



贵州银行股份有限公司

BANK OF GUIZHOU COMPANY LIMITED

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

Stock Code: 6199

用心 的 銀行

2020

Bank of Guizhou Co., Limited

Environmental, Social and
Governance Report





Environmental, Social and Governance Report 2020

About the Report

This is the second ESG (environmental, social and governance) report issued by the Bank of Guizhou Co., Ltd Limited. The Bank, based on a materiality analysis, has identified key issues and opportunities concerning various stakeholders. Therefore, the Bank would like to disclose to all stakeholders its efforts and achievements in economic, social and environmental spheres in this report. "The Bank of Guizhou Company Limited.", "Bank of Guizhou", "the Bank" and "our Bank" in this report all refer to the Bank of Guizhou Company Limited.

Reporting Framework

2020 was an eventful year for China to fight against COVID-19, a decisive year for Guizhou province to win the battle of poverty alleviation, and for the Bank of Guizhou, a year to work hard towards better transformation and development as a listed bank for the first time in the market. In this regard, this report presents the commitment of the Bank in five aspects of corporate governance, economic development, client services, employment and community and environmental protection.

- Chapter 1 focuses on corporate governance, introducing the Bank's actions and performance in corporate governance and internal control and compliance.
- Chapter 2 focuses on economic development, introducing the Bank's actions and performance in targeted poverty alleviation, COVID-19 control, serving the real economy, and inclusive finance.
- Chapter 3 focuses on customer services, introducing the Bank's actions and performance in providing fintech services, diversifying financial products, improving customer experience, and protecting consumers' rights and interests.
- Chapter 4 focuses on employees and the community, introducing the Bank's actions and performance in protecting the rights and interests of employees, strengthening the ESG management of suppliers, and conducting charity in the community.
- Chapter 5 focuses on environmental protection, introducing the Bank's actions and performance in green finance, environmental risk management, and green operations.

Scope of Application

- Reporting scope: This report covers the headquarters of the Bank of Guizhou Company Limited and its branches and sub-branches.
- Reporting period: ranging from Jan 1, 2020 to Dec 31, 2020
- Reporting cycle: each year.
- Report version: This is the second ESG report issued by the Bank.

Compilation Basis

- *Opinions on Strengthening Social Responsibility of Banks and Financial Institutions* (2007) by former China Banking Regulatory Commission
- *HKEX ESG Reporting Guide* (2020)
- *Guidelines for Corporate Social Responsibility of China's Banking Financial Institutions* (2009) by China Banking Association
- *GRI Standards for Sustainability Reporting* (2016)
- *Guideline on Environmental Information Disclosure for Financial Institutions (Trial)* by the People's Bank of China.

Information Source

The report sees no significant change in the methodology for obtaining and calculating data compared with previous annual reports. The financial data in this report is derived from the *Bank of Guizhou Co., Ltd. 2020 Annual Report*, while other data is collected based on Bank of Guizhou's internal documents and relevant statistics. Unless otherwise specified herein, the currency used in this report shall be RMB.

Reporting Principles

- Materiality. The report identifies and responds to important ESG issues affecting the Bank's sustainability based on on-line stakeholder surveys, data analysis, etc. The materiality analysis process and results are detailed in this report P14.
- Quantification. The Bank's quantitative key ESG performance has been disclosed P07-P08.
- Consistency. The report keeps indicators used in different reporting periods as consistent as possible and explains changed indicators to present changes in performance.
- Balance. The report reflects objective facts while disclosing positive and negative indicators.

Reporting Language

This report is prepared in both Chinese and English. For any discrepancy between the two versions, the Chinese version shall prevail.

Board Guarantee

This report has been reviewed and approved by the Board of the Bank on May 26, 2021. The Board and all the Directors of the Bank guarantee that there are no false representations, misleading statements or major omissions regarding the contents of this report.

Third-party Assurance

To ensure its authenticity and reliability, the Bank has engaged Ernst & Young Hua Ming LLP to perform limited assurance engagement on the key selected information disclosed in the report as per the requirements of the assurance services defined in *International Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 Revised) and AA1000 Assurance Standard with a third-party assurance report provided.

Access to the Report

The printed version of the Report is available at the Bank's Office of the Board at the Head Office. The electronic version in PDF can be downloaded from www.bgzchina.com, www.hkex.com.hk.

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Leader's Statement

2020 is a year of trials and tribulations. The sudden outbreak of COVID-19 has been causing enormous damage to people's lives and triggered ongoing economic downturn. The global political and economic situation has become even more daunting and complicated ever since.

2020 is also a year of miracles. All the Chinese have worked together to not only withstand the test of this deadly pandemic but also achieve a full victory in the battle against poverty. China has completed the heroic task of combating epidemic, creating another miracle in human history. Trickle can grow into the great sea. As a corporate citizen, we are ready to fulfill our responsibilities as a financial institution, and work hard to deliver the promise made by “a responsible and warm bank”.

Epidemic prevention and control. We've donated RMB 10 million to Hubei Charity Federation and assembled 10 volunteer teams of 232 members to transport anti-epidemic supplies to frontline medical staff and join daily inspection and collection of epidemical data. The Bank was awarded the honor “Advanced Youth Volunteer Service Group in the National Finance System for Fighting against COVID-19” by the Central Financial Work Commission, which is the only enterprise in Guizhou Province granted this award. We've approved specialized credit programs, opened up fast channels for project approval, and established a three-tiered (head office, branch and sub-branch) green finance system to support epidemic prevention and control, work and production resumption, and business recovery. These efforts aim to help enterprises affected by the epidemic to tide over difficult times. Since the outbreak of the epidemic, we have granted loans of RMB 60 billion and help 7,580 entities keep normal operation.

Made great efforts in poverty alleviation. Guizhou is the priority target under China's battle against poverty. It is the most impoverished province in China, where challenges to poverty alleviation are unparalleled. The Bank regards it as an obligation to help Guizhou win the tough battle against poverty. As of the end of 2020, the balance of targeted poverty alleviation loans was RMB 25.685 billion. The Bank has committed resources to “twelve competitive industries” in Guizhou Province to seek a sustainable development approach that achieves poverty alleviation through financial and industrial solutions. We are glad to see that agricultural projects such as Shuicheng and Xiuwen Kiwifruit and Panzhou Roxburgh Rose are thriving; pigs, beef cattle, and laying hens businesses are booming; and 27 tourism projects such as Baili Dujuan (“Hundred Miles of Rhododendrons”) Scenic Area and Xijiang Miao Village are becoming popular. The local industries, people and environment have benefited enormously from these efforts. At the Guizhou Poverty Alleviation Commendation Conference, we were awarded 6 honors including “Excellent Party Member for Poverty Alleviation in Guizhou” and “Excellent Party Branch for Poverty Alleviation in Guizhou”.

Relentless efforts in building Green bank. Green finance is a key approach for financial institutions to achieve China's 30-60 carbon neutrality goal. In 2020, we formulated green finance development plans and further improved the top-level design to achieve the goal of “building a green bank”. We have continued to optimize green financial services and launched innovative green building loans and ecological infrastructure loans to support the construction of a state-level ecological civilization pilot zone. As of the end of 2020, the Bank's green loan balance has reached RMB 22.852 billion, an increase of RMB 4.669 billion from the beginning of the year, with a growth rate of 25.68%. On November 30, 2020, we announced to adopt the “Equator Principles”, becoming the sixth “Equator Bank” in China. Meanwhile, the Bank has taken this opportunity to improve and remake the credit system. We've implemented the “one-vote veto” system against non-green projects to apply environmental risk management throughout the whole business operation process.

Serving the real economy with a heart of full devotion. It is the bounden duty of us to serve the real economy, which is the bloodline of finance itself. Real economy plays a key role in our strategic transformation. The Bank has taken special measures to vigorously support the development of industries such as basic energy and high-end equipment manufacturing. The Bank has carried out the programs of “Hundred Bank Leaders to Serve Private Enterprises” and “Hundred Banks to Serve Ten Thousand Enterprises” to provide one-to-one services to small and micro enterprises. As of the end of 2020, the Bank's financing balance for real economy was RMB 94.295 billion, an increase of RMB 13.811 billion from the beginning of the year, with an yearly growth rate of 17.16%. We've encouraged fee reduction. To ensure enterprises are effectively covered by our favorable policies, we've included the performance of supporting real economy into the staff assessment. In 2020, the interest rate of our inclusive loans for small and micro enterprises dropped by 74 BPs from the beginning of the year. We've worked tirelessly to develop supply chain finance. The Bank provides “Yunxin Factoring” and “1+N+n” purchase order financing product for featured agriculture to fund private small and micro enterprises. The Bank of Guizhou won the third prize in the competition of innovative financial products developed by financial institutions in an attempt to solve financing problems for private micro and small enterprises.

Improving customer experience. We adhere to customer-oriented services and actively embrace Fintech to optimize customer experience. In 2020, the Bank launched a next-generation information system, becoming China's first bank that fully implements private cloud-based transaction systems, as well as China's first bank to adopt distributed deployment of major transaction system applications and databases. It marks a leapfrog development of the Bank's customer service capacity. The Bank creates a service ecosystem that caters to people's needs in widely applicable life scenarios such as “travel, entertainment, healthcare, education and transportation”, allowing customers to enjoy a more convenient, safer and intelligent “finance + life” experience. We have incorporated consumer rights protection into our strategic plan. Our star-rated outlets have reached a record level over the years. The consumer rights protection has been rated by regulators as Class A for three consecutive years. The Bank has been widely applauded as a bank “providing service with care”.

Actively contributing to improve social welfare. It has always been our hope and expectation to join hands with all sectors of society to build a harmonious and beautiful community. We care the wellbeing of outdoor workers. That's why we've cooperated with the Guizhou Trade Union Federation to build Comprehensive Service Station for Outdoor Workers. By the end of 2020, we've built 117 service stations relying on the resources of the Bank outlets. These stations are equipped with basic facilities such as microwave ovens, water dispensers, and first aid box, aiming to provide lounge and battery charging services for outdoor workers such as sanitation workers, construction workers, and couriers. We continue to carry out “Dandelion” voluntary financial services and organize various financial knowledge campaign and publicity activities to safeguard people's wealth. We have established the Financial Service Station for Rural Youth Entrepreneurs, a financial information consulting and service platform to support the employment and entrepreneurship of rural youth. The Bank has conducted the campaign “Overcoming Challenges and Carrying on with Dreams” for four consecutive years to support college entrance examination candidates. In 2020, we won the honor “Iron Horse - Award for the Most Socially Responsible Small and Medium-sized Bank”.

Earlier days before the Spring Festival in 2021, President Xi Jinping visited Guizhou, hoping that “with an eye on new development stage, Guizhou could implement new development concepts, work on new development patterns, and seek high-quality development in a comprehensive way”. We have been contemplating what and how. We believe that ESG concept and ESG management system is the approach to facilitate the high-quality and sustainable development of listed companies. In 2021, we will take the strengthening of ESG management as our cornerstone, lead a new journey with a new vision, and forge a new glory with a new set of actions!



杨明尚

Yang Mingshang

Secretary of the Party Committee
of the Bank of Guizhou

Review in 2020

• Economic performance

Indicator	2020	2019	2018
Total assets (RMB 100 million)	4,564.01	4,093.89	3,412.03
Net profit (RMB 100 million)	36.71	35.64	28.77
Customer deposit (RMB 100 million)	2,890.43	2,602.66	2,200.84
Rate of return on average assets (%)	0.85	0.95	0.92
Return on average equity (%)	10.50	12.01	12.36
Non-performing loan ratio (%)	1.15	1.18	1.36
Allowance coverage ratio (%)	334.36	324.95	243.72
Capital adequacy ratio (%)	13.67	14.45	12.83
Basic earnings per share (RMB)	0.25	0.29	0.24
Operating revenue (RMB 100 million)	112.48	107.06	87.70
Gross loans and advances to customers (RMB 100 million)	2,139.23	1,798.68	1,401.41

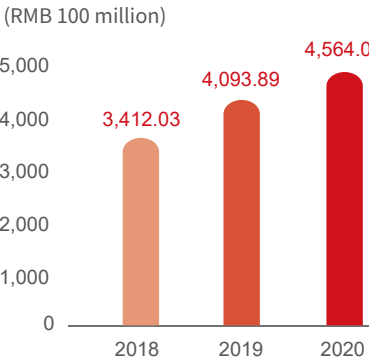
• Social performance

Indicator	2020	2019	2018
Balance of targeted poverty alleviation loans (RMB 100 million)	256.85	295.63	167.08
Total number of employees	5,169	4,820	4,483
Number of employees from ethnic groups	1,659	1,639	/
Percentage of female employees (%)	52.58	62.07	53.25
Total training cost (RMB 10,000)	782	1,285	1,098
Number of anti-money laundering trainings	5	4	10
Number of people participating anti-money laundering training	2,000	2,200	1,338
Number of volunteers	803	1,741	/
Volunteering time (hour)	3,924	13,741	11,307
Number of business outlets	223	217	213
Number of business outlets with barrier-free access	142	137	97
96655 customer service satisfaction rate (%)	99.56	99.59	99.76
Number of online banking and mobile banking customers (ten thousand)	588.44	460.97	325.49
Scale of mobile transactions (RMB 100 million)	1,087.82	805.75	610.24

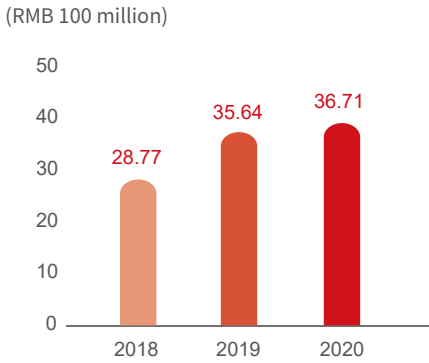
• Environmental performance

Indicator	2020	2019	2018
Green loan balance (RMB 100 million)	228.52	181.83	127.06
Proportion of green loans to total loans (%)	10.68	10.11	9.07
Loan balance of the “Two High and One Excess” industries (RMB 100 million)	1.36	2.56	2.19
Loan balance ratio of the “Two High and One Excess” industries in the total loan balance (%)	0.09	0.18	0.35
Head Office power consumption (MWh)	4,610.66	4,109.63	4,214.94
Head Office water consumption (t)	14,791	11,339	7,212
Head Office paper consumption (t)	5.60	7.93	7.49
Proportion of online financial transactions to all transactions (%)	97.64	97.41	96.24

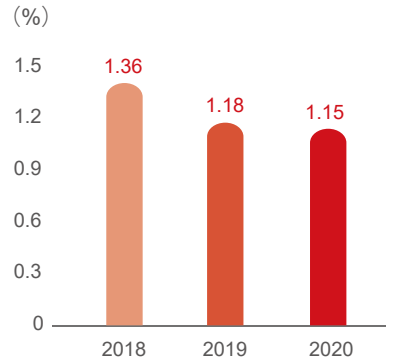
Total Assets



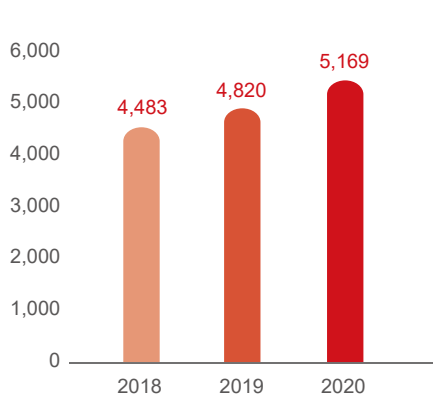
Net profit



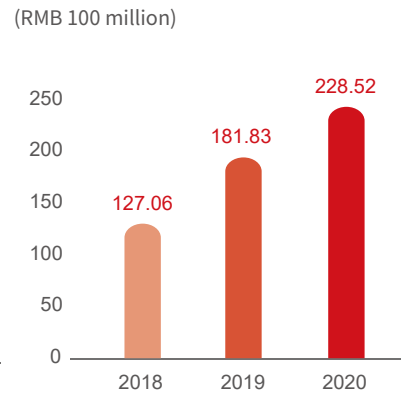
Non-performing loan ratio



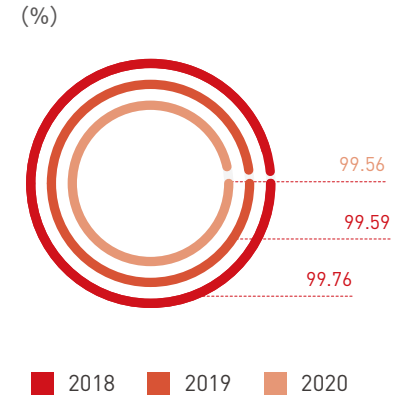
Number of employees



Green loan balance



96655 customer service satisfaction rate



About Us

Founded on 11 October 2012 and headquartered in Guiyang City, Guizhou Province, the Bank of Guizhou is a province-level financial institution established through the merger and reorganization of Zunyi City Commercial Bank, Anshun City Commercial Bank and Liupanshui City Commercial Bank. The Bank has been listed on the main board of the Hong Kong Stock Exchange on 30 December 2019 with the stock code of 6199.HK. It is the first financial institution in Guizhou Province to enter the international capital market.

With the vision of becoming a "national first-class modern commercial bank" and the goal of contribution, excellence, happiness and sharing", the Bank always adheres to the service concept of "bank with heart" and works hard to support the economic and social development of Guizhou so as to "build itself into a first-class urban commercial bank in China". The Bank has business presence in corporate banking, retail banking, small and micro financial services, financial market operations, and asset management with branches in 88 counties of Guizhou Province. Electronic banking, mobile banking, WeChat banking, online banking, telephone banking and other service channels have been continuously improved, and the customer base continuously expanded. The Bank insists on steady and prudent operations, and has established a comprehensive risk management system that matches business development. The asset quality level continues to lead in the industry. The Bank continues to optimize its internal management and improve various systems and mechanisms. Thanks to a growing talent team, the Bank runs efficiently and orderly. As at the end of December 2020, the Bank owned 223 licensed institutions and 5,169 employees. The branches of the Bank are located throughout Guizhou Province, covering all cities (prefectures) and counties (districts).

