



**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)



# 2018

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT







# About the Report

This is the third 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 (the “**ESG**”) aspects to continuously reduce the impacts arising from its daily operations on the environment and society.

## Reporting Scope

The Report aims to provide a balanced description of the Bank of Chongqing’s policies and performance regarding the environmental and social aspects. Unless otherwise stated, the Report covers the Company and its branches, and the reporting period is from 1 January 2018 to 31 December 2018 (the “**Reporting Period**”). For corporate governance, please refer to the “Corporate Governance Report” incorporated in the 2018 Annual Report.

## Reporting Guidelines

The Report is 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**”). The Report complies with all the “Comply or Explain” provisions of the ESG Reporting Guide and was prepared in adherence to the four reporting principles: materiality, quantitative, balance and consistency. 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 this Report, it is welcomed to inform us through the following contact details:

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# Institutional Governance

## - Insisting on Integrity Management

About Us

Compliance Management

Responsibility Management

Taking system construction as starting point, strengthening standardized management and providing support for business development with refined management



重庆银行  
BANK OF CHONGQING





## About Us

As the earliest local joint-stock commercial bank in West China and the upper reaches of Yangtze River, Bank of Chongqing was established in 1996 and listed on the Main Board of the SEHK on 6 November 2013, which is the first one of urban commercial banks in mainland China that listed on the SEHK. In recent years, the Company has developed into a "Small and Excellent" profitable commercial bank with good business structure, good asset quality, high profitability and great development potentiality. In 2018, total assets of the Company reached RMB 450.369 billion, the deposit balance reached RMB 256.394 billion and the net amount of customer loans and advances was RMB 205.923 billion, with a net profit of RMB 3.822 billion.

In recent years, the brand image of the Bank of Chongqing has been comprehensively upgraded, becoming the first listed city commercial bank with private placement right in SEHK. The Banker established in British ranked thousands of banks in 2018 and the Company was at No. 252, entering the Top 300 Banks over the world. In 2018, the S&P Global Ratings gave the Company "BBB-" for long-term issuer credit rating and "A-3" for short-term issuer credit rating and "Stability" for the rating outlook. At the same time, it also gave the Company "cnA" for the long-term Greater China scale rating and "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.

As of December 2018, the Bank of Chongqing had 140 branches and 4,119 employees. The bank's outlets have covered all districts and counties in Chongqing and its branches and sub-branches have been established in Chengdu, Guiyang and Xi'an.

### In 2018



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**RMB 450.369 billion**



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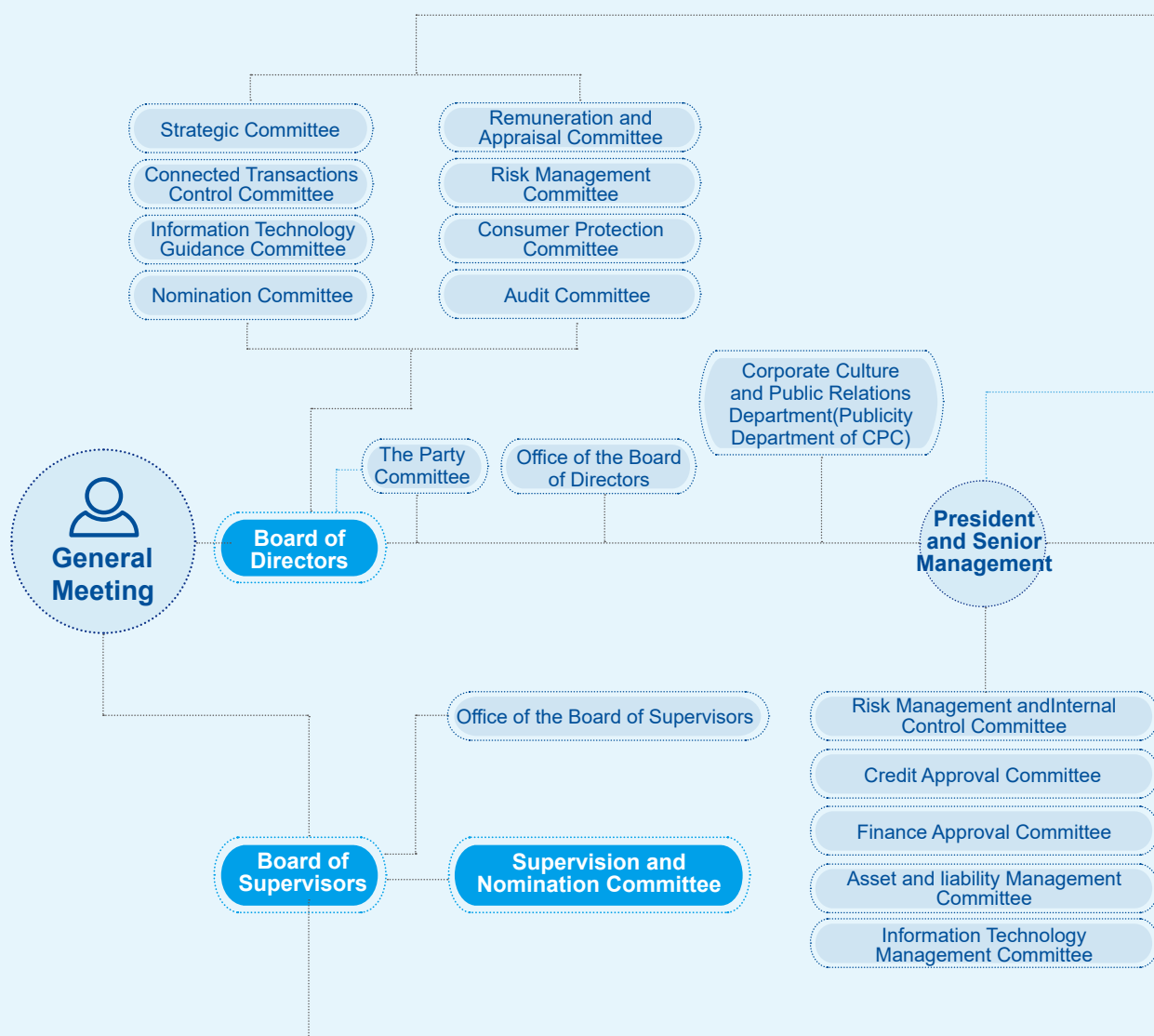
the net profit was

**RMB 3.822 billion**



## Compliance Management

According to the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China on Commercial Banks* and also the requirements of SEHK, the Bank of Chongqing adopted a modern corporate governance system with General Meeting, the Board of Directors, the Board of Supervisors, and senior management playing major roles, strengthened the construction of internal control system, regulated connected transactions and the management of internal information, ensured the disclosure of company's information is open, impartial and fair, intensified the management of investor relationship, as well as achieved good operating performance and return to shareholders.



## Governance Framework

By the end of 2018

The Bank of Chongqing conscientiously implements national policies and regulatory requirements, and combines its own business development characteristics and environment, as well as persistently advocated the balance and good interactions brought from the "Three-Meeting and One-Level", so as to continuously standardize the Company's daily operation.

**13** members in the Board of Directors,

**4** Executive Directors,

**5** Directors holding shares,

**4** independent Directors;

**8** Supervisors in the Board of Supervisors,

**2** Supervisors delegated by shareholders,

**3** outside Supervisors,

**3** Supervisors delegated by employees

### Corporate Organizational Structure of Bank of Chongqing

#### Internal Audit Department

#### Back Office for Supervision and Security

##### Integrated Service Assurance

1. General Office (Party Committee Office)
2. Security Department
3. Administration Department
4. Party-masses Department
5. Discipline Inspection Department
6. Human Resources Department (Organizational Department of CPC)
7. Institutional Development Department
8. Financial Research Institute

##### Branch Organizations

1. Chengdu Branch with 2 Secondary Branches and 8 Sub-branches
2. Guiyang Branch with 1 Secondary Branch and 4 Sub-branches
3. Xi'an Branch with 1 Secondary Branch and 7 Sub-branches
4. Chongqing Liangjiang Branch with 7 Sub-branches
5. Other institutions in Chongqing Region: Small Enterprise Loan Center Business Department of Head Office 43 Level 1 Sub-branches 63 Level 2 Sub-branches

#### Middle Office for Service Support

##### 1. Risk Management

1. Risk Management Department
2. Asset Preservation Department
3. Risk Assessment Department
4. Internal Control and Compliance Department

##### 2. Finance Management

1. Finance Department
2. Asset and Liability Management Department

##### 3. Settlement and Operation

1. Operations Management Department (Consumer Protection Committee)

##### 4. Information Technology

1. Information Technology Department

#### Front Office for Business Development

##### 1. Corporate Banking

1. Corporate Banking Department
2. Trade Finance Department
3. Small and Micro Enterprise Banking Department
4. Real Estate Financial Department
5. Rural Affairs Financial Department

##### 2. Retail Banking

1. Personal Banking Department
2. Credit Card Department

##### 3. Financial Market

1. Financial Markets Department (Investment Banking Department)
2. Asset Management Department

##### 4. Internet Finance

1. Internet Finance Department



## Anti-Corruption

The Bank of Chongqing attaches great importance to combating money laundering and financial crimes, strictly complies with laws and regulations that have a significant impact on the Company in relation with bribery, extortion, fraud and money laundering, such as the *Supervision Law of the People's Republic of China*, the *Law of the People's Republic of China on Commercial Banks*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Provisions on Anti-money Laundering through Financial Institutions*, the *Guidelines for the Assessment of Money Laundering and Terrorism Financing Risks and Categorized Management of Customers of Financial Institutions* and the relevant provisions set up by the People's Bank of China, the China Securities Regulatory Commission and the China Securities Industry Association. During the Reporting Period, the Company did not receive any allegation against the Company or its employees relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Company. No whistleblowing records related to anti-bribery and anti-corruption were received.

