



**Joint in the Pursuit of Sustained Growth and Value
Creation**

**Bank of Communications Co., Ltd.
2019 CSR Report**

March 27, 2020

About This Report

Reporting Scope

This report includes information on Bank of Communications Co., Ltd. (BoCom) and its domestic and international branches, subsidiaries and directly operating companies.

Information disclosure, if not specified, is applicable to the whole bank.

The report covers the period from January 1 to December 31, 2019. BoCom publishes its CSR report annually.

The 2018 CSR Report was published on March 29, 2019.

References

This report is prepared in accordance with the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by China Banking Regulatory Commission, *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association, *Notice on Promoting the Social Responsibility of Listed Companies and Publishing Environmental Information Disclosure Guidelines for Companies Listed on the Shanghai Stock Exchange* issued by Shanghai Stock Exchange, the *Environmental, Social and Governance Reporting Guide* issued by Hong Kong Exchanges and Clearing Limited (HKEx) and the *GRI Sustainability Reporting Standards* (GRI Standards) issued by Global Sustainability Standards Board (GSSB).

Reporting Process

Based on its CSR practices, BoCom prepares this report in seven stages covering project approval, information collection, drafts and revisions, review by senior management, Social Responsibility and Consumer Protection Committee and the Board of Directors, as well as printing and publishing. BoCom communicates frequently with its stakeholders for feedback on the structure and content of the report.

Assurance

The PricewaterhouseCoopers Zhong Tian CPAs Limited Company (special general partner) is entrusted to provide a third-party assessment of the report, in line with the *International Standard on Assurance Engagements (ISAE) 3000: Other Than Audits or Reviews of Historical Financial Information*, and an independent statement of assurance.

Data Sources

Financial data from BoCom Financial Statements 2019 have been independently audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company (special general partner). Other data from previous years is included in this report.

All currency amounts are reported in RMB, unless otherwise stated.

Report Availability

This report is available in print and electronic formats. BoCom uses environmentally friendly paper for all printed copies, and electronic copies are viewable at www.bankcomm.com.

Both Chinese and English versions are available. If discrepancies exist between the two versions, the Chinese version shall prevail.

References

Bank of Communications Co., Ltd. is also referred to as “BoCom” or “the Bank” or “we” in this report.

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Contents

About This Report	2
Message from the Chairman	7
1 About BoCom	11
1.1 Company Profile	11
1.2 Key Performance.....	11
1.3 Corporate Governance	15
2 CSR Management	21
2.1 CSR Governance.....	21
2.2 Stakeholder Communication and Engagement	24
2.3 Honors.....	27
3 Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation	
30	
3.1 Shouldering Responsibilities and Focusing on Supporting Targeted Poor Areas	32
3.1.1 Improving Political Awareness and Enhancing Leadership.....	34
3.1.2 Appointing Elite Officials and Showing Caring	36
3.1.3 Focusing on Key Problems and Increasing Investments	37
3.1.4 Building Confidence and Capacity, and Promoting Poverty Alleviation	
through Education	39
3.1.5 Pooling Efforts to Eradicate Poverty through Consumption	40
3.2 Undertaking Poverty Alleviation through Finance by Relying on Expertise	43
3.3 Highlighting Poverty Alleviation Initiatives at Provincial Branches and	
Subsidiaries	44
4 Feature: Supporting Special Education with Concerted Efforts.....	48
4.1 Supporting Underprivileged Students with Disabilities	49
4.2 Improving the Special Education Teaching Environment.....	50
4.3 Consolidating the Foundation of Special Education	50
4.4 Continuously Expanding Influence.....	52
5. Making Contributions to Promoting Economic Development.....	54

5.1	Responding to National Strategies	54
5.1.1	Continuing to Improve the Global Network.....	54
5.1.2	Facilitating Regional Economic Development.....	58
5.1.3	Contributing to the Development of a Manufacturing Powerhouse.....	63
5.2	Supporting the Real Economy.....	64
5.2.1	Supporting Private Enterprises.....	65
5.2.2	Making Innovations in Smart Finance	66
5.2.3	Promoting Industrial Transformations and Upgrades	68
5.3	Improving People’s Well-being.....	70
5.3.1	Promoting Universal Access to Affordable Housing.....	70
5.3.2	Better Access to Healthcare.....	71
5.3.3	Smart Education Management	72
6.	Working Together for Inclusive Finance.....	73
6.1	Supporting MSEs	73
6.1.1	Expanding MSE Customers in Diversified Ways.....	74
6.1.2	Strengthening the building of online channels for inclusive finance	77
6.2	Paying Close Attention to the Development of Agriculture, Rural Areas and Farmers	80
6.2.1	Improving Services for Agriculture, Rural Areas and Farmers	80
6.2.2	Supporting New-type Urbanization	82
6.3	Improving Financial Services.....	83
6.3.1	Accelerating Business Innovation.....	83
6.3.2	Financial Education for the Public	85
6.3.3	Improving Consumer Experience	87
6.3.4	Protecting Customers’ Rights and Interests.....	89
7	Adhering to Green Development for a Better World	92
7.1	Green Finance	92
7.1.1	Green Finance Management.....	92
7.1.2	Support for Green Development	95

7.1.3	Influence in the Industry	99
7.2	Green Services	101
7.3	Green Operations	103
7.3.1	Green Procurement.....	104
7.3.2	Green Offices	105
7.4	Green Public Welfare Activities	110
8	Growing Together with Employees.....	112
8.1	Joint Efforts for Diversity	112
8.1.1	Basic Employee Information.....	112
8.1.2	Strengthened Democratic Management	114
8.2	Promoting Career Development.....	115
8.2.1	Multi-Level Employee Training.....	115
8.2.2	Employees Training in Multiple Forms	117
8.2.3	Multi-Channel Employee Development.....	122
8.3	Building a Happy Home.....	123
8.3.1	Care for Employees' Physical and Mental Health.....	123
8.3.2	Rich Cultural Activities.....	125
8.3.3	Care and Aid for Employees	126
9	Building Our Home Together Through Public-Interest Activities.....	128
9.1	Building a Charity Brand	128
9.2	Contribution to a Harmonious Community.....	132
9.3	Volunteer Services by Employees	133
	Outlook for 2020.....	136
	Independent Statement of Assurance	138
	ESG Index.....	140
	GRI Index.....	148
	Notes to Key Performance	169
	Feedback Form	173

Message from the Chairman

Since the inception, BoCom has been committed to relieving national crises, facilitating industrial revitalization and seeking interests for employees and shareholders, with the focus put on creating shared value. In 2019, as we celebrated the 111th anniversary, we continued our century-old tradition, kept refining our cultural essence and strived to deliver best services for the development of the real economy and the improvement of people's life. We continued to follow the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, put into action the guiding principles of the 19th National Congress of the CPC and the Central Economic Work Conference, and comprehensively acted upon the new development philosophy. By focusing on the three tasks of the financial industry – serving the real economy, guarding against financial risks and deepening financial reform, we strived to develop into a world-class bank with wealth management characteristics and global competitiveness. As we entered into the new era with a new future ahead, we went with the current of the times, further concentrated on our original aspiration, continued to improve our services, put into play our characteristics and pursued high-quality development. In 2019, our net profit registered RMB 77.281 billion, an increase of 4.96% year on year; return on equity reached 0.80% and capital adequacy ratio 14.83%; non-performing loan ratio decreased to 1.47% and social contribution per share was RMB 4.87. We were listed among the *Fortune* Global 500 companies for eleven consecutive years, ranking 150th in terms of operating income, and rated 11th by *The Banker* for three years in a row among the world's top 1,000 banks in terms of Tier 1 capital.

Sparing No Effort to Reduce Poverty

With the welfare of the poverty-stricken population in our mind, we have been sweating to fight poverty. In 2018, we took poverty alleviation as our top political task and the “No.1 Project” in fulfilling social responsibilities. We were rated among the first rank of 288 central SEOs for our poverty reduction efforts. In 2019, we continued to fight poverty with concerted efforts, formulated the *2019 Plan on Poverty Alleviation* and the *Opinions on the Poverty Alleviation Work for Securing the Decisive Victory against Poverty* to advance anti-poverty work in a solid way.

Recognizing the political importance of poverty alleviation, our leading group for poverty reduction met regularly, and sent executives to supervise and inspect the poverty reduction efforts in all designated poverty-stricken counties. To ensure “no worries over food and clothing and access to compulsory education, basic medical services and safe housing”, we sent the best of our officials and increase financial input to tackle weaknesses in poverty reduction, made special efforts to boost the confidence of local people about getting rid of poverty and see to it that they have access to education needed to do so, and pooled social forces to join us in the poverty fight through consumption. We over-fulfilled all the six major targets. Specifically, we attracted RMB 6,635,800 supporting funds, a year-on-year increase of 729.47%, and the outstanding loans for targeted poverty alleviation in 2019 reached RMB 29.285 billion, an increase of 11.26% year on year.

Making Steady Progress in Business Development

If we compare the economy to the human body, finance is the blood vessel. In 2019, we closely followed national strategies to contribute to steady and high-quality development. Based on the reality in China, we strived to shape a favorable financial environment and did a solid job in forestalling and defusing risks.

We actively aligned with national strategies such as the coordinated development of the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area and the integration of the Yangtze River Delta and continued to meet the demand of the Belt and Road projects and the global expansion of Chinese enterprises. In 2019, we won the Achievement Award for Implementing the Belt and Road Initiative by Top 100 Responsible Banking Institutions in China. Keeping in mind President Xi’s instruction that financial institutions should support the development of the real economy, we launched chain financial service projects, made it more convenient for small and micro businesses to access inclusive loans and over-fulfilled all the targets in terms of the year-on-year growth of loans to small and micro businesses and the number of beneficiary businesses, the control of the loan quality and cost for them, and lowering the statutory reserve requirement ratio for them.

Keeping up with the Times to Give Technology a More Empowering Role

As an ancient Chinese poet once observed, “In order to take in a boundless view, ascend another floor”, to bring our technological prowess to another level, we make intelligent transformation as the core strategy of corporate development. Accordingly, we advanced the Fintech infrastructure construction and employed technology to further explore consumer finance channels, consolidate the foundation for credit investigation risk control, provide customers with innovative products and services and drive high-quality business development.

During the Reporting Period, investment in information technology increased by 22.94% year on year, which occupied 2.57% of our operating revenue, an increase of 0.38% compared to last year. We set up a fund for the “New 531” Project, and key projects such as the heterogeneous dual-core processing system, intelligent risk control, intelligent credit granting, financial service platform and cross-border capital management have put some functions into service. Meanwhile, we sped up the building of a data governance system, developed a data management and application platform and promoted the use of big data in precision marketing, customer view and risk prevention and control. Taking the human resource reform as an important driver for technology empowerment, we launched three projects including FinTech Management Trainees, 10,000 Fintech Talent Program and the Empowerment and Transformation of Talent Reserve, so as to endless intellectual support for the digital and intelligent transformation of the Bank.

Paying Equal Attention to Human Development and Ecological Conservation

We believe that “clear waters and green mountains are as good as mountains of gold and silver” and continue to follow the new development philosophy. While China is making steady progress in ecological conservation, we have stepped up efforts in developing green finance, channeled capital to industries highly related to people’s wellbeing, valued the requests and demands of employees and community residents and strived to create value for all stakeholders.

In 2019, we continued to improve green credit policies and assessment and evaluation indicators, continued to scale down lending and consolidate assets, and actively resolved environmental and social risks caused by excess capacity. In 2019, the balance of green loans reached RMB 328.352 billion, an increase of 16% over the end of last year. Valuing employees as our biggest asset, we attached great importance to employee training. We further promoted

democratic management, listened to and responded to the requests and concerns employees, and regulated various employee care and support activities. We continued to launch “For Tomorrow - BoCom Financial Support for Students with Disabilities” and “Blue” charity projects to give back to society and benefit the general public.

We will saddle up and pursue our dreams. The year 2020 will mark a milestone in history as it will witness the realization of building a moderately prosperous society in all respects, the completion of the 13th Five-year Plan, and also us securing a decisive victory against poverty. This year, we will step up efforts in targeted poverty alleviation, closely align corporate development with the financial supply-side structural reform, seize every minute to promote technological innovation and empowerment, and strive with persistence and a noble mission to build a world-class bank with wealth management characteristics and global competitiveness and contribute to building a moderately prosperous society in all respects.

[Picture] Ren Deqi (E-signature)

Chairman of Bank of Communications

March 27, 2020

1 About BoCom

1.1 Company Profile

Founded in 1908, BoCom is one of the longest standing and one of the note-issuing banks in modern China. After restructuring, BoCom officially opened on 1987, April 1st. BoCom was the first state-owned, joint-stock, nationwide commercial bank in China, and has its Head Office in Shanghai. In June 2005, Bank of Communications was listed on the Stock Exchange of Hong Kong, and in May 2007, it was listed on the Shanghai Stock Exchange.

The Group's business scope covers commercial banking, offshore finance, fund, trust, financial leasing, insurance, foreign securities, debt-for-equity swap, and assets management, etc. As of the end of the year 2019, the Bank had set up 244 domestic branches, including 30 Tier-1 branches, 7 directly affiliated branches under the Head Office and 207 Tier-2 branches. The Bank had 3,079 banking outlets in 242 cities, prefecture-level or above, and 164 county-level cities nationwide. The non-bank subsidiaries of the BoCom include Bank of Communications Financial Leasing Co., Ltd., China BoCom Insurance Co., Ltd., BoCom Financial Asset Investment Co., Ltd. and BoCom Wealth Management Co., Ltd. who were wholly-owned subsidiaries; and Bank of Communications Schroder Fund Management Co., Ltd., Bank of Communications International Trust Co., Ltd., BoCommLife Insurance Company Limited and BoCom International Holdings Company Limited, who are controlled subsidiaries. Moreover, the Bank is the largest shareholder of Jiangsu Changshu Rural Commercial Bank Co., Ltd. and one of the largest shareholders of Bank of Tibet Co., Ltd., has strategic investment in Bank of Hainan Co., Ltd., and controls 4 rural banks.

As of the end of the reporting period, BoCom has set up 23 overseas banking branches, subsidiaries and representative office in 17 countries and regions across the world, including Hong Kong Branch/Bank of Communications (Hong Kong) Co., Ltd.; branches in New York, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, San Francisco, Sydney, Taipei, Brisbane, Melbourne, and Prague; London Branch/Bank of Communications (UK) Limited, Bank of Communications (Luxembourg)

Limited/Luxembourg Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications (Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., and the Toronto Representative Office, covering major international financial centers worldwide and bringing the number of overseas outlets (excluding representative offices) to 68.

In 2015, the State Council approved *the deepening reform plan of the Bank of Communications* which focusing on exploring the corporate governance mechanism of large commercial banks, implementing the reform of internal business mechanism and promoting the transformation and innovation of business model, Bank of Communications steadily promoted the implementation of deepening reform projects. Since 2019, the BoCom has focused on building strong wealth management capabilities, accelerating the transformation and upgrading of outlets, the group's intelligent transformation, and the reform of risk credit management. The reform dividend has been gradually released, the transformation power has been effectively stimulated, and the core development indicators have been continuously improved. By 2019, the Bank had been among the *Fortune* Global 500 for 11 consecutive years and its latest ranking was No. 150 in terms of revenues, up 18 positions from the previous year. It also ranked No. 11 among the world's top 1,000 banks in terms of Tier-1 capital according to *The Banker* for the third consecutive year.

As a large state-owned banking group with a long history, we have clear strategies, standardized governance, stable operation and high-quality service. Bank of Communications has always been focusing on the implementation of national strategy and serving the real economy, continuously strengthening comprehensive risk management, continuously promoting and deepening reform, striving to provide the best service for customers, creating more value for shareholders and creating a happiness home for employees, and make greater contribution to the society!

1.2 Key Performance

		2017	2018	2019
Economic	Total assets (RMB billion)	9,038.254	9,531.171	9,905.600
	Total loans (RMB billion)	4,579.256	4,854.228	5,304.275
	Net profits (RMB billion)	70.223	73.630	77.281

	Taxes (RMB billion)	29.795	31.655	30.025
	Dividend distribution (RMB billion)	21.209	22.093	23.393
	Dividend per share (RMB)	0.2856	0.2975	0.315
	Return on average assets	0.81%	0.80%	0.80%
	Return on average equity	11.44%	11.36%	11.20%
	Impaired loan ratio	1.50%	1.49%	1.47%
	Provision coverage	154.73%	173.13%	171.77%
	Capital adequacy	14.00%	14.37%	14.83%
	Tier-1 capital adequacy	11.86%	12.21%	12.85%
	Core Tier-1 capital adequacy	10.79%	11.16%	11.22%
	Total assets of branches outside Chinese mainland (RMB billion)	964.670	1,069.186	1,164.018
	Total profits from branches outside Chinese mainland (RMB billion)	5.124	5.507	6.363
	Total assets of 8 controlled non-bank subsidiaries (RMB billion)	280.499	322.208	389.718
	Total profits of 8 controlled non-bank subsidiaries (RMB billion)	4.026	4.319	5.379
	Outstanding loans, central and western China (RMB billion)	1,201.836	1,327.909	1,518.200
	Outstanding loans, micro-, small- and mid-sized enterprises (RMB billion)	1,338.994	1,416.774	1,564.401
	Outstanding loans, agro-related (RMB billion)	653.618	581.147	607.782
	Low-income housing loans (RMB billion)	49.911	73.763	87.555
	Science, education, culture, and health loans (RMB billion)	82.780	89.436	96.875
	Personal loans (RMB billion)	1,409.882	1,635.627	1,754.765
	Bank-wide number of major innovation projects	N/A	N/A	8
	Share of successful transactions via UnionPay interbank system	99.99%	99.99%	100.00%
	Number of outlets in the Chinese mainland	3,270	3,241	3,079
	Number of outlets ranked among China's Top 100 Model Outlets	20	—	20
Environmental	Share of green loan customers	99.76%	99.61%	99.53%
	Share of outstanding green loans	99.94%	99.79%	99.76%
	Share of loans to heavily polluting, energy-intensive, and overcapacity industries	4.20%	3.18%	3.10%
	Outstanding loans in support of energy conservation and emissions reduction	277.108	283.054	328.352

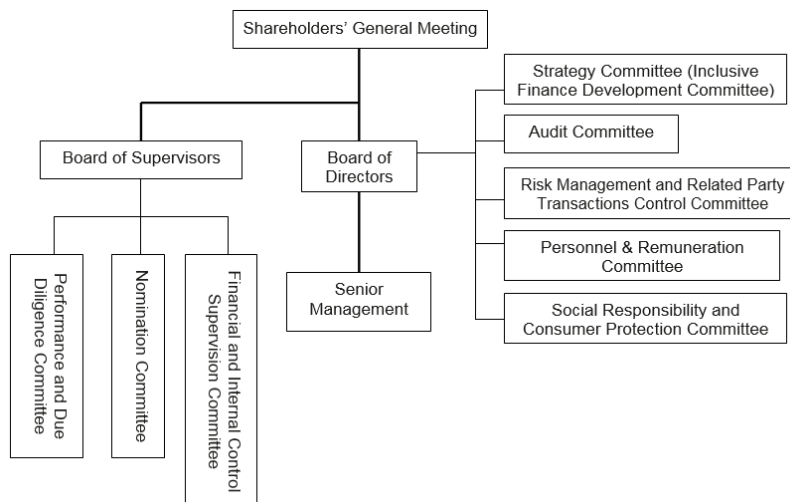
	(RMB billion)			
	E-banking business share	94.54%	96.59%	97.67%
	Head Office water use (tons)	332,000	333,300	307,000
	Head Office electricity use (MWh)	102,281.0	99,646.7	96,710.6
	Head Office gas use (m ³)	1,262,500	1,232,500	1,573,200
	Head Office paper use (tons)	38.06	40.95	38.36
	Head Office carbon emissions (tons of CO ₂ e)	83,324.72	81,184.27	79,606.73
	Bank-wide video conferences	7,342	7,760	7,884
	Data center PUE	1.76	1.79	1.91
Social	SCVPS (RMB)	4.24	4.73	4.87
	Employees (domestic and overseas)	91,240	89,542	87,828
	Female middle and senior management	2,678	2,809	3,011
	Ethnic minorities	3,976	4,042	3,992
	Charitable donations made (RMB million)	25.9122	35.0662	43.3471
	Poverty reduction donations (RMB million)	20.5129	28.1579	32.9853

1.3 Corporate Governance

Standardized and effective corporate governance is the foundation of long-term steady development of a commercial bank for it plays a critical role in effectively forestalling and defusing financial risks, better protecting the legitimate rights and interests of financial consumers, promoting the establishment of a modern enterprise system in the financial sector, and facilitating the modernization of the governance system and capacity. During the Reporting Period, adhering to the goal of “building the best bank in corporate governance”, the Bank focused on Party leadership, shareholder governance, governance of the Board of Directors, governance of the Board of Supervisors and Senior Management, internal risk control, governance of related-party transactions, market constraints and governance of other stakeholders to further refine its decision-making, implementation and supervision mechanisms in relation to corporate governance, so as to ensure high-quality development.

- **Overview**

BoCom strictly abides by Chinese and foreign laws and regulations as well as rules for listed companies, constantly improves its corporate governance system, and explores continuously the governance structure where “the Party committee takes comprehensive leadership, the Board of Directors makes strategic decisions, the Board of Supervisors supervise according to law, and the Senior Management is authorized for operations,” which is a corporate governance mechanism with Chinese characteristics for large commercial banks. The Shareholders’ General Meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees, and the Senior Management all have their clearly defined powers and responsibilities and have been doing their jobs in a well-coordinated way, continuously enhancing the effectiveness of the Bank’s corporate governance. In line with the three tasks assigned by the central authorities, i.e. “serving the real economy, forestalling and defusing financial risks and deepening the reform of the financial sector”, the Bank has remained committed to the new development philosophy and stepped up its effort to put into practice the new content of its strategies, going all out for high-quality development and high return to shareholders and investors.



Note: Governance structure

As of the end of the Reporting Period, the 9th Board of Directors had 15 members, including 2 executive directors, 7 non-executive directors, and 6 independent non-executive directors. Independent directors accounted for more than one third of the Board members. The independent directors also served as chairpersons of the Audit Committee, Risk Management and Related Party Transactions Control Committee and Personnel & Remuneration Committee.

As of the end of the Reporting Period, the 9th Board of Supervisors had 9 members, including 1 shareholder supervisor, 4 external supervisors and 4 employee supervisors. Among them, 3 were female. During the Reporting Period, the Board of Supervisors had been in good order and held and attended meetings according to the law and in full compliance. Throughout the year, it held 7 meetings and reviewed 21 proposals. The attendance rate was 94.81%. Members of the Board of Supervisors also attended 5 Shareholders' General Meetings, sat in on meetings of the Board of Directors and its special committees, and participated in important meetings of the Bank.

Promoting integration between Party leadership and corporate governance	<ul style="list-style-type: none"> • According to regulatory regulations, listing rules and requirements of the <i>Guiding Opinions on the Improvement of Management of State-owned Financial Capital</i> issued by the CPC Central Committee and the State Council, the Bank effectively integrated strengthening Party leadership with improving its corporate governance. • During the Reporting Period, the Bank actively carried out the education campaign themed “Remain true to our original aspiration and keep our mission firmly in mind.”, which covered more than 40,000 Party members. It strictly implemented review by the Party
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	<p>Committee before the Board of Directors reviewed any major issues, which was a specific way to ensure that the Party Committee kept the direction, managed the overall situation, and ensured implementation.</p>
<p>Continuously promoting value for investment</p>	<ul style="list-style-type: none"> • The Bank leaders met and communicated with more than 300 journalists, analysts and institutional investors. • The market value management team participated in 16 domestic and overseas investor forums and received more than 40 visits and interviews. • The Bank participated in three online activities of “Collective Reception Day for Investors” organized by Shanghai Stock Exchange, and responded to over 50 questions raised by investors.
<p>Safeguarding shareholders’ rights and interests</p>	<ul style="list-style-type: none"> • The Bank completed 2018 cash dividend of ordinary shares, with total dividends of RMB22,279 million (before tax). • The Bank completed dividend distribution of domestic preference shares, with total dividends of RMB1,755 million (before tax). • The Bank completed dividend distribution of overseas preference shares, with total dividends of USD122.5 million (after tax). • The Bank steadily pressed ahead with work on the application for administrative license from China Banking and Insurance Regulatory Commission (CBIRC) and the registration of change of state-owned property rights and information disclosure, and earnestly conducted, completed and reported progress in self-examination and rectification on equity and related-party transaction management across the Group.

● **Risk Management**

The Board of Directors of the Bank assumes the ultimate responsibility and performs the highest decision-making function for the Bank’s risk management and controls the Bank’s risk management through its Risk Management and Related Party Transaction Control Committee. The Senior Management established a “1+4+2” Risk Management Committee, where four sub-committees were established under the Comprehensive Risk Management Committee, namely the Credit Risk Management Committee, Market and Liquidity Risk Management Committee, Operational Risk Management Committee and Compliance (Anti-Money Laundering) Risk Management Committee. Two business review committees, namely the Loan and Non-Credit

Review Committee and High-risk Asset Review Committee, were also established. The Comprehensive Risk Management Committee of the Head Office and its four sub-committees put into full play their prominent role in the prevention and control of systemic and regional risks, and practically performed their decision-making function in this regard throughout the Group and all segments as well as on the proactive identification and prevention of major risk hazards. All Tier-1 branches, overseas branches (sub-branches), subsidiaries and directly affiliated institutions referred to the above-mentioned framework to establish their own comprehensive risk management committees as their internal platform to collect information on risk management. In addition, each Tier-1 branch also set up a standing meeting for its Comprehensive Risk Management Committee for the prevention and control of systemic and regional risks and for making decisions on major issues related to risk management.

