



Stock code: 2139



Environmental, Social and Governance Report

Bank of Gansu CO., Ltd.

CONTENTS

Report Statement 02

Chairman’s Statement 04

Look Ahead in the Future 52

Independent Assurance Statement 53

Appendix 56

01 / Company Overview

Company Profile	08
Sustainable Development Strategy	09
Social Recognitions	10

04 / Customer Priority

Offering Excellent Service	30
Regulating Financial Product Advertisement	32
Promoting Fintech Application	33

02 / Multi-channel Communication

Stakeholder Engagement	14
Materiality Analysis	15

05 / Employees’ Developments

Employee Management Policies	37
People-oriented	38
Growing with Employees	41

03 / Responsible Corporate Culture

Strengthen Risk Management Mechanism	20
Construction of Corruption Defender	22
Enhancement of Supply Chain Management	24
Respecting Intellectual Property Rights	25
Promotion of Green Office Establishment	25

06 / Respecting Goodness and Promoting Public Causes

Jointly Creating an Better Future for Gansu	44
Poverty Alleviation and Giving Back to the Society	45
Green Finance and Inclusive Finance	47
Jointly Combating Pandemic	49



Report Statement

About the Report

The Bank of Gansu Co., Ltd. 2020 Environmental, Social and Governance Report (the “**Report**”) is the fourth Environmental, Social and Governance Report issued by Bank of Gansu Co., Ltd. (“**Bank of Gansu**” or the “**Bank**”) since it was listed on the Main Board of the Stock Exchange of Hong Kong Ltd. (“**SEHK**”) in 2018.

According to Appendix 27, the *Environmental, Social and Governance Reporting Guide* (the “**ESG Guideline**”) in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* issued by SEHK in 2016, the Report is primarily disclosing the principles and measures adopted by Bank of Gansu in social responsibility fulfillment, so as to respond to the sustainable development topics that the key stakeholders are concerned with and disclose the relevant performances of the Bank in 2020 to stakeholders. To comprehensively present Bank of Gansu’s environmental, social and governance performances, please refer to the Bank’s corporate governance related performances in the chapter – “Corporate Governance Report” of the *2020 Annual Report of Bank of Gansu*.

Scope of the Report

Entities to be disclosed in the Report were prudently selected. The Bank takes “whether have actual business operations” as the selection criteria and considers the overall impact on the environment, social and governance issues of the Bank of Gansu, to filter out operation entities and companies with relatively minor impact. With reasonable selections, the scope of the Report covers the business of 1 head office operational department, 12 branches, 188 sub-branches, 6 micro-to-small sub-branches and 3 community sub-branches (the “**Whole Bank**”) of Bank of Gansu. The reporting period of the Report is from January 1, 2020 to December 31, 2020 (the “**Reporting Period**”).

Standards for the Report

The Report is prepared in accordance with the ESG Guideline, edited based on the principles of Materiality, Quantitative, Consistency and Balance, and has complied with all “comply or explain” provisions in the ESG Guideline.

Materiality:

the Bank has performed stakeholder engagement and materiality analysis, and discloses relevant environmental, social and governance issues which had significant impacts on stakeholders in the Report. Please refer to the chapter – “Multi-channel Communication” for information related to materiality analysis.

Quantitative:

key performance indicators (“KPIs”) disclosed in the Report are all measurable. Disclosed quantitative information is accompanied by a narrative to explain its impacts, part of the quantitative information’s yearly comparative data was also provided where appropriate.

Balance:

the Report provides an unbiased picture of the Bank’s performance, please read the Report for full understanding.

Consistency:

the Report uses the same data collection and disclosing methodologies as previous years’ reports. The Report also describes and explains changes of disclosed methodologies and factors that may affect meaningful comparisons of the information.

Declaration of the Report

The Board of Director has reviewed and approved the disclosure of the Report and is responsible for the reliability and authenticity of the disclosed information. The Bank is working towards an enhanced communication with its stakeholders and an increased transparency of the bank through the publication of the Report, striving for sustainable development of the Bank.

Unless otherwise stated, the currency in the Report is RMB (Yuan).

Form of Publication

The Report is published in both Traditional Chinese and English. For any discrepancies in the Report, the Traditional Chinese version prevails. The Report is published on Bank of Gansu’s official website (www.gsbankchina.com) and HKEXnews (www.hkexnews.hk) for online reading and downloading.

Contact Information

Bank of Gansu attaches great importance to readers’ comments and suggestions to the Report and the Bank. For all suggestions regarding the Report or relevant contents, please feel free to contact the Bank through following ways:

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Chairman's Statement



In 2020, Bank of Gansu focused on pursuing stable operations, compliance management and high-quality development, adhered to the underlying principle of seeking progress while maintaining stability, remained committed to a new development philosophy, conceptualized itself as a city commercial bank and stick to bottom-line thinking. Based on the continual improvement of corporate governance structure, the Bank has identified development as the top priority, efficiency as the core, risk elimination as the primary task, and transformation as the orientation, so as to progressively promoted its sustainable development and achieve high-quality development.

Lucid waters and lush mountains are invaluable assets, and environmental improvement could lead to greater productivity. A sound ecology promises great economic potential, generates identified returns, and contributes to economic and social sustainability. The Chinese government always values ecological progress and considers it one of the integral components of the development strategy for socialism with Chinese characteristics, which has incorporated economic, political, cultural, and social progress. To upgrade the economic policy system for ecological and environmental protection, regulatory requirements on topics such as responsible investment and green finance are being more stringent. Facing the opportunities and challenges

brought by the constant changes of regulations and the market, Bank of Gansu has further refined the importance of environmental, social and governance issues to the Bank, and actively explores the sustainable development route for itself. In respect of management, we will shoulder the responsibilities of continuously building the environmental, social and governance management system and improving the environmental, social and governance information disclosure scheme throughout the Bank. Prospectively, Bank of Gansu is gradually improving the information management throughout its organizations, to ensure that the Report is publicized in compliance with regulations. In respect of operation, we are steadily researching and developing ways to improve the Bank's risk management system for containing the environmental, social and governance issues. In addition to progressively developing green bonds and green credit asset securitization, we are stepping up our efforts in researching and developing new green financial products to support the development of a green, low-carbon and circular economy. We have resolutely determined in the uphill battle for prevention and control of pollution.

Last year was a year with unforgettable memories. Facing the impact of the outbreak of the coronavirus (COVID-19), Bank of Gansu profoundly realized its responsibilities in stabilizing economic development of Gansu province and protecting the small and micro enterprises in the province to successfully overcome the outbreak. In order to implement works related to the pandemic prevention, stabilization of regional social and economic development issued by Gansu Provincial Party Committee and Gansu Provincial Government, the Bank overcame difficulties to move forward, pressed ahead in the face of challenges, and worked hard in daily operation. Bank of Gansu has taken a series of actions to do all it can to grasp business development and provide credit financing support to key areas such as supporting the needs for pandemic containment, supporting enterprises to tackle difficulties during the outbreak, and supporting small and micro enterprises for work resumption. We are progressing research on risks related to the pandemic, post-loan management and risk containment, accelerating digital transformation and actively adapt to digitalization trends in the future to build the online Bank of Gansu, advancing poverty alleviation during the period, conducting unified research and deploying assistance, ensuring the outcomes of poverty alleviation will not be significantly impacted by the coronavirus pandemic, and striving to achieve successful poverty alleviation. At present, the pandemic has not yet come to an end, while the tasks we face in promoting development are immense. The Bank must double its efforts to minimize the losses resulting from the pandemic and fulfill the targets and tasks for corporate development for the coming year.

Next step, Bank of Gansu will uphold the concept of sustainable development as the foundation to better coordinate its relationship with the economy, the environment, and the society. The Bank will consistently engage in green development by accelerating the transformation of the growth model and the improvement of business structure. By harnessing innovation, which is the key driving force of development, the Bank will facilitate the development of energy-saving and environmental-friendly industries and the circular economy with its innovative financial products, advocate green finance and low-carbon consumption, as to promote the sustainable and healthy development of the economic society with less resource consumed. The Bank will also work to deliver green development to benefit people, resolutely tackle pollution, resolve acute environmental problems, and improve the living environment. With the focus on addressing fundamental, recurrent and long-term challenges, the Bank will push forward the protection and restoration of key ecosystems and provide the people with a beautiful and inhabitable environment.

Publication of the environmental, social and governance report is a critical work of Bank of Gansu for practicing the concept of sustainable development. Also, it is an important channel for communication between us and society. Bank of Gansu will consistently integrate sustainable development concepts into its daily operation and management, focus on the three main tasks of "serving entities, preventing and controlling risks, deepening reformation", strengthen exchanges and cooperation on ecological conservation, and promote the sharing of best practices to support the green economy and achieve sustainable development.

01

Company Overview

01
Company
Overview

02
Multi-channel
Communication

03
Responsible
Corporate Culture

04
Customer Priority

05
Employees'
Developments

06
Respecting Goodness and
Promoting Public Causes



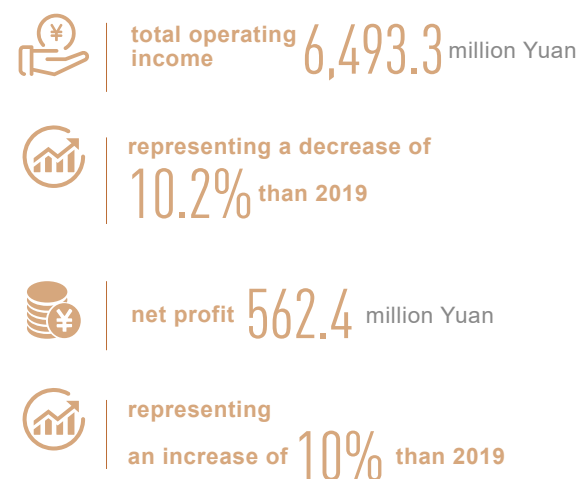


Company Profile

Bank of Gansu was established under the approval of the former China Banking Regulatory Commission and through the merging and acquisition of the former Baiyin City Commercial Bank, the former Pingliang City Commercial Bank and other parties. By the end of the Reporting Period, the branch network of the Bank covered all cities in Gansu province and 95% of the province's counties and districts, forming a business web centered in Lanzhou and stretched into cities and counties.

As the only provincial city corporate shareholding commercial bank which is directly managed by the provincial government in Gansu province, Bank of Gansu is committed to building ourselves into a first class listed city commercial bank. The Bank will adhere to the principles of customer-oriented and sustainable and quality-based business development, focus on business safety with risk prevention and compliance management, guarantee business growth through refined management and professional capability enhancement and consider serving the real economy as its mission. We will make steady progress and uphold traditional values to lay a solid foundation for development and insist on the quality first while prioritizing economic benefits and set off on a path that leads to "differentiated, refined and professional" development. During the Reporting Period, the Bank's total operating income was 6,493.3 million Yuan, representing a decrease of 10.2% as compared with that of 2019; the Bank's net profit was 562.4 million Yuan, representing an increase of 10% than 2019.

During the Reporting Period



Sustainable Development Strategy

We experienced a difficult time because of the pandemic and upheaval last year. As a provincial city commercial bank, the Bank upheld its market positioning as a city commercial bank, returned to the origin of serving the real economy, and strived to combat "three critical battles". While realizing the Bank's steady development, we also actively fulfilled our social responsibilities, promoted green finance, ecological protection and environmental improvement, and made contributions to the overall plan of China's five-sphere integrated plan.

First of all, the Bank did our best practices to support pandemic prevention and control. The Bank launched innovative and exclusive products such as "Virus Containment Loan", "Medical Loan", "Angel in White Credit Card" and charity financial products such as "Fight the Pandemic with Concerted Efforts" and had devoted the management fees of these products.

Secondly, the Bank intended to support enterprises to overcome difficulties by extending the loans for enterprises that affected by the pandemic and implemented policies to reduce financial service fees, thus, to effectively cut the average interest rate of loans for inclusive small-to-micro enterprises.

Thirdly, the Bank focused on targeted poverty alleviation and helped Gansu province to combat the battle against poverty. We acted as an effective financial force to support specialty industries including "cattle, sheep, fruit, vegetable, potato, medicine", and assisted those registered poor population to enhance productive power.

Fourthly, the Bank continued to explore and extend services, promoted inclusive finance and improved the inclusivity of financial services for farmers and small businesses in poverty and rural areas.

By upholding the development vision of "to be a listed city commercial bank with high-quality development and the primary choice of the integrated financial service provider in the regional", the Bank is steadily promoting sustainable development and actively shouldering and fulfilling the responsibilities of environmental protection and social governance:

1. promoting green finance and ecological progress, and to be the guardian of green mountains, lucid waters, blue sky and pure soil.
2. fully implementing the requirements of "two increases and two controls" to formulate a practical combination of policy, social and profitability in the field of inclusive finance;
3. continuing providence to financial supports for rural revitalization, consolidating the achievements in poverty alleviation, and narrowing the development gaps between urban and rural areas.

