing" is aimed at new employees, which mainly includes "Five Haves New Employees Training Camp", "Star Cultivating Scheme" and other sub-brands. "Green sea flying upward" is aimed at business backbones, which mainly includes "Elite Training Camp", "Dandelion" and other sub-brands. "Sky blue soaring" is aimed at mid-level managers, which mainly includes "Situational Leadership" and other sub-brands. "Dark blue oceangoing voyage" is aimed at senior managers, which mainly includes "Menu Optional Classes", "Economic and Financial Forum" and other sub-brands. The complete project brand operation system was established through layering teaching, and met the training and cultivation needs of employees at all levels. As of December 31, 2017, the Company had trained 4,066 employees and each employee was trained for about 7 hours on average.

Number of Trained Employee (by Gender)



Training Hours of Trained Employee (by Position)



Case

The Second Intensive Training for Management Trainee of “Star Cultivating Scheme”

In September 2017, 33 management trainees of the Bank of Chongqing attended the second intensive training in Xie Jiawan Yice education company.

This course contained three aspects of “Time and Objective Management”, “Problem Analysis and Decision-making” and “Mind Mapping”. Through question answering, sand table simulation, scenario reproduction and other methods, everyone could better participate in the learning task with competition and cooperation.



Various Channels for Development

To keep employees' multiple career development channels open, to fully stimulate the enthusiasm and creativity of employees, and to form a dynamic employee career development mechanism, the Management Measures on the Career Development of Employees in the Bank of Chongqing and the Management Measures on the Selection and Appointment Middle Manager in the Bank of Chongqing were developed with the combination of the Company's practical situation. These management measures stipulate employee promotion channels should follow the principles of fair, equitable and open, should implement the unified grade assessment in all branches of the Bank of Chongqing and also should according to the principles of who decides to recruit and employ, who needs to take responsible of management to appoint different class of position, to fully guarantee the opportunity of promoting outstanding talents.

Case

The Work Meeting of Selection and Appointment of Cadres



The Bank of Chongqing persists the principle of "openness, fairness and impartiality" in selection and appointment of the middle managers of the Company. On October 10, 2017, the Company formally issued a notice about using the way of competition to select the president of the Jiangjin Branch. This notice clearly explained that the selection implemented the way of personal recommendation and live speech, which could provide a democratic, open and preferred platform for each campaigner.

Case

Holding Public Competition to Select the Director Responsible for Large Retail Lines

On November 8, 2017, the public competition to select the director responsible for large retail lines of Guiyang Branch was held successfully in the conference room of the branch. In order to improve the employees' awareness of actively participating and paying close attention to this competition, the working group issued a note on 13th of October and achieved good publicity effects through going into the grass-roots level to mobilize this competition.

In the process of competition, the participants were guided by the working staff one by one and all the judges and audiences were separated from the machines immediately after admission. After each candidate's speech, the judges at each level should give the score immediately and put it into the designated box with sealing up for safekeeping. The work on statistical scores was under the supervision and finished by the two persons from the department of the internal auditor.

This competition was not only a fair and righteous personnel selection but also a widely and deeply ideological mobilization, which further clarified the principles of openness, fairness, impartiality and transparency in selection and appointment of cadres.



Appendix 1 - Index of Environmental, Social and Governance Reporting Guide

Aspect	Indicator No.	Indicator Description	Disclosures	Pages/Remarks
Environmental				
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	●	P32-P34
	A1.1	The types of emissions and respective emissions data	●	P32-P33
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	●	P32
	A1.3	Total hazardous waste produced and, where appropriate, intensity	●	P33
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity	●	P33
	A1.5	Description of measures to mitigate emissions and results achieved	●	P32-P34
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	●	P33
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources	●	P33
	A2.1	Direct and / or indirect energy consumption by type in total and intensity	●	P33
	A2.2	Water consumption in total and intensity	●	P33
	A2.3	Description of energy use efficiency initiatives and results achieved	●	P33
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	●	P33
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable to principal business	
A3 Environmental and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	●	P32-P34
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	●	P32-P34

Aspect	Indicator No.	Indicator Description	Disclosures	Pages/Remarks
Social				
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	●	P36-P37
	B1.1	Total workforce by gender, employment type, age group and geographical region	●	P36-P37
	B1.2	Employee turnover rate by gender, age group and geographical region	Attention will be paid to the collection of relevant data in the future	
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	●	P38-P39
	B2.1	Number and rate of work-related fatalities	●	P38
	B2.2	Lost days due to work injury	Attention will be paid to the collection of relevant data in the future	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	●	P38-P39
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	●	P40-P42
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Attention will be paid to the collection of relevant data in the future	
	B3.2	The average training hours completed per employee by gender and employee category	Attention will be paid to the collection of relevant data in the future	
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	●	P36-P37
	B4.1	Description of measures to review employment practices to avoid child and forced labour	●	P36-P37
	B4.2	Description of steps taken to eliminate such practices when discovered	No incidents related to child or forced labor occurred during the Reporting Period, hence this section is not applicable	

B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	●	P30
	B5.1	Number of Suppliers by geographical region	Attention will be paid to the collection of relevant data in the future	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	●	P30
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	●	P17-P19
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to principal business	
	B6.2	Number of products and service related complaints received and how they are dealt with	●	P17-P19
	B6.3	Description of practices relating to observing and protecting intellectual property rights	●	P20
	B6.4	Description of quality assurance process and recall procedures	Not applicable to principal business	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	●	P17-P19
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	●	P21
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Disclosure will be considered in the future	
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	●	P21
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	●	P23-P27
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	●	P23-P27
	B8.2	Resources contributed (e.g. money or time) to the focus area	●	P23-P27



Feedback Form for Readers

Dear Readers :

We greatly appreciate your taking time to read the ESG Report for 2017 of the Bank of Chongqing (the "Report"). In order to provide you with more valuable information, at the same time promote the Company to improve the performance in sustainable development, and enhance our ability and level in fulfilling corporate social responsibility, we are sincerely looking forward to your comments and suggestions regarding this Report and our work. You can give us your feedback through the following ways:

Our Contact Details:

Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing, China
Website: <http://www.cqcbank.com>
Email: ir@cqcbank.com

1.which of the following stakeholders of the Bank of Chongqing do you belong to:

- ☐ Shareholder
- ☐ Employee
- ☐ Supplier
- ☐ Customer
- ☐ Government
- ☐ Community
- ☐ Bank
- ☐ Academic institution
- ☐ Other (please specify _____)

2. Did you read a paper version or an electronic version:

- ☐ Paper version
- ☐ Electronic version

3. What is your overall evaluation for this Report:

- A. Readability (i.e. easy to understand, beautiful design, and easy to find out the required information)

☐ 3 (good)☐ 2 (general)☐ 1 (poor)
- B. Credibility (Whether the information in this Report is true and reliable)

☐ 3 (good)☐ 2 (general)☐ 1 (poor)
- C. Completeness (Considered both positive and negative aspects of performance and met your needs for information)

☐ 3 (good)☐ 2 (general)☐ 1 (poor)

4. In addition to the contents that have been disclosed in this Report, what kind of information do you prefer to read?