



2019

Guangzhou Rural Commercial Bank Corporate Social Responsibility Report



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About This Report

Overview

Adhering to the principles of significance, quantification, balance and consistency, the Bank has prepared the annual Corporate Social Responsibility report for the period from January 01, 2019 to December 31, 2019. It focuses on disclosing the Bank's relevant information on economic, social and environmental sustainability. This report should be read in conjunction with the 2019 Annual Report of the Bank (the "2019 Annual Report").

Preparation Basis of the Report

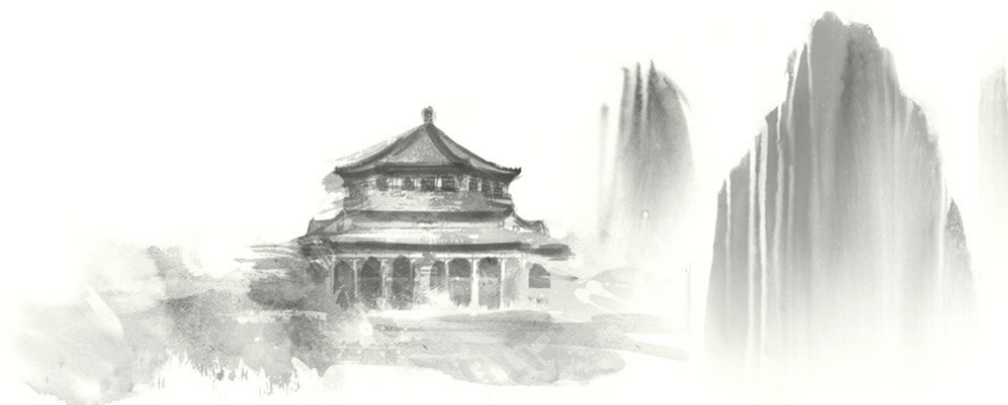
This report was prepared according to the Sustainability Reporting Guidelines of Global Report Initiative ("GRI"), Appendix 27 Environmental, Social and Governance Reporting Guide (the "ESG Guide") of Main Board Listing Rules (the "Listing Rules") issued by The Stock Exchange of Hong Kong limited ("HKEx") and other relevant documents. At the same time, it meets the requirements of the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by the China Banking and Insurance Regulatory Commission ("CBIRC") and the Guidelines on Social Responsibility of Banking Financial Institutions issued by the China Banking Association.

Scope and Coverage of the Report

The purpose of this report is to, in a balanced manner, state the corporate social responsibility performance of the Bank in economy, product & service, community, staff caring and environment. Unless otherwise specified, this report covers Guangzhou Rural Commercial Bank Co., Ltd. and its subsidiaries.

Salutation Description

To facilitate presentation and reading, "Guangzhou Rural Commercial Bank", "the Bank", "the Company", "We" or "Our Bank" in this report all refer to "Guangzhou Rural Commercial Bank Co., Ltd.". "The Group" refers to Guangzhou Rural Commercial Bank Co., Ltd. and its subsidiaries.



Report Data Description

Some of the financial data in this report come from the 2019 financial statements. The Bank's financial statements for the year ended December 31, 2019 have been audited by PricewaterhouseCoopers (PWC). If the data contained in this report are inconsistent with the 2019 Annual Report, the 2019 Annual Report shall prevail. Other data mainly come from the Bank's internal system and the statistical data of its branches, mainly in 2019, with some data beyond the above range. The monetary amounts involved in this report are denominated in RMB, unless otherwise specified.

Guarantee Method of the Report

PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership) conducts verification of selected key performance data and issue independent verification report in accordance with International Standard in Assurance Engagement 3000(Revised); Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Form of Report Release

This report is published in electronic format. You can check it on the websites of the Stock Exchange of Hong Kong (www.hkexnews.hk) and the bank (www.grcbank.com).

This report is published in both Chinese and English. In case of any misunderstanding between the two texts, the Chinese text shall prevail.

Contact Us

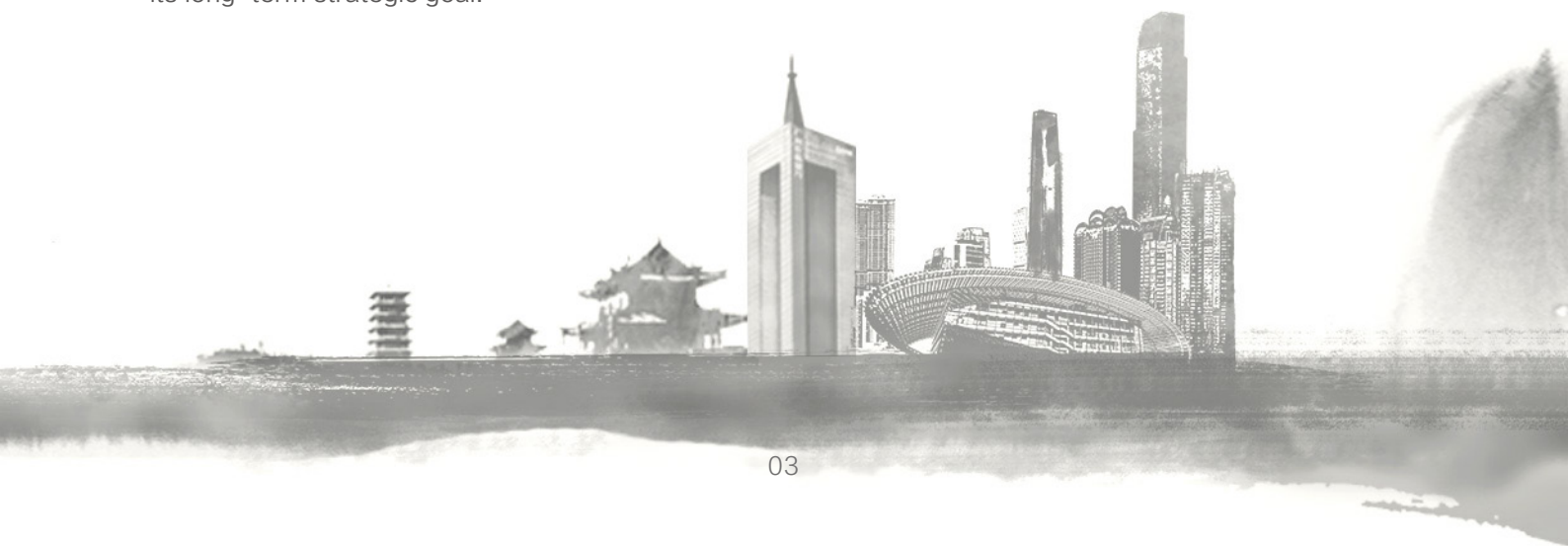
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Company Profile

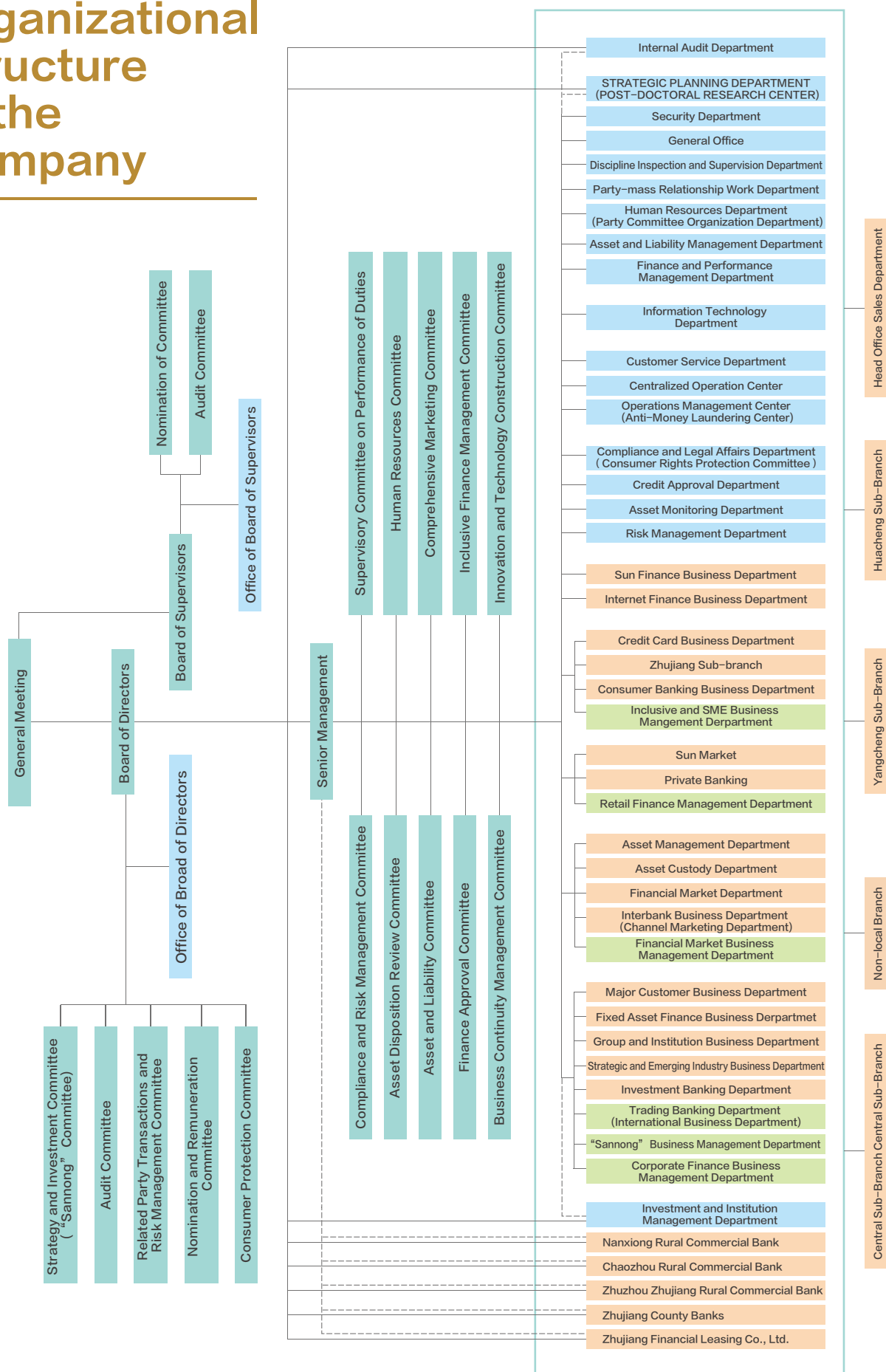
The Bank, formerly known as Guangzhou Rural Credit Cooperative established in 1952, was restructured into a rural commercial bank in December 2009 and listed in Hong Kong in June 2017 with a registered capital of 9.808 billion yuan. The Bank has 1014 business outlets, 619 of which are located in Guangzhou, ranking first in Guangzhou. It has 6 branches in Guangdong Province, including Branches of Nansha Free Trade Zone, Foshan, Qingyuan, Heyuan, Zhaoqing and Zhuhai Hengqin. It has also initiated the establishment of 25 Zhujiang County Banks in 9 provinces (cities) including Beijing, Liaoning, Shandong, Henan, Sichuan, Jiangsu, Hunan and Jiangxi. At the same time, it wholly owned Guangdong Province's first financial leasing company, Zhujiang Financial Leasing Co., Ltd., approved by the CBIRC. The Group controls three rural commercial banks, namely Zhuzhou Zhujiang Rural Commercial Bank, Chaozhou Rural Commercial Bank and Nanxiong Rural Commercial Bank of Guangdong Province. It has obtained a credit card exclusive license and is one of the first rural commercial banks in China to realize nationwide cross-regional and cross-industry operation.

The comprehensive strength of the Bank ranks first in the country's rural commercial banks, leading in business scale, profitability and asset quality. At the end of 2019, the total assets of the Group were 894.154 billion yuan, the balance of various deposits and loans were 658.243 billion yuan and 479.968 billion yuan respectively, resulting in a net profit of 7.911 billion yuan. The bank is the country's top four and Guangdong's top one rural commercial bank. Having been selected as “one of the world's 1,000 largest banks” published by the British magazine Banker for nine consecutive years, ranking 185th in 2019, the bank is the first Guangdong regional bank to join the top 200 global banks. The Bank was listed in Forbes "Top 2000 Global Enterprises" and in "Top 500 Chinese Enterprises" four times in 2015, 2016, 2018 and 2019. For many years in a row, the Bank has won multiple honors such as “benchmark bank of the national rural commercial banks”, won the “2019 Tianji Award for Agricultural Firms” by Securities Times, the “2019 Best Local Bank of Gold Medal Financial Service Brand” by Guangzhou Daily. The Bank has created the Sun Charity Foundation, the largest public charity fund registered in Guangzhou, to innovate and carry out the three major public welfare brand projects of “Sun—Silent Love”, “Sun—Together under Banyan Tree”, “Sun—Special Visit to Old Revolutionary Bases” to help the poor and the needy, so as to actively repay the society. In the future, the Bank firmly returns to its original minds, focuses on its main business, adhere to the work keynote of steady development and risk prevention and the basic concept of customer-centered, and will take “becoming a first-class excellent bank in China and even the world” as its long-term strategic goal.



Organizational Structure of the Company

At the end of the reporting period, the Group's organizational structure was as follows:



President's Speech



2019 is the 70th anniversary of the founding of New China. Our motherland has won the world's attention with its brilliant achievements. In this beautiful era, Guangzhou Rural Commercial Bank, together with the great motherland, has been making unremitting efforts towards the dream of becoming a first-class excellent bank in China and even in the world with the full support of all sectors of society. We closely unite the staff of the whole bank, adopt the market orientation, take customers as the center, advocate people-oriented, rely heavily on system support, pay attention to steady development, bear social responsibility, keep in line with the people, march together with the times and better realize the overall consideration of high-quality development and fulfill social responsibility.

Strengthening the Party's Leadership and Seizing The Main Line of Clean Government

We have closely revolved around Xi Jinping's new era of socialism with Chinese characteristics and the spirit of General Secretary Xi Jinping's series of important speeches. We have carefully deployed the theme education on "Do not forget your initiative mind, kept in mind the mission", and made solid efforts to promote Party organizations at all levels to carry out the project of strengthening the foundation and consolidating the foundation of the Party. Through Party's construction, we have led the development of all work in the whole bank. We took the construction of a clean government and the prevention of corruption as the main lines throughout the year, earnestly implemented the municipal party Committees inspection and rectification tasks, and ensured the overall healthy and stable development of the bank-wide operations during the year.

Developing Characteristic Finance and Boosting Real Economy

We launched Sun Continuous Loan and Win-Win loan for credit products, innovated batch business models in "business circles, supply chains and platforms", issued "36 measures to support the development of private economy" and "10 opinions to promote the development of small-micro inclusive businesses", and set up a 30 billion relief fund for private enterprises to solve the financing difficulties of small and medium-sized enterprises. We have participated in a number of key infrastructure construction projects such as Guangzhou North Station, Guangzhou-Dongguan-Shenzhen Inter-city Rail Transit, Fozhao Inter-city Railway, and also launched a comprehensive financial product system integrating domestic and overseas, local and foreign currencies, online and offline, providing cross-border financial extension services for entities and multinational enterprises in Guangdong-Hong Kong-Macao Greater Bay Area, and offering strong financial support for the construction of Guangdong-Hong Kong-Macao Greater Bay Area.

Focusing on Benefiting "Sannong" and Regurgitation-Feeding Guangzhou Villages

We have launched new deposit products such as happy deposits and dream deposits, launched products such as "Sun Villagers. E-loan" and "Sun Fast Loan for Village Officials", and developed agricultural information systems such as the supervision platform for rural collective fund account and the fund supervision platform for urban renewal and renovation. We have promoted the application of "100 Village Demonstration Project" in rural mobile payments and vigorously promoted the business model of "Internet+scenario+finance" in Guangzhou villages. We have also set up a special inclusion financial institution, Zhujiang Sub-branch, to offer special products such as "Sun Small-Micro Loan", "Sun Micro E-loan" and "Sun Housing Loan" to provide convenient and considerate financial services to inclusive and small-micro customers.

Caring about Customer Experience and Improving Service Quality and Efficiency

We have always paid attention to the protection of customers rights and interests, optimized the design and development of new products and re-evaluated the risk level of existing wealth management products according to the requirements of consumer rights and interests protection; strengthened the whole process of account risk prevention and control mechanism, enhanced customer information and capital security protection; carried out meticulous management of network services and set up a "Sun Warm Heart Relay Stations" in the network to provide rest services for outdoor workers; Promoted the construction of barrier-free access to outlets, provided door-to-door services for special groups, and made full use of outlets to provide considerate services to the general public.

Caring about the Well-Being of Employees and Advocating Humanistic Care

We take every employees interest demands into consideration, set up a mailbox communication mechanism for bank leaders, set up a reception day for trade union chairmen, organize employee symposiums, improve the consultation mechanism for letters and visits, and implement the collective wage consultation system. We have always attached great importance to the improvement of the professional level and professional quality of our employees, given full play to the functions of "Pearl River Business School" as an enterprise university, and integrated internal and external resources to carry out employee education and training. We organized and carried out various corporate culture activities such as the Women's Day, Dragon Boat Festival, sports meeting, knowledge competition, etc. We provided care fund assistance to needy employees, cared for their physical and mental health and created a warm and harmonious corporate culture.