To achieve the targets stated above, the Bank proposes to:

- practice the concept of green development and intensify our efforts to green finance promotion.
- to be a practitioner of inclusive finance to promote "increasing volume and expanding services, enhancing quality and efficiency".
- engage in industrial support for poor areas thus consolidating and expanding achievements in poverty alleviation and effective rural revitalization.



Social Recognitions

Awards and Honors (selected)	Awarding units/ media
CIIA Advanced Groups in 2017 to 2019	China Institute of Internal Audit
"Governor Finance Award" in 2019	Gansu Municipal People's Government
2019 Provincial Advanced Group for Assistance in Combating Poverty	Gansu Provincial Party Committee and Gansu Provincial Government
Ranked 48th among the 2019 Top 100 Banks in China's Banking Industry	China Banking Association
Best Progress Award for Interbank RMB Market in 2019	National Interbank Funding Center
Excellent City Commercial Bank for Banking Wealth Management Information Registration of 2019	China Banking Wealth Management Registration & Depository Co., Ltd.
Ranked 331st among the 2020 Top 1000 World Banks (58th among Chinese banks)	The Banker Magazine, UK
"Most Featured Mobile Bank Award" in 2020	China Financial Certification Authority
2020 China Fintech Innovation Competition-Gold Award for Integrated Smart Platform	www.cebnet.com.cn

Awards and Honors (selected)	Awarding units/ media
2020 Fintech Innovation Outstanding Contribution Award	Financial Digitalization Magazine
2020 Best Green Finance Innovation Award	The 17th China International Finance Forum
Excellent Organizational Unit of 2020 Provincial Professional Skills Quality Improvement for Millions of Workers (Head Office Accounting Operational Department)	Gansu Provincial Trade Union
2020 New Gansu 3.15 Consumer Primary Choice of Enterprises and Brands	Gansu New Media Group
Excellent case of product communication in 2020	China Banking and Insurance News
ACWF Advanced groups for Protection of Women and Children's Rights (Linxia branch)	All-China Women's Federation
Group Skills Competition Second Prize for Gansu Financial System Network Security	Gansu Committee of Chinese Financial Workers' Union
Gansu Group Consultative Demonstration Unit (Linxia branch)	Gansu Provincial Trade Union

02

Multi-channel Communication

01
Company
Overview

02
Multi-channel
Communication

03
Responsible
Corporate Culture

04
Customer Priority

05
Employees'
Developments

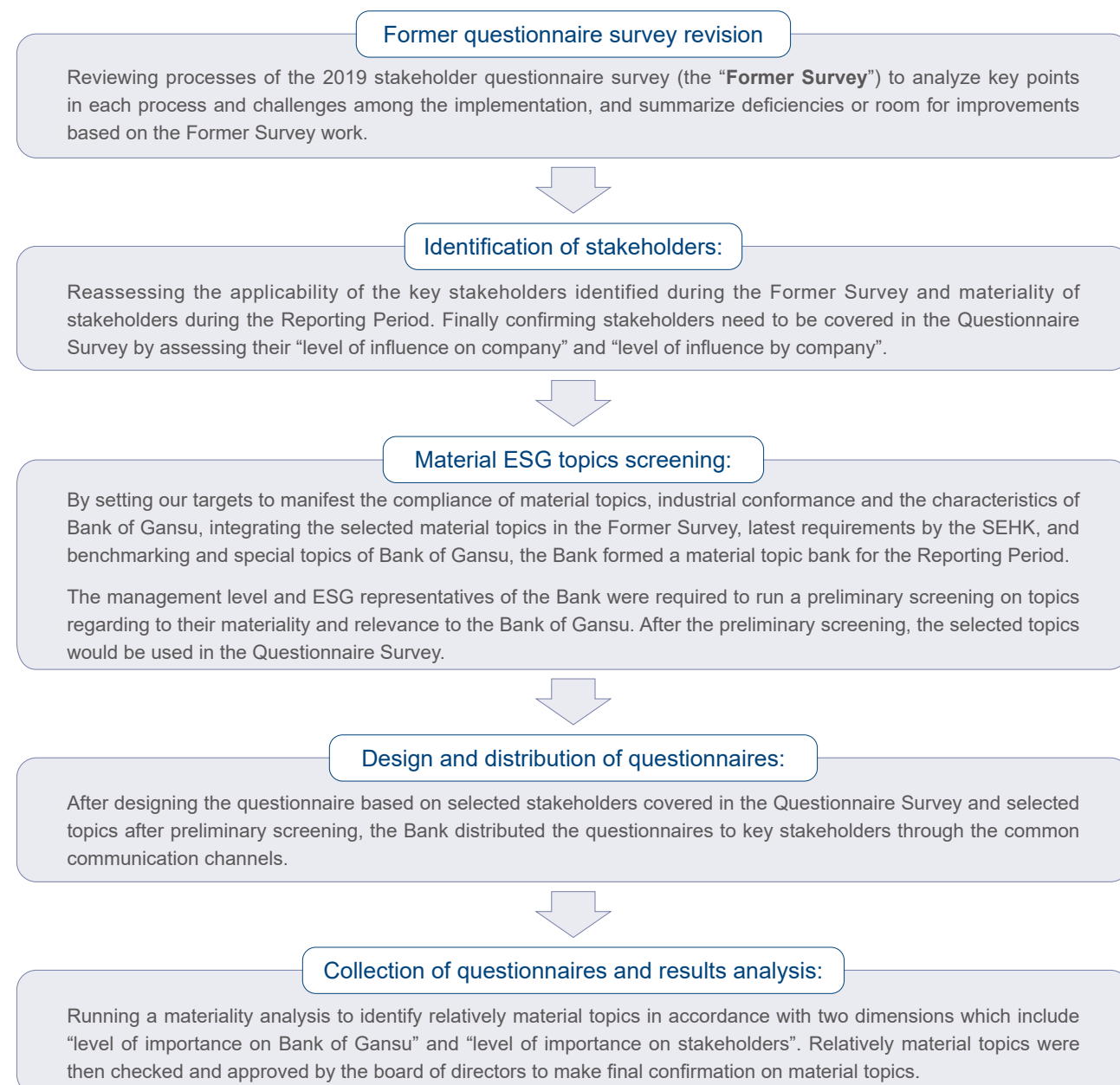
06
Respecting Goodness and
Promoting Public Causes



Stakeholder Engagement

Diversified and active communications with stakeholders help Bank of Gansu to constantly gather inquiries and views from different stakeholders so that the Bank could take those opinions into account and respond correspondingly to advance sustainable development. In order to understand stakeholders' key concerns regarding the sustainable development of Bank of Gansu, the Bank initiated the 2020 materiality questionnaire survey (the **"Questionnaire Survey"**) during the Reporting Period. The Bank successfully invited stakeholders including the board of directors, management level, employees, shareholders, customers, suppliers, and the general public to participate in the survey and had received a total of 3,115 valid questionnaires.

Working process of the Questionnaire Survey

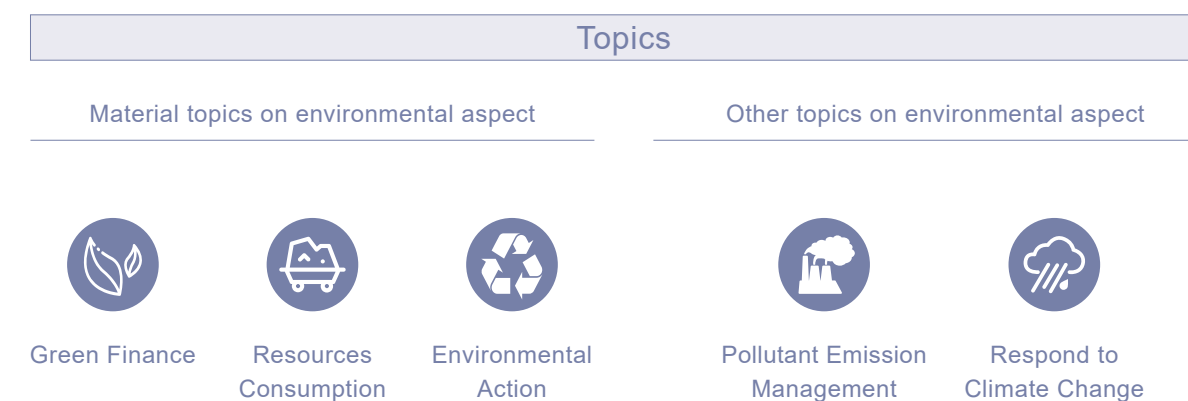
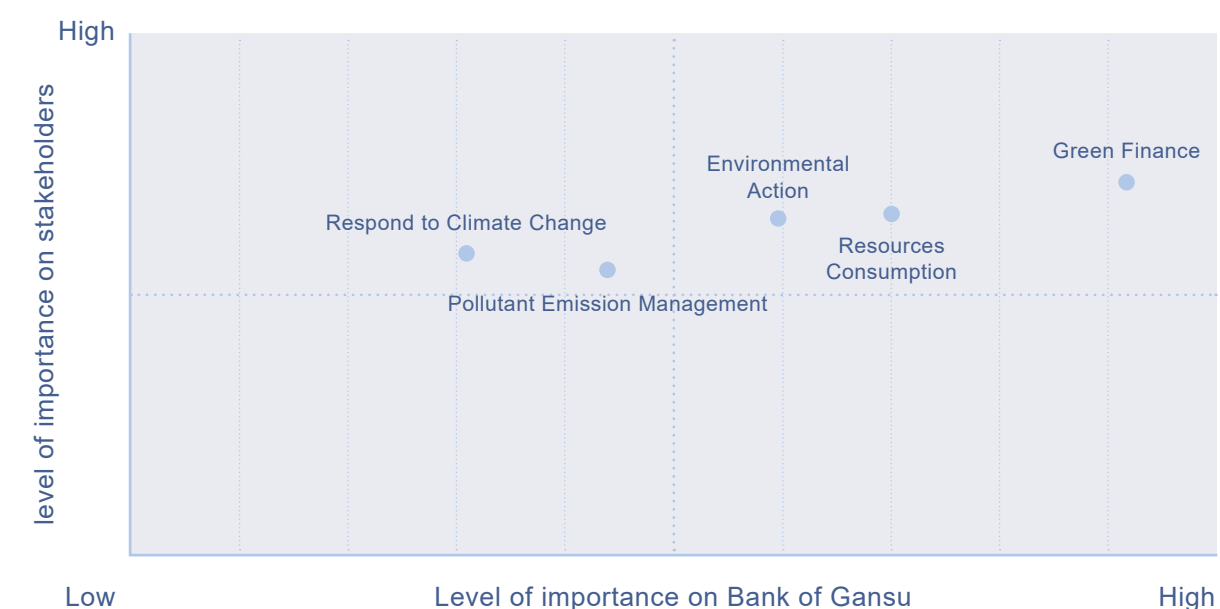


Materiality Analysis

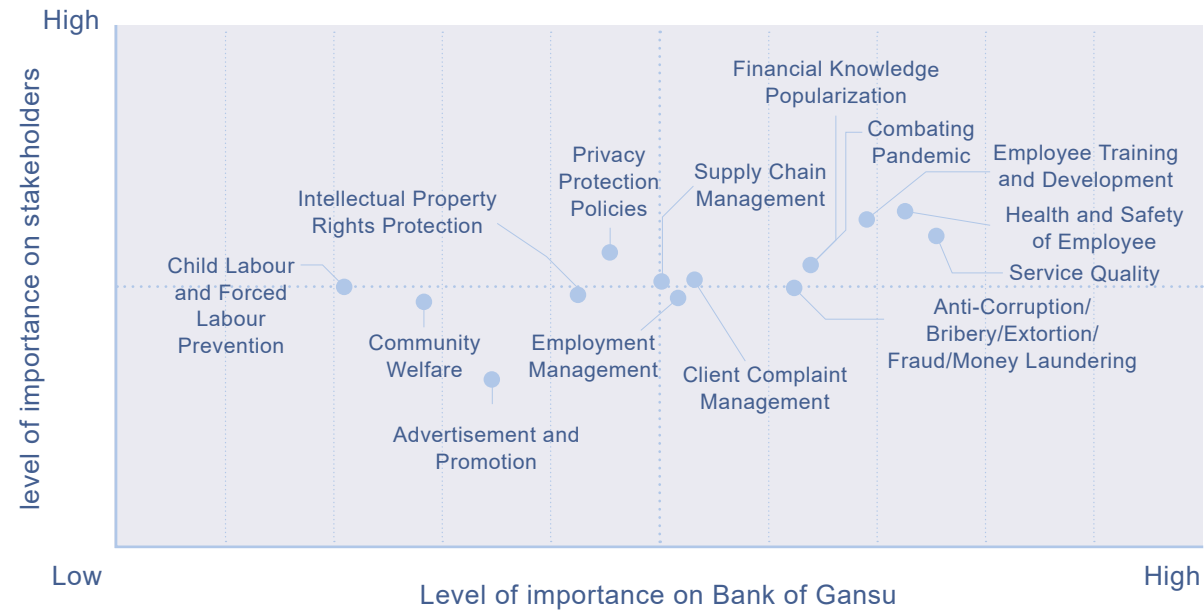
In order to distinguish and highlight the importance of different sustainable development aspects, the Bank categorized the topics into the environmental aspect, the social aspect and the operating aspect for the first time. Stakeholders were asked to score corresponding topics in each aspect during the Questionnaire Survey.