The Bank ranked 270th in the world and 45th in China on the list of "Top 1000 World Banks 2020" released by the British Magazine *The Banker*; the Bank ranked 43th in the "2020 China Top 100 Banks List" released by the China Banking Association.




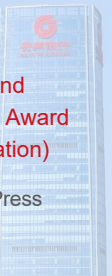





As at the end of 2020,

the Bank owned **223** licensed institutions

5,169 employees 



Honors and Awards

<div></div> <div>Brand Influence</div>	<div>Top 1000 World Banks 2020</div> <div>The Banker</div>	<div>Ranking 43th among Top 100 Banks in China 2020</div> <div>China Banking Association</div>	<div>Tianji Award for Banks with Regional Influence</div> <div>Securities Times</div>	<div></div> <div>Products and Services</div>	<div>Best Progress Award in the Inter-bank Local Currency Market</div> <div>National Interbank Funding Center (Foreign Exchange Trading Center)</div>	<div>2020 Best Mobile Banking Innovation Award</div> <div>China Financial Certificate Authority (CFCA)</div>	<div>Top 100 Settlement Banks — Excellent Operator</div> <div>China Central Depository & Clearing Co., Ltd. (CCDC)</div>
<div>Brand of Best Customer Service in Guizhou Province, Advanced Enterprise for Enterprise Culture Development in Guizhou Province</div> <div>Guizhou Enterprise Culture Promotion Association, Guizhou Brand Culture Building Committee</div>	<div>Ranking third in 2019 competitiveness evaluation of city commercial banks with an annual asset scale of RMB 300 billion- RMB 1 trillion</div> <div>The Banker</div>	<div></div> <div>Annual Brand Communication Award (media innovation)</div> <div>China Finance Press</div>	<div>Top 100 Guizhou Enterprises Top 50 Servicing Company in Guizhou</div> <div>2020 Summit of Top 100 Enterprises in Guizhou</div>	<div>2020 Excellent Team Award for Procurement in China's Financial System</div> <div>China Financial Centralized Purchasing Network, China Finance</div>	<div></div>	<div>National Advanced Enterprise of Internal Audit</div> <div>China Institute of Internal Audit</div>	<div>2020 Fintech Innovation Outstanding Contribution Award & Development Innovation Contribution Award</div> <div>Financial Computerization Magazine</div>
<div>2020 Bank of the Year for Brand Building</div> <div>21st Century Media</div>	<div></div> <div>Social Responsibility</div>	<div>Enterprises with Outstanding Contribution to Fight against COVID-19 and Homeland Security</div> <div>Guizhou Charity Federation</div>	<div>2020 China GoldenBee CSR List - Responsible Financial Institutions</div> <div>GoldenBee Thinktank, Sustainable Development Economic Guide by Ministry of Commerce</div>	<div>2019 Banking Outlets with Five-starred Services</div> <div>Guizhou Banking Association</div>	<div>2020 China's Top 500 Service Enterprises</div> <div>China Enterprise Association, China Entrepreneur Association</div>	<div></div> <div>Party Building and Poverty Alleviation</div>	<div>Advanced Enterprise for the Three-year Battle to Harden Roads in All Villages</div> <div>Guizhou Provincial Department of Transportation, Human Resources and Social Security Department of Guizhou Province</div>
<div>Award for "Protecting the Homeland and fighting against the Epidemic"</div> <div>Guizhou Charity Federation</div>	<div>Iron Horse - Award for the Most Socially Responsible Small and Medium-sized Bank</div> <div>Modern Bankers</div>	<div>Caring Enterprise for Good Deeds, Guizhou</div> <div>Guizhou Charity Federation</div>	<div>Advanced Enterprise of Youth Volunteer Services in China's Financial System for Fighting against COVID-19</div> <div>The Central Financial Work Commission</div>	<div>Guizhou March 8th Red Flag Bearer, Guizhou March 8th Red Flag Bearer (Enterprise)</div> <div>Guizhou Women's Federation, Human Resources and Social Security Department of Guizhou Province</div>	<div>National May 4th Red Flag Youth League Committee</div> <div>The Central Committee of the Communist Youth League</div>	<div>Advanced Party Organizations for Poverty Alleviation in Guizhou</div> <div>Guizhou Provincial Party Committee of the Communist Party of China</div>	<div>Guizhou Advanced Enterprise 2018-2020</div> <div>Guizhou Provincial Committee of the Communist Party of China, Guizhou Provincial People's Government</div>

Our ESG Philosophy

ESG philosophy

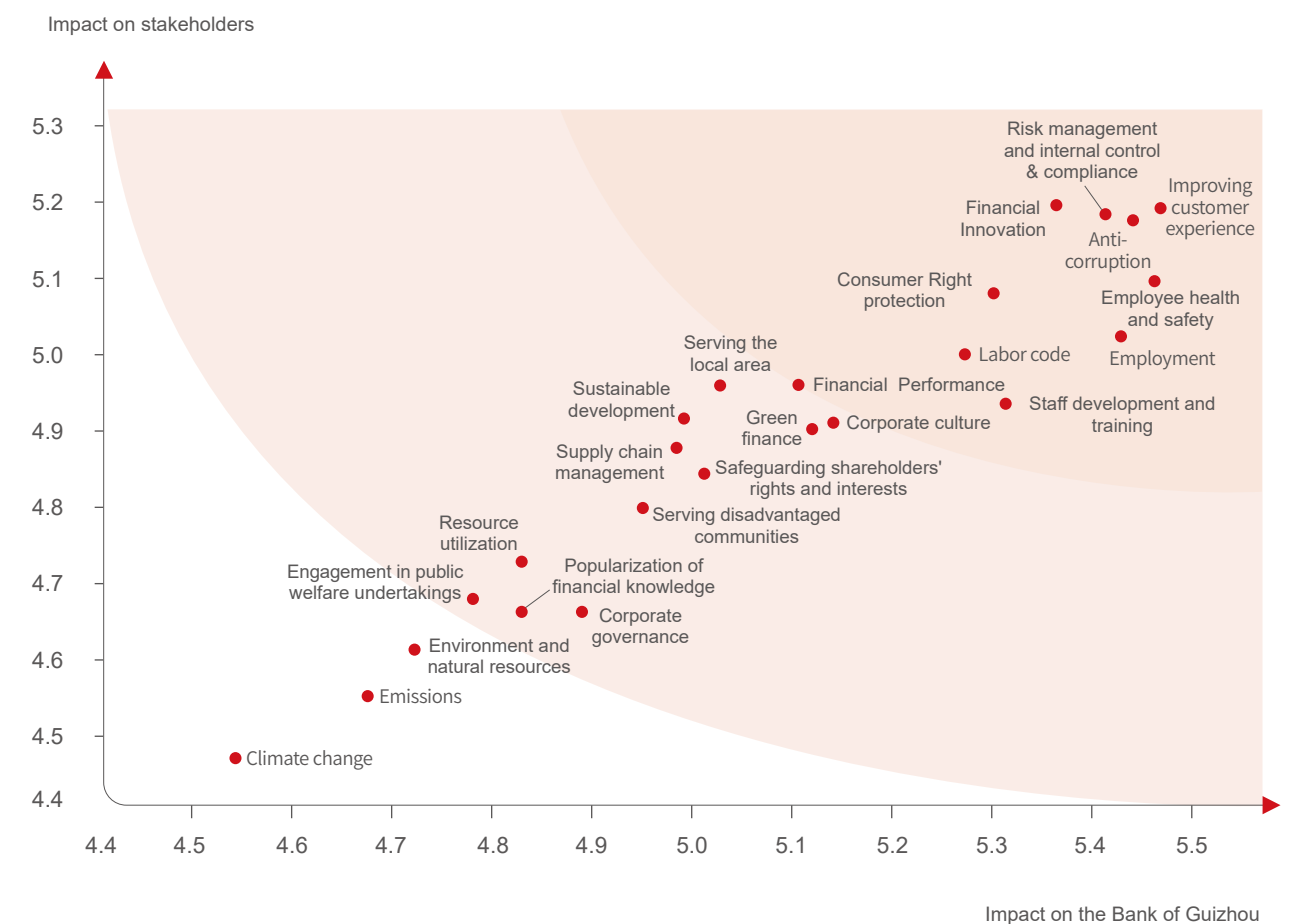
The Bank aspires to become a "national first-class modern commercial bank". Guided by the philosophy of "customer first, efficiency first, safety first, compliance operation", it works hard to integrate ESG concepts in all aspects of its business. The Bank has committed to integrating the five major development concepts of "innovative, coordinated, green, open and inclusive" with ESG management and promoting the implementation of ESG concepts in all aspects of the Bank's business management.



Materiality analysis

The key stakeholders of the Bank include employees, clients, shareholders, government/regulators, and suppliers. To ensure timely and effective communication with stakeholders, the Bank continues to build a multi-level and all-round communication system. The Bank pays close attention to stakeholders and promotes stakeholder management through a dialogue mechanism with mutual trust and commitment.

To systematically identify the key points of the Bank's ESG management, during the reporting period the Bank collect questionnaires to gather opinions from stakeholders on the importance of ESG issues. The Bank received a total of 399 effective feedbacks from employees, clients, government/regulators, suppliers/partners and media. Based on the survey results, the Bank has established the 2020 ESG Materiality Matrix as the basis for the Bank to prepare this report and proceed with EGS matters.





Steady and Healthy Development Consistently Upgrade Efficiency of Corporate Governance

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we thoroughly implement the spirits of the 19th National Congress of the CPC, the second, third and fourth plenary sessions of the 19th Central Committee, the Central Economic Work Conference and the National Financial Work Conference, enhance the “Four Consciousness”, persist with “Four Confidences”, endeavor to “Upholding in the Two Aspects”, assert and strengthen the Party’s leadership over financial work, improve the modern financial enterprise system, adhere to the combination of international good practice and the basis of China’s national conditions and industry reality as well as focus on regulating the behaviour of the governance subject, making up for the shortcomings of the regulatory system, improving the institutional mechanism and optimizing the external environment to continuously improve the scientificity, soundness and effectiveness of the corporate governance of banking and insurance industry of China.

--*The Three-Year Action Plan for Improving Banking Sector and Insurance Sector Corporate Governance (2020-2022)* of CBIRC

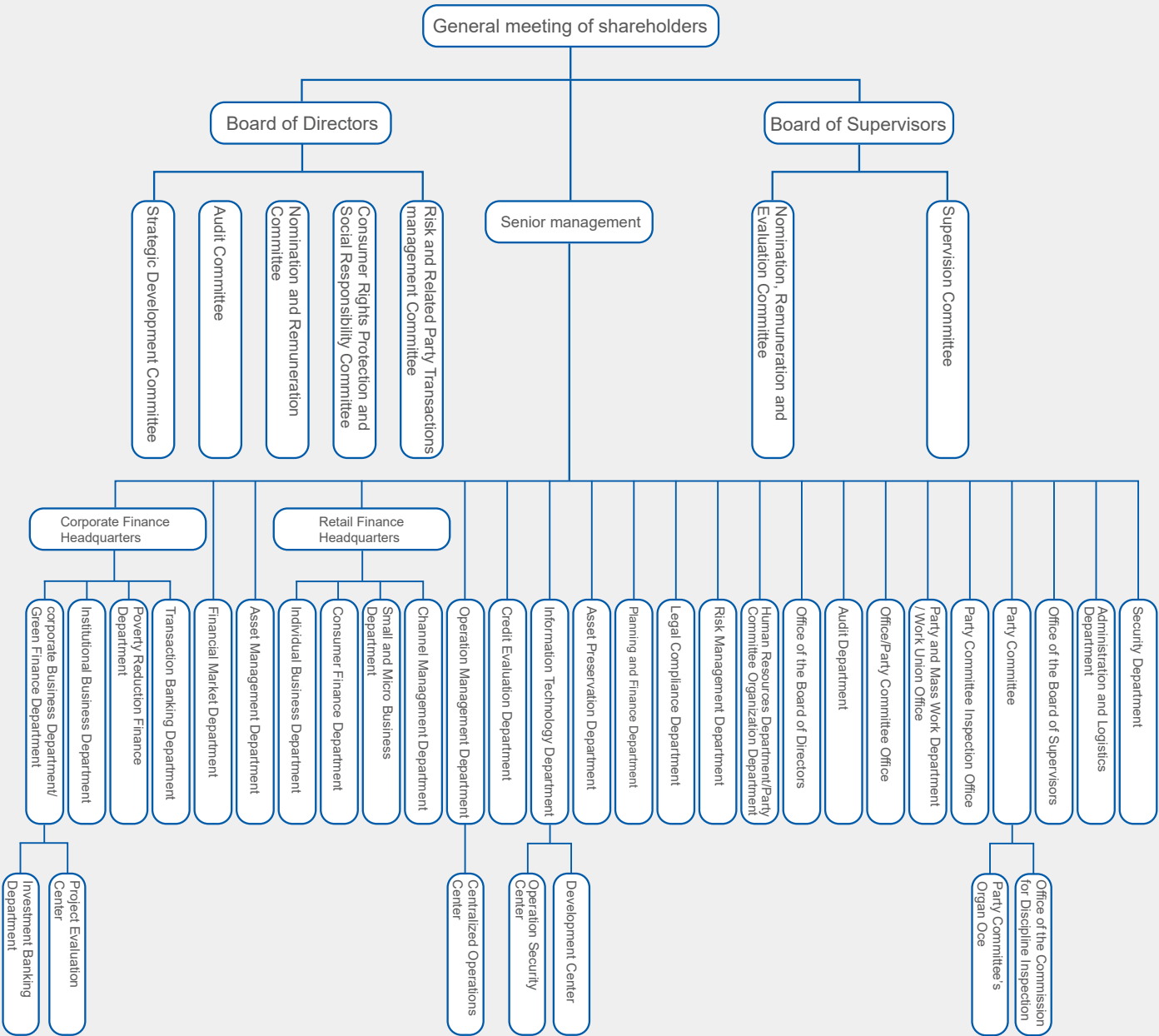
The Bank of Guizhou attaches great importance to corporate governance. It continues to improve corporate governance in strict accordance with laws, regulations and regulatory requirements such as *The Company Law of the People’s Republic of China*, *Law of the People’s Republic of China on Commercial Banks* as well as *Listing Regulations* and *Corporate Governance Practices* of the Hong Kong Stock Exchange. The Bank has built a corporate governance mechanism under the leadership of the party committee featuring well-defined powers and responsibilities, coordination, and effectively checks and balances.

Reinforcing corporate governance

The Bank resolutely acts according to the work arrangement of the Party Central Committee and the State Council. To continuously promote the integration of party building and corporate governance, it has established a sound corporate governance structure comprising “Party Committee, General Meeting of Shareholders, Board of Directors, Board of Supervisors and Executives”. These efforts are supposed to advance the modernization of corporate governance system and capabilities. Incorporating party building into the articles of association and allowing the party to “provide direction, manage the overall situation and supervise implementation”; building a scientific and reasonable equity structure to regulate

shareholders based on the principles of “participation of multi-stakeholders” and “appropriate concentration”; strengthening the building of the Board of Directors and the Board of Supervisors, formulating the rules of the Board of Directors, the Board of Supervisors and specialized committees, and establishing performance evaluation methods regarding directors and supervisors to improve the work quality and effectiveness of the Board of Directors. Guided by banking corporate governance evaluation methods, the Bank has carried out various tasks in an orderly manner in 2020. The corporate governance efficiency continues to improve.

Improving corporate governance structure



*Due to the work arrangement of the provincial government and the general election, the Bank has adjusted the composition of members of the Board of Directors and the Supervisory Committee. Please refer to the Bank's announcement published on the Bank's website and HKEX for the detailed information on new appointments.

Within the reporting period:

Convening 1 general meeting of shareholders to review 24 proposals

Convening 15 board meetings to review 95 proposals

- Committees under the Board of Directors convened 20 meetings to review 57 proposals. Particularly,
- the Strategic Development Committee convened 1 meeting to review 2 proposals;
 - the Audit Committee convened 3 meetings to review 9 proposals;
 - the Nomination and Remuneration Committee convened 3 meetings to review 9 proposals;

- the Consumer Protection and Social Responsibility Committee convened 3 meetings to review 4 proposals;
- the Risk and Related Party Transaction Management Committee convened 10 meetings to review 33 proposals.

Convening 5 meetings of the Board of Supervisors to review 69 proposals

- Specialized committees under the Board of Supervisors convened 6 meetings to review 34 proposals. Particularly,
- the Nomination, Remuneration and Evaluation Committee convened 3 meetings to review 15 proposals;
 - the Supervision Committee convened 3 meetings to review 19 proposals.

Strengthening communication with investors

The Bank attaches great importance to communication with investors, which formulates the *Investor Relationship Management System* to clarify the scope of investor communication. The bank maintains effective communication with small and medium shareholders via multiple communication channels, such as the investor relationship hotline, shareholder emails, the Bank website, investor visits, and information disclosure.

Compliance information disclosure

The bank emphasis on implementing regulatory rules, improving the information disclosure mechanism and procedures, and disclosing information in a timely and fair manner through proper information disclosure channels to ensure the truthfulness, accuracy and completeness of the information. Also, the Bank makes effort to optimize, enrich the content of regular reports, releasing the *Bank of Guizhou 2019 Annual Report*, the *Bank of Guizhou 2020 Interim Report* and the *Bank of Guizhou 2019 Environmental, Social and Governance Report* on time and promptly respond to market concerns. A total of 88 H shares announcements were issued during the reporting period.

Focusing on the protection of intellectual property rights

The bank formulates the *Bank of Guizhou Intellectual Property Management Measures* based on the *Copyright Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*. With a series of efforts like laws and regulations publicity, legal risks warning, and strict review of contracts, the Bank works hard to prevent its intellectual property rights from "infringing" those of others or "being infringed" by those of others.