The Bank paid attention to business continuity management. It followed business continuity plans and contingency plans to launch crisis and emergency responses targeting various incidents where natural or man-made disasters may affect or have affected its customer services, operation and personnel safety, and enhanced public opinion monitoring and information disclosure and communication, with priority given to the recovery of basic customer services, so as to protect the property, health and life of related people. During the Reporting Period, in an effort to further improve its risk policy system, the Bank formulated the *Implementation Plan for Resolutely Forestalling and Defusing Financial Risks of Bank of Communications*, *Measures of Unified Management of Risk Measurement of Bank of Communications (Version 2019)*, *Measures of Management of Asset Impairment Provisions of Bank of Communications (Version 2019)*, *Opinions on Further Enhancing the Risk Management of Interbank Customers of the Group* and *Measures of Consolidated Management of Bank of Communications (Version 2019)*, and revised the *Management Measures of Classification of Compliance Risk Events of Bank of Communications*, *Rules of Implementation for Compliance Reporting of Bank of Communications* and *Measures of Management of Internal Transactions of Bank of Communications*. The Bank also issued *Reward Measures for Reporting Case Risk* and *Rules on Working Procedures for Handling Problem Clues by the Discipline Inspection and Supervision Group Stationed in the Bank* to refine related internal control mechanisms, protect the legitimate rights and interests of whistleblowers, handle cases of

possible information leakage stringently and guide the practice of various risk management in the new situation effectively.

During the Reporting Period, in order to improve risk management bank-wide, the Bank continued to promote risk training. The Risk Management School of BoCom's Financial Institute initiated 23 training programs, with around 2,000 participants.

Chart: BoCom's Advantages in Risk Control

Concept	Preference for prudence and robustness in risk management
Technology	Complete and advanced risk management systems and technological tools
Leadership	Forward-looking and highly sensitive Board of Directors and Senior Management
Business	Flexible and efficient business scheduling
Model	Capital and liquidity precisely matched with corporate governance, business models and the structure of assets and liabilities

● **Combat Against Corruption, Bribery and Four Undesirable Work Styles**

As corruption is an important factor that undermines economic development and social rule of law, the communique of the Third Plenary Session of the 19th Central Commission for Discipline Inspection in 2019 made it clear that efforts would be stepped up to combat corruption efforts in the financial sector. The Bank actively pressed ahead with its anti-corruption work. Specifically, its warning and education efforts included analysis of typical cases, educational videos and bank-wide warning and education meetings. Such activities made corruption cases known to more people, analyzed the generally situation, and kept people alerted. The Bank kept close watch on cases where people seek personal gain in the process of approving and granting loans or exercising other powers, monitored construction and centralized procurement projects closely, and took strong measures to prevent risks of corruption. It also emphasized such sectors as official reception, remuneration for performance, expense management, office space, business car use and poverty alleviation projects to enhance supervision and disciplinary accountability, work harder against formalities for formality's sake and bureaucratism, and make continuous efforts to address the four undesirable work styles.

During the Reporting Period, the Bank organized 2 bank-wide comprehensive training sessions on discipline inspection and supervision, so as to help relevant personnel improve their knowledge structure and understanding of relevant disciplines and laws, and to build their capability to perform their duty through all-round, multi-layered and multi-dimensional training courses. The Bank carried out strict reviews on disciplinary work and the Head Office handled a total of 25 problem clues and took disciplinary measures including disciplinary talk, criticism and education, admonition talk and disciplinary punishment over 19 persons.

- **Anti-Money Laundering and Anti-Fraud**

The Bank practiced risk-based anti-money laundering management and continued to promote the building of its anti-money laundering (sanctions compliance) management capability. In line with the latest regulatory requirements and management reality, it formulated or revised the *Anti-Money Laundering Management Measures of Bank of Communications Co., Ltd.*, *Interim Measures of Assessment and Management of Institutional Anti-Money Laundering Risk of Bank of Communications*, *Implementation Rules for the Rating Assessment and Classification Management of Customer Money Laundering Risk of Bank of Communications*, *Measures of Management for Large-amount and Suspicious Transaction Reporting of Bank of Communications*, *Guidelines on Customer Identification and Due Diligence of Bank of Communications* and other anti-money laundering management systems. The Bank also further reinforced its foundation of anti-money laundering management, improved related procedures, enhanced high-risk business management and control, and intensified efforts to further build related systems.

2 CSR Management

The Bank made active efforts to identify and manage the impact its decisions and operation activities, continued to improve its corporate social responsibility (CSR) management system, and pursued shared prosperity and value together with stakeholders.

2.1 CSR Governance

In 2019, BoCom's Social Responsibility and Consumer Protection Committee under its Board of Directors strictly abided by the regulatory rules at home and abroad, and made active efforts to promoted targeted poverty alleviation through finance, actively fulfill social responsibilities, strengthen consumer protection, improve the Happy BoCom program, practice green credit, and safeguard the legitimate rights and interests of stakeholders. During the Reporting Period, the Committee held 2 meetings where it reviewed and approved 8 proposals and reports including the annual work report and work plan, the annual CSR report, the annual donation summary and plan, the annual green credit report, the annual consumer protection report, and the proposal to the Board of Directors for approval of 2019 donation limit, and provided comments and suggestions to further strengthen the organization and leadership of the Bank in fulfilling its corporate social responsibilities and consumer protection. During the Reporting Period, the Bank again won the honor of "Most Socially Responsible Financial Institution of the Year" granted by China Banking Association (CBA).



The third meeting of the Social Responsibility and Consumer Protection Committee of the Eighth Board of Directors

During the Reporting Period, the Bank actively organized and participated in informal talks and exchanges, engaged in communication and dialogue with stakeholders on key issues of corporate social responsibility, and shared the Bank’s responsibility concept and hands-on experience.



During the Reporting Period, the Bank won the “GoldenBee Leading Enterprise Award 2019 with an excellent CSR Report”.

CSR Declaration: Achieve more through harmony and credibility and grow with society.

CSR Vision: Fulfill the responsibilities of a modern corporate citizen while meeting the expectations of shareholders, customers, employees, and all other stakeholders as a global CSR leader.

Materiality Analysis

During the Reporting Period, according to the materiality definition process and methods proposed in the *GRI Sustainability Reporting Standards*, BoCom identified, updated, adjusted and re-prioritized the material topics based on that of 2018, and determined the Bank’s key topics of management and information disclosure.



BoCom Materiality Analysis Metrics for 2019

① Corporate culture building	② Assistance to employees in difficulties	③ Voluntary services	④ Work-life balance
⑤ Occupational health and safety	⑥ Green Operations	⑦ Employee training and development	⑧ Green Services
⑨ Green Public Welfare Activities	⑩ Protecting the rights and interests of employees	⑪ Increasing returns to shareholders	⑫ Party building
⑬ Comprehensive and international development	⑭ Popularizing financial knowledge	⑮ Innovative financial products	⑯ Green Finance
⑰ Engagement in charity	⑱ Inclusive finance	⑲ Poverty alleviation	⑳ Following national strategies
㉑ Improving customers consumption experience	㉒ Serving the people's livelihood	㉓ Serving the real economy	㉔ Protecting the rights and interests of customers
㉕ Compliance	㉖ Forestalling financial risks	㉗ Deeping reform	

2.2 Stakeholder Communication and Engagement

Stakeholder	Description	Primary concern	Source of information	Response
Customers	Current and prospective customers	Convenient, efficient, and quality financial services	Product promotion, customer service hotline, various customer activities	Provide efficient, quality services, develop new financial products, and protect customer information.
Shareholders	Holders of the Bank's shares	Good return on investment; fair, impartial, transparent and timely information disclosure	Shareholders' general meetings, investor activities, hotline, e-mail and fax, and company announcements	Stable operations and effective investor relations

Government agencies	All levels of the government; People's Bank of China and its branches, China Banking Regulatory Commission and its agencies, China Securities Regulatory Commission; administrative agencies for industry and commerce and taxation at all levels, etc.	Maintaining stability of financial system, facilitating the development of national economy, and improving the people's well-being, etc.	Policy directives, work reports, day-to-day communications, etc.	Compliance management, active implementation of national strategies and China's macro-economic policies, targeted poverty alleviation, serving the real economy, support for micro-, small, and mid-sized companies, focusing on agriculture, rural areas and farmers and inclusive finance, green credit, etc.
Employees	Bank staff, regardless of position or duration	Stable employment, proper benefits, satisfactory working conditions, growth opportunities	Employee congress, personnel opinion solicitation, personnel studies, counseling sessions, etc.	Protecting employee rights and interests, growing together to increase employee satisfaction

The environment	The ecological environment of areas where the Bank transacts business and other affected areas	Paying close attention to climate change, and supporting a low-carbon economy	Information disclosure, related activities, pricing strategies, etc.	Promoting green credit, e-banking, green operations, green procurement, and green activities.
Communities	General public and organizations in areas where the Bank transacts business and other affected areas	Social harmony and improved well-being	Financial service activities, public interest activities, etc.	Engaging in charitable activities, organizing volunteer activities, and disseminating financial information.
Partners	Suppliers, peers and other institutions in business with the Bank	Honesty, mutual benefit, fair procurement, and win-win cooperation	Invitations to bid, business exchanges and cooperation, etc.	Responsible procurement and business cooperation

Social organizations	Industry associations (e.g. China Banking Association), and non-profit organizations (e.g. environmental or public interest)	Boosting development of the industry as well as social harmony	Information disclosure, various related activities	Accepting supervision and participating in industry activities
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2.3 Honors

2019 Ranking/Honor	Sponsor/Granted by
Comprehensive Ranking	
Top 1000 World Banks 2019 (No. 11)	<i>The Banker</i> (UK)
<i>Fortune</i> Global 500 – 2019 (No. 150)	<i>Fortune</i> (USA)
Brand Rewards	
A-rated Consumer Protection Bank of PBOC	PBOC
Level-2 A-rated Consumer Protection Bank of CBIRC	CBIRC

<p>20 outlets named “Top 100 Model Outlets,” the most of any bank on the list</p> <p>Best Wealth Management Bank in China</p> <p>Achievement Award for Helping to Win the Three Critical Battles</p> <p>Achievement Award for Participating in the Belt and Road Initiative</p>	CBA
<p>Top 100 Chinese-listed Companies with Highest Brand Value</p>	<i>National Business Daily</i>
<p>Bank of the Year 2019</p>	<i>CBN</i>
<p>2019 Best Bank for Poverty Alleviation</p>	<i>Financial Times</i>
<p>2019 “Jin Li Cai” Excellent Award for NAV Wealth Management Products</p>	<i>Shanghai Securities News</i>
<p>2019 Top Ten Cases of Financial Innovation Serving the Real Economy</p>	<i>Hong Kong Commercial Daily</i>
Business Awards	
<p>The Third Prize of the Technology Development Award-the Mobile Platform to Support the Intelligent Transformation of the Banking Model</p>	PBOC

Excellent Case of Financial Services for Private and Small and Medium-Sized Enterprises in 2019	CBA
2019 “Front-Runners” for Online Banking Service Standards	NIFA
Best Digital Financial Innovation Award	CFCA
2019 “Jun Ding” Award for Closed-end NAV Wealth Management Products	<i>Securities Times</i>
2019 Innovation-driven Contribution Award of BoCom Credit Card	<i>CBA</i>
2019 Top Ten Innovative Investment Bank	<i>The Banker</i>
Best Service Provider, Cash Management	<i>The Asset</i>
Best Credit Card Innovation Award	Sina
2019 “Leading China” Outstanding Fintech Service Award	JRJ. com

3 Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation

Responding to the trend of sustainable development: 2019 marked the 70th anniversary of the founding of the People’s Republic of China, and was also a key year for winning the tough battle against poverty. BoCom takes poverty alleviation as its top priority for assuming its political and social responsibilities. With a focus on “two assurances and three guarantees” (the work of seeing that the basic living needs of rural poor populations are met and that such people have access to compulsory education, basic medical services, and housing), it has provided solid support for targeted poor areas and contributed continuously to the fight against poverty.



Our actions: Support for targeted poor areas; poverty alleviation through finance; partner assistance.

Our performance: BoCom made RMB29.285 billion in outstanding loans for targeted poverty alleviation, RMB325,500 in outstanding poverty alleviation loans for individuals (people living in poverty); provided RMB24.013 million and channeled RMB6,635,800 for poverty alleviation in the three designated counties the Head Office has paired up with.

China entered a crucial stage of poverty alleviation in 2019. In order to make every effort to fight against poverty, BoCom thoroughly studied and followed Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and his important statements on poverty alleviation, earnestly implemented the strategic plan of poverty alleviation proposed at the 19th CPC National Congress, and accurately understood the requirements of the State Council Leading Group Office of Poverty Alleviation and Development and the People’s Bank of China about targeted poverty alleviation, especially in targeted areas. It formulated and released the *Work Plan for Poverty*

Alleviation in 2019 and the *Opinions on Poverty Alleviation Efforts at the Crucial Stage*, clearly defined poverty alleviation tasks and specific tactics, fostered a stronger awareness of the work among employees and highlighted their responsibilities. During the Reporting Period, BoCom was presented the “Contribution Award for Winning the Three Tough Battles” by the China Banking Association, “The Year’s Best Bank in Poverty Alleviation” by *Financial Times* and the “Best Innovation Award for Poverty Alleviation through Finance” by SINA Finance.



During the Reporting Period, Ren Deqi, Party Secretary of BoCom and head of the poverty alleviation leading group, regularly convened meetings to study the central authorities’ guiding principles on poverty alleviation, and analyzed the overall situation to ensure the campaign moves smoothly and steadily in the correct direction. Pictured: A meeting of the poverty alleviation leading group.



During the Reporting Period, BoCom actively responded to the call of helping people build the confidence and capacity to pull themselves out of poverty. It focused on improving the capabilities of poverty alleviation officials and motivating people living in poverty to change their

situation. Its sustained efforts toward the high-quality poverty alleviation goal contributed to the battle against poverty. Pictured: The first training course for local poverty alleviation officials in 2019, organized by BoCom.



BoCom’s good practices in poverty alleviation attracted widespread attention from mainstream media. Pictured: An article authored by Ren Deqi, Party Secretary of BoCom, published in *China Poverty Alleviation*.

3.1 Shouldering Responsibilities and Focusing on Supporting Targeted Poor Areas

BoCom focused on meeting the basic requirements of the “two assurances and three guarantees” to improve the living standards and production conditions in impoverished areas and increase the income of poor households according to local situations. Making the most of its role as a financial service provider, BoCom stepped up its efforts in the fight against poverty and achieved good results in providing support for targeted poor areas.

By September 2019, BoCom had surpassed the six targets in *Central Department’s Responsibility Statement on Support for Targeted Poor Areas* ahead of schedule. During the Reporting Period, among the three designated counties BoCom has paired up with, Tianzhu County saw 14 villages, 961 households, and 2,796 individuals rising out of poverty, with the poverty rate dropping from 1.79% in 2018 to 0.07% in 2019; the county was rated as a national exemplar in ethnic unity and progress by the State Ethnic Affairs Commission of the People’s Republic of China. In Litang County, 37 villages, 1,223 households, and 5,750 individuals shook off poverty, with the poverty rate dropping from 10.2% in 2018 to 0.85% in 2019. In Hunyuan

County, 45 villages, 4,499 households, and 9,970 individuals were lifted out of poverty, with the poverty rate dropping from 3.38% in 2018 to 0.4% in 2019.

Chart: BoCom's Performance in Six Targets

Target	Performance	Target Completion %	Growth Rate
Poverty alleviation funds from BoCom	RMB24.013 million	104.4%	13.42%
Funds channeled by BoCom from other sources	RMB6,635,800	102.09%	729.47%
Training of basic-level officials	1,138 persons	103.45%	6.55%
Training of technicians	424 persons	106%	11.57%
Procurement of agricultural products from impoverished areas	RMB6,294,300	104.91%	16.79%
Support in marketing agricultural products from impoverished areas	RMB16,917,200	105.73%	11.48%

Case study: The Hand-holding Campaign promotes cross-sectorial cooperation in poverty alleviation and achieves a synergy between stakeholders.

BoCom created a partner assistance model for targeted poverty alleviation efforts. It initiated the Hand-holding Campaign to best leverage resources available within the financial group (in addition to banking, the trusts, funds, and insurance subsidiaries of the Group are also engaged in targeted poverty alleviation), to realize cross-industry integration of poverty alleviation synergy. In 2019, 15 companies including BoCom trusts, foundations, and insurance subsidiaries signed the *Poverty Alleviation Responsibility Statement* with the Head Office Party Committee, thus assuming these responsibilities.

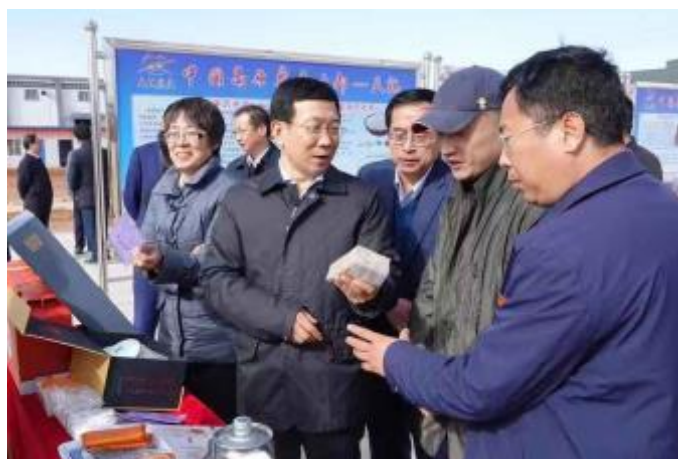
3.1.1 Improving Political Awareness and Enhancing Leadership

Successive heads of BoCom have given high priority to poverty alleviation and personally worked on the project. During the Reporting Period, Ren Deqi, Party Secretary of BoCom, visited all the counties that paired up with the bank in its poverty alleviation efforts, conducting supervision and investigation; 83.3% of the Party Committee members visited these counties for the same purposes. There were 238 visits (more than the total number in the previous two years) to the designated counties in total, of which 80 were undertaken by officials above the bureau level.

Photos: Following a problem-oriented approach, BoCom carries out supervision and investigation with a focus placed on prominent problems in poverty alleviation.



Ren Deqi, Party Secretary of BoCom, visits poverty-stricken households in Hunyuan County



Yin Jiuyong, Vice President of BoCom, conducts a poverty alleviation investigation in

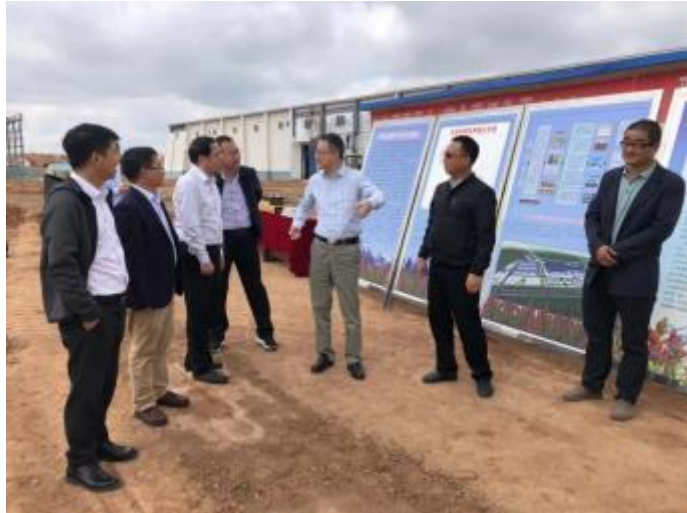
Tianzhu County



Guo Mang, Vice President of BoCom, conducts a poverty alleviation investigation in Hunyuan County



Lv Jiaping, Vice President of BoCom, conducts a poverty alleviation investigation in Litang County



Xu Min, head of the BoCom Discipline Inspection Team, conducts a poverty alleviation investigation in Tianzhu County

3.1.2 Appointing Elite Officials and Showing Caring

During the Reporting Period, BoCom appointed officials to serve in temporary positions in designated counties, selecting the best among the whole organization, in order to ensure their competency. These officials carried out precise management and targeted poverty alleviation measures according to the environment in different areas and the differing situations of poor households. Meanwhile, BoCom closely followed up on the actual implementation of poverty alleviation efforts taken by these officials, paying attention to the care taken by them, as well as implementing the *Work Plan for the Special Governance of Corruption and Work Style Problems in Poverty Alleviation from 2018 to 2020*, to ensure the effective implementation of poverty alleviation.

During the Reporting Period, three officials from the BoCom Head Office were seconded to the Party Committee or the local government in the three counties of Tianzhu (in Gansu Province), Hunyuan (in Shanxi Province), and Litang (in Sichuan Province), serving as deputy directors. Another official was appointed as the first secretary in Chakouyi Village, Tianzhu County.



The seconded officials are committed to making medical services more accessible and health resources more balanced in remote areas by fulfilling their responsibilities to help local villagers fight against poverty. In 2019, BoCom invested RMB1 million in the “caring for children” medical assistance project to provide cardiovascular disease screening for children in Litang County, Sichuan Province, aiming to ease the burden of medical treatment for poor households.

The picture shows the activity site.



During the Reporting Period, BoCom provided loans totaling RMB130,000 to six students from poor families in the three designated counties. The picture shows the officials going door to door, assisting with processing the student loans.

3.1.3 Focusing on Key Problems and Increasing Investments

BoCom sped up the approval and allocation of poverty alleviation funds to achieve early

utilization of donor funding, the early launch of poverty alleviation projects, early results from poverty alleviation, and early benefits for the assisted people. During the Reporting Period, BoCom provided RMB24.013 million to the three designated counties, an increase of 13.42%, of which RMB11.92 million was provided to Tianzhu County, RMB7.01 million to Litang County, and RMB5.083 million to Hunyuan County. The above-mentioned funds were paid in full before the end of June 2019, most of which were used for medical care, education, and industrial activities in areas of extreme poverty. With a large client base, BoCom has been in a strong position to work with organizations and individuals in targeted poverty alleviation efforts. It brought 21 companies and over 40 individual clients to the cause of poverty alleviation, raising a total amount of RMB6,635,800, an increase of 729.47%.

During the Reporting Period, BoCom provided and channeled funds for the “two assurances and three guarantees” project, benefiting nearly 100,000 people.

Case study: Optimizing fund management and promoting the role of industrial branding in poverty alleviation

In 2019, BoCom combined industrial development with poverty alleviation to achieve both fund transfers and the generation of dynamism for poverty alleviation, thus giving new impetus to the designated counties.

- BoCom provided RMB10.50 million to build the Quinoa Seeds R&D Center of Tianzhu County with two workshops, benefiting 4,011 people in poverty.
- BoCom provided RMB700,000 for the construction of collective pastures in Qudeng Township, Litang County, benefiting 1,191 people in poverty.
- BoCom provided RMB550,000 for the construction of a coarse cereals processing factory in Hunyuan County and certification for “three products and one geographical indicator”, benefiting 39 people in poverty.

By the end of the Reporting Period, the outstanding loans in support of poverty alleviation for the three designated counties totaled RMB16.08 million. Specifically, RMB3 million was

provided to Litang County, Sichuan Province for industrial development, including RMB1 million for agricultural development and RMB2 million for the development of pastures. Micro credit loans amounting to RMB9.95 million were granted to Hunyuan County, Shanxi Province; and RMB3 million was earmarked for agricultural development in Tianzhu County, Gansu Province.

3.1.4 Building Confidence and Capacity, and Promoting Poverty Alleviation through Education

BoCom vigorously undertook poverty alleviation through education, providing officials and technicians with training that improved their confidence, increased their income-generating capabilities, and motivated them to work harder for poverty alleviation. It thereby helped build a team of visionary local poverty alleviation officials with an understanding of theory and practical know-how.

Poverty alleviation through education	Training for 1,138 basic-level officials at county, town, and village levels, an increase of 6.55%
Confidence and capacity building	Education and training for locals and training for 424 county level technicians, an increase of 11.57%

Case study: Practical education to improve the poverty alleviation capabilities of basic-level officials

BoCom adopted the modes of “reaching out” and “inviting in”, carried out education and training about poverty alleviation, and built a team of poverty alleviation officials and industrial leaders who are committed to staying in designated counties.

During the Reporting Period, after in-depth investigation, BoCom’s Financial Institute clarified the educational needs of officials at county, town, and village levels, formulated learning modules for policies, working methods, and scenario experience, and held three training sessions for local poverty alleviation officials, thus improving the awareness of over 151 basic-level officials. On the basis of theoretical studies, BoCom’s Financial Institute led basic-level officials to make field investigations regarding the construction of new rural areas in Jiangsu, and built a platform to share

good practices in poverty alleviation.



A visit to a new rural area construction site in Suzhou, organized by BoCom for poverty alleviation officials from designated counties.

By working with Suning Group, BoCom’s Credit Card Center launched six on-site “New Vision of E-commerce” training sessions to provide training for 1,095 poverty alleviation officials and technicians in the designated counties. The “E-commerce Growth Plan” was simultaneously implemented to help two registered poverty-stricken households attend practical training in e-commerce operations at one Suning store for a period of one month.



On-site e-commerce training session

3.1.5 Pooling Efforts to Eradicate Poverty through Consumption

Centered on the methods of “Purchase on our own” and “assisted sales”, BoCom set up a

mode of partner assistance, pairing up with the designated counties in poverty alleviation efforts. It mobilized the efforts of the Bank and social forces to facilitate agricultural product sales for the three designated counties, in order to turn their specialties into a source of income and build platforms for poverty alleviation through consumption.