In order to track implementation of responsibility on fighting bribery, extortion, fraud and money laundering, the Bank of Chongqing formulates the *Rules on Staff Integrity of the Bank of Chongqing*, in which it requires all staffs must always perform their practices up to standards. They shall strictly abide by the spirit of eight provisions of the Central Committee, enforce financial discipline, and carry out practice conduct of legal compliance, confidentiality and fair competition, constantly improving their occupational quality and morality standard. According to the *Notification of the Reaffirmation of Disciplinary Requirements*, if there is any identified violation of disciplines, the Company will implement relevant provisions in the *Implementation Measures for Handling of Violations by Employees of the Bank of Chongqing*, resolutely investigate and deal with violations with zero tolerance. All suspected crimes shall be transferred to the judicial authority for processing.

### Case

#### Held the Working Conference of Party and Integrity Building and Anti-corruption in 2018

On 13 February 2018, the Bank of Chongqing held the working conference of party work style and clean politics as well as anti-corruption, and emphasized the responsibility of anti-corruption to the participants from five aspects.



## Case

### Held Anti-Money Laundering Meeting in 2018

In order to implement the spirit of anti-money laundering conference for financial system, the Bank of Chongqing held an anti-money laundering conference on 2 November 2018. Through this meeting, the Company conveyed the spirit of anti-money laundering in financial system and organized the training about new regulatory provision, such as the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions (Trial)*, and clarified the key work of anti-money laundering in next step.



## Case

### Holding a Contest about Compliance Knowledge in 2018

On 12 September 2018, the Bank of Chongqing held a contest about compliance knowledge. This contest set three parts of "Mandatory Questions", "Quick Fire Questions" and "Questions and Answers" under the principle of "Openness, Fairness and Justice", and carried out around the documented spirit, code of employees' conduct and compliance management of specific governance work, such as the *Notice of the China Banking Regulatory Commission on Further Rectifying the Market Chaos in the Banking Industry* and other institutional norms.





## Case

## Internal Control Compliance Department conducted legal training

On 21 September 2018, the Bank of Chongqing's Internal Control Compliance Department invited the firm's lawyer to conduct legal training for various business departments and branches.

In this training, the lawyer gave a detailed explanation on the "Legal Practices for Litigation Cases about the Collection of Non-performing Assets in the Bank", mainly including "Litigation Cases", "Litigation Protection", "Application Enforcement" and related laws and regulations.



## Standardizing the Purchasing

To further regulate the Bank of Chongqing's procurement practices and improve procurement mechanism, the Company develops the *Bank of Chongqing Measures on Centralized Purchasing Management (Trial)*, the *Bank of Chongqing Centralized Purchasing Instruction (Trial)* and the *Bank of Chongqing Centralized Purchasing Catalog (Trial)* in accordance with the *Bidding Law of the People's Republic of China* and the *Bidding Regulations in Chongqing*, in which it regulates the following four principles that procurement and bidding activities should adhere to.

The principle of seeking truth from facts and supervision according to law;

The principle of open, fair and just;

The principle of combining supervision and inspection with working effectiveness;

The principle of paying equal attention to education and punishment.

Meanwhile, the Bank of Chongqing also regulates all procurement and bidding practices must be inspected and supervised by internal control, internal audit, discipline inspection, including pre-supervision of procurement bidding, the supervision during bid assessment and the supervision during bid confirmation. Also, the suppliers are strictly reviewed whether they strictly comply with national laws and regulations, whether they violate the rules of integrity or self-discipline, whether any environmental accident occurs or potential environmental risk exists, whether they conduct financial management and financial supervision in accordance with national financial regulations, financial disciplines and financial regulations, whether they are in compliance with the preciseness of business standards and technical regulations.

In the process of evaluating suppliers, the Bank of Chongqing also places high emphasis on the social and environmental responsibilities undertake by suppliers, as well as their performances in these two areas. *Management and Implementation Rules of Decentralized Procurement in the Bank of Chongqing* clearly stipulates that decentralized procurement should implement the concept of energy conservation and environmental protection, and preferentially purchase energy-saving and environmentally-friendly products that have passed environmental labeling product certification, energy-saving product certification or other nationally recognized certification under the same conditions.



## Protecting Intellectual Property Right

Protecting intellectual property right is of great significance in promoting innovation. The Bank of Chongqing formulated the *Bank of Chongqing Measures for the Intangible Assets Management*, the *Bank of Chongqing Measures for the Information Technology Asset Management*, the *Bank of Chongqing Information Technology Software Asset Management Implementation Detailed Regulation* on the basis of strictly complying with the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Tort Law of the People's Republic of China*. The allocation of software assets in the Company strictly follows the relevant laws and regulations and other relevant rules in the industry, adhering to 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 Quarter for storage management.

While protecting intellectual property rights, the Bank of Chongqing also pays close attention and supports the development of technology-based enterprises. On 5 December 2018, the first batch of issuing technology-based credit loans to the science and technology enterprises in Fengjie County was held in the conference room of Fengjie Branch. The Company continuously promotes the operation of technology-based enterprises through leveraging the value of credit loans and further promotes the scientific and technological innovation in Fengjie City.





# Responsibility Management

The Bank of Chongqing attaches great importance to the opinions of all stakeholders and takes it as an important basis for formulating the overall development strategy.