Enhancing internal control compliance management

The Bank enforces a compliance management system, which continuously improves its internal control and compliance system to realize high-quality development. 2020 is the Bank's "Year of Compliance Management". The Bank has carried out compliance training, compliance culture seminar, and typical cases education to enhance the compliance awareness throughout the Bank. The Bank leverages fintech to push the transformation of compliance risk management from "manual monitoring mode" to "technical monitoring mode". The Bank has launched the Anti-fraud System and Anti-money Laundering 6.0 System to further improve the functions of the compliance management system. The two systems enable the Bank to carry out operation risk management and consulting in an orderly way. In 2020, the Bank was granted positive ratings by China Banking and Insurance Regulatory Commission and Central Bank in terms of anti-money laundering and risk prevention and control.



Internal inspections and
audit supervision

303

Stage-by-stage rectification rate

97.73%

Improving internal control

Major measures for internal compliance management

• Advancing the "Year of Compliance Management"

Collecting and inputting typical irregularity cases in the banking industry in recent years into the *2019 Typical Irregularity Cases under Regulatory Inspection* Carrying out typical cases education, business skills and knowledge competitions, compliance training, compliance culture seminar, and speech contest. Organizing special training on *Civil Code* and *Minutes of the National Court Work Conference for Civil and Commercial Trials* to promote law education and create a compliance atmosphere.

• Improving internal control management system

Carrying out rules and regulations review and post-evaluation. Continuing to promote the "establishment, reform, and abolishment" of systems. To cater to regulation requirements and management needs, the Bank has amended and issued 15 systems including the *Basic Rules on the Management of Rules and Regulations of Bank of Guizhou* and *Authorization Management Measures*. These systems aim to further establish and improve organizational structure and responsibilities to prevent and control operational risks, fraud and outsourcing risks, clarify the management process, and optimize the management mechanism. Focusing on key areas, businesses, and procedures. Reviewing and summarizing the 638 internal control evaluation items at the levels of the head office, branches, and sub-branches. Continuing to improve the effectiveness and pertinence of internal control evaluation.

• Optimizing accountability management system

Revising and improving the *Disciplinary Measures against Employees of the Bank of Guizhou*. Establishing a credit-based management mechanism for employee violations. Defining the red line for compliance operation and management, quantifying the consequences of violations, and unifying accountability standards. Creating a work atmosphere that allows effective control, clear rules, and resolute enforcement.

• Rectifying "market chaos"

Strictly acting according to the work requirements of the China Banking and Insurance Regulatory Commission to "reinforce the results of chaos control and promote compliance management". Carrying out investigation and rectification on 10 key areas including macro policy implementation, equity management, credit management, innovative business, shadow banking and cross-financial business and 32 key issues. Conducting a comprehensive review of the rectification on "Three Violations," "Three Arbitrages," and "market chaos" since 2017. Assessing the rectification accountability to further strengthen the foundation of compliance management.

Anti-money laundering

The Bank strictly abides by laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China* and *Provisions on Anti-Money Laundering for Financial Institutions*. Strictly acting according to the anti-money laundering regulatory requirements. Refining the anti-money laundering internal control system. Improving the anti-money laundering working mechanism. Strengthening the assessment on money laundering risks. Carrying out anti-money laundering training and publicity, and continuing to improve the anti-money laundering management skills.



The Bank of Guizhou Changshun Branch was educating about anti-money laundering on campus



Anti-money laundering information desk at the Bank of Guizhou Anshun Branch



The Bank of Guizhou Qiannan Branch was educating about anti-money laundering in commercial centers

Insisting on process optimization and improving anti-money laundering management comprehensively

Comprehensively reviewing money laundering risks

The Bank has hired an external professional organization to carry out money laundering risk assessment. As a result, the Bank has identified 122 risks with 15 types.

Effectively strengthening anti-money laundering training

The Bank has organized specialized trainings on anti-money laundering practices, PBOC anti-money laundering job requirements, and new system operation. More than 2,000 staff joined the trainings, including directors, supervisors, executives, anti-money laundering managers, and business operators.

Proactively carrying out anti-money laundering publicity activities

The Bank has implemented an anti-money laundering publicity campaign themed "Protect Yourself and Stay away from Money Laundering Activities". A total of 150,000 pieces of materials were distributed to the public. The campaign was to introduce anti-money laundering laws and regulations and educate about the harm of money laundering crimes so as to raise the public awareness of risks.



Number of anti-money laundering trainings

5



more than

150,000

anti-money laundering material were distributed



Number of attendees participating in trainings

>2,000



more than

160,000

attendees for anti-money laundering campaign

Anti-fraud

The Bank has formulated the *Bank of Guizhou Anti-Fraud Strategy and Rules*, covering 36 case types and 54 trading scenarios. The Bank has identified 349,200 suspected transactions and intercepted 286,500 risky transactions. The Bank has organized 2 specialized anti-fraud trainings to improve the anti-fraud ability of employees. During the reporting period, the Bank has

launched the intelligent anti-fraud risk control system. With effective anti-fraud risk control strategies and rules and a complete monitoring list, the Bank is able to identify, analyze, identify and control risks in real time throughout the transaction process. The system has greatly improved the Bank's ability to prevent and control risks.

Prevention and control of violation cases

To effectively ensure the stable development and safe operations of business, the Bank has taken the following measures: building a risk prevention team, forming the risk prevention and assessment mechanism, intensifying internal supervision, and carrying risk assessment case by case.

Key Measures for Prevention and Control of Violation Cases

Enhancing team building

Defining the risk prevention and control responsibilities of directors, supervisors, senior management and other management personnel. Establishing a case prevention and control leading team with the Chairman as the team leader and the President as the deputy team leader. Building a team for risk prevention and control. Designating dedicated risk prevention management personnel in the head office and branches, and hiring more than 160 part-time risk prevention and control personnel in all branches.

Assessment for prevention and control of violation cases

Carrying out risk prevention and control assessment against management evaluation indicators on a quarterly basis. Building a three-tiered responsibility management system for risk prevention featuring "risk prevention work conference, KPI assessment, and risk prevention assessment".

Strengthening internal supervision and inspection

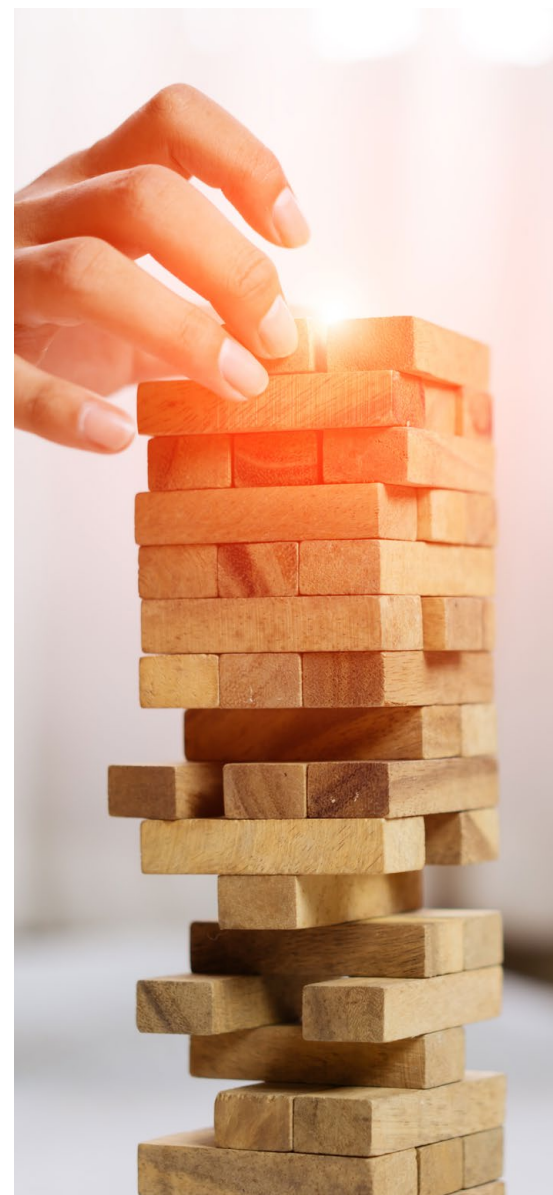
Formulating the 2020 inspection plan and carrying out 277 internal inspections on all operation and management procedures and businesses to ensure "three defense lines" are functioning normally.

Investigating risks

Carrying out the investigation and rectification of problems in the following areas where the Bank employees apply loan for customers for the purpose of investing in stock market, real estate and business against rules or are involved in unlawful business and loans. Maintaining a tough stance against these risks.

Strengthening risk management

The Bank insists on a risk preference of “prudent, steady and compliance” and has established a risk preference indicator system of “quantitative before qualitative”. In 2020, the Bank continued to strengthen daily risk monitoring and early warning and risk prevention and control in key areas. Meanwhile, the Bank continued to advance the building of a comprehensive risk management system as instructed by the new capital accord. As of the end of the reporting period, the Bank has a non-performing loan ratio of 1.15%, and provision coverage ratio of 334.36%. The asset quality of the Bank is among the best of national urban commercial banks.



Continuously improving risk management organizational structure

Building a retail risk management team, a corporate risk management team, and a new financial market risk management team according to the Bank's strategic plan. Considering the differences of industrial distribution, transaction structure, and risk control strategies in the three business segments, the Bank has established a professional risk control team. The Bank keeps improving the level of a professional and refined risk management system.

New achievements in applying the new capital accord

The Bank has fully built a non-retail and retail internal rating system and applied a unified risk measurement system in credit granting and limit management. The market risk measurement platform has been operating stably, providing Value-at-Risk (VaR) solutions and basis to optimize the account structure and improve the trading strategy. The level of refined risk management has been greatly improved.

Risk control for major industries

Taking multiple measures to control credit risks, such as strengthening the analysis of the economic situation and the impact of COVID-19, focusing on clients in key industries and formulating targeted emergency plans for temporary management. Acting according to regulatory requirements, introducing credit support policies, and implementing deferred repayment of principal and interest in compliance with laws and regulations. To support small and medium-sized enterprises affected by the epidemic, the Bank would not cut off loans or delay the release of loans to help them resume work and production and address difficulties. To actively respond to volatility in the bond market, the Bank watches closely the book value, intensifies sensitivity monitoring, increases the frequency of stress testing, and promotes the transition of market risk management from “post-mortem” to “pre-assessment”.

Comprehensively improving the quality of party building

The Bank closely focuses on the general situation of reform and development, comprehensively strengthens and improves the Party construction, solidly promotes the three-year action plan to improve the quality of grass-roots Party construction, focuses on tightening the organizational system, focuses on building a strong cadre, focuses on gathering excellent talents, and leads high-quality development with high-quality party building.



Focus on the ideological and political construction of the Party

- Take an in-depth study and implementation of Xi Jinping's socialist ideology with Chinese characteristics in the new era, education and guidance of the majority of Party members, cadres and staff to enhance the "four consciousness", firm "four self-confidence" and "two maintenance".



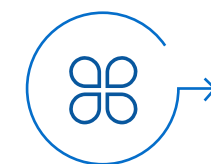
Focus on the construction of the Party's grass-roots organizations

- Emphasis on enhancing organizational strength while strengthening political functions, continuing to promote the creation of the "Guiyin Star" Party building brand, and promoting the role of grass-roots Party organizations as a fighting base and the role of the majority of Party members as pioneers.



Focus on the construction of cadres and talents

- Focus on cultivating high-quality professional leaders with firm political stance, excellent professionalism and capable of taking up important responsibilities, and gather excellent talents to promote reform and development.



Focus on the construction of the Party's discipline

- With the tenacity and persistence forever on the road, the comprehensive strict governance of the party to deepen, and strive to create a clean political ecology and a good development environment.



During the reporting period:

- 2** staff were awarded Guizhou Model Worker in 2020
- The Guizhou Provincial Party Committee grants the Bank **6** “July 1 Medals”:
 - 1** “Excellent Communist Party Member”
 - 1** “Excellent Grassroots Party Organization Secretary”
 - 4** “Advanced Party Organization”
- The Youth League Committee at the head office won awards of 2019 National May 4th Red Flag Youth League Committee
- The Anshun Sub-branch and Dongguan Sub-branch were awarded the 2019 March 8th Red Flag Group of Guizhou Province
- In 2020, suggested by the assessment results of the party building work in state-owned enterprises by the Guizhou Provincial Party Committee, the Bank was rated as “**Excellent**”.

Case Diligently implementing the “three-year action to improve the quality of Party building at grassroots level”

The Bank has diligently implemented the *Regulations on the Work of Primary-level Party Organizations of State-owned Enterprises of the Communist Party of China (trial)*, steadily executing the three-year action to improve the quality of Party building at grassroots level. In 2020, the Bank has formulated and issued the *Implementation Plan for the Year of Advancing Grass-roots Party Building* and the *Implementation Plan for Comprehensively Advancing the Development of Demonstration Sites for Party Building in 2020* to further promote the standardized development of Party branches.



The Party Department of the Fayuan Street Sub-branch under Zunyi Branch was certified as “The Demonstration Site for Standardized Party Branch Development in Guizhou Province”



The Bank of Guizhou held a party committee meeting (enlarged) to convey the spirit of the eighth plenary session of the 12th Provincial Party Committee, and to study how to deliver such spirit throughout the Bank.



The Bank staff visited the Party Education Pavilion to review the Party history



The Fayuan Street Sub-branch under Zunyi Branch held the education event themed “Staying True to Our Original Aspiration and Founding Mission”

As of the end of the reporting period



the Bank has certified **14**
“model Party branches”



48
“demonstration party branches”



105
“qualified party branches”



with a passing rate of **98.82%**

Fighting against corruption and upholding integrity

The Bank conscientiously implements the spirit of Guizhou Bank's 2020 Party Construction and Party Wind and Integrity Construction and Anti-Corruption Work Conference, effectively enhances the "Four Consciousnesses", firmly establishes the "Four Confidences", resolutely achieves the "Two Maintenances", promotes anti-corruption and integrity work to deepen development, strengthens anti-bribery management, increases financial anti-corruption efforts, and continuously builds a firm line of integrity defense.

• Enhancing organizational security

Establishing an anti-corruption leading group and an anti-bribery leading group. Setting up dedicated offices and positions.

• Tighten and solidify the responsibility for the overall strict control of the Party

Conscientiously implement the "two responsibilities" and "one post, two responsibilities", organize staff to sign the "party wind and clean government construction responsibility" and "commitment to clean business", and tighten and compact the responsibility of comprehensive and strict management of the party.

• Preventing and averting corruption risks for financial institutions

Conducting specialized inspections on key areas and important business procedures across the Bank to prevent and avert corruption risks, and working on effective risk prevention measures.

• Strengthening anti-corruption education and discipline enforcement

Organizing clean administration conversation with “responsible persons” of departments at branches and the head office, and requiring employees to sign the *Responsibility Letter for Party Conduct and Clean Administration* and *Commitment Letter for Honest Conduct*. Carrying out typical cases education and urging all employees to learn from the cases. Strengthening patrolling, supervision and specialized rectification, strictly enforcing the discipline and accountability system, and making sure officials don't dare to, are unable to and have no desire to commit corruption.



The Qiongdongnan Branch of Bank of Guizhou holds 2020 Clean Administration Education Conference



The head office of the Bank held a collective integrity and warning education meeting

Embracing Responsibilities Adhere to Original Aspiration of Financial Institution

2020 is the year when China succeeds in building a moderately prosperous society in all respects and completing the 13th Five-Year Plan, the year when China achieves the victory of poverty alleviation, and the year when Guizhou works hard to overcome difficulties. With the severe impact of COVID-19 and the complicated and tough economic environment, Guizhou resolutely implements the decisions and tasks of the Party Central Committee, the State Council, and the provincial government. Guided by the general principle of seeking progress while maintaining stability, Guizhou coordinates the efforts of epidemic prevention and control, poverty alleviation, and economic and social development. It works hard to advance “stability” in six areas and ensure the normal functioning of six sectors. The goal is to achieve the victory of poverty alleviation and succeed in building a moderately prosperous society in an all-round way, and completing the 13th Five-Year Plan.

---2020 *Guizhou Economic Development Overview* issued by Guizhou Provincial People's Government

The Bank of Guizhou sticks to the requirements of the “14th Five-Year Plan” to serve the local area. Guided by new development concepts, the Bank aspires to achieve the successful transformation of itself, and faithfully implements the principle of “providing service with care”. The effort is to ensure financial resources are channeled to real economy, effectively enhance the inclusiveness of financial services and serve the economy and people's livelihood.

Supporting the efforts against poverty

On February 25, 2021, the National Summary and Commendation Conference on Poverty Alleviation Achievements was held in Beijing. President Xi Jinping solemnly declared that China has achieved a full victory in the battle against poverty. The country has completed the arduous task of eradicating absolute poverty, creating a miracle in human history.

Guizhou is the most impoverished province in China, where challenges to poverty alleviation are unparalleled. As the only province-level urban commercial bank in Guizhou Province, the Bank has strictly acted as instructed by the Party Central Committee, the State Council, and the provincial government during the period of the “13th Five-Year Plan”. Focusing on the “Four Tough Battles” and key areas for poverty alleviation, the Bank has increased resource input and renovated financial services, continuing to make contributions to Guizhou’s fight against poverty.