Materiality analysis matrixes were illustrated to present the importance of topics, based on the scores given by stakeholders on these topics in each aspect. Under the approval of the board of directors and the deliberate considerations on key tasks during the Reporting Period, the Bank identified 3 material topics in the environmental aspect, 8 material topics in the social aspect and 5 material topics in the operating aspect. These material topics will be discussed correspondingly in subsequent chapters of the Report.

Materiality Analysis Matrix on Environmental Aspect



Materiality Analysis Matrix on Social Aspect



Topics

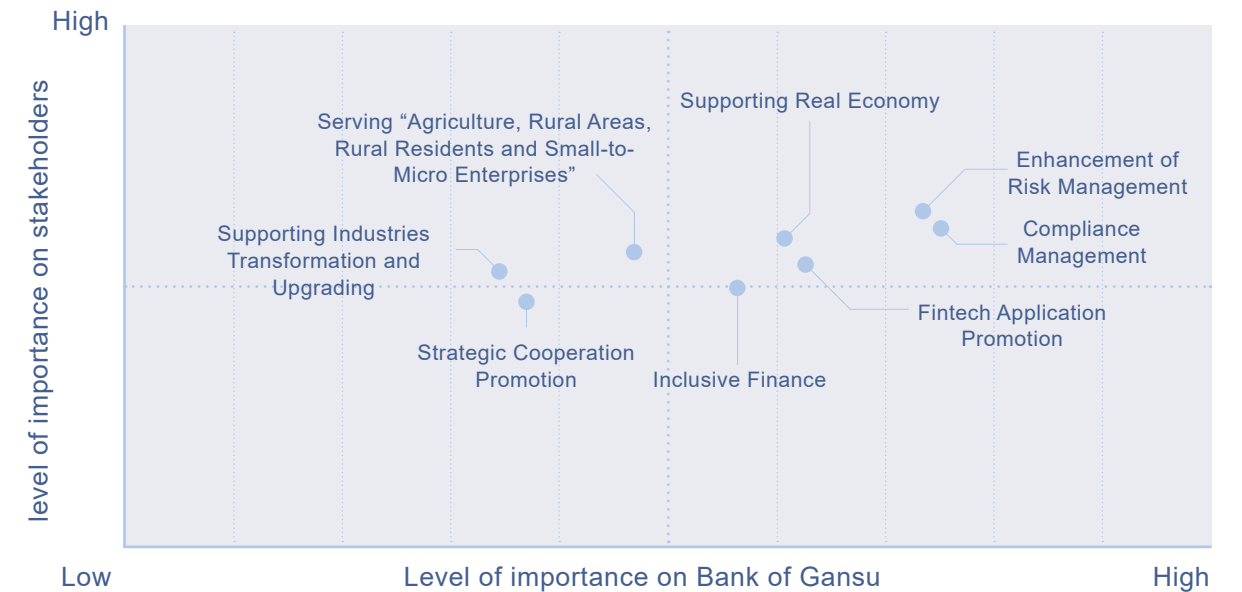
Material topics on social aspect¹



Other topics on social aspect

¹ Based on the opinions of the board of directors regarding the results of the materiality analysis matrix, the Bank adjusted the topic "Combating Pandemic" as the most material topic among social aspect, and adjusted the topic "Community Welfare" as the fourth material topic among social aspect.

Materiality Analysis Matrix on Operating Aspect



Topics

Material topics on operating aspect¹



Other topics on operating aspect



03

Responsible Corporate Culture

With aspirations to achieve steady operation, compliance management and high-quality development, Bank of Gansu is committed to building a responsible corporate culture, adhering to high integrity and ethical standards to promote the sustainable development of the Bank.

01 Company Overview

02 Multi-channel Communication

03 Responsible Corporate Culture

04 Customer Priority

05 Employees' Developments

06 Respecting Goodness and Promoting Public Causes



Strengthen Risk Management Mechanism

Risk management is the core part of the daily operation of Bank of Gansu. The Bank focuses on risk prevention and compliance management, strictly upholds the bottom line of risks, implements comprehensive risk management strategies to maintain and advance our comprehensive risk management system that is commensurate with the nature, scale and complexity of our business.

Bank of Gansu is primarily exposed to compliance risk, information technology risk, money-laundering risk and other risks in its business. To effectively improve our risk management, Bank of Gansu has set up the following targets of risk management:

- 1 Ensuring that all business activities of Bank of Gansu comply with laws and regulations.
- 2 Cultivating internal risk management culture, improving the awareness of risk management and strengthening the professional ability of employees.
- 3 Upgrading the risk management system and processes.
- 4 Developing contingency plans for key risks to avoid considerable losses due to disasters or human errors.
- 5 Improving the ability of Bank of Gansu to identify, quantify, prevent and manage various risks.

According to the internal risk management guidelines, the Bank has established a vertical risk management system:

- 1 Setting up specialized risk management departments at the head office and branches. In accordance with the risk management reporting system, those departments are required to edit risk controlling report in a monthly, quarterly and yearly basis.
- 2 Establishing and improving risk management, internal reporting and evaluation system. From the perspective of the systematic level, the Bank formulated a three-year strategic plan and specific implementation plan on risk management, so as to further our policies, mechanism and procedure to comply with the systematic requirements. From the perspective of technical level, the Bank established and upgraded information technology system for risk management, and adopted a new-generation credit risk and limit management system, which can effectively monitor financial status, credit and other relevant risks of clients, based on the embedded risk warning system and measurement index that supported by big data.
- 3 Introducing the governance, risk and compliance management system "GRC" to identify, measure and monitor operational risks.
- 4 Gradually constructing multi-level limit management system, which leads to an improvement on operations such as internal rating mechanism, pricing mechanism, allowance for loss provision, resource allocation, risk management culture and other aspects, so as to effectively manage the credit risks.
- 5 Standardizing our identification, measurement and testing procedures to manage market risk multidimensionally through modeling, VAR calculation, bond duration analysis, sensitivity analysis, foreign exchange exposure analysis, stress analysis and other methods.
- 6 Carrying out internal risk management training regularly through training, seminars and tests.



The Bank has also established long-term relationships with law firms and professional institutions. We regularly invite risk management specialists to provide training regarding credit risks, operational risks, credit extension review and approval process and overdue loan settlement to our employees, to cultivate the financial risk control and compliance abilities of the Bank.

Bank of Gansu is committed to upholding the guiding principle of "Suitable", "Comprehensive", "Independent" and "Efficient". The Bank had developed a three lines of defense framework which is constructed together by front-end business departments, middle and back offices, and the audit departments, ensuring that the Bank maintains a proper risk management while adhering to strict management and the highest ethical standards.

Risk management on business activities of Gansu Bank is assigned to the three lines of defense:

1
The first line of defense
front-end business
departments

It includes front-end business departments and the branch network of the Bank, who are responsible to identify, evaluate, manage, monitor and report relevant risks.

2
The second line of defense
middle and back
business management
departments

It is composed of the risk management departments, the legal and compliance departments and other middle and back business management departments. These departments are separated through an internal firewall mechanism to maintain the independence of risk management through processes such as evaluation, assessment, inspection, remedial measures and liability confirmation.

3
The third line of defense
audit department

It is formed by the audit department, which is responsible for the supervision and evaluation of the risk management procedures. The audit department also supervises and evaluates the person and units in charge of the specific case of risk.

Construction of Corruption Defender

The Bank strictly abides by laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Supervision Law of the People's Republic of China* regarding to their stringent control of corporate prevention in corruption, bribery, extortion, fraud and other illegal activities. Accordingly, the Bank has launched a series of corporate management scheme in which the *Trial Implementation Measures for Complaint Management and Investigation of Bank of Gansu* (《甘肅銀行信訪管理及查處工作實施辦法(試行)》), the "Ten Not Allowed" on Integrity and Self-discipline for Employees of Bank of Gansu (《甘肅銀行員工廉潔自律「十不準」》), the *Implementation Measures for "Accountability Ordinance of the Communist Party of China" of Bank of Gansu* (《甘肅銀行實施〈中國共產黨問責條例〉辦法》), the *Trial Administrative Measures for Report on Marriage and Compassionate Leave of Party Members and Leading Cadres of Bank of Gansu* (《甘肅銀行黨員幹部操辦婚喪喜慶事宜報備暫行辦法》), the *Trial Administrative Measures for Accountability of Violation and Dereliction of Duty of Bank of Gansu* (《甘肅銀行違規失職行為問責管理辦法(試行)》) and the *Implementation Plans for Supervision and Inspection* (《開展監督檢查工作實施方案》), the Bank also established a sound management system and a platform to receive complaint and report. To retain employees' awareness, further discipline and comply with laws and regulations in the Reporting Period, Bank of Gansu held three warning and education training with participation from more than 800 employees, to further improve the institutionalization and standardization for the Bank's anti-corruption scheme.

Complaint mechanism

Establishing a four-in-one platform in which "letter complaint, onsite visit complaint, phone call complaint, online complaint" are accepted for complaints reporting and management.



Four-in-one platform

According to the *Anti-Money Laundering Law of the People's Republic of China* and relevant regulations issued by the People's Bank of China, Bank of Gansu has built up an integrated anti-money laundering system and procedure. The board of directors is responsible to supervise the implementation of anti-money laundering policies of the Bank, supervises senior management in the formulation and implementation of anti-money laundering system and procedure, reviews senior management's reports on major anti-money laundering case and the money laundering risk for the Bank, and constantly adjusts the anti-money laundering policies. An anti-money laundering leadership group was also formed in the head office to lead and coordinate the anti-money laundering of the Bank. The group is responsible to report to the board of directors regularly. Additionally, Bank of Gansu provides tailored anti-money laundering training based on the employee's position and level to all employees regularly, all new employees are also required to attend anti-money laundering training.

Complaint management

According to relevant regulations, after being approved by the secretary to the Party committee of the head office, the main persons in charge of the discipline inspection team, who are designated by the Gansu Provincial Commission for Discipline Inspection and Gansu Provincial Supervisory Commission, are responsible for complaint investigation arrangement.



Anti-money laundering training in 2020



Financial system anti-money laundering contest in 2020

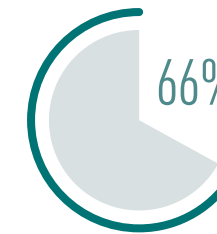
During the Reporting Period, Bank of Gansu has strictly complied with the laws and regulations relating to corruption, bribery, extortion, fraud, money laundering and other illegal acts. The Bank formulated 6 key suspicious transaction reports, of which 4 have been reported to the public security bureau, which occupied 66% of the key suspicious transaction reports and was 59% higher than reported transactions compared to the number in 2019.



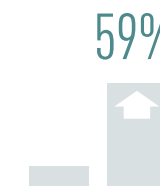
The Bank formulated 6 key suspicious transaction reports



of which 4 have been reported to the public security bureau



66% of the key suspicious transaction reports








higher than reported transactions compared to the number in 2019

Enhancement of Supply Chain Management

The Bank attaches great importance to environmental and social risk management of the supply chain and has set up an integrated standard and procedure relating to external suppliers and procurement. Suppliers are obliged to satisfy compliance requirements and adopt sustainable development so that the Bank can effectively manage and control potential environmental and social risks of the supply chain and avoid negative impacts on our business.

According to the *Law of the People's Republic of China on Bid Invitation and Bidding* (《中華人民共和國招標投標法》), the *Interim Measures for Administration of Centralized Procurement of State-owned Financial Enterprises* (《國有金融企業集中採購管理暫行規定》) and other laws and regulations, the Bank formulated the *Administrative Measures for Supplier Management of Bank of Gansu* (《甘肅銀行供應商管理辦法》), the *Measures for Centralized Procurement Management of Bank of Gansu* (《甘肅銀行集中採購管理辦法》) and other internal policies. The Bank initiated an examination and approval department which consists of the executive council and the centralized procurement evaluation committee to handle approval works for measures, timeframe, and procedures adopted by procurement projects. A supervision department that consists of the legal and compliance department and the discipline inspection and supervision department, is also assigned to assess the legal validity of tender contracts and supervise the whole procedure of procurement.