## In 2018

The Company held **1** annual general meeting of shareholders,

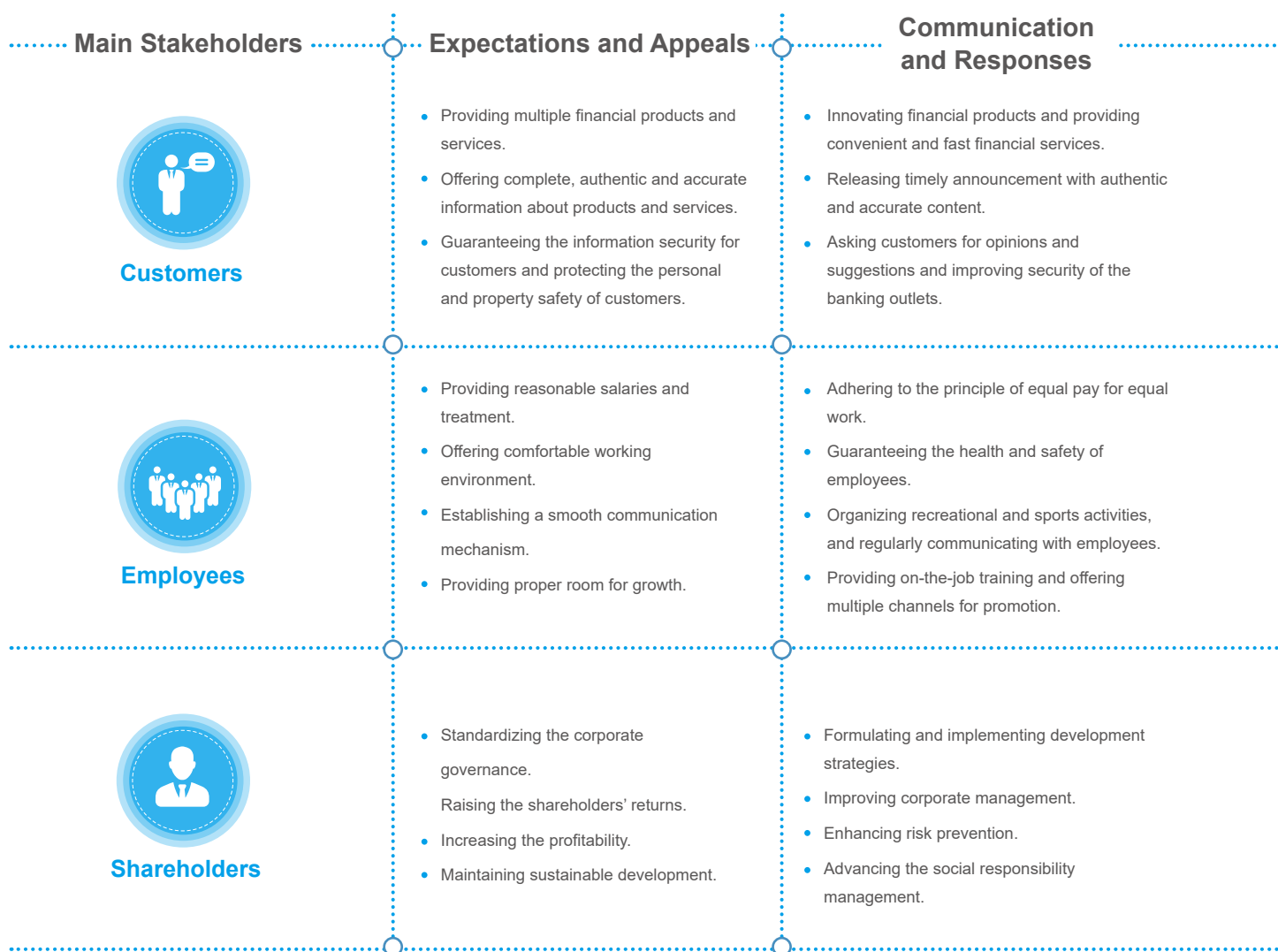
**3** interim general meeting,

**1** domestic shareholders' class meeting and **1** H shareholders' class meeting;

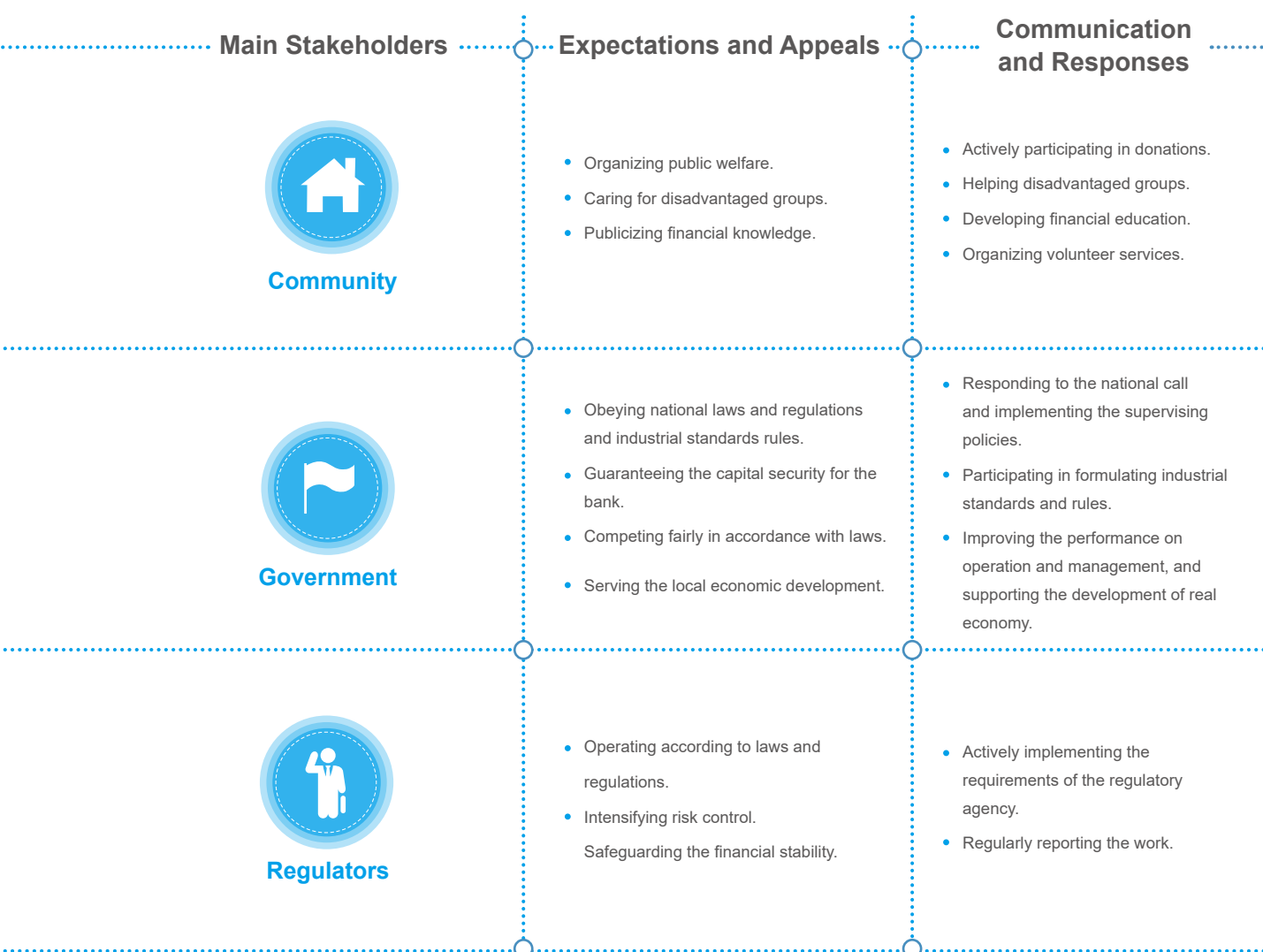
Also held **15** Board of Directors meetings,

**1** face-to-face meeting between independent directors and auditors,

Composed, edited and sent **132** resolutions in total.



At the same time, the Bank of Chongqing attaches great importance to the opinions of stakeholders and uses diversified means of communication and platform to establish close relationship with different stakeholders. The Company kept listening to their needs and considered appropriate feedback about the business, so as to consistently improve the service quality of the Company and fulfill the social and environmental responsibilities. The main stakeholders of the Company include customers, employees, shareholders and investors, community, and the government and regulators. During the Reporting Period, the Company actively communicated with the main stakeholders through the various communication channels, 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.



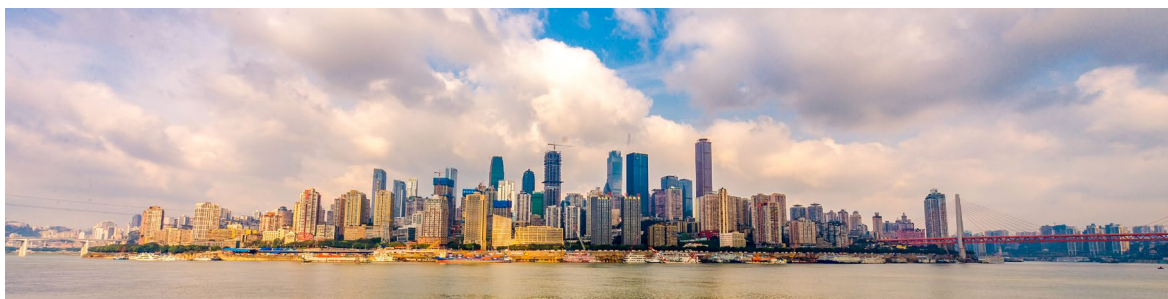


## Steady Operation

- Adhering to customer-orient

Innovation Empowering Capacity  
Service-Oriented

In line with market position of expert Bank,  
the Bank of Chongqing is committed to  
providing customers with excellent and  
guaranteed products and services



## Innovation Empowering Capacity

The Bank of Chongqing attaches great importance to scientific and technological innovation, continuously optimizes electronic service channels, promotes the construction of new core systems in an orderly manner, and leads innovation development with big data intelligence to further decompose and refine tasks. In the small and retail business, the Company accelerates its development in skewing towards the internet finance business, which places big data risk management model as a core element and is mainly developed by the Company. The Company targets to have high-quality development, takes high-level reform and innovation as driving force, and safeguard operations with high standards of management, to continuously improve the Company's financial services level in order to fulfill our social responsibility.

In order to implement the action plan of innovation-driven development strategy led by big data intelligence, the Bank of Chongqing has strengthened the research and application of intelligent technology, promoted deeply integrated financial products and emerging technologies, such as big data, cloud computing, artificial intelligence and block chain, and transformed or innovated the business models and processes of traditional financial products based on new technologies. In terms of asset business, the Company applies big data technology in the links of "Credit", "Risk Control" and "Pricing", etc. The "Loan to Sound Company" of small and micro-class product system is more abundant and wider. Online products, such as "Quick e-Loan", "Salary e-Loan" and "Well-being Loan" also are popular among the market. In terms of debt business, the Company cooperates with the construction of new core projects. The online bidding system of the municipal public resource trading center is smoothly to operate. In terms of operation management, the Company has adopted the "Smart Account", "Smart Printing Control" and "Smart Clearing Error" as the starting point to create an efficient, safe and high-quality service system.

### Case

#### Won the "Youth Development Studio" of the Financial System in Chongqing

On February 7, 2018, the final of "Union Pay Cup" youth development on financial technology in Chongqing came to an end. The "Loan to Sound Company Breaking the Information Island and Innovating Small and Micro-credit Model", one project of financial technology from the Company, was outstanding in 33 innovation projects from financial institutions in the whole city and won the "Youth Development Studio" of the financial system, marking the industry's recognition of the Bank of Chongqing's financial technology innovation.







## Service-Oriented

Customers are the fundamental strength of enterprise development. The Bank of Chongqing devotes to create corporate culture which emphasizes on being courageous, responsible and holds concept of service first and client-focused. The Company continuously improves service quality and efficiency by formulating standardize service processes and promoting series of activities themed at creating high-quality service. The Company also satisfies the diverse needs of customers through sticking close to markets and scenes to continuously optimize self-owned online financial products.

At the same time, the Bank of Chongqing 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*, so as to regulate the service standard of financial practitioner and improves the service quality of the Company.

### Case

#### The Bank of Chongqing was Selected in "Top 100 of Chongqing Enterprises" and "Top 100 of Chongqing Service Industry Enterprises"

In October 2018, the Chongqing Enterprise Confederation released the list of 2018 "Top 100 of Chongqing Enterprises" and "Top 100 of Chongqing Service Industry Enterprises". The Bank of Chongqing was selected for this list with excellent operating results.



This selection was not only an affirmation of the Company's past development achievements, but also further strengthened the Company's confidence in improving core competitiveness and achieving sustainable development.

### Case

#### Participating in the Selection Activity of "Double Ten Best" selection activity of best civilized and standardized service in Chongqing's banking industry

In order to continuously improve the civilized and standardized service level of financial institutions, building the brand image of window service in Chongqing's banking industry, the Chongqing Banking Association organized the 2018 "Double Top 10" selection activity of best civilized and standardized service in Chongqing's banking industry.

In this selection activity, the Bank of Chongqing won a group award, four "Top Ten" service stars, three "Double Top Ten" Excellence Awards, and one "Double Top Ten" Most Talent Award.



## Smoothing Communication Channels

The Bank of Chongqing attaches importance to communication with customers, continuously expands communication channels with customers, and improves communication efficiency.

At the end of 2018, the Company has received 1560 thousand calls from customers, with 370 thousand manual acceptances, accepted 4.12 million businesses of various types, with transaction amount of RMB1.26 billion, accumulatively served 600 thousand customers, the rate of connected voice helps of mobile bank reached 100%, with the rate of manual connection of 91%, the rate of customer satisfaction reached 99.6%.



### Case

#### Launching Ceramics Event for VIP guests and Children

On August 24, 2018, the business department of the Bank of Chongqing launched a ceramics event for VIP guests, and invited a total of 20 families to participate.

This event not only let children experience Chinese traditional culture and promoted effective interaction between VIP guests and children; but also increased the connection and enriched communication between VIP guests and the Company.