During the Reporting Period,

- Agricultural products worth RMB6,294,300 were purchased from the designated counties, an increase of 16.79%.
- Staff and corporate customers of the Group were mobilized to sell agricultural products worth RMB16,917,200, an increase of 11.48%.
- BoCom's poverty alleviation efforts brought, directly or indirectly, a per capita income increases of RMB1,145 for 1,200 poverty-stricken households in Tianzhu County, RMB1,000 for 1,556 poverty-stricken households in Litang County, and RMB970 for 432 poverty-stricken households in Hunyuan County.

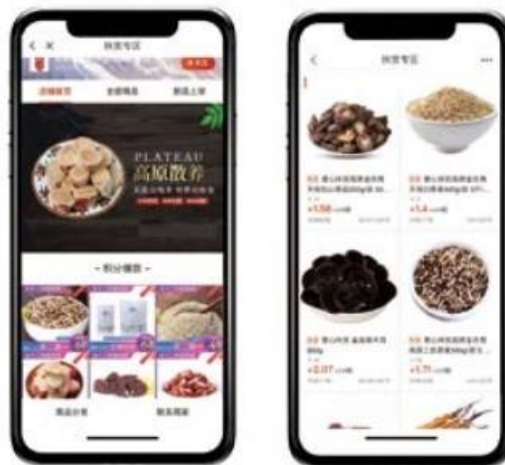
Case study: Expanding distribution channels by “plateau summer vegetable express”

BoCom worked with designated counties on the “plateau summer vegetable express” project to facilitate access to the Shanghai market by Gansu Yuanmei, the leading vegetable company in Tianzhu County. Gansu Yuanmei cooperated with vegetable wholesalers in Jiangqiao County to build “from field to plate” supply chains by transporting fresh vegetables from Tianzhu County to Shanghai via refrigerated cars. This mode was duplicated in Beijing where cooperation with the Xinfadi Market, China's leading agricultural products wholesaler, facilitated the professional, standardized, and industrial production of agricultural products in Tianzhu County, and further coordinated the long-term relations between agricultural products supply and marketing.

Case study: Tailor-made poverty alleviation through consumption programs to create a high-quality income generation model

Fully committed to the fight against poverty, BoCom has worked hard to create an atmosphere, both within and outside the organization, that facilitates one's participation in,

support for and promotion of the program of poverty alleviation through consumption. Based on an analysis of its own needs, the Head Office purchased from poverty-stricken counties beef, mushrooms, vegetables and other farm produces that would be used in its catering facilities for the staff and workshop attendees. By setting up booths in exhibitions and the canteen, organizing media events and private dinners, the Head Office extensively promoted agricultural products to its staff, clients, and broader communities, and established sales platforms in cooperation with multiple channels such as life.com, JD.com, and BoCom’s branch supermarkets for “purchasing in lieu of donation”, in order to create sustainable and high-quality modes of income generation for designated counties.



BoCom’s credit card app promotes among its personal customers agricultural products from poor counties, bringing an annual sales revenue of nearly RMB200,000.



BoCom Beijing Branch's initiative calls for employees and clients to purchase agricultural products.

3.2 Undertaking Poverty Alleviation through Finance by Relying on Expertise

BoCom closely followed the overarching requirements of the country for poverty alleviation through finance, convened the 2019 Symposium on Poverty Alleviation through Finance and Video Conference on Poverty Alleviation through Finance, developed credit plans, published and implemented the *Opinions on Effectively Conducting Precise Poverty Alleviation Through Finance from 2019 to 2020 (J.Y.B [2019] No. 84)*. It leveraged financial resources to direct capital toward poverty alleviation, and promoted poverty alleviation loans granted to projects, businesses, and individuals. During the Reporting Period, BoCom provided guidance on differentiated credit with a series of measures such as formulating differentiated credit policies, simplifying credit documents, and easing rating requirements under controllable risks. At the same time, it further enhanced its support for information technology, furthered system modifications, and improved the statistical system for poverty alleviation data. During the Reporting Period, outstanding loans for targeted poverty alleviation reached RMB29.285 billion, an increase of RMB2.964 billion or 11.26% over the beginning of the year, meeting the goal of continued growth in this category of loans.

Case study: Benefiting agriculture, rural areas, and farmers, and supporting income generation for people living in poverty

BoCom Sichuan Branch formulated the *Managerial Measures for Personal Loans in Support of Targeted Poverty Alleviation (Provisional) (J.Y.CH.B. [2018] No. 488)* and the *Managerial Measures for Differentiated Pricing of Personal Asset Business*. The two policy documents combine poverty alleviation through finance with inclusive agricultural loans, and provide innovative financial services for agricultural businesses. The borrowing applications of impoverished areas and populations are given priority and handled by experienced inspectors. Qualified loans related to agriculture and poverty alleviation are granted favorable interest rates under the same conditions, and fast-track procedures are developed for poverty alleviation loan inspection. By the end of 2019, Sichuan Branch's outstanding loans for targeted poverty alleviation reached RMB270 million, a net increase of RMB95.84 million, while outstanding

inclusive agricultural loans reached RMB556 million, an increase of RMB146 million. The farmers' wealth creation methods were enriched, and the income generation capabilities of people living in poverty were effectively enhanced.



A kiwi fruit production project in Ebian County was selected as an innovative case study of poverty alleviation through finance in Sichuan in 2019.

Case study: Guizhou Branch promotes poverty alleviation through finance.

BoCom Guizhou Branch actively responded to the call of the central authorities and the Head Office for poverty alleviation. It capitalized on its advantages in financial services, and provided funding for key infrastructure construction projects in Guizhou Province through such innovative measures as syndicated loan services, private equity type securitization of corporate assets, asset circulation, and an industrial fund for poverty alleviation. These projects helped improve the transportation and environmental conditions in impoverished areas, and promoted the economic development of extremely impoverished areas. In 2019, poverty alleviation officials dispatched to rural villages by Guizhou Branch allocated RMB1.75 million for construction of 25,000 square meters of roads, to the benefit of 2,333 people in 585 households. They carried out agricultural projects such as beef cattle breeding, and fungus grass and silage maize planting, benefiting 15 registered poverty-stricken households and bringing in an income of over RMB70,000.

3.3 Highlighting Poverty Alleviation Initiatives at Provincial Branches and Subsidiaries

BoCom earnestly follows the important instructions given by Secretary General Xi Jinping at

the Symposium on Resolving Prominent Problems in Poverty Alleviation. Using “two assurances and three guarantees” (the basic living needs of rural poor populations are met and that such people have access to compulsory education, basic medical services, and housing safety) as an important gauge of poverty alleviation results, it works towards enhancing the sense of fulfillment of people living in poverty.

Chart: Efficient and unique poverty alleviation efforts undertaken by provincial branches and subsidiaries with an emphasis on the “two assurances and three guarantees”

The “Two assurances”

Beijing Branch: motivated social forces and raised funds, cooperated with Originwater, China’s leading environmental protection and water service provider, in donating RMB500,000 to the water resources modification project in Dongping Township, Tianzhu Village, in order to solve the problems of unstable water supply and substandard water quality, and improve the well-being of the locals.

Shaanxi Branch: provided over RMB1.4 million to Gaowan Village for the construction of 14 cellars for drinking water and five cellars for irrigation, in order to solve the village’s shortage of drinking water, as well as the irrigation problems of hilltop apple orchards; launched a cold storage plan to meet the needs of apple growers and businesses, and helped make the product a local specialty with distinct economic benefits.

BoCom Life Insurance: built a leading group for poverty alleviation, conducted field investigation and provided RMB500,000 to a project for improving drinking water safety for humans and livestock in Hongshui Village, Wangzhuangbao Town.

The “Three guarantees”:

Access to Education

Zhejiang Branch: provided RMB200,000 for Linqi Town, Chun’an County, RMB170,000 of which was used for rooftop repairs and external wall painting at the Central Primary School of Linqi Town, in order to eliminate safety hazards in the run-down building, and improve the school environment.

Bank of Communications International Trust Co., Ltd.: assisted with applications for RMB 500,000 by the Education Bureau and the Science and Technology Bureau of Tianzhu Tibetan Autonomous County for a playground upgrading project at Dachaigou Primary School; donated over 1,000 books to the school for Children’s Day on June 1st, 2019, to help students expand their knowledge and improve their overall cultural literacy.

Bank of Communications Financial Leasing Co., Ltd.: provided RMB560,000 for the supporting facilities project of Gaolan Primary School in Maojing Town, Luodian County, Qianxinan Buyei and Miao Autonomous Prefecture, Guizhou Province. Covering an area of 175.78 square meters, the project brought in the first “flush toilets” and effectively improved the conditions for both teachers and students.

Access to Basic Medical Services

Shanxi Branch: built a new 45 square meter clinic in Hongshui Village and a 30 square meter clinic in Lingding Village, each having one qualified village doctor to ensure the poor have access to effective prevention and treatment of common and chronic diseases.

Heilongjiang Branch: hired medical staff from Jiamusi Central Hospital to provide free on-site consultation to the residents of Xingzhong Village, and donated medications worth RMB 23,000 to ensure an uninterrupted supply and improve health conditions.

Qinghai Branch: provided RMB2,764,700 for the smart hospitals project, and issued RMB9,628,500 in loans for medical care support in poor areas.

Access to Safe Housing

Hunan Branch: the poverty alleviation working group in Wenjia Village allocated RMB2.81 million to complete construction of facilities such as the safe drinking water system, sidewalks, new village offices, and the renovation of dilapidated houses, remedying the shortcomings in village facilities and largely improving the living standard of villagers.

Hainan Branch: advanced efforts related to “separation of humans and livestock”, “demolition of dilapidated houses”, and “toilet reform”, demolishing the dilapidated houses of seven households and upgrading toilets in 83 impoverished households, thus reflecting initial

successes in beautifying rural areas.

Gansu Branch: provided RMB 400,000 for the construction of 4,000 square meters of roads in Lizhuang Community, Shangjie Community, Xiajie Community, and Santiaogou Community in Yushu Village, Yushu Town, providing conveniences for the villagers' work, life, and transportation.

In 2020, BoCom will be engaged in the fight against poverty with a selfless spirit, a strong sense of responsibility, and even greater passion and zeal. As per the requirements of the central authorities, after those counties that pair up with it shake off the designation of being poor, BoCom will continue to deem poverty alleviation its responsibility, keep its poverty alleviation policies in force, provide assistance and prioritize oversight to prevent people from slipping back into poverty. BoCom will launch a series of high-quality, sustainable poverty alleviation projects through industrial development and education with a “platform mindset”, to ensure the long-term and stable implementation of poverty alleviation policies, expand poverty alleviation results, and provide a solid basis for rural revitalization in the next stage.

4 Feature: Supporting Special Education with Concerted Efforts

Responding sustainable development trends: BoCom is collaborating with multiple partners to implement the “For Tomorrow-BoCom Educational Support for Youth with Disabilities” program. In the past 13 years, it has been committed to strengthening the special education teaching faculty, improving the quality of special education, and building a home where students with disabilities can get equal education opportunities and grow up happily.



Our actions: Support underprivileged students with disabilities; award outstanding special education teachers; provide training for special education teachers.

Our performance: Since 2007, BoCom has donated RMB106 million to over 37,300 students with disabilities; given subsidies to 126 special education schools; presented awards to 1,699 outstanding special education teachers and 262 outstanding college students with disabilities; and trained 5,700 special education teachers.

Education equity is a cornerstone of social equality. In 2007, at the 20th anniversary of its corporate restructuring, BoCom which was committed to the benefits of persons with disabilities implemented the “For Tomorrow- BoCom Education Support for Youth with Disabilities” program in concert with the China Disabled Persons’ Federation (CDPF) and China Foundation for Disabled Persons under the rubric of “common planning, dedicated funding, implementation by CDPF and joint supervision”, in an effort to support the development of special education.

Since 2007, BoCom has donated RMB100 million to the China Foundation for Disabled Persons within a time frame of ten years to facilitate the construction of special education schools and support high school and college students with disabilities from impoverished families. To further carry out the guideline of “providing quality special needs education” in the 19th CPC National Congress report and *Improvement Plan of China for Medium- and Long-term Education (2017-2020)*, in addition to the above mentioned donation, BoCom has provided RMB2 million

every year since 2017 in support of the “For Tomorrow” program so that every child has equal access to quality education, and persons with disabilities are included in building an “equal, participatory, and shared” society.

As of the end of the Reporting Period, BoCom had contributed RMB106 million in total, given subsidies to more than 37,300 students with disabilities and 126 special education schools, rewarded 1,699 special education teachers and 262 outstanding college students with disabilities, and supported training for 5,700 special education teachers.

Stakeholder Testimonial:

“BoCom was the earliest corporation to support persons with disabilities and has done so the longest, invested the largest amount of money, and its projects covered the widest area. It is an example of embracing the important guideline of ‘providing quality special needs education’ proposed at the 19th CPC National Congress.”

Wang Naikun, Vice President of the China Disabled Persons’ Federation, Director of China Foundation for Disabled Persons

4.1 Supporting Underprivileged Students with Disabilities

At the beginning of the program, BoCom explored new ways to support special education through finance. Some underprivileged students with disabilities had to drop out of school because they could not afford to continue past the nine years of compulsory education. In such cases, BoCom began supporting underprivileged high school and college students with disabilities in finishing their educations starting in 2008. Before free high school education for students with disabilities was proposed in the *Outline of China’s National Plan for Medium and Long-term Education Reform and Development* published by the Ministry of Education for the 13th Five-Year Plan, BoCom had contributed RMB48.95 million over eight years (2008-2015), covering 37,000 high school students and freshmen with disabilities.

Stakeholder Testimonial:

“I would like to thank BoCom for its ‘For Tomorrow’ program and the Hubei Disabled Persons’ Federation for their care and support of my education. Without you, I would not have

been able to finish my university study, let alone land my hard-won job opportunity. I am very grateful and will work hard and do my best to give back to society.”

Recipient Student, Guo Bailing

4.2 Improving the Special Education Teaching Environment

In addition to supporting underprivileged students with disabilities, BoCom also upgraded the facilities of special education schools and universities, as well as regular schools which accept students with disabilities to provide such students with favorable conditions. From 2008 to 2010, BoCom contributed RMB31.05 million towards facilities, equipment, and laboratories for special education in over 100 schools (including primary, junior middle and high schools and colleges providing special education, and two teacher training centers for special vocational education at Beijing Union University and Nanjing Normal University of Special Education), to create a better environment and benefit more students with special needs, as well as promote the quality, coordinated development of special education.

4.3 Consolidating the Foundation of Special Education

To foster an enabling environment and further improve the capabilities of special education and promote its sustainable development, starting in 2010, BoCom responded to the need for enhancing the training of special education teachers and improving their professional level, helping to increase the capacity for training special education teachers, so students with disabilities not only have the opportunity to go to school, but also to receive quality education.

Apart from building the capacity of the special education faculty, BoCom organized multiple activities to improve public awareness of special education and help create a favorable environment for its development.

Chart: “For Tomorrow” Awards and Activities

<p>“BoCom Special Education Teacher Award”</p>	<ul style="list-style-type: none"> ● Since 2010, BoCom has sponsored the “BoCom Special Education Teacher Award” to encourage and support the teachers who devote themselves to the cause of special education. ● As of the end of the Reporting Period, BoCom had contributed RMB9.4 million in awards to 1,699 outstanding special education
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	teachers.
“BoCom Motivation Award for College Students with Disabilities”	<ul style="list-style-type: none"> ● Since 2012, BoCom has sponsored the “BoCom Motivation Award for College Students with Disabilities” to motivate students with disabilities to improve themselves and be responsible for society, their families, and themselves. ● As of the end of the Reporting Period, BoCom had contributed RMB1.6 million in awards to 262 outstanding college students with disabilities.
Skill Competitions for Students with Disabilities	<ul style="list-style-type: none"> ● From 2015 to 2016, BoCom designed and organized skill competitions for students with disabilities to showcase their skills in order to promote skill cultivation for students with disabilities and cooperation between schools and enterprises. ● BoCom contributed RMB1.1 million for the “Outstanding Skills (Talents) Award for Visually Impaired Students”, the “Calligraphy and Painting Award for Hearing-Impaired Students” and the BoCom Cup National Skill Competition for Vocational Schools of the China Disabled Persons’ Federation, and presented awards to 585 students with disabilities

Stakeholder Testimonial:

“I would like to thank the China Disabled Persons’ Federation and BoCom for giving an opportunity to special education teachers, that really allows us to feel support for the cause of special education by our country and society. I will take care of my students as always, and continue with my special education career at Shanghai School for the Blind for the rest of my life.”

Fang Xuejuan, Winner of “BoCom Special Education Teacher Award”



Awards ceremony of the 2019 “BoCom Special Education Teacher Award”

4.4 Continuously Expanding Influence

The establishment of the “Blue” charity brand in 2018 provided BoCom with an opportunity to continue creating new ways of supporting persons with disabilities. The program pools together resources within and outside the Bank, to create a favorable environment that enriches special education, and broadens the path ahead for students with disabilities.



2019 “For Tomorrow” donation ceremony

Case: Love Creates a Colorful Tomorrow -- Thematic Exhibition of Paintings by Famous Shanghai Artists and Children of the Stars

To strengthen awareness and support for special education and attract attention to care for children with autism, BoCom worked with various organizations such as the Shanghai Institute of Visual Arts to organize “Love Creates a Colorful Tomorrow – Thematic Exhibition of Paintings by Famous Shanghai Artists and Children of the Stars” and presented over 100 paintings created by 34 famous painters from Shanghai and 29 children with autism, who in China are often referred to as “children of the stars”. By organizing art charity activities for children with autism, it aims to light up their imagination and talents, as well as drum up more support and joy for the children and their families.



Paintings by children with autism from the exhibition

Stakeholder Testimonial:

“BoCom has shown a favorable, philanthropic image to society in the hope that there will be more people who care about special education and bring more warmth to society.”

Zhang Haidi, Chairman of China Disabled Persons' Federation

5. Making Contributions to Promoting Economic Development

Responding to the trend of sustainable development: In 2019, BoCom seized the development opportunity to replace old growth drivers with new ones, catalyzed industrial transformation and upgrading, and upgraded technologies in the financial industry to further improve its business structure and accelerate its smart transformation. It kept improving its service for the real economy and for people's well-being, in a bid to strike a balance between the quality of development and returns, and to fuel the high-quality development of the national economy.



Our actions: Respond to national strategies; support the real economy; improve people's well-being.

Our performance: Total assets: RMB9,905.6 billion; Taxes: RMB30.025 billion; Total loans: RMB5,304.275 billion.

5.1 Responding to National Strategies

The Bank considers serving national strategies to be its responsibility, continues to align its development plans with the requirements of national policies, and to improve the quality of the financial supply, so as to ensure the improved quality and efficiency of its service to national strategies.

5.1.1 Continuing to Improve the Global Network

The Bank continues to optimize its global network, support national strategies, and improve its global service capabilities with a refined global financial service system.

● Improving the Network of Overseas Institutions

As of the end of the Reporting Period, the Bank had set up 23 overseas banking institutions in 17 countries and regions, including Hong Kong Branch/Bank of Communications (Hong Kong) Co., Ltd.; branches in New York, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, San Francisco, Sydney, Taipei, Brisbane, Melbourne, and Prague; London Branch/Bank of Communications (UK) Limited, Bank of Communications (Luxembourg) Limited/Luxembourg Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications

(Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., and the Toronto Representative Office, covering major international financial centers worldwide and bringing the number of overseas outlets (excluding representative offices) to 68.

During the Reporting Period, total assets of overseas banking institutions reached RMB1,164.018 billion.

Profits of overseas banking institutions were RMB6.363 billion.

In May 2019, Prague Branch was opened for business.

The Toronto, Johannesburg, and Dubai (International Financial Center) branches are in the preparatory stages.

● **Serving the Belt and Road Initiative**

In 2019, the Bank made proactive efforts to meet demands from government and enterprises in countries along the Belt and Road for infrastructure, foreign trade, and other integrated cross-border financial services. It took the lead by launching inter-bank loan cooperation with New Development Bank, and set up ASEAN-oriented specialized institutions in southwestern border areas. It signed the *Agreement on Comprehensive Business Cooperation* and the *Cooperation Agreement for Services for the Belt and Road Initiative and in Support of Enterprises “Going Global”* with China Export & Credit Insurance Corporation (SINOSURE). Business cooperation related to specific contract insurance for engineering projects or export of complete sets of large equipment along the Belt and Road was added on the basis of existing SINOSURE short-term trade insurance, and “Te Xian Tong” financing was launched based on SINOSURE specific contract insurance. Meanwhile, the Bank continued to expand its presence in the countries along the Belt and Road and increased the influence of its outlets in the surrounding areas.



BoCom wins the Achievement Award for Participating in the Belt and Road Initiative from

Case study: The first USD15.5 million for “Te Xian Tong” financing

In December 2019, BoCom Hunan Branch, in cooperation with SINOSURE, processed the first USD15.5 million in “Te Xian Tong” financing for a PV power station project in Vietnam, a country along the Belt and Road. The deal provided the customer with whole-process services such as collection, management of receivables, and financing under the all-round cross-border commercial contract; matched non-recourse financing with the commercial contract term, and improved the enterprise’s financial statement and collection and management of receivables, freeing the customer from future worries.

Case study: Qingdao Branch finances major enterprises’ overseas projects along the Belt and Road.

BoCom Qingdao Branch put into effect its advantages in full financial licenses, and utilized its rich platform resources and product lines to meet the needs of local major customers such as Haier, Sailun, and Shandong Shipping Corporation, for cross-border financial services, assisting the enterprises with overseas M&A and daily overseas operations. As of the end of the Reporting Period, Qingdao Branch issued a total of roughly RMB6 billion through syndicates, L/C, export financing, and so on.

● **Supporting the “Going Global” Initiative**

The Bank makes full use of its advantages in financial resource allocation and provides a financial service solution package for Chinese enterprises that try to “go global” , so as to help them better utilize domestic and overseas markets and resources.

Chart: Measures of supporting the “Going Global” Initiative

Expanding overseas markets	Assist high-quality Chinese enterprises with mid/long-term financing demand to expand their presence in overseas markets and develop cross-border deals such as cross-border engineering project contracting and international syndicates.
Meeting funding demand	Closely follow the dynamics of domestic and overseas markets and flexibly use international trade financing to meet demand from enterprises for foreign investment capital.

Enriching financial services	Provide excellent Chinese enterprises that invest abroad with a full range of products and services such as overseas M&A loans, cross-border financing, international syndication, and cross-border cash management.
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Case: BoCom takes multiple measures to assist high-quality private enterprises in Xinjiang in “going global”

In 2019, BoCom Xinjiang Branch put into full play the BoCom Group’s advantages in internationalization and integration. It joined hands with the Group’s subsidiaries such as BoCom Trust and BoCom International Trust, to offer a cumulative RMB1.2 billion in financing for Xinjiang TBEA Group Co., Ltd., TBEA Co., Ltd. and its subordinate Xinjiang Joinworld Co., Ltd., and TBEA Xinjiang Sunoasis Co., Ltd. This was done through the innovative offshore RMB unit. The branch also completed the RMB1 billion market-based debt-for-equity swap of TBEA Xinjiang Sunoasis Co., Ltd. In doing so, Xinjiang Branch injected energy that promoted local top private enterprises to “go global” and realized industrial capacity upgrades and technological innovations.

● **Further Integrating Domestic and Overseas Operations**

By working with other subsidiaries within the Group, the Bank provides customers with enriched cross-border financial service solutions, such as diversified financial guarantees and trade financing products, as well as integrated financial services, covering cross-border investment, financing, and international syndicates.

Case study: Guangdong Branch processes the first cross-border real estate mortgage financing

BoCom Guangdong Branch relied on the advantage of the Nansha Free Trade Zone as a pilot platform, and the support of local municipal government and regulators for the success of a FTZ project it collaborated with BoCom Hong Kong Branch. The project was to finance a private automobile accessories enterprise in the FTZ, the first cross-border real estate mortgage financing project undertake by an overseas branch of a Chinese bank, and it brought RMB40 million in overseas low-cost funding. As a courageous and innovative attempt made by BoCom in cross-border financing, the deal both addressed problems such as limited credit lines for cross-border

loans utilizing traditional credit methods, and difficulties SMEs have with application and approval, and also connected domestic and overseas capital and asset circulation channels, to provide diversified channels for enterprises to revitalize quality domestic assets and reduce financing costs.

5.1.2 Facilitating Regional Economic Development

BoCom actively responded to national strategies in key regions such as the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Beijing-Tianjin-Hebei region, the Xiongan New Area and the new free trade zones, promoted the overall layout of Chinese financial reform and opening up, and facilitated the high-quality development of the regional economy.

During the Reporting Period, more than 40% of the Bank's domestic loan volume was issued to the Yangtze River Delta and Guangdong-Hong Kong-Macao areas, providing great financial support for the construction and development of these major areas.

- **Promoting the Integration of the Yangtze River Delta**

In the context of integration of the development of the Yangtze River Delta as a national strategy, and as regional development gained new momentum, the Bank has put into effect its natural advantages of full institutional coverage and strong service resources within the Yangtze River Delta and issued a series of innovative measures, laying a solid foundation for promoting integrated operations in the Yangtze River Delta.

Chart: Innovative Measures for Serving the Integrated Development of Yangtze River

Delta

Innovation management mechanisms	The BoCom Promotion Office for the Integration of the Yangtze River Delta Region was established to ensure the overall planning of and pragmatic progress in related work using an integrated management system.
Establishment of a joint lab	BoCom, the Shanghai Municipal Financial Regulatory Bureau, China (Shanghai) Pilot Free Trade Zone, Lin-Gang Special Area of the China (Shanghai) Pilot Free Trade Zone, Demonstration Area in the Yangtze River Delta on Ecologically Friendly Development, and Shanghai Hongqiao Central Business District worked together to establish the BoCom Joint Lab on Financial Innovation. The lab is intended to make innovative explorations in integrating various resources, implementing pilot policies for innovation, and integrating regional development to

	improve regional abilities in innovative services.
Launch of integrated business	The business integration mechanism in the Yangtze River Delta was put in place to provide major regional customers and projects with comprehensive and one-stop financial services.
Establishment of an investment fund	BoCom Sci-Tech Innovation Equity Investment Fund was set up to develop a service brand for scientific and technological innovation in investment integration and equity investment funds.
Staging of an exchange platform	BoCom, by staging an inter-bank platform in the Yangtze River Delta, explored the model of integrated cooperation in the region. The regional inter-bank partnership allowed the banks to share resources, draw on each other's strength in business, and achieve a synergy.