As of the end of the reporting period,



Indicator	Unit	2020	2019
Total amount of poverty alleviation loans for green industry	RMB 100 million	54.02	52.07
Total projects funded by industry-based poverty alleviation funds and green industry poverty alleviation funds	/	177	169
Total amount of industry-based poverty alleviation funds and green industry-based poverty alleviation funds	RMB 100 million	169.43	156.89
Balance of targeted poverty alleviation loans	RMB 100 million	256.85	295.63
Balance of industry-based poverty alleviation loans and industry-based poverty alleviation fund	RMB 100 million	137.38	138.77
Loans for infrastructure-based poverty alleviation - the rural road access program	RMB 100 million	2.80	34.67
Balance of the loans for infrastructure-based poverty alleviation - the rural road access program	RMB 100 million	132.92	171.77
The total amount of fund settlement and supervision agency for relocation of impoverished residents	RMB 100 million	123	117

Industry-based poverty alleviation for the benefit of people

Committing resources to the "twelve competitive industries" in Guizhou Province and inputting financial resources to support industry-based poverty alleviation. Actively exploring the mortgage guarantee scheme that suits industry-based poverty alleviation. Establishing and improving the mechanism of common interests featuring “enterprise + base + cooperative + impoverished households”. Supporting characteristic industries in mountain areas and local leading enterprises. The goal is to find sustainable development approach that achieves poverty alleviation through financial and industrial solutions.

As of the end of December 2020, the Bank has allocated industry-based poverty alleviation funds and green industry-based poverty alleviation loans of



the Bank has invested projects under the “12 competitive industries” granting total loans of RMB



The Bank has supported the grass coral planting project in Rongjiang County through the green industry fund worth RMB 30 million. The goal is to protect the ecological environment in the local area and help people get rid of poverty.



The Bank has granted credits of RMB 520 million for three consecutive years since 2017 to support the development of the entire industry chain of the cattle industry in Guanling. More than 12,000 people have been lifted out of poverty and get employed. Guanling County withdrew from the list of poverty-stricken counties in March 2020, achieving poverty alleviation as scheduled.

Prioritized poverty alleviation efforts

Focusing on 9 deeply impoverished counties in the province and the “9+3” counties and districts with more than 10,000 people among the remaining impoverished counties. Increasing financial support for impoverished counties with a priority policy regarding “loan amount, loan approval, and loan granting”.



People’s livelihood and poverty alleviation

Focusing on infrastructure construction in impoverished areas, and supporting the projects of road access to each village, road hardening, and the development of public undertakings such as education and healthcare. The Bank believes in equal emphasis on loan-based poverty alleviation and education-based poverty alleviation. As instructed by the “Fifteen Years Education Plan” of Guizhou Province, the Bank increased loans to support the construction of kindergartens, primary and secondary schools in targeted poverty-stricken areas. The Bank actively pooled high-quality healthcare resources to serve townships, working hard to provide convenient healthcare services to villagers in poor areas who have limited access to medical and health resources. The effort is to ensure that people are not reduced to or returned to poverty due to illness.



Traffic-based poverty alleviation

As of the end of December 2020, the Bank has granted loans of totally RMB 17.7 billion to support the construction of roads of more than 78,700 kilometers to nearly 40,000 villages in the province. The project has benefited 11.66 million people, including 1.83 million registered impoverished population. Over 5 million mu (20,235 km²) of land have been developed, and the number of rural tourism villages exceeds 3,000.



Education-based poverty alleviation

As of the end of December 2020, the Bank has granted education-based poverty alleviation loans of RMB 9.1 billion to 683 rural primary and secondary schools and kindergartens in nearly 50 impoverished counties. Nearly 50,000 children in impoverished areas have benefited from the effort.



Healthcare-based poverty alleviation

As of the end of December 2020, the Bank has granted healthcare-based poverty alleviation loans worth RMB 1.8 billion to support 37 county-level and 484 township-level hospitals to increase beds, procure medical equipment, and improve online consultation capabilities.



The completed 606 County Road K15+100 section from Qishe Town to Houhetong Village

The Liupanshui branch of the Bank of Guizhou actively promotes the construction of the “Access to All Villages” project, sponsoring a total of 263.41 kilometers of roads in Jinpen Town, Nankai Town, and Muguo Town



The ambulance donated by the Bank of Guizhou to the township health center is in service

Party building and poverty alleviation

The Bank has worked hard to help Danzhai County in Qiandongnan Prefecture since 2017. Danzhai County was officially “lift out of poverty” in April 2019.



- Building a work team for poverty alleviation in Danzhai County, and assigning three outstanding cadres to Danzhai County

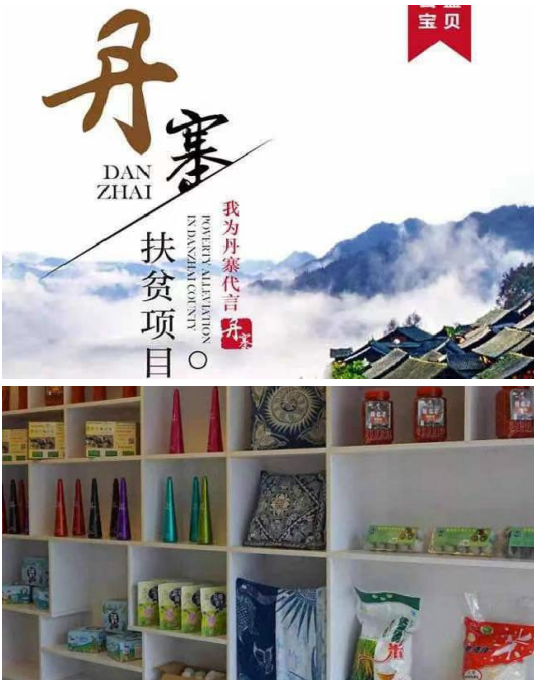


- The Bank has granted a loan worth RMB 1.2 billion to support the development of blueberry and other industries in Danzhai County
- The Bank has donated RMB 41.15 million to support 15 projects, all of which have been completed and handed over to Danzhai County. These projects have benefited 4,955 people in 12 villages, who get rid of poverty through entrepreneurship and employment. Public supporting facilities such as schools and hospitals provide 178,000 people in the six townships in the county with better access to medical care and education. The new rural construction project has provided housing for villagers.

The Bank has donated RMB 41.15 million to support 15 projects



- Building the “Qianshan Cuibao” poverty alleviation e-commerce platform to help “Guizhou goods go out of the mountains”. The platform is to boost the sales of handicrafts that made with intangible cultural heritage skills, agricultural products and processed products in Danzhai County.



- Providing active support to Danzhai County for products promotion; and purchasing agricultural products in the county to help poor households get rid of poverty. The Bank’s canteens and employees at all levels have purchased Danzhai farm chickens worth more than RMB 4 million, agricultural products worth over RMB 8.7 million, and helped Danzhai County sell agricultural and sideline products worth RMB 13 million.

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4 million

and helped Danzhai County sell agricultural and sideline products worth RMB

13 million

agricultural products worth over RMB 8.7 million



The Bank of Guizhou has paired with Baiqiao Village, Xinghua Town, Rongjiang County, Qiandongnan Prefecture; Lingsuo Village, Zaima Town; and Guitang Village, Zhaihao Town since 2019 for poverty alleviation. After a thorough investigation, the Bank formulated the *Work Plan of the Bank of Guizhou*

to Support and Strengthen the Collective Economy of the Three Villages in Rongjiang County. The effort is to help the three poor villages build a profitable collective business and explore a new approach to achieve poverty alleviation.

Case New poverty alleviation model through residents relocation allows deeply impoverished counties and villages to receive dividend yearly

The Bank of Guizhou has paired with Baiqiao Village, Xinghua Town, Rongjiang County, Qiandongnan Prefecture; Lingsuo Village, Zaima Town; and Guitang Village, Zhaihao Town since 2019 for poverty alleviation. After a field research and analysis on the natural resource endowments and collective economy in the three program villages, the Bank has concluded that these villages are subject to poor natural conditions, scarce arable land area per capita, and a lack of leading industries and labor. The Bank of Guizhou decided to adapt to the circumstance and affirmed the leading role of vegetable industry. The Bank donated RMB 3 million to fund the “Chejiang 1,0000 mu Dam Area”. After the Bank engaged adequate communication with villagers and negotiation with the Rongjiang County Agricultural Investment Company, the villager committees of the three villages agreed to invest the RMB 3 million donated by the Bank of Guizhou to the Rongjiang County Agricultural Investment Company. The fund would be used to support vegetable industry in the Chejiang dam area, realizing industry-based poverty alleviation through resident relocation. According to the project cooperation agreement, the agricultural investment company shall distribute dividends yearly to the three villages no less than 6% of the funds donated by the Bank of Guizhou.

In 2020, the three villages developed 600 mu (around 2 km2) land of vegetables in the vegetable base of “Chejiang 1,0000 mu Dam Area. By the end of the year, each village has received a dividend of RMB 60,000.

Special Topic

Enhance targeted-poverty alleviation to support village development

On July 1, 2020, Guizhou Province held its 2020 “July 1” Commendation Conference on Poverty Alleviation Achievements in Guiyang. The Bank of Guizhou was granted six honors.

“Excellent Party Member for Poverty Alleviation in Guizhou”



“Everything we do serves one purpose only: to improve people’s livelihood, to lift Danzhai out of poverty and to boost its economy.”

-- He Zhenyun, Head of Transaction Banking Department of Bank of Guizhou (Head Office), Resident Cadre in Baiyun Village, Longquan Town

He Zhenyun helped the villagers to build a professional agricultural base of farm chickens in Danzhai County. He voluntarily stayed in Danzhai County for more than a year after the deadline of the poverty alleviation task to ensure the follow-up poverty alleviation project proceed as expected. As of the end of December 2020, the village had contributed a total of 65,000 fattened stock with a sales income of nearly RMB 7 million. The village helped Ziyun County, Anshun City, and Changshun County, Qiannan Prefecture sell more than 4,000 farm chickens, benefiting thousands of poor households.

“Excellent Party Secretary at the Primary Level for Poverty Alleviation in Guizhou”

“When it is inaccessible via cars, I walk. Despite the challenging mountain roads leading to poverty alleviation, I, as a Communist Party member, have to conquer them all.”

-- Yu Rongzheng, Party Branch Secretary of Qiandongnan Rongjiang Sub-branch, Bank of Guizhou

Yu Rongzheng has innovated the poverty alleviation model. While relocating residents in three poverty-stricken villages, Yu organized villagers to develop the vegetable industry on a large scale. The average income from vegetable base per mu reaches RMB 19,000. It is estimated that the total income of the collective economy in each village will be over RMB 300,000 by 2022. In addition, as the branch Party Secretary, Yu Rongzheng took the lead in donating money, who, together with branch employees, has donated a total of RMB 50,000 to 16 paired poor households. The effort was intended to create jobs for poor households.



“Excellent Party Branch for Poverty Alleviation in Guizhou”



“This honor is not only a recognition but also a spur to us. We never forget our efforts and dedication to fight against poverty.”

-- Party Branch of Songtao Branch, Bank of Guizhou

Since the Songtao Sub-branch was established five years before, the Bank has been working hard to improve infrastructure in the local area, and boosting the collective economy in the villages. Through transportation, industry, and healthcare-based poverty alleviation models, the Bank has advanced the cause comprehensively.

A total of RMB
505 million



has been invested to support the construction of roads in poor areas and “Access to All Villages” projects

Totally 1,394 km rural roads have been built, benefiting more than 50,000 poor people

A total of RMB
542 million



has been invested in new healthcare service projects such as township hospitals

benefiting 750,000 people in Miao Township

A total of RMB
713 million



has been invested to industry-based poverty alleviation

greatly improving the production and living conditions of farmers in Songtao County. 1,880 registered poor residents have increased income directly, and nearly 10,000 poor residents have benefited indirectly. The Bank has made outstanding contributions to industry-based poverty alleviation in Songtao County

Special Topic

Enhance targeted-poverty alleviation to support village development

“Excellent Party Branch for Poverty Alleviation in Guizhou”



“If everyone gets involved in the fight against poverty, it will be much easier for us to achieve poverty alleviation and prosperity.”

-- Party Branch of Zhenfeng Branch of Bank of Guizhou

Since its establishment in April 2014, Tongren Branch has provided financial support to the local area through poverty alleviation investment funds, party building poverty alleviation funds, industry-based poverty alleviation industry sub-funds, and loans earmarked for real economy. The Bank has raised RMB 30 billion for the local area, including:

- Bank of Guizhou Tongren Wuling Mountain Poverty Alleviation Investment and Development Fund of RMB 6 billion, which is dedicated to funding infrastructure, industrial development, rural revitalization, and ecological development in Tongren;
- nearly RMB 8 billion raised for the upgrading of national and provincial arterial roads and the construction of asphalt roads connecting villages. The Bank has created the “Tongren model”, which finances the road construction in mountain villages to help people run business and get rich. The effort has been fully recognized by the Guizhou Provincial Department of Transportation;
- industry-based poverty alleviation sub-funds of RMB 1.333 billion to help create a “one county, one industry” development model that realizes poverty alleviation through characteristic and competitive business in the local area. The program industries include the standardized Wanshan pigs breeding and Yanhe Shazi hollow plum plantation.

In 2019, Zhenfeng Sub-branch acted actively to reach Naweng Village, which is the most remote and most impoverished village with the largest number of impoverished people in Lurong Township. After the business hours, the Bank would appear at the Naweng Village to discuss poverty alleviation plans. The Bank has proposed four work plans:

- making sure the annual net income of farmer per capita meets the national poverty alleviation standards; farmers have basic access to food and clothing as well as compulsory education, basic medical care and housing;
- providing financial support to the S315 highway construction to solve infrastructure construction issues;
- helping unemployed residents in the village to find jobs;
- conducting regular visit and following up the case in time. Strengthening communication with the two committees of the village, and providing targeted solutions to the poverty alleviation work in Naweng Village.

The Zhenfeng Sub-branch turned the plan into reality in just one year. When the road from Lurong Township Government to Naweng Village has been completed, it shortens the distance from 2.5 hours’ drive to 1 hour’s drive, greatly facilitating the travel of local people. In addition, the Bank has launched an industry-based poverty alleviation sub-fund of RMB 8 million to support the growth and operation of local dragon fruit industry. The fund has improved the local industrial structure and created jobs for people, helping them to meet the national poverty alleviation standard for the annual net income of farmer per capita.



“It takes the strength of the entire branch to prove that we are worthy of the honor Advanced Party Organizations for Poverty Alleviation in Guizhou.”

--The Party Committee of Tongren Branch of Bank of Guizhou



“The toughest Party members for the toughest battle against poverty alleviation.”

-- Party Branch of Daozhen Sub-branch of Bank of Guizhou

During the pairing aid period over three years, the staff of Daozhen Sub-branch ate and lived with the villagers, paid door-to-door visits and conducted field investigations. The staff registered all poor households, and arranged dedicated staff to execute tailor-made aid measures. The resident cadres of the Bank would visit program households on a daily basis, and non-resident cadres visited at weekends or on holidays. The Bank staff actively got connected with the county party committee and county government to discuss industry-based poverty alleviation measures. The Bank has granted small poverty alleviation loans below RMB 50,000 to registered and officially approved poor households throughout the county. As a result of the aid program of Daozhen Sub-branch, Dalian Village got rid of poverty in 2019.



All village groups

100%

have access to concrete roads



All village groups

100%

have access to power and communication facilities



480

village houses were retrofitted and new elementary school dormitories were built



Developing characteristic industries with cash crop plantation

1,280 mu

Helping the fight against COVID-19

COVID-19 stormed China at the beginning of 2020. The Bank takes it an order as well as a responsibility to prevent and control the epidemic. Since the outbreak of the epidemic, the Bank, while functioning normally, has actively provided financing support for epidemic prevention and control, and helped companies affected by the epidemic tide over the crisis. During the reporting period, the Bank has granted loans of RMB 60 billion to support epidemic prevention and control as well as the resumption of work and production. 7,580 entities are running smoothly thanks to the loans.

Key measures to strengthen financial services for epidemic prevention and control

Establishing a quick response mechanism

Delegating the power to approve loans, relaxing restrictions on loan application, granting priority loan to key producers of anti-epidemic materials and daily necessities that need to resume work and production; authorizing each branch Bank to approve loans and drawings

Allocating special credit quota

Allocating a special credit quota of RMB 5 billion to support key producers of anti-epidemic materials and daily necessities in Guizhou, ensuring the production resumption of enterprises producing anti-epidemic materials and daily necessities

Service fee reduction

The Bank has reduced the financing costs of small, medium and micro enterprises by discounting the interest rate of loans and funds transfer pricing. The comprehensive financing cost of inclusive loans for small and micro enterprises is lower than that of the previous year by more than 0.5%. The Bank has cut or exempted the loan interest of small and micro enterprises within the jurisdiction which suffered serious impact of COVID-19.

Extending credit to companies in need

The Bank refrains from cutting loans or delaying loans to companies that are temporarily affected by COVID-19. The Bank approves loan extension less than one year to small and micro enterprises whose loans would expire before the end of June 2020 and who need to postpone loan repayment or renew loans due to the epidemic.



Improving financial services related to people's livelihood

Service Recipients	Service
People who are hospitalized or quarantined due to COVID-19 infection	The Bank will make flexible adjustment to personal credit repayment concerning housing mortgages and credit cards, and approve the reasonable extension of repayment deadline Subject to personal application and validation by proper institutions, the Bank will not include borrowers on the overdue list who fail to pay loan by the overdue date and shall adjust those who have been listed.
People who are isolated for observation due to COVID-19	
People who participate in COVID-19 prevention and control	
People who fail to repay in time due to COVID-19	The Bank will assess the credit status of borrower according to the adjusted repayment policy.
Individuals and companies that have temporarily lost their source of income due to COVID-19	

Improving fund settlement efficiency

Opening up fast channels to handle special cases and urgent cases, ensuring funds for epidemic prevention and control is allocated in time, accurately and efficiently. For the import of anti-epidemic materials, foreign exchange shall be settled on the same day; for cross-border remittances of donation purposes, foreign exchange shall be settled in time.

Exemption of transfer fees


During the COVID-19 period, the Bank exempted transfer fees for anti-epidemic donations and special funds; and fees and postal charges for cross-border remittance related to epidemic prevention and control.

Enhancing online services

The Bank works hard to enhance its online financial capabilities and build a platform with comprehensive financial services. Through online posters, video clips, and e-banking service operation guides, the Bank intends to provide targeted service to customers and allows customers to enjoy efficient and convenient services at home via online banking.