In order to properly handle customers' complaints, improve service quality and management standards, the 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 regulations 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. The detailed information about procedures of handling customer complaints in the Company is shown below.

1

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.

2

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

3

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

4

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 with or do not accept the result, the complaints should be rehandled in accordance with the complaint procedures until the customers feel satisfied or accepted the result.



### At the end of 2018

The Bank of Chongqing has received  
**990** complaints,  
**217** effective complaints

**954** proposals,  
**258** effective proposals

**46** praises,  
with **99%** of the complaints being addressed within 15 business days

the degree of satisfaction of the customers reached  
**93%**



## Protecting the Rights of Consumers

The Bank of Chongqing pays attention to build the brand of consumer rights protection, 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*. From the whole processes of management control and links of products and services, the Company actively fulfills the obligations as the first party responsible for consumer rights protection, continuously improves the system of consumer rights protection, improved the system, implements functions of management, and strengthens supervision, deepens publicity and training, and smooths complaint channels. With the concept of "Integrity Leads to Prosperity" as the core of consumer protection, we are committed to providing customers with "Warm and Caring service, Comfortable and Elegant Environment, Moderate and Credible Marketing, and Satisfactory Product".

To further improve the regulation system on the area of consumers' rights protection, during the reporting period, the Bank of Chongqing has revised and improved the followings regulations according to regulatory requirements and market changes:

- ✓ Revised *Strategic Planning*, "Proactively and Orderly Carry Out the Protection of Consumers' Rights and Interests" written into new strategic planning,
- ✓ Revised the *Rules Governing the Protection of Consumers' Rights and Interests of the Bank of Chongqing*,
- ✓ Revised the *Rules Governing the Sales Area of Financial and Commissioned Products of the Bank of Chongqing*,
- ✓ Revised the *Rules Governing Commissioned Sales of the Bank of Chongqing*, *Rules Governing Commissioned Sales of Bank Products of the Bank of Chongqing*, *Rules Governing Commissioned Sales of Bank and Insurance products of the Bank of Chongqing*,
- ✓ Revised *Rules Governing Audio and Video System of Financial and Commissioned Products of the Bank of Chongqing*,
- ✓ Amended the *Application for Amendment to Signing and Termination of Funds*,
- ✓ Revised *Rules Governing the Treatment of Customer's Complaints of the Bank of Chongqing and Process on the Treatment of Customer's Complaints of the Bank of Chongqing*,
- ✓ Issued *Notice on Further Protection of Consumers' Rights and Interests and Preventing Irregularities within the Markets*,
- ✓ Incorporated over 110 regulations relating to the protection of consumers' rights and interests into the *Regulation Contents for the Protection of Consumers' Rights and Interests to the public*.

Case

Holding Promotional Activity of Protecting “Money Bags”

In August 2018, Chengdu Xindu Sub-branch of the Bank of Chongqing carried out promotional activity of protecting “Money Bags” and learning anti-financial fraud. Through promoting related information about fraudulent information such as telecom fraud and illegal fund-raising by popularizing residents. The degree of recognition protects the legitimate rights and interests of financial consumers from infringement.



Case

Launching Campaign of the “Month of Popularization of Financial Knowledge, Financial Knowledge into Thousands of Households”

On September 7, 2018, the Bank of Chongqing and Chongqing Branch of China Everbright Bank co-sponsored a centralized campaign of "Month of Popularization of Financial Knowledge, Financial Knowledge into Thousands of Households " in 2018, further promoting the publicity and education of financial knowledge and strengthening the protection of consumers' rights and interests.





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 reinforces the client's financial information security management, increases the protection level of personal financial information. 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.

### Case

#### Holding Training Meeting of Guarding Confidential Work

On August 17, 2018, the Bank of Chongqing held training meeting of guarding confidential work. Lin Jun, secretary of party committee in the Bank of Chongqing, emphasized that doing a good job of confidentiality is related to national security, financial security and the Company's own steady development. All units need not only pay more attention to the confidentiality work, but also organize employees to transfer this meeting's content in a timely manner to enhance the awareness of confidentiality in the whole bank; it is also necessary to conduct self-examination, do rectification measures, and carry out supervision and inspection work accordingly.



## Regulating Promotion Conduct

The Bank of Chongqing adheres to responsible promotion, complies with *Advertising Law of the People's Republic of China* as well as other regulations of advertisement, and refuses all kinds of mendacious information or misdirection in advertisement and trading. In the aspect of regulating product promotion, the Company has formulated a series of rules and regulations.

*The Bank of Chongqing's Notice on further standardize the product sales process* 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.

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 Bank of Chongqing's personal financial services and effectively prevent the operational risk, the Company 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 it requires 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.

## Competitive Advantage

### - Building Talent Team

Protecting the Employees' Rights

Caring for Employees' Health

Promoting Employees' Development

The Bank of Chongqing treats the talent as the most important and valuable resource and is committed to building a high-quality talent team.



## Protecting the Employees' Rights

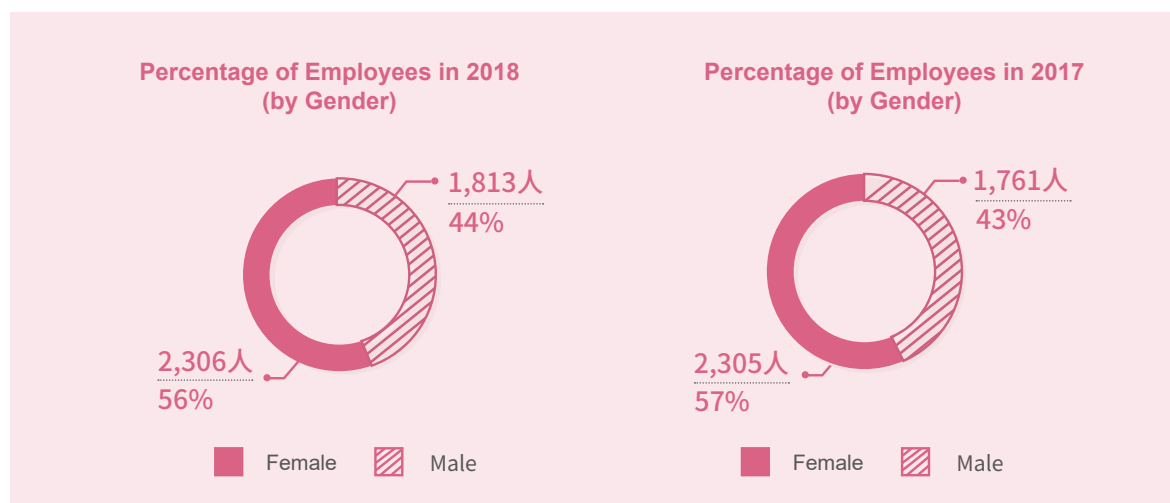
The Bank of Chongqing strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations regarding to matters such as recruitment, dismissal, remuneration, promotion, working hour, leave, equal opportunity, diversity, anti-discrimination, etc, respects humanity and civil rights, and rejects child, forced labor or discrimination. Through formulating a series of internal regulations, such as the *Management Measures on Salary of the Bank of Chongqing*, the *Implementation Measures on Basic Medical Insurance and Supplementary Medical Insurance of the Bank of Chongqing*, the *Management Measures on Enterprise Annuities Fund of the Bank of Chongqing*, the Company protects employees' rights aggressively and strives to create an energetic and warm working environment.

In order to further standardize the recruitment of employees and ensure that employees can gain respect, have equal job opportunities and career development opportunities, the Company has established a relatively well-established human resources management system, which runs through the whole process of employing, educating and retaining employees. The *Management Measures on the Recruitment of Employees in the Bank of Chongqing (Trial)* 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 Company 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. At the same time, the Company strictly prohibits any unfair or unreasonable dismissal, and requires clear provisions for dismissal of employees. For example, the *Implementation Measures for the Punishment of Regulatory Violations in the Bank of Chongqing* stipulates if the employee is suspected of breaking the law, the labor contract would be terminated from the effective date of the judgment.

**By 31 December 2018**

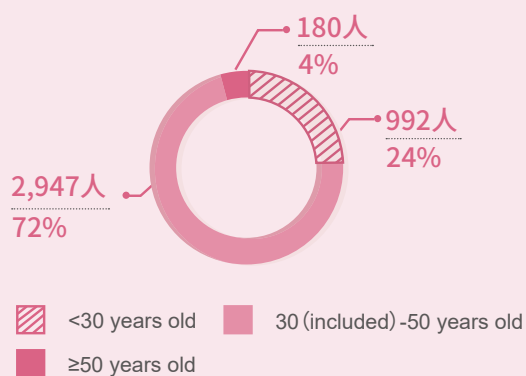


The Company insists that staff team with reasonable age gradient and diverse culture can provide multiple thinking and various skills for the Company. For this reason, the Company continues to make effort and innovate recruitment policies for talents to enhance the Company's vitality and progressiveness.