Determined to Help the Poor and Needy, Upholding the Great Love and Benevolence

We have made solid progress in assisting the poor in Qingyuan and Bijie. We have provided assistance in many aspects such as living security, industrial development and employment training; focused on the industrial poverty alleviation model of "Internet+leading agricultural enterprises+bases+farmers" ; provided an additional loan of 30 million yuan to support Yuewang Agricultural Group in building 302 mu greenhouse planting bases in Tangwan and Shantang villages to help poor farmers increase their income by participating in the agricultural industry. We expanded the three major brand charity projects of the Sun Charity Foundation to nine provinces and cities where 25 village banks are located, helping 76 hearing impaired children to complete cochlear implant surgery, helping 461 people with major diseases, students, and poor elderly and children. The total charity expenditure for the year was 6.8137 million yuan.

Practicing the Concept of Environmental Protection and Jointly Protecting the Green Water and Mountains

We are admirers and practitioners of green finance and green credit; actively implement the concept and policies of green credit from the aspects of strategic planning, credit policy and product design; continue to increase support for green economy, low-carbon economy and circular economy; and actively contribute our financial strength to win the battle against pollution and protect our motherland.

2020 will be a milestone year for China to build a well-to-do society in an all-round way and achieve its first 100-year goal; also a year for fighting poverty and winning the battle. We will join hands with all parties and work together, embrace the great motherland and the beautiful times and move forward towards our dream.

2019

Guangzhou Rural Commercial Bank
Corporate Social Responsibility Report

01

Carrying out Ideas and
Strengthening Management



1.1 Concept of Social Responsibility



1.2 Responsibility Management Framework

In order to effectively manage their own risks and opportunities on environmental and social related topics, the overall social responsibility management framework has been studied and determined, according to the overall background and disclosure requirements of ESG Guidelines, as well as the expectations and future trends of the overall capital market on the environmental and social management of listed companies, and in combination with the requirements of relevant departments such as the CBIRC and the China Banking Association on Bank's social responsibility performance and information disclosure.

Working Level	Staffing	Specific Responsibility
Decision-making Level	The board of directors and its special committees	<ol style="list-style-type: none"> 1. Discuss risks and opportunities related to social responsibility 2. Responsible for the disclosure of social responsibility information 3. Allocate resources to cooperate with social responsibility work 4. Follow up on the Listing Rules and banking requirements on environmental and social information disclosure
Management Level	Mid-level management personnel of various functional departments, branches/sub-branches and subsidiaries (The Board of Directors Office is responsible for coordinating the relevant work)	<ol style="list-style-type: none"> 1. Study the Listing Rules and banking information disclosure requirements 2. Supervise the concrete implementation of social responsibility work 3. Regularly report to the board of directors on the implementation of various tasks 4. Report the implementation of the work to the leading group for social responsibility work
Executive Level	Full-time personnel assigned by various functional departments, branches/sub-branches, and subsidiaries	<ol style="list-style-type: none"> 1. Collect, report and submit information 2. Implement specific tasks 3. Give timely feedback on working situation

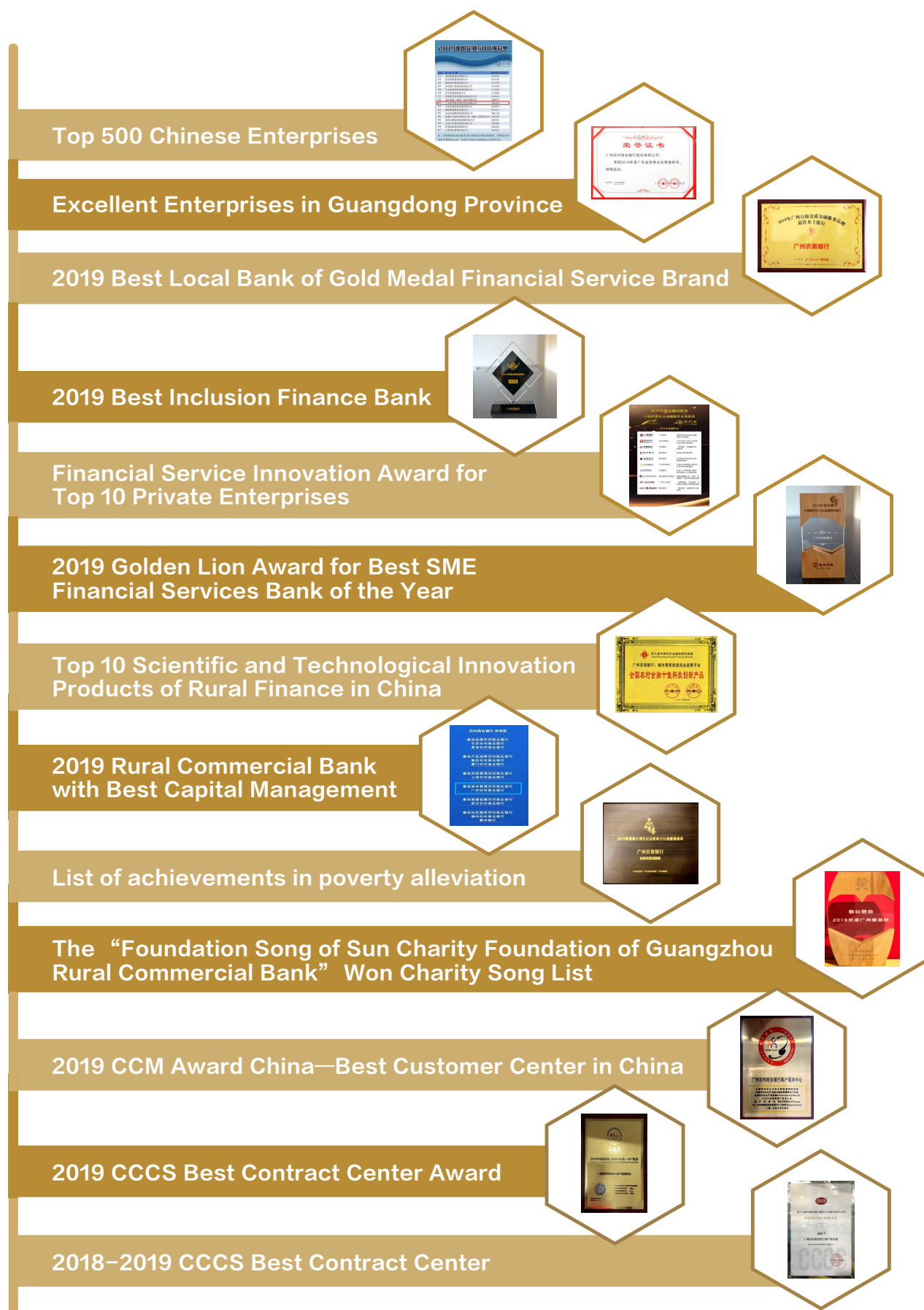
1.3 Stakeholder Communication

The Bank attaches great importance to communication with stakeholders, establishes diversified service and communication channels, listens to the voices of stakeholders, meets the needs of stakeholders, and strives to build the Bank into a financial institution with social recognition, customer trust, shareholder satisfaction and staff dependence.

Stakeholders	Appeal	Concept	Topics Concerned	Communication and Response Channels
Staff	Salary, Welfare and Personal Development	Creating a fair and just development environment with unity and harmony, happy work and healthy life.	Salaries and benefits, development channels, training system, workplace safety and health	Communication and response channels: union, management hotline, management mailbox, email, day-to-day opinion collection, satisfaction survey
Local government	Abide by the law and support local development.	Providing Financial Momentum for Five-in-One and Balancing Urban and Rural Development	Compliance with laws, paying taxes according to law, supporting local economic development, and supporting urban renewal	Communication, information reporting and public information access
Regulatory agencies	Meet various regulatory requirements	Adhering to the development path of legality, compliance, prudence and stability	Risk Management, Compliance and Steady Operation	Relevant risk control and compliance departments responsible for liaison
Customer	High quality products and services	Building a Service Platform for Entrepreneurship and Development	Service quality, product security, information security, privacy protection, responsible marketing, complaints handling	Communication at outlet, online customer service, service hotline, customer manager, complaints handling
Local communities	Convenience Activities	Weaving a love network of the enterprise that cares for the society, benefits the peoples livelihood and supports the public welfare.	Establishment of outlets, interaction with local residents, support for community reconstruction and development, charity engagement, and local environmental impact.	Communication at outlet, financial knowledge popularization, volunteer activities, support for local urban renewal projects
Partner	Win-win cooperation	Building a circle of friends to share business opportunities and win-win together.	Honesty and reliability, professional ethics, information security, cooperation and win-win situations	Regular visits, terms of cooperation, interaction through joint programs

During this report period, the Bank screened and identified the ESG topics, including “anti-corruption”, “product liability”, “community investment”, “employment”, “development and training”, based on communication with stakeholders in daily operations and in combination with the Bank's development. Related topics include contents such as emissions, resource use, environment and natural resources, health and safety, labor standards and supply chain management. In this report, we will discuss the Bank's efforts and work progress on various topics.

1.4 Important Social Honor



2019

Guangzhou Rural Commercial Bank
Corporate Social Responsibility Report

02

**Combining Honesty With
Governance and Assigning
Responsibility with Practice**



2.1 Corporate Governance

The Bank has established a governance structure consisting of a general meeting of shareholders, the board of directors, the board of supervisors and senior management. Each governance entity performs its duties independently, coordinates its operations, checks and balances, and plays a positive role to continuously promote the steady and healthy development of our Bank.

The Bank has continuously improved the standardization of corporate governance to ensure the corporate governance level of listed companies so as to protect the rights and interests of stakeholders and enhance corporate value. The Bank also strictly abides by relevant laws and regulations and the Listing Rules and other provisions on insider information management, and continuously improves the effectiveness and quality of the preparation of periodic reports and interim reports. In 2019, the Bank issued a total of **51** announcements including 2018 annual report, 2019 interim report and circular letter of shareholders meeting. The Bank attaches great importance to the management of shareholder rights and investor relations, maintains close and efficient communication with domestic and overseas investors and small and medium shareholders through various forms such as telephone, mail, reception of visitors and investor relations column on the Bank's website, and actively strengthens the management of investor relations.

2.2 Party's Construction Leadership

Guided by Xi Jinping's new era of socialism with Chinese characteristics, the Bank has thoroughly studied and implemented the spirit of the party's **19th** congress, the spirit of the **4th** plenary session of the **19th** central Committee and the spirit of the series of important speeches by general secretary Xi Jinping. in accordance with the general requirements of the party's construction in the new era, the bank has adhered to and strengthened the party's overall leadership over state-owned enterprises, improved the quality of the party's construction, closely focused on the overall reform and development of the Bank, improved its organizational system, strengthened its service functions, and focused on promoting the high-quality development of the bank's business under the leadership

(1) Strengthen the party's political construction and strengthen ideological and political guidance.

Around Xi Jinping's new era of socialism with Chinese characteristics and the spirit of a series of important speeches by General Secretary Xi Jinping, Party organizations at all levels were organized to carry out over **1,470** studies on "the first topic", building up "four consciousnesses", strengthening "four self-confidence", and achieving "two safeguards". We strictly implement the principle of "submission upon being approved by the party", collectively study and make decisions on "three majors and one important" issues, and give full play to the central leadership role of the Party committee in leading the direction, guiding the overall situation and ensuring its implementation.

(2) Carry out solid thematic education and continue to strengthen theoretical armed forces.

We organize and carry out the mission theme education of "Keep your Initiatives and Missions in Mind", set up a leading group and hold a mobilization and deployment meeting, formulate a "1+4" work plan to specify specific requirements, and push forward to solve the hot and difficult issues of public concern such as the weak rural revitalization ability of financial services in remote areas, insufficient improvement of outlet service ability, etc. By adhering to the theory of learning strict in a daily and regular manner, we organized party committees at all levels to carry out **349** central group learning, held more than **20** lectures and training, and constantly deepen the understanding of Xi Jinping's new era of socialism with Chinese characteristics.

(3) Strengthen the construction of grass-roots organizations and build a strong fighting fort.

The party Committee of the bank has **20** grass-roots party committees, **5** general party branches and **201** party branches, with a membership of **4,854**. We carried out the project of “strengthening and consolidating the foundation” of the Party. More than **2,600** “Party branch general meetings” throughout the year were organized, members of the Party organization team gave more than **630** party classes, so as to continue to standardize the political life within the Party. By using the model of standardization + mobile interconnection + party building, we carefully built a distinctive platform for intelligent party building, opened the WeChat official account for party building, and constructed an all-round and three-dimensional party building position.

(4) Play a vanguard and exemplary role in promoting the integration of Party building and management.

We continued to deepen the building of the Party building brand for the “123 Project of Assisting Agriculture”, held a briefing on the achievements of the brand with Party building characteristics, and strived to build a “1+N” model for the Party building brand. We actively participated in the governance of urban and rural communities, established party building and joint construction relationships with more than **190** village communities, fully opened a new mode of “joint construction of silver villages” where party members learn from each other, helped each other in public welfare, promoted each others business, enjoyed each others’ resources and assisted each other in win-win, so as to promote the bank’s business development in serving “Sannong” and serving the development of rural revitalization business. The Bank organized all serving Party members to get back to the community and participate in garbage classification and publicity services to strengthen their responsibility. With the innovative implementation of the Party member vanguard project spacing, we have promoted the improvement of the work level and service quality of the whole Bank. We have also organized the “July 1” selection and commendation, so as to strive for excellence based on their posts.

2.3 Integrity and Good Governance

The Bank attaches great importance to the construction of a clean government and the fight against corruption and the promotion of clean government, and seriously rectify the feedback problems in the three special inspections of the municipal Commission for discipline inspection: implements the eight regulation spirits of the Central Government, combats corruption and improving the system; seriously investigates and deals with mental problems that violate the eight regulations, such as private use of public vehicles, over-standard accommodation, etc.; continues to address the problem of style of work in the poverty alleviation field, earnestly carries out special rectification actions on corruption and style of work of Party members and cadres in the livelihood field, and ensures that the policies of benefiting the people, helping the farmers, helping the needy and the weak and reducing taxes and fees are implemented.



Case

Conference on Party Building and Construction of a Clean and Honest Party as well as Work Meeting on Safety Production

In 2019, the Bank organized a conference on party building and construction of a clean and honest government as well as work meeting on safety production. Five leaders of grass-roots Party organizations made three on-site reports and received comments. On the basis of summarizing the Bank’s Party building work in 2018 and the construction of a clean and honest government, the Bank deployed the work in 2019.

The introduction of Accountability Measures (revised in 2019) and Procedures for Acceptance and Handling of Discipline Inspection, Supervision and Complaint and other work systems further standardize accountability procedures, improve accountability content, and effectively improve the standardization level of acceptance and handling of discipline inspection, supervision and complaint. Through issuing warning education books, organizing visits to clean government education bases and other activities, the Party Constitution, Party rules and discipline education and warning education have been strengthened, the awareness and ability of Party members and leading cadres to resist corruption have been continuously improved, and the Bank’s work style, integrity and anti-corruption work is promoted to a new level.

The bank also focuses on prevention, vigorously publicizes anti-corruption knowledge, enriches educational content, improves educational methods and effectively promotes the construction of a clean culture. Specific measures include:

01

To carry out discipline education study month activities, and effectively enhance the party spirit cultivation and integrity awareness of party members, cadres and staff;

02

To organize Watch the Educational Feature Film of “Keep your Initiatives and Missions in Mind” ;

03

To conduct special training courses on discipline inspection and supervision to enhance the political literacy and professional skills of discipline inspection and supervision cadres of the Bank.



Case

Special Activities

In order to implement the work plan of the Municipal Commission for Discipline Inspection, the bank has integrated the discipline education and study month activities into the education on the theme of “Keep your Initiatives and Missions in Mind” , and issued books and periodicals such as Analysis of Typical Cases of Formalism Bureaucracy and Warning by Case: Analysis of 75 Typical Cases of Violations of Discipline and Law. Through organizing visits to the Memorial Hall on the Former Site of the Guangdong District Committee of the Communist Party of China, the Former Residence of Yang Paoan, the site of the third major meeting of the Communist Party of China, the Anti-corruption Education Base of the Peasants' Training Institute, and organizing watching the warning educational film Initial mind Transformed, we tried to solve the outstanding problems existing in the staff's ideological style, strengthen the staff's party spirit cultivation and integrity awareness, and provide strong discipline guarantee for the healthy and stable development of the bank.



Case

Warning Education

On August 29, 2019, the Bank organized 174 Party members to watch Educational feature film of “Keep your Initiatives and Missions in Mind” , which is of great practical significance for strengthening the honest management of leading cadres, promoting the construction of the work style, integrity and anti-corruption work.



Case

Special Lecture

On November 12, 2019, the Bank held a special training course on discipline inspection and supervision, and invited the Guangzhou Municipal Commission for Discipline Inspection to give lectures on "Interpretations on the Rules of Supervision and Discipline and the System of Supervision and Law Enforcement", "Strict Political Discipline, Strict Adherence to Political Rules, Promoting a Clean and Honest Style In Politics, Maintaining Sustainable Economic Growth” .