Measures of the *Administrative Measures for Supplier Management of Bank of Gansu*

	Qualification and Selection of Supplier	Suppliers are selected regarding to their qualifications, taxes and financial status, credit, sustainable development and other key inspection criteria. According to the regulated procurement procedure, the Bank organizes onsite inspections and product inspections to suppliers, qualifies or selects supplier who fully satisfies our requirements.
	Supplier Evaluation	Periodic investigation and evaluation on all suppliers' performance are held during the cooperation period.
	Supplier Communication	The Bank strengthens the mutual trust and cooperates with its suppliers by providing daily communication and complaint handling channels.
	Supplier Information Management	Suppliers' products, prices and basic data and information are regulated and managed under the information system.
	Supplier integrity documentation	Suppliers are required to sign an integrity file and their integrity information would be documented and managed in the file.

According to the *Interim Measures for Administration of Centralized Procurement of State-owned Financial Enterprises* (《國有金融企業集中採購管理暫行規定》), Bank of Gansu prioritizes considered energy-saving and environmental-friendly products in centralized procurement, suppliers should also be qualified to provide relevant recycling services. In the procurement process of goods and engineering projects, the Bank also attaches importance to the evaluation of new energy and innovative technology, and advocates safety construction.


During the Reporting Period, the Bank abided by the regulations of Bank of Gansu and strictly managed all of its suppliers. Among them, 5,789 suppliers were located in Gansu province and 617 suppliers were located outside Gansu province. All our procurement processes have complied with the regulations of integrity, while no commercial bribery or improper transactions occurred.

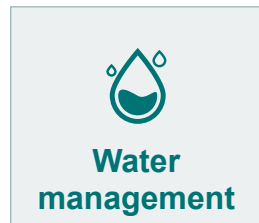
Respecting Intellectual Property Rights

Bank of Gansu respects intellectual property rights and complies with the laws and regulations such as the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), and the *Trade Marks Ordinance* (《商標條例》) and the *Patents Ordinance* (《專利條例》) in Hong Kong, the Bank has developed a series of rules and regulations including the *Measures for Administration of Intellectual Property Rights Protection of Bank of Gansu* (《甘肅銀行知識產權保護管理辦法(試行)》), the *Trial Measures for Administration of Trademark of Bank of Gansu* (《甘肅銀行商標管理辦法(試行)》) and the *Trial Procedure for Administration of Trademark* (《甘肅銀行商標管理操作程序(試行)》) to protect and manage intellectual property rights accordingly. The Bank conducts measures including certificate and copyright registration to strengthen the protection and management of intellectual property rights such as trademarks, Internet domains, and self-developed computer programs. The Bank protects its rights in the event of infringements on the Bank's intellectual property rights through lawsuits. During the Reporting Period, the Bank did not have any violations of laws or regulations relating to intellectual property rights.

Promotion of Green Office Establishment

Bank of Gansu is committed to maintaining good environmental quality and ecological civilization, promoting greater public satisfaction, and striving to explore the path of green development. Operation and production activities of the Bank are mainly office-based, therefore, building a green office is the core measure for green bank construction. Pollutants produced by the Bank's daily operation are insignificant and mainly include air pollutants and greenhouse gases produced when utilizing vehicles, stoves and other equipments; indirect greenhouse gases are produced when consuming electricity or using of public transportation by employees, and; wasted office supplies are generated during business operation. The Bank strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), the Bank has actively developed and implemented a series of environmental protection policies and regulations relating to energy-saving and emission reduction, such as the *Measures for Disposal of Hazardous Wastes of Bank of Gansu* (《甘肅銀行有害廢棄物處理規定》). The Bank actively advocates "Promoting Thrift and Stopping Wasting" to reduce the consumption of electricity, water, office supplies, and fossil fuels used by vehicles and stoves to improve energy efficiency. During the Reporting Period, the Bank strictly complied with relevant laws and regulations to control our pollutants and emissions, and there were no violations related to environmental pollutions occurred.

 Energy management	1	Electrical equipment in the office is set to work scientifically. In addition, employees are reminded to shut down equipment unused.
	2	The Bank sets a reasonable usage plan for office computers, adding functions including automatically turning off the display during lunch break and automatically entering sleep mode when the equipment has not been used for a long time.
	3	The printer and photocopier apply colorless double-sided printing as a default setting, the Bank encourages the use of electronic documents to promote paperless office and mobile office.
	4	The Bank regularly organizes personnel to conduct maintenances for office equipment to reduce operating losses.
	5	Strict management on application and approval of official vehicles is conducted while employees are encouraged to use public transportation.



- 1 Regular inspections for sinks, drain valves, etc. are taken by specific personnel to prevent water leakage. Employees need to check and close water valves of the office after getting off work.
- 2 Slogans are posted in the office to promote water conservation.
- 3 Conducting periodic professional maintenance on wastewater pipeline's connection with the municipal wastewater network. Dumping garbage into wastewater pipelines is prohibited. The Bank had no issue in sourcing water that was fit for purpose.



- 1 The Bank advocates environment-friendly products and recyclable products and reduces the use of disposable office supplies, extends the service life of office supplies to reduce wastes.
- 2 The building's property management collects all non-hazardous wastes which are stored in designated locations and hand over the wastes to the local environmental protection department for transport and disposal.
- 3 Qualified suppliers are responsible to collect and treat all hazardous wastes.
- 4 The Administrative Affairs Department is responsible for checking disposal of hazardous wastes quarterly.
- 5 The solid waste disposal work is implemented at the individual level. Person in charge from relevant departments needs to constantly monitor progress of waste disposal and submit an Environmental Pollution and Control Progress Form monthly.



Throughout our efforts to create a green development model, Bank of Gansu is committed to following an eco-friendly and energy-saving path on corporate development. Key performance indicators at each environmental-related aspect during the Reporting Period are shown in the following table:

Summarization of key performance indicators of environmental aspect ²				
Categorization		2020	2019	Unit
Air pollutant ³	NO _x	760.10	926.60	kg
	SO _x	5.74	6.80	kg
	PM	64.29	59.34	kg
Greenhouse gas	Scope 1 emission ⁴ (stationary source)	1,491.50	3,932.60	metric ton
	Scope 1 emission intensity (stationary source)	6.61	17.81	kg/m ²
	Scope 1 emission ⁵ (mobile source)	908.76	931.80	metric ton
	Scope 1 emission intensity ⁶ (mobile source)	6.02	6.25	metric ton/ vehicle
	Scope 2 emission ⁷	8,437.85	7,614.05	metric ton
	Scope 2 emission intensity	37.37	34.48	kg/m ²
	Scope 3 emission ⁸	318.58	654.15	metric ton
	Total emission	11,156.68	13,132.60	metric ton
Non-hazardous wastes	Total emission intensity	49.41	71.11	kg/m ²
	Wastepaper generation	49.74	39.15	metric ton
	Wastepaper generation intensity	0.22	0.18	kg/m ²
	Office general waste generation	70.14	67.28	metric ton
	Office general waste generation intensity	0.31	0.30	kg/m ²
Hazardous wastes	Used ink cartridge	7,080	6,748	pcs
	Used ink cartridge intensity	31.35	30.56	pcs/ thousand m ²
	Used toner cartridge	5,969	6,095	pcs
	Used toner cartridge intensity	26.43	27.60	pcs/ thousand m ²
	Used electronic products ⁹	233	543	kg
	Used electronic products intensity	1.03	2.46	kg/ thousand m ²
Energy resources ¹⁰	Water consumption	10.92	11.49	thousand metric ton
	Water consumption intensity	0.48	0.52	metric ton/ m ²
	Electricity consumption	13.83	12.48	GWh
	Electricity consumption intensity	61.25	56.62	kWh/ m ²
	Gaseous natural gas	4,094.67	15,788.70	MWh
	Liquefied natural gas	7.33	8.14	MWh
	Bituminous coal	1,671.69	-	MWh
	Anthracite	34.05	33.23	MWh
	Diesel (for generator)	36.99	9.27	MWh
	Gasoline (for generator)	0.86	10.08	MWh
	Gasoline (for vehicle)	3,598.40	3,251.81	MWh
	Liquified petroleum gas	0.04	4.34	MWh
	Total energy resources consumption	23,274.29	31,585.56	MWh
	Total energy resources consumption intensity	0.10	0.14	MWh/ m ²

² Unless otherwise stated, the statistical scope of key performance indicators of environmental aspect includes 225,804.92 square meters of office space of the Bank, which was used as the denominator for all intensity calculation.

³ Emissions of air pollutants are calculated based on the Reporting Guidance on Environmental KPIs in Appendix 2 of the How to Prepare an ESG Report published by SEHK. Emissions of air pollutants of Bank of Gansu mainly come from automobile exhaust, and the use of generators and stoves.

⁴ Stationary source emission is calculated based on the GHG Emission from Stationary Combustion issued by Greenhouse Gas Protocol.

⁵ Mobile source emission is calculated based on the GHG Emissions from Transport or Mobile Sources issued by Greenhouse Gas Protocol.

⁶ To meet business needs, the Bank newly purchased 2 vehicles during the Reporting Period. The total number of vehicles is 151.

⁷ Indirect greenhouse gas emission caused by purchased electricity is calculated based on the GHG Protocol Tool for Energy Consumption in China issued by Greenhouse Gas Protocol. According to the Notice on Making Plans for 2018 Annual Carbon Emission Reporting and Verification and Emission Testing issued by the Ministry of Ecology and Environment, PRC in January 2019, the average emission factor of electricity use of operating units in mainland China was updated and related results in 2019 was recalculated correspondingly. Only CO₂ emissions are calculated in Scope 2 emission in mainland China.

⁸ This emission includes indirect greenhouse gas emissions from public flights used by employees of the head office and caused by paper landfill. Emission from public flights is calculated referring to the GHG Emissions from Transport or Mobile Sources issued by Greenhouse Gas Protocol, and emission from paper landfill is calculated referring to the Reporting Guidance on Environmental KPIs issued by SEHK.

⁹ Unit used in 2019 was changed to "kg".

¹⁰ The change in the amount of fossil fuels was caused by changes of stationary equipment between institutions; usage of diesel and gasoline for generators were changed because the generators are usually used as backup devices for special periods, and thus the consumption of fuels are not stable. Part of areas in northern China are warmed up by central heating, where the energy consumption cannot be accurately quantified. Methodologies of calculation refer to: the Guidelines on Enterprises Greenhouse Gas Emissions Accounting and Reporting issued by National Development and Reform Commission, the Energy Statistics Manual from the International Energy Agency and the Reporting Guidance on Environmental KPIs in Appendix 2 of the How to Prepare an ESG Report published by the Stock Exchange.

04

Customer Priority

Since its establishment, Bank of Gansu has always adhered to build up a brand image of "Bank of Gansu, the bank for the people in Gansu". The Bank treats serving customers as the core of our work, attaches great importance to establish a long-term relationship with mutual among customers. We strive to offer excellent services with our profession, sincerity and integrity.