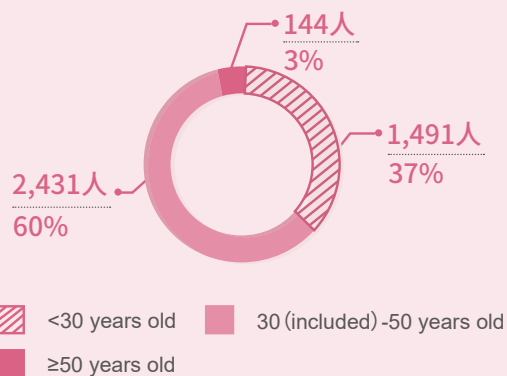




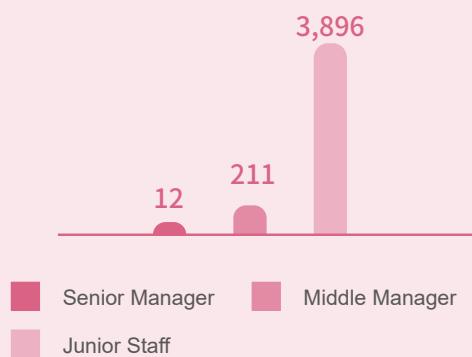
Percentage of Employees in 2018  
(by Age)



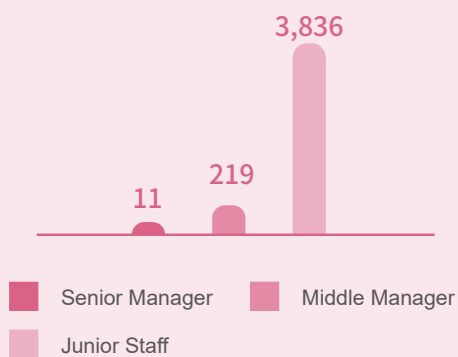
Percentage of Employees in 2017  
(by Age)



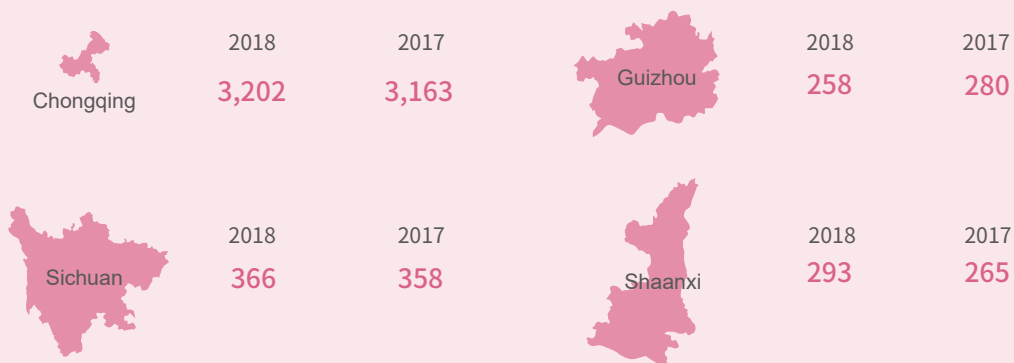
Percentage of Employees in 2018  
(by Position)



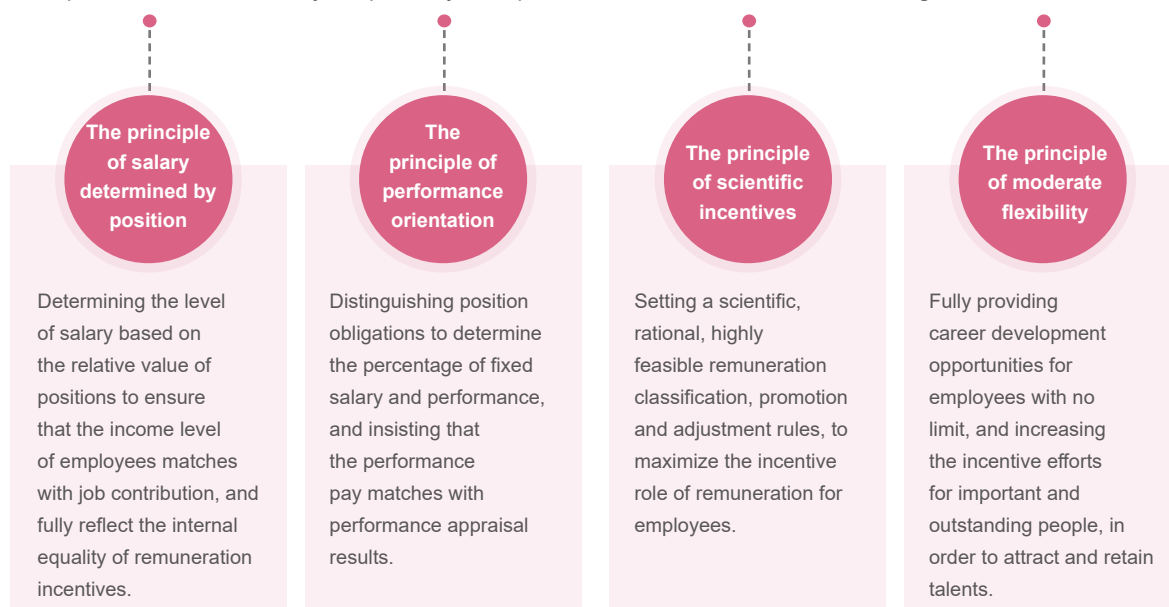
Percentage of Employees in 2017  
(by Position)



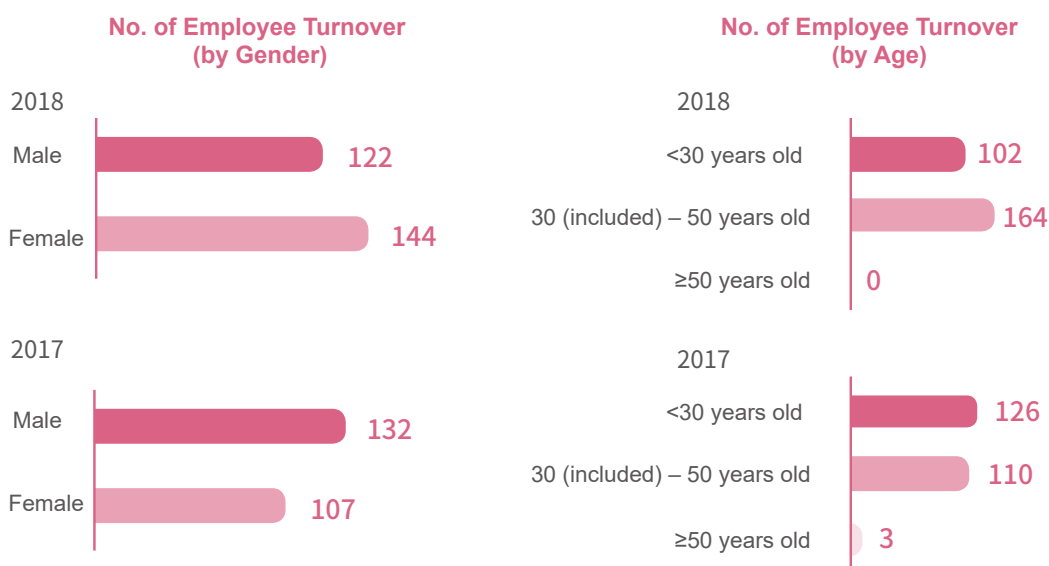
Number of Employees in 2018 (by Region)



The Bank of Chongqing is committed to establishing scientific and reasonable incentive and restrictive mechanism. Through evaluating employee's work performance and the remuneration standard of the market to determine the employee's compensation package and make reasonable pay adjustments in due course to attract outstanding talents. The Company formulated the *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 Company strictly follows four principles, 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, to implement the work of remuneration management.



For scientifically formulating working time and improving employee benefits level, the Company has developed the *Management Measures on the Regulations of Leave of Employees of Bank of Chongqing* based on national and local policies and regulations related to labor, insurance and welfare, and also in accordance with actual situation, to adjust employees' working hours appropriately and indicate leaving policies including sick leave, injury leave, maternity leave, marriage leave, bereavement leave and paid 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.



## Caring for Employees' Health

The Company emphasizes its employees' health and safety, strictly complies with laws and regulations that have a significant impact on the Group's operation in Mainland China in relation to providing a safe working environment and protecting employees from occupational hazards, including the *Emergency Response Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, 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 further enhance employees' awareness of security and fire protection, improve the sales and security personnel's ability of emergency response in dealing with emergencies and 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

#### Launching Fire Knowledge Training and Testing & Fire Drill

On 27 December 2018, the Liangjiang Branch held training, theming on studying knowledge of fire safety and practicing fire drill, and invited the instructor of the Fire Training Center to conduct this training for all employees.

This training on fire safety allows employees to further understand the causes of fire, preventive measures, self-saved escape and other knowledge about fire prevention, and improve the ability of employees to reflect and effectively deal with fire incidents.



In addition, the Bank of Chongqing also actively carried out cultural and sports activities during the Reporting Period. The Company believes cultural activity is one of representations of spiritual and cultural life of people, which helps a lot in employees' personal enhancement, working pressure relief and spare time enrichment. Through encouraging employees to reach a balance between career development and personal life, the Company helps employees remain a healthy personal physical and psychological state.



Case

The Bank of Chongqing's Staff Sports Meeting Held in 2018

On 10 November 2018, the Bank of Chongqing held staff sports meeting and attracted more than 700 players to participate.

During the sports meeting, players said that the spirit of unwillingness to lag behind, courage to compete and cooperation of making concerted effort, showed by athletes and participating teams on the field, was the inexhaustible power of people of the Bank of Chongqing to enter a new journey and make achievements in the new era.



## Promoting Employees' Development

Faced with severe challenges such as the macroeconomic slowdown and interest rate liberalization, the Bank of Chongqing understands that it is imperative to accelerate the "Three Transformations". The Company believes that "Transformation, Training First", the improvement of employees' comprehensive quality has a crucial impact on the sustainable development and service level of enterprises. Topics about how to further strengthen the construction of the workforce, innovative talent training model, create the talent supply chain to meet the requirement of transformation and development of the Company's "Three Transformations", enhance the key capabilities needed for transformation and development, and seize the new opportunities from the transformation and development based on existing projects, systems and platforms are important for the Company's training work in 2018.