Case: BoCom Financial Leasing draws on foreign exchange control policies to provide convenient services to enterprises in the Yangtze River Delta

BoCom Financial Leasing utilized the policy of collecting rent in foreign currency, and engaged in the pilot program of facilitating foreign exchange receipts and payments for trade in goods. This not only improved its own competitiveness, but also provided a model for how foreign exchange management practices can support the real economy. During the Reporting Period, BoCom Financial Leasing was included in the list of “Top Ten Exemplary Enterprises for Institutional Innovation in the China (Shanghai) Pilot Free Trade Zone”.



Chart: BoCom Financial Leasing wins recognition for its service to the China (Shanghai)

Pilot FTZ



Chart: BoCom signs the agreement on comprehensive strategic cooperation with the People's Government of the Shanghai Pudong New Area, in Shanghai

- **Developing an Integrated Service Solution for the Guangdong-Hong Kong-Macao Greater Bay Area**

Tapping into its five major operational advantages in “integrated operation, centralized planning, featured cross-border business, leading-edge technology, and innovation-driven development”, the Bank seized opportunities for cross-border business in sectors related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area, including cross-border finance, infrastructure connectivity, technological innovation, industrial upgrades, and services for people’s well-being. It devised an integrated financial service solution in support of the Area, and built an integrated financial service network for interconnecting products and services among Guangdong, Hong Kong, and Macao.

Chart: Integrated Financial Service Solution for the Guangdong-Hong Kong-Macao Greater Bay Area

Connecting domestic channels	Enhanced domestic and overseas as well as offshore and onshore customer business integration and intensified business collaboration among the Head Office, branches, and subsidiaries to improve the collaborative service abilities of the Group
Integrating the Group’s resources	Utilized the advantage in integration to provide commercial banking, investment banking, leasing, trust, fund, and asset management, and insurance services for the development of the Greater Bay Area and promote the launch of major projects aligned with the direction of industrial development for the area.
Connecting online and offline	Improved the efficiency of online cross-border fund remittance, transfer, and trading for enterprises in the Greater Bay Area and rendered convenient cross-border financial services by building e-channels, such as rapid

business	remittance and transfer, and foreign exchange treasury management
Offering one-stop services	Explored one-stop financial services such as housing loans, cross-border wealth management, and multi-region account information e-channel inquiries following the direction of financial development that favors local people's well-being and aligns with local public welfare measures
Activating a universal platform	Committed to building a "single service window" platform, realized such services as appointments for account opening, contracting, account binding, purchase, payment, and foreign exchange for commercial trade, and real-time exchange settlement.
Uniting business sectors	Formulated policies for customer management, credit support, inclusive development, product innovation, and technology empowerment to comprehensively improve the quality and efficiency of services.

Case study: Guangdong Branch promotes connectivity in facilities and in mechanisms and rules in the Guangdong-Hong Kong-Macao Greater Bay Area

BoCom Guangdong Branch innovated financial service modes and collaborated the with Hong Kong Branch, Macao Branch, and BoCom International within the Group to establish an infrastructure development fund for the Greater Bay Area, so as to respond to the requirement of building a "four vertical and three horizontal railway line network", and support major connectivity projects such as Hong Kong-Zhuhai-Macao Bridge, Shenzhen-Zhongshan Bridge, Guangzhou Port, Shantou-Zhanjiang Railway, and Guangzhou Metro. Furthermore, it refined financial services for local residents and innovatively launched premium financing and "Fang Da Tong" mortgaged loans for Hong Kong residents with mainland property. It also enhanced interconnectivity between banks and enterprises and among financial peers, and held several activities such as an exchange meeting for inter-bank cooperation in the Greater Bay Area, and a financial forum for enterprises in Guangdong and Hong Kong. As of the end of the Reporting Period, Guangdong Branch recorded the corporate loan balance in the Greater Bay Area at RMB132.463 billion, an increase of RMB21.792 billion over the beginning of the year, or 19.69%.

- **Supporting the Coordinated Development of the Beijing-Tianjin-Hebei Region and Development of Xiongan New Area**

Since the establishment of the Xiongan Branch in 2018, the Bank has fully implemented the *Opinions on Seizing the National Strategic Opportunities and Promoting the Collaborative Development of Branches in the Beijing-Tianjin-Hebei Region*, *Opinions on Seizing the Strategic Opportunity of Setting Up the Xiongan New Area and Further Promoting the Collaborative Development of Branches in the Beijing-Tianjin-Hebei Region* and *Guiding Opinions of the Hebei Branch on Credit Work in 2019*, and actively responds to demand from major development projects in Xiongan New Area to facilitate upgrades to the asset structure in the region.

As of the end of the Reporting Period, Xiongan Branch had approved a RMB50 billion financing credit line for the China Xiongan Group.

It approved a RMB7 billion credit line for CCCC Xiongan Financing Leasing Co., Ltd., affiliated with China Communications Construction Group Limited.

It approved a RMB500 million credit line for CRCC Xiongan Construction Co., Ltd., affiliated with China Railway Construction Group Limited.

Balance of loans to customers and projects related to collaborative development of the Beijing-Tianjin-Hebei Region totaled RMB37.17 billion.

● **Serving the Development of New Free Trade Zones**

In August 2019, the State Council announced a master plan for six new pilot free trade zones (FTZs). Based on industrial characteristics and the development demand of FTZs, the Bank made a series of differentiated and pioneering business explorations.

Chart: Measures for Serving New FTZs

China (Jiangsu) Pilot Free Trade Zone	<ul style="list-style-type: none"> • Initiated diversified financial services for the Jiangsu Pilot FTZ. • Launched the first cross-border inward and outward fund remittance, first exchange settlement, first RMB structured deposit, first trade financing, first loan for small enterprises, and first investment banking deal.
Qingdao section, China (Shandong) Pilot Free Trade Zone	<ul style="list-style-type: none"> • Responded to the needs of the section and tapped into the advantages of an extensive overseas branch network and full-license financial services to play a positive role in finance leasing, shipping finance innovation, port services, and assisted enterprises in the area to improve their financial soft strength.

China (Yunnan) Pilot Free Trade Zone	<ul style="list-style-type: none"> Set up the leading group for promoting business in the Free Trade Zone and made an overall plan for the FTZ's business development. Processed the first business under a capital account for a Yunnan-based central enterprise, valued at RMB180 million in the Free Trade Zone, thus building a strong brand image of BoCom among FTZ customers.
China (Heilongjiang) Pilot Free Trade Zone	<ul style="list-style-type: none"> Opened accounts for a number of trade companies and tech startups in the zone and signed a loan agreement with several excellent enterprises on the day the FTZ was established.
China (Hebei) Pilot Free Trade Zone	<ul style="list-style-type: none"> Successfully launched comprehensive financing services for multiple enterprises.
China (Guangxi) Pilot Free Trade Zone	<ul style="list-style-type: none"> Processed the first RMB settlement for cross-border transfer of trade financing assets for a grain and oil enterprise, effectively lowering financing costs for local enterprises by introducing overseas capital.

5.1.3 Contributing to the Development of a Manufacturing Powerhouse

Manufacturing is the backbone of the national economy and also the main engine for implementing the innovation-driven development strategy. In 2019, the Bank followed the national strategy of innovation-driven development and responded to the government's strategy of "working faster to make China strong in manufacturing" in order to continue to support advanced manufacturing and technological innovation, and promote the development of a manufacturing powerhouse.

Chart: Measures for promoting the development of a manufacturing powerhouse

Optimizing credit guidelines for prioritized industries	Highlighted differences in credit strategies, and supported high-tech manufacturing and emerging industries of strategic importance
Identifying excellent enterprises	Identified prioritized enterprises, and stepped up efforts in marketing and credit issuance
Uniting multiple branches and taking various measures	Issued the <i>Notice on Further Supporting the High-Quality Development of Manufacturing through Finance</i> (J.Y.B.H. [2019] No. 269); established and improved the long-term mechanism for serving

	manufacturing development.
Researching tech startups	Analyzed industrial features, operation modes, and risk profiles of tech startups, and improved service to meet demand from innovation-driven manufacturers.

Case: BoCom Financial Leasing supports national high-end equipment manufacturing

In August 2019, BoCom Financial Leasing’s first COMAC ARJ21 aircraft was delivered to Chengdu Airlines, signaling the company’s major breakthrough in expanding domestic aircraft leasing and building the sale, financing, and support platform for domestically designed aircrafts. Since its founding, BoCom Financial Leasing has supported the development of China’s aviation industry. It has launched cooperative endeavors with nearly 30 domestic airlines, continued to promote proprietary aviation brands in “going global”, and explored market-based operation of domestic aircrafts in partnership with national aircraft manufacturers, financial leasing companies, and airlines. As of the end of the Reporting Period, it had up to 249 aircrafts in service, and registered the balance of aircraft leasing assets at around RMB79 billion, ranking 11th globally, and provided services to more than 20 countries and regions.



Delivery of the COMAC ARJ21 aircraft to Chengdu Airlines

5.2 Supporting the Real Economy

Finance and the real economy are inter-dependent. Serving the real economy is both the fundamental purpose of financial institutions and an integral part of the Bank’s transformation and development. In 2019, the Bank remained committed to the fundamental purpose of serving the real economy and put into greater effect the role of finance as a vehicle for financing, stimulating and invigorating the real economy, so as to facilitate economic structural adjustments,

transformations, and upgrades.

5.2.1 Supporting Private Enterprises

BoCom, in its efforts to carry out the central authorities' policy for "serving private enterprises with finance", optimized its long-term mechanism of serving private enterprises, accurately identified their financial demand, and worked to solve the long-standing problem that private enterprises have difficulties in accessing affordable financing and in efficiently securing loans.

Chart: Measures for Serving Private Enterprises

Clarifying policy support	Issued relevant opinions to emphasize that it would unswervingly strengthen financial services for private enterprises, increased loans to them, expanded the share of loans to private enterprises in the total of newly issued corporate loans, implemented the requirements for exemption from accountability based on due diligence and for differentiated risk tolerance, and launched new services and products for private enterprises.
Refining risk control management	Enhanced the employment of benefit-risk balance analysis, analyzed the risks and benefits of private enterprises, and established a regular analysis framework to inform decisions regarding resource allocation and asset optimization.
Improving internal mechanisms	Implemented measures to ensure credit personnel who have fulfilled their duties diligently and in compliance with the rules will not be held liable for anything beyond their control Improved the performance assessment system to offer positive incentives for developing private enterprises.
Shifting credit resources	Rechanneled credit resources to ensure the proportion of funding support for private enterprises and SMEs.
Expanding financing channels	Expanded traditional credit and financing products, such as supply chain financing, based on the characteristics of private enterprises. Diversified methods of guarantee, such as cooperation with government financing guarantee systems.
Reducing financing costs	Improved internal operation mechanisms, increased the capital operation efficiency of enterprises, and reduced their financing cost.

Case: BoCom held a roundtable forum on serving private enterprises through finance

In order to better implement policies on serving private enterprises and small and micro businesses through finance, and respond to public concerns such as how to accurately identify service targets, strengthen financial support, and seek cooperation between various stakeholders, BoCom released the 52nd Report on BoCom Climate Index of China's Wealth and held the Forum on Service for Private Enterprises through Finance in Shanghai in April of 2019. Experts presented at the event exchanged opinions on building a financial service system for private enterprises from multiple perspectives, improving service measures and developing unique financial products and services, demonstrating the BoCom paradigm as well as other proposals on provision of better service for private enterprises.

Case: BoCom provides services to meet private enterprises' financing demand with chain finance

In 2019, BoCom unfolded a supply chain finance campaign throughout the organization. The purpose of the operations was to promote innovations in supply chain finance; support such sectors as construction, automotive, medicine, e-commerce, and logistics; alleviate the difficulties faced by private enterprises in accessing affordable financing and in efficiently securing loans; and further improve financial services for private enterprises. During the Reporting Period, the Bank initiated cooperation with more than 800 industrial chains where nearly 10,000 enterprises operated, and offered financing service with a worth approaching RMB100 billion.

Stakeholder Testimonial:

"Thanks to BoCom's supply chain finance, we receive not only faster and more convenient financing support, but also build closer ties with suppliers."

--- Ms. Tan, head of a ceramics enterprise

5.2.2 Making Innovations in Smart Finance

The Bank considers innovation to be its primary driver of development and adheres to the principle of "online-based and mobile-first" to continuously increase investment in technology, speed up the smart transformation of the Group, and integrate Fintech into product innovation, customer service, and refined management. BoCom draws on the power of technology to drive

innovation in business.

Chart: Achievements in Smart Finance

Further refining the portal website of the Group	Built websites for Tokyo Branch, Prague Branch, and BoCom Trustee Limited in Hong Kong, initiated work on the website for BoCom Asset Management Co., Ltd., and finished deployment for upgrading the underlying architecture of the PC and mobile portal websites, so as to further improve service capabilities.
Continuing to improve telephone banking services	Over 200 telephone banking functions were put into service or upgraded throughout the year, realizing a net income of RMB22.25 million, including RMB 12.83 million from promoting user activity, RMB6.39 million from “Worry-free Cards”, and RMB3.03 million from “Benefit Loans”.
Completing the smart voice platform	Oriented toward customer demand, improved the basic capacity of the “New 531 Project”, realized access to telephone banking, mobile banking, hand-held terminals, and corporate mobile banking, and offered speech and semantic recognition and interaction for multiple business scenarios on all channels throughout the Bank.
Developing mobile banking 4.0	Launched a user-friendly version of mobile banking, the first to entirely focus on the perspective and needs of users and offer a brand-new “me-based” experience; developed a newer version only six months after the launch of the platform, decreasing transaction time by 28% on average.
Building a unified biometric recognition platform	Supported the recognition of such biometric traits as face, fingerprint, and voiceprint, multi-mode authentication; fully capable of operation monitoring and statistical analysis; allowed such features to be used for 524 transactions; and had 7 million business items handled per month on average.
Developing cloud banking	Established online invisible banking on the basis of the WeChat open platform to offer comprehensive services and specialized solutions for all customer groups, and to realize customer acquisition and activation via WeChat; put into service in 34 branches as of the end of the Reporting Period, serving 2.42 million WeChat users, and prompting 2,100 enterprises to open accounts.
Enriching corporate mobile banking	Provided convenient mobile financial services covering cash management and industrial chain business etc. for the Group’s non-retail customers from the cross-line, cross-business, and cross-channel perspectives; reduced the time taken to open a corporate account online to 13 minutes on average; corporate accounts opened via mobile banking accounted for over 60% of total business.

Case study: BoCom launches a WeChat mini program for trade financing and asset transactions

BoCom seized the opportunity of the rapidly developing interbank forfaiting market to actively expand interbank transaction channels, and signed “Head Office-to-Head Office” forfaiting cooperation agreements with nearly 100 banks. It launched the trade financing and asset transaction system on January 11, 2019, and later launched the corresponding WeChat mini program “Jiao E Ting” in order to improve transaction efficiency. Launch of the mini program was the result of integration between Fintech and banking business, as well as a bold and innovative attempt made by BoCom in mobile transaction platforms. It effectively reduced operation complexity, improved information security, realized one-stop services, minimized transaction costs, and increased financing efficiency. As of the end of the Reporting Period, 141 assets were publicized via the mini program, valued at RMB7.351 billion in total.

5.2.3 Promoting Industrial Transformations and Upgrades

The Bank stays proactively abreast of trends in industrial transformations and upgrades, and actively promotes the supply-side structural reform of the financial sector to satisfy financial demand for upgrades to traditional industries and development of emerging ones.

● **Serving the Transformation of Traditional Industries**

In the context of production overcapacity in traditional industries during the replacement of old growth drivers with new ones, the Bank combined its support for five priority tasks on the supply-side of structural reform (cutting overcapacity, reducing excess inventory, deleveraging, lowering costs, and strengthening areas of weakness), and for core asset development and transformation in both quality and efficiency. It focuses on difficulties and weak points troubling traditional industries, to promote traditional industrial adjustments, transformations, and upgrades, as well as improvements in quality and efficiency to help industries grow stronger.

Case study: Inner Mongolia Branch assists major customers in transforming the property rights structure

BoCom Inner Mongolia Branch actively responded to the call of the central and autonomous regional governments by promoting the successful launch of the debt restructuring and debt-for-equity swap of Baogang Group in November 2019. The swap helped the state-owned enterprise

relieve difficulties, complete the strategic restructuring, develop a diversified property rights structure, and enhance its growth potential, while also playing a role in strictly controlling industrial asset risks and maintaining regional financial order.



BoCom and Baogang Group complete the market-based debt-for-equity swap

- **Contributing to the Development of Emerging Industries**

Emerging industries are of strategic importance as they are what the new wave of technological revolution and industrial transformation focuses on, and likewise the key sectors for cultivating new growth engines and gaining new edges on future competition. The Bank pays great attention to such industries and puts into full effect its specialized financial advantages to facilitate rapid development of industries such as high-end equipment manufacturing, energy conservation and environmental protection, new energy, and new-generation information technologies.

Case study: BoCom Financial Leasing helps build an “electric Fujian”.

BoCom Financial Leasing actively answered the nation’s call and committed to promoting the development of new-energy automobiles. It provided individualized leasing services for Hangzhou Public Transport Group, Guangzhou Jumbo Bus group, and Hohhot Public Transport Corporation, tracked Fujian’s sustainable development efforts of “popularizing new-energy automobiles and advocating green travel” and supported Fujian in gradually replacing old buses with electric and other new energy vehicles. In a selection of “2019 International Outstanding Cases of Industrial Finance” sponsored by Asian Financial Cooperation Association, BoCom Financial Leasing, with its business case of “Financial Leasing Helping Build an Electric Fujian”, won second prize for Outstanding Cases of Finance Serving Emerging Industries.



New-energy buses in Fuzhou

5.3 Improving People's Well-being

In 2019, the Bank further enlarged its reserves in major projects in medical care, education, and housing to give back to the people, and offered special support for major projects.

5.3.1 Promoting Universal Access to Affordable Housing

The Bank did not forget that “housing is for residence, not for speculation”, and followed the basic housing loan policy of “actively supporting people’s demand for housing for personal use, and practicing differentiated management for housing loans”, and supported mortgages for personal affordable housing. Moreover, it actively carried out the policy requirements of the central authorities for improving the housing security system and building a long-term mechanism for healthy development of the real estate market, gave priority to affordable housing development projects in provision of funding support, favored extending credit to developers with solid comprehensive strength and a government background, and prioritizing the financing needs of leading real estate enterprises and housing rental enterprises backed by local governments.

As of the end of the Reporting Period, the balance of personal housing loans of the Bank was RMB1,114.075 billion, a net increase of RMB124.157 billion over the year before. The balance of loans for first-time homeowners accounted for 92.9%.

The Bank granted 443 personal affordable housing loans valued at RMB159 million.

The loan balance in major construction projects to provide affordable housing was RMB87.555 billion, an increase of RMB13.792 billion over the beginning of the year.

Case study: Jiangsu Branch develops “BoCom Easy Housing” to offer on-demand solutions

With six categories of business including rental, purchase, exchange, renovation, residency, and loans, BoCom Jiangsu Branch worked with government and corporate customers to jointly provide individual homeowners with convenient financial services. As of the end of the Reporting Period, “Easy Renovation” had been put into service on the WeChat account of Zhenjiang Bureau of Housing Management; “Easy Exchange” functions such as pre-application, pre-approval, and progress inquiry for housing loans had been activated on nj.ke.com; two Jiangsu-based leasing companies used “Easy Rental” functions; “Easy Purchase” recorded over 8,000 transactions and earmarked around RMB1.5 billion in current funds.



BoCom launches the new affordable housing product.

5.3.2 Better Access to Healthcare

In 2019, the Bank increased input into information-based development of healthcare and assisted the medical industry in realizing multiple functions such as unified payment, large hospital hospitalization settlement, online integrated settlement of medical insurance, and self-funded expenses and operation of medical treatment partnerships.



BoCom participates in Healthy Jiangning medical treatment partnership project in Nanjing

and stages an inclusive and smart “Healthy Jiangning” platform for over 20 medical institutions in Jiangning District.

5.3.3 Smart Education Management

The Bank is dedicated to the philosophy of “finance serving education” and further makes use of its own advantages to explore multi-level cooperation with schools and fully support school development, so as to better serve the course of education and contribute to cultivation of elites needed for social development.

Case study: “BoCom Smart Campus”, an integrated service solution for university education management

BoCom puts into full play the advantage of the Group in integrated financial services and uses various new financial products and instruments to develop the “BoCom Smart Campus” integrated service solution. The solution is intended to connect previously isolated systems within universities, break down information silos and build up a campus service window for faculty and students through process reengineering. In 2019, “BoCom Smart Campus” provided quality services in integrated payment, fund settlement, fee-based collection and payment and IT application in campus for universities such as Nankai University, Tianjin University and Northeast Normal University as well as their faculty and students.

6. Working Together for Inclusive Finance

Responding to the trend of sustainable development: The development of inclusive finance is what the banking sector aims to achieve in its efforts to serve the real economy and meet the needs of the people in everyday life. It is also an important task for the sector's supply-side structural. In 2019, BoCom incorporated inclusive finance into its master plan. It continued to serve the financing needs of the real economy, and provided targeted services to micro and small enterprises (MSEs), agriculture, rural areas and farmers so as to resolve issues caused by unbalanced and inadequate financial services. It stepped up its efforts in providing widely available and well-targeted service, and ensured the access of the general public to more convenient, more affordable and safer financial services.



Our actions: Support MSEs; focus on agriculture, rural areas and farmers; improve financial services.

Our performance: “Two increases” loans for inclusive finance saw a net increase of RMB55.819 billion compared with the prior year-end. The average interest rate of loans for MSEs under the inclusive finance business decreased by 0.63 percentage points compared with the previous year, and comprehensive financing costs for MSEs, down 1.11 percentage points. Agriculture-related loans for inclusive finance saw a net increase of RMB9.655 billion compared with the beginning of the year.

6.1 Supporting MSEs

In 2019, working towards the inclusive finance goal of “two increases and two controls”, the Bank made comprehensive innovations in systems and mechanisms, development patterns and channels, and risk control. It consolidated the MSE customer base, and improved services for MSE customers. Meanwhile, it continuously promoted the building of inclusive finance institutions: 95 provincial branches established inclusive finance departments.

6.1.1 Expanding MSE Customers in Diversified Ways

To ensure the efficiency of inclusive finance services for customers, the Bank leveraged internal and external resources to precisely match them with market demands and customer needs. It provided more efficient and friendly comprehensive financing solutions for the pains and problems at workplace and daily life.

Table: Strengthening integrated development and expanding the coverage of inclusive finance for MSEs

Measures	Content	Results
Coordination between business sectors	BoCom strengthened integration between inclusive finance, corporate and retail business sectors, improved the mechanism for coordination between them, established a mechanism for business promotion and process management to pursue integration of services and online/offline channels and improve the efficiency of the joint mechanism.	<ul style="list-style-type: none"> As of the end of the Reporting Period, MSE loan customers of the Bank totaled 2,058, 909 more than at the beginning of the year; the outstanding loan exceeded RMB17 billion, up RMB5.8 billion; group customers covered increased by 549. MSE projects that were implemented totaled 1,253; customers under qualified projects, 11,929; and the outstanding loan, RMB41.671. MSE industrial chain increased by 901, serving 7,711 MSE customers on the chain, with an outstanding loan registering RMB36.024 billion.
Integration of business outlets	BoCom pressed ahead with the comprehensive transformation of outlets' channels, defined outlets' responsibilities for inclusive finance, increased the proportion of outlets' heads qualified for SME service positions and the proportion of outlets' employees qualified for SME service positions, propelled the basic qualification	<ul style="list-style-type: none"> As of the end of the Reporting Period, a total of 2,272 outlets of the Bank offered credit business for inclusive finance, with the coverage of inclusive finance business in outlets and the coverage of retail customer managers qualified for inclusive finance (simplified version) reaching 87.22% and 87.97%,

	<p>certification for heads of tier-2 outlets, and reinforced the comprehensive capabilities for operating inclusive finance business; improved the coverage rate of retail customer managers' qualification for inclusive finance and their ability to develop the inclusive finance.</p>	<p>respectively. The outlets' heads receiving face-to-face training at the Head Office totaled 450.</p>
<p>Cooperation with external organizations</p>	<p>BoCom opened the expansion channel by integrating the external scenario platforms and special customer groups, provided supportive scenario referral and services, and achieved bulk customer acquisition and implanting scenario-based finance.</p>	<ul style="list-style-type: none"> • Cooperating with government digital platform, BoCom worked on the first 12 projects, with 8 of them being implemented. • Cooperating with the People's Bank of China, BoCom sped up accounts receivable financing, government procurement loan and other business. • Cooperating with the industrial and commercial agencies and taxation agencies, BoCom leveraged government information, provided services for opening accounts for those reserved via industrial and commercial platforms, and established external referral systems via the third-party platforms. • Strengthening cooperation with the national financing guarantee fund, BoCom launched a special cooperative program, established the mode of "exclusively provided guarantee for all loans despite the pledge type". The balance of the business under the

		<p>program totaled RMB1.8 billion at present.</p> <ul style="list-style-type: none"> • Strengthening cooperation in sharing data with external organizations, BoCom introduced electricity data from the State Grid and China Southern Power Grid for customers’ operational behavior analysis, anti-fraud analysis, and customer expansion, and explored how to apply the electricity data in the Bank’s big data risk control.
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Case study: Zhejiang Branch serves MSEs through a superior platform.