01 Company Overview

02 Multi-channel Communication

03 Responsible Corporate Culture

04 Customer Priority

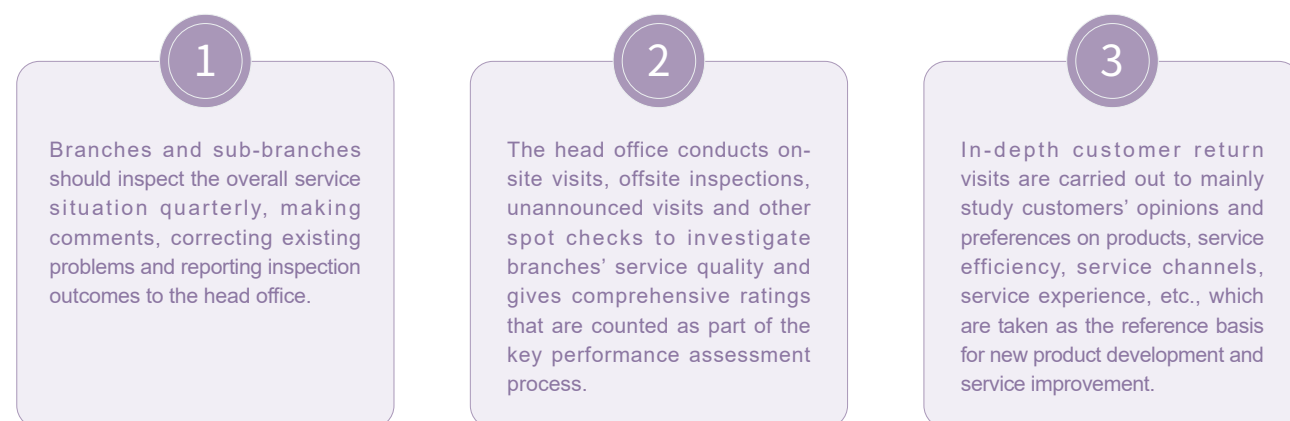
05 Employees' Developments

06 Respecting Goodness and Promoting Public Causes

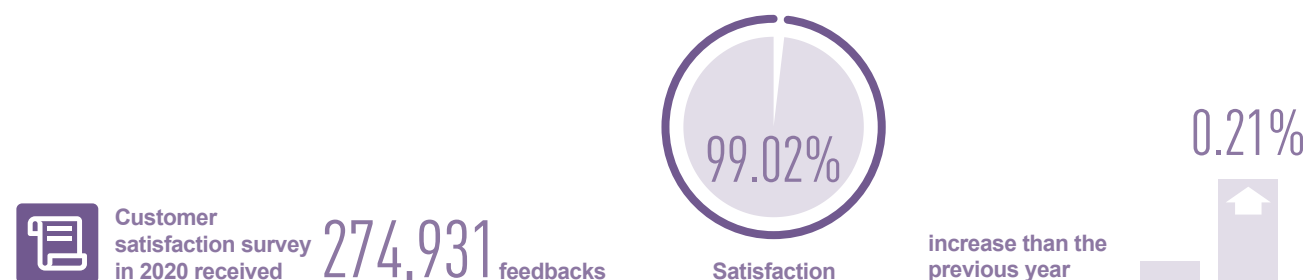
Offering Excellent Service

According to the *Law of the People's Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》), the *Law of the People's Republic of China on Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and other laws and regulations issued by government and regulatory bodies, the Bank formulated the *Administrative Measures on the Protection of Consumer Rights and Interests of Bank of Gansu* (《甘肅銀行消費者權益保護工作實施辦法》), the *Rules of Procedure for the Consumer Rights Protection Committee* (《甘肅銀行董事會消費者權益保護委員會議事規則》) and other internal policies. As regulated by the internal management policies, the Bank incorporates the concept of consumer rights protection into its corporate governance and corporate culture construction, clarifies accountability and strengthens organizational management to promote consumer protection with constant supervision. The Bank also implements a designated person's responsibility supervision system in the branches, and sub-branches to ensure the effectiveness of the supervision system.

Designated Person's Responsibility Supervision System



Bank of Gansu adheres to the concept of "Customer-oriented" to constantly improve its service based on customers' feedback. According to the *Notice on Reinforcing the Proceedings of Customer Complaint of Banking Sector* (《關於加強銀行業客戶投訴處理工作的通知》) and the *Notice on Improving the Mechanism to Proceed Customer Complaint and Fulfilling the Protection on Consumer of Financial Institutes of Banking Sector* (《關於完善銀行業金融機構客戶投訴處理機制切實做好金融消費者保護工作的通知》), the Bank has formulated the *Administrative Measures for Treating Client Complaint of Bank of Gansu* (《甘肅銀行客戶問題處理管理辦法》) and other internal policies to standardize the procedure of handling customer complaints and information dissemination, ensuring that all customer enquires can be effectively addressed on time to improve customer satisfaction. During the Reporting Period, Bank of Gansu received 1,030 customer complaints, all of which have been properly resolved. Customer Service Center of Bank of Gansu conducted a survey on customer satisfaction in 2020 and a total of 274,931 feedbacks were received. The satisfaction was 99.02%, indicated a 0.21 percentage point increase than the previous year.



Standardized Complaint Treatment Procedures

Principles	Bank of Gansu deals with customer complaints following the principles of compliance, hierarchical proceedings, high efficiency, centralized management, first inquiry responsibility system, regional jurisdiction, and information confidentiality.
Classification and Accountability of Complaints	<ol style="list-style-type: none"> After receiving customer complaints or inquires, cases should be classified based on their nature, severity and urgency. The Bank prioritizes to address the case that have significant impact on the business. The head office is responsible to provide guidance, coordinate and summarize customer enquiries for branches. Each branch need to manage and handle relevant customer enquiries. Organizations should formulate emergency plan for customer problems according to different situations.
Procedures of the Customer Service Center	<ol style="list-style-type: none"> Respondents should follow specific rules to deal with customers' problems when there is related regulation referable. For problems which could not be answered online, respondents should record the problems and determine the response period, record the phone calls if necessary. After formatting an e-order, problems then be passed to relative department for handling.
Procedures of business organization	<ol style="list-style-type: none"> The lobby manager is responsible for assisting clients to solve problems. If the problems were beyond the scope of authority of a lobby manager or could not be solved immediately, they should be remarked in a corresponding form according to administrative regulations and submitted to departments that have been authorized for processing. Lobby manager should check out comments left in the guest book daily and verify these comments. In responding to these, the manager needs to furtherly contact the customer appropriately and document related information.
Procedures of other departments	<ol style="list-style-type: none"> As soon as the department receives comments, it should assign a person to reply, register and fill corresponding form. Once the comments have been handled, the results should be fed back to the receiving department and documented.
Revisit and summary	<ol style="list-style-type: none"> After solving customer complaints, respondents should revisit customers to understand their opinions on the outcomes of complaint handling. Respondents should timely communicate with superiors and relevant departments in case customers were not satisfied, and follow up the follow-up work and progress of problem-solving. The Bank has conducted statistical analysis of customer problems, assessed them with the indicators of "customer satisfaction and effective customer complaint rate", made regular summary reports, found hidden risks and improvement measures in time, and safeguarded the legitimate rights and interests of financial consumers.

During the Reporting Period, the Bank engaged in consumer rights protection in accordance with relevant laws and regulations such as the *Law of the People's Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》), the *Law of the People's Republic of China on Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), and received no severe complaints from customers.

Regulating Financial Product Advertisement

The Bank strictly abides by the laws and regulations which have regulated product promotion activities taken by financial institutes including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》). The Bank has formulated the *Administrative Measures for Advertisements and Publicity of Bank of Gansu* (《甘肅銀行廣告宣傳工作管理辦法》) and other internal administrative measures to reinforce and regulate our advertisements and publicity. The Bank has stipulated clear segregation of duties, planning, budgeting, approvals and internal control procedures for advertising and publicity on products to effectively ensure their legality and compliance. At the same time, to ensure that all final promotion materials do not contain false or misleading information, the Bank requires departments that edit relevant materials to strictly review and supervise process when carrying out business and product promotion, so as to ensure the information which would be passed to the society is authentic and reliable. During the Reporting Period, the Bank did not violate any laws and regulations related to marketing and promotion.

While the Bank is delivering excellent services and maintain its compliance, in accordance with laws and regulations such as the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), the Bank has formulated internal policies including the *Administrative Measures for Personal Financial Information Protection of Bank of Gansu* (《甘肅銀行個人金融信息保護工作管理辦法》) and conduct information safety protection for customers accordingly. The Bank follows the principle of "Full Coverage, Clear Responsibilities, Legal and Compliance, Reasonable Use", and strictly regulates the division of duties, information collection, storage and use, and management of employees to protect customer privacy and prevent customer information from leakage and abuse. During the Reporting Period, the Bank strictly complied with relevant laws and regulations regarding customer privacy protection, and there was no incident found that results in leakage of the customer information and privacy.

Customer safety is also a key concern of the Bank's business operation. In order to improve the safety condition of branches, the awareness of employees and their ability to deal with an emergency, and guarantee the safety of customers, employees and assets, Bank of Gansu has formulated management policies including the *Administrative Measures for Security of Branch Network of Bank of Gansu* (《甘肅銀行營業網點安全管理辦法》), the *Administrative Measures for Report on Material Risk and Incident of Bank of Gansu* (《甘肅銀行重大風險和突發事件報告管理辦法》) and the *Administrative Measures for Surveillance Alarm Network Center of Bank of Gansu* (《甘肅銀行監控報警聯網中心管理辦法》) to standardize the security deployments in service areas of the branch network. The Bank also conducts emergency plan drills regularly to uncover potential risks to security promptly and make corresponding rectifications.



Security drills on branch network

Promoting Fintech Application

Bank of Gansu attaches great importance to the benefits brought by fintech in financial industry. Adhering to the principle of "innovating service, driving development, strengthening management and preventing and controlling risks", the Bank actively adapts to the development trend of fintech, actively promotes digital transformation, commits itself to optimize customer experience with fintech and developed "non-contact services" to achieve the target of "Bank Online". During the Reporting Period, the Bank focused on "smart retail" and "smart risk control" to promote the construction of key projects.



Digital Services

Bank of Gansu promotes digital transformation in all aspects. Based on its data management and control platform, the Bank continues to improve the database construction, reduces storage costs, and uses data analysis and data mining to perform multi-dimensional report analysis to monitor aberrant behaviors. At the same time, the Bank is accelerating the implementation of online services. The "Mobile Banking 4.0" was completed and put into operation on time with excellent quality, services including "Online Loan Platform 2.0", "Wealth Management Sales and Distribution System" and "Smart Customer Service System" were developed accordingly.

In order to adopt the new transaction process of "customer self-service + key node reviewed by the bank", Bank of Gansu focuses on promoting the "intelligent transformation of branches" and the implementation of smart counter projects. During the Reporting Period, our smart counters delivered an average of 580 thousand services per month, accounting for 61.39% of the total services offered by all branches. The performance efficiency of a smart counter is equivalent to 1.75 times of a employee which effectively takes over some workload of employee to increase efficiency and reduce operating costs. The centralized operating system of the Bank has also established a "centralized business processing center", the center adopts techniques such as remote control, image scanning and cutting, electronic authentication to achieve remote authorization for bank services, which form an operating mode of "service enquires received by front-end and processed collectively by the back-end". This centralized operating system cuts the average processes required to deliver a service from 7 to 3, reduces the amount of information input by 80% and authorization by 60% in the front-end, and effectively lowers the overall error rate of business operation by 70-80%. Therefore, the system effectively reduced operational risks, improving customer service quality and risk management efficiency.



Maintaining Service Stability and Data Safety

Bank of Gansu has established disaster recovery centers in Lanzhou and Xi'an. These disaster recovery centers and new core banking system have been put into use synchronously. The new data center is constructed in strict accordance with the standards of class-A machine room of the state, with partial kernel module reaching T4, which is the highest international standard (TIA-942). The new local disaster recovery center adopts an "active-active"¹¹ structure. With these two centers supporting business operations simultaneously, the Bank has made an important application system both active locally. Bank of Gansu also conducts periodic security drills to provide reasonable assurance of business continuity and information security in the event of disruptions at critical facilities.

Additionally, the Bank has adopted safeguards including firewalls, anti-virus measures, data encryption, user authentication and authorization, desktop security, intrusion prevention and detection, filling and evaluation of the classified protection of important information systems, key information infrastructure protection, and information system security assessment. These safeguards comprehensively maintain the confidentiality, integrity and availability of all information. During the Reporting Period, Bank of Gansu did not encounter any material information technology system failures.

¹¹ "Active-active" is one kind of computer disaster recovery solution. The structure of the solution consists of two data centers that are mutually backed up and carrying services simultaneously. When application system of one data center encounters disruption, the application system of another data center can continue to support business operation.

05

Employees' Developments

Bank of Gansu has always committed to its promise of "people-oriented, achievement for you and me, work together, and go hand in hand" to all employees and treated it as the core concept of employee management. Throughout industriously creating a safe and comfortable working environment, harmonious office culture, diversified development platform, and scientific development path and training, Bank of Gansu had shouldered its responsibility of employees' developments during the Reporting Period and taken a solid step forward for the common development of employees and the Bank.



01 Company Overview

02 Multi-channel Communication




















03 Responsible Corporate Culture

04 Customer Priority

05 Employees' Developments

06 Respecting Goodness and Promoting Public Causes

The number of employees by gender, age group, educational background, management hierarchy, employment type and geographical region, and the employee turnover rate by gender, age group and geographical region during the Reporting Period are shown as follow:

				
By gender	Number of employees	Percentage	Turnover number	Turnover rate
Male	2,029	48.73%	55	1.32%
Female	2,135	51.27%	62	1.49%
				
By age group	Number of employees	Percentage	Turnover number	Turnover rate
30 years old and below	1,775	42.63%	50	1.20%
31 to 40 years old	1,621	38.93%	50	1.20%
41 to 50 years old	597	14.34%	4	0.10%
51 years old and above	171	4.11%	13	0.31%
				
By educational background	Number of employees	Percentage	By management hierarchy	Number of employees
Master and above	263	6.32%	General employee	3,987
Bachelor	3,491	83.84%	Intermediate employee	165
Tertiary	352	8.45%	Senior employee	12
Other	58	1.39%		
				
By employment type	Number of employees	Turnover number	Turnover rate	
Full-time	4,164	117	2.81%	

All employees of Bank of Gansu are recruited inside Gansu province, during the Reporting Period, the turnover number was 117 and the turnover rate was 2.81%.