### Key Training Projects Plan of the Bank of Chongqing in 2018

The plan of oceangoing voyage					
Types of training	Training programs	Prospective Trainees	Number of training sessions	Duration of training course	Responsible department
Training on decision-making for executives	Seminar on cooperation	Senior Management	According to the demand	Throughout the year	The Organization Department of Party Committee / Human Resources Department
	Visiting benchmarking enterprises	Senior Management	According to the demand	Throughout the year	Human Resources Department
	Mobile learning of commercial science from celebrities	Senior Management	Throughout the year	Throughout the year	Human Resources Department
	Training abroad for relative departments	Senior Management	According to the demand	Throughout the year	Human Resources Department

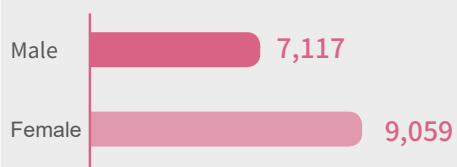
The plan of sky sailing					
Types of training	Training programs	Prospective Trainees	Number of training sessions	Duration of training course	Responsible department
Training on middle managers' abilities	Training camp on team innovation	Middle manager	According to the demand	The second and third quarter	Human Resources Department
	Academic training in colleges and universities	Middle manager	Two phases	The second and third quarter	Human Resources Department
	Self-selected training of "Functional Table"	Middle manager	Throughout the year	Throughout the year	Human Resources Department
	Economic and financial forum	Middle manager	Two phases	Throughout the year	Human Resources Department
Management training for new middle manager	Training on basic ability of management	New middle manager	One phase	The third quarter	Human Resources Department
Growth training for the candidate in management position	Training program of "Future Leadership"	Candidate of management position	According to the schedule of personnel selection	Throughout the year	Human Resources Department

The plan of youth flying					
Types of training	Training programs	Prospective Trainees	Number of training sessions	Duration of training course	Responsible department
Training on decision-making for executives	Training for central manager in head office	Central manager in head office	1-2 phases	The second and third quarter	Human Resources Department
	Training for middle manager in branch	Middle manager in branch	One phase	The third and fourth quarter	Human Resources Department
	Training for department manager in subbranch	Department manager in subbranch	3-4 phases	The third and fourth quarter	Department of Business Management in Head Office
Training for talents expert in risk management	Training for risk manager	Risk manager	One phase	The first quarter	Department of Risk Management
	Training for full-time credit reviewer	Full-time credit reviewer	One phase	The third quarter	Evaluation Department
Training for talents expert in marketing	Training on expansion and transformation for senior account managers	Senior account manager	One phase	The second quarter	Department of Corporate Banking
	Training on performance enhancing for managers from department of micro-sized businesses	Backbones of managers from department of micro-sized businesses	Two phases	The second quarter	Department of Micro-sized Businesses
	Retail business forum	Backbones of account managers regarding to retail	Two phases	The second and fourth quarter	Department of Personal Banking
Cultivation of innovative business talents	On-the-job training on innovative business	Innovative business positions such as product manager, internet finance, investment bank, industry research, interbank business	According to the requirement of head office	Throughout the year	Human Resources Department
System construction of career training	Introduction training on career channel	Hired employees at all ranks	Promoting arrangement according to the system of career channel	Throughout the year	Human Resources Department
System construction about internal training course	Experience sharing and development project of internal training course	Business backbone, internal trainer	One phase	The third quarter	Human Resources Department
Construction of examination question	Construction of examination question	—	—	Throughout the year	Human Resources Department

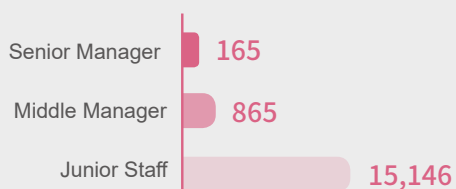




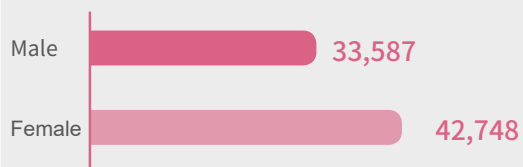
**No. of Trainees in 2018  
(by Gender)**



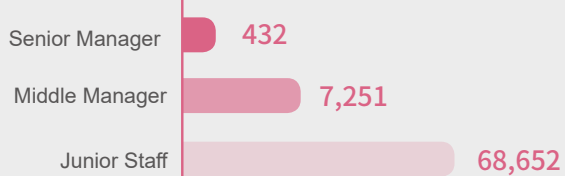
**No. of Trainees in 2018  
(by Employment)**



**Training Hours of Employees  
(by Gender)**



**Training Hours of Employees  
(by Employment)**



Case

The First Phase of "Hyacinth Project" Training Program was Successfully Completed

In order to improve the pertinence and effectiveness of the training, the Human Resources Department and the Risk Management Department of the Bank of Chongqing conducted in-depth communication on the competency standards of the Company's risk managers, and jointly with external organizations to develop a one-year "Hyacinth Project" Training Program for the Risk Manager.

From 7 to 9 May 2018, the first phase of the "Hyacinth Project" Training Program for the Risk Manager was successfully held. This training conducted systematic study mainly around "Efficient Communication Technology", "Operational Practice in Risk Management System" and "Pre-lending Research Practice of Commercial Bank".



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.



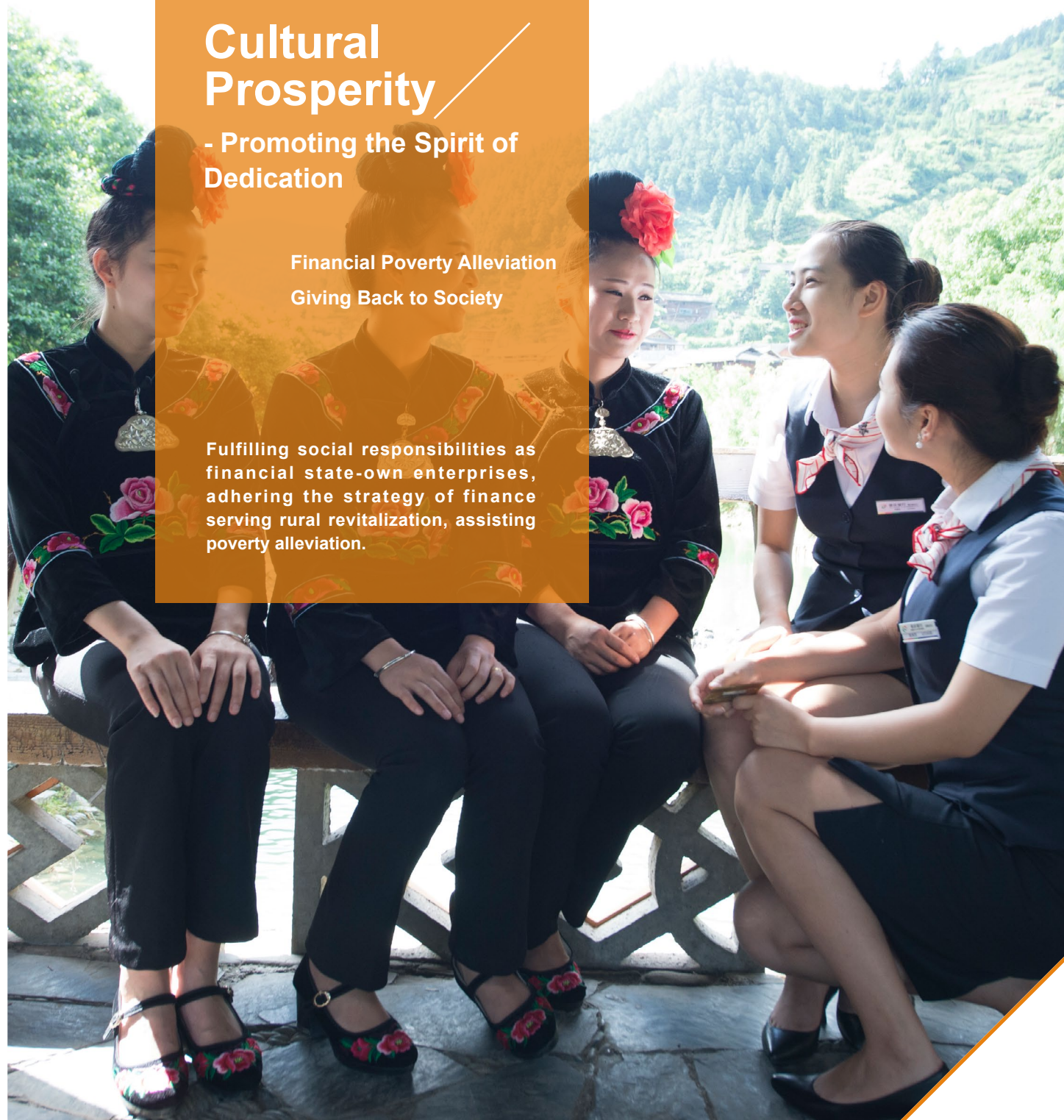


## Cultural Prosperity

- Promoting the Spirit of Dedication

Financial Poverty Alleviation  
Giving Back to Society

Fulfilling social responsibilities as financial state-owned enterprises, adhering the strategy of finance serving rural revitalization, assisting poverty alleviation.





Performance Indicator	2018	2017	2016
Balance of agriculture related loans (RMB 100 million)	284.8	269.63	275.59
Balance of small-sum loans (RMB 100 million)	749.43	663.92	590.26
Donations to public welfare (RMB thousand)	9,562	11,962.9	13,688
Social contribution value per Share (RMB)	5.95	5.45	4.70

## Financial Poverty Alleviation

With the in-deep implementation of the strategy of finance serving rural revitalization, the Bank of Chongqing gives full play to the positive role of financial enterprises in poverty alleviation, and vigorously promotes the development of inclusive finance in poverty-stricken areas. In order to implement the *Implementation Opinions of the People's Bank of China, the National Development and Reform Commission and the Ministry of Finance on Finance-Helped Poverty Relief*, *Opinions of the People's Bank of China, the China Banking Regulatory Commission, the China Securities Regulatory Commission, and the China Insurance Regulatory Commission on Financial Support for Poverty Alleviation Effort in Deep-Poverty Regions*, the Company has established Rural Affairs Financial Department, with financial science and technology as the lead, to continuously promote the development of agriculture-related products, namely "Agricultural Loan for Six New Industries", "Agricultural Insurance Loan", "Agricultural Credit Loan", as well as to lead the development of the *Implementation Opinions of Financial Poverty Alleviation and Rural Revitalization Strategy* and other systems.