BoCom’s Zhejiang Branch cooperated with Netsun’s “Toocle” platform which has an advantage in scenario-based finance for MSE operations, deeply explored the stable supply and marketing relationship among MSEs, and effectively solved problems such as asymmetric business information, high cost for customer acquisition and difficulties in loan management. In this way, it achieved intensive development of MSEs in batches and provided quality financial services for a wider range of MSEs.

The Bank thoroughly implemented the national guidelines and policies for serving startups and innovative MSEs, boosted high-quality development of MSEs with an effective reform towards inclusive finance, and continuously improved the capability of technology-based financial services. It has developed a “Four Dedicated” mechanism featuring dedicated institutions, cooperation, products, and special policies.

Chart: A “Four Dedicated” mechanism serving micro and small tech startups.

Dedicated institutions	Establishing branches with technological characteristics and building special operational management teams in the Yangtze River Delta, Pearl River Delta,
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	Beijing, Wuhan and other places with a high concentration of special technological and innovative industries, responsible for promoting and implementing technology finance business.
Dedicated cooperation	Closely cooperating with government agencies of science and technology, finance, and intellectual property, leveraging policies of government agencies at difference levels for risk compensation, and serving technological MSEs in bathes.
Dedicated products	Customizing products and service solutions in light of MSEs’ features of “light assets and prioritizing innovation” and governments’ policy support.
Dedicated policies	Giving priority to micro and small technology enterprises which hold proprietary intellectual property rights, are highly innovative and successful in application of technological findings.

6.1.2 Strengthening the building of online channels for inclusive finance

Deeming business innovation a top priority, BoCom continuously improved its product lines, and strengthened the building of online channels to move existing services online and facilitate their digitalization. It effectively tackled the “last mile” problem that had hampered MSEs’ access to financial resources, allowing more of them to benefit from the inclusive finance.

Chart: Attaching importance to technology, and promoting high-quality and innovative development of inclusive finance

Developing online products	While improving performance of the existing online products, the Bank combined online loan review and approval with offline standardized examination and investigation, developed other advantageous products such as online mortgage loans, introduced such feature as instant discounting for bank drafts, moved the entire process online to ensure instant transfer.
Advancing cooperation with	For the upstream and downstream of the industrial chain, the

supply chain platforms	Bank made innovations and developed such products as online commercial papers discounting, online factoring, rapid dealer loan, enabling splitting core corporate receivables, transferring and financing.
Making innovations in the mode for cooperating with the third party	The Bank explored premium loan jointly with Ping An Insurance Company and China Pacific Insurance Company, and created the mode of “exclusively provided guarantee for all loans despite the pledge type” together with the national financing guarantee fund, with the balance of the business reaching RMB1.8 billion.
Creating the remote service mode for MSE customers	The Bank built an external call center, combining concentrated online calls and on-site work based on the customers’ tiers and classification. In the year, it received a total of 700,000 customers’ calls, and loans granted exceeded RMB4.5 billion.
Upgrading the risk control mode	The Bank made full use of various big data from external organizations, enabling risk identification at the preliminary stage, online digitized and standardized approval, automatic post-loan warning, and unified reminding of repayment through a platform. This effectively promoted high-quality development of its inclusive finance.

Case study: Online mortgage loan – leveraging technology to drive inclusive finance and support MSE development

BoCom followed the new trend towards “big data + finance”, and launched the product of online mortgage loan to solve such problems as complex procedures, slow financing process and high cost. This product targets business owners who meet BoCom’s criteria. As long as the

potential borrowers can provide collaterals that are recognized by BoCom and satisfy the criteria for online evaluation, they can receive loans through the mode combining online loan review and approval and offline standardized examination and investigation. According to this mode, such procedures as assets evaluation, loan application, and credit line approval are completed online, while collateral check, investigation before loan granting, contracting, and mortgaging are handled by BoCom’s employees offline. Applicants only need to fill in the information of mortgaged housing property and other assets on their mobile devices. Instead of looking for a real estate evaluation company, the system can show the estimated price and amount of loans that can be granted in a real-time manner. Meanwhile, the guarantee fees and mortgage fees can be exempted, hence minimizing the financing cost. The online mortgage loans are customer friendly, make greater use of data, spare customers the trouble of travelling around, and reduce the cost for them.

Stakeholder testimonial

“I was short on money and wanted to borrow some for my business. Though I only needed it for two months, I couldn’t ask my friends for help because it was a large amount. The only way left was to turn to a bank. I worried a lot when thinking of the time-consuming applying process at the bank. To my surprise, BoCom charged no guarantee fee, mortgaging fee and other additional fees for the online mortgage loan, and processed my application very quickly, solving my urgent problems. Moreover, they had dedicated employees contact me so that there was no need for me to go through other formalities. What considerate services they provide!”

Mr. He

A customer of the online mortgage loan

Case study: Online “Shui Rong Tong” – Backing MSEs with taxation support and opening online fast channel for credit financing

BoCom followed the new trend featuring “big data + finance”, and launched the product of online “Shui Rong Tong”, which judges credit lines mainly on the basis of tax-related information of customers, so as to solve financing difficulties for MSEs and create a new financing mode of

promoting credit through taxation. The product mainly targets MSE owners. Comprehensively reviewing the MSEs' tax payment and credit status, the Bank can grant unsecured loans of RMB1 million at maximum. MSE owners can apply for the service via BoCom's official website and WeChat miniprogram anytime. During the whole process, there is no need to submit any paper materials, and application, review, approval, contracting, money withdrawal and repayment can be realized online. This can improve customer experience, save time and other additional inputs of MSEs.

Stakeholder testimonial

"I have been in urgent need of fund to purchase raw materials when my friend recommended BoCom's online product Rui Rong Tong to me. Within less than one hour after I submitted my application, I received a loan of RMB360,000. I had never expected I could use my tax credit to get an unsecured loan."

Manager Liu

The first customer using Shui Rong Tong of BoCom's Dezhou Branch, Shandong Province

6.2 Paying Close Attention to the Development of Agriculture, Rural Areas and Farmers

Issues relating to agriculture, rural areas, and farmers have always been fundamental to China as they directly concern our country's stability and our people's wellbeing, the success in achieving the "Two Centenary Goals", and millions of farmers' wish for a happy life. In 2019, the Bank incorporated rural revitalization with poverty alleviation, and effectively promoted the business concerning agriculture, rural areas, and farmers.

6.2.1 Improving Services for Agriculture, Rural Areas and Farmers

The Bank explored new service modes according to local resource endowment. Based on the leading agricultural enterprises and quality partners, we continued to expand inclusive agriculture-related programs for large grain growers in Liaoning, farmers in Xinjiang Production and Construction Corps, donkey raisers in Shandong and Shanxi, and to enhance their capabilities for increasing income in the long run. We created a new mode with technology playing a leading role, and developed online functions for agriculture-related individual credit business that used to be

difficult to promote in rural areas, made possible remote certification, online authorization and online pre-approval, improving processing efficiency and customer experience.

Chart: Improving Services for Agriculture, Rural Areas and Farmers

<p>Continuously improving services while updating regulations to provide support</p>	<p>Continuing to improve guidance for supporting modern agriculture, printed and distributed <i>2019 Measures for Granting Mortgage Loans by Accepting the Management Rights of Contracted Rural Land</i> (J.Y.B.[2019] No. 142) and <i>Notice on Coordinating Pilot Areas for Granted Mortgage Loans by Accepting the Management Rights of Contracted Rural Land and Farmers’ Housing Property Rights</i> (J.Y.B.F.[2019] No. 59), and guiding branches to effectively improve financial services for agriculture, rural areas and farmers.</p>
<p>Leveraging rural credit cooperatives, and expanding services for agriculture, rural areas and farmers</p>	<p>Changing the traditional practice of point-to-point support, cooperating with local rural credit institutions, and expand the service scope by leveraging the credit institutions’ function of serving county development and supporting farmers and small entities</p>
<p>Fostering a healthy cycle of inclusive finance-poverty alleviation by way of “supply chain financing”</p>	<p>Targeting agriculture-related industries, exploring the supply chain organizational mode featuring “core enterprises + farmers (cooperatives) + markets of production places”, and meeting needs of farmers, agricultural cooperatives and other operational entities for floating capital loan for production and operations in a targeted manner by combining land management rights and other guarantee forms.</p>

At the end of the Reporting Period, the Bank signed Head Office-to-Head Office and Branch-to-Head Office cooperative agreements with 21 of the 26 provincial (autonomous region) rural

credit cooperatives unions throughout China, with the coverage of rural credit institutions customers reaching 44.9%.

6.2.2 Supporting New-type Urbanization

The Bank actively supported the expansion of basic industries in rural areas, and encouraged branches to allocate financial resources according to local conditions so as to promote integrated development between urban and rural areas.

Chart: Guidelines for Supporting New-type Urbanization

Respecting local conditions	Leveraging branches’ resources, and developing master plans for providing financial services to support urbanization according to local conditions by considering the industrial foundation, population density, resource endowment, governmental financial resources and debts.
Improving infrastructure	Positively supporting the expansion of basic industries in rural areas, giving priority to developing weak links in the field of infrastructure needed for urbanization, such as electricity and power grid, gas and gas pipes/network, water resources and sewage, telecommunications and so on.

Case study: Jiangxi Branch supports urban development, and helps historic regions take on a new look.

To improve the infrastructure in the southern part of the province which used to be an revolutionary base of the CPC, Jiangxi Branch of BoCom vigorously supported many major urban development projects such as “Four Bridges, Nine Roads and One Park”, and the Historic Precinct of the Song Dynasty, lead underwritten medium-term notes RMB 3.5 billion, and granted loans of nearly RMB1.5 billion, which played an exemplary role for the banking in the southern part of Jiangxi province to support local revitalization and development.



Shaanxi Branch of BoCom signed the strategic cooperation agreement with the Administrative Committee of Xi'an Yanliang National Aviation Hi-Tech Industrial Base, promoting the establishment of Xi'an comprehensive transport system

6.3 Improving Financial Services

Guided by the “Customer Centered” philosophy and with the aim of building a wealth management bank for customers, the Bank continued to make fresh progress, satisfied customers’ needs in a targeted manner, and safeguarded customers’ rights and interests, so as to bring comprehensive, efficient and high-quality services and experience to customers, and promote high-quality development of individual financial businesses.

6.3.1 Accelerating Business Innovation

The Bank took into consideration customers’ needs for investing in well-performing, safe, convenient and intelligent products and business with lower thresholds and higher profits, and strove to diversify the assets business, wealth management products and service scenarios, to put into practice the concept of inclusive finance.

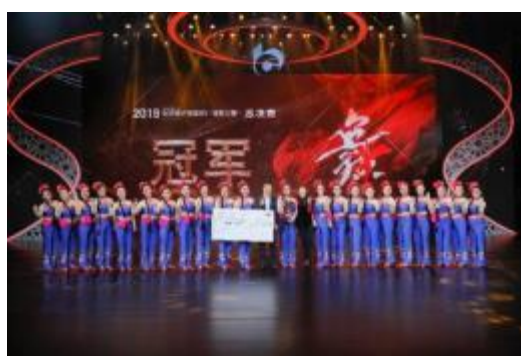
Chart: Measures to Accelerate Business Innovation

Accelerating innovation in assets business	<p>Improving the function of housing loan application</p> <p>Improving credit products and policies to benefit the people</p> <p>Launching wealth management product pledge loans</p> <p>Promoting online mortgage loans</p>
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Accelerating innovation in financial management products	Launching lower-thresholds wealth management products Introducing different structural deposits Speeding up innovations in consignment products
Speeding up innovation in service scenarios	Introducing innovative payment products Improving business process Developing scenario-based finance

Case study: OTO Square Dancing Contest brings an innovative service scenario and provides customized old-age finance.

BoCom has attached great importance to the health and well-being of elderly and middle-aged people. Starting from 2017, the Bank has built a stage for people to take part in square dancing, a popular way to keep people healthy and show their charm, and helped the general public to live their later years in contentment. While providing offline services in the outlets, the Bank made full use of online services and big data analyzing capability. Through its mobile banking app, the Bank offered a dedicated session for dance contest participants and voters, where customers could estimate their demands for elderly care and receive customized aging finance services by using “OTO WM Advisor”. In the past three years, a total of more than 600,000 people registered for the contests, and nearly 2 million people engaged themselves in related interactive activities via the online channel. In 2019, the contest won a prize for customization marketing case studies at iWorld Awards of SOHU.



Shanxi Dancing Group wins the championship of OTO Square Dancing Contest 2019

Case study: Introducing innovative payment on the basis of facial recognition technology

On October 20, 2019, at the “FinTech: Deep Integration & Multi-Directional Empowerment” Summit of the 6th World Internet Conference in Wuzhen, Zhejiang province, BoCom, together with China UnionPay and many other banks, jointly launched a new smart payment product, the facial recognition payment system. BoCom values customer information protection and fund security, and fully respects the users’ will for facial recognition data collection. It will obtain explicit customer authorization before applying the data in strictly controlled areas. While providing the convenience of efficient payment, the facial recognition payment system frees users from worry about information and property safety. At the end of the Reporting Period, this new payment feature was first made available to users in 10 provinces and cities including Beijing and Shanghai.



BoCom’s facial recognition payment system goes live.

6.3.2 Financial Education for the Public

In 2019, the Bank designed a financial education schedule to further strengthen the employee training on financial product safety, and stay committed to financial education for consumers. It continued to offer financial knowledge to consumers through a variety of channels including bank outlets, service sites, news media and we-media accounts.



On March 15, the World Consumer Rights Day, BoCom organizes a public awareness campaign against payment and clearing fraud.

In 2019, BoCom organized about 15,000 anti-counterfeit money educational activities, engaging a total of 24,397 employees and 1.145212 million participants.

The Bank was named the Model Organization of 2019 in the “Financial Knowledge for Every Family” campaign sponsored by the People’s Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, and Cyberspace Administration of China.

BoCom was granted the 2019 Best Achievement Award at the China Banking Association’s “Financial Knowledge for All” activity.

6.3.3 Improving Consumer Experience

In 2019, guided by the “Customer First” philosophy, the Bank was committed to building the best banking brand with an omni-channel system. It fully promoted the transformation of bank lobby service, adjusted the service mechanism, and provide customers with improved one-stop services that are more considerate and comprehensive.



BoCom continues to improve accessible services, and establishes convenient service areas at outlets which provide reading glasses, accessible passages, braille services, sign language services, and other facilities and services.



In 2019, BoCom continued to organize table top exercises and on-site simulations, prepared 1,221 exercise plans for emergency response which cover the four major security emergencies, namely, crimes, accidents, disasters and terrorism. BoCom organized 12,857 exercises, with 214,335 participants.

Chart: Improving Customer Service Channels

Indicator	2019
Number of outlets	3,079
Number of all-inclusive outlets	464
Number of self-service banks	8,947
Number of fully automated self-service banks	1,738
Number of self-service kiosks	4,016
Number of self-service areas at outlets	3,103
Number of self-service automated machines	17,299
Number of “Smart Communication” machines (Zhi Yi Tong)	9,065
Number of outlets in central and western regions	1,519

Chart: Improving the Customer Service Mechanism

Removing barriers to services	Consolidating customer service teams, and improving service efficiency and cohesiveness
Expanding service resources	Providing diversified cross-sectoral services
Improving forms of services	Reaching out to more customers and providing considerate one-stop services
Expanding scope of services	Sparing customers the trouble of coming to the bank, and making better use of data

BoCom had 20 bank outlets placed in China Banking Association’s list of top 100 organizations in 2019, more than any other banks in the country. This was the sixth time for the Bank to outperform its counterparts in the selection of top 1,000 and top100 organizations. In the

first contest of top performers in standardization of financial instruments and financial services sponsored by the China Financial Standardization Technical Committee, the *Standards for Outlet Services* and the *Standards for Online Banking Services* of BoCom were shortlisted.

6.3.4 Protecting Customers' Rights and Interests

In 2019, BoCom updated and improved its policy systems and further regulated the process of customer services operation and management to better protect customers' rights and interests.

Chart: Handling of Customer Complaints in 2019

Indicator	95559 Hotline	Card Center 400 Hotline
Number of employees at customer service center	898	1,943
Proportion of complaints handled (%)	100	99.9
Time needed for handling complaints (hours)	7*24 manual service	7*24 manual service
Customer satisfaction with results (%)	96.9	92.4

Remarks:

1. *Number of employees at customer service center: at the end of the Reporting Period.*
2. *Proportion of complaints handled: the percentage of complaints lodged by customers in 2019 and processed by February 19, 2020.*
3. *Time needed for handling complaints: time needed for people to handle customer complaints.*
4. *Customer satisfaction with results: a measure of how satisfied customers are with the results, obtained through follow-up interviews of all customers who made complaints.*

In 2019, BoCom submitted 127 trademark applications to protect its intellectual property rights, fight against trademark squatting, strengthen intellectual property rights management, and assume the corporate social responsibilities for creating a favorable market economy order.

Chart: BoCom Strengthening Measures to Improve Consumer Protection

<p>Improving and implementing policies related to consumer protection</p>	<p>BoCom issued the Notice on Strengthening Review for Consumer Protection to improve the pre-sale management mechanism; continued to promote intellectual property protection for trademarks according to the <i>Management Measures of Intellectual Property Rights at BoCom</i>; reviewed the content concerning consumer protection and risk compliance in the process of publicity and publication, and made clear product-related responsibility according to the <i>Advertisements Law of the People's Republic of China, Management Measures for Advertising and Publicity at BoCom (2018)</i> and <i>Interim Measures for Trademark Management at BoCom (2018)</i>.</p>
<p>Improving the compliant management mechanism</p>	<p>The Consumer Protection Department of BoCom is responsible for consumer complaint management. In 2019, the Department revised and issued the <i>Managerial Measures for Customer Opinions at BoCom</i>, and reinforced the five major channels for receiving and processing customer complaints, namely, telephone calls (including consumer complaint hotline 95559 and the hotline for credit card customer services), internet, public opinion monitoring, emails and letters, and bank outlets. In addition, BoCom improved the complaint handling procedure, established an integrated management system for the work orders for complaints, and optimized mechanisms for complaint analysis and diversified dispute settlement.</p>
<p>Strengthening customer information security management</p>	<p>The Information and Technology Management Department of BoCom consolidated the achievements in the building of information security management system (ISMS). The department reviews and check the regulations and policies on a yearly basis to ensure that the information security policies are timely updated and the system is sound. It formulated the <i>Data Governance Regulations of Bank of</i></p>

	<p><i>Communications Co., Ltd. and Interim Measures for Data Governance at BoCom</i>, to provide rules and regulations for customer information protection and to ensure customers' rights to acquire, change and delete their personal data. It also incorporated customer information security into a comprehensive risk management system, and put into practice a multi-level accountability system for customer information protection. Every year, the department provides employees with trainings to raise awareness of user information security and privacy management.</p>
<p>Regulating publication of product and service information</p>	<p>BoCom placed on its portal website a platform to search for individual financial products. It published a list of eight categories of self-owned and consignment products, allowing individual customers to search among the products and have an overview of the Bank's individual financial products.</p>

7 Adhering to Green Development for a Better World

Response to sustainable development trends: Green development helps us address the challenges and constraints of resources and environment, contribute to ecological progress and ensure national ecological security.



Our actions: Support green industries; provide green services; implement green operations; and carry out green public welfare activities

Our performance: Outstanding green loans amounted to RMB328.352 billion, which occupied 99.76%, with the share of green clients at 99.53%; e-banking business accounting for 97.67% of the total; the total energy consumption (standard coal equivalent) of the Head Office’s buildings down by 1.35% over the previous year.

7.1 Green Finance

Guided by the principle of green development, BoCom works to improve its green credit management system, creates new green finance products, gives priority to low carbon and environment-friendly industries, such as clean energy, water conservancy, urban water services and urban rail transit when granting loans, and makes its contribution to ecological progress through finance. In 2019, BoCom provided earmarked funds of over RMB12 billion to green projects related to energy conservation, environmental protection, pollution prevention and control, resource conservation and recycling, clean transportation, clean energy, ecological protection and climate change adaptation. During the Reporting Period, BoCom was honored as an “Outstanding Organization for Overall Green Banking Performance” of 2018 by the China Banking Association.

7.1.1 Green Finance Management

Based on the overarching requirements of adhering to and improving the system of

ecological civilization, promoting the harmonious coexistence between man and nature, and pursuing high-quality development, BoCom continued to earnestly implement the requirements of the *Green Credit Guidelines* (Y.J.F. [2012] No. 4) and the *Green Credit Policy of Bank of Communications Co., Ltd.* (J.Y.D. [2012] No. 20), made more efforts on green credit, actively mitigated the risk of excess manufacturing capacity, and made sure that no major environmental risk materialized.

Chart: Measures of Green Credit Management

Measures	Achievements
Green Credit Evaluation	BoCom completed self-evaluation, in accordance with the requirements of the <i>Notice of the China Banking Regulatory Commission on Key Performance Indicators of Green Credit Implementation</i> (Y.J.B. [2014] No.186) and the <i>Letter of Undertaking Green Credit Self-evaluation in 2018</i> (Y.B.J.Y.H. [2019] No.68).
Improvement of the Green Credit Statistics System	Based on the <i>Guiding Catalogue for Green Industries</i> produced by the National Development and Reform Commission, and considering the requirements of the People’s Bank of China and China Banking and Insurance Regulatory Commission, BoCom built a complete green credit statistics system to channel more of its credit assets to green and environment-friendly industries.
Bank-Wide Credit Assessment	BoCom continued to enhance green credit assessment at provincial branches, with emphasis on green credit and outstanding cases. Green credit assessment is incorporated into the performance appraisal of the Corporate Affairs Department and Inclusive Finance Development Committee of the Head Office and Beijing Management Department so that the responsibilities of the front offices are fully fulfilled.
Tracking Clients’ Environmental and	BoCom collected information about environmental and production safety accidents regularly from external sources, followed up on cases

Social Risks	where client companies were found to have violated environment-related laws and regulations in the supervision campaigns and routine inspections at all levels, and ensured the safety and compliance of credit funds.
Enhanced Quota Management for Excess Manufacturing Capabilities	In line with the national effort to “cut overcapacity”, BoCom maintained effective control bank-wide on the overall scale of outstanding loans it granted to lenders in industries with large overcapacity and the percentage of such loans in the total, intensified the efforts to scale down or reinforce lending to clients on the mandatory list, took the initiative to identify zombie companies, and make sure risks are found, warned against, and handled early.

Case Study: Jiangsu Branch improves green finance management system to support green development

Adhering to the concept of green development, BoCom’s Jiangsu Branch capitalized on its advantages in financial resources to provide better credit services to premium enterprises in the fields of energy conservation, environment protection, low-carbon economy and circular economy and promote the rapid development of green industries in the province.

Chart: Major Green Credit Management Measures at Jiangsu Branch

Direction	Measures
Learn More About Green Finance	Experts were invited to give training courses on green finance so as to improve the practice of green finance across the Bank.
Develop Green	The Branch established clear objectives, business plans, measures and innovation programs to develop and promote financial products and services related to green,

Finance Products	low-carbon and circular economy.
Deepen the Application of New Service Tools	The Branch worked to improve the user experience of its e-banking system and encourage more clients to use it for loans application.
Prioritize the Approval of Green Credit	It improved the mechanism for prioritized approval of green credit financing so that financing applications for projects supporting green, low-carbon and circular economy are handled sooner and with simplified procedures under the same conditions.

7. 1. 2 Support for Green Development

BoCom further improved its industrial policies and credit destinations to meet the financial service needs of premium companies for transformation and upgrading. It made prospective research on green industries, delved deep into the features, business models, risk characteristics and other key aspects of green economy, in order to grasp new development opportunities together with green enterprises and create a better world.

Chart: Requirements Related to Green Credit in Some Industries in 2019

Category	Requirements
Modern Agriculture	<ul style="list-style-type: none"> • Offer an appropriate level of support to agricultural companies which meet national requirements on environmental protection and food safety and have notable advantages in industry chain integration in areas where the livestock industry is well developed. • Be cautious about companies in forestry, fishery and specialist and supporting industries in agriculture, forestry, animal husbandry and fishery which meet the need for transformation through improving quality and increasing efficiency, have resource advantages and meet environmental protection requirements. • Accelerate the withdrawal from companies which do not meet the

	<p>requirements of quality-oriented transformation, lack resource advantages, or do not meet the standard of environmental protection or agricultural product safety</p>
<p>Energy Conservation and Environmental Protection</p>	<ul style="list-style-type: none"> • Support companies in the fields of water pollution treatment, solid waste treatment and air pollution treatment which have clear policy support, explicit management and control standards, and mature and stable business models; and environmental monitoring segments which provide supporting services. • Give moderate support to industrial energy conservation segments which have growing policy support and refined industrial standards, and the segments of soil remediation, hazardous waste treatment and urban environmental sanitation which have vigorous policy support. • Give moderate support to energy conservation service providers set up by large industrial energy conservation equipment manufacturers, and energy conservation service providers affiliated to large corporate groups or public service institutions. • Give moderate support to energy conservation service providers which can provide comprehensive services covering system design, complete sets of equipment, construction, commissioning, operation and maintenance management, and have existing projects that meet the set targets for annual energy conservation.
<p>Oil Exploration and Processing</p>	<ul style="list-style-type: none"> • Withdraw faster from companies whose main production installations do not comply with relevant national industrial policies, whose atmospheric and vacuum distillation units have a total capacity of 2 million tons per year or lower, and who undertake oil refinery and processing in the name of asphalt and heavy oil processing, refine oil using waste rubber and plastic, and produce asphalt from tar with batch processing. • Withdraw faster from companies with less stable oil supply, unstable sales in the long run, weakening financial conditions, and uncertain prospects.