Case

Multi-measures and Advocating Integrity

The bank actively implemented the relevant requirements of the Municipal Commission for carrying out “micro-education for Party members” , and urged all the Party members and cadres serving in the bank to learn the Party Constitution, Party rules and discipline and other knowledge anytime and anywhere; The bank organized the bank members to participate in the speech competition of “my motherland, my home, carry forward good family style in Guangzhou” , and participate in theme essay collection activities of “study and implement general secretary Xi Jinping's important ideological theme of strengthening and improving the People's petition” , do a good job in Guangzhou good family style publicity, enhance cadres and staff awareness of honesty.

2.4 Operating in Compliance with Laws and Regulations

(1) Anti-money laundering management

The Bank abides by laws, regulations and regulatory policies such as the Anti-Money Laundering Law of the People's Republic of China, the Anti-Money Laundering Regulations of Financial Institutions, the Administrative Measures on Customer Identification and Preservation of Customer Identity Data and Transaction Records of Financial Institutions, the Administrative Measures on Large-Value Transactions and Suspicious Transaction Reports of Financial Institutions, the Guidelines on Risk Assessment and Classified Management of Customers in Money Laundering and Terrorist Financing of Financial Institutions, and the Guidelines on Risk Management of Money Laundering and Terrorist Financing of Legal Person Financial Institutions (Trial).

In 2019, the Bank did not have any information leakage of anti-money laundering, and did not know any cases of money laundering or suspected money laundering of internal personnel due to failure to strictly perform anti-money laundering duties in accordance with regulations.

The Bank has continuously improved its internal control system for anti-money laundering and has established **17** systems including the Administrative Measures of Guangzhou Rural Commercial Bank on Anti-money Laundering, the Administrative Measures of Guangzhou Rural Commercial Bank on Large-sum Transactions and Suspicious Transaction Reports, the Administrative Measures of Guangzhou Rural Commercial Bank on Customer Identification and Preservation of Customer Identification Data and Transaction Records, and the Administrative Measures of Guangzhou Rural Commercial Bank on Money Laundering Risk Assessment. The contents include customer identification, customer risk classification and classification management, large-sum transaction and suspicious transaction reports (including list monitoring), customer identification data and transaction records preservation, money laundering risk self-assessment, anti-money laundering inspection and training, money laundering risk incident contingency plans and other anti-money laundering work.

The Bank continued to strengthen the management of anti-money laundering work, effectively implementing anti-money laundering work such as large-sum suspicious transaction reports, customer identification, customer risk classification and management, and money laundering risk identification and monitoring by improving the anti-money laundering application system, optimizing the business money laundering risk assessment indicators, conducting special inspections and strengthening the quality management of post personnel.

01

Establish and improve the anti-money laundering mechanism and earnestly fulfill the basic obligations of customer identification, large-sum transaction and suspicious transaction reporting. In 2019, the Bank found and successfully blocked **7** fraud cases, recovered **658,000** in economic losses for customers, successfully blocked **5** false accounts, and successfully blocked 1 account with false documents.

02

Cooperate in the investigation of clues related to crimes, the investigation of key cases and the freezing of funds involved, and actively assist competent authorities in cracking down on money laundering and upstream crimes.

03

Fulfill the anti-money laundering publicity obligation, and carry out media publicity through WeChat, Internet and other means to popularize anti-money laundering knowledge. In addition, the Bank has made use of the electronic door lintel of its outlets to publicize, and has extensively mobilized all branches to expand the scope and influence of publicity through various channels such as the promotion of business outlets, the distribution of publicity materials, and the entry into villages and clubs, so as to raise public awareness of anti-money laundering and achieve better publicity results.

04

Organize bank-wide anti-money laundering knowledge training to improve the comprehensive capacity of anti-money laundering staff.

In 2019, the Bank organized **103** anti-money laundering trainings, covering **8,356** person-time.

(2) Supplier management

The Bank gradually strengthened and promoted centralized procurement management throughout the Bank. In the process of centralized procurement, the Bank adhered to the principles of openness, fairness and impartiality. Relevant personnel of the supervision department conducted on-site supervision on key links of major centralized procurement projects.

In order to further strengthen the independence, competitiveness, innovation and effective restraint of the centralized procurement management system, the Bank has continuously improved the series of procurement management systems.

The Bank fully considered environmental and social risks in the centralized procurement process. In the bidding documents, the supplier is clearly required to be legal, honest and make a commitment that there is no major illegal record in the business activities in the past three years; If the winning bidder has "other circumstances that damage the interests of the bidding unit and the public interest as stipulated by laws and regulations", the bid qualification will be canceled and the right to investigate its legal responsibility will be reserved. At the same time, according to the specific project situation, we put forward clear environmental protection requirements for suppliers, requirements for outsourcing personnel management, and requirements for never violating the intellectual property requirements of any third party.

In order to further strengthen supplier management, the Bank strictly implemented supplier qualification examination, follow-up supervision and evaluation and punishment for bad behavior. Through the daily management assessment of suppliers and the dynamic assessment of the annual evaluation of completed suppliers, the Bank promptly withdrew unqualified suppliers from the supplier base and included suppliers with bad behaviors in the blacklist management. At the same time, we also carry out related inspections on the procurement of the whole bank and the performance of suppliers through a combination of off-site inspections and on-site inspections. While supervising and managing the suppliers, we also set up special channels to solve the difficulties for the suppliers. In addition to receiving inquiries and complaints from suppliers by telephone, the Bank has set up a bidding supervision mailbox, arranged special personnel to follow up the correspondence of the supervision mailbox, and printed the supervision mailbox on the bidding documents to accept the supervision of suppliers.

(3) Brand and intellectual property protection

The bank strictly abides by the Advertising Law of the People's Republic of China and the Guangdong Province Self-discipline Convention on Advertising and Publicity in Financial Business. In 2019, the bank carried out standardized management and in-depth publicity for the brand work of the whole bank, earnestly implemented laws and regulations related to advertising, improved risk prevention, and formulated Guangzhou Rural Commercial Bank Brand Management Measures (Interim), covering brand planning, marketing publicity, advertising, intellectual property protection, VI management and other aspects, implemented scientific and standardized brand management, and continuously improved brand awareness and reputation.

The bank pays attention to the protection of intellectual property rights, strictly abides by the Trademark Law of the People's Republic of China and other relevant laws and regulations, and based on the Guangzhou Rural Commercial Bank Brand Management Measures (Interim), carries out the application, examination and approval, declaration, renewal and filing management of intellectual property rights such as trademarks, effectively protects the legitimate rights and interests of the bank and severely combats various infringement acts. By the end of 2019, the Group had **217** domestic registered trademarks, **44** domain names, **1** copyright in artistic works and **3** software copyrights.

2019

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03

**Taking Root in Regions and
Assisting with Development.**



3.1 Supporting the Entity Economy

In response to the country's request to deepen structural reforms on the supply side, the Bank has built a modern industrial system in the Guangdong–Hong Kong–Macao Greater Bay Area, and has made efforts to cultivate and develop new industries, new formats and new modes. In addition to clarifying the direction and strengthening the guidance in policies, the Bank has actively participated in the construction of a modern industrial system through supporting advanced manufacturing, developing supply chain finance, promoting batch financing, strengthening government–bank cooperation and expanding service areas.

(1) Introducing policies and measures

The Bank has actively implemented the policies of the Party and the state, and has successively issued “36 measures to support the development of private economy” and “10 opinions to promote the development of small–micro inclusive businesses”. The establishment of a **30** billion private enterprise rescue fund to support high–quality private enterprises to survive the short–term business crisis and other measures to ensure policy guidance, resource allocation to private, inclusive and “Sannong” fields, and effectively serve the high–quality development of the real economy.

By the end of 2019, the Bank had invested **144.282** billion yuan in private enterprise loans and **170.501** billion in corporate loans. Private enterprise loans accounted for **84.62%** of corporate loans (according to the People's Bank), far exceeding the monitoring requirement that the proportion of private enterprise loans to corporate loans should not be less than two thirds. In 2019, the Bank's manufacturing loan balance reached **33.124** billion, accounting for **8.07%** of the total, ranking fourth in all industries. Among them, the loan balance in key manufacturing areas such as advanced manufacturing, strategic emerging and high–tech industries reached **5.345** billion, accounting for **16.14%** of the total manufacturing loan balance.

(2) Serving regional development

The Bank actively responded to the call of the CPC Central Committee and the State Council to support the optimization of local industrial structure and coordinated development of regional economy. Centering on the relevant requirements of the Development Planning Outline for Guangdong–Hong Kong–Macao Greater Bay Area, the Bank fully fulfilled the social responsibilities of local financial institutions, actively participated in and strongly supported the construction of the Great Bay Area in Guangdong, Hong Kong, Macao and Taiwan, and provided diversified and high–quality financial services in a timely manner in accordance with the latest policy requirements, the industrial development trend in the area, and the financial needs of enterprises and residents. The bank finally achieved breakthroughs in weak areas, strengthened financial services in key areas and realized innovations in traditional areas. The main results are as follows:

The Bank has successively participated in key infrastructure construction projects in many provinces and cities, including Guangzhou North Station, Guangzhou Dongxin Expressway, Guangzhou–Dongguan–Shenzhen Inter–city Rail Transit, Fozhao Inter–city Railway, Guangzhou–Shantou Railway, Guangzhou Metro Lines 6, 7, 9, 11 as well as Zhuhai Xianghai Bridge, promoting the realization of “axle belt support” and improving the coordination of regional development.

By the end of 2019, the Bank had granted **19.68** billion of credit to the above–mentioned major infrastructure construction projects in the Guangdong–Hong Kong–Macao Greater Bay Area, with a credit balance of **4.622** billion.

At the same time, the Bank actively participated in the creditors' rights investment of infrastructure construction enterprises and encouraged operating institutions to develop similar businesses. Meanwhile, the more exemplary one was the bond investment business of Guangzhou Metro Group. By the end of 2019, the Bank had subscribed **2.898** billion of bonds of Guangzhou Metro Group.

(3) Innovating business model

In 2019, the Bank vigorously promoted the innovative products Sun Continuous Loan to “extend the life” of the enterprises capital chain and effectively reduce the enterprises financing cost; perfected the supply chain financial development system, introduced Win–Win Loan innovative products, realized innovation breakthroughs in supply chain financing, and effectively solved the financing difficulties of small and medium–sized enterprises; constantly innovated business models, promoted batch business models of business circles, supply chains and platforms, and broadened credit channels for small and medium–sized enterprises; also took many measures to support the development of private economy and real economy, and won the Financial Service Innovation Award for Top 10 Private Enterprises.



Case

Financial Service Innovation Award for Top 10 Private Enterprises

The 2019 China Financial Innovation Forum co-sponsored by Banker magazine Banker, the Financial Products Center of the Financial Research Institute of the Chinese Academy of Social Sciences and the China Internet Economic Research Institute of the Central University of Finance and Economics was held in Beijing on May 28, 2019, with the theme of “improving financial supply and serving the real economy”. Innovative cases of the bank called “taking multiple measures to solve difficult problems and serving private enterprises for practical results” won the Financial Service Innovation Award for Top 10 Private Enterprises.



Case

Special Action to “Visit Million Enterprises and Help Real Economy”

The Bank actively implemented relevant decision-making arrangements and normal measures of the CPC Central Committee and the State Council and the Guangdong Provincial Committee and the provincial government to improve and strengthen financial services for private and small-micro enterprises, expanded the accessibility of financial services, actively implemented special actions to “visit millions of enterprises and help the real economy”, actively carried out enterprise visits, and effectively helped the real economy in the “last kilometer of bank-enterprise interface”. By the end of 2019, the Bank had visited a total of **23,257** enterprises and **20,474** enterprises for the first time, with a completion rate of **105%**; There were **14,255** face-to-face interviews with **61%** of the enterprises.





Case

Launch of “Supervision Platform of Guangzhou Rural Commercial Bank for Funds of Urban Renewal and Renovation”

On the basis of the characteristics of the old city reconstruction in terms of financing and the use and management of various funds, the Bank has integrated innovative wind control methods and financial technology, and launched the “Supervision Platform of Guangzhou Rural Commercial Bank for Funds of Urban Renewal and Renovation”, providing all-round innovative capital management technology products to government departments, land owners or other urban renewal entities that meet the requirements, realizing hierarchical approval across the board, improving approval efficiency and transparency, promoting the financing of projects, improving capital use efficiency, speeding up the improvement of urban and rural living environment, and awakening the new vitality of the old city.

In 2019, Supervision Platform of Guangzhou Rural Commercial Bank for Funds of Urban Renewal and Renovation won the “Top 10 Scientific and Technological Innovation Products of Rural Finance in China” .



3.2 Cross-border Financial Services

(1) Enriching the cross-border financial product system

At the same time, the Bank was committed to optimizing and improving overseas clearing channels, strengthening the construction of electronic channels, supporting the provision of more efficient, better quality and more flexible international trade settlement and related financing for Guangdong import and export enterprises, and supporting the development of local small and medium-sized enterprises, which have been recognized by peers and regulatory authorities.

In 2019, the Bank launched a comprehensive financial product system integrating domestic and overseas areas, local and foreign currencies, online and offline operation, mainly including:



**NRA
account services**



**International
Services**



**Foreign currency
deposits**



**Foreign currency
trade financing**



Case

Appraised as Excellent Comprehensive Member of Guangdong Foreign Exchange Self-discipline Mechanism

In March 2019, at the 2019 annual general meeting of all members of the Guangdong provincial bank's Self-discipline mechanism for foreign exchange and cross-border RMB business development and recognition activities, the Bank won the "2018 Guangdong Self-discipline mechanism comprehensive outstanding member award", giving full recognition to the bank's Self-discipline work for foreign exchange and cross-border RMB business development in the past year.



Case

Winning Outstanding Member Award in Inter-bank Foreign Exchange Market of China Foreign Exchange Trading Center

In 2019, we won the Outstanding Member Award in Inter-bank Foreign Exchange Market of China Foreign Exchange Trading Center, which fully affirmed the bank's work in foreign exchange trading in recent years.



(2) Providing high-quality cross-border financial services

The Bank vigorously promoted cross-border payment business, and supported closing transactions by swiping bank cards, credit cards and prepaid cards of VISA, MasterCard, JCB, American Express and Dale issued by overseas financial institutions to realize credit card in China by placing financial terminals at domestic merchants.

The Bank has fully realized inter-bank linkage, established a broad global agency network, and realized real-time settlement with banks in various countries and regions around the world. The international settlement network connects domestic and overseas, providing rich and high-quality cross-border financial services for enterprises, and ensuring the efficiency and safety of international settlement.

3.3 Serving “Sannong” Business

The Bank has always taken “Sannong” as its foundation. In response to changes in policies and markets, the bank has continuously set up a flexible and rich financial service system for rural revitalization. It has made intensive efforts in the field of rural revitalization finance to provide more close-fitting, convenient and high-quality financial services to the customers of “Sannong”. By the end of 2019, the Bank's balance of agricultural loans was **36.306** billion, up **5.505** billion or **17.87%** from the beginning of the year.

(1) Implementing the development strategy for “Sannong”

Following the proposal of the national rural revitalization strategy, in 2019, the Bank set up a task group to comprehensively sort out relevant regulatory policies and carry out a number of special work in succession on issues such as customer service for village officials, renovation of old villages, marketing and maintenance mode for customers with “Sannong”, financial management of village communities and compliance and wind control management in the implementation of the plan.



Case

Deepening the Visit Work of Village Community and Investigating the Financial Needs of Village Community

In 2019, the Bank successfully set up a comprehensive village-based work system. Leading groups at all levels visited **1,311** village communities, with a coverage rate of **100%**. The Bank established an effective communication mechanism for villages to understand and solve the financial needs of rural revitalization in a timely manner.



Case

Continuously Carrying out Public Welfare and Helping Village Community Development

In 2019, the Bank supported a total of **58** villages in the project of “village construction support”, covering **11** administrative districts in Guangzhou, and supported the construction of an ecologically livable beautiful countryside. The number of people assisted by the project of “Sun—Together under Banyan Tree” totaled **461**, with a total amount of **2.09** million. The Bank actively carried out rural public welfare undertakings such as helping the poor and the disadvantaged.



(2) Optimizing financial products for “Sannong”

Relying on its long-term good cooperative relationship with the village community, the Bank has continuously enriched and improved the agricultural “package” product system with its keen market sense and responsiveness:

01 Enriching Villagers’ Deposit Products

In order to fulfill the requirements of serving the “Sannong” and to enhance the contribution of village residents, the Bank has proposed a special preferential pricing for the dividend funds of village residents. According to the characteristics of stable risk preference and saving habits of village customers, new products such as happy deposit, dream deposit, monthly profit deposit and accumulated fund deposit have been introduced successively.



Case

Innovating Villagers’ Personal Financial Products

Special wealth management products have been issued to the village community to enhance the popularity of the Bank's wealth management products in Guangzhou village community. By the end of 2019, the Bank has issued **55** special wealth management products for villagers, raising a total of **6.618** billion and benefiting more than **40,000** village community residents.