Employee Management Policies

Through fair, reasonable and diversified management and policy support, Bank of Gansu is committed to creating a platform and space for employees to realize personal talents so as to support the establishment of an excellent business team. In the course of employee management, the Bank strictly complied with relevant laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and has formulated a series of management approaches based on the actual situation of the Bank, which includes the *Administrative Measures for Appointment of Professional and Technical Positions of Bank of Gansu* (《甘肅銀行專業技術崗位職務人員聘任管理辦法》), the *Administrative Measures for Payment on Renumeration of Bank of Gansu* (《甘肅銀行工資支付管理辦法》), the *Administrative Measures for Remuneration of Employee of Bank of Gansu* (《甘肅銀行員工薪酬管理辦法》), the *Administrative Measures for Job Management of Personnel in Management Positions of Bank of Gansu* (《甘肅銀行管理崗位職務人員任職管理辦法》) and the *Administrative Measures for Labor Contract of Bank of Gansu* (《甘肅銀行勞動合同管理辦法》). The Bank adheres to the principles of fairness, impartiality and openness to regulate the human resource system in terms of remuneration, recruitment, dismissal, promotion, working hours, holidays, benefits, code of conduct and professional ethics, strictly prohibits discrimination in terms of employees' gender, ethnicity, beliefs and other aspects, to achieve diversified construction of talent team.

	According to the <i>Administrative Measures for Job Management of Personnel in Management Positions of Bank of Gansu</i> (《甘肅銀行管理崗位職務人員任職管理辦法》), the <i>Administrative Measures for Appointment of Professional and Technical Positions of Bank of Gansu</i> (《甘肅銀行專業技術崗位職務人員聘任管理辦法》) and other related internal policies' requirements, recruitments are conducted based on scientific selection and revision on applicants' morality, academic qualifications, experiences, skills and other professional abilities, and had forbidden discrimination to applicants regarding to gender, ethnicity, religion, age, etc. to ensure the fairness and impartiality of recruitments. The Bank's recruiters must carefully check the applicants' identity information and education background during recruitment to ensure that all people employed are over the age of 18, strictly preventing employment of child labor and forced labor.
	The Bank has complied with the <i>Labor Law of the People's Republic of China</i> (《中華人民共和國勞動法》) and adopted appropriate approval process for dismissals of employees to prevent illegal dismissals.
	According to the <i>Administrative Measures for Remuneration of Employee of Bank of Gansu</i> (《甘肅銀行員工薪酬管理辦法》), the Bank reasonably regulates the structure of remuneration regarding the Bank's business development, position categories, market condition, etc..
	Following the <i>Administrative Measures for Job Management of Personnel in Management Positions of Bank of Gansu</i> (《甘肅銀行管理崗位職務人員任職管理辦法》) and other documents, the Bank regulates promotion standards and normalizes review and approval process involved in promotions, guaranteeing the fairness and impartiality of the Bank's employee promotion.
	In compliance with the <i>Labor Law of the People's Republic of China</i> (《中華人民共和國勞動法》), the Bank regulates working hours of employees to be eight hours a day. The Bank implements a procedure to manage leaves and attendance of employees through an office automation system to protect the rights of employees.
	Regarding requirements of the <i>Administrative Measures for Employees' Rest and Vacation of Bank of Gansu</i> (《甘肅銀行員工休息休假管理辦法》), employees can enjoy statutory holidays and other types of holidays given by the Bank. The Bank also encourages employees to take reasonable vacations for adequate rest during busy work.

During the Reporting Period, the Bank complied with relevant provisions of the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) of employment management in respect of recruitment, dismissal, compensation, promotion, working hours and rest period. In addition to that, the Bank has strictly adhered to the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Provisions on Prohibition of Child Labor* (《禁止使用童工規定》) and other laws and regulations' provisions of the prohibition of child labor and forced labor with no detection of violation of the aforementioned laws and regulation during the period.

People-oriented

The health and safety of employee is an essential cornerstone for Bank of Gansu to maintain its sustainable development. The Bank sternly abided by the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Regulation on Work-Related Injury Insurances* (《工傷保險條例》), the *Administrative Measures for Fire Safety of Bank of Gansu* (《甘肅銀行消防安全管理辦法》), the *Administrative Measures for Report on Material Risk and Incident of Bank of Gansu* (《甘肅銀行重大風險和突發事件報告管理辦法》) and other laws and regulations related to employees' occupational health and safety protection. Accordingly, the Bank adopts the combination of prevention and medical insurance to strengthen the management of employee health and safety and the construction of corresponding systems to ensure the health and safety of employees. During the Reporting Period, occupational health and safety management of the Bank were strictly adhered to internal policies and did not violate any related laws and regulations. There was no work-related fatality that happened for the past three years (including 2020) while the lost working days due to injuries at work was 180 days in the Reporting Period.

Measures for Guaranteeing Occupational Health and Safety



Prevention

Annual health checkups for employees from the Bank are conducted to help them understand their physical conditions. Meanwhile, health and safety knowledge-related forums, fire drills are held from time to time to enrich employees' knowledge and cultivate their awareness, targeting enhanced prevention and reduction of working injuries and sickness.



Provide Medical Protection

Beyond the statutory social insurance, the Bank also provides additional supplementary medical insurance to its employees, which has greater insurance coverage for mitigating medical cost burden. A major diseases medical expenses relief fund has also been introduced in accordance with the *Administrative Measures for Medical Expenses Relief Funds for Major Diseases of Employees* (《員工重大疾病醫療費用救助基金管理辦法》), which further provides medical insurance to those employees suffering from major diseases. Consequently, the Bank forms a triple medical defense line which consists of basic medical insurance as its base, supplementary medical insurance as assistance, and major diseases medical expenses assistance funds as protection.



Fire fighting and evacuation drills

Based on the occupational health and safety care system, Bank of Gansu actively promotes the work-life balance for employees according to the *Trial Implementation Rules for Administration on Revenue and Expenditure of Trade Union of Bank of Gansu* (《甘肅銀行股份有限公司工會經費收支管理實施細則「試行」》). Various cultural and sports activities were organized to assist the Bank's employees to alleviate work pressure, cultivate their interests, acquire happiness in their lives and constructing a harmonious working environment.

the Trial Implementation Rules for Administration on Revenue and Expenditure of Trade Union of Bank of Gansu

Health care	A medical checkup must be organized once a year to help employees identify health risks.
Special day welfare care	Giving subsidies to employees on Women's Day, Dragon Boat Festival, Mid-Autumn Festival and Spring Festival.
Marriage and maternity care	Giving gifts to employees who are getting married and giving births.
Birthday care	Giving birthday cards and cake cards to employees on their birthday.
Family condolence care	During the Mid-Autumn Festival and the Spring Festival, special personnel will be organized to provide condolences to families in need.
Hospital care	Employees with illness will receive condolences during hospitalization.
Retirement care	A party will be held for employees who are going to retire while souvenirs will also be provided to the employees.
Funeral Care	The Bank will provide condolences when employees or their immediate family members have passed away.



"Grateful for Having You and Grow Together" Spring Festival Celebration



"Celebrating the Bank Anniversary" broadcast calisthenics competition



Inauguration ceremony of the Home of the Employee and the "Meeting Friends with Cards, Playing Chess with Happiness" Spring Festival Celebration of Labor Union at head office

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Case 1 "New Year's Greeting with Calligraphy" the 2nd Employee Calligraphy, Painting and Photography Competition

To celebrate the Spring Festival, the 2nd Employee Calligraphy, Painting and Photography Competition of Bank of Gansu "New Year's Greeting with Calligraphy" was successfully held. The competition gave full play to the talents of employees, enriched their cultural life, and demonstrated their dedication to serve the customer in various aspects. The event encompassed 127 outstanding works from employees, which had unified in the pursuit of artistry, pragmatism, elegance and the characteristic craftsmanship of Chinese arts and culture. The event showed employees' infinite expectations for Bank of Gansu to move forward steadily in all aspects.



“

Case 2 Fun Sports Meeting for the 9th Anniversary of Bank of Gansu

On November 18, 2020, to celebrate the 9th anniversary of Bank of Gansu, the Bank successfully held a fun sports meeting in the Bank of Gansu Building. The sports meeting consisted of interesting individual events and group events, which effectively alleviated employees' pressure on work.

The event had demonstrated the vigor, unity and cooperation of Bank of Gansu's employees, stimulated their enthusiasm for participating in sports, and advanced their communication and friendship between colleagues.



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Growing with Employees

Bank of Gansu has always adhered to talent orientation, attaches importance to the career development of employees, and continues to improve the cohesion and comprehensiveness of the talent team. According to Bank of Gansu's strategic development plan and the needs of talents, the Human Resources Department of the Bank has formulated the *Administrative Measures for the Management of Employee Training of Bank of Gansu* (《甘肅銀行培訓項目管理辦法》), the *Administrative Measures for Amateur Training of Employee of Bank of Gansu* (《甘肅銀行員工業餘進修管理辦法》), the *Administrative Measures for Training Budget of Bank of Gansu* (《甘肅銀行培訓經費管理辦法》) and other internal training management policies. These policies provide specifications and guidelines for the design and implementation of internal training activities, making sure that training can match the needs of corporate development, and then promote the common progress of employees and the Bank.

In accordance with the *Administrative Measures for Internal Trainer of Bank of Gansu* (《甘肅銀行內部培訓師管理辦法》), a training management team has been introduced to tailor corresponding professional skills training for employees from different business types, advances the occupational skills of employees to create value with their strengths. The Bank has established a scientific, diversified and comprehensive training system, provides professional training in multiple channels, forms and levels for new recruits and different management personnel, covering leadership, business management, business operation, risk control and other basic training. During the Reporting Period, the Bank organized 88 training programs and had 12,556 person-times engaged.

The Bank provides directors with the latest update of the listing regulations in Hong Kong and other applicable regulatory requirements to ensure that all directors are familiar with the latest trend on regulation. During the Reporting Period, detailed information of directors' training of the Bank is shown as below:

Directors	Training topics
Liu Qing, Wang Yongwen, Wu Changhong, Zhang Hongxia, Guo Jirong, Zhang Youda, Liu Wanxiang, Luo Mei, Tang Xiuli, Wong Sincere, Dong Ximiao	Guidance for Boards and Directors of SEHK, Securities and Futures Ordinance of Securities and Futures Commission, Practical Manual of Anti-Money Laundering Laws and Regulations of Anti-Money Laundering Bureau of the People's Bank of China

Case 1

Comprehensive improvement training course for general manager assistants



Case 2

2020 orientation for graduate new recruits



¹² employees by relevant categories = number of employees trained in specific categories/trained employees*100%

¹³ average training time (hour) of employees in relevant categories = total training hours of employees in a specific category/ number of employees in that specific category

06

Respecting Goodness and Promoting Public Causes

Bank of Gansu has always adhered to its commitment of “the bank for the people in Gansu” and made extensive use of its business system, which is defined as “centers in Lanzhou and covers the entire Gansu Province, to actively integrate itself into the strategic planning for the development of Gansu province”. With broader strategic cooperation with various industries in the province, the integration and implementation of the national inclusive financial strategy, the development of regional-characteristic green finance products, and the active engagement in targeted poverty alleviation and other measures, Bank of Gansu fully applies its advantages as a financial enterprise, constantly supports the sustainable development of Gansu province.



01 Company Overview

02 Multi-channel Communication

03 Responsible Corporate Culture

04 Customer Priority

05 Employees' Developments

06 Respecting Goodness and Promoting Public Causes

Jointly Creating an Better Future for Gansu

Bank of Gansu resolutely implements the “metropolis, exquisite Lanzhou” development positioning strategy. The Bank has actively fulfilled its obligations in aspects such as project financing, inclusive finance and investment banking. By increasing the financing supports for infrastructure construction in key industries, transportation, water conservancy, smart city and sponge city as key measures, the Bank provides constant financing supports for the development of society and people’s livelihood-related sectors such as people enriching industry, specialty industry, education and sanitation industry.



(1) Supporting medical and health industries

The Bank has signed a strategic cooperation agreement with Gansu Pharmaceutical and Health Industry Development Association, established a multilevel and all-round information exchange mechanism for communication and coordination, engaged in comprehensive project cooperation in the field of medical and health industry. The Bank promotes the high-quality development of the provincial medical and health industries with efficient and high-quality financial services, contributes to the construction of a beautiful new Gansu that is full of happiness.

Bank of Gansu signed a strategic cooperation agreement with Gansu Pharmaceutical and Health Industry Development Association



(2) Supporting local cultural tourism development

Adhering to the vision and purpose of “promoting the recovery of the province’s tourism and promoting the provincial cultural tourism exchanges”, Bank of Gansu has always actively communicated with the Department of Culture and Tourism of Gansu Province. With the supports from the Cultural and Tourism Department of Gansu Province, during the Reporting Period, the Bank has successfully issued the “City Impression” credit card with the purpose to promote the cultural image of Gansu. The design of the credit card incorporates the elements of representative tourist attractions or historical and cultural heritage, makes each card a “city card” to promote the tourism culture in Gansu, which achieves a perfect combination of city culture and financial services. At the same time, following the major strategic deployment of the Gansu Provincial Party Committee to construct ecological industry and promote green development, the Bank actively devotes itself to serving the province’s cultural tourism, greatly supporting key national cultural events including the Silk Road (Dunhuang) International Cultural Expo and the Public Fuxi Memorial Ceremony. During the Reporting Period, the Bank’s loans granted to the province’s cultural tourism has amounted to 3.4 billion Yuan, with more than 26 million Yuan sponsored.