	<ul style="list-style-type: none"> Withdraw faster from oil and natural gas extraction companies which do not comply with the <i>Policy on the Pollution Prevention and Control Technologies for Petroleum and Natural Gas Extraction Industry</i> and oil refining companies which do not comply with the <i>Emission Standard of Pollutants for Petroleum Refining Industry</i>.
Metal and Non-metal Ore Mining	<ul style="list-style-type: none"> Be cautious about sub-industries such as black metal mining and dressing and gravel exploration which are of a low concentration level and poor natural resource endowments. Move faster to scale down or reinforce lending to low-level clients with low viability and no cost advantages, and work harder to adjust the industry structure.

Case Study: BoCom works with Ruubypay to promote green transportation and low-carbon lifestyle

To alleviate traffic congestion in Beijing and improve people’s daily life and work efficiency as well as reduce negative impacts caused by exhaust emission due to congestion, BoCom cooperated with Rubbypay under the concept of green transportation and low-carbon lifestyle. Relying on their respective advantages in resources, BoCom and Rubbypay launched a co-branded credit card to bring more convenience and benefits to local public transportation users and encourage more local residents to take the subway and other means of public transportation, effectively reducing congestion in Beijing, ensuring smooth travel and realizing both environmental and economic benefits.



Case Study: Shanghai Branch continues to increase green credit in support of high-quality integrated regional economic development of the Yangtze River Delta

The State Council made it clear in the *Outline of the Integrated Regional Development of the Yangtze River Delta* that green development would be the basis. BoCom aligned its work with this national strategy and increased credit supply in the Yangtze River Delta.

Taking sustainable operation as its long-term goal, BoCom's Shanghai Branch built its capability of identifying and assessing green credit risks, implemented "pre-loan investigation, loan examination and post-loan inspection" for green credit, enhanced communication with companies engaged in energy conservation, environmental protection and circular economy, strengthened industrial research to learn about business models, financial needs and major areas where risks are likely to occur, and provided financial services according to the needs of the clients. Shanghai Branch worked with a rabbit breeding cooperative on a project that put the waste of large-scale rabbit farms into good use and create beautiful pastures. The project was in need of RMB8 million and the Branch granted five-year fixed assets loans of RMB8 million and a credit line of RMB2 million for liquidity loans of guarantee fund. The response was fast and the services were thoughtful, offering support for the development of green and ecological agriculture and inclusive finance.



Ren Deqi, Party Secretary of BoCom during an investigation trip to the demonstration area of

the integrated ecological and green development of the Yangtze River Delta at Qingpu sub-branch
in Shanghai



BoCom works with client companies to advance green development. The picture shows the construction site of a 50MW wind farm, for which the Beijing Branch provided loans as a way to support the development of new energy. After the completion of the project, its annual on-grid power generation will reach 10,900 kW·h and 10,595 kW·h, saving 80,000 tons of standard coal and 800,000 tons of water every year and reducing the emissions of dust, carbon dioxide, sulfur dioxide, nitrogen oxide, hydrocarbon, carbon monoxide and waste residues

7. 1. 3 Influence in the Industry

While further enhancing its capacity of green finance development, BoCom capitalizes on its influence in the industry and participates in all kinds of cooperation, training and exchanges. Following national policies and guidelines for environmental protection and, in particular, the *Guiding Opinions of the China Securities Regulatory Commission on Supporting the Development of Green Bonds*, BoCom assisted domestic and international institutions in issuing green bonds, improved its portfolio on the capital market, directed capital into green economy, and built its ability to serve green economy.

Chart: BoCom plays an active role in promoting green development

Action	Achievements
Support National	BoCom played an active part in the establishment of the National Green

Policies	<p>Development Fund which totaled RMB80 billion, reached out to the Ministry of Finance and the Preparatory Group of the Fund, and became the first financial institution to hand in a written letter to clarify its intention of subscription. Its plan is to subscribe RMB6 billion which is the set upper ceiling, to offer full support to the fund, to the efforts of various enterprises for environment governance, and to the development of ecological and environmental protection industry, contributing to the building of a beautiful China.</p>
Participate in Cooperation in the Industry	<p>As joint lead underwriter, BoCom issued RMB20 billion three-year green finance bonds for Industrial Bank, underwriting RMB3 billion. The fund raised will be used in the fields of energy conservation, pollution prevention and control, resource conservation and recycling, clean transportation, clean energy, ecological protection and climate change adaptation.</p> <p>BoCom, as joint global coordinator, assisted Agricultural Development Bank of China in successfully issuing RMB2.5 billion of offshore RMB-denominated green bonds. As the third largest bond issuer in China and the largest issuer of bonds for agriculture, rural areas and farmers, Agricultural Development Bank of China is among the top domestic green bond issuers in China.</p> <p>BoCom's Hong Kong Branch assisted ICBC Singapore Branch, ICBC Hong Kong Branch, ICBC International Leasing Co., Ltd., Bank of China Macao Branch, SPDB's London Branch, Agricultural Development Bank of China and Wuhan Metro in issuing green bonds and the total scale amounts to RMB9.5 billion, USD5.55 billion and EUR800 million.</p>
Facilitate Industrial Communication	<p>BoCom participated in the Environmental & Social Risk Analysis (ESRA) Training Program jointly held by UNEP Finance Initiative</p>

	(UNEP FI) and China Social Investment Forum (China SIF), China’s Third Summit Forum on the Energy Conservation and Environmental Protection Industry and Green Finance, Shanghai Stock Exchange’s Green Investment Seminar and the Advanced Seminar on Green Credit, to grasp the latest trend of the industry and exchange experience with peer in the industry.
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Case Study: BoCom contributes to sustainable development by closing China’s first green syndicated loans

In June 2019, BoCom’s subsidiary BoCom Financial Leasing closed the first green syndicated loans of Chinese leasing companies. The total amount of the loans was USD200 million and the term was three years. Over 70 banks responded positively to the project and more than ten overseas banks joined as subscribers, closing the deal with an oversubscription of 2.15 times. This is the first green syndicated loans successfully issued by a Chinese leasing company which was granted Green Finance Certification by Hong Kong Quality Assurance Agency. It raised long-term foreign currency funds to improve liquidity of BoCom Financial Leasing, expanded financing channels for the company, opened up access to the green finance market, and showcased BoCom sense of responsibility for the development of green economy.

7.2 Green Services

BoCom opened up e-banking channels to provide services online and enhance management of the environment impact of its business and services. During the Reporting Period, the share e-banking in BoCom’s total transaction volume grew to 97.67% and the wide use of self-service automated machines brought environmental benefits that was equivalent to a CO₂ emissions reduction of nearly 627.81 tons.

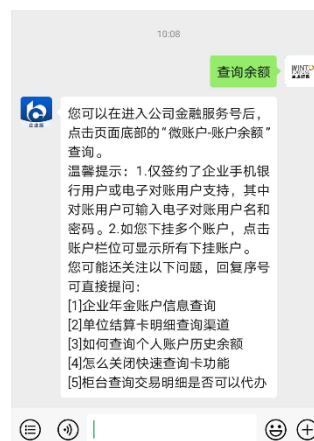
Chart: Environmental Benefits of BoCom’s E-Banking Services

Customer	Customer/Transaction	Annual	Environmental Benefits
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Category	Scale	Growth	(equivalent)		
			Trees Planted	CO ₂ Emissions Reduction (tons)	Paper Use Reduction (tons)
Corporate Online Banking	1,257,000	46.25%	263,000	3,693.7	14,911.4
Personal Online Banking (including mobile banking)	6.395 billion transactions	3.42%	1,171,000	16,430.39	66,128.70
Self-Service Automated Machines	252 million transactions	- 23.64%	44,800	627.81	2,521.12

Note: Paper use reduction is based on the average paper use for each account (corporate online banking) or transaction (personal online banking/self-service automated machines).

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BoCom provides its corporate customers with convenient and green financial services through three major e-banking channels: corporate online banking, corporate mobile banking and corporate WeChat official account. By the end of 2019, nearly 500,000 companies had signed up for corporate mobile banking and the accumulated value of transactions thus done had exceeded RMB100 billion. This had proved corporate online banking a great tool for BoCom to serve MSME clients online. The corporate WeChat official account have over 110,000 followers, making it one of the best mobile platforms for corporate financial service delivery and information dissemination. The picture shows BoCom’s corporate finance QR code and some of its functions.



During the Reporting Period, BoCom continued to improve the functions of “Smart Communication” machines, increased the number of such machines in use, and created new service models. As a result, “Smart Communication” machines took over 67.83% of transactions traditionally handled at outlets, an increase of 12.49% year on year. The picture shows the smart service area of an outlet.

7.3 Green Operations

BoCom pays attention to the environmental impact of its daily operations and has improved its green operations management by gradually improving management measures related to green

procurement, advocating green offices within the entire bank, promoting energy conservation and emission reduction, and adopting strict management measures for waste disposal, a green environment, and pollution prevention and control.

7.3.1 Green Procurement

During the Reporting Period, BoCom adhered to green procurement principles and took targeted management measures for suppliers strictly following the *Measures of Management on Collective Procurement for Bank of Communications (2018)* (J.Y.B. [2018] No. 261), *Measures on Assessment of Suppliers Performance of Bank of Communications (Tentative)* (J.Y.B. [2017] No. 142) and *Rules of the Head Office on Supplier Management (Tentative)* (J.Y.B. [2017] No. 366). It included energy conservation and environmental protection requirements for suppliers in bidding documents and set relevant indicators in the evaluation system to select suppliers more capable of managing their environmental impact. It preferred energy-efficient and environmental-friendly products and gave priority to suppliers with environmental management system certifications and products bearing environment-friendliness labels. For example, it preferred green building materials in the procurement of construction materials, requested suppliers to list their ISO 9001 quality certificates and ISO 14001 environment certificates in the procurement process, gave full consideration to energy consumption indicators such as power and water consumption and noise for equipment procurement, and adhered to green lighting principles in the procurement of lamps.

Replacement requirements were included in the procurement contracts regarding dangerous solid waste (computers, fluorescent tubes, toner cartridges, etc.), requiring suppliers to retrieve all items of dangerous solid waste and handle them according to relevant regulations. As of the end of 2019, suppliers had collected 9,365 fluorescent tubes, 216 cartridges and toner cartridges, 251 circuit boards of various types and 96 lead accumulators.

As of the end of the Reporting Period, the Head Office's supplier pool had a total of 1,193 suppliers and details are given below. One supplier may belong to two or more categories. Up to 451, or 38% of the suppliers were from Shanghai.

Supplier Category	Number
Construction	115
Services	72
Equipment	84
Software development and maintenance	68
Media advertisement	151
Machinery	137
Training and meeting	271
Office supplies and equipment	420
Furniture	32
Transportation equipment	99
Printing, etc.	21

Note: Different types of suppliers may be involved.

7.3.2 Green Offices

BoCom advocates the principles of green offices in its efforts to establish itself as a model organization for energy conservation and waste classification. It launched the initiative of “being pioneers of energy conservation and green offices” on bulletin boards and via WeChat to create an atmosphere where everyone contributed to green offices. Meanwhile, BoCom improved its performance of energy conservation and environmental protection by organizing relevant training programs for its staff, carrying out regular energy conservation examinations and refined energy conservation management at the basic level.



During the 29th National Energy Conservation Week, under the theme of “putting energy

conservation first in green development”, BoCom carried out a series of public awareness raising activities and promoted various energy conservation practices, disseminating the concepts of green production and a green lifestyle across the bank.



Advertising for waste classification

Case Study: BoCom rolls out a paperless meeting system as a way to promote green development and environmental protection

In 2019, the Head Office launched its paperless meeting system (hereafter “the system”). The system integrates meeting scheduling, organization and materials preparation, reduces communication costs, changes the traditional way of collecting, reviewing, printing and distributing meeting materials, and avoids repeated communication with relevant departments. With meeting schedules managed in a centralized way, there is no need to sort out and file a vast amount of paper materials for any meeting. If printing tests, extra printed copies, and printing mistakes are all taken into consideration, the system is estimated to have avoided the printing of 30,000 copies of documents, saving about 300,000 pieces of paper. The system is expected to be promoted across the whole bank in the first half of 2020.

Chart: Various Measures to Reduce Environmental Impact of Daily Operations

Wide Application of the Property Management Information	<ul style="list-style-type: none"> In order to improve the intelligent management of its buildings (parks), the Head Office launched and promoted a property management information platform to manage equipment records, daily inspections and energy data in a digitalized manner. It not only made it easier to monitor equipment status in real time and repair it when necessary, but also laid a
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System	solid foundation for energy data analysis and energy consumption forecast.
Pollution Prevention and Control	<ul style="list-style-type: none"> • Efforts were made to identify major environmental factors and formulate appropriate management plans. • Specialized institutions were commissioned to carry out regular environment checks in the Head Office’s buildings (parks). • Lids and locks were added to the water storage tanks of secondary water supply facilities, the tanks were cleaned and sanitized regularly, water quality was monitored on a quarterly basis to ensure it met the standards for drinking water. • Air-con circulation water was treated with physical methods to realize zero chemical emission. • All repair and maintenance of central air conditioners were carried out in standard ways to reduce greenhouse gas emissions. • Eight boilers in BoCom Financial Tower in Lujiazui and Zhangjiang Industrial Park were upgraded to reduce air pollution emission.
Waste Disposal	<ul style="list-style-type: none"> • As per the requirements of the <i>Shanghai Municipal Waste Management Regulations</i>, the Head Office put in place containers for hazardous waste and dry waste, and containers or stations for recyclables. • Hazardous waste like abandoned electronic products, batteries, fluorescent tubes and mercury thermometers were collected and disposed of according to relevant laws and regulations.
Renovation for Energy Conservation	<ul style="list-style-type: none"> • Lighting: Low-energy LED lamps were used to replace high-energy incandescent lamps and metal halide lamps; garage lighting was upgraded to make the lighting duration more reasonable; conventional road lamps were replaced with solar lamps to promote new energy; smart lighting was used for automatic lighting control based on the brightness of the environment. During the Reporting Period, the Head Office saved about 2.93 million kW·h of electricity worth over RMB1.9 million per year. • Energy conservation: Energy-saving technologies were adopted to reduce the

	<p>energy consumption of air-conditioning systems. It is estimated that in Zhangjiang Industrial Park alone, 940,000 kW·h of electricity worth over RMB 600,000 was saved per year by using the BA system to control central air-conditioning systems in a centralized manner.</p> <ul style="list-style-type: none"> Water conservation: Thanks to technologies of reclaimed water collection and rainwater-sewage separation, in Lujiazui (BoCom Financial Tower) alone, by putting in place air-con condensate water recovery units, saved more than 9,000 tons of water and recycled more than 450 million kilo-calories of thermal energy per year, saving more than RMB 200,000.
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Chart: 2019 Data on Green Offices at the Head Office

Indicator	Total	Per Capita
Head Office's buildings (parks)	<p>Water consumption: 307,000 tons</p> <p>Power consumption: 96,710,600 kWh</p> <p>Natural gas consumption: 1,573,200 m³</p>	<p>Water consumption: 33.5703 tons per capita (9,145 persons)</p> <p>Power consumption: 10,575.2433 kWh per capita (9,145 persons)</p> <p>Natural gas consumption: 172.0284 m³ per capita (9,145 persons)</p>
Greenhouse Gas Emissions by the Head Office	<p>Direct emissions: 3,398.78 tons of CO₂ equivalent</p> <p>Indirect emissions: 76,207.95 tons of CO₂ equivalent</p> <p>Total: 79,606.73 tons of CO₂ equivalent</p>	<p>8.7049 tons of CO₂e per capita (9,145 persons)</p>

Total Energy Consumption at the Head Office's buildings (parks) (Equivalent to Standard Coal)	29,897.3 tons, down 1.35% year on year	
Paper Consumption at the Head Office	200 bales of A5, 13,322 bales of A4 and 964 bales of A3 paper; 500 pieces per bale (100 pieces per bale for color A4 paper), 38.36 tons in total	Paper consumption: 0.0046 tons per capita (8,302 persons)
Video Conference	7,884 sessions	

Note:

1. This data covers only the Head Office
2. The boundary of direct emissions and indirect emissions are calculated as the same as greenhouse emissions, in which direct emissions refer to operating sites owned or controlled by BoCom whilst indirect emissions refer to energies bought from suppliers and coefficients are employed from *GB/T 2589-2008*.
3. 9145 persons = Headquarters staff in Shanghai (dispatched employees included) + Staff of Credit Card Centre + staff from Office of Administrative Services.
4. 8302 persons = Staff of Head office + Staff of Credit Card Centre.

Chart: 2019 Vehicle Use at the Head Office

Vehicle Type	Distance Traveled (kilometer)
Light Vehicles (<= 2.5 tons)	1,318,475
Light Vehicles (2.5-3.5 tons)	31,870
Light Vehicles (3.5-5.5 tons)	50,195

Medium and Heavy Vehicles (5.5-15 tons)	37,516
Fuel Type	Consumption (liter)
Diesel	8,685
Gasoline	159,717

Chart: 2019 Emissions at the Head Office

Type	Emission (tons)
NO _x	2.0317
SO _x	0.0182
PM	0.1678

Note: Emissions are calculated energy type and sources of emissions. Coefficients used come from the *Environmental Key Performance Indicators Guidelines*

Chart: 2019 Electronic Waste Discharge from the Head Office (Non-Hazardous Waste)

Types of Electronic Waste	Quantity (piece)	Per capita (piece/person)
Mainframe	317	0.1098
Display	317	0.1098
Laptop	543	0.1881
Printer	128	0.0444

Note: There are 2,886 employees at the Head Office (dispatched employees included).

7.4 Green Public Welfare Activities

Pursuing the goal of “blue sky for all”, BoCom encourages its employees to actively participate in environmental protection activities, and regularly organizes activities such as vertical greening, lake run and public welfare cycling, in order to advocate an environment-friendly and low-carbon lifestyle, and create a beautiful home for mankind together with all

stakeholders.

Case Study: Ecological and environmental protection activities promote the concept of green development and environmental friendliness

In 2019, BoCom mobilized its CYL organizations at all levels and young volunteers to plant trees and create the fourth and fifth plots of “BoCom Youth Forest” in Shilou County, Shanxi Province and Yanchang County, Shaanxi Province, in a bid to promote the greening and smog control efforts, which was part of the “green BoCom, beautiful China” program, This contributed to a good environment with clear waters and lush mountains, and, by planting economic species of trees, also helped with the poverty alleviation efforts in relevant areas.



BoCom Youth Forest (Shilou, Shanxi) for the protection of the mother river



BoCom Insurance actively took part in a public welfare program at Mai Po Nature Reserve held by World Wide Fund for Nature (WWF), learned how to protect wetland ecosystems, and helped remove invasive plants and evergreen climbers. The picture shows volunteers from BoCom

Insurance removing invasive plants and evergreen climbers.

8 Growing Together with Employees

Responding sustainable development trends: In 2019, guided by the employee development philosophy of “joint creation, common prosperity, sharing, and shared development” and focused on the five-pronged employee development system featuring corporate culture, democratic management, employee benefits, employee honor, and career development, BoCom continued with its efforts to build a Happy Home at BoCom in a systematic manner and create an environment conducive to the career development and growth of employees, enhancing employees’ senses of belonging, achievement and happiness.



Our actions: Protect the basic rights and interests of employees; strengthen employee education and training; and encourage employees to maintain work-life balance.

Our performance: Proportion of female employees in senior management: 37.15%; Domestic employee turnover rate: 3.67%.

8.1 Joint Efforts for Diversity

BoCom is committed to creating a diversified, inclusive and harmonious development platform for its employees to realize their value and achieve their career goals, creating shared value together.

8.1.1 Basic Employee Information

The Bank had 87,828 employees in China and overseas, of which 54.49% were female, 2.85% were from overseas, 4.55% of the employees in China were from ethnic minorities, 0.14% of the employees in China were persons with disabilities and 37.15% of the senior management were women. The turnover rate of Chinese employees was 3.67%, down 1% from the previous year.

Chart: Employees by Gender (in China and Overseas)

Female (%)	54.49
Male (%)	45.51

Chart: Employees by Age (in China)

Employees aged 30 and below (%)	30.5
Employees aged 31 to 50 (%)	60.8
Employees aged 51 and above (%)	8.7

Chart: Turnover Rate (in China)

Female turnover rate (%)	3.42
Male turnover rate (%)	3.97
Turnover rate of employees aged 30 and below (%)	7.09
Turnover rate of employees aged 31 to 50 (%)	2.96
Turnover rate of employees aged 51 and above (%)	0.36
Turnover rate of domestic employees (%)	3.67

Harmonious labor relationship is a cornerstone of the healthy development of enterprises. BoCom strictly complies with national and local laws and regulations such as the *Labor Law of the People's Republic of China*, and has formulated the *Bank of Communications Managerial Measures on Labor Contracts*, *Bank of Communications Managerial Measures on Recruitment and Employment*, *Bank of Communications Regulations on Employee Leave*, *Bank of Communications Interim Measures on Overtime Pay*, *Managerial Measures on Sound Compensation System* and *Managerial Measures on Supplementary Medical Insurance for Domestic Branches* based on its actual situation, and signed the *Bank of Communications Co., Ltd. Collective Contract for the Protection of the Rights and Interests of Female Employees* with the workers' union of the Bank. It abides by the principle of equal employment and equal pay for

equal work, and accepts no discrimination. Human rights violations such as child labor and forced labor are strictly prohibited and opposed. During the Reporting Period, the Bank had signed labor contracts with all position contract employees and provided them with compliant and stable remuneration and sound social securities.

8.1.2 Strengthened Democratic Management

Workers' unions at all levels of the Bank made continuous efforts to strengthen democratic management, for which a workers' congress is the basic form. They made use of the intranet, official accounts, bulletin boards, electronic screens and other channels to publish in a timely manner major decision related to the vital interests of employees and the direction of the Bank's reform and development. Representatives of employees were invited to attend annual work meetings and other important bank-wide meetings. The Bank also pushed ahead with the information disclosure system for bank affairs and further improved the democratic management system at the basic level. All these effectively protected employees' rights to know, to participate, to review, and to supervise, safeguarded the legitimate rights and interests of employees, and realized fair dialogue between and shared development of the employer and employees.

In the case of disputes over the rights and interests of employees, according to the *Bank of Communications Regulations on Complaints*, and following the principle of localized management, responsibility by level, whoever are in charge are held accountable to solve complaints in a lawful and timely manner by combining on site resolution and subsequent education. Thus, employees' complaints are effectively handled, and their legitimate rights and interests are safeguarded.

Case Study: Focusing on “difficulties and redundancies” to reduce burdens of the basic level

During the Reporting Period, to implement the guiding principles of the campaign under the theme of “staying true to our founding mission” and the central government's decisions and plans of “the year to reduce burdens at the community level”, and to resolutely rectify the practice of formalities for formalities' sake and bureaucratism, the Bank compiled and issued *A Letter from a*

Basic-Level Employee to the Senior Management and the response to it from the Bank’s Party Secretary Ren Deqi, issued the *Work Plan for Improving the Conduct at the Head Office to Reduce Burdens of Basic-Level Employees*, and listed 13 key tasks to tackle difficulties in coordination and approval, and problems such as excessive paperwork, and redundant meetings, inspections and evaluations (collectively known as “difficulties and redundancies”). By monitoring the progress in these regards month by month, smoothing channels for basic-level employees to raise their requests and suggestions, and building an incentive mechanism, the Bank has made achievements in nine areas, truly reducing the burdens at the basic level and providing better services to its customers.

8.2 Promoting Career Development

The Bank continued to help employees enhance their value. By improving its position system, providing clear and smooth promotion paths, and establishing a full-coverage and all-round training system, BoCom provided a platform for the rapid growth of employees at all levels and positions, and built a well-structured talent pool.

8.2.1 Multi-Level Employee Training

The Bank attached great importance to the improvement of the overall quality and competitiveness of its talents. It cultivated outstanding professionals by continuously intensifying its effort to build the echelon of leading talents and strengthening the training of outstanding young talents.

Chart: Talent Team Building System

<p>Management Personnel</p>	<ul style="list-style-type: none"> • The Bank formulated the <i>Opinions on Highlighting the Sense of Mission to Strengthen the Building of a Competent Official Team in the New Era</i>, gave priority to officials’ sense of responsibility, experience at the basic level and overall performance when it came to the selection and appointment of leaders, and encouraged officials to concentrate on entrepreneurship. • The Bank organized training programs according to the <i>2018-2020 Education and Training Plan for Management Personnel and Employees of Bank of Communications</i>, and continuously deepened study and education on
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	<p><i>Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era</i>, so as to improve management personnel’s political awareness, leadership and professional abilities.</p>
Young Employees	<ul style="list-style-type: none"> • The Bank put in place a new campus recruitment model based on AI technology, and cooperated with more than 30 well-known universities and colleges to launch the “Direct Recruitment Project for Recommended by Colleges and Universities”, providing an employment fast track for outstanding young talents. • In line with its technology-enabled development strategy, the Bank launched the three major talent projects of “Fintech Management Trainee Program”, the “10,000 Fintech Talents Project” and the “Talent Empowerment and Transformation Project”, providing participants with multi-dimensional preferential policies with respect to their positions, remuneration, social security schemes, education and training. At the same time, the Bank created new recruitment and employment mechanisms and improved the talent evaluation system as well as the talent retention policy, so as to support the digital and intelligent transformation.
Professionals	<ul style="list-style-type: none"> • The Bank further promoted the building of a team of professionals, gave full play to the advantages of experts and senior professionals who had rich experience and expertise, let them play their roles as mentors, and adhered to the goal of cultivating a high-caliber professional team.