### Case

#### Bank of Chongqing Launched the Theme Activity of "Financial Public Welfare to Farmers"

In April 2018, Yongchuan sub-branch of Bank of Chongqing and Yongchuan center of People's Bank of China jointly carried out the activity themed at "Financial Public Welfare to Farmers". Young volunteers sent daily necessities to low-income families and voluntarily help weeding, flower and fruit thinning farming services, anti-counterfeit currency and other financial knowledge publicity. After understanding the financing difficulties faced by farmers, the young volunteers of the Company introduced the "Agricultural Loan" product in detail, and proposed to provide follow-up financing services to farmers.

As a responsible financial enterprise, it's necessary to help people in financial difficulties strengthen their "hematopoietic function", so that they can continue to increase production and income through laboring, constantly enhancing their ability to self-development, and finally getting rid of poverty.



Case

## Bank of Chongqing Signed the “Cooperation Agreement on Financial Poverty Alleviation and Rural Revitalization” with Pengshui County Government

In June 2018, Bank of Chongqing signed the “Cooperation Agreement on Financial Poverty Alleviation and Rural Revitalization” with Pengshui County Government and committed to deeply implementing the action plan for rural revitalization and the three-year action plan for improving the rural living environment. In the future, we will collaborate on:

- 🌾 Industrial poverty alleviation, increasing credit support for characteristic benefit agriculture and green ecological projects;
- 🏠 Petty loan poverty alleviation, prioritizing special credit lines;
- 🎓 Educational poverty alleviation, establishing remote interactive and synchronized classroom systems and other educational facilities for schools;
- 💰 Establishing a poverty alleviation fund to replace subsidy with award, building a positive incentive mechanism to lift people out of poverty independently and voluntarily.



Case

## Bank of Chongqing Implemented Targeted Poverty Alleviation Work in Wulong District

In December 2018, Bank of Chongqing investigated the targeted poverty alleviation work and visited people in financial difficulties in Xishan village, Wenfu town, Wulong district.

Xishan village, Wenfu town is 50 kilometers away from Wulong district, which is one of the poverty-stricken villages in Wulong district, and also the targeted poverty alleviation village of wulong sub-branch of the Company. The economy is developing slowly constrained by factors such as transportation, geographical location and historical development. The Company visited Xishan village, and went to lotus root planting base to check the planting condition, understood the current industrial development in details along the sightseeing route of planting base, and actively provided suggestions about industrial base driving the employment of the low-income families, and lifting people in financial difficulties out of poverty.





## Giving Back to Society

At the beginning of the establishment of the “Bank of Chongqing Love Charity Fund”, the aim was to improve the assistance to employees with difficulties, With the purpose of “selfless dedication, caring and mutual assistance”, it aims to cultivate the “having love” people in Bank of Chongqing. The voluntary donation activity of “One Yuan in One Day, Offer Love Everyday” act as a platform with love, which belongs to the people of Bank of Chongqing to help families encountering serious difficulties inside and outside of the Company. The Company appeals employees to take active action, joining the group of love dedication and charity and creating a good atmosphere of mutual concern and mutual help.

### Case

#### Fengdu Sub-branch of Bank of Chongqing Launched the Volunteer Service Activity

In June 2018, Fengdu sub-branch of Bank of Chongqing launched the volunteer service activity to cheer for candidates for college entrance examination. On the two days of the college entrance examination, the Fengdu sub-branch obtained the volunteer service qualification in advance, and prepared various convenience service facilities such as medicines for heatstroke prevention, wet tissue, mineral water and umbrella for candidates' parents. At the same time, volunteers promoted financial knowledge for the parents to prevent financial fraud, and especially reminded the candidates' parents to pay attention to the high incidence of fraud cases before the beginning of term of university. This is not only relieving the nervousness of the parents of the candidates, but also fulfill the public welfare responsibility of a financial enterprise.





## Case

### Cultural Palace Sub-branch of Bank of Chongqing Held the Parents-child Campaign of “Children’s season – Little Doctor of Traditional Chinese Medicine”

In June 2018, Cultural palace sub-branch of Bank of Chongqing and St. Love traditional Chinese medical center jointly held the public welfare activity of “little doctor of traditional Chinese medicine”, aiming to better inherit Chinese culture, stimulate children’s interest in Chinese medicine, and teach children to massage techniques on site, as well as to help parents are familiar with Chinese medicine. This activity not only narrows the distance between the sub-branch and customers, but also spreads out the charm of Chinese nation quintessence. In the future, the Company will continue to carry out various meaningful social welfare activities.



## Case

### Minsheng Road Sub-branch of Bank of Chongqing Implemented Financial Knowledge Publicity Activity for Left-behind Children

In July 2018, Minsheng road sub-branch of Bank of Chongqing implemented financial knowledge publicity activity for left-behind children, 20 rural left-behind children from Kaizhou district came to Minsheng road sub-branch to visit and study. Under the guiding with the lobby manager, the children visited the business hall, learned how to operate and use ATM machines, how to use bank cards safely, and experienced the automatic paper money and coin convertor, intelligent teller machine and other equipment.

In addition, business backbones let children understand the anti-counterfeiting technology of RMB in plain language, taught them four common ways to distinguish the authenticity of RMB; shared tips of how to manage pocket money and develop good financial habits, and taught children cash counting skills. In combination with its business characteristics, the Company combines the popularization of financial knowledge with public welfare activities and pays attention to healthy development of left-behind children.



On the way of public welfare, Bank of Chongqing gathers caring and love into a force and promotes the development of social public welfare. "Bank of Chongqing Love Charity Fund" has not only helped several employees with serious family difficulties, but also turned their attention to the society, donated to the "Chinese good people" who have been selected by the Central Civilization Office for four consecutive years and nearly one hundred people with family difficulties in Chongqing moral model, actively fulfilling the social responsibility of financial enterprises.





# Technological Force

## - Practicing Green Development

Low-carbon Practice  
Green Finance

Ecological civilization construction is an inevitable requirement for accelerating the transformation of economic development mode and achieving green development.



## Low-carbon Practice

In the report of 19<sup>th</sup> National Congress of the Communist Party of China, General Secretary of the Central Committee of the Communist Party of China and Chinese President Xi Jinping pointed out clearly for the first time that China should “guiding the international cooperation on climate change and become an important participant, contributor and leader in the construction of global ecological civilization”. As a socially responsible enterprise, the Bank of Chongqing has been paying close attention to and attaching importance to environmental protection, actively responding to climate change and promoting the green and sustainable development by accelerating the implementation of low-carbon and environmental protection measures.

The Bank of Chongqing advocates all employees to establish a green and energy-saving awareness and, promotes low-carbon office, electricity saving, requires employees to turn off lights, turn off water and energy-consuming equipment such as computers and air conditioners when they leave, as well as actively integrates environmental protection concepts into daily operations. In 2018, the Company strictly abided by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and continued to optimize the green operation management system, and add environmental management and energy consumption management system in the *Management Measures for Bank of Chongqing Building*.

Since the Bank of Chongqing belongs to the financial industry and operates mainly in office, which results in low energy consumption and low pollution and does not cause major impact on environment and natural resources. In 2018, the Company did not receive any environmental litigation cases or penalties caused by environmental problems. In terms of green operation, the Company continues to strengthen data collection and management regarding emissions and resource use. The main emissions and resource use data for 2018 are as follows:

Indicator	Units	Data in 2018	Data in 2017
Greenhouse Gas Emissions and Intensity <sup>1</sup> from the Headquarter (scope 1 and 2)			
Emission from vehicle (Scope 1)	Metric ton	50.76	69.00
Emission from liquified natural gas used in canteen (Scope 2)	Metric ton	0.93	0.43
Emission from electricity consumption (Scope 2)	Metric ton	1,731.79	1,082.00
Total GHG emissions	Metric ton	1,783.48	1,151.43
Total GHG emissions intensity	Metric ton/ m <sup>2</sup> of office area	0.03	0.02

## Official Vehicles Management

Air pollutant emissions from the Bank of Chongqing are mainly the pollutant emissions generated during the use of official vehicles. In order to standardize the vehicle management and effectively ensure official activities, the Company implements the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and accordingly formulates the *Official Vehicle Management Approach of the Banks of Chongqing*, as well as follows the principles of “unified management, guaranteeing official business, being affordable and applicable, energy-saving and environmental protection” to regulate the management and disposal of official vehicles, with clear instructions on giving priority to new energy vehicles when purchasing, in order to promote energy-saving and emission reduction, as well as environmental protection. Meanwhile, the Company stipulates that vehicle management personnel should record the mileage and fuel usage of vehicles on a monthly basis, analyze and verify the data, and laying basis for the Company's environmental management work and environmental data disclosure.