As of the end of 2020,

• for **71** 
key producers of anti-epidemic materials and daily necessities

the Bank has raised RMB **2.393** billion

• for **327** 
companies to resume work and production

and raised RMB **45.725** billion

Case The Bank of Guizhou functions efficiently to support the epidemic control and work resumption

4 hours



Entrusted by the Management Committee of Yilong New District in Qianxinan, a company in Guizhou would procure anti-epidemic materials in the local area, which, however, was in need of a large sum for advance payment. The Qianxinan Branch of Bank of Guizhou contacted the management committee and the company immediately. After a thorough research, the Bank opened up a "green channel" to "handle special cases and urgent cases" during the COVID-19 period, granting the company a small and micro enterprise loan of RMB 5 million. The Bank took only 4 hours to complete the entire loan release procedure. Meanwhile, the Bank applied a preferential interest rate to the company to support the anti-epidemic cause.

24 hours



A medical device technology company in Guizhou is engaged in the research and development, production and sales of medical devices and disinfectants, which is one of the key producers of anti-epidemic materials and daily necessities in Guizhou. To provide necessary financial support to the company, the Tongren Branch of the Bank of Guizhou completed loan application investigation, data collection, approval and loan release within 24 hours, granting a loan of RMB 2 million to the company.

5 days



A maternity and child products manufacturing company in Anshun has built 5 production lines to produce disposable face masks during the COVID-19 period. With the development of the epidemic, purchase orders continued to rise. The company began to find it difficult to raise money to purchase non-woven fabrics and meltblown fabrics. The Anshun Branch of the Bank of Guizhou acted quickly and visited the company to discuss solutions. The Bank released a loan of RMB 8 million efficiently, which met the urgent needs of the company for capital turnover.

Case Spring ploughing underway amid COVID-19 fight

A Chinese proverb goes that "make your whole year's plan in the spring". Spring ploughing and production as well as a good harvest is of even more importance amid the COVID-19 period. It not only matters to the people's income but also to the foundation of economic and social development. After verifying the needs of enterprises, the Bank of Guizhou has opened up green channels and allocated special loans to fund eligible enterprises dedicated to poverty alleviation and "agricultural" purposes. To avoid missing the right farming period, the Banks improves credit approval efficiency and gives priority to support various poverty alleviation projects, work and production resumption, and spring ploughing.

As of the end of 2020,

- the Bank has released agricultural loans of RMB

92.181 billion 

for spring ploughing and used to fund the procurement of production materials, land treatment, agricultural products wholesale and distribution, and work resumption and preparation.



The Guiyang Management Department of the Bank of Guizhou helped agricultural materials companies calculate the amount of capital turnover needed and opened up fast channels to handle special cases. The Bank approved a preferential credit policy for fertilizer loans, releasing a loan of RMB 4.2 million to support the spring ploughing in the local area.

Promoting high-quality economic development

Finance creates the blood system of the real economy. It is the duty the financial sector to serve the real economy. The Bank of Guizhou always focuses on serving the real economy, carrying out multiple measures to “increase financial support, expand service scope, improve quality and reduce cost”. The Bank works hard to sustain the development of private businesses and small and micro enterprises, improving service efficiency and level in a comprehensive manner. As of the end of the reporting period, the Bank’s balance of loans for the real economy is RMB 94.295 billion, an increase of RMB 13.811 billion from the beginning of the year.



Supporting local industries

The Bank insists on performing the basic roles of serving major strategies in Guizhou and local economic development. Through streamlining processes, optimizing services and innovating products, the Bank seeks to improve its ability to support the real economy comprehensively. The goal is to provide strong financial support for the high-quality development of local economy and society.

Focusing on industrial revitalization

The Bank acts closely according to the *Guizhou Top Ten 100-billion-level Industrial Cluster Revitalization Action Plan* released by the Guizhou Provincial Party Committee and Provincial Government. After a thorough research on the status and financing needs of the top ten 100-billion-level industrial enterprises, the Bank has established a special project database by region. Through the Guizhou industry-fund linkage working mechanism, the Bank continues to increase support for these enterprises by means of bank recommendation, project cross-reference, and joint investment.

The Bank of Guizhou takes multiple measures to sustain the development of ten major industries		
 Reviewing financing needs Helping resume work and production	Establishing the list of key enterprises producing anti-epidemic materials and daily necessities and the list of major projects and key projects in Guizhou. Reviewing the financing needs of these enterprises	As of the end of the reporting period, the Bank has granted loans of RMB 5.549 billion to 64 industrial enterprises for epidemic prevention and control as well as resumption of work and production
 Focusing on key enterprises Promoting transformation and upgrading	Supporting the green development of leading enterprises such as Maotai Group, Panjiang Coal and Electricity Refco Group, Wujiang Energy; supporting the expansion of private enterprises such as Bailing Pharmaceutical, Chitianhua, and Naturally; and supporting the transformation of enterprises such as Phosphate Group and Shuicheng Coal Mining Group	As of the end of the reporting period, the Bank has granted loans of RMB 25.639 billion to 179 industrial enterprises, an increase of RMB 5.423 billion from the beginning of the year
 Leveraging the advantages of financial services Promoting quality and efficiency	The Bank has established a special project database for local characteristic industries. Meanwhile, it has designated financial experts to design financing plans for enterprises, and provide professional consulting services in investment and project implementation	As of the end of the reporting period, the Bank has registered 79 projects of ten major industries with a financing amount of RMB 22.6 billion. The Bank has provided more than 150 key industrial enterprises with custom financial service solutions

The Bank actively cooperates with Guizhou Provincial Party Committee and Provincial Government to carry out “One Thousand Enterprises Transformation” and “One Thousand Enterprises Introduction” so as to support industrial upgrading and industrial structure optimization. In 2018 and 2019, the Bank has supported RMB 1.503 billion and 2.204 billion respectively for the transformation.

In 2020, Guizhou Province's industrial industries are in the need to transform and upgrade. The Bank closely follow the provincial government's instruction for innovation in promoting the work mechanism of "top ten industrial industries". The Bank has disbursed a total of RMB 25.639 billion to 179 industrial enterprises to help create a modern industrial industry with Guizhou characteristics.



Supporting private businesses and small and micro enterprises

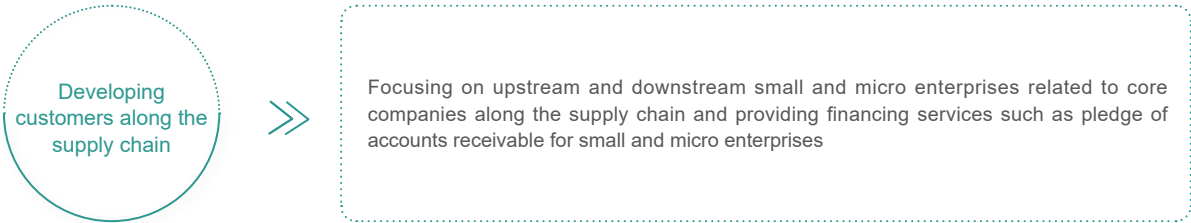
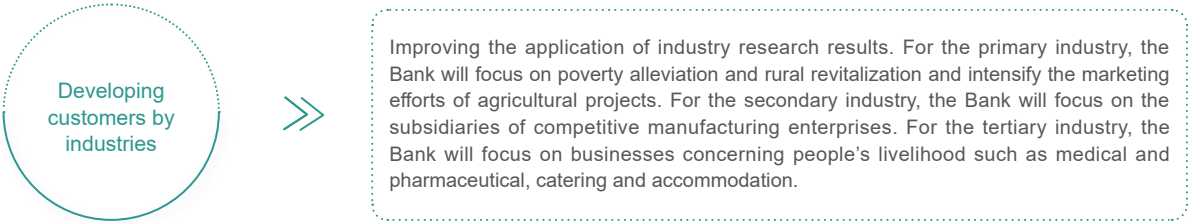
During the reporting period, the Bank works hard to advance “stability” in six areas and ensure the normal functioning of six sectors, issuing the *Opinions on Vigorously Serving the Real Economy and Supporting the Development of Small, Medium and Micro Enterprises*. The effort intends to strengthen financial services for small, medium and micro enterprises, and vigorously develop inclusive finance.

	Unit	2020	2019	2018
Loan balance for inclusive finance for Small and Micro companies under CBIRC's definition accounts	RMB 100 million	203.09	126.42	80.66
Loan growth for inclusive finance for Small and Micro companies under CBIRC's definition over the beginning of the year	RMB 100 million	76.67	45.76	34.82
Loan growth rate for inclusive finance for Small and Micro companies under CBIRC's definition	%	60.65	56.74	75.95
The growth rate of inclusive finance for Small and Micro companies under CBIRC's definition loans over other loans of the Bank	%	41.73	28.35	16.95
Balance of loans for “Inclusive Finance”	RMB 100 million	223.55	154.41	93.08
Loan growth for “Inclusive Finance” over the beginning of the year	RMB 100 million	69.14	61.33	42.68
Balance of loans for private enterprises	RMB 100 million	310.66	219.93	159.20
Balance of “4321” guaranteed loan*	RMB 100 million	58.26	52.74	25.81
The increase of “4321” guaranteed loan growth over the beginning of the year*	RMB 100 million	5.52	26.93	25.21
Number of accounts “Double Increases” loans	/	14,251	11,956	10,574
The increase of accounts “Double Increases” loans over the beginning of the year	/	2,295	1,382	355
The year-on-year growth rate of loans to small and micro enterprises with credit limit less than RMB 10 million (inclusive) per account	%	183.65	56.36	69.44
The number of accounts of small and micro enterprises with credit limit less than RMB 10 million (inclusive) per account	/	3,028	1,308	858

*To provide financial support to small, medium and micro enterprises and “agricultural” enterprises, the Guizhou Provincial Party Committee and the Provincial Government adopt the “4321” government-bank cooperation model. For any financing cases, guarantee institutions, provincial financial risk compensation, banks and local level financial risk compensation shall share the risk according to the ratio of 4:3:2:1.

Financial services to support the development of private, small and micro enterprises

- Expanding the coverage of financial services on “industries, supply chains, and clusters”



- Diversifying the product lineup

Exploring an organizational structure of product marketing + data-based risk control and analysis + technology development; paying attention to the presence and launch of small and micro credit products; vigorously promoting financing products for online accounts receivable; supporting industry integration, and extending financial services across the industry chain; and providing financial support to small, medium and micro enterprises

- Optimizing the approval process

Adjusting the credit approval for small and micro credit loans when necessary; issuing supplementary authorization letters for approval of credit and loan business; adjusting authorization matters; and taking reasonable and differentiated measures to improve the approval efficiency while controlling credit risks

- Strengthening assessment and incentives

Increasing the weight of loans to the real economy and small and micro enterprises in the assessment; increasing the support to small and micro loans when assessing internal fund transfer pricing, capital measurement and return calculation; optimizing the performance and compensation management regarding covering the bills of small and micro enterprises; and the head office and branches will directly cash the performance on the list to small and micro credit account managers

- Exemption from liability if duty is fulfilled

Increasing the tolerance of non-performing loans related to inclusive finance and small and micro credit; controlling the ratio of “non-performing loans related to inclusive finance and small and micro enterprises credit” to the bank-wide non-performing loan within 3 percentage points; continuously improving the mechanism of exemption from liability and tolerance & rectification; eligible small and micro credit borrowers shall be exempted from liability

Case “Fast Channel” for small and micro loan approval to meet the urgent needs of enterprises

As a city-level leading enterprise for poverty alleviation, a food company in Guizhou was running out of liquidity to make payment on schedule although it owns competitive e-commerce sales channels. To provide sufficient financing support, the Bank opened up the “green channel” to approve small and micro loans and allocate inclusive financial loans. The Bank granted a loan of RMB 5 million, implementing a preferential interest rate calculated stage by stage. The loan proved quite helpful. The company used the loan to purchase 130 tons of fresh beef and 2.2 million packaging bags. The company supplies more than 100 supermarkets in more than 10 provinces and cities across China with an estimated annual income of over RMB 27 million. The Bank plays an active role in creating jobs for the poor and helping them increase income.

Special Topic

Innovative supply chain finance to serve private, small and micro enterprises

The Bank vigorously develops supply chain finance to enhance the ability to serve private, small and micro enterprises. During the reporting period, the Bank has launched credit products related to receivables and prepayment to provide credit support for the production and trade activities of core enterprises as well as small, medium and micro enterprises along the industrial chain. With the newly launched supply chain system, the Bank has independently developed a non-recourse factoring product - "Gui e-Credit" multi-level circulation e-certificate. By referring to the credit value of core enterprises, the Bank can finance micro, small and medium-sized enterprises along the supply chain, which are easily subject to guarantee problems and act poorly in terms of risk resistance and financial statements.

As of the end of the reporting period, the Bank has issued Gui e-Credit

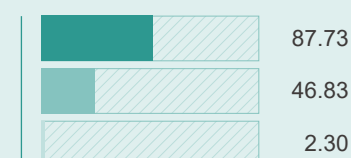
70 cases through supply chain financing with an amount of RMB 847 million

75 cases through supply chain financing with an amount of RMB 738 million

By referring to the credit of 13 core enterprises, the Bank has raised funds for 52 upstream SMEs, of which small and micro enterprises account for 80%. In the competition of innovative financial products by financial institutions for real economy organized by the Guizhou Financial Supervision Bureau, the Bank won the third prize for its "Yunxin Factoring" and "1+N+n" purchase order financing product for featured agriculture.

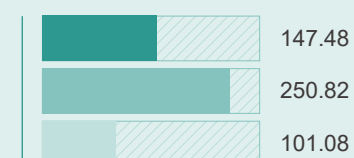
2020 2019 2018

Loan amount of trade financing



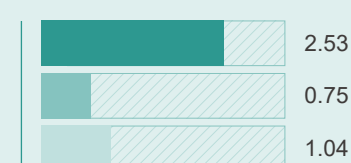
Unit: RMB 100 million

Balance of acceptance draft



Unit: RMB 100 million

Settlement amount of international business



Unit: USD 100 million

Number of clients for cash management business



Unit: Number

Yunxin Factoring

Yunxin Factoring is an innovative supply chain financing product developed by the Bank of Guizhou, which is provided through third-party financial service platforms for core enterprises and as well as upstream and downstream enterprises. The Bank connects with cloud-sharing platform to provide clients with non-recourse factoring financing services. Clients are allowed to enjoy one-stop service online from customer identity verification, trade background review, accounts receivable registration, credit inquiry, contract signing to loan releasing.

Advantages of Yunxin Factoring

- Non-recourse factoring business
- Applicants only consume Yunxin Factoring specialized credit line for core companies rather than the credit line of the loan
- No credit rating and credit granting against loan applicants

As of the end of 2020, the Bank has handled 87 Yunxin Factoring cases, with a total financing amount of RMB 916 million.

87 Yunxin Factoring cases were handled

with a total financing amount of RMB 916 million

Case Yunxin Factoring businesses

A construction engineering company in Guizhou is one of the 500 top construction companies in China and one of the top 100 companies of the year in Guizhou. China's economy has been declining in recent years. Meanwhile, the company has implemented a long payment cycle and carried large outstanding accounts payable. Upstream suppliers are running out of liquidity. The Bank has granted the company a Yunxin Factoring special loan of RMB 100 million, which is mainly used to pay upstream small and medium-sized material suppliers and labor service providers. The effort intends to support the healthy and orderly development of enterprises along the supply chain and pay the salary of migrant workers so as to ensure stable employment.

Innovative supply chain finance to serve private, small and micro enterprises

Gui-e-Credit

“Gui-e-Credit” is a non-recourse factoring product independently developed by Bank of Guizhou for the supply chain system. This product only consumes the credit line of core enterprises approved by the Bank, leveraging the idle credit line of core enterprises. The Bank, by referring to the credit of core enterprises, can finance upstream suppliers from tier 1-N.

The Bank has issued **70** Gui-e-Credit certificates with a total amount of **RMB 847 million**

The Bank has raised RMB **738 million** for suppliers through Gui-e-Credit, of which small and micro enterprises account for more than **80%**

Case Gui-e-Credit

A large state-owned iron and steel production enterprise in Guizhou is a leading company in the iron and steel industry of Guizhou. Most of the 212 upstream suppliers are SMEs, which used to settle payment via cash or bank instruments. The steel enterprise has implemented a long payment cycle and carried large outstanding accounts payable. Meanwhile, China’s economy has been declining in recent years. Since they can hardly apply loans from banks due to inadequate qualifications, these upstream suppliers are running out of liquidity.

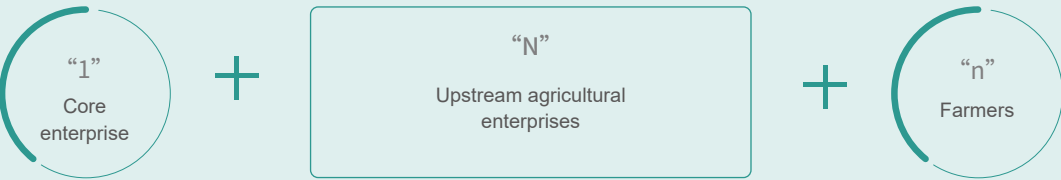
In view of the above situation, the Bank approves a special credit line of RMB 200 million to the steel company via the Gui-e-Credit channel. The credit is based on the real transactions between the steel enterprise and upstream suppliers. The steel enterprises can pay the upstream supplier via the Gui-e- Credit certificate. Upstream suppliers may apply to the Bank for non-recourse factoring financing with the Gui-e-Credit certificate. The effort can help suppliers collect the accounts receivable in advance and provide necessary financial support to upstream small and medium-sized enterprises.