02 Innovating and Optimizing Agricultural Credit Products

Relying on its rich experience in serving village customers for a long time and its reform spirit of keen innovation, the Bank has always been in the forefront of the financial needs of “Sannong”. We have continuously optimized and innovated in supporting credit products related to agriculture and launched a series of innovative products. By the end of 2019, we launched the “Sun Villagers’ E-loan”, with a total of **218** million disbursed to **2,208** customers; launched the “Sun Fast Loan for Village Officials”, with a total of **61.9** million disbursed to **520** customers.

Case

Launch of “Sun Fast Loan for Village Officials”

For senior village officials, the Bank has developed an online credit product “Sun Fast Loan for Village Officials”, with the advantages of full automation, full-line, all-weather and full credit.



03 Improving the Old Village Renovation Product System

In order to assist the reconstruction of the old city in Guangzhou, the Bank has continuously introduced new products and service systems for each stage of the reconstruction of the old village, such as loans for the “reconstruction of the old villages” to cover the costs of the reconstruction of the old villages (including the costs related to the demolition, compensation, resettlement, reconstruction, etc.).

04 Improving the Service Capacity of Agricultural System Platform

Relying on its own experience and advantages in capital, technology, network, customer resources and financial management, the Bank has provided specialized financial services to government functional departments at all levels and village customers through the development of agricultural platforms such as the rural collective capital account supervision platform, the urban renewal and renovation fund supervision platform, the “Easy Bidding platform”, the online payment platform for party dues, and the district-level centralized financial payment system.

(3) Building financial service channels

The Bank has formed a diversified and wide-ranging inclusion financial service channel consisting of business outlets, community banks, off-bank self-service banks, community financial service stations, rural financial service stations, cash withdrawal points for farmers, online banks, mobile banks, telephone banks and direct selling banks, opening up “the last kilometer” of service for “Sannong”.

By the end of 2019, the Bank had **619** branches in Guangzhou, **130** rural financial service stations, **83** community banks and **1,904** ATMs, which greatly satisfied the financial service needs of the “Sannong” customers. In addition, **100** village community business teams were set up “in pairs” to carry out regular visits at the grass-roots level, collect and respond to the needs of village community customers in a timely manner, and provide down-to-earth and localized door-to-door services to villagers and village community economic organizations.

(4) “Internet+Finance” helps rural revitalization

The Bank actively promoted the “100 village demonstration project” for mobile payment application in rural areas, vigorously promoted the business modes of “Internet + scenario + finance” according to the principle of “one feature for one district or one zone”, accelerated the progress of integration of urban and rural payments, and improved the ability of financial services to revitalize rural areas.

By the end of 2019, the Bank had made **476** million new payment transactions, with a cumulative transaction amount of about **336.510** billion, up **22%** and **24%** respectively. Of Guangzhou’s **1,311** administrative villages, **798** have used the bank’s payment service, with **6,254** village-wide merchants.



Case

Focus on the livelihood of the village community and provide high-quality payment and settlement services.

The Bank has actively set up living business scenes such as medical treatment, transportation, daily consumption and rural tourism, and cut into smart transportation business such as Baiyun Airport line and Conghua bus line. By the end of 2019, the Bank has a total of **850,000** transactions involving tourism business, with a total transaction amount of **340** million; The traffic scene involved **410,000** transactions with a total transaction amount of **132** million; the “smart medical” service has a cumulative transaction volume of **300,000** and a cumulative transaction amount of **350** million.



3.4 Promoting Inclusive Finance

In 2019, the Bank has continuously improved the construction of inclusive financial franchise system, optimized and innovated inclusive financial service products, enhanced the service capability of the system platform, carried out cooperation between the government and the bank, and helped optimize the business environment to provide more flexible, convenient and economic financial services for small-micro customers.

(1) Improving the construction of franchise system of inclusive finance

The Bank has set up 33 inclusive professional teams in Guangzhou area and 5 inclusive professional teams in different branches. By learning from Taizhou Bank's model of inclusion small loans, a professional branch of inclusion finance, Zhujiang Sub-branch, was established in the third quarter of 2019. The Bank has continuously improved inclusion financial structure and enhanced ability to provide inclusive and small-micro financial services, providing a good foundation for better service to small-micro customers.

(2) Regulatory indicators being fully up to standards

From 2018 to 2019, the Bank has achieved two consecutive years of targets for small-micro loans, "two increasing and two controlling", as well as inclusive agricultural loans. Inclusive finance loans have reached the first-tier standard for lowering the reserve ratio.

01 Completing the "two increasing and two controlling" for small and micro business loans in an all-round way

By the end of 2019, the loan balance of the bank's small and micro business was **23.249** billion, an increase of **4.191** billion or **21.99%** over the beginning of the year, **0.76** percentage points higher than the Bank's loan growth rate (**21.23%**). The number of small-micro customers was **17,407**, an increase of **4,454** over the beginning of 2019. The NPL ratio of small-micro loans was **2.55%**, and the regulatory requirements met the standards; The weighted average interest rate for small-micro loans was **5.97%**, lower than that for the same period last year (**6.02%**). The four indicators of small-micro enterprises with "two increases and two controls" all meet the regulatory standards.

02 Over fulfilling the target of inclusive agricultural loans

By the end of 2019, the Bank's balance of inclusive agricultural loans was **4.959** billion, up **1.650** billion from the beginning of the year, up **49.84%** from the beginning of the year, far higher than the growth rate of various loans (**21.23%**), exceeding the target of inclusive agricultural loans.

03 Inclusive loans in the financial sector having reached the first-tier standard for lowering the reserve ratio

By the end of 2019, the balance of PBOC inclusion financial loans for us was **33.042** billion, an increase of **4.278** billion from the beginning of the year. The loan increment accounted for **5.43%** of the bank's RMB loan increment (**78.732** billion), which reached the first-tier standard for lowering the reserve ratio.

(3) Continuous innovation of product and service models

01 Enriching the small-micro comprehensive financial product system

According to the dimensions of villagers and non-villagers, on-line and off-line, the Bank devotes deeply into the “Sun Small-Micro Loan”, “Sun Housing Loan”, “Sun Villagers' Enrichment Loan”, “Sun Micro E-loan”, “Sun Villagers' E-loan” and other inclusive small-micro financial products.



02 Launch of special inclusion type products of political, banking and insurance cooperation

In September 2019, the Bank and Sunshine Agricultural Insurance Mutual Insurance Company jointly launched special inclusion type products of political, banking and insurance cooperation. The product was developed by the government, banks and insurance companies in close cooperation. Under the care and promotion of Guangzhou municipal finance bureau, the Bank and sunshine agricultural insurance group reached an agreement, innovated the insurance mode of using policy-based small loans to guarantee insurance, fully exerted the leverage of financial funds, cracked the problem of inclusion loans. By the end of December 2019, the product had been issued **13** times, with a total amount of **12.9** million.

03 Supporting innovative models of women's entrepreneurship

According to the work arrangement of the “Guangdong Provinces Small Guaranteed Financial Discount Loan Project to Support Women's Entrepreneurship issued by Guangdong Provincial Women's Federation and the Department of Finance”, Conghua Women's Federation and the Bank jointly launched a small financial discount loan for women's entrepreneurship. Our bank provides qualified urban and rural women with personal business loans for business start-up, production, breeding and other purposes. The borrower repays the principal and interest on schedule, and the loan interest is fully subsidized by the finance. Borrowers do not need to provide collateral, and our Bank can provide them with a venture loan of up to **300,000** at an annual interest rate of only **4.35%**.

This project is a typical case of our Bank's practice in exploring ways to increase financing support for entrepreneurs.

In 2019, a total of **55** transactions were issued, with an amount of **4.62** million, with an average amount of **84,000**.

(4) Strengthening community inclusive financial services.

01

We comprehensively sorted out the information of residents, commercial properties and community enterprises in key communities, worked with marketing personnel in neighboring outlets, and carried out inclusion finance into community marketing activities. By the end of 2019, loans to community customers had increased by **2.34** billion from the beginning of the year.

02

We develop a batch business model around major professional markets and business circles in Guangzhou. Through business cooperation with market managers and trade associations in business circles, the financial service coverage rate for small-micro businesses can be realized in batches. By the end of 2019, customer loans in the professional market increased by **430** million from the beginning of the year.

03

We actively connect with the Internet financial platform, and use the Internet platform to broaden the channels for serving small-micro finance on the basis of the Bank's compliant operation. By the end of 2019, a total of **100** million had been invested, with an average of **330,000**, focusing on small-micro finance.

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04

**Sincere Services,
Harmony and Win-Win**



4.1 Improving the Service System

In 2019, the Bank made full use of scientific and technological means, continuously innovated, optimized and improved customer service channels and service methods, and enhanced customer service experience.

(1) It built an on-line caring housekeeper that integrates intelligent robots, on-line manual customer service and telephone manual customer service to provide all-round one-stop service for mobile banking and direct banking customers. At the same time, it provided the function of one-touch connection to the exclusive account manager to facilitate customers to communicate with the exclusive account manager for professional opinions and support.

(2) The Bank also perfected the intelligent response system, enrich service scenarios, provided intelligent robot response services for mobile banks, direct selling banks and official WeChat clients to quickly answer common customer questions online.

(3) It accelerated the construction of an intelligent customer service system, completed and put into production an intelligent voice semantic analysis system, and strengthened the quality monitoring of customer service.

(4) It improved the customer service evaluation and analysis mechanism to cover all major service channels such as customer service personnel, tellers and customer managers, and gained an in-depth understanding of customer needs and feelings, attached importance to customer feedback, and promoted the banks business product optimization and service quality improvement.

(5) Meanwhile, it completed the return visit of **2,400** credit customers to promote the service and maintenance of credit customers.

(6) It carried out **13** customer experience projects and improved **82** business rules and procedures.

(7) It produced **43** “customer service micro-classes”, sharing **130** hot business priorities, with more than **31,000** person-time of participants across the bank, helping to improve outlet services.

4.2 Improving Quality of Outlets

(1) Setting up “Sun Warm Depots”

The Bank made full use of the advantages of outlet channels to enhance the value of outlet services, deepen the fulfillment of social responsibilities and pay back to the masses. In 2019, the Bank set up “Sun Warm Depots” to provide outdoor workers with a place for loving rest.

(2) Promoting the continuous improvement of services

In 2019, the Bank formulated the Administrative Measures for Grading and Reaching Standards of Outlet Services of Guangzhou Rural Commercial Bank (Revised in 2019) to finely manage outlet services, promote the steady improvement of the overall outlet service level and provide better services for the masses.



In 2019, the Bank was awarded the Outstanding Contribution Award for the Evaluation of Guangdong's Civilized and Standardized Banking Services in 2019. Fangcun Sub-branch, Shawan Sub-branch and Wenchong Sub-branch were rated five-star outlets for civilized and standardized banking services, while Zhongcun Sub-branch and Fenghuang Sub-branch were rated four-star outlets for civilized and standardized banking services.

(3) Improving services for special groups

In order to fulfill its social responsibility of caring for special groups, the Bank has vigorously promoted the construction of barrier-free access for business outlets, increased the distribution of convenience articles for outlets, and provided on-site services for special groups, winning favorable comments from customers.

4.3 Listening to Customers' Voices

The Bank paid attention to feedback of customer's opinions, listened carefully to customer's voices, and continuously improved the working mechanism of consumer complaint management and analysis:

(1) In 2019, the customer service hot-line handled a total of **2.7326** million customer calls, including **1.0966** million manual call connections and **84.57%** manual connection rate. Customer service satisfaction rate was **99.24%**, up **0.12** percentage points from the previous year. On-line customer service has **68,600** manual session connections, with a manual session connection rate of **92.56%**.

(2) According to the latest requirements of Notice on Implementing Relevant Documents of Statistical Classification and Coding of Financial Consumer Complaints in Banking and Financial Institutions (Guangzhou YF [2018]226), the Bank completed the optimization of the statistical function system of complaint classification in 2019.

(3) In 2019, a total of **4** special analysis reports on customer complaints and **1** complaint risk reminder were issued, **7** on-site training on complaint handling skills were conducted, and **12** customer service experience activities were conducted to improve the service quality and complaint handling ability of front-line service personnel and further enhance customer experience.

(4) In 2019, the Bank had **737** financial consumer complaints, with a timely processing rate of **100%**.

4.4 Protecting Account Security

In the aspect of account security, attention is paid to strengthening the whole process of account risk prevention and control mechanism. A systematic risk prevention and control measure is taken from the aspects of account opening, use and reconciliation, so as to continuously improve account information security management. In the process of opening accounts, customers should be strictly admitted, due diligence and willingness verification systems for enterprise bank accounts should be established, and real-name system requirements for accounts should be strictly implemented. In the use of the account, the customer is required to handle the modification of important information related to the account and strictly verify the customers identity; For accounts that do not cooperate with reconciliation or annual inspection work, take corresponding business restriction measures to ensure the safety of customer account funds.

In order to effectively perform its social duties and ensure the safety of customer's funds, effectively deal with and prevent new situations and new problems of new types of illegal and criminal activities in the telecommunications network, the Bank actively carries out prevention of new types of illegal and criminal activities in the telecommunications network. Firstly, the Bank strictly implements the system requirements of strengthening the real-name system management of accounts, improving the management of self-service teller machine transfers, strengthening the management of special merchants and receiving terminals, strengthening the risk monitoring of receipt business, and implementing the accountability mechanism. The second is to strengthen publicity and education and risk warning, improve the risk prevention and control awareness of the broad masses of the people, and protect the safety and legitimate rights and interests of the People's property.

4.5 Protection of Customer Rights and Interests

(1) Improving the consumer rights protection system

In 2019, according to regulatory regulations and business development needs, the bank has formulated eight systems. including Administrative Measures for On-site Complaints of Guangzhou Rural Commercial Bank's business outlets, Operational Procedures for Quick Claims of Insurance for Stealing Transaction Funds of Guangzhou Rural Commercial Bank's Direct Selling Bank, Opinions on Consumer Protection Work in 2019, Measures for Quick Claims of Online Stealing Cases of Guangzhou Rural Commercial Bank and Several Opinions on Reducing Complaints Rate of Credit Card Consumers, further optimizing the system of consumer rights protection.

(2) Strengthening product and service management

The first is to strengthen consumer rights protection audit work. Establish a pre-audit and management mechanism for new products and services, fully implement consumer protection requirements into products and services at the stage of product design and development, and effectively implement regulatory requirements. A total of 25 audit opinions were issued in 2019.

The second is to optimize financial products and services. The Bank re-evaluated the risk of **428** fund products currently on sale, determined the risk level of each fund product and publicized it on the Bank's official website. Optimizing and reforming the fund sales system, supplementing relevant investment information, and improving the cognitive ability and self-protection ability of financial consumers.

The third is to carry out the first batch of outlet service certification. According to the requirements of Guangzhou Branch of the People's Bank of China, Qinghe East Road Branch of the Bank. Such as **13** business outlets have carried out the first batch of outlet service certification and passed the on-site certification review. We provided consumers with a better service environment by building standardized demonstration outlets.

(3) Strengthening customer information and capital security protection

The first is to carry out system safety tests. The Bank commissioned external security service companies to carry out security tests on **26** systems such as online banking, mobile banking, direct selling banking and WeChat banking to dig and repair security loopholes in business systems, further improve system security and ensure the security of customer's funds and information.

The second is to optimize the content of reminder messages. When a customer opens a direct selling bank account, the Bank sends a reminder message to the account holder to remind the account holder not to lease or lend the account and to keep personal account information properly, thus enhancing the customer's awareness of personal information security protection.

The third is to carry out 2019 annual network security emergency drills. The exercise simulated scenarios such as network intrusion and sensitive information disclosure and the Bank's response measures, further improving the Bank's network security emergency response capability.

Fourth, in 2019, the Bank successfully blocked **8** new types of illegal and criminal cases in the telecommunications network, recovering **216,000** yuan in financial losses for customers.

(4) Improving initiative of propaganda and education work

The Bank organized 315 consumer rights and interests protection education and publicity weeks, financial knowledge into the classroom, payment and settlement publicity, prevention of illegal fund-raising theme publicity month, popularization of financial knowledge, keeping money bags and other special publicity and education popularization activities for financial consumers, which greatly improved consumers financial literacy and awareness of financial risk prevention.



Case

Launching Propaganda to Prevent New Crimes in Telecommunication Network

In 2019, in order to effectively deal with and prevent new situations and new problems of telecommunications network crimes, create a safe, efficient, healthy and orderly payment service market environment, and protect the property safety and legitimate rights and interests of the people, the Bank has stepped up efforts to carry out publicity on prevention of telecommunications network crimes.



Case

Publicity of Anti-Cheat Moves and Anti-Cheat Rules

In 2019, the Bank specially integrates **60** new fraud cases including **5** types of identity fraud, virus fraud, coercion fraud, shopping fraud, and daily life fraud, and summarizes fraud prevention moves and fraud prevention rules. It has produced micro-publicity film of A 《Full Look into 60 Major Forms of Telecom Fraud》, adopting fresh, interesting, and interactive forms to effectively improve the anti-fraud skills of the broad masses in relaxed and pleasant reading.