<sup>1</sup> The calculation method of the greenhouse gas emissions (Scope 2) is referring to *2011- 2012 Average CO2 Emission Factors of China's Sub-national Grids* by National Development and Reform Commission

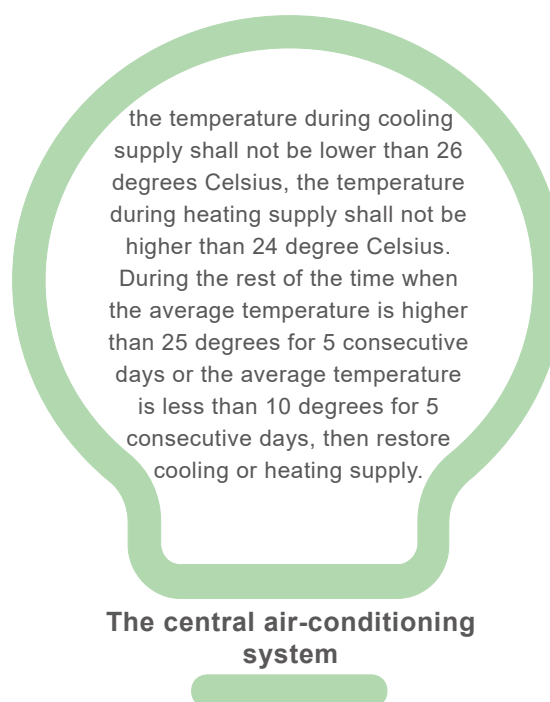
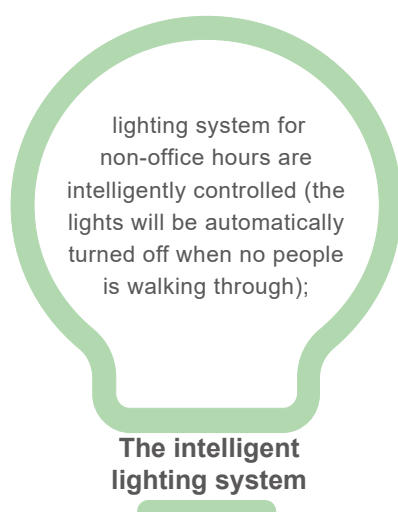
Indicator	Units	Data in 2018	Data in 2017
Air pollutant Emissions <sup>2</sup> from the Official Vehicles <sup>3</sup> from Headquarters			
NO <sub>x</sub> emissions	kg	21.78	34.72
SO <sub>x</sub> emissions	kg	0.33	0.45
CO emissions	kg	237.50	370.91
PM <sub>2.5</sub> emissions	kg	1.08	1.64
PM <sub>10</sub> emissions	kg	1.18	1.80

With the effective implementation of the official vehicle system, the air pollutant emission data in 2018 has a significant decline compared with 2017, reflecting the Company's efforts in driving the "Promoting Triumph in the Uphill Battle for Prevention and Control of Pollution".

### Resources and Energy Management

For a long time, the Bank of Chongqing has been actively implementing the green business philosophy and advocating green office. The resources and energy use of the Company mainly include electricity consumption, water consumption, paper use and other office supplies. For this purpose, the Company has developed a series of resources and energy conservation measures, committing to environmental protection:

### Electricity Saving



<sup>2</sup>The calculation method of the air pollutants emission is referring to *National Emission Inventory Guidebook for On-road Vehicles (Trial)* by Ministry of Environmental protection of the People's Republic of China

<sup>3</sup>The air pollutant emissions came from 17 official vehicles at the headquarters of Bank of Chongqing.

## Water Saving

The "water saving" logo is posted in the restroom and pantry;

Control the water flow when using water, and turn off the faucet after using;

If the pipeline is found leaking, the property management company should be promptly notified to deal with.

### Saving Paper

- Promote paperless office and fully cover office automation system;
- Use double-sided paper as much as possible to reduce paper consumption;
- Encourage paper reuse.

### Saving the use of office supplies

- Standardize the declaration, purchasing, receiving and daily management of office supplies;
- Reduce the use of disposable goods and encourage the use of durable goods, and recyclable and reusable goods.

Indicator	Units	Data in 2018	Data in 2017
Resources Consumption and Intensity from the Headquarter			
Total electricity consumption	thousand kWh	329.35	205.73
Total electricity consumption intensity	kWh/ m <sup>2</sup> of office area	47.05	29.39
Total water consumption <sup>4</sup>	thousand tonne	3.27	2.02
Total water consumption intensity	tonne / m <sup>2</sup> of office area	0.47	0.29
Total natural gas consumption <sup>5</sup>	10 thousand cubic meters	4.29	/
Total natural gas consumption intensity	cubic meter/ m <sup>2</sup> of office area	0.61	/
Total gasoline consumption (Vehicles)	10 thousand liters	2.19	/
Total gasoline consumption intensity (Vehicles)	liter/ vehicle	1,290.59	/

Due to the relocation of the headquarter building of the Bank of Chongqing in November 2017, and the new office building has been used throughout 2018, and its office space has increased compared with the previous, so the total consumption of electricity, water and natural gas are increased compared with 2017.

<sup>4</sup>The daily water consumption is mainly supplied from the municipal water network, and there is no difficulty in sourcing water.

<sup>5</sup>Natural gas consumption came from liquefied natural gas used in staff canteen in the headquarters of Bank of Chongqing.



## Waste Management

The Bank of Chongqing advocates resources conservation and expenditure reduction, strongly initiates to reduce the purchase and use of disposable products and encourages the use of durable and reusable products, so as to save expenses as much as possible from the source and reduce waste generation. Due to the characteristics of the financial industry, hazardous waste is not an important environmental pollutant emission during the Company's operation. The non-hazardous waste of the Company are mainly general office waste and kitchen waste generated by staff canteen.

In 2018, the Bank of Chongqing fully utilized the advantages of electronic administration affairs and fully implemented office automation system. With the implementation of measures such as double-sided printing and paper recycling, less waste paper was produced.

The Bank of Chongqing advocates civilized dining, strictly practicing food saving, opposing food waste. The Company strengthens the kitchen hygiene system and establishes a food hygiene and safety management system to ensure the safety of employees' meals, as well as to guide employees to develop good habits of cherishing and saving food. As a responsible bank, the Company's staff canteen refuses to provide high-end dishes such as shark's fin, bird's nest and dished made with wild protected animals. It is strictly forbidden to provide cigarettes and should respect the eating habits of ethnic minority people. In 2018, the Company counted the amount of kitchen waste produced which were collect intensively by the Sanitation Administration Department.

Indicator	Units	Data in 2018
Non-hazardous waste production and intensity from the headquarter		
Kitchen waste produced	liter	86,4000
Intensity of Kitchen waste produced	liter/ person	97.19

Other office wastes and domestic wastes are uniformly collected and centrally classified by property cleaning personnel, striving to achieve daily produced and daily cleaning. In the future, the Company will continue to reduce the solid waste generated, and gradually strengthen waste management, and clearly waste classification and collection.



## Green Finance

Green finance is the major focus of the reform of the supply side of China's financial industry and plays a pivotal role in economic green transformation and green development. The Bank of Chongqing adheres to the path of sustainable development and constantly pursues the harmonious integration of social values, economic values and environmental values. The Company proposes and actively implements green credit financial services, including supporting industries engaged in environmental protection, new energy industries, and new materials industries, and strictly controls and gradually reduces the credit scale of industries with high pollution, high energy consumption and overcapacity.

### Case

#### Striving to Become the First Pilot Bank of Green Financial Service Standardization in Chongqing

In recent years, with the rapid development of green finance in China, the Bank of Chongqing has taken "green financial services" as an opportunity to do business and policy communication with relevant regulatory authorities directionally and purposefully. Based on the *Green Credit Guidelines*, after numerous market researches and in-depth business exploration in the early stage, the Company was proposed licensing the first pilot bank of green financial service standardization by Chongqing Business Management Department of the People's Bank of China.

In 2018, the Bank of Chongqing complied with the policy orientation, actively served the real economy, purposefully increased green credit, and carried out self-evaluation of the implementation of green credit in 2017, further strengthening the due diligence of environmental and social risk of green credit projects, and consolidating the credit approval management for customer's environmental and social risks, as well as enhancing the green credit internal control compliance inspection.

In the future, the Bank of Chongqing will continue to enhance its professional business capabilities, establish a green financial service platform of city commercial bank with Foreign Cooperation Center of the Ministry of Ecology and Environment, striving to become the only pilot bank of green financial service standardization in Chongqing, and jointly explore the construction of green financial business management system.



## 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	✓	P39-42
	A1.1	The types of emissions and respective emissions data	✓	P39-42
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	✓	P39-42
	A1.3	Total hazardous waste produced and, where appropriate, intensity	✓	P39-42
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity	✓	P39-42
	A1.5	Description of measures to mitigate emissions and results achieved	✓	P39-42
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	✓	P39-42
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources	✓	P39-42
	A2.1	Direct and / or indirect energy consumption by type in total and intensity	✓	P39-42
	A2.2	Water consumption in total and intensity	✓	P39-42
	A2.3	Description of energy use efficiency initiatives and results achieved	✓	P39-42
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	✓	P39-42
	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	✓	P38-43
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	✓	P38-43
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 providing a safe working environment and protecting employees from occupational hazards	✓	P23-25
	B1.1	Number and rate of work-related fatalities	✓	P23-25
	B1.2	Lost days due to work injury	✓	P23-25
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	✓	P26-27
	B2.1	Number and rate of work-related fatalities	✓	P26-27
	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	✓	P26-27



Aspect	Indicator No.	Indicator Description	Disclosures	Pages/ Remarks
Environmental				
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	√	P28-31
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	√	P28-31
	B3.2	The average training hours completed per employee by gender and employee category	√	P28-31
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		P23-25
	B4.1	Description of measures to review employment practices to avoid child and forced labour	√	P23-25
	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	√	P10
	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	√	P10
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.	√	P14-21
	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	√	P19-21
	B6.3	Description of practices relating to observing and protecting intellectual property rights	√	P11
	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	√	P19-21
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	√	P8-10
	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	√	P8-10
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	√	P8-10
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	√	P33-35
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	√	P32-37
	B8.2	Resources contributed (e.g. money or time) to the focus area	√	P32-37

## Feedback Form for Readers

Dear Readers:

The Bank of Chongqing greatly appreciates your taking time to read 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:

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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 ?







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