Case Study: Promoting the cooperation between enterprises, universities, and research institutes to introduce testing personnel

In order to tackle the shortage of testing personnel faced by the entire banking industry, Bank of Communications Test Center, together with CCB, Tongji University and the Chinese Local Chapter of TMMi Foundation, carried out the soft science project titled “Tapping into the Joint Efforts of Enterprises, Universities, and Research Institutes to Build a Banking Software Testing Personnel Team that Is Shared by All” to increase talent supply. Since the launch of the project, 15 banks have joined hands with standards organizations to establish decision-making and evaluation

institutions and form a certification training network and a training course system. Nearly 8,000 testing professionals have passed the certification exam. The Bank also has cooperated with 34 colleges, universities and training institutions to build its youth training system and in-service training system to cultivate testing personnel. More than 300 fresh graduates were trained. Within the banking industry, 29 banks have jointly set up an industry-wide talent pool and a credit rating system, which attracted more than 3,000 testing professionals. This ensures the continuous improvement of the quantity and quality of testing professionals in the banking industry. In October 2019, the project won the second prize of the Banking Technological Development Award granted by the People’s Bank of China.

8.2.2 Employees Training in Multiple Forms



To promote employees’ career development as well as the development the Bank, BoCom divided its employees into four categories, i.e., management officials, professionals, business personnel and other personnel, and established a hierarchical and category-based talent training system to improve employees’ skills and management ability.

Chart: Employee Training and Cultivation System

Improve Classified Training	<ul style="list-style-type: none"> The Bank implemented a full-process talent training system covering orientation training, job-specific training, continued training, and certification-oriented training based on its business development needs and requirements for duty performance and based on the general pattern talent development. It also offers featured training programs for employees at different levels and positions.
Focus on Key Groups	<ul style="list-style-type: none"> Targeted at key groups such as the heads of directly-affiliated business institutions, heads of Tier-2 institutions, customer managers at the basic level and experts of various types, BoCom improved its training course system covering areas such as leadership, team management, marketing, corporate business, personal finance and risk management, making the system problem-oriented so that it can help tackle key difficulties in business development, risk control, market expansion, and management at the basic level.
Expand Training Coverage	<ul style="list-style-type: none"> The Bank continued to send its officials, outstanding basic-level employees and backbone employees on different business lines to well-known universities at home and abroad, leading enterprises in the industry, its strategic partner HSBC, and other institutions for training through cooperation programs. High-quality training resources were provided in priority for basic-level employees who needed them most to continuously broaden their vision and improve their professional skills and comprehensive quality.

<p>Consolidate Training Foundation</p>	<ul style="list-style-type: none"> • The Bank vigorously promoted online training, formulated annual e-learning tasks for officials and employees, and worked to integrate online and offline training sessions. • The Bank moved forward with its teaching team building efforts, revised the <i>Regulations on the Management of Teachers and Trainers of Bank of Communications</i>, formulated management regulations targeted at full-time teaching personnel, raised the threshold for part-time teaching personnel inside and outside the Bank, and enhanced the professional capabilities of its teaching team. • The Bank upgraded the teaching materials for orientation training as well as those for theoretical training for officials, and deepened its course system. • The Bank stepped up its effort to develop its training bases such as Finance College of Bank of Communications (Yangzhou Campus). • The Bank started building the intelligent e-Campus and e-HR education and training management systems. • The Bank continuously strengthened the building its simulation bank and improved the effectiveness of simulation-based training for new employees.
<p>Upgrade Training Mechanism</p>	<ul style="list-style-type: none"> • The Bank formulated medium- and long-term plans and annual implementation opinions. During the Reporting Period, the Bank formulated the <i>2018-2022 Education and Training Plan for Management Personnel and Employees of Bank of Communications</i>, <i>Opinions on Education and Training for Management Personnel and Employees of Bank of Communications in 2019</i>, and <i>Priorities of Internet-based Education of Bank of Communications in 2019</i>, to provide guidance for the education and training work across the Bank. • The <i>Management Measures for Education and Training of Bank of Communications</i> was revised to put in practice the concepts of in-depth integration of online and offline education and training, and cooperation with universities, fund companies, and enterprises, and make education and training of the Bank more standard, institutionalized, and well-conceived.
<p>Higher Training Effectiveness</p>	<ul style="list-style-type: none"> • The Bank set up four campuses respectively for corporate banking, retail business, peer analysis and risk analysis, to make training courses more adapted to business needs, and improve the relevance and effectiveness of the education and training programs. • The Bank rolled out the “Win with BoCom” training series targeted at its customers to promote shared prosperity for the real economy and BoCom. • The Bank made more efforts to publicize the achievements of its training programs.

<p>Case Study: Creating High-quality Talent Teams through Featured Training Programs</p>	
<p>Fintech</p>	<ul style="list-style-type: none"> • During the Reporting Period, the Bank launched its first Fintech

<p>Management Trainee Program</p>	<p>training program, i.e. the Fintech Management Trainee Program. Targeting at key positions where both technology-centered skills banking business skills are required, the program has its participants work on practical projects throughout the whole process to improve their awareness of the combination of business and technology, and cultivates mid- and high-end interdisciplinary Fintech talents.</p>  <p>Symposium on the Fintech Management Trainee Program</p>
<p>Workshop for Key Leaders of Directly Affiliated Institutions</p>	<ul style="list-style-type: none"> During the Reporting Period, more than 110 people, including members of the leadership of the Head Office, other leaders of the Bank, heads of provincial branches, overseas branches, sub-branches, subsidiaries, affiliated institutions and departments of the Head Office, and inspection group chiefs, participated in a 5-day study program at Peking University Shenzhen Graduate School. Making use of Peking University's high-quality teaching resources, the Workshop aims to help participants strengthen their spirit for reform, innovation and progress, improve strategic thinking, broaden their vision, and update their knowledge so that they can work to promote the high-quality development of the Bank.  <p>2019 BoCom Workshop for Key Leaders of Directly Affiliated Institutions</p>
<p>Elite Project</p>	<ul style="list-style-type: none"> The Bank selected 100 outstanding chiefs of integrated outlets, and rolled out training sessions for on political awareness, corporate culture,

	<p>professionalism and specialized knowledge, aiming to help them identify more with the Bank, unleash their potential, and effectively improve their capability of operation and management, so that they can lead their outlets better during the transformation towards full integration.</p>  <p>2019 Elite Project training session</p>
<p>D-level Management Personnel Training</p>	<ul style="list-style-type: none"> During the Reporting Period, the Bank sent selected D-level management personnel to the United States for leadership training sessions to enhance their ability in decision-making and risk control. In addition, the Bank organized D-level management personnel to attend innovative management training classes initiated by HSBC to learn the ideas and advanced experience of the partner bank in business management, organizational structure, technology-enabled development, workflow improvement and management performance evaluation approaches.  <p>2019 D-level Management Personnel Training in the U.S.</p>
<p>Talent Project</p>	<ul style="list-style-type: none"> With the goal of cultivating high-caliber young reserve management personnel, the Bank launched the fourth session of the “Talent Project” in the U.S. Focused on leadership, operation and management innovation, and sharing from advanced experience from peer institutions, the project

provided participants with knowledge and skills of leadership psychology, innovations in asset management, Fintech analysis and application, and new forms of currency. It helped BoCom train future leaders with great potential.



2019 Talent Project in the U.S.

Performance: BoCom wins a number of employer branding awards

During the Reporting Period, the Bank initiated the 10,000 Fintech Talents Project, and has been recognized by the industry and job seekers for its excellent and accurate talent identification approaches, efficient and orderly recruitment process, all-round and systematic talent evaluation, and sound and complete human resources management system. It also won a number of prestigious awards including the “2019 Top Graduate Employers”, “2019 Employer Excellence of China”, “2019 China Best Employer Award”, “2019 Best Employer for Chinese College Students”, and the Fourth Session of “HR Selection Awards in Greater China”.



Some awards

8.2.3 Multi-Channel Employee Development

The Bank attached great importance to employees' career development. It put in place a remuneration management mechanism that fully reflected each employees value based on their position and performance. It also made active efforts to establish the selection and appointment of professionals as a routine. In addition, the Bank improved its “management + specialty” dual career development channels to encourage the horizontal flow and vertical mobility of employees and made it possible for them to take different positions concurrently. By doing so, it fully tapped the potential of its employees.

Chart: Building the Platform for Employee Development

<p>Improving the Remuneration and Incentive Mechanism</p>	<ul style="list-style-type: none"> • The Bank highlighted value creation and capability building, improved performance evaluation and remuneration allocation, and implemented effective incentives for and constraints over key groups. • The Bank put more resources into remuneration system of its IT section, implemented integrated evaluation and resource allocation to improve the overall structure, gave incentives to major technological innovations, and motivated people across the Bank to work for technological innovations. • The Bank improved its deferred payment system of performance-based pay to balance between timely salary payment and the subsequent risks.
<p>Broadening the Promotion Path</p>	<ul style="list-style-type: none"> • The Bank refined its position and rank system at the basic level to encourage excellent basic-level employees to get promotion through their own efforts. • The Bank improved its employee mobility mechanism, and offered more options for outstanding employees through internal selection, exchange, and overseas secondment programs. • According to the relevant requirements of building a Fintech talent team of the Bank, the “Fintech Management Trainee” recruitment

	<p>program was launched for fresh graduates from well-known universities at home and abroad.</p> <ul style="list-style-type: none"> • The Bank improved its expert position system, revised the <i>Management Measures for the Appointment of Expert Positions (Version 2019)</i>, authorized its overseas branches, service centers and IT sections to appoint C-level experts on their own through evaluation, and started a backup application program to select and reserve qualified professionals for the Bank. • The Bank made much effort to train and identify outstanding young officials, conducted bank-wide surveys to find qualified candidates, created a dynamic list of such talents, and promoted exchange and rotation programs for them at the basic level.
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During the Reporting Period, BoCom actively participated in the selection of “Three Types of Talents” initiated by Shanghai Municipal People’s Government. Six of its employees were nominated as top leading talents, two as young talents and one as leading talent.

8.3 Building a Happy Home

The Bank strived to forge a people-oriented “home” culture, and had been helping its employees solve small but realistic problems, meeting their needs in relation to health management, risk prevention and a better life.

8.3.1 Care for Employees’ Physical and Mental Health

The Bank attached great importance to occupational health and safety of its employees, constantly improved health protection measures, and ensured that all employees devoted themselves to their work in a healthy state both physically and mentally.

Chart: Employee Health Protection Measures

Physical and Mental Health	<ul style="list-style-type: none"> • The Bank cooperated with e-commerce platforms to provide
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Promotion	<p>all items needed to ensure occupational health.</p> <ul style="list-style-type: none"> • It provided heatstroke prevention supplies for frontline employees in the hot summer • It organizes physical examinations for all in-service and retired employees every year, and provides different physical examination plans. • It improved the mental health consulting platform and organized mental health lectures regularly.
Rich Health and Cultural Activities	<ul style="list-style-type: none"> • Experts were invited from outside the Bank to give lectures and training courses on all kinds of health knowledge and answer health-related questions on the spot. • It organizes sports meet, hiking and other sports and cultural activities regularly. • It launched Employee Care Season (Month) activities to extend more care to employees in need.
Strengthen Health Support	<ul style="list-style-type: none"> • It has established social security accounts for all employees and pay social security and supplementary medical insurance contributions in full and on time. • It gave full play to health service platforms such as the Happy BoCom mobile health management app, the employee clinics and the mothers' rooms. • Through its Mutual Help Association, the Bank provided timely aid to sick employees.

During the Reporting Period, the Bank distributed labor protective equipment to a total of 11,135 employees and its clinics received 30,000 employees.

A total of 99,174 physical health examinations and 12,790 mental health examinations were performed, covering 93.17% and 12.5% of the Bank's employees respectively.

Table: Work-Related Injury at the Head Office

Indicator	2017	2018	2019
Job-related deaths	0	0	1
Job-related death rate (%)	0	0	0.012

Note:

Job-related death rate at the Head Office: the number of job-related death at the Head Office/the number of employees of the Head Office (including employees of the Credit Card Center)



BoCom Insurance won the “Occupational Health Award” and the “Outstanding Organization Award” by Occupational Safety & Health Council. It was selected as a signatory to the Mental Health Workplace Charter by the Hong Kong Department of Health and was recognized as a one of the “Mental Health Friendly Organizations”

8.3.2 Rich Cultural Activities

The Bank actively organized all kinds of cultural and sports activities so that its employees enjoy a better cultural life and feel less stressful at work. By creating a relaxed and pleasant atmosphere at work, the Bank helped its employees work happily and live a healthy life.



The bank held a choral activity to celebrate the 70th anniversary of the founding of the people's Republic of China, encouraging all staff to remain true to their original aspiration, keep their mission firmly in mind and forge ahead



Curling competition for employees

8.3.3 Care and Aid for Employees

The Bank improved its employee care system and formulated the *Regulations on Employee Care of Bank of Communications*. It continued to carry out the “Care for Thousands of Employees” campaign, and extended care to model workers in need, employees with serious illness and difficulties, poverty alleviation officials stationed in villages, officials dispatched to other countries and retired employees in a timely manner. Through the BoCom Mutual Help Association, the Bank provided necessary assistance to employees with serious illness and

employees in difficulties, helped them solve realistic problems in life, and greatly enhanced their sense of security and belonging.

The Bank implemented various policies to benefit its retirees, organized themed education programs and investigation trips according to their actual needs, informed them of the progress of the Bank's reform and development, and improved medical insurance system and personalized medical services for them. Moreover, the Bank held retirement anniversary activities, organized indoor and outdoor activities good for retirees' physical and mental health and provided them with holiday gifts to enhance care and support for them.

During the Reporting Period, the Bank granted RMB9,668,000 to 2,789 employees with serious illnesses and difficulties and officials stationed in villages.

The Bank also paid 195 visits to required leaders and 4,884 visits to required employees, granting RMB14,261,000 to them in total.

Up to 71,730 employees voluntarily joined the Mutual Help Association and a total of RMB6,431,800 was raised, of which RMB5,799,692 was granted to 545 employees in need.

9 Building Our Home Together Through Public-Interest Activities

Responding sustainable development trends: An enterprise can never succeed without the support from communities. Under the charity brand and philosophy of “uniting for love and a better future”, the Bank fulfilled responsibilities as a corporate citizen and carried out poverty alleviation efforts, supported farmers in need, helped the elderly and people with disabilities, offered assistance for education and disaster relief, and delivered volunteer services, to bring benefits to society.



Our actions: Carry out public welfare activities in cooperation with other sectors; encourage employees to participate in volunteer activities

Our performance: Donated RMB43.3471 million for public welfare programs; launched 222 public-welfare projects; delivered 130,000 hours of volunteer services

9.1 Building a Charity Brand

The “Blue” charity brand is gradually shaped by the Bank in the process of fulfilling its corporate social responsibilities and devoting itself to public welfare undertakings. During the Reporting Period, the Bank continued to advance the standardization and management of the “Blue” charity brand, enrich its meaning and spread the Bank’s CSR culture in activities focused on poverty alleviation, support for farmers, care for the elderly and people with disabilities, and assistance for education, disaster relief and volunteer services for disaster relief, establishing a good corporate image.

Photos: BoCom organized volunteers across the Bank to participate in public welfare activities and enriched the meaning of the “Blue” charity brand.



BoCom Volunteer Association, together with China Youth Development Foundation, launches the BoCom “Blue” Student Aid Program through Tencent 99 Charity and raised RMB521,662.8 in total



BoCom at the charity bazaar themed “I’m a Giver—Caring About Little Rain Men”. The Bank donated all the RMB4,903.53 raised to children with autism through CUAM Medical Aid Fund designated by the activity.



Leveraging on its advantages, BoCom held public welfare classes on financial knowledge.



“Hello Blue, let’s bring love and happiness to others.

Love is a gift that we should interpret with our hearts.

Give selflessly and take the right path.

Unite to pass on love and positive energy. No one is more devoted than me.

Hello Blue, let’s bring love and happiness to others.

Let’s make our stories warm

Open hearts to one another

And say it out loud that love never ends.

BoCom joined hands with renowned lyricist Vincent Fang and the young star Liu Chutian to launch the theme song *Hello Blue* for the “Blue” charity brand, spreading the influence of the “Blue” charity brand wider and calling on more people to participate in public welfare activities



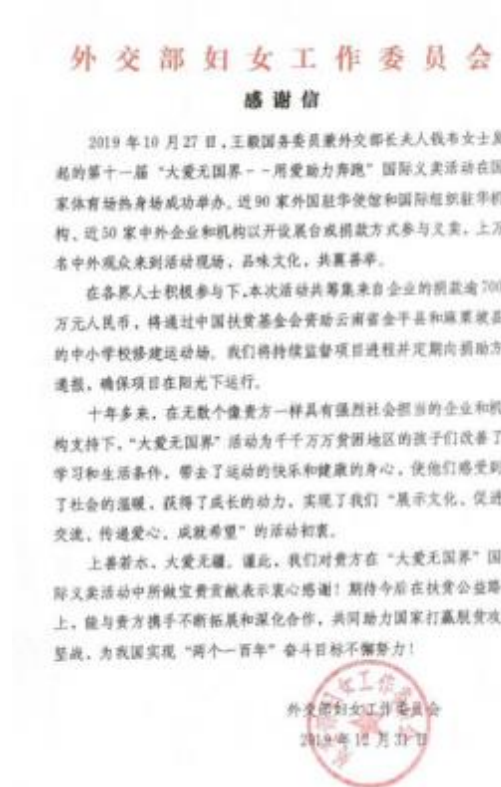
Music Video: *Hello Blue*

Case Study: Run to a Better Future—BoCom donates to Love Knows No Borders

On October 27, 2019, the 11th “Love Knows No Borders—Run to a Better Future”, an

international charity event initiated by Ms. Qian Wei, wife of State Councilor and Foreign Minister Wang Yi, was successfully held at the National Stadium. The activity aimed to gather Chinese and foreign charity donations, carry forward the virtue of almsgiving for the needy and help people in poverty-stricken areas and disadvantaged groups improve their lives.

BoCom actively participated in the event and donated RMB100,000 to build school playgrounds in Jinping County and Malipo County, Yunnan Province, so as to allow children in those poverty-stricken areas to enjoy the fun of sports and maintain good health, contributing to the goal of Love Knows No Borders, which is to showcase culture, promote communication, spread love and make dreams come true.



A thank-you letter from Women's Working Committee of the Ministry of Foreign Affairs

During the Reporting Period, the Bank carried out 222 public welfare projects and donated a total of RMB43.3471 million.

9.2 Contribution to a Harmonious Community

The Bank paid close attention to community development at all places where it operated. Relying on local branches, the Bank strengthened communication with local communities, carried out featured public welfare activities in communities and made contributions to the building of harmonious communities.

Case Study: BoCom creates the “public interest + finance” project model with its advantages

In cooperation with Shanghai Civil Affairs Bureau, the “BoCom-HSBC Shanghai Senior Care Action Plan” was launched as part of the elderly-friendly reconstruction project in the Dianji Neighborhood of Jiangchuan Subdistrict in Minhang District, Shanghai, a national demonstration project for elderly care. On the basis of choosing most suitable projects, making targeted investments and working for public welfare, BoCom deepened its cooperation with Shanghai Civil Affairs Bureau and the community to offer comprehensive financial service plans for the elderly and further enhance their sense of gain.

Case Study: Seoul Branch assists in China-South Korea cultural exchange

On October 20, 2019, Seoul Branch participated in the 7th “Seoul · China Day” 2019, organized by the Chinese Embassy in South Korea and the Seoul Metropolitan Government. With the facial makeup characteristic of Peking Opera, Seoul Branch showcased the colorful Chinese folk culture to the South Korean people, contributed to the cultural exchanges between the two countries and promoted mutual understanding between the peoples.

Case Study: Hong Kong Branch extends care to local disadvantaged groups

BoCom’s Hong Kong Branch, upholding the principle of “being devoted to public welfare activities, fulfilling corporate social responsibility and giving back to society”, actively participated in Dress Casual Day 2019 held by the Community Chest on October 10, 2019. Hong

Kong Branch called on all its employees to each donate HKD70 (about RMB62) or more and go to work in casual dress that bore a sticker of the activity to show care for the disadvantaged groups.

Over 370 employees participated in the activity and over HKD40,000 (nearly RMB36,000) of donations were received, all of which were given to member social welfare organizations offering services for children, youth and the elderly, family and children’s welfare services, medical and health services, rehabilitation and consultant services or community development and other services, sending love and hope to local disadvantaged groups.



BoCom’s Hong Kong Branch during Dress Casual Day 2019

9.3 Volunteer Services by Employees

BoCom advocates the volunteer spirit of “dedication, care, mutual help, and progress”, encourages its employees to use their professional advantages and BoCom’s resources to spread financial knowledge, help the poor and the elderly, aid poor students and do more in communities to pass on love and give back to society with concrete actions.

Case Study: With advantages in finance, BoCom helps improve the life of the elderly

During the Reporting Period, Bank of Communications International Trust Co., Ltd., with its advantages in the trust system and the financial advantages of trustees, carried out the BoCom International Trust—2019 Charity Trust Program for a Livable Environment for the Elderly, which used trust assets to contribute to the 2019 Warm Home Program for the Elderly of the Wuhan

Charity Federation and improve the lighting system, antiskid system, wearable device system, intelligent security system and other facilities. in homes of poor elderly people, helping them improve their living conditions and quality of life.



A volunteer working on the lighting system in the home of poor elderly people

Case Study: Ganzhou Branch launches the publicity campaign against “campus loan”

During the Reporting Period, to further enhance college students’ self-protection awareness and wealth management capability, and to effectively guard against fraudulent “campus loan”, BoCom Ganzhou Branch organized employees to carry out a publicity campaign titled “Beware of Campus Loan Frauds” in Jiangxi University of Science and Technology. By distributing over 430 brochures on financial knowledge and explaining cases of “campus loan” on the spot, they called upon college students to have a correct understanding of consumption and enhance risk prevention awareness and helped create a peaceful and stable campus.



BoCom Guangdong Branch held “Happy Marathon” 2019 to encourage employees to donate money and books to improve the teaching environment of Daposhan Elementary School. The branch received RMB106,632.3 in donations which would be used to purchase desks, chairs, sports equipment and other teaching materials for the school, as well as 600 copies of children’s books.

During the Reporting Period, BoCom volunteers delivered services for 131,869 times, working for a total of 130,000 hours and benefiting 57,922 people

Outlook for 2020

Hard work will make history and lead us into the future. In 2020, BoCom will continue to follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly carry out the guiding principles of the 19th National Congress of the CPC, the 2nd, 3rd and 4th Plenary Session of the 19th CPC Central Committee and the Central Economic Work Conference, and act upon the new development philosophy to strengthen the capabilities for high-quality development and build a world-class bank with wealth management characteristics and global competitiveness.

Promoting economic development and optimizing financial services. BoCom will closely follow the development trend of Fintech, deepen business linkage, safeguard the bottom line of risk control, accelerate the digital and intelligent transformation, comprehensively enhance capabilities for value creation, and spare no effort to promote the high-quality development of the company and national economy. We will actively serve the real economy, vigorously develop inclusive finance, and deliver more convenient, affordable and safer premium financial services to the general public. We will continue to put customers first and foremost, improve service standards, service channels, business operation, IT systems and risk management that cover all our services, procedures and staff, and strive to become the best bank offering omni-channel financial services.

Pursuing green development and ecological conservation. BoCom will continue to contribute to the building of ecological civilization, a goal put forth at the 19th National Congress of the CPC, follow the vision for green development, and lean credit towards green economy, eco-friendly economy and circular economy by consolidating institutional development for green credit, integrating the green credit concept into business development, effectively managing customers' environmental and social risks and strengthening green credit assessment. While vigorously promoting green finance, we will keep improving our own environmental management system, with a focus on green operation, energy-efficient office and green procurement. We will raise the awareness of environmental protection among employees, customers and the public, and work with various parties to jointly build a beautiful China.

Fulfilling social responsibilities and sharing development achievements. We will adopt integrated measures to enhance employee wellbeing, and make particular efforts to address the most realistic concerns of employees, so as to unite our 100,000-strong employees to implement corporate development strategies. We will increase support and introduce innovative modes for targeted poverty alleviation in designated poverty-stricken areas, and consolidate the foundation for poverty reduction. We will continue to build up the reach and influence of the “For Tomorrow” and the “Blue” charity brand, and encourage all walks of life to join us to improve public welfare.

With greater influence comes greater responsibility. In the new year, as we strive to poverty alleviation, secure a decisive victory in building a moderately prosperous society in all respects and achieve the first centennial goal, we will continue to pursue the vision of innovative, coordinated, green, open and shared development, maintain the upward momentum of business management and actively listen and respond to the expectations and appeals of stakeholders. We will continue to explore ways of sustainability in service to the real economy, environmental protection and social governance and work with our investors, customers, employees, other walks of society to create shared value and a sustainable and beautiful future.