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05

Caring for Staff and
Cultivating Talents



Staff are an important guarantee for the Bank's future development. In 2019, the Bank actively selects and recruits suitable talents through campus recruitment, social recruitment and other channels to strengthen the talent team of the Bank. The Bank has continuously optimized its staff recruitment management, adhered to the principles of openness, equality, competition and merit based recruitment and selection, and ensured scientific, reasonable, orderly and efficient staff recruitment and mobility by improving the talent selection mechanism, thus supporting the sustained, stable and rapid development of the whole Bank's business. By the end of 2019, the Bank had a total of **8,042** staff (including labor dispatch), of whom **68.10%** had bachelors degree or above.

5.1 Protection of Staff Rights and Interests

The Bank strictly abides by the Labor Contract Law of the People's Republic of China, regulates the conclusion, performance, alteration, dissolution and termination of labor contracts, performs the legal obligations of the Company and protects the legitimate rights and interests of staff. The Bank has established a sound human resources management system and process, including salary, recruitment, dismissal, promotion, social insurance, working hours, vacation, rights and interests of female staff and other related aspects. All regular staff of the Bank have signed labor contracts. In 2019, the signing rate of labor contracts for all staff of the Bank was **100%**. The terms of the contract include working hours, rest and vacation, labor remuneration, social insurance, labor protection, working conditions, occupational hazard protection and other statutory necessary provisions. Our bank opposes any form of discrimination, child labor or forced labor.

In 2019, the Bank found no major violation of the Labor Contract Law of the People's Republic of China and other relevant laws and regulations.

The Bank has also actively taken various measures to listen to feedback from staff and improve communication between the company and staff. First, we improved the service system for safeguarding rights, set up a reception day for trade union chairmen, organized **22** seminars for staff in difficulty and retired staff, deepened the mechanism of multi-party consultation for letters and visits, and received **18** visits person-time in total throughout the year, thus shifting the focus of safeguarding rights downward. The second is to implement the collective wage negotiation system as required, attach great importance to the new situations and problems faced by enterprises labor relations, and give full play to the important role of collective negotiation in stabilizing employment positions and building harmonious and stable labor relations. The third is to deepen the function of the staff rights mailbox, promote the establishment of the staff congress system and the publicity system, form a tripartite coordination, mediation and supervision mechanism, and safeguard the rights and interests of staff in accordance with the law.

5.2 Strengthening Staff Training

The Bank has always attached importance to improving the professional level and professional quality of its staff, and continues to improve the operation of Pearl River Business School, the internal enterprise university. According to the work requirements of the whole bank in 2019, adhering to the learning concept of "unity of knowledge and practice", continuing to strengthen business drive, highlighting the leading role of management and market-oriented functions, linking the departments in front, middle and back parts, innovating online and offline learning methods, integrating the internal and external resources of the Bank, and promoting the education and training of staff of the whole Bank in a planned way. In 2019, the number of staff training programs reached **450**, basically the same as 2018; Staff training expenses amounted to **11.56** million.



Case

Intensive Training and Learning

In order to improve the level of corporate governance, better play the role of decision-making, supervision and management of senior management, and promote the steady operation of the company and the listing of A shares, the Bank held a special training course on corporate governance for senior management of directors and supervisors of subsidiary banks. Experts and scholars from Sun Yat-sen University, Beijing National Accounting Institute, Shenzhen Stock Exchange were invited to make in-depth interpretations on the legal compliance of listed companies, the key points of IPO audit of A shares, relevant regulatory policies on corporate governance of commercial banks, etc.

In response to the request of financial institutions to support the real economy and the benefiting all the citizens, the Bank organized training courses on the three major themes of performance breakthrough, sound operation and team cooperation for the promotion of inclusive and small-micro comprehensive capabilities, subdivided the team characteristics of various operating institutions, organized business backbones, and carried out the following targeted thematic training to complement the short boards and promote the rapid development of inclusive business.



5.3 Carrying out staff activities

In 2019, in order to create a good corporate culture atmosphere, reflect the humanistic care for staff, and enhance the reputation of corporate brands, the Bank launched a variety of corporate culture activities.

(1) “Picking up Memories and Sharing Happiness” –Corporate Culture Activities of the Girls’ Festival

On March 8, 2019, the Bank held an enterprise culture activity for the “Girls’ Festival”. This activity is themed as “Picking up Memories and Sharing Happiness”. Female staff from all walks of life were invited to take photos with happy memories to the scene for printing, and special customized theme photo frames were prepared for them. Male staff were also invited to take part in the event, giving their families and partners exclusive gifts and holiday blessings.

(2) “With Irises and Orchids Nearby, Maintaining Peace and Well-Being” –Dragon Boat Festival

On June 6, 2019, the head office of the Bank held the Dragon Boat Festival with the theme of “With Irises and Orchids Nearby, Maintaining Peace and Well-Being” and produced a batch of cultural theme products – Liufu Wormwood Sachet to wish the staff a happy Duanyang. This Dragon Boat Festival themed cultural activity aims at assisting the staff to share “happiness” and “well-being” with relatives and experience a different festive atmosphere while accompanying them during the small long holiday.



(3) “Sound Surrounding You under this Full Moon Tonight” –Mid-Autumn Festival

On September 12, 2019, the head office of Guangzhou Rural Commercial Bank held the theme activity of “Sound Surrounding You under this Full Moon Tonight” , and produced the cultural theme product of the “Bright-Moon Music Box” –with the bright moon as the shape and music as the stuffing, in order to express the good wishes of the family for well-being and harmony.



In 2019, the Bank's trade union innovated its operation mechanism, strengthened its service function, consolidated its basic guarantee, and strove to promote the Bank's reform, innovation and business development, organized staff with multi-channels to carry out rich and colorful sports activities, fully displayed the healthy and upward mental outlook of staff, cultivated a harmonious and united cultural atmosphere.

(1) “Not Fulfilling the Dream of Ascending the Rank ” Track and Field Sports

In the golden autumn, the fruits are so abundant and the farmers and merchants are embracing the pleasant event. On November 11, Guangzhou Rural Commercial Bank held the “Not Fulfilling the Dream of Ascending the Rank” Track and Field Sports in South China Normal University (University Town Campus). About **1,300** staff from branches took part in the games, and more than **800** athletes actively participated in the games. They poured their youthful vigor into the games and worked tirelessly to build a beautiful blue sky belonging to the bank.



(2) “Dancing with the Ball and Knocking off Youth” Balloon Volleyball Competition

In order to respond to the call of the national movement, enrich the sports and cultural life of staff, and enhance the team spirit and cohesion. On June 6, the Bank held a youth volleyball match with the ball in Tian Jiabing Gymnasium of South China Agricultural University. Fourteen teams from the grassroots participated in the sports gala. On the field, all the players cooperated with each other in a tacit understanding, with consistent movements and graceful postures. They gave full play to their abilities. Outside the stadium, the audience cheered for their players and showed good team spirit and indomitable fighting spirit.



(3) Calligraphy, Fine Arts and Photography Theme Exhibition for “Keeping Initial Heart, Undertaking Mission and Adding Glory”

From August to September, the Bank held a special exhibition on calligraphy, art and photography for staff who are keeping their hearts at the beginning, undertaking their mission and adding luster in order to firmly carry out education on the theme of “Keep your Initiatives and Missions in Mind”, present a gift to the **98th** anniversary of the founding of the Party, celebrate the **10th** anniversary of the restructuring of the Party, show the good spirit of the broad masses of Party members and the masses, and express their love for the Party, patriotism and behavior. All the exhibited works are based on the current situation, with distinct themes and showing positive trends. They show the pursuit of beauty and the exploration of art by the broad party members and masses of Guangzhou Rural Commercial Bank, thus injecting new vitality and connotation into the corporate culture.



(4) “GRCB is Proud of Me” Bank-Wide Competition of Business Skills and Knowledge

In order to improve the business skills of the counter staff of Guangzhou Rural Commercial Bank and provide high-quality and efficient financial services to customers, the Bank’s trade union held a “GRCB is Proud of Me” Bank-Wide Competition of Business Skills and Knowledge between August and September 2019. The competition was highly valued and actively cooperated by all branches. Nearly **200** staff participated in the competition of all five events, with the scale and influence of the activity reaching a new high in recent years. Through the activities, the business level and mental outlook of the front-line staff of the Bank were displayed, and the results of personnel training were reviewed.

5.4 Caring for Staff Health

(1) Staff Physical Examination

The Bank attaches great importance to the health of its staff and regularly organizes them to undergo physical examination. In 2019, in order to meet the diversified and personalized medical examination needs of staff, the bank continuously optimized the medical examination mode and selected high-quality public medical examination hospitals and institutions for staff to choose freely. At the same time, comprehensive and abundant physical examination package items are provided to meet the needs of staff of different genders and ages and to protect the health of staff.

(2) Health Lectures

The Bank deepened its “staff caring” activities. In 2019, the Bank held **4** lectures on traditional Chinese medicine health care, mental health, and prevention of two cancers for women, and held **8** health monitoring activities for **960** person-time. The purpose is to care for staff physical and mental health, enhance self-care awareness, and strive to create a good atmosphere for safeguarding staff right to life and health.

(3) Safety Training

In 2019, according to the Bank's 2019 119 Fire Safety Publicity Month Program, the Bank concentrated on **281** fire training and **459** fire evacuation drills. Fire fighting training covered all personnel of the organization, improve the fire fighting awareness and fire fighting ability of all personnel, and the fire evacuation drill stickers used realistic scenes close to actual combat to effectively improve the emergency handling ability of all personnel.

2019

Guangzhou Rural Commercial Bank
Corporate Social Responsibility Report

06

Sharing Development,
Charity and Loving



6.1 Implementation of Precision Poverty Alleviation

(1) Precision poverty alleviation

In 2019, the Bank thoroughly studied the spirit of General Secretary Xi Jinping's series of important speeches on precise poverty alleviation, conscientiously implemented the decision-making and deployment of the strategy of winning the battle against poverty and revitalizing the countryside, adhered to the concepts of helping the real poor and really helping the poor, carefully planned the layout, strengthened the implementation of responsibilities, steadily promoted various assistance measures, and achieved remarkable results. The total investment in poverty alleviation in 2019 reached **5.0735** million.

(2) Implementation of the entity responsibility

The Party Committee of the Bank attaches great importance to poverty alleviation. It has held many meetings to convey and learn from the important speech of General Secretary Xi Jinping at the symposium on solving the outstanding problems of “two relieves and three guarantees”, the spirit of the special inspection and rectification work of the financial system against poverty, and the important instructions of General Secretary Xi Jinping on Comrade Huang Wenxiu's advanced deeds. It has also studied and deployed the implementation of the responsibility for assistance, the landing of assistance measures, the financing of assistance, and the assessment of the effectiveness of assistance; It is emphasized that the whole Bank should establish a high degree of political and social responsibility, make practical moves and see actual results, start from the actual situation, make full efforts to do a good job of poverty alleviation, implement the counterpart support work in Qingyuan and Bijie, and resolutely win the battle against poverty. The main leaders of the Party Committee have visited the villages for many times to study and guide the poverty alleviation work, to study and solve the difficulties and problems encountered in the process of helping and to put forward the work requirements.

(3) Diversified assistance measures

As a financial institution that has long been rooted in and supports the Rural, the Bank has actively responded to the call of the state and earnestly fulfilled its social responsibility. It has been adhering to the concepts of helping the real poor and really helping the poor. It has continuously strengthened its organizational leadership and strengthened the implementation of its responsibilities. Through a series of measures such as guaranteed support, new rural construction, industrial assistance and financial assistance, the Bank has further pushed poor villages out of poverty in an all-round way, realized rural revitalization and laid a solid foundation for the success of building a well-off society in an all-round way.

First, we continued to provide guaranteed support. We helped poor households to implement policies such as reconstruction of dilapidated buildings, basic medical care, compulsory education and education subsidy policies, minimum living security, old-age insurance, medical assistance and care for the poor and disabled.

Second, continue to strengthen industrial assistance. Gradually explore the model of “companies+bases+poor households” households. For poor households who wish to do so, Guangzhou Rural Commercial Bank will provide assistance funds to participate in the greenhouse contract. Yaowang Company will provide seedling, technical support and finished product package to help them out of poverty.

Third, vigorously implement employment assistance. We continued to carry out the “double assistance” campaign of helping the poor with their ambition and wisdom, and organized poor households with labor force to participate in it. We trained workers skills, released recruitment information in a timely manner, made every effort to help poor households find jobs nearby or transfer jobs, and actively encouraged poor households to obtain vocational qualification certificates and upgrade their employment skills.

The fourth is to fully stimulate endogenous power. According to the policy of one household, one policy, differentiated assistance measures were formulated to help poor households to carry out canteen operations, buffalo breeding, peanut oil processing, waste recycling and Qingyuan chicken breeding so as to increase income and shake off poverty.

The fifth is to organize twinning assistance. We organize one-on-one assistance for middle-level and above cadres in batches before the Spring Festival and Mid-Autumn Festival respectively to visit poor households, understand the living conditions of poor households in detail and propose specific assistance measures to send condolences to encourage poor households to build up confidence and strive for continuous self-improvement and strive to get rid of poverty as soon as possible.

The sixth is to strengthen all-round party building assistance. According to the structure of the original village party branch + natural village branch, it is optimized and adjusted to be the party branch + direct branch single branch, giving full play to the leading core role of the village party organization, and improving the grassroots organization strength.

The Seventh to actively carry out poverty alleviation. In connection with the commemoration of the 70th anniversary of the founding of New China and the Day of Poverty Alleviation and Relief, Conghua Sub-branch, Zengcheng Sub-branch and Tianhe Sub-branch were respectively organized to visit poverty alleviation villages and carry out warmth sending activities. At the same time, combining 10 · 17 National Poverty Alleviation Day, a campaign to promote education and aid students with the theme of decisive battle against poverty and boosting rural revitalization.



Case

Industrial Poverty Alleviation

In the early stage, it provided low-interest financing of more than 18 million to support Yuewang Agricultural Group to build a 100-mu greenhouse planting base in Shengli Village. It also provided an additional loan of 30 million to support it to build 302-mu greenhouse planting bases in Tangwan Village and Shantang Village. It further deepened the cooperation mode of leading “agricultural enterprises + bases farmers”, and drove poor households to participate in greenhouse vegetable planting. At the same time, it used its technology and sales channels to support poor households to use their own land to carry out vegetable planting up to 6.5 mu, increasing the income of poor households.



Case

Twinning Assistance

The Bank attaches great importance to twinning assistance. Apart from daily one-on-one twinning assistance, 56 middle-level and above cadres are organized to visit poor households one-on-one on the eve of the Spring Festival and Mid-Autumn Festival, to understand the living conditions of poor households in detail and propose specific assistance measures to offer warmth and sympathy, to encourage poor households to build up confidence and strive for continuous self-improvement and strive to get rid of poverty as soon as possible.

(4) Helping rural areas out of poverty

Relying on its core position as an agricultural leader, the Bank has made efforts to form an effective poverty alleviation model for agricultural industry and improve the quality of financial services for rural revitalization by taking advantage of its advantages. At the same time, combined with the original means of poverty alleviation, many measures should be taken simultaneously to form good economic benefits and brand effect. Under the premise of controlling risks, the Bank gave full play to its backbone in regional precision poverty alleviation work by optimizing the allocation of financial resources, innovating financial products and services, and increasing financial support to help win the battle against poverty.



Case

Developing the Mode “Thousands of Enterprises to Help Thousands of Villages” and Promoting Villages

In 2019, the Bank further deepened industrial assistance and continued to carry out the industrial poverty alleviation model of “Internet + leading agricultural enterprises + bases + farmers” . On the basis of the assistance project of the greenhouse planting industry in Shengli Village, the Bank also actively introduced Yuewang Group to invest in the frog-rice symbiosis project in Gaoping Village, Aotou Town, Conghua District.

6.2 Practicing Charity

In 2019, the Bank's Sun Charity Foundation celebrated its fifth anniversary. The Foundation insisted on supporting charitable causes and promoting harmonious development of society. It was committed to helping the needy, the poor, the disaster relief, the disabled, education, science, culture, health, sports and environmental protection. Since its establishment, it has operated at a high starting point and standard, with a sound organizational structure and standardized operation and management. It has a wide influence and a large number of recipients.

In 2019, the foundation continued to carry out three major brand charity projects, expanded the scope of assistance to nine provinces and cities where **25** village banks are located, and spent **6.8137** million on Charity. in total By the end of 2019, Sun Charity Foundation has established a long-term service relationship with **15** volunteer service centers. More than **1,000** volunteer services have been held, with more than **4,000** participants and more than **12,000** volunteer hours.



(1) Carry out three major brands of charity projects with high starting point and high standard

01 “Silent Love” Hearing Plan for Hearing-Impaired Children

The Foundation has always taken “professionalism and efficiency” as its project implementation standard and service to the recipients as its orientation. In order to let hearing-impaired children enter the audio world earlier, the Bank has continuously optimized the project application process and insisted on field visits. At present, “Silent Love” has become the most efficient listening project in the aid of hearing-impaired children in the country.