As of the end of 2020, the Bank has granted **201** million RMB via Gui-e-Credit for steel companies, raised **179** million RMB for upstream suppliers, and opened **17** accounts for upstream suppliers

“1+N+n” purchase order financing for featured agriculture

“1+N+n” purchase order financing for featured agriculture is a medium and short-term liquidity support financial product for upstream and downstream agricultural enterprises. The product is based on the real purchase orders (accounts receivable or accounts payable) between core enterprises and upstream and downstream agricultural enterprises, which is mainly used by agricultural enterprises to organize farmers for planting and breeding.

The product focuses on top ten 100-billion-level industries in Guizhou, such as high-quality tobacco and alcohol, ecological food, health care and medicine. It intends to serve agricultural enterprise and industrial clusters around core enterprises without consuming the credit line of core enterprises. To simplify credit approval procedure and improve efficiency, the product grants credit to upstream agricultural enterprises and clusters in batches.



As of the end of 2020, the Bank has granted credit of RMB 460 million via “1+N+n” purchase order financing for featured agriculture, benefiting tens of thousands of farmers.

Case “1+N+n” purchase order financing for featured agriculture

As a state-owned enterprise in a poverty-stricken county of Qinnan, Guizhou, an industrial development company has signed a purchase agreement for radix isatidis seedlings, fertilizer, and mulch with the county farmer professional cooperative for planting and breeding and an agricultural development investment company. However, there was a funding gap. The Bank raised RMB 10 million through “1+N+n” for the company to purchase radix isatidis seedlings and compound fertilizers. The financial tool provides necessary financial support to the enterprise, creates jobs for the poor, and contributes to the industry-based poverty alleviation in Guizhou.



Innovative Thinking Technology Empowerment and Whole-hearted Service

Fintech is financial innovation driven by technologies. We should leverage fintech to promote the high-quality development of the financial industry in China. Establishing and improving the “four beams and eight pillars” in China’s fintech system, which includes the effort to further strengthen fintech application capability; achieve in-depth integration and coordinated development of finance and technology; and strengthen people’s satisfaction with digitized, online and smart financial products and services.

--*Fintech Development Plan (2019 - 2021)* by the People’s Bank of China

The Bank commits to “provide service with care”. It actively promotes the deep integration of finance and technology, and drives innovation and development with fintech. The Bank implements a cloud-based business strategy. Meanwhile, it continuously improves customer experience, protects consumer rights, and improves fintech consumer confidence. The goal is to promote social justice and harmony.

Actively embracing Fin-tech

The rapid development of fintech not only encourages service and business innovation in the financial sector, but also reshapes the entire financial market. The Bank actively embraces fintech, vowing to empower development with technology. In 2020, the Bank launched a next-generation information system, becoming China's first bank that fully implements private cloud-based transaction systems, as well as China's first bank to adopt distributed deployment of major transaction system applications and databases. It marks a key step for the Bank towards fintech transformation. The next-generation information system adopts new technologies such as cloud computing, artificial intelligence, big data, and biometrics, which provides the Bank with a powerful tool in customer identification, procedure simplification, scenario design, intelligent risk control, refined management, and business innovation.



Customer acquisition scenarios

- Providing financial services in scenarios such as smart parking, Guiyang subway, community property management, education, and hospitals.



Intelligent risk control

- Launching various online products such as comprehensive consumption installment and specialized installment for credit cards, Xinyi Loan, Qirong Loan, and Settlement Loan. Loans can be approved and released instantly based on personal asset data in the Bank.
- Continuously optimizing anti-fraud and risk control models with applications such as biological recognition, electronic signatures, and behavior verification code.



Digitized management

- Employing big data as an effective tool to realize product digitization and diversified profit models; to assist internal management personnel in decision-making information; and to support comprehensive cost, budget, and profitability analysis.

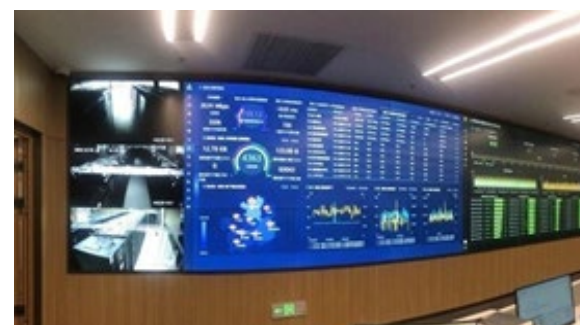


Agile delivery

- Establishing an agile organization to dismantle the barriers between departments; forming a rapid iteration and response mechanism for demand; and promoting the in-depth integration of technology and business.
- Reconstructing the application system and developing business systems such as "Yunshetong" 2C Customer Acquisition, Intelligent Access Control, Anti-fraud, and Equator Bank.



The launching ceremony of the next-generation information system of the Bank of Guizhou



ECC Center, Bank of Guizhou Head Office



Making life more convenient with finance

During the reporting period, the Bank continued to strengthen cooperation with third-party developers, financial technology companies, government departments and other parties with the service commitment of "providing service with care". The effort intends to build a "smart +" finance model, providing customers with convenient, safe and smart "finance + life" services. Integrating financial products and services with the scenarios and platforms of partners to promote wider coverage of financial services.

The Bank responds actively to the trend of online finance and digital finance. Through attracting traffic via scenarios and platforms, the Bank continues to strengthen system and platform construction and cover more online financial and non-financial service scenarios.

Internal platform covering more service scenarios

- Completing the upgrade and transformation of IPv6-based online banking and mobile banking; enabling smart parking, smart access control, mobile top up, movie tickets purchase, video copyright purchase, oil cards purchase, and online entertainment via mobile banking
- Offering bank wealth management products on WeChat and launching multiple products and functions such as credit card application, credit shopping mall, and settlement loan
- Rolling out the trial version of payment channel through UnionPay QR code

External Scenario creating a service ecosystem

The Bank creates a service ecosystem that caters to people's needs in common life scenarios such as "clothing, food, housing, transportation, entertainment, healthcare, and education". People are allowed to enjoy convenient services through various Apps.

Yinyitong

Yinyitong provides custom payment and settlement functions as required such as centralized payment of medical bills, self-service payment terminal, MIS manual service, payment via WeChat Official Account, and hospital refunds. As of the end of the reporting period, 19 hospitals have adopted the App. The Bank plans to promote the App to private hospitals and pharmacies.



"Yinyitong" self-service system

Yinzhengtong

Yinzhengtong facilitates fee payment and fund management of courts, housing construction bureaus, and tax bureaus.

Smart parking

After registering license plate number in the mobile banking, users can experience automatic payment of parking fees in the cooperative parking lot. Users can check the cooperative parking lot nearby and enjoy convenient parking services known as "park now and pay now". As of the end of the reporting period, the Bank has access to 89 parking lots in transportation hubs, communities, business districts, and hospitals.



Smart parking

Living Spending

Successfully launched E-Payment network payment cooperation business; providing custom services for 80 stores of He Li supermarket chains in Guizhou Province. Customers who pay with the Bank card may be subject to long-term discount policies.

Travel

As the Guiyang Metro is officially set up and running, the Bank launches the face recognition technology for riders to pay fares. Users can activate the face recognition function in the Rail Transit APP and bind the Bank card. Ride fares will be deducted automatically when users take the metro or BRT (Bus Rapid Transit) using the face recognition function. During the reporting period, 306,500 accounts have been tied to the metro system, an increase of 137,600 from the beginning of the year.



Guiyang Metro

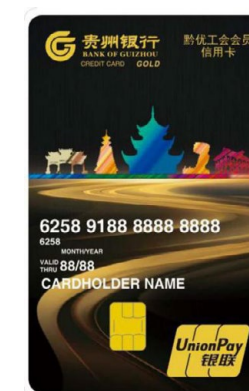


WeChat applet for financial management

Education ecosystem

The Bank has completed the upgrade of the education ecosystem. With additional functions such as online and offline payment and online courses, the education ecosystem has been basically completed.

Case Creating a "different credit card" to meet the diverse needs of customers



• Issuing Qianyou Labor Union Member Credit Card

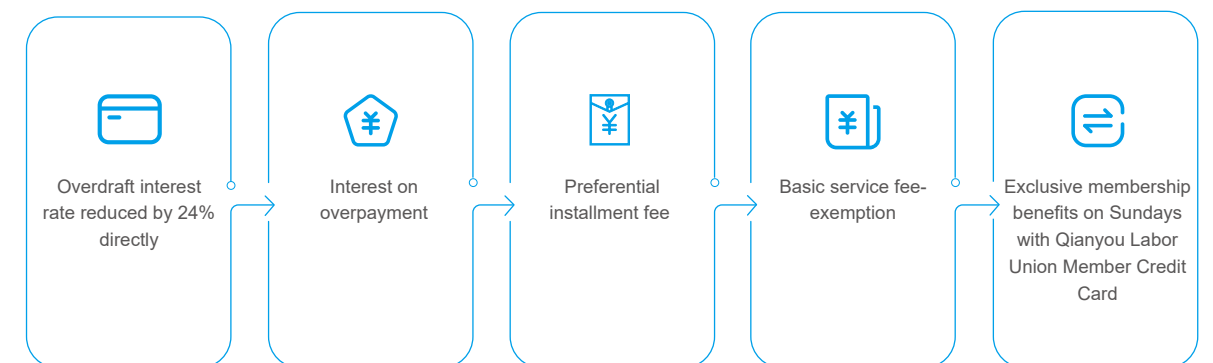
The card is to serve employees of union members of enterprises and institutions across Guizhou, allowing them to enjoy exclusive and preferential financial services.

As of the end of 2020,

additional **78,745**

Qianyou Labor Union Member Credit Cards had been issued since it was launched eight months before.

Featured functions



• Bank of Guizhou - Meituan credit card

The Bank cooperated with Meituan Dianping to issue a co-branded credit card to provide consumers with "fast, cheap and easy" financial services. The card targets at various consumption scenarios such as catering and entertainment.

During the reporting period, additional

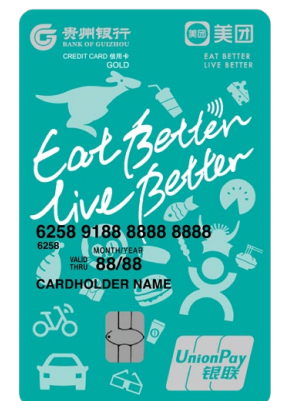
54,096

Bank of Guizhou - Meituan credit cards were issued

Fast loan approved and released in seconds

Cheap discounted services available in millions of merchants to serve all your entertainment needs

Easy One-stop service and no annual fee



Case Working with Guizhou trade union to build a discount supermarket:
“affordable price” from production base to dining table

2020, Qianxinan Branch of Bank of Guizhou worked together with Qianxinan Prefecture Trade Unions Federation and Qianxinan Prefecture Cultural Tourism Industry Investment and Development (Group) Co., Ltd. to build the first trade union card discount store in Qianxinan Prefecture. The store purchases products from growing bases directly and enjoys subsidy from various sources, promising “affordable price” from production base to dining table supply. The Bank offers high-quality, low-cost, and sufficient food to residents and union members across the prefecture, fulfilling its concept of “providing service with care”.

• “Promotion season, farmer aid shopping”

The union card discount store launched the “non-staple food for New Year” in Qianxinan Prefecture. Holders of the Guizhou Bank Union Card were entitled to a 20% discount



• Building a New Year’s goods shopping platform

During the special COVID-19 period, the union card discount store built a trading platform for agricultural and sideline products companies and consumers via online promotion and offline exhibitions



• “Double Hundred Plan”

By the end of 2021, the Bank will sign contract with 100 union membership card discount stores, and provide 100 exclusive rights and interests to union membership cardholders, expanding the service scope of the card to clothing, food, housing, transportation, entertainment, shopping, medicine and education

Improving service experience

The Bank values customer experience, which works hard to improve the environment of business outlets. It provides customers with attentive service and keeps optimizing customer experience through multiple online and offline channels.

Improving quality and efficiency of online channels

The Bank adheres to an innovation-driven development model, which continues to improve its capabilities of operation and digital management, and provide customers with multiple online services.

As of the end of 2020, the Bank had

341.97 ten thousand mobile banking users

with an yearly increase of

29.59%

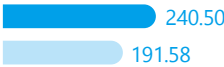
Mobile Banking



Corporate Internet Banking



Personal Internet Banking

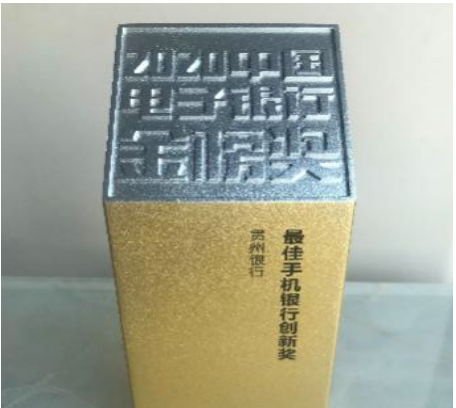


Unit: 10,000

2020 2019



In December 2020, the “2020 Banking Digital Ecosystem and Inclusive Finance Summit and the 16th China E-Banking Annual Ceremony” was held by the China Financial Certification Authority (CFCA). The Bank of Guizhou was granted the “Innovation Award for Best Mobile Banking ”



Communication channels, communication methods, and cultural context have undergone radical changes in the era of mobile internet. To build a youth-oriented brand, shorten the distance with customers, and enhance the brand experience and service experience, the Bank launched the cartoon mascot “Xin Bao Er”. The mascot plays a key role in financial knowledge publicity, financial product marketing, and financial service expansion in multiple scenarios both online and offline. The Bank has created a new mode of “finance + IP”, attempting to create a regional, distinctive and differentiated financial brand and services.

• Creating a cartoon mascot



• The life philosophy of “Xin Bao Er”



• “Xin Bao Er” emoticon set



• “Xin Bao Er” is always with you on important occasions



Seeking transformation through offline channels

Banking outlets play a basic role in serving the real economy and people’s livelihood. They are the carriers of customer operation, product marketing, and channel services. They are also a platform to experience scenario-based services and an important window to demonstrate image and reputation. The Bank commits to the principle of “regional coordination, structure optimization, and transformational development”. It continues to improve the environment of business outlets and enhance its comprehensive service capabilities.

In 2020,
two of the Bank's business outlets were rated as the



by the China Banking Association

the Bank has **4** outlets rated as “Top Thousand Banks of Civilized and Standardized Services”

the Bank has built **10** infant & mom cabins

	Unit	2020	2019
Community banks	Number	5	5
Outlets	Number	223	217
Star-rated outlets	Number	16	16
Outlets with barrier-free access	Number	142	137
Percentage	%	63.68	63.13

Case ▶ Serve with care so as to make your waiting time with comfort

• The Bank has built convenient service areas and maternity rooms. All business outlets are equipped with convenient service facilities such as reading glasses, band-aids, umbrellas, priority seats, drinking fountains.

• Sofas, books, mobile phone chargers, drinks and candies are available in the customer waiting area.

• The Bank reminds customers to avoid crowded hours with a peak hour sign.

• The Bank has set up barrier-free access and wheelchair space, inspecting barrier-free service facilities



To provide civilized and standardized services, the Bank has taken multiple measures to improve the service capabilities of branches such as incentives & assessment, training, examination & acceptance, implementation & rectification, and daily inspection.

In 2019, the Bank had
7 awarded national
star-rated outlets*

among which

3 are "National Five-Star Outlets"
and owned the most "National Five-Star
Outlets" in Guizhou



2019 Five-star Outlets of Civilized and Standardized Services in the Banking Industry



>>> Guiyang Baoshan Sub-branch



>>> Zunyi Hangtian Sub-branch



>>> Liupanshui Branch

2019 Four-star Outlets of Civilized and Standardized Services in the Banking Industry



>>> Tongren Branch



>>> Liupanshui Guanting Branch

2019 Three-star Outlets of Civilized and Standardized Services in the Banking Industry



>>> Anshun Xiaoshizi Sub-branch



>>> Qiannan Sandu Sub-branch

2019 Outstanding Contribution Award for Civilized and Standardized Service in Guizhou Banking Industry



Advanced unit of financial knowledge dissemination activities in banking industry in Guizhou Province in 2019



*All awards are applied for in 2019 and received in 2020

Protecting consumer rights and interests

The Bank acts diligently as instructed by the *Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers' Rights and Interests*, *Guiding Opinions of the China Banking and Insurance Regulatory Commission on Strengthening the Development of Systems and Mechanisms for the Protection of Consumer Rights and Interests*, and *Implementing Measures of PBOC for the Protection of Financial Consumers' Rights and Interests*. The Bank respects and safeguards the basic rights of financial consumers such as the right to private property, the right to know, the right to education, and the right to information security, and fully protects the legitimate rights and interests of consumers.

Measures to strengthen the protection of consumer rights and interests

Improving organizational structure

The Consumer Rights Protection and Social Responsibility Committee under the Board of Directors is responsible for reviewing the strategies, policies and objectives of consumer rights protection work. The Bank establishes a consumer rights and interests leading group headed by the President, which is responsible for organization, planning, supervision, and management of consumer protection work.

Improving the institutional system and working mechanism

In accordance with *Implementing Measures of PBOC for the Protection of Financial Consumers' Rights and Interests* and other new regulatory requirements, the Bank has re-examined and revised its institutional system, which establishes the *Management Measures of the Bank of Guizhou for the Protection of Consumers' Personal Financial Information* and revises the *Management Measures of the Bank of Guizhou for the Protection of Consumer Rights and Interests*. The Bank works closely with the Financial Consumer Rights and Interests Protection Association to promote financial consumer protection and financial consumer dispute resolution through the linkage and information sharing mechanism, continuing to form synergy between each other.