During the Reporting Period, the Bank’s loans granted to the province’s cultural tourism has amounted to



3.4 billion Yuan



and sponsored more than 26 million Yuan

Poverty Alleviation and Giving Back to the Society

After Bank of Gansu was appraised as the “Advanced Provincial Group for Combating Poverty in 2018”, In May 2020, the same honor was again awarded to the Bank for 2019. This was the great appreciation from the Gansu Provincial Party Committee and the Gansu Provincial Government on the Bank’s efforts to combat poverty. Prior to this award, the Bank had won the “People’s Mind Award” for combating poverty in Gansu province for five times.

Achieving a “well-off society” with the nation as planned without any retreat, supporting the poor to realize their dream of “suffering in lasting poverty, hoping to be well-off” is our mission as “the bank for the people in Gansu” are our responsibilities and grits to be inclusive for the people. Bank of Gansu is committed to applying the current national standards for poverty alleviation, takes firmer steps to implement poverty alleviation measures, endeavors to combat poverty. During the Reporting Period, the Bank continued to make vigorous efforts to eliminate poverty in all remaining poor areas, launched pro-consumption campaigns, supported businesses involved in poverty alleviation in resuming their operations, and conducted poverty alleviation census. With unremitting efforts, the Bank has successfully broadened the channels for rural residents to seek employment and increase their incomes, supported rural residents to seek employment or start businesses locally, expanded the implementation of “Work Relief” programs to ensure that rural residents can have jobs and income.



Case 1

In March 2020, members of the Party committee of the Bank of Gansu went to Dingxi, Baiyin, Tianshui, Pingliang, Wuwei, Gannan, Linxia and other regions to investigate local poverty alleviation works, guided local branches to actively communicate with local counties’ government regarding relevant projects and measures for poverty alleviation. In April 2020, Liu Qing, the secretary to the Party committee of the Bank and the Chairman of Bank of Gansu, visited Dongxiang county to investigate local poverty alleviation works, discussed poverty alleviation measures in 2020 in detail, inspected planned projects including apricot economic forest planting and quinoa planting. In May 2020, 168 employees of Bank of Gansu actively responded to the call for poverty alleviation policies, invested a total of 339,000 Yuan to carry out “one household, one policy” assistance successively in 323 poor households, which broadened their channels to increase income and promoted the development of local industries.

Case 2

Longnan City was in a critical period of poverty alleviation, achieving high-quality poverty alleviation as scheduled is inseparable from external supports. On June 5, 2020, the Bank of Gansu and the Longnan Municipal Government signed an integrated strategic cooperation framework agreement to increase credit and support for Longnan’s small, medium and micro enterprises, the real economy, shantytown renovation, infrastructure construction and other industries. According to the agreement, the Bank plans to provide Longnan City with no less than 30 billion Yuan of credit in the next five years to improve people’s livelihood and living environment, and contribute to Longnan’s economic and social development.

Case 3

Yuan to build two 200-cubic-meter reservoirs for two underprivileged villages to meet residents’ daily needs of drinking water, solved the local arduousness of “rather spare a bun than a sip of water” that endured for hundreds of years. The Bank also invested 700,000 Yuan in rural road construction, which could reduce travel time needed by more than half. Since the Bank engaged in supporting modern agricultural facilities, drinking water projects and the improvement of human settlements, by the end of the Reporting Period, Bank of Gansu carried out cooperation with the Water Resources Department of Gansu Province, water resources departments of 3 prefecture cities and 26 counties, granted more than 9 billion Yuan loans to water conservancy, environmental and public infrastructure, supported the construction of a batch of water conservancy projects and promoted infrastructure construction.

Case 4

Bank of Gansu founded an education poverty alleviation fund along with the *Implementation Plans for Poverty Alleviation and Education Assistance of Bank of Gansu* (《甘肅銀行脫貧攻堅教育幫扶實施方案》), which provides regular education assistance to 5 villages, and assistance including one-time rewards and living expenses to undergraduate students, enables more children to get out of poverty by enjoying education.



Charity event "winter coals delivery"

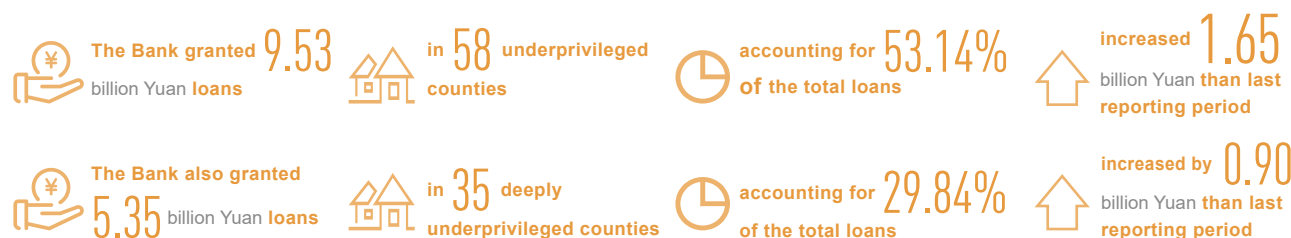


Poverty alleviation products of "pro-consumption month"

- 1 Every year on the eve of Children's Day, the Bank invites members of the Communist Youth League of China to carry out education assistance "hand in hand" for 5 schools in 2 poverty alleviation villages assisted by the Bank.
- 2 Every year before heating supply in October, the Bank carries out charity event "winter coals delivery" in 5 schools assisted by the Bank.
- 3 The Bank founded the education poverty alleviation fund "building dreams and growing together", continues to fund poor students to complete their education.
- 4 All members of the Communist Party of China in the Bank actively participate in pro-consumption campaigns to aid poverty alleviation. During the Reporting Period, 280 party members participated in the event "pro-consumption month" in Longyin Mall with more than 140,000 Yuan spent.
- 5 During the Reporting Period, Bank of Gansu donated a total of 9.25 million Yuan in charitable and other donations.

As an important financial force for poverty alleviation in Gansu Province, Bank of Gansu actively follows the national financial poverty alleviation policies, increases its financial supports for underprivileged regions, focuses on supporting the development projects loans of specialty industries. Since 2018 and as of the end of the Reporting Period, the Bank granted 9.53 billion Yuan loans to 1,086 projects in 58 underprivileged counties, accounting for 53.14% of the total loans, which increased 1.65 billion Yuan and 221 projects than last reporting period. The Bank also granted 5.35 billion Yuan loans to 612 projects in 35 deeply underprivileged counties, accounting for 29.84% of the total loans, which increased by 0.90 billion Yuan and 113 projects than last reporting period. Except for Zhouqu and Lintan, the remaining concentrated contiguous and deeply underprivileged counties have been fully covered in the Bank's loan campaign, with a coverage rate of 97.65%.

During the Reporting Period



Green Finance and Inclusive Finance

"Serving local economy, serving the development of agriculture, rural areas and farmers, serving small and medium-sized enterprises and serving urban and rural residents" has been the market positioning of Bank of Gansu since its establishment. The Bank is adhered to the development concept of "technology benefits people", accelerates its digital transformation, ensures the efficiency of green project investment with raised funds through green finance bond management.

(1) Inclusive Finance



Loans for agricultural development

Bank of Gansu clarifies priority support direction. As of the end of December, the Bank has granted a total of 22.75 billion Yuan in agriculture-related loans, of which 3.78 billion Yuan as special loans granted to 6 specialty industries including "cattle, sheep, fruit, vegetable, potato, medicine"; 0.58 billion Yuan loans granted to 156 households of the farmer's special co-operative; 2.57 billion Yuan loans granted to 10,781 farmers to promptly address the development needs of various business run by farmers.



Improving financial services experience

Bank of Gansu offered a wide range of inclusive finance services including "card-free" business, delay in repayment of loan principle, payment limits adjustment in the People's Bank of China, online services regarding financial risk assessment on wealth management and pledge loans on the certificate of deposit.



Optimizing loan assessment mechanism

The Bank optimizes its system of credit approval. For borrowers who are favorable in aspects including experiences, product quality, sales channels, etc. However, for borrowers encountering short-term financing difficulties due to market fluctuations, Bank of Gansu upgrades their loan-related services procedure to cultivate the stability and quality of the "three rural" customer group.



Delay in repayment of principle

For farmers whose production and operation suffered from short-term funding difficulty due to the pandemic, Bank of Gansu delayed the repayment of the loan principal to alleviate the pressure of farmers. During the Reporting Period, the Bank delayed 26 million Yuan repayments of loan principal for 660 farmers.



Innovating product and services

Bank of Gansu launched a system called Longyin Mall. After more than four years of promotions and technological updates, Longyin Mall has become a collection of specialty product promotion, sales, merchant management, payment and settlement, successfully created an integrated service platform of "technological innovation + service + agricultural poverty alleviation". Longyin Mall actively promotes various poverty alleviation works and broadens the sales channels of poverty alleviation products.

(2) Green Finance

Bank of Gansu actively promotes the development of green finance, supports technological innovation and services, fosters credit policies and measures for the construction of a resource-saving and environmentally friendly society. In accordance with the principle that the growth rate of green loan could not be lower than the growth rate of other loans, the Bank formulated an annual plan for green loans issuance and launched the *Implementation Rules for Green Loan Policy of Bank of Gansu Co., Ltd.* (《甘肅銀行股份有限公司綠色信貸政策實施細則》), the *Administrative Measures for Raised Fund of Green Finance Bonds of Bank of Gansu* (《甘肅銀行綠色金融債券募集資金管理辦法》) and other relative policies. In addition to that, the Bank has formed a green credit management system composed of the Risk Management Department, the Credit Management Department, the Corporate Business Department, the Inclusive Financial Department and other departments to accelerate green credit development. Among them, the Risk Management Department and the Credit Management Department are responsible for credit approval and risk management while the Corporate Business Department and the Inclusive Financial Department are responsible for product and service innovation.

Bank of Gansu fully supports projects of the top ten provincial ecological industries, actively maintains communication on policy and projects information with Gansu Provincial Development and Reform Commission, State-owned Assets Supervision and Administration Mission of Gansu Provincial Government, Department of Industry and Information Technology of Gansu Province, Department of Ecology and Environment of Gansu Province, Department of Culture and Tourism of Gansu Province. During the Reporting Period, the Bank has cumulatively invested 10.78 billion Yuan in loans to the top ten ecological industries, with a loan balance exceeding 20 billion Yuan, invested industries including agriculture, energy conservation and environmental protection, cultural tourism and logistics. In addition, green loans granted have increased by 2.77 billion Yuan in 2020.

The Bank's green finance products are mainly green loans, which focus on supporting projects including green mine construction, new energy vehicle manufacturing, modern agriculture, energy-saving heating supply. In the future, the Bank will continue to explore a new path for financial institutes to support green development, promote mutual benefits in green development, contribute wisdom and strength to the high-quality economic and social development of Gansu Province.



Modern agriculture



Green mine construction



New energy vehicle

(3) Financial Knowledge Popularization

According to the relevant notices of the People's Bank of China and other regulatory agencies regarding the 2020 Financial Knowledge Popularization Month in Gansu Province, Bank of Gansu established a special leading group to launch a comprehensive financial knowledge popularization campaign starting on September 1, 2020. Jiayuguan Branch incorporated the element of popular music in short videos to promote anti-money laundering financial knowledge and widely disseminated on the online platform, which achieved a publicity effect that was both innovative and influential. During the Reporting Period, Bank of Gansu had a total of 201 branches and 2,630 employees participated in the popularization of financial knowledge, and the achievement of the Bank were as follows:

Accumulatively carried out **79** activities

More than **179,800** people and customers participated in the event

A total of **47,000** copies of promotional materials have been distributed

Media reported the event for **4** times



Online publicity



Financial Knowledge Popularization events

Jointly Combating Pandemic

Since the outbreak of the coronavirus in January 2020, pandemic prevention and control continues throughout the country. As a provincial city corporate shareholding commercial bank which is directly managed by the provincial government in Gansu province and owned by the state, Bank of Gansu regards financial supports for private enterprises as an important direction to boost the development of the real economy. In response to the call of the state, Bank of Gansu implemented a series of policies and measures issued by the People's Bank of China, the Ministry of Finance of the People's Republic of China, the China Banking and Insurance Regulatory Commission, and other ministries and commissions. The Bank held considerable meetings to analyze pandemic prevention and control and relevant financial services. The Bank took pandemic prevention and control as its priority, actively supported the work resumption of Gansu's private sectors in the fields of policies, products, services, and many other aspects, promoted employment, carried out financial services supports in corresponding to local conditions, and fulfilled the social responsibility of the financial sectors in pandemic prevention and control.