(1) In 2019, **76** hearing-impaired children were assisted to complete cochlear implant surgery, with a donation of **4.22** million yuan. During this period, **100** children who had been helped by the project were called back to learn about their recovery and presented New Year gifts. At the same time, the volunteer service team provides one-on-one listening assistance for children and accompany them to grow up together.

(2) In order to make it easier for aided families to apply for projects and more efficient for foundation audits, the foundation's official accounts added an electronic application channel for projects in 2019 to digitalize, refine and visualize the management of assistance information.

(3) In order to have a better grasp of the growth of hearing-impaired children, in the first half of 2019, on-site visits and examinations were conducted to **9** cooperative rehabilitation institutions for hearing-impaired children respectively, and the awarding ceremony for “strategic cooperation institutions” was conducted to further consolidate the cooperation relationship with rehabilitation institutions. At the same time, designated voluntary service relationships were established in the cooperation institutions to promote the smooth and sustainable development of the project.

02 Special Village Assistance Project of “Sun—Together under Banyan Tree

In 2019, **461** people were approved for aid projects, including **193** for major diseases, **114** for students, **154** for the elderly, with a total assistance fund of **2.0902** million. Since the establishment of the project in 2016, **13** volunteer service teams have made field visits to carry out precise poverty alleviation in three aspects of helping the elderly and children in villages and communities under the jurisdiction of Guangzhou around major diseases, helping the sun, assisting students, respecting the elderly and helping the poor.

(1) Urgent approval channels were opened. In 2019, with the increasing popularity of the project and the increasing number of applications for major diseases, in order to help patients with major diseases in a more timely manner, the approval channels for major disease assistance were optimized, urgent signs were added, and the approval and funding processes would be completed in **3** days. In 2019, priority was given to the urgent funding needs of **30** poor patients with major diseases.

(2) Visiting the elderly. In April 2019, the volunteer team of the Centralized Operation Department visited **95** elderly people in the Tanbu town Nursing Home in Huadu District, tidying up their rooms, cleaning and chatting with them. Volunteers also carefully selected daily necessities such as cool pillowcases and paper towels for them, hoping to make them feel real care.

(3) Supporting education and assisting students. In October 2019, the volunteer service unit of Zengcheng Sub-branch started the student aid programs called “revitalizing the countryside and helping to grow trees into forest”, provided after-school teaching for the students of poor schools in Zengcheng District to enrich their after-school life. Up to now, six aid programs have been launched to provide educational resources support for students from poor local schools.

(4) Donations from village organizations. Huangpu Volunteer Service Unit, Konggang Economic Zone Volunteer Service Unit and Panyu Volunteer Service Unit actively linked with the district governments and the Civil Affairs Bureau to deliver aid funds to those in need and hold public welfare donation ceremonies.

03 Project of “Sun—Special Travel Project in Old Revolutionary Bases”

In 2019, the foundation provided public welfare assistance around projects such as “Caring Action For Students”, “Supporting Education in Villages”, “Love Bookstores” and “Benefiting Farmers in Old Revolutionary Base Areas”. It assisted **25** volunteer teams in Pearl River village banks, covering families in Jinggangshan, Taihang Mountain, Dabie Mountain, and old revolutionary base areas in Guangdong and Guangxi provinces. The annual charity expenditure of the project was **393,300**. Since the establishment of the project in 2016, the cumulative expenditure of charitable donations has totaled **4.737** million.

(1) Sun Caring Action For Students In 2019, nine volunteer teams from Zhujiang Village Bank visited Xinyang and Anyang in Henan Province; Laizhou, Shandong Province; Jiangsu Xuyi; Hunan Changning, Zhuzhou; Xinjin, Sichuan; Dongguan, Guangdong Province; Jiangxi Jizhou and **185** other poor villages, and **115** children from poor families were given assistance from student aid funds, with a cumulative donation of **139,000**. With the coming of the Spring Festival in 2019, the Foundation held a public welfare activity entitled “Guangdong Growth and Guangdong Warmth”, which was reported successively by several media such as Southern Satellite TV, Headlines Today, Sohu.com and Sina News, and was highly praised by all sectors of society.

(2) Long-term education support plan for old revolutionary base areas. In 2019, under the circumstance that the foundation and the village bank join hands with the local education bureau and schools to launch recruitment publicity through online and offline channels, three qualified local volunteers were selected to participate in the education support program.

(3) Construction of love bookstore In order to create a comfortable reading environment and provide more learning platforms for children who love reading, the foundation has gradually built love bookstores in poor rural schools under the jurisdiction of village banks. In May 2019, Changning Love Bookstore officially landed, donating **2,000** books, **12** high and low bookshelves, reading desks and chairs, computer desks, computer equipment and other learning materials for children. By the end of 2019, two “Sun Love Bookstores” had been built in poor schools in Jizhou, Jiangxi and Changning, Hunan respectively.

(4) Building a agricultural platform of “co-help for agricultural entrepreneurship”. In 2019, the Foundation, in conjunction with local village banks, visited Zhang Yang Village, a poor village in Yidao Town, Laizhou City, Shandong Province. With the support of the local township government, the Foundation conducted on-the-spot research on the basic situation of the village community, poor families and farmland conditions. Through the way of helping entrepreneurs, the Foundation guided farmers to start businesses and make profits. It continued to help the poor farmers to go deep into the countryside, fundamentally improved their living conditions and realized accurate poverty alleviation.

(2) The development of key public welfare activities

01

Take an active part in large-scale activities such as the Golden Fair and Huangpu Marathon, display the helping projects for public welfare, transmit love and let more people participate in public welfare.

02

In 2019, more than **1,000** voluntary services were held, with more than **4,000** volunteers for over **12,000** hours. The voluntary service included “Silent Love” for hearing-impaired children, “Sun—Together under Banyan Tree”, “Education Assistance” in old revolutionary base areas and visits for serious diseases. By the end of 2019, Sun Charity Foundation had established a long-term service relationship with **15** volunteer service centers, and **15** volunteer service teams provided point-to-point assistance each month, targeting special groups, empty nesters and left-behind children, making public welfare services warmer.

(3) Multi-dimensional publicity of public welfare brands

The Sun Charity Foundation publicizes the main development of public welfare projects and original public welfare works through major internal and external media channels to enhance the brand awareness and credibility of Sun Charity.

01 Media Call for Public Welfare

(1) Charity publicity by self-media: public welfare publicity was mainly carried out in 2019 through the micro-life of Guangzhou Rural Commercial Bank, the WeChat official account of “Sun Charity” and the Guangzhou Rural Commercial Bank’s Bugu newspaper. A total of **14** WeChat public welfare tweets and **8** articles were published in Bugu.

(2) Charity publicity by mass media: In 2019, various public welfare activities of the Foundation received high attention from mainstream media. People’s Daily, Southern Television, Guangdong Radio and Television, Information Times, New Express, Phoenix, Sina Guangdong, Tencent, Sohu and other media reported on the Foundations public welfare projects and volunteer activities one after another, with **25** articles reported, further enhancing the visibility of the Foundation.



02 Output of Original Public Welfare Works

In order to promote a deeper understanding of the foundations public welfare concept to the Public, the foundation carries out public welfare communication in the form of “public welfare + art”, and transmits positive public welfare energy to the public with a drama, a microfilm and a song.

(1) Drama platform delivers positive energy. Public drama club is used as the platform to carry out public drama series training and public performance. In 2019, **310** public drama training activities and **11** public performances were carried out. The performance of public welfare drama has been successively reported by Southern TV’s Today’s News, Guangdong Radio and TV’s Today’s Focus and Sina.com.

(2) Singing for public welfare, spreading the power of love is worth the 5th anniversary of the founding of the Sun Charity Foundation. Taking warmth as the theme, combining the foundations public welfare concept, integrating Guangzhou Cantonese opera elements, the Foundation Song of Sun Charity Foundation was created, spreading love by singing.

(3) The inspirational micro-movie conveys positive energy. In order to let the public know about “hearing-impaired children” and their “rehabilitation effects”, encourage hearing-impaired families to receive correct treatment and rehabilitation, and return to society, we hereby shoot the public welfare micro-movie Laughing Song to convey the same idea about “We are all the same”. The movie landed on several online video platforms such as Youku, Aiqiyi, Tencent Video, Beery Beery and New Movie Field, with a total of **20,000** views during the initial stage of the landing.

2019

Guangzhou Rural Commercial Bank
Corporate Social Responsibility Report

07

**Supporting Environmental
Protection and Achieving
Green Finance**



The Bank actively implemented the Guiding Opinions on Building a Green Financial System, promoted the concepts of green finance and green credit, integrated the relevant concepts into the Bank's corporate vision, development strategy, credit culture, policy system, management process, products and services, and continuously promoted the establishment and improvement of green financial management system and long-term mechanism.

The Bank attaches great importance to the development of green finance in its Medium-and Long-Term Development Strategic Plan of Guangzhou Rural Commercial Bank (2016–2020), and actively conducts special planning research on green finance and sustainable development strategy. During the planning period, we accelerated the promotion of a green finance strategy, and regarded green finance as an important starting point for the adjustment of the company's asset structure and the transformation of growth models. We continued to strengthen the green financial products and service innovation by focusing on serving the development of green industries and green transformation of traditional industries.

At present, the Bank has gradually formed a business system that includes innovative products such as bond underwriting, asset securitization, financial management and direct financing tools, carbon finance financing, and domestic direct loan. We have explored and summed up a large number of work experience for green follow-up, laying a solid foundation for the landing of follow-up financial services.

At the same time, we continue to promote the development of the local real economy and industries, continuously increase support for low carbon, energy conservation, environmental protection and other industries, require the growth rate of loans to be no less than that of various loans in the same period in the credit policy, and strive to implement green finance deeply.

7.1 Green Credit

We are conscientiously implementing the concept and strategic plan of the green credit strategy. The Strategy and Investment Committee(“Sannong” Committee) is responsible for determining the green credit development strategy. The senior management is authorized to formulate green credit targets and submit green credit reports to supervise and evaluate the implementation status of green credit development strategy of the bank. At the management policy level, we have formulated a green credit-related industry credit policy in accordance with national industrial policies and industry access policies. The Bank accelerated the establishment and improvement of the green credit policy system during the 13th Five-Year Plan period. In 2019, the Bank optimized and improve the green credit (energy saving and environmental protection) credit policy, actively innovated green financial products and services, and actively carried out green financial research.

(1) Strengthen the development orientation of green credit

On the one hand, we actively use the opportunity of building a green financial reform and innovation pilot zone in Guangzhou, to promote green credit from a strategic perspective, to accelerate the establishment of a green financial service system, to increase support for the green economy, low-carbon economy and recycling economy, to prevent environmental social risks and improve their own environmental and social performance. On this basis, we optimize the credit structure, improve service levels, better serve the entity economy, promote the green transformation of our investment and financing structure and business development.

(2) Integrate resources, overcome difficulties in credit approval

Compared with other industries, the green credit industry has a relatively high level of scientific and technological knowledge and weak asset controllability, making credit evaluation more difficult. To this end, the Bank have adopted various measures to better implement the green credit strategy:

01

Strengthen organizational learning and research, and maintain internal and external linkage within the governance structure.

02

Set up a “Pre-Examination Meeting” that includes business agencies, business line management departments, credit approval departments, risk management departments and compliance legal departments, in order to conduct research on the difficulties and problems encountered in the marketing process and provide professional support.

03

If existing products and services are difficult to meet the needs of high-quality customers, we tailor-made innovative products to effectively improve customer service capabilities and market competitiveness.

By the end of December 2019, the Bank's green credit loan balance was 9.13 billion, up **1.888** billion from the beginning of the year, showing an overall upward trend.

7.2 Optimizing Green Services

In addition, the Bank continues to explore a sustainable green Internet financial model, and is committed to building a comprehensive financial platform for “Internet+Inclusion”. Taking customers as the center, the Bank has continuously optimized and improved electronic channels such as mobile banking, online banking, direct selling banking and WeChat banking to promote the online development of the whole bank's business. It has effectively utilized energy, saved energy and reduced emissions while providing customers with high-quality, safe and convenient online financial services.

(1) Sun Mart (Electronic Mall)

In order to respond positively to the rural revitalization strategy and the provincial government, we are determined to integrate advantageous agricultural service resources, realize the de-intermediation of the agricultural industry chain, and create a beautiful new mode for the transformation and upgrading of modern agricultural enterprises and farmers; actively explore new poverty alleviation models such as the “Internet + agricultural leaders + bases + farmers”, and give full play to the innovative and leading role of the Sun Mart in poverty alleviation; pioneering to create a lightweight, multi-level offline activity scene and build a diversified service channel for outlets; break through the single B2C business model and successfully launch the B2B business module, providing an online integrated trading platform for enterprises to produce, supply and sell. By the end of 2019, Sun Mart realized a platform-wide sales of **68.611** million, up **137%** year-on-year. Cumulative transaction orders reached **508,000**, up **161%** year-on-year. The number of commodities sold was **801,000**, up **218%** year on year. Active customers reached **163,000**, up **104%** year-on-year.

(2) Mobile banking

As an important electronic channel of the Bank, mobile banking is continuously developing towards intellectualization, scenario-based and convenience. It uses fingerprint login, fingerprint payment, face recognition authentication and other technologies to continuously iterate new functions and optimize processes. The business not only covers traditional financial services, but also provides value-added services in convenient scenarios such as life consumption and transportation. As of the end of 2019, the Bank had about **4.31** million mobile bank personal customers and **16,400** enterprise customers. In 2019, the bank's mobile bank realized **13.6534** million accounting transactions with a transaction amount of 348.299 billion yuan, of which **445,500** were financial transactions by corporate customers with a transaction amount of **17.375** billion.

(3) Online banking

The Bank continued to enrich the product system of online banking, enhance customer experience, introduce mobile phone number payment and other functions around customer payment requirements, and provide higher quality and convenient e-finance services for the Bank's customers. By the end of 2019, the bank had about **2.24** million personal online banking customers and **24,200** corporate customers. In 2019, personal customers made **7.5** million accounting transactions with a transaction amount of **276.083** billion, while corporate customers made **1.58** million financial transactions with a transaction amount of **919.978** billion.

(4) Direct selling banks

The Bank's direct selling bank aims to build an open, shared and inclusion financial ecosystem, relying on electronic accounts and independent portal applications, focusing on high-frequency convenience scenarios to provide online financial ecological services to customers. Without leaving their homes, customers can open accounts, handle deposit and loan businesses, purchase financial products, and enjoy value-added services such as living expenses and transportation and entertainment all in a online manner. At the same time, the Bank actively explored the further integration of financial services and convenience scenes, successfully building "smart campus", "smart rich business circle" and other Internet scene finance integrating daily payment and background management functions, bringing convenient one-stop financial service experience to users. By the end of 2019, the Bank had about **1,070,000** direct banking customers; the Bank's direct selling banking financial products have a turnover of about **46.425** billion.

(5) WeChat Bank

WeChat Bank is an open service portal integrating publicity, customer service and financial tools established by the Bank's WeChat official account. It provides customers with high-quality services such as financial purchase, financial information, credit cards, life services, latest discounts, account inquiry and reservation for public customers. The 7×24-hour intelligent online customer service accepts consultation complaints, disseminates the Bank's products in a light way, enhances brand awareness and enhances customer stickiness. By the end of 2019, the Bank had **706,000** WeChat Bank customers.

(6) "Sun Smart Payment"

The Bank's Sun Smart Payment takes the "scenario-based intelligent payment system" as its development direction, connects the b and c terminals, and focuses on payment scenarios that are closely related to peoples lives. The products include "Zhujiang Cashier" for offline bill collection merchants, "Online Cashier" for online merchants, "Zhujiang Fee Collection" for various payment requirements, and various quick payment, mobile payment and mobile payment for C-terminal users. It aims to provide comprehensive package payment service for various scenes such as government affairs service, medical education, catering department stores, public utilities, tourism and transportation, agricultural villages, etc. By the end of 2019, the Bank had made **476** million new payment transactions, with a cumulative transaction amount of about **336.510** billion, up **22%** and **24%** respectively.

7.3 Prevention and Control of Environmental Risks

The impact of the Bank's business on the environment mainly comes from the financial services provided to customers, resulting in significant and unacceptable impacts on the environment, such as over-exploitation of natural resources by resource-intensive enterprises. In order to identify, manage and control environmental risks more effectively, the Bank are constantly improving the environmental risk management system and drawing lessons from international advanced management technologies to improve the professional level of environmental risk management and set clear management objectives to achieve sustainable development.

The Bank added a customer environmental risk identification link to the credit approval process of credit business to effectively reduce environmental risks. In the basic credit policy of the whole Bank, we explicitly increase support for green economy, low-carbon economy and circular economy, and increased credit for energy conservation and emission reduction, sewage treatment and waste energy recycling industries. At the same time, we resolutely eliminate loans in areas with backward production capacity, strictly prohibit any form of credit support for projects with serious violations in the field of environmental protection, effectively prevent all kinds of risks caused by high energy consumption and high pollution, and make every effort to build a full-process green and low-carbon business model.

The Credit Approval Department of the Bank is responsible for the implementation of specific businesses, conducts risk control through industry environmental risk differentiation and environmental credit identification, and carries out risk management on various credit environments.