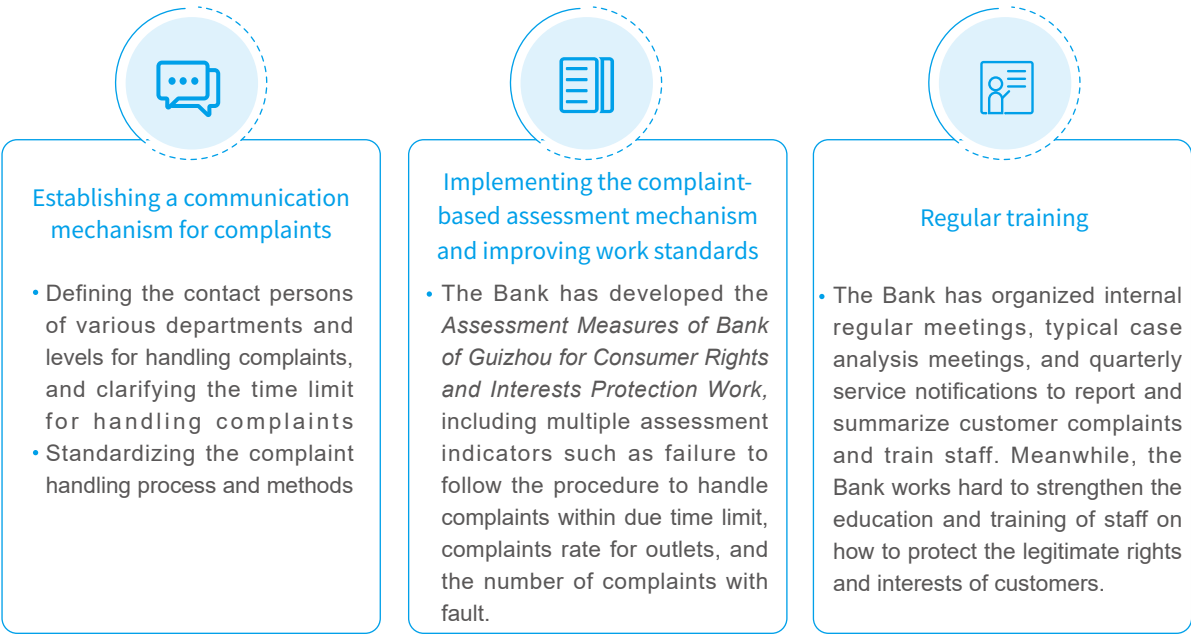
Strengthening customer complaint management

The Bank strictly follows the requirements of Guiding Opinions of the China Banking and Insurance Regulatory Commission on *Strengthening the Development of Systems and Mechanisms for the Protection of Consumer Rights and Interests*. It implements customer complaint management throughout the entire process of sales, which discloses in time the number of annual complaints and the complaints analysis by region through channels like business outlets, official websites and other business procedures.

Making great efforts to publicize financial knowledge

The Bank continues to carry out financial publicity and education activities such as the 3.15 Financial Consumer Rights and Interests Day, Financial Knowledge to Know, and Financial Knowledge for Public to create a positive financial consumption environment and enhance the awareness of consumer protection. As of the end of December 2020, the Bank has held 2,487 online/offline inclusive financial activities, benefiting 538,000 consumers. 11,168,397 piece of education messages were pushed to nearly 10 million people.

Multiple measures to standardize the handling of consumer complaints



In 2020, the Bank of Guizhou handled totally 969 complaints with a case closing rate of 98.76%. Seen by category, card business received the most complaints in proportion. Totally, 520 card complaints were handled in 2020, accounting for 53.66% of the total complaints.

	Unit	2020	2019
Incoming calls of 96655 Customer Service Center telephone banking	10,000	32.50	24.00
Call completing rate of 96655 Customer Service Center	%	87.50	89.50
96655 Customer Service Center Satisfaction Rate	%	99.56	99.59

By region, business outlets under Zunyi Branch saw the most complaints in proportion. The Bank handled 358 complaints against Zunyi Branch in 2020, accounting for 36.95% of the total complaints; and 177 complaints against the Guiyang Management Department, accounting for 18.27% of the total complaints.

Complaints analysis by region	Unit	2020	2019	2018
Guiyang City	/	177	90	92
Zunyi City	/	358	166	116
Liupanshui City	/	73	39	40

	Unit	2020	2019	2018
Complaint handling satisfaction rate	%	98.76	99.33	99.76

Ensuring financial security

Guided by the development concept of “safety first”, the Bank keeps improving the information system security and protecting the safety of customers’ funds and cyber security. It has worked with customers, governments, regulators, public security, financial institutions, and media to carry out financial education in public organs, communities, enterprises, and business districts, schools and countryside. The Bank plays an active role in protecting the legal rights and interests of financial consumers, and providing targeted and effective financial education.



The Bank of Guizhou is engaged in protecting the rights and interests of financial consumers

Cyber security

Case Carrying out Cyber security publicity week

To carry out the national cyber security publicity campaign of “Cyber security for the People and by the People”, the Guiyang Management Department of the Bank organized its employees to actively study and promote cyber security. Everyone is responsible for cyber security, who should use network resources rationally and resist harmful network information so as to create a clean and green cyber space.

► Online and offline activities

Encouraging customers to join cyber security publicity activities by watching videos, reading brochures, listening to seminars and studying on site.

► Team building and task execution

Educating about cyber security in communities, countryside, enterprises, governments and schools; popularizing the knowledge of cyber security among citizens by referring to business procedures and internet finance tips; introducing the typical cases of cyber security to improve people’s awareness and ability to prevent risks. The effort is to help the Bank build the social image as a responsible bank.

¥ Fund security

Case RMB anti-counterfeit publicity on streets

On September 21, 2020, employees of the Guiyang Management Department launched a RMB anti-counterfeit publicity campaign in Dayingpo, Guiyang. The staff used seminars, online Q&A and leaflets to help citizens identify counterfeit currency. The campaign is to educate about RMB anti-counterfeit knowledge and to enhance the public awareness and ability to identify and guard against counterfeit currency. In addition to publicity on streets, 52 outlets under the Guiyang Management Department have carried out RMB anti-counterfeiting publicity in business halls. The Bank also implements RMB anti-counterfeit publicity through posters, financial class by lobby managers, and online Q&A.



Case Financial knowledge publicity on campus

► Guiyang Management Department: The Bank staff educated about financial security knowledge on campus

To popularize financial knowledge and improve the financial risk prevention capabilities of students, financial service volunteers of the Guiyang Management Department delivered a lecture on financial security and cyber security in school. Promoting measures against “campus loans” and “trap loan”, telecom fraud, and RMB counterfeiting; lecturing on risks of campus loans and introducing knowledge and tips on personal information protection, anti-telecom fraud, counterfeited RMB identification with cases that may occur in real life; educating about the harms of borrowing via online platforms and introducing legal financial channels and credit products. The effort is to help students identify financial fraud, guard against illegal campus loans, and protect personal information. Encouraging students to learn knowledge about loans, strengthening areness of financial risks, and establishing correct values on consumption; guiding students to shun excessive consumption and taking caution against “low interest rate and low risk” advertised in campus loans, IOU loans, beauty loans, job loans, training loans or telecom fraud. Students should approach consumption or loan responsibly.

► Qiandongnan Branch: Publicity in Kaili University and Qiandongnan Vocational & Technical College for Nationalities

On September 17, 2020, Qiandongnan Branch of the Bank carried out anti-financial fraud publicity activities in Kaili University and Qiandongnan Vocational & Technical College for Nationalities. Experts and interpreters were invited to lecture on anti-telecom fraud, bank cards, personal credit in public class or via the “financial knowledge education” WeChat group. The campaign is to help students protect their personal information and warn against telecom fraud.



Case ▶ Financial knowledge publicity through both “traditional + trendy” ways

▶ Anshun Branch: Consumer rights protection publicity via live broadcast

On March 13, 2020, Anshun Branch of the Bank of Guizhou held a live broadcast about consumer rights protection, which is themed “3·15 Identifying Financial Frauds and Guarding Your Wealth” at the municipal transportation and tourism radio station. The activity is to lecture consumers on the common scams of financial fraud and prevention methods, enhancing consumers’ awareness of risk prevention.



▶ Fuquan Sub-branch: Consumer rights protection publicity via WeChat

The Fuquan Sub-branch launched an online salon themed “3·15 Consumer Rights Protection Publicity Class” to encourage customers to participate and interact on WeChat. The wealth management manager conducted the Q&A and Get Rewards activity, allowing customers to learn the eight rights of financial consumers, including the right to property security, the right to know, and the right to choose independently. Customers are reminded to choose proper financial institutions to engage wealth management and investment and avoid traps.

▶ Weng’an Sub-branch: H5 Publicizing financial knowledge on anti-fraud

Weng’an Sub-branch compiled anti-fraud knowledge into H5 pages and promoted it in Moments; explained the use of various financial products to customers one-on-one through WeChat; and guided consumers to use online banking, mobile banking and other online financial tools as a priority option to handle business. The effort is to enhance the influence of publicity and enhance consumers’ awareness for protecting financial rights and interests.

▶ Liupanshui Sub-branch: Financial Knowledge Publicity for All

The Liupanshui Sub-branch carried out Financial Knowledge Publicity for All on streets, in communities, at outlets and in enterprises. The campaign is to educate people about the harm of telecom fraud, teach the public to identify various frauds, and improve the public awareness about funds and property security.

>>> Streets



>>> Communities



▶ Tongren Shiqian Sub-branch: Credit information publicity in Village

To popularize the basic knowledge of credit information in rural areas, Tongren Shiqian Sub-branch carried out the credit information publicity in Lengshuibai Village, Huaqiao Town, Shiqian County in August 2020. The staff lectured on popular financial knowledge such as personal credit inquiry, anti-telecom fraud, protection of personal privacy. More than 200 leaflets were distributed.



>>> Enterprises



>>> Outlets





Making Concerted Efforts Build a Harmonious and Beautiful Home

Enterprises bear not only economic and legal responsibilities, but also social and moral responsibilities. Society is a stage for entrepreneurs to demonstrate their talents. Only entrepreneurs who return to the society and fulfill their social responsibilities can truly be recognized by the society and cater to the requirements of the times. One of the tasks for entrepreneurs to fulfill their social responsibilities is to take care of their employees. Entrepreneurs must work hard to stabilize employment, demonstrate their appreciation for employees, and work with employees to overcome difficulties. Only wealth created via a responsible manner is truly meaningful, and only companies that actively undertake social responsibilities are the most competitive and alive.

-- President Xi Jinping

The Bank of Guizhou actively assumes social responsibilities and continues to build a harmonious and friendly corporate culture. It remains grateful to the society. Driven by the spirit of volunteerism, the Bank devoted to support the epidemic prevention and control. With a high sense of responsibility and mission, it strives to create greater value, and advance the harmonious development of society.

Stimulating the vitality of the talent team

The Bank values its employees, which attaches importance to the basic rights and rights of employees as well as their psychological and physical health. The Bank is committed to creating an environment where employees can work happily.

As of the end of 2020,
the Bank owns **5,169** employees



Ratio of male employees **47.42%**



Ratio of female employees **52.58%**



Labor contract signing rate **100%**



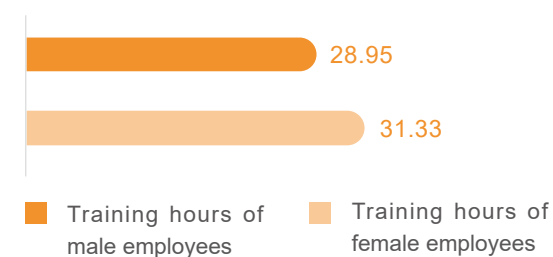
Number of employees **50,137**
participating in the trainings

Employee training rate **100%**

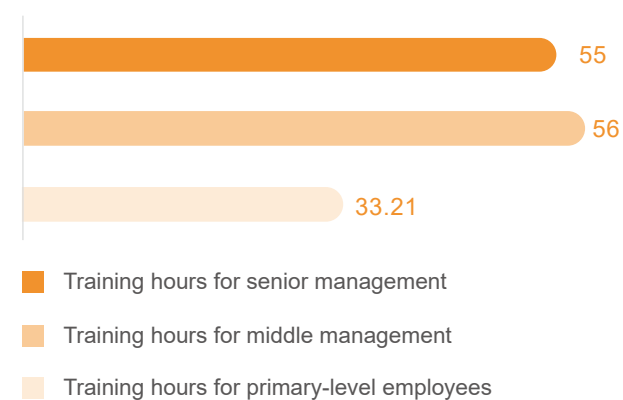


Coverage rate for social insurances and housing fund **100%**

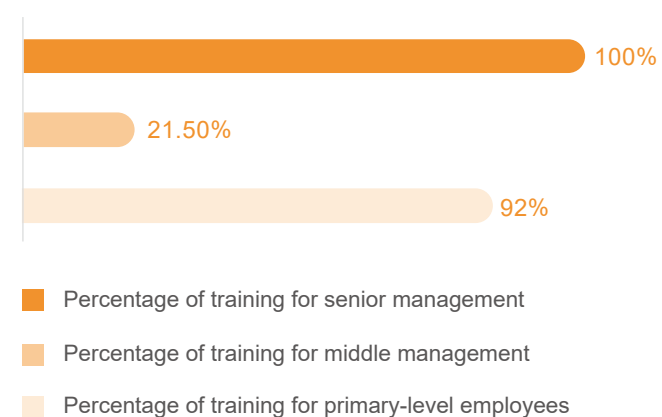
Training hours by gender



Training hours by employee level



Training percentage by types of employees



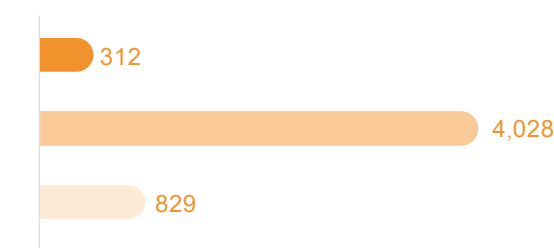
Employees by region

Total number of head office employees **616**

Number of employees within Guiyang **1,038**

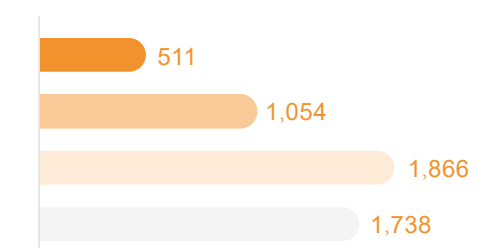
Number of employees outside Guiyang **3,515**

Employees by education level



- Number of employees with a master's degree or higher
- Number of employees with a bachelor degree
- Number of employees with other academic qualifications

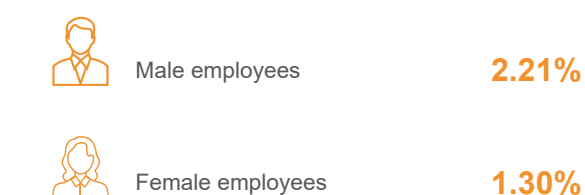
Employees by age



- Number of employees aged 51 and above
- Number of employees between 41-50
- Number of employees between 31-40
- Number of employees aged below 30

Turnover rate

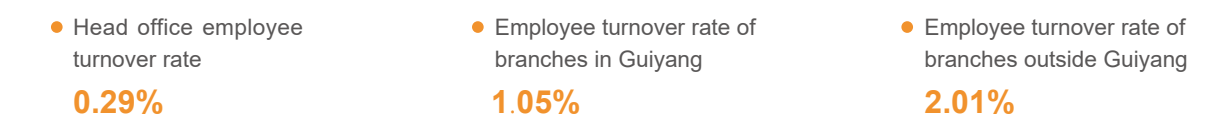
Employee turnover rate by gender



Employee turnover rate by age



Employee turnover rate by region



Protecting employee legitimate rights and interests

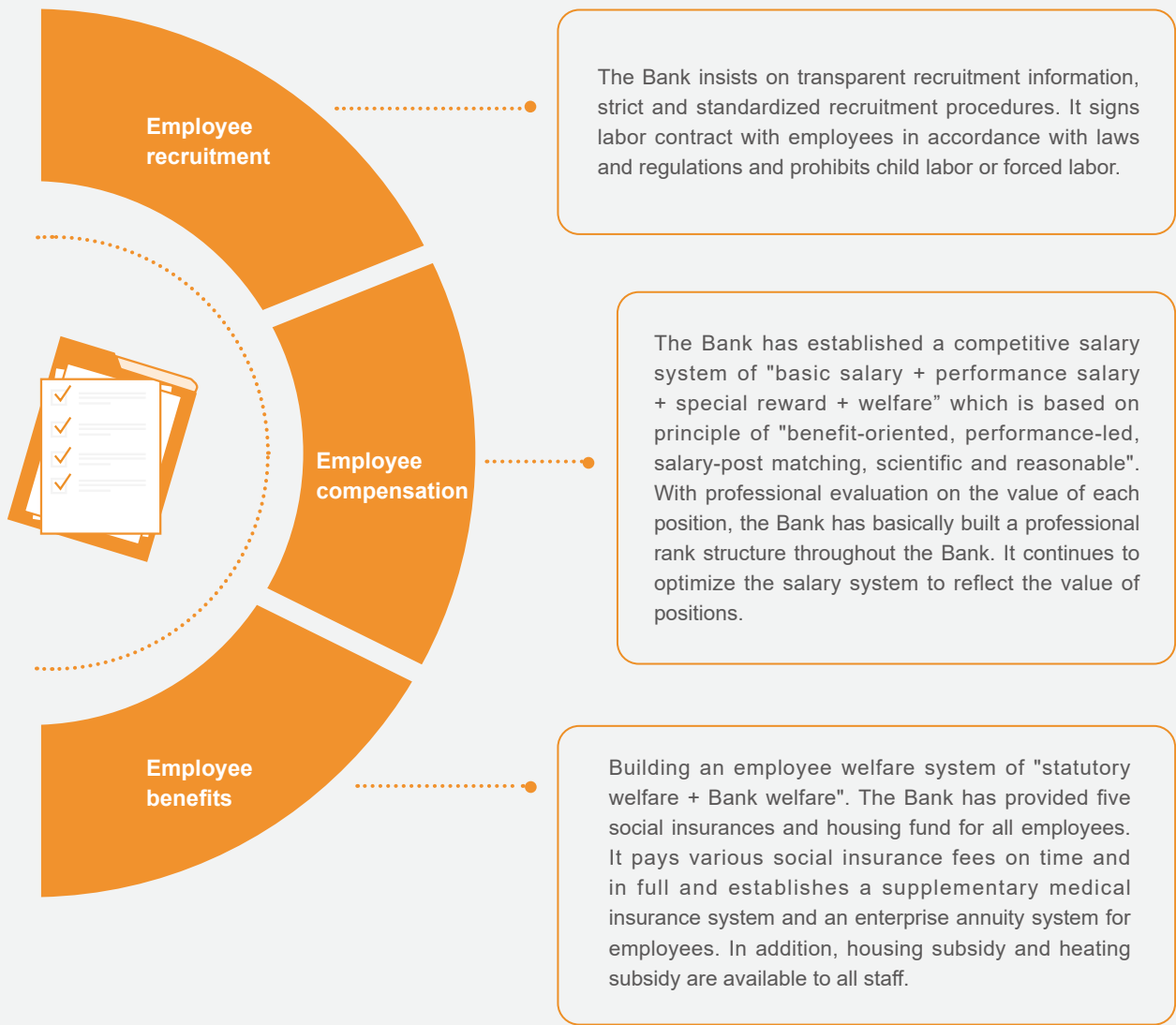
The Bank strictly abides by national and local laws and regulations such as the *Labor Law of the People's Republic of China* and *Labor Contract Law of the People's Republic of China*. It believes in equal employment and equal pay for equal work, treating employees of different genders, cultural backgrounds, regions and ethnicities fairly. The Banks respects the labor rights of employees according to law.