注册会计师独立鉴证报告

致：交通银行股份有限公司董事会

我们接受委托，对交通银行股份有限公司（“交行”或“交通银行”）2019年度社会责任报告中选定的2019年度关键数据（以下简称“关键数据”）执行了有限保证的鉴证业务。

关键数据

本报告就选定的2019年度交行社会责任报告关键数据（即2019年度交行社会责任报告第6-7页关键绩效）实施了有限保证鉴证工作程序。

我们的鉴证工作仅限于企业社会责任报告中选定的2019年度关键数据，企业社会责任报告中所披露的其他信息，2018年及以前年度信息均不在我们的工作范围内。

标准

交通银行股份有限公司编制2019年度社会责任报告关键数据所采用的标准列示于社会责任报告第100-101页关键绩效数据数据编报说明（以下简称“编报基础”）中。

管理层的责任

按照编报基础编制2019年度社会责任报告关键数据是交通银行股份有限公司管理层的责任。这种责任包括设计、执行和维护与编制社会责任报告关键数据有关的内部控制，以使该等数据不存在由于舞弊或错误而导致的重大错报。

我们的独立性与质量控制

我们遵守了国际会计师职业道德准则理事会颁布的国际会计师职业道德守则（包括国际独立性标准）中的独立性及其他职业道德要求。该职业道德守则以诚信、客观、专业胜任能力及应有的关注、保密和良好职业行为为基本原则。

本事务所遵循国际质量控制准则第1号，据此维护全面系统的质量控制体系，包括与遵守职业道德要求、专业标准和适用的法律和法规要求相关的书面政策与程序。

注册会计师的责任

我们的责任是在执行鉴证工作的基础上对2019年度社会责任报告关键数据发表结论。

我们根据《国际鉴证业务准则第3000号(修订版)——历史财务信息审计或审阅以外的鉴证业务》的规定执行了鉴证工作。该准则要求我们计划和实施工作，以形成鉴证结论。



有限保证鉴证业务所实施程序的性质和时间较合理保证鉴证业务有所不同,且范围较小。因此,有限保证鉴证业务的保证程度远低于合理保证鉴证业务。因此,我们不会就2019年度企业社会责任报告中选定的2019年度关键数据是否在所有重大方面按照编报基础编制,发表合理保证意见。我们的鉴证工作包括评估2019年度企业社会责任报告关键数据是否存在由于舞弊或错误导致的重大错报风险,以及应对评估出的风险。选择的鉴证程序取决于我们的判断及对项目风险的评估。在我们的工作范围内,我们仅在贵公司总行层面开展工作。我们没有对除贵公司总行外的其他分支机构实施鉴证工作。我们所实施的工作包括:

- 1) 与贵公司参与提供企业社会责任报告中所选定的关键数据的相关部门员工进行访谈;
- 2) 实施分析程序;
- 3) 对选定的企业社会责任报告中关键数据实施抽样检查;
- 4) 重新计算;
- 5) 我们认为必要的其他程序。

固有局限

我们提请使用者注意,针对非财务数据,尚无公认的评估和计量标准体系,因此存在不统一的计量方法,这将会影响公司间数据的可比性。

结论

基于已实施的程序及获取的证据,我们没有注意到任何事项使我们相信2019年度企业社会责任报告中选定的2019年度关键数据未能在所有重大方面按照编报基础编制。

使用限制

本报告仅向交通银行股份有限公司董事会出具,而无其他目的。我们不会就本报告的内容向任何其他人士承担任何责任。

普华永道会计师事务所(特殊普通合伙)
普华永道中天会计师事务所(特殊普通合伙)

中国

2020年



ESG Index

This report has complied with the “non-compliance and interpretation” provisions set out in the Environment, Social and Governance Reporting Guidelines.

Indicator	Section	Exposure	Page
Aspect A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Adhering to Green Development for a Better World	Disclosed P104-108
A1.1	The types of emissions and respective emissions data	Adhering to Green Development for a Better World	Disclosed P105-110
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Adhering to Green Development for a Better World	Disclosed P105-110
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Adhering to Green Development for a Better World	Disclosed P105-110

A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Adhering to Green Development for a Better World	Disclosed	P105-110
A1.5	Description of measures to mitigate emissions and results achieved	Adhering to Green Development for a Better World	Disclosed	P105-110
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Adhering to Green Development for a Better World	Disclosed	P105-110
Aspect A2 Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Adhering to Green Development for a Better World	Disclosed	P105-110
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Adhering to Green Development for a Better World	Disclosed	P105-110
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Adhering to Green Development for a Better World	Disclosed	P108

A2.3	Description of energy use efficiency initiatives and results achieved	Adhering to Green Development for a Better World	Disclosed	P105-110
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Adhering to Green Development for a Better World	Disclosed	P108
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	Not applicable		
Aspect A3 The Environment and Natural Resources				
General Disclosure	Policies on minimizing the operation's significant impact on the environment and natural resources	Adhering to Green Development for a Better World	Disclosed	P91-103
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Adhering to Green Development for a Better World	Disclosed	P91-103

Aspect B1 Employment				
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Growing Together with Employees	Disclosed	P112-113
B1.1	Total workforce by employment type, age group and geographical region	Growing Together with Employees	Disclosed	P112-113
B1.2	Employee turnover rate by age group and geographical region	Growing Together with Employees	Disclosed	P113
Aspect B2 Health and Safety				
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards	CSR Management Growing Together with Employees	Disclosed	P123-124
B2.1	Number and rate of work-related fatalities	Growing Together with Employees	Disclosed	P125
B2.2	Lost days due to work injury	Plan to be disclosed in the future		

B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Growing Together with Employees	Disclosed	P123-124
Aspect B3 Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Growing Together with Employees	Disclosed	P117-121
B3.1	The percentage of employees trained by employee category (e.g. senior management, middle management)	Plan to be disclosed in the future		
B3.2	The average training hours completed per employee by employee category	Plan to be disclosed in the future		
Aspect B4 Labor Standards				
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child and forced labor	Growing Together with Employees	Disclosed	P113-114
B4.1	Description of measures to review employment practices to avoid child and forced labor	Growing Together with Employees	Disclosed	P113-114
B4.2	Description of steps taken to eliminate such practices when discovered	Growing Together with Employees	Disclosed	P113-114

Aspect B5 Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain	Adhering to Green Development for a Better World	Disclosed	P103-104
B5.1	Number of suppliers by geographical region	Adhering to Green Development for a Better World	Partially disclosed	P103-104
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Adhering to Green Development for a Better World	Disclosed	P103-104
Aspect B6 Product Responsibility				
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Working Together for Inclusive Finance	Disclosed	P90-91
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable		
B6.2	Number of products and service related complaints received and how they are dealt with	Working Together for Inclusive Finance	Partially disclosed	P90-91

B6.3	Description of practices relating to observing and protecting intellectual property rights	Working Together for Inclusive Finance	Disclosed	P90-91
B6.4	Description of quality assurance process and recall procedures.	Not applicable		
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Working Together for Inclusive Finance	Disclosed	P90-91
Aspect B7 Anti-corruption				
General Disclosure	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering	About BoCom	Disclosed	P17-20
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.	About BoCom	Disclosed	P17-20
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	About BoCom	Disclosed	P17-20
Aspect B8 Community Investment				

General Disclosure	Policies on community engagement to understand the communities' needs where it operates and to ensure its activities take into consideration the communities' interests	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation	Disclosed	P29-46
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Building Our Home Together Through Public-Interest Activities	Disclosed	P29-52 P128-135
B8.2	Resources contributed (e.g. money or time) to the focus area	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Building Our Home Together Through Public-Interest Activities	Disclosed	P29-52 P128-135

GRI Index

This report has been prepared in accordance with the GRI Standards: Core option.

Disclosure Items	Section	Exposure	Page	
1. Organizational profile	Disclosure 102-1 Name of the organization	About BoCom	Disclosed	P11-12
	Disclosure 102-2 Activities, brands, products, and services	About BoCom	Disclosed	P11-12
	Disclosure 102-3 Location of headquarters	About BoCom	Disclosed	P11-12
	Disclosure 102-4 Location of operations	About BoCom	Disclosed	P11-12
	Disclosure 102-5 Ownership and legal form	About BoCom	Disclosed	P11-12
	Disclosure 102-6 Markets served	About BoCom	Disclosed	P11-12
	Disclosure 102-7 Scale of the organization	About BoCom	Disclosed	P12-13
	Disclosure 102-8 Information on employees and other workers	Growing Together with Employees	Disclosed	P112-113
	Disclosure 102-9 Supply chain	Adhering to Green Development for a Better World	Disclosed	P29-46
	Disclosure 102-10 Significant changes to the organization and its supply chain	Adhering to Green Development for a Better World	Disclosed	P29-46
	Disclosure 102-11 Precautionary Principle or approach	About BoCom	Disclosed	P17-20
	Disclosure 102-12 External initiatives	Growing Together with Employees	Disclosed	P117-118

2. Strategy	Disclosure 102-14 Statement from senior decision-maker	Message from the Chairman	Disclosed	P7-10
	Disclosure 102-15 Key impacts, risks, and opportunities	Message from the Chairman	Disclosed	P7-10
3. Ethics and integrity	Disclosure 102-16 Values, principles, standards, and norms of behavior	CSR Management	Disclosed	P21-22
	Disclosure 102-17 Mechanisms for advice and concerns about ethics	CSR Management	Disclosed	P21-22
4. Governance	Disclosure 102-18 Governance structure	About BoCom	Disclosed	P15-17
	Disclosure 102-19 Delegating authority	About BoCom	Disclosed	P15-17
	Disclosure 102-20 Executive-level responsibility for economic, environmental, and social topics	About BoCom	Disclosed	P15-17
	Disclosure 102-21 Consulting stakeholders on economic, environmental, and social topics	CSR Management	Disclosed	P23-26
	Disclosure 102-22 Composition of the highest governance body and its committees	About BoCom	Disclosed	P15-17
	Disclosure 102-23 Chair of the highest governance body	Message from the Chairman About BoCom	Disclosed	P15-17
	Disclosure 102-26 Role of highest governance body in setting purpose, values, and strategy	About BoCom	Disclosed	P15-17
	Disclosure 102-27 Collective knowledge of highest governance body	About BoCom CSR Management	Disclosed	P15-17
	Disclosure 102-29 Identifying and managing economic, environmental, and social impacts	Message from the Chairman	Disclosed	P15-17
	Disclosure 102-30 Effectiveness of risk management processes	About BoCom	Disclosed	P17-20

	Disclosure 102-31 Review of economic, environmental, and social topics	About BoCom	Disclosed	P15-17
	Disclosure 102-32 Highest governance body's role in sustainability reporting	CSR Management	Disclosed	P21-22
	Disclosure 102-33 Communicating critical concerns	CSR Management	Disclosed	P22-23
	Disclosure 102-34 Nature and total number of critical concerns	CSR Management	Disclosed	P22-23
5. Stakeholder engagement	Disclosure 102-40 List of stakeholder groups	CSR Management	Disclosed	P23-27
	Disclosure 102-41 Collective bargaining agreements	Growing Together with Employees	Disclosed	P114
	Disclosure 102-42 Identifying and selecting stakeholders	CSR Management	Disclosed	P23-27
	Disclosure 102-43 Approach to stakeholder engagement	CSR Management	Disclosed	P23-27
	Disclosure 102-44 Key topics and concerns raised	CSR Management	Disclosed	P23-27
6. Reporting practice	Disclosure 102-45 Entities included in the consolidated financial statements	About BoCom	Disclosed	P2-P3
	Disclosure 102-46 Defining report content and topic Boundaries	About BoCom	Disclosed	P22-23
	Disclosure 102-47 List of material topics	About BoCom	Disclosed	P22-23
	Disclosure 102-48 Restatements of information	About This Report	Disclosed	P2-3
	Disclosure 102-49 Changes in reporting	About This Report	Disclosed	P2-3
	Disclosure 102-50 Reporting period	About This Report	Disclosed	P2-3
	Disclosure 102-51 Date of most recent report	About This Report	Disclosed	P2-3
	Disclosure 102-52 Reporting cycle	About This Report	Disclosed	P2-3

		Disclosure 102-53 Contact point for questions regarding the report	About This Report	Disclosed	P2-3
		Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	GRI Index	Disclosed	P148
		Disclosure 102-55 GRI content index	GRI Index	Disclosed	P148- P168
		Disclosure 102-56 External assurance	Independent Statement of Assurance	Disclosed	P138- 139
GRI 201: Economic Performance	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Making Contributions to Promoting Economic Development Working Together for Inclusive Finance	Disclosed	P54- 91
	Topic- specific disclosures	Disclosure 201-1 Direct economic value generated and distributed	About BoCom	Disclosed	P12- 14
		Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Adhering to Green Development for a Better World	Disclosed	P91- 100
		Disclosure 201-3 Defined benefit plan obligations and	Growing Together with Employees	Disclosed	P123- 127

		other retirement plans			
GRI 202: Market Presence	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P112
	Topic-specific disclosures	Disclosure 202-2 Proportion of senior management hired from the local community	Growing Together with Employees	Disclosed	P112
GRI 203: Indirect Economic Impacts	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Making Contributions to Promoting Economic Development Working Together for Inclusive Finance Building Our Home Together Through Public-Interest Activities	Disclosed	P29-46 P54-83 P128-135
	Topic-specific disclosures	Disclosure 203-1 Infrastructure investments and	Feature: Sharing Moderate Prosperity in All	Disclosed	P29-52

		services supported	Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Making Contributions to Promoting Economic Development Working Together for Inclusive Finance Building Our Home Together Through Public-Interest Activities		P54-83 P128-135
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		Disclosure 203-2 Significant indirect economic impacts	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Making Contributions to Promoting Economic Development Working Together for Inclusive Finance Building Our Home Together Through Public-Interest Activities	Disclosed	P29-52 P54-83 P128-135
GRI 204: Procurement Practices	GRI 103: Management Approach	Explanation of the material topic and its Boundary	Adhering to Green Development for a Better World	Disclosed	P103-104
	Topic-specific disclosures	Disclosure 204-1 Proportion of spending on local suppliers	Adhering to Green Development for a Better World	Disclosed	P103-104

GRI 205: Anti-corruption	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	About BoCom	Disclosed	P17-20
	Topic-specific disclosures	Disclosure 205-1 Operations assessed for risks related to corruption	About BoCom	Disclosed	P17-20
		Disclosure 205-2 Communication and training about anti-corruption policies and procedures	About BoCom	Disclosed	P17-20
		Disclosure 205-3 Confirmed incidents of corruption and actions taken	About BoCom	Disclosed	P17-20

GRI 206: Anti-competitive Behavior	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	About BoCom	Disclosed	P17-20
GRI 302: Energy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Adhering to Green Development for a Better World	Disclosed	P105-109
	Topic-specific disclosures	Disclosure 302-1 Energy consumption within the organization	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 302-2 Energy consumption outside of the organization	Adhering to Green Development for a Better World	Disclosed	P105-109
Disclosure 302-3 Energy intensity	Adhering to Green Development for a Better World	Disclosed	P105-109		

		Disclosure 302-4 Reduction of energy consumption	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 302-5 Reductions in energy requirements of products and services	Adhering to Green Development for a Better World	Disclosed	P105-109
GRI 303: Water	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Adhering to Green Development for a Better World	Disclosed	P105-109
	Topic-specific disclosures	Disclosure 303-3 Water recycled and reused	Adhering to Green Development for a Better World	Disclosed	P105-109
GRI 305: Emissions	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Adhering to Green Development for a Better World	Disclosed	P105-109

		Disclosure 305-1 Direct (Scope 1) GHG emissions	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Adhering to Green Development for a Better World	Disclosed	P105-109
	Topic-specific disclosures	Disclosure 305-4 GHG emissions intensity	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 305-5 Reduction of GHG emissions	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Adhering to Green Development for a Better World	Disclosed	P105-109

GRI 306: Effluents and Waste	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Adhering to Green Development for a Better World	Disclosed	P105-109
	Topic-specific disclosures	Disclosure 306-1 Water discharge by quality and destination	Adhering to Green Development for a Better World	Disclosed	P105-109
		Disclosure 306-2 Waste by type and disposal method	Adhering to Green Development for a Better World	Disclosed	P105-109S
GRI 308: Supplier Environmental Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary	Adhering to Green Development for a Better World	Disclosed	P103-104
	Topic-specific disclosures	Disclosure 308-1 New suppliers that were screened using environmental criteria	Adhering to Green Development for a Better World	Disclosed	P103-104

GRI 401: Employment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P112- 115
	Topic- specific disclosures	Disclosure 401- 1 New employee hires and employee turnover	Growing Together with Employees	Disclosed	P113
		Disclosure 401- 2 Benefits provided to full- time employees that are not provided to temporary or part-time employees	Growing Together with Employees	Disclosed	P123- 127
GRI 402: Labor/Management Relations	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P112- 114

GRI 403: Occupational Health and Safety	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P123- 124
	Topic- specific disclosures	Disclosure 403- 2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work- related fatalities	Growing Together with Employees	Disclosed	P125
GRI 404: Training and Education	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P115- 123
	Topic- specific disclosures	Disclosure 404- 2 Programs for upgrading employee skills and transition assistance programs	Growing Together with Employees	Disclosed	P117- 121

GRI 405: Diversity and Equal Opportunity	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P112-113
	Topic-specific disclosures	Disclosure 405-1 Diversity of governance bodies and employees	Growing Together with Employees	Disclosed	P112-113
		Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Growing Together with Employees	Disclosed	P113
GRI 406: Non-discrimination	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P112-114
	Topic-specific disclosures	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Growing Together with Employees	Disclosed	P114

GRI 407: Freedom of Association and Collective Bargaining	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P114
	Topic-specific disclosures	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Growing Together with Employees	Disclosed	P114
GRI 408: Child Labor	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P113-114
	Topic-specific disclosures	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	Growing Together with Employees	Disclosed	P113-114

GRI 409: Forced or Compulsory Labor	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P113-114
	Topic-specific disclosures	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Growing Together with Employees	Disclosed	P113-114
GRI 410: Security Practices	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	About BoCom	Disclosed	P17-20
GRI 411: Rights of Indigenous Peoples	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P113-114

GRI 412: Human Rights Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Growing Together with Employees	Disclosed	P113-114
GRI 413: Local Communities	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Building Our Home Together Through Public-Interest Activities	Disclosed	P29-52 P128-135
	Topic-specific disclosures	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Building Our	Disclosed	P29-52 P128-135

			Home Together Through Public-Interest Activities		
		Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation Feature: Supporting Special Education with Concerted Efforts Building Our Home Together Through Public-Interest Activities	Disclosed	P29-52 P128-135
GRI 414: Supplier Social Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Adhering to Green Development for a Better World	Disclosed	P103-104
	Topic-specific disclosures	Disclosure 414-1 New suppliers that were screened using social criteria	Adhering to Green Development for a Better World	Disclosed	P103-104
		Disclosure 414-2 Negative social impacts in the supply chain	Adhering to Green Development	Disclosed	P103-104

		and actions taken	for a Better World		
GRI 415: Public Policy	GRI 103: Management Approach	Explanation of the material topic and its Boundary	Feature: Sharing Moderate Prosperity in All Respects and Achieving Poverty Alleviation	Disclosed	P29-46
GRI 416: Customer Health and Safety	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Working Together for Inclusive Finance	Disclosed	P90-91
GRI 417: Marketing and Labeling	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Working Together for Inclusive Finance	Disclosed	P90
	Topic-specific disclosures	Disclosure 417-1 Requirements for product and service information and labeling	Working Together for Inclusive Finance	Disclosed	P90
GRI 418: Customer Privacy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components;	Working Together for Inclusive Finance	Disclosed	P90-91

		Evaluation of the management approach			
GRI 419: Customer Privacy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	About BoCom	Disclosed	P17-20

Notes to Key Performance

1. “Eight controlled non-bank subsidiaries” refers to seven non-bank subsidiaries, i.e. Bank of Communications Financial Leasing Co., Ltd., China BoCom Insurance Co., Ltd., BoCom Financial Asset Investment Co., Ltd., Bank of Communications Schroder Fund Management Co., Ltd., Bank of Communications International Trust Co., Ltd., BoCommLife Insurance Co., Ltd. and BoCom International Holdings Company Limited, plus BoCom Wealth Management Co., Ltd. The figures on profits from controlled subsidiaries indicate profits attributable to the parent company.
2. “Branches outside the Chinese Mainland” refers to the 23 overseas branches/subsidiaries and representative offices established in 17 countries and regions, including Hong Kong Branch/Bank of Communications (Hong Kong) Co., Ltd.; branches in New York, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, San Francisco, Sydney, Taipei, Brisbane, Melbourne, and Prague; London Branch/Bank of Communications (UK) Limited, Bank of Communications (Luxembourg) Limited/Luxembourg Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications (Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., and the Toronto Representative Office,
3. “Central and western China” refers to the 17 provinces, autonomous regions and municipalities of Shanxi Province, Inner Mongolia Autonomous Region, Anhui Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Qinghai Province.
4. “Outstanding loans, micro-, small and mid-sized enterprises” is the sum of outstanding loans to small and micro-enterprises and those to mid-sized enterprises as reported to the People’s Bank of China.
5. “Outstanding loans, agro-related” refers to the sum of outstanding agro-related loans reported to the People’s Bank of China, including agro-related loans to enterprises and organizations in cities, farm loans, loans to enterprises and organizations in rural areas,

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- and non-farm loans concerning agriculture, forestry, animal husbandry, and fisheries.
6. The data on low-income housing loans were collected in accordance with the requirements laid down in the *Circular of CBRC General Administration Department on Submitting Statistics on Low-income Housing Loans*.
 7. The data on science, education, culture, and health loans were obtained based on the 2011 classification of sectors in the national economy, including “scientific research and technology services,” “education,” “health and social work,” and “culture, sports and entertainment”.
 8. The data on Bank-wide number of major innovation projects refer to the number of those have been implemented and reported to the Committee of Innovation Promotion under the Chinese Association of Productivity Science as prescribed by the *Outline of BoCom Product Innovation Plan for 2016-2020* and the *Management Measures for Major Innovation Projects of BoCom* and other relevant regulations.
 9. The data on share of successful transactions via UnionPay interbank system refer to the success rate of transactions by BoCom cards in other banks through the UnionPay interbank system.
 10. Number of outlets in the Chinese mainland refers to the number of all outlets of BoCom in the Chinese mainland.
 11. China’s Top 100 Model Outlets in the banking sector are selected every two years.
 12. “Share of green loan customers” means the proportion of Cat-I to Cat-IV green loan customers among the Bank’s total loan customers. “Share of outstanding green loans” refers to the proportion of Cat-I to Cat-IV green loans not yet paid off among the Bank’s total outstanding loans.
 13. “Share of loans to heavily polluting, energy-intensive, and overcapacity industries” refers to the ratio of outstanding loans to eight industries (steel, coal, cement, plate glass, coal chemical, polysilicon, electrolysis and shipping) to the total loans granted by domestic branches.
 14. “Outstanding loans in support of energy conservation and emissions reduction” refers to

Cat-I green loans not yet paid off and which are used to promote a low carbon economy, environmental protection, and utilization of integrated resources.

15. “E-banking business share” refers to the ratio of the volume of transactions conducted via e-channels to those conducted via electronic and non-electronic channels combined, and covers only domestic branches. Overseas branches and subsidiaries are excluded.
16. “Head Office” refers to the five office buildings in the Lujiazui (BoCom Financial Towers), Zhangjiang (excluding Phase III), Hongqiao (Jinming Building), Gaoke and Caohejing of Shanghai. “Head Office carbon emissions” includes direct and indirect emissions produced by the Head Office.
17. The data on bank-wide video conferences refer to the number of meetings held using television and telephone to transmit sound and images in real time between users in two or more locations.
18. The data center PUE is the ratio of total facility power to total IT equipment power at the Bank’s Data Center.
19. SCVPS is based on the relevant requirements of the Shanghai Stock Exchange’s *Circular on Promoting the Social Responsibility of Listed Companies and Publishing Environmental Information Disclosure Guidelines for Companies Listed on the Shanghai Stock Exchange* issued on May 14, 2008, and taking into account the characteristics of the banking industry, and the calculation method is as follows:
$$\text{SCVPS} = \frac{\text{earnings per share} + (\text{taxes} + \text{staff cost} + \text{interest expense} + \text{total public welfare investment})}{\text{total share capital at the end of the period}}$$
20. “Employees” refers to the total number of contracted employees across the Bank, including all employees at its Chinese and overseas branches and subsidiaries. “Female middle and senior management” means the number of female employees at the ninth level or above in mainland branches. “Members of ethnic minorities” refers to the total number of contracted employees from ethnic minorities in all mainland branches.
21. “Charitable donations made” refers to the donations made in the name of BoCom to public programs for disaster relief, assistance for the disabled, poverty alleviation, etc.

in accordance with the *BoCom's Measures for Managing Donations to Other Organizations*.

22. Due to the changes in the presentation method of key performance data items, the comparative data of this key performance data has been restated in accordance with the current presentation method.

Feedback Form

Dear Sir/Madam,

Thank you for reading BoCom CSR Report 2019.

In order to enable our reports to more systematically and scientifically offer you meaningful information, facilitate monitoring of the CSR work and improve the Company's management and practice of social responsibility, we sincerely welcome your opinions and suggestions.

1. You are one of our_____

- Passengers
- Shareholders
- Representative of government
- Representative of Community
- Partners
- Media
- Social group
- Other (Please note)_____

2. What's your overall assessment of this Report?

- Very good
- Good
- Fair
- Poor
- Very poor

3. What's your assessment of BoCom's performance in terms of communication with stakeholders?

- Very good
- Good
- Fair
- Poor
- Very poor

4. What's your assessment of BoCom's performance in terms of economic responsibility?

- Very good
- Good
- Fair
- Poor
- Very poor

5. What's your assessment of BoCom's performance in terms of customer service?

- Very good
- Good
- Fair
- Poor
- Very poor

6. What's your assessment of BoCom's performance in terms of environmental responsibility?

- Very good

Good

Fair

Poor

Very poor

7. What's your assessment of BoCom's performance on terms of responsibility to its employees?

Very good

Good

Fair

Poor

Very poor

8. What's your assessment of BoCom's performance in terms of social responsibility?

Very good

Good

Fair

Poor

Very poor

9. Do you think the content and layout of this report are acceptable?

Yes

No

10. Your comments and suggestions for BoCom's social responsibility work and this report:

Thank you for your attention!

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