One is to implement the goal of “one increase and three controls” on green credit. Credit resources were further allocated to industries and fields with low energy consumption, low resource consumption, low pollution and low emission, and the NPL ratio of green loans would not be higher than that of small-micro enterprises. Under the premise of controllable risks, we would prudently and steadily push forward green enterprise franchise pledge and financial products and services traded around environmental rights such as emission rights, water rights and energy use rights; focus on expanding projects under the national key energy-saving technology promotion catalogue, national key projects for energy conservation and emission reduction, key pollution source control projects, as well as enterprises and projects supported by national and local financial policies or recognized, recommended and encouraged by the national competent department.

However, we differently treated the reasonable fund demands in iron and steel, and coal production companies. We, on the basis of the principle of “support and control”, supports the transformation and upgrading of corporates, while strictly controlling the credit input for violating new production capacity and steadily withdrawing from fields with excess production capacity and from zombie loan projects.

Third, enterprises that violate laws and regulations in environmental and safety production are not allowed to add any form of credit support. Credit support shall not be provided for projects that have not passed the EIA approval or the acceptance of environmental protection facilities, or for new projects that are restricted or eliminated by national industrial policies. The environmental protection and production safety risks of existing loans should be investigated in a targeted manner, and enterprises with environmental and production safety violations and substandard loans should actively take measures to strictly control or gradually withdraw from loans.

7.4 Advocating Green Operation

The Bank has always adhered to the concepts of green office, energy conservation and environmental protection, and has cultivated staff's awareness of energy conservation and environmental protection to save energy and reduce emissions. The Bank's main energy sources are purchased electricity and fuel consumption of official vehicles, and its main gas emissions are greenhouse gases caused by energy consumption. The Bank advocates walking in and out to reduce the usage rate of elevators at the gate of the headquarters building. This year, the Bank scrapped and replaced the old and over-standard emission vehicles of the unit, optimized the use of buses, strictly controlled the emission of official vehicles, reduced the frequency of use of buses, encouraged staff to purchase new energy vehicles, reduced the consumption of energy resources, and rationally used resources. Our Bank requires staff to turn off the lights at hand and turn them off when people go. Cut off the power supply in time when the TV and computer are not in use, thus saving electricity and preventing the hidden danger of fire caused by short circuit of socket. In order to improve the efficiency of the use of water resources, the bank regularly inspects the obsolete equipment of water pipelines in the office and has a special person responsible for the daily maintenance of the equipment. In terms of water resource consumption, the Bank has installed water saving and overflow prevention devices to reduce water resource waste. The Bank displays water conservation signs in toilets and other spaces to widely publicize water conservation. We also remind staff to turn the faucet on as small as possible and turn it off after use. Through the maintenance and management of water equipment, the phenomenon of running, running, dripping and leaking can be prevented. In addition, the bank encourages paperless office to reduce paper usage. We optimize the use of office supplies and carry out fixed asset management, thus improving the use efficiency of office supplies and reducing the generation of office waste.

Future Prospects

In 2020, the Bank will continue to adhere to market logic and strategic positioning, focus on continuously promoting the concept of sustainable development and improving investor relations, continue to optimize overall social responsibility management, and incorporate economic responsibility, environmental responsibility and social responsibility into the bank-wide business development and internal control management. In the economic field, the Bank adhered to the principle of serving the entity economy as it was, and continued to work tirelessly for compliant operations. It focused on serving “Sannong” and assisting small-micro businesses to improve the level of financial services and promote local economic development. On the social front, the Bank continued to keep pace with the times, adhere to “By your side, every single step of the way!” , to provide quality services to customers, create a broad platform for staff, actively participated in public welfare undertakings, build a harmonious and beautiful relationship between enterprises and staff, enterprises and society, and contribute to the harmonious development of society. In terms of environment, the Bank implemented the guiding ideology of “green mountains and clean water are as good as mountains of gold and silver” . Through financial means, the Bank guided the rational allocation of resources and vigorously support the development of industries such as green environmental protection, energy conservation and emission reduction, and clean energy. At the same time, the Bank actively advocated green office, save resources, and promote the harmonious and sustainable development of the environment and society.

Key Performance Table

Environment

ESG Indicators	Unit	2019 Data
A1.2 Greenhouse Gas Emissions and Intensity ²		
Total emissions ^{3,4}	in tonnes—carbon dioxide equivalent	3,558.20
Annual intensity of emission ⁵	in tonnes—carbon dioxide equivalent per m ²	0.04
Direct emissions (scope 1) Gasoline	in tonnes—carbon dioxide equivalent	53.89
Indirect emission (scope 2) Purchased electricity	in tonnes—carbon dioxide equivalent	3,504.31
A1.3 & A1.4 Waste		
Waste electronic equipment ⁶	in piece	4,051
Waste electronic equipment per capita	in pieces/person	0.5
A2 Uses of Resources		
A2.1 Total Energy Consumption and Intensity ¹		
Total energy consumption ⁷	in MWh	6,683.88
Direct energy consumption Gasoline consumption	in MWh	220.15
Indirect energy consumption Office electricity consumption ⁷	in MWh	6,463.73
Annual intensity of electricity consumption ^{7,8}	in KWh/m ²	65.96
Gasoline consumption of official cars ⁹	in liter	25,381.57
A2.2 Water Consumption and Intensity ¹		
Water consumption in office buildings ⁷	in m ³	70,082
Annual intensity of water consumption ¹⁰	in m ³ /m ²	0.72
A2.3 Resources Consumption		
Office paper consumption	in tonnes	17.95
Intensity of office paper consumption ¹¹	in kg/person	9.49
Proportion of cross-regional video conferences ¹	in percentage	100
Coverage rate of video equipment in meeting rooms ¹	in percentage	100
Number of cross-regional video conferences ¹	in times	657
Total number of video conferences ¹	in times	657

Note:

1. 2019 Greenhouse gas emissions, Energy and water consumption, and Video conference related data collection and disclosure scope: Office area of Guangzhou Head Office (Xinhe Mansion and Tennis & Badminton Center).
2. On the basis of the business content of Guangzhou Rural Commercial Bank, the exhaust emissions generated in the operation process mainly come from greenhouse gases and official vehicle exhaust, among which, official vehicle exhaust includes nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations, the total amount of which pollutants is not significant compared to total greenhouse gas emissions, so it is not disclosed.
3. Greenhouse gas inventories encompass carbon dioxide, methane and nitrous oxide, mainly resulting from purchased electricity and fuels. Greenhouse gas accounting is presented in carbon dioxide equivalent in accordance with 2017 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecology and Environment of the PRC and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by Intergovernmental Panel on Climate Change (IPCC).
4. Since the Tennis & Badminton Center was put into operation from August 2018 and was being used throughout 2019, the outsourcing power consumption of the Tennis & Badminton Center increased in 2019; At the same time, due to the continuous management of official vehicles, the amount of gasoline used by official vehicles had decreased, so the total amount of greenhouse gases had remained basically stable.
5. The annual greenhouse gas emission intensity refers to the annual greenhouse gas emission per unit construction area of the Head Office calculated according to the total greenhouse gas emission of the Head Office (including Xinhe Mansion and Tennis & Badminton Center) and the total construction area of the Head Office in 2019.
6. On the basis of the business contents of Guangzhou Rural Commercial Bank, the hazardous wastes generated in the operation process are mainly waste fluorescent tubes and waste toner cartridge, and the total amount is not large, so it is not disclosed; The non-hazardous waste generated is mainly waste electronic of the equipment that has not been disassembled. The statistical scope of the un-disassembled waste electronic equipment is the number in our bank, which are all handled by recyclers. Due to the variety of waste electronic equipment, it is impossible to accurately calculate its weight, so its weight is not disclosed for the time being.
7. The total energy consumption is calculated according to the electricity and fuel consumption and the conversion factors in the National Standard of the Peoples Republic of China General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008).
8. Annual electricity consumption intensity refers to the annual power consumption per unit construction area of the Head Office calculated based on the power consumption of the head office (including Xinhe Mansion and Tennis & Badminton Center) and the total construction area of the Head Office in 2019.
9. Due to the continuous management of official vehicles, the consumption of petrol for official vehicles has decreased compared with 2018.
10. Annual intensity of electricity consumption refers to the annual electricity consumption per unit construction area of the Head Office calculated based on the power consumption of the head office (including Xinhe Mansion and Tennis & Badminton Center) and the total construction area of the Head Office in 2019. All water that the bank uses is from municipal water supply and has no problem in obtaining suitable water sources.
11. 2019 Intensity of office paper consumption data collection and disclosure scope was adjusted as all departments of Guangzhou Head Office. The data refers to the per capita consumption of printing paper by staff from all departments of the Head Office in 2019.
12. On the basis of the business content of Guangzhou Rural Commercial Bank, the statistics and disclosure of package data are not applicable.

Society

ESG index		Unit	2019 data
B1. Employment ¹			
B1.1	Total number of staff by category		
	Total number of staff	in person	8,042
Gender	Number of male staff	in person	4,328
	Number of female staff	in person	3,714
Employment type	Contract staff	in person	7,465
	Labor dispatch staff	in person	577
Staff type	Senior management	in person	9
	Middle-level management	in person	259
	Management Level	in person	807
	General staff	in person	6967
Educational background	Junior college and below	in person	2,565
	Undergraduate	in person	4,667
	Postgraduate or above	in person	810
Age	29 years old and under	in person	1,344
	30-49 years old	in person	5,694
	50 years old or above	in person	1,004
Region	China mainland	in person	8,039
	Hong Kong	in person	3
	Overseas	in person	0
Other types	Number of Staff on Maternity Leave and Waiting for Maternity Leave	in person	385
	Number of Staff Eligible for Retirement in the Next Five Years	in person	942
B1.2	Staff Turnover Rate by Category ²		
	Turnover rate of total number of staff	in percentage	2.42%
Gender	Male staff	in percentage	2.24%
	Female staff	in percentage	2.64%
Staff type	Senior management	in percentage	33.33%
	Middle-level management	in percentage	1.54%
	Management Level	in percentage	1.49%
	General staff	in percentage	2.53%
Educational background	Junior college and below	in percentage	1.68%
	Undergraduate	in percentage	2.31%
	Postgraduate or above	in percentage	5.43%

	ESG index	Unit	2019 data
Age	29years old and under	in percentage	3.35%
	30–49years old	in percentage	2.23%
	50years old or above	in percentage	2.29%
Area	China mainland	in percentage	2.43%
	Hong Kong	in percentage	0.00%
	Overseas	in percentage	0.00%
B2.Health and Safety			
B2.1	Number of deaths due to work relationships and Work injuries		
	Number of deaths due to work (2017)	in person	0
	Number of deaths due to work (2018)	in person	0
	Number of deaths due to work (2019)	in person	0
	Number of work injuries	in time	1
B2.2	Number of working days lost due to work-related injuries		
	Total number of days lost due to work-related injuries	in day	81
B2.3	Health and safety measures		
	Coverage rate of social insurance	in percentage	100
	Coverage rate of staff medical examination	in percentage	100
B3. Development and training			
B3.2	Training ³		
	Total number of trainees	in person-time	62,535
Gender	Number of training sessions for male staff	in person-time	32,518
	Number of training sessions for female staff	in person-time	30,017
Staff type	Training for senior management staff	in person-time	80
	Training for middle-level management staff	in person-time	1,635
	Management staff training	in person-time	1,715
	General staff training	in person-time	60,820
Type of training	Senior staff training	in person-time	80
	Middle-level staff training	in person-time	1,635
	Grass-roots staff training	in person-time	60,820
	Total training time for all staff	in hour	616,272
Gender	Total training time for male staff	in hour	310,536
	Total training time for female staff	in hour	305,733

ESG index		Unit	2019 data
Staff type	Total training time for senior management staff	in hour	963
	Training time for middle-level management staff	in hour	16,087
	Total training time for management staff	in hour	17,050
	Total training time for general staff	in hour	599,222
	Training hours per capita	in hour	87
Gender	Average training hours for male staff	in hour	85
	Average training hours for female staff	in hour	90
Staff type	Average training hours for senior management staff	in hour	107
	Average training hours for senior management staff	in hour	120
	Average training hours for senior management staff	in hour	120
	Average training hours per employee	in hour	86
B6. Product Liability			
B6.2	Consultation complaints received about products and services		
Customer Service	Customer service traffic handling capacity	Ten thousand calls	273.26
	Manual connection quantity	Ten thousand calls	109.66
	Manual connection rate	in percentage	84.57%
	Satisfaction rate for customer service	in percentage	99.24%
	Customer satisfaction with complaint handling	in percentage	93.35%
Customer complaints	Complaints	Cases	737
	Complaint acceptance rate	in percentage	100
B7. Anti-corruption			
B7.2	Preventive Measures and Relevant Implementation and Monitoring Methods		
Anti-money laundering training	Anti-money laundering training	in time	104
	Training of anti-money laundering	in person-time	8,356
B8. Community investment			
B8.2	Starting Resources in Focus Areas		
	Staff assistance input	Ten thousand yuan	282.36
	Helping suffering workers (person-time)	in person-time	106
	Accumulated charity expenditure	Ten thousand yuan	3,610
	Cumulative number of voluntary activities	Events	1,000
	Total poverty alleviation in put	Ten thousand yuan	507.35
	Total charity expenditure of the Neo Sun Foundation	Ten thousand yuan	681.37
	Number of beneficial of the Neo Sun Foundation	in person-time	2,206

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1. The statistical caliber of relevant data is January 1, 2019–December 31, 2019. Relevant data of the company's staff cover the staff who have signed formal labor contracts with the company and the labor dispatch staff.
 2. The calculation method of turnover rate is the ratio of the number of turnover employees in a category to the number of employees in this category.
 3. Training-related data include online and offline training time, and the statistical scope of the data covers all staff training data within the bank and external training data for bank leaders.

Independent Assurance Report

To the Board of Directors of Guangzhou Rural Commercial Bank Co. LTD

We have been engaged to perform a limited assurance engagement on the selected 2019 key data as defined below in the 2019 Social Responsibility Report (“the Report”) of Guangzhou Rural Commercial Bank Co. LTD (“the Bank”).

Selected key data

The selected key data in the Bank’ s 2019 Social Responsibility Report that is covered by this report is as follows:

- Annual intensity of electricity consumption (in kWh/m²)
- Annual intensity of water consumption (in m³/m²)
- Gasoline consumption of official cars (in L)
- Balance of green credit (in RMB 100 million)
- Proportion of employees with bachelor degree or above (%)
- Average training hours per employee (in hour)
- Satisfaction rate for customer service (%)
- Training of anti-money laundering (in person-time)
- Total charitable expenditure of the Neo Sun Foundation (in RMB 10 thousand)
- Total poverty alleviation input (in RMB 10 thousand)
- Number of branches in Guangzhou
- Balance of agriculture-related loans (in RMB 100 million)
- Number of customers of small and micro business loan
- Growth rate of loan balance of small and micro businesses (%)
- Number of Supporting Rural Construction projects
- Intensity of office paper consumption (in kg/person)
- Proportion of loans issued to private companies to loans issued to companies (%)

Our assurance was with respect to the year ended 31 December 2019 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2019 Social Responsibility Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the Report is set out in the basis of reporting of the selected key data (the “basis of reporting”) after this assurance report.

The Board of Directors’ Responsibilities

The Board of Directors of the Bank is responsible for the preparation of the selected key data in the Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner' s Responsibilities

It is our responsibility to express a conclusion on the selected key data in the Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank' s 2019 selected key data in the 2019 Social Responsibility Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Headquarter of the Bank. We have not conducted work on other locations.:

- 1) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the Report; and
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2019 selected key data in the 2019 Social Responsibility Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

June 29, 2020

Appendix: Basis of Reporting of Key Data

Annual intensity of electricity consumption (in kWh/m²): The 2019 average electricity consumption per unit of floor area of the head office of the Guangzhou Rural Commercial Bank (“the Bank”), including Xinhe Mansion and Tennis & Badminton Center.

Annual intensity of water consumption (in m³/m²): The 2019 average water consumption per unit of floor area of the head office of the Bank, including Xinhe Mansion and Tennis & Badminton Center.

Gasoline consumption of official cars (in L): The total gasoline consumption of official cars of the head office of the Bank from January 1st, 2019 to December 31st, 2019.

Balance of green credit (in RMB 100 million): By the end of December 31st, 2019, the loan balances of the Bank for the 12 categories of projects stipulated by Notice of China Banking Regulatory Commission General Office on Submission of Green Credit Statistics, [2013] No.185.

Proportion of employees with bachelor degree or above (%): By the end of December 31st, 2019, the percentage of the total number of employees with bachelor degree or above to total number of employees of the Bank (excluding rural banks and holding subsidiaries).

Average training hours per employee (in hour): The average effective training hours of employees of the Bank, from January 1st, 2019 to December 31st, 2019, covering all staff participating in the credit assessment and the senior management of the Bank.

Satisfaction rate for customer service (%): The ratio of calls with a “Satisfied” evaluation compared to the total number of calls that gave an evaluation rating, calculated by the Customer Service Center, with respect of calls placed to the 95313 customer service line for manual service, from January 1st, 2019 to December 31st, 2019.