(1) Nine measures to work resumption for enterprises

1

The Bank comprehensively investigated companies and individuals who were greatly affected by the pandemic and faced temporary operating difficulties, and provided solutions to those businesses with financing. From February 10 to 12, 2020, Bank of Gansu financed businesses in difficulties with 670 million Yuan within 3 days.

2

By improving the policies regarding to loan rollover and renewal, the Bank gave priorities to loan rollover and renewal for clients who involved in pandemic prevention and who were greatly affected by the pandemic.

3

Adjusting personal credit repayment scheme such as mortgages and credit cards, reasonably delaying repayments. Personal loans and credit card overdrafts that were overdue during the pandemic were not considered as defaults or black-listed by the Bank.

4

The Bank reallocated its credit structure, increased credit line and the volume of long-term loans for medium, small and micro enterprises, reduced the financing cost.

5

In order to address problems including fund shortage in the procurement of medical equipment and medicines by key medical institutes, the Bank offered services including "Virus Containment Loan", "Medical Loan" to ensure "high credit line, low interest rate, no guarantee needed, quick approval". As of the end of December 2020, Bank of Gansu has approved 76 "Virus Containment Loan" to 68 enterprises involved in pandemic prevention with a total of 269 million Yuan.

6

The Bank actively supported agricultural production, cold-chain logistics, and the transportation, storage and sales of specialty agricultural products to promote the steady development of rural economy.

7

The Bank supported the work resumption of industries such as tourism and transportation that were greatly affected by the pandemic, supported enterprises to sell their products and services through e-commerce.

8

The Bank supported pandemic prevention and control construction projects of Gansu province and key government investment projects, optimized the procedure of review, approval and fund placement.

9

The Bank strictly supervised and ensured the exclusive use of funds during pandemic prevention, any unlawful conducts were strictly investigated.

(2) Members of the Communist Youth League of China devoted themselves to combat pandemic

Members of the Communist Youth League of China followed the call of the Central Financial Working Committee of Communist Youth League of China, actively participated in the prevention and control of the pandemic. In accordance with the deployment of the Communist Party of China and the government to implement self-protection and online publicity, the Youth League Committee of the head office initiated a donation at the same time, encouraged all members to help Wuhan to combat pandemic with their efforts.

On January 30, 2020, the You League Committee of the head office launched a fundraising as called by the Central Financial Working Committee of Communist Youth League of China, which received active responses from its members very soon. As of February 3, more than 101,432.65 Yuan has been raised from 897 participants in the fundraising. All funds raised has been remitted to the special account of the China Youth Development Foundation, which was then remitted to assist Hubei province two times by the Central Financial Working Committee of Communist Youth League of China.

As of February 3

 raised **101,432.65** Yuan in the fundraising

 with **897** participants




Since the Youth League Committee of the head office advocated to establish a pandemic prevention and control commando unit on February 7, 2020, substantial members in different branches and departments within the Bank actively responded and participated in the initiative. Within two days, 466 members participated to form 62 commando units in 21 branches and departments. According to the major tasks of pandemic prevention and control, commando units focused on main tasks including core marketing tactics, innovative services, online promotions to assist pandemic prevention and control, fulfilling the responsibility of commando units in pandemic prevention and control.

As of March 2, 2020, a total of 1,515 party members leading cadres, retired cadres and other party members of the Bank had actively participated in donations, with a total of 194,012.6 Yuan donation had been raised.

As of March 2, 2020

 raised **194,012.6** Yuan in donations

 **1,515** party members leading cadres, retired cadres and other party members of the Bank had actively participated



Look Ahead in the Future

Bank of Gansu will continue to follow Xi Jinping's thoughts on socialism with Chinese characteristics for a new era as the Bank's guidance, and in accordance with the "14th Five-Year Plan", accelerate the construction of a new development pattern, continue to adhere to the development concepts of innovation, coordination, green, openness, and sharing, keep up with the development of fintech to accelerate digital transformation, stick to the bottom line of risk, take high-quality financial services as direction and target quality and steady development as the goal. The Bank will implement new development concept and provide better and more efficient financial support for the construction of a better new Gansu.

Pandemic prevention and control shoulder heavy responsibility, Bank of Gansu faces the challenges ahead, and actively responds to the national government's call on fully supporting enterprises resumption and post-pandemic reconstruction of the communities. The Bank is working to achieve pandemic containment on one hand, as well as serving regional economic development on the other. The Bank will practice its solemn promise of "the bank owned by people in Gansu" with accurate, efficient and caring financial services, contribute its best efforts to combat pandemics and strive to build a better society. We learn from history and look forward to the future, Bank of Gansu will devote itself to all stakeholders to move ahead and jointly write a new chapter in sustainable development.



Independent Assurance Statement

To the Board of Directors of Bank of Gansu Co., Ltd.:

CECEPAC (HK) Advisory Company Limited ("CECEPAC (HK)" or "We") has been engaged by Bank of Gansu Co., Ltd. ("Bank of Gansu") to conduct an independent limited assurance engagement ("Assurance Engagement") on the information and data related to sustainable development in *2020 Environmental, Social and Governance Report* ("ESG Report") of Bank of Gansu.

CECEPAC (HK) assessed Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the *AA1000 Assurance Standard v3* ("AA1000AS v3"). In addition, CECEPAC (HK) provided limited assurance on the Compliance, and reliability and quality of specific performance information disclosed in the *ESG Report* that have been selected in accordance with the 2016 edition of *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide") published by the Stock Exchange of Hong Kong Limited ("SEHK").

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the Chinese version shall prevail.

I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating data, or in the development of the *ESG Report*. CECEPAC (HK)'s activities are independent from Bank of Gansu. There is no relationship between CECEPAC (HK) and Bank of Gansu beyond the contractual agreement for providing proper assurance service.

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have had professional training on sustainability-related standards such as the *GRI Sustainability Reporting Standards* issued by Global Reporting Initiative, AA1000AS v3, the *ESG Reporting Guide* of the SEHK, ISO 14001, and ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting assurance and has sufficient understanding and capabilities of the implementation of AA1000AS v3. In addition, the Assurance Engagement related to sustainability issues is carried out in line with CECEPAC (HK)'s internal assurance protocol.

II. Bank of Gansu's Responsibilities

Bank of Gansu is responsible for the preparation and presentation of the *ESG Report* in accordance with the *ESG Reporting Guide* published by SEHK. Bank of Gansu is also responsible for implementing internal control procedures to ensure that contents of the *ESG Report* are free from material misstatement, whether due to fraud or error.

III. Assurance Provider's Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 and the *ESG Reporting Guide* published by SEHK to the Board of Directors of Bank of Gansu. This independent assurance statement applies solely to the *ESG Report* in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in assurance work meet professional qualification, training and experience requirements, and are proficient in conducting assurance engagements. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

IV. Scope of the Assurance Engagement

- The scope of the Assurance Engagement is limited to the information and data in the *ESG Report* that relate to Bank of Gansu and its subsidiaries only and does not include Bank of Gansu's suppliers, contractors, and the data or information provided by other third parties;
- Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000AS v3;
- Assurance on Bank of Gansu's disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas provided in accordance with the "Comply or Explain" provision, in alignment with the ESG Reporting Guide published by SEHK
- Specified performance information disclosed in the *ESG Report* were agreed upon and selected between Bank of Gansu and CECEPAC (HK) for assurance. The selected specific performance information is as follow:
 - Data of diesel usage
 - Data of gasoline usage
 - Lost days due to work injury
- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January, 2020 to 31 December, 2020 and included in the *ESG Report* only. Any information that falls outside this period and disclosed in the *ESG Report* is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the assurance is confined to the information and data provided by Bank of Gansu. Any queries regarding the content or related matters within this Assurance Statement should be addressed to Bank of Gansu only.

V. Methodology

CECEPAC (HK) conducted Assurance Engagement only within the scope of Bank of Gansu's headquarter, and the assurance works included:

- Evaluating the appropriateness of Bank of Gansu's stakeholder engagement participation process;
- Conducted interviews with personnel involved in sustainability management, preparation of the *ESG Report* and provision of the relevant information in the *ESG Report*;
- Assessing whether the reporting and management approach for the *ESG Report* responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Assessing the supporting evidence for selected specified performance information, and conducting random sampling of evidence pertaining to data reliability and quality for selected specific performance information;
- Recalculating selected specific performance information;
- Assessing the degree of conformity of the *ESG Report* with the *ESG Reporting Guide*; and
- Performing other procedures we deemed necessary.

The Assurance Engagement was performed and the conclusions within were based upon information and data provided by Bank of Gansu to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

VI. Limitations

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.

VII. Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, the specific performance information and the conformity of the *ESG Reporting Guide*, our findings and conclusions are as follows:

Inclusivity

Bank of Gansu has identified key stakeholders. Regular communication with the key stakeholders is carried out in various ways to understand their expectations and key concerns. On this basis, Bank of Gansu has formulated policies in consideration of key stakeholders' expectations and its impacts on key stakeholders. In our professional opinion, Bank of Gansu adheres to the Principle of Inclusivity.

Materiality

Based on the expectations and concerns of key stakeholders, Bank of Gansu has identified and disclosed major sustainable development related issues through appropriate methods based on its own industry characteristics, legal and regulatory requirements, and outward economic and social impacts. In our professional opinion, Bank of Gansu adheres to the Principle of Materiality.

Responsiveness

Through the *ESG Report*, Bank of Gansu has disclosed corporate sustainability strategies, management systems, management key points, key stakeholder participation activities as well as major sustainable development related issues to respond to key stakeholders. In our professional opinion, Bank of Gansu adheres to the Principle of Responsiveness.

Impact

Bank of Gansu has identified and fairly presented impacts that were measured and disclosed in a probably balanced and effective way. Bank of Gansu has established processes to monitor, measure, evaluate and manage impacts that lead to a more effective decision-making and result-based management within an organisation. In our professional opinion, Bank of Gansu adheres to the Principle of Impact.

SEHK's ESG Reporting Guide

Disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas have been provided in accordance with the "Comply or Explain" provision, in all material aspects, in alignment with the *ESG Reporting Guide* published by SEHK. Bank of Gansu has disclosed the involvement of key stakeholders in the materiality assessment process; impacts caused by business are objectively disclosed; relevant environmental and social data are calculated and disclosed. Our recommendations for the *ESG Report* have been either adopted or responded by Bank of Gansu before the issuance of this assurance statement.

Specific Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the disclosure of the three selected specific performance information, which are data of diesel usage, gasoline usage, and lost days due to work injury, in the *ESG Report* are unreliable and unqualified or not been prepared in accordance with the basis of reporting.



17 May, 2021
Hong Kong SAR, China

Appendix

Index of Environmental, Social and Governance Reporting Guide

General Disclosures and KPIs			
A.Environmental			Section/Explanation
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		Promotion of Green Office Establishment
	KPI A1.1	The types of emissions and respective emissions data.	Promotion of Green Office Establishment
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	Promotion of Green Office Establishment
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Promotion of Green Office Establishment
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Promotion of Green Office Establishment
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A2.3	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A2.4	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promotion of Green Office Establishment
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Bank of Gansu is a financial institute, whose business does not involve consumption on packaging material
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.		Promotion of Green Office Establishment
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promotion of Green Office Establishment

General Disclosures and KPIs			
B. Social			Section/Explanation
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employees' Developments
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employees' Developments
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employees' Developments
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		People-oriented
	KPI B1.1	Number and rate of work-related fatalities.	People-oriented
	KPI B1.1	Lost days due to work injury.	People-oriented
	KPI B1.1	Description of occupational health and safety measures adopted, how they are implemented and monitored.	People-oriented
Aspect B3: Development And Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer		Growing with Employees
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Growing with Employees
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Growing with Employees
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour		People-oriented
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Management Policies
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Bank of Gansu has eliminated all possibility of child labor and forced labor during recruitment and the daily employment, and thus no violation will occur.

General Disclosures and KPIs			
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Enhancement of Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Enhancement of Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Enhancement of Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress		Regulating Financial Product Advertisement, Promoting Fintech Application. Due to the nature of Bank of Gansu, labelling matters relating to products and services provided are not applicable.
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Offering Excellent Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Respecting Intellectual Property Rights
	KPI B6.4	Description of quality assurance process and recall procedures.	Offering Excellent Service
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Promoting Fintech Application
Aspect B7: Anticorruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering		Construction of Corruption Defender
	KPI 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.	Construction of Corruption Defender
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Construction of Corruption Defender
Community			
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Respecting Goodness and Promoting Public Causes
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Respecting Goodness and Promoting Public Causes
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Respecting Goodness and Promoting Public Causes



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