Training of anti-money laundering (in person-time): The total number of person-times of anti-money laundering trainings that carried out by the head office to senior managements and affiliates, and by affiliates to facility personnel, from January 1st, 2019 to December 31st, 2019.

Total charitable expenditure of the Neo Sun Foundation (in RMB 10 thousand): The total charitable expenditure of charity activities carried out by the Neo Sun Foundation charity projects of the Bank, from January 1st, 2019 to December 31st, 2019.

Total poverty alleviation input (in RMB 10 thousand): The total amount of funds donated by the Bank for poverty alleviation, from January 1st, 2019 to December 31st, 2019, including donation to the counterpart support villages, and the poverty alleviation investment for the bamboo shoots poverty alleviation project in Leishan County, Guizhou Province and the poverty alleviation project in Shangwei Village, Liuhuang Town, Fengshun County, Meizhou City.

Number of branches in Guangzhou: By the end of December 31st, 2019, the total number of branches the Bank set up in Guangzhou.

Balance of agriculture-related loans (in RMB 100 million): By the end of December 31st, 2019, the balances of agriculture-related loans summarized in the statistical scope of agriculture-related loan projects which are stipulated by Forward the Notice of People’s Bank of China and the CBRC on the Establishment of Special Statistical Systems For Agriculture-related Loans, Guangzhou issued, [2007] No.56 forwarded by Guangzhou Branch of People’s Bank of China.

Number of customers of small and micro business loan: By the end of December 31st, 2019, the number of small and micro business loan customers with balances that the Bank reported to the CBIRC with the statistic scope of “two increasing and two controlling” by the Notice of the General Office of the China Banking Regulatory Commission on Promoting the High-Quality Development of Banking Financial Services for Micro and Small-Sized Enterprises in 2018, CBRC issued, [2018] No.29.

Growth rate of loan balances of small and micro businesses (%): By the end of December 31st, 2019, the growth rate of loan balances of small and micro businesses the Bank summarized and reported to the CBIRC using “two increasing and two controlling” goal caliber by the Notice of the General Office of the China Banking Regulatory Commission on Promoting the High-Quality Development of Banking Financial Services for Micro and Small-Sized Enterprises in 2018, CBRC issued, [2018] No.29.

Number of Supporting Rural Construction projects: The number of implemented projects in “Supporting Rural Construction” action held by Sannong Business Division of the Bank, from January 1st, 2019 to December 31st, 2019.

Intensity of office paper consumption (in kg/person): The average office paper consumption per person from January 1st, 2019 to December 31st, 2019 in the head office.

Proportion of loans issued to private companies to loans issued to companies (%): The proportion of loans issued to private companies by the Bank to loans issued to companies by the Bank, from January 1st, 2019 to December 31st, 2019.

Policy List

In combination with the bank's business operation, the bank would regularly identifies and tracks relevant national laws, regulations and regulatory requirements applicable to the bank's business. The bank applies and strictly abides by the following laws, regulations and regulatory policies, including but not limited to the following. At the same time, the bank has formulated relevant internal policies to ensure that all work is carried out in accordance with laws and regulations. In 2019, the bank did not violate laws and regulations.

ESG index	Laws, regulations/policies	Internal policy
A Environment	List of National Hazardous Wastes	
	Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste	
	Environmental Protection Law of the People's Republic of China	Administrative Measures for Mortgage Financing of Carbon Emission Rights (Trial)
	Law of the People's Republic of China on Energy Conservation	
	Guidance on Building a Green Financial System	
B1. Employment	Labor Law of the People's Republic of China	
	Labor Contract Law of the People's Republic of China	
	Interim Provisions on Labor Dispatch	GRCB Management Measures on Staff Recruitment
	Employment Promotion Law of the People's Republic of China	
	Social Insurance Law of the People's Republic of China	
B2. Health and Safety	Law of the People's Republic of China on the Protection of Minors	
	Labor Law of the People's Republic of China	
	Fire Prevention Law of the People's Republic of China	
	Production Safety Law of the People's Republic of China	GRCB Management Measures on Workplace Integrity Supervision
	Law of the People's Republic of China on Prevention and Control of Occupational Diseases	
	Regulations on Work-related Injuries Insurance	
	OHSAS 18001 Occupational Health and Safety Management System	GRCB Management Measures on Staff Caring Fund Management Measures
B3. Development and training	Regulations on Supervision and Administration of Occupational Health in Workplaces	
	Regulations on Reporting, Investigation and Handling of Production Safety Accidents	
	Labor Law of the People's Republic of China	Measures for the Administration of Selecting Managers of Guangzhou Rural Commercial Bank GRCB Management Measures on Study and Development Assessment GRCB Management Measures on Post Sequence
B4. Labour Principles	Labor Law of the People's Republic of China	
	Provisions of the People's Republic of China on Prohibition of Child Labor	
	Law of the People's Republic of China on the Protection of Minors	

ESG index	Laws, regulations/policies	Internal policy
B5. Supply Chain Management	Bidding Law of the People's Republic of China	<p>GRCB Centralized Procurement Management Measures (Revised Version)</p> <p>GRCB Bidding Management Measures (Revised Version)</p> <p>GRCB Review Committee Member Library Management GRCB Supplier Management Measures (Trial Version)</p> <p>GRCB Supplier Management Measures (Trial Version)</p> <p>GRCB Centralized Procurement Supervision and Inspection Management Measures (Trial Version)</p> <p>GRCB Centralized Procurement Supervision and Inspection Management Measures (Trial)</p> <p>GRCB Centralized Procurement Quantity Allocation Rules (Revised Version)</p> <p>Guangzhou Rural Commercial Bank's Detailed Rules for Yaozhu Procurement (Revised) for Construction Projects under RMB1 Million YuanZ</p>
B6. Product Liability	<p>Trademark Law of the People's Republic of China</p> <p>Advertising Law of the People's Republic of China</p> <p>Product Quality Law of the People's Republic of China</p> <p>Consumer Rights Protection Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Commercial Banks</p> <p>Law of the People's Republic of China on the People's Bank of China</p> <p>Regulations on the Administration of Savings</p> <p>Regulations on the Administration of RMB</p> <p>Notice of China Banking Regulatory Commission on Regulating Banking and Credit Business</p> <p>Guidelines of China Banking Regulatory Commission on Banking Risk Prevention and Control</p> <p>Guiding Opinions of China Banking Regulatory Commission on Improving the Quality and Efficiency of Banking Entity Economy</p> <p>Intellectual Property Law of the People's Republic of China</p> <p>Internet Security Law of the People's Republic of China</p> <p>Security Requirements for Bank Commercial Premises (GA38-2015)</p>	<p>GRCB Guidelines on Service Standards for Business Sites</p> <p>GRCB Measures for the Administration of Network Services (Revised in 2015)</p> <p>GRCB Customer Service Department Complaint Management Measures (Revised in 2017)</p> <p>Administrative Measures for Customer Service Work Orders of Guangzhou Rural Commercial Bank (Revised in 2019)</p> <p>Rules of Procedure for the Meeting of Consumer Rights Protection Committee of the Board of Directors</p> <p>Administrative Measures for the Protection of Financial Consumers Rights and Interests</p> <p>GRCB Measures for Outlet Administration of On-site Complaints</p>
B7. Anti-corruption	<p>Criminal Law of the People's Republic of China</p> <p>Company Law of the People's Republic of China</p> <p>Anti-Money Laundering Law of the People's Republic of China</p> <p>Anti-monopoly Law of the People's Republic of China</p> <p>Anti-Unfair Competition Law of the People's Republic of China</p> <p>Interim Regulations on the Prohibition of Acts of Commercial Bribery</p> <p>Law of the People's Republic of China on Banking Supervision</p>	<p>GRCB Accountability Measures (Revised in 2019)</p>

GRI Index

GRI Standard	Details	Quote	Remarks
General standard disclosure			
Organization overview			
102-1	Name of the organization	Company Profile	
102-2	Activities, brands, products and services	Company Profile	
102-3	Location of the agency headquarters	Company Profile	Guangzhou
102-4	Location of operations	Company Profile	China
102-5	Ownership and Legal Form	Company Profile	Joint-stock commercial banks, listed in Hong Kong
102-6	Market served	Company Profile	
102-7	Scale of the organization	Company Profile	
102-8	Information on employees and other workers	5.1 Protection of Staff Rights and Interests	
102-9	Supply chain	Supplier Management	
102-10	Significant changes to the organization and its supply chain	N/A	No major changes
102-11	Precautionary principle or approach	Responsibility Management Framework Corporate Governance 2.1 Party Construction Leading 4.1 Improving the Service System 4.4 Listening to Customers' Voices 5.1 Protection of Staff Rights and Interests	
102-12	External initiatives	Responsibility Management Framework Corporate Governance and Party Construction Leading 4.1 Improving the Service System 5.1 Protection of Staff Rights and Interests	
102-13	Membership of associations	About this Report Organizational Structure of the Company	
Strategy and Analysis			
102-14	Statement from senior decision-maker	Presidents Speech	
Morality and Honesty			
102-16	Values, principles, standards and norms of behaviour	Responsibility Management Framework	

GRI Standard	Details	Quote	Remarks
Governance			
102-18	Governance structure	Responsibility Management Framework	
stakeholder Communicating			
102-40	List of stakeholder groups	Stakeholder communication	
102-41	Collective bargaining agreements	N/A	All staff have joined the trade union.
102-42	Identifying and selecting stakeholders	Stakeholder communication	The benchmark for identifying stakeholders is their interaction with the daily operations of the group.
102-43	Approach to stakeholder engagement	Stakeholder communication	
102-44	Keytopics and concerns raised	Stakeholder communication	
Reporting practice			
102-45	Entities included in the consolidated financial	About this Report	
102-46	Defining report content and topic boundaries	About this Report	
102-47	List of material topics	About this Report	
102-48	Restatements of information	N/A	
102-49	Changes in reporting	About this Report	
102-50	Reporting period	About this Report	
102-52	Reporting cycle	About this Report	
102-53	Contact point for questions regarding the report	About this Report	
102-54	Claims of reporting in accordance with the GRI	About this Report	
102-55	GRI content index	Global Reporting Initiative (GRI) Guidelines Content Index–Core Options	
102-56	External assurance	N/A	
management style			
103-1	Explanation of the materialtopic and its boundary	Stakeholder communication	
103-2	The management approach and its components	Responsibility Management Framework	
103-3	Evaluation of the management approach	Responsibility Management Framework	

GRI Standard	Details	Quote	Remarks
Economic topics			
Economic performance			
Management Methods		Supporting the Entity Economy	
201-1	Direct economic value generated and distributed	Supporting the Entity Economy	
Indirect economic impact			
Disclose management method		Implementation of Precision Poverty Alleviation Practice public welfare charity	
203-1	Infrastructure investments and services supported	Implementation of Precision Poverty Alleviation Practice public welfare charity	
Procurement practice			
Disclose management method		Supplier Management	
204-1	Proportion of spending on local suppliers	Supplier Management	
Environmental topics			
energy			
Disclose management method		Advocate Green Operation	
302-1	Energy consumption within the organization	Advocate Green Operation	
302-3	Energy intensity	Advocate Green Operation	
Water			
Disclose management method		Advocate Green Operation	
303-1	Water withdrawal by source	Advocate Green Operation	
Emission			
Disclose management method		Advocate Green Operation	
305-1	Direct (Scope 1) GHG emissions	Advocate Green Operation	
305-2	Energy indirect (Scope 2) GHG emissions	Advocate Green Operation	
Sewage waste			
Disclose management method		N/A	Sewage discharge is not an important scope for the company’ s operation and is therefore not applicable.
306-2	Waste by type and disposal method	N/A	Sewage discharge is not an important scope for the company’ s operation and is therefore not applicable.

GRI Standard	Details	Quote	Remarks
Social topics			
Employment			
	Disclose management method	Protection of Staff Rights and Interests	
401-1	New employee hires and employee turnover	Protection of Staff Rights and Interests	
Occupational health and safety			
	Disclose management method	Carry out staff activities Caring for Staff Health	
Training and education			
	Disclose management method	Strengthen Staff Training	
404-1	Average hours of training per year per employee	Strengthen Staff Training	
Local community			
	Disclose management method	Implementation of Precision Poverty Alleviation Practice public welfare charity	
413-1	Operations with local community engagement, impact assessments and development programs	Implementation of Precision Poverty Alleviation Practice public welfare charity	
Customer Health and Safety			
	Disclose management method	Protection of account security Protection of Customer Rights and Interests	
416-2	Violations of health and safety regulations related to products and services	N/A	No relevant incidents occurred during the reporting period.
Customer privacy			
	Disclose management method	Protection of account security Protection of Customer Rights and Interests	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No relevant incidents occurred during the reporting period.
Complaint mechanism			
	Disclose management method	Improving the Service System Listening to Customers' Voices	
Abiding by laws and regulations			
	Disclose management method		
307-1	Non-compliance with environmental laws and regulations	N/A	No relevant incidents occurred during the reporting period.
419-1	Non-compliance with laws and regulations in the social and economic area	N/A	No relevant incidents occurred during the reporting period.

ESG content index

Scope	Topics	Indicators of achievement	Corresponding chapters of this report
Environment	A1 emissions	General disclosure: Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (1) Policies; And (2) Comply with relevant laws and regulations that have a significant impact on the issuer.	Advocate Green Operation
		A1.1 The types of emissions and respective emissions data.	Key Performance Table
		A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
		A1.5 Description of measures to mitigate emissions and results achieved.	Advocate Green Operation
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Advocate Green Operation
	A2 resource utilization	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Advocate Green Operation
		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).	Key Performance Table
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Table
		A2.3 Description of energy use efficiency initiatives and results achieved.	Key Performance Table
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Advocate Green Operation
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	On the basis of the bank's business content, the statistics and disclosure of packaging data are not applicable.
	A3 Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Prevention and Control of Environmental Risks Building Green Finance Optimizing Green Services
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Prevention and Control of Environmental Risks Building Green Finance Optimizing Green Services

Scope	Topics	Indicators of achievement	Corresponding chapters of this report
Society	B1 Employment	General Disclosure: Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer	Protection of Staff Rights and Interests
		B1.1 Total workforce by gender, employment type, age group and geographical region.	Key Performance Table
		B1.2 Employee turnover rate by gender, age group and geographical region.	Key Performance Table
	B2 Health and Safety	General Disclosure: Relating to providing a safe working environment and protecting employees from occupational hazards. (1) Policies; And (2)(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Carry out staff activities Caring for Staff Health
		B2.1 Number and rate of work-related fatalities.	Key Performance Table
		B2.2 Lost days due to work injury.	Key Performance Table
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and	Carry out staff activities Caring for Staff Health Key Performance Table
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Strengthen Staff Training
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not yet disclosed
		B3.2 The average training hours completed per employee by gender and employee category.	Key Performance Table
	B4 Labour Code	General Disclosure: Relating to preventing child and forced labour. (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer	Protection of Staff Rights and Interests
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protection of Staff Rights and Interests
		B4.2 Description of steps taken to eliminate such practices when discovered.	This item does not apply as there is no relevant situation in the bank.
	B5 supply chain management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Operating in Compliance with Laws and Regulations
		B5.1 Number of suppliers by geographical region.	Not yet disclosed
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operating in Compliance with Laws and Regulations

Scope	Topics	Indicators of achievement	Corresponding chapters of this report
Society	B6 product liability	General disclosure: Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Improving the Service System Listening to Customers' Voices Improving Quality of Outlets Protection of account security Protection of Customer Rights and Interests
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	On the basis of the business content of the bank, this item is not applicable
		B6.2 Number of products and service related complaints received and how they are dealt with.	Improving the Service System Listening to Customers' Voices Key Performance Table
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Operating in Compliance with Laws and Regulations
		B6.4 Description of quality assurance process and recall procedures.	On the basis of the business content of the bank, this item is not applicable.
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protection of account security Protection of Customer Rights and Interests
	B7 Anti-corruption	General Disclosure: Relating to bribery, extortion, fraud and money laundering. (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Integrity and Good Governance
		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.	Not yet disclosed
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Key Performance Table
	B8 Community Investment	General Disclosures: Investment Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Implementation of Precision Poverty Alleviation Practice public welfare charity
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Implementation of Precision Poverty Alleviation Practice public welfare charity
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Key Performance Table

Reader feedback form

Thank you for reading the bank's 2019 Social Responsibility Report. In order to provide you and other stakeholders with more valuable information, the bank sincerely expect you to put forward valuable suggestions and opinions on this report and feedback to the bank through the following ways:

Tel:

Address:

1. Which of the following stakeholders do you belong to? _____

- ☐ Government ☐ Regulatory Authority ☐ Shareholders ☐ Public and Media
☐ Communities ☐ Suppliers and Partners ☐ Customers ☐ Staff ☐ Others

2. What is your overall evaluation of this report? _____

- ☐ Poor ☐ General ☐ Good ☐ Very good

3. Do you think this report completely covers your expectations of the bank? _____

- ☐ Yes ☐ No

4. Do you think the bank has responded well to your expectations? _____

- ☐ Yes ☐ No

5. Do you think the content layout and format design of this report are convenient to read? _____

- ☐ Yes ☐ No

6. What other comments and suggestions do you have on the bank's social responsibility work and this report? _____

Thank you for your concern and support for the bank.