In 2020, percentage of staff who signed the labor contract

100%

for employees social insurance coverage

100%

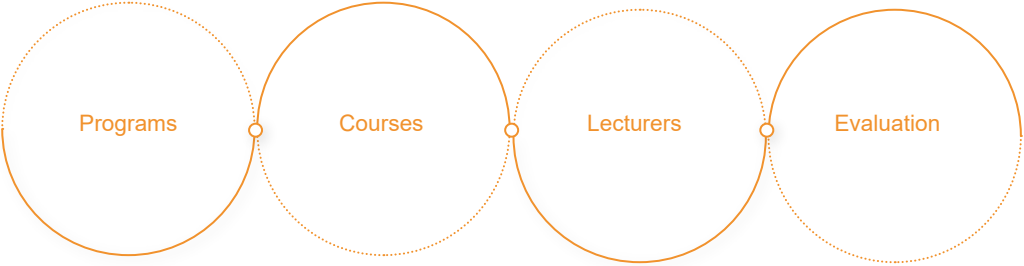


Employee career development


The Bank attaches great importance to the development of talents and the building of their knowledge system, which provides abundant training opportunities for employees. During the reporting period, the Bank has organized 508 training programs and held 548 training sessions for employees, including 58 safety trainings. The training participation coverage rate is 100%. The Bank has spent approximately RMB 7,817,700 on training programs.


Number of training programs	Number	508
Total employee training cost	RMB 10,000	781.77
Training activities in 2020	Number	548
Organizing security training sessions	Number	58
Employee training rate	%	100
Number of employees participating in the trainings	Number	50,137
Training by gender of employees		
Percentage of training for male employees	%	47.50
Male employees training hours	Hour	28.95
Percentage of training for female employees	%	52.50
Female employees training hours	Hour	31.33
Training by employee level		
Percentage of training for senior management	%	100
Training hours for senior management	Hour	55
Percentage of training for middle management	%	21.50
Training hours for middle management	Hour	56
Percentage of training for primary-level employees training	%	92
Primary-level employee training hours	Hour	33.21


The Bank has established the "University of the Bank of Guizhou", which consists of four components of programs, courses, lecturers, and evaluation, collectively known as the tier-1 support system. While improving the basic operating systems, the Bank works hard to build the tier-1 support system, aiming to form a scientific training system with the features of the Bank of Guizhou.




The Bank has organized various training programs to create a team focusing on learning, innovation and services. The Bank invites external experts to give lectures and organizes staff to participate internal/external training programs online and offline.

- 

Carrying out intensive training on new businesses and new products
- 

Learning advanced experience from peers
- 

Carrying out the program "Building a Professional Image as Employees of the Bank of Guizhou"
- 

Participating in external forums and training courses

New employee training



Training program for presidents and managers of sub-branches and outlets

Ensuring employee health and safety

The Bank values the health and safety of employees. To implement its "people-oriented" philosophy, the Bank has conducted public safety and occupational health training as well as fire drills.

Staff of Guiyang Management Department of the Bank conducts CPR simulation under the guidance of instructors





Staff of the Zunyi Branch conducts fire drill



Staff of the Bank is under cervical spine diagnosis and treatment



Caring for the employee's living quality

The Bank cares about the needs of employees. It actively carries out cultural and sports activities to enrich the spiritual and cultural life of employees and help employees realize their potential. The Bank also pays attention to the wellbeing of female employees and employees in distress, helping them overcome difficulties. The goal is to create a warm and happy atmosphere throughout the Bank.

Caring for female employees

Carrying out various and diverse activities to draw attention to the wellbeing of female employees.

Helping employees in difficulties

The Bank implements regular and dynamic supporting mechanism to help employees in need, which keeps updating the records of employees in need to review their qualifications. The effort is to ensure that the limited resources are provided to those who need it most. The Bank continues to visit sick and distressed employees and resigned employees so as to enhance team cohesion and the sense of belonging across the Bank. The Bank has established a record of employees in need and implemented a distressed employees relief system. As of the end of December 2020, the labor union at head office had donated nearly RMB 80,000 to 10 eligible employees who are facing difficulties.

Zunyi Branch engages various cultural and sports activities



The Bank of Guizhou and the Guizhou Financial Youth League Working Committee jointly organizes a networking event for youth themed "Qixi Festival in Han Chinese Clothing"



Employees of the Qianxinan Branch join outdoor outreach activities



Qiandongnan Branch launched an online event on March 8th Women's Day

Guiyang Management Department organizes "YOUNG Basketball Game"



The labor union at head office provides relief for employees in need



Liupanshui Branch visits retired employees



Zunyi Branch Women's Day activity





Strengthening supply chain ESG management

To standardize its procurement behaviors, the Bank has implemented multiple procurement management measures. During the reporting period, the Bank has applied 11 systems including the *Large Procurement Management Measures of the Bank of Guizhou*, *Centralized Procurement Management Measures of the Bank of Guizhou*, and the *Centralized Procurement Operating Rules of the Bank of Guizhou*. The systems define supplier qualification standards, which comprehensively review suppliers' bidding qualifications, product and service quality, operating conditions, prices, and negative behaviors to ensure a transparent and fair procurement procedure. Meanwhile, the Bank manages cooperative suppliers according to industries and categories. The suppliers of the Bank mainly fall into the following categories: equipment and goods, engineering and services.

The Bank considers the ESG performance of suppliers a key indicator for cooperation. For example, an equipment procurement project in 2020 specifies that ISO9000 quality certification and ISO 14001 environmental management system certification shall be used to score the comprehensive strength of manufactures; the bidding documents for a procurement project in 2020 requires suppliers to provide energy conservation and environmental protection certificates. Meanwhile, Article 5 of the *Management Measures of the Bank of Guizhou for Centralized Procurement* stipulates that "Under the same conditions, the Bank shall procure energy-saving and environmentally friendly products." During the reporting period, the Bank has vetted all suppliers. No cooperation with suppliers has been terminated due to severe-impact ESG incidents.

During the reporting period, the coverage rate for supplier's inspection achieved

100%



The Bank has further standardized the service of bidding agencies, urging them to fulfill social responsibilities and improve the quality and efficiency of bidding. In 2020, the Bank has organized training for bidding agencies to help them transform work concepts and cater to ICT development trend. The effort is to align bidding agencies with the Bank's centralized procurement management platform. To improve bidding service levels and efficiency, the Bank has strictly standardized process management, establishing a bidding service quality control system and implementing job responsibility and accountability systems.



Fulfilling social responsibilities and passing warmth

As a professional and dedicated financial institution and an warm-hearted and responsible social organization, the Bank takes public causes seriously actively fulfills its social responsibilities in terms of helping epidemic prevention and control, caring for outdoor workers and carrying out financial volunteer services, and gets fully involved in serving people in need, public welfare activities, and responsible supply chain management.

Actively involved in epidemic prevention and control

To win the battle against COVID-19, the Bank implements strict epidemic prevention and control and provides financial services to producers of key anti-epidemic materials and daily necessities. Meanwhile, it embraces corporate social responsibilities and donates money and anti-epidemic goods and supplies.

Donating RMB

10,000,000

to Hubei Charity Federation



donating RMB

454,800

to China Youth Development Foundation, Guizhou Youth Development Foundation, and Liupanshui Red Cross





Young employees of the Bank of Guizhou actively participated in the fight against the COVID-19

Since the outbreak of COVID-19, the Bank has responded quickly and taken various measures to fight against the epidemic. On November 10, 2020, the Bank was awarded the "Advanced Youth Volunteer Service Group in the National Finance System for Fighting against COVID-19", which is the only enterprise in Guizhou Province granted this award.

Responding quickly to build volunteer team

- The Bank has assembled 10 volunteer teams of **232** members to provide quick response services such as convenience services and psychological counseling.



- To ensure the normal functioning of banking businesses, the Bank has built 10 youth task forces of

224 members

92

youth task forces with members coming from each Youth League branch.



Staff on the frontline of anti-epidemic

- The Bank staff disinfected business outlets, and tested body temperature for customers, working tirelessly at the frontline of COVID-19
- The Bank waged a voluntary blood donation campaign to "fight against COVID-19 and spread warmth"
- The Bank executed thousands of tasks organized by the government, which is related to daily inspection, epidemic prevention and control, and case investigation
- The Bank staff purchased daily necessities for customers who were housebound due to the epidemic
- The Bank staff delivered mineral water, instant noodles and other daily necessities to police, doctors, community workers at stations, communities, and checkpoints
- The Bank opened a psychological counseling hotline to provide psychological counseling for personnel working at the frontline of COVID-19



>>> Employees' of the Bank actively participate in epidemic prevention and control



>>> Employees of Liupanshui Sub-branch donated 1 ton of fresh vegetables to residents for free



>>> The Bank waged a voluntary blood donation campaign to "fight against COVID-19 and spread warmth"



The Bank staff vying to shoulder social responsibilities

- Organizing Youth League members to study and holding competitions in the Bank to encourage them to play a leading and exemplary role in public causes
- Exploring innovative voluntary activities to effectively help youth establish a correct outlook on life and value "Let me do it because I am young and I have strong immunity". This is the war cry of the Bank staff. Amid this silent war, the Bank staff serve with the volunteer spirit of unity, friendship, mutual assistance and dedication, vying to assume social responsibilities.

Care for outdoor workers

In July 2019, the Bank of Guizhou and the Guizhou Trade Union Federation officially launched the construction of the Comprehensive Service Station for Outdoor Workers. The service station, relying on the resources of the Bank outlets, is equipped with basic facilities such as microwave ovens, water dispensers, and first aid box. It aims to provide lounge and battery charging services for outdoor workers such as sanitation workers, construction workers, and couriers.

As of the end of 2020,
the Bank of Guizhou
has independently built

117

service stations

A total of

317

service stations
has been built

and has jointly built

200

service stations with the Guizhou
Trade Union Federation

and more than RMB

530,000

has been invested in
service stations



Case A "warm home" built by the Bank for outdoor workers

The Bank has made every effort to build these service stations into "warm homes" for outdoor laborers. "Comprehensive Service Station for Outdoor Workers" is supposed to provide convenience for outdoor workers, and offer access to "drinking water", "heating sources" and "lounge". In 2020, the service stations built by four Bank branches of Guiyang Huizhancheng Sub-branch, Baoshan Sub-branch, Nanming Sub-branch and Bijie Tianhe Sub-branch were granted the honors of "Province-level Model Comprehensive Service Station for Outdoor Workers" by the leading group for the construction work of comprehensive service station for urban outdoor workers in Guizhou Province.

Reasonable location for easy access

The Bank takes into factors such as people flow, distribution, convenience and service before construction so as to provide maximum support for outdoor workers.



Professional trainings and providing high-quality services

The Bank staff working at the service stations are well trained to provide high-quality services for outdoor workers.



Complete facilities and comprehensive services

The service stations are equipped with complete service facilities, which can provide comprehensive services such as "heating, shelter, drinking water, lounge and toilet". Outdoor workers can truly feel cared and respected here. The effort is to create a positive atmosphere in society where people respect labor and support laborers.



"Dandelion" voluntary financial services

The Bank has established the 2020 "Dandelion" Voluntary Financial Service Action Plan of the Bank of Guizhou to mobilize all staff to carry out "Dandelion" voluntary financial services. As of the end of 2020, the Bank has recruited 533 "Dandelion" financial service volunteers from all business lines. The team is committed to providing customers with various financial services, who installed 180 "Dandelion" financial service consultation and complaint hotline boards at each outlet.

As of the end of 2020,
the Bank has recruited

533

"Dandelion" financial service
volunteers from all business lines



The "Dandelion" financial service volunteers of Tongren Branch set up a publicity & consultation desk at the Tongren SME Service Center. The team handed out leaflets, held seminars and notified the public via LED screens to educate about the significance of credit. The volunteers also popularized the Anti-Terrorism Law and the harm of illegal fund-raising, guiding the public to use banking products and services scientifically and rationally.

Establishing the financial service station for rural youth entrepreneurs

Rural revitalization is key to the national rejuvenation. To implement the key strategy of the Party Central Committee on "Rural Revitalization", promote the provision of financial services to rural youth entrepreneurs, and better help and support the employment and entrepreneurship of rural youth, the Bank has established a Financial Service Station for Rural Youth Entrepreneurs. The attempt is to exert the role of the Bank as the main force of rural finance and rural revitalization, and provide all-round financial services for rural revitalization.



Employees of Zunyi Branch, the Bank of Guizhou unveiled Financial Service Station for Rural Youth Entrepreneurs

The Financial Service Station for Rural Youth Entrepreneurs aims to provide financial support for rural youth to start a business:

- Building a financial information consulting and publicity platform;
- Providing professional online and offline financial services;
- Leveraging its advantages to consolidate information; committing financial resources to agriculture, rural areas and farmers, small and micro enterprises and rural young entrepreneurs; helping rural youth start business and get employed; popularizing financial knowledge to rural residents; and promoting rural revitalization and protecting legitimate rights and interests of rural financial consumers;
- Carrying out financial knowledge education in rural areas; advancing the publicity of the program "popularizing financial knowledge in the countryside and helping rural youth to get employed and start business"; and organizing various financial services publicity and education activities that aim at rural youth entrepreneurs.

“Overcoming Challenges and Carrying on with Dreams”

The Bank supports college entrance examination candidates

It takes one twelve years to sharpen his swords and skills and it takes one test in July to get his reputation spread. The college entrance examination took place as scheduled. Adhering to the concept of “providing service with care”, the Bank has conducted the campaign “Overcoming Challenges and Carrying on with Dreams” for four consecutive years to support college entrance examination candidates. The Bank launched the campaign from July 7 to 8, 2020 as scheduled. It continued to provide various convenient services to candidates and parents and supported the college entrance examination through concrete actions.



Candidates transportation

The Bank volunteers organized a fleet at communities and streets in districts, cities, counties, which was ready to transport candidates to designated test center as long as they present their admission tickets. To ease the tension of candidates, the fleet vehicles carried small red flags (meaning victory).



Anshun Branch's convoy for exam

Setting up service station for students taking college entrance exam

Employees of the Bank set up a College Entrance Exam Service Station at the assessment center to provide warm services for candidates and parents. For example, providing shelter and umbrellas for parents waiting outside the test center; providing

consulting services for parents and candidates; providing free drinking water and heatstroke medicine for candidates and parents; providing stationery items like erasers, pens and rulers for candidates.



College Entrance Exam Service Station



Environmental Protection Guard Lucid Waters and Lush Mountains Diligently

Believe in “Green Mountains are Gold Mountains” and insist on respecting nature and protecting nature. Give priority to nature conservation, protection, and restoration and works hard to maintain ecological security. Strive to carry out sustainable development strategies and improve the coordination mechanism regarding ecological civilization. Aspire to realize the harmonious coexistence of human and nature through building an ecological civilization system and promoting the green transformation of economic and social development.

---The Proposals of the CPC Central Committee for Formulating the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035

Centering around “Ecology Strategy” and sticking to the new development principles of “innovative, coordinated, green, open and inclusive development”, we focused on green development, green governance, green office and green financial innovation, promoting the green, sustainable development of China.



Special Topic: Establishing equator bank to strengthen environmental and social risk management

Climate change is an extremely severe, urgent, and longstanding challenge in front of mankind. Research has shown that financial risks arising from environmental and climate change have become a key factor affecting the stability of financial institutions and the financial system. As the core of the modern economic system, financial institutions have great potential and bear great responsibilities for addressing climate and environmental changes. The Bank plays an active role in delivering China's "3060" target for emission peak and carbon neutrality and takes advantage of the Equator Bank to strengthen environmental risk management.

The Sixth Equator Bank in China

In June 2003, 10 leading international financial institutions, including ABN AMRO Bank, jointly initiated the environmental and social management risk management framework known as the Equator Principles (EPs) based on the IFC's environmental and social performance standards. As a globally recognized benchmark for project financing, EPs aim to encourage financial institutions to perform their prudent verification obligations by analyzing, assessing, and managing environmental and social risks in project financing. On November 30, 2020, the Bank officially adopted EPs, becoming the sixth "Equator Bank" in China.

During the period from adopting the Equator Principles to the end of 2020, the Bank has carried out the applicability assessment of the "Equator Principles" on financing, involving 3 projects and 3 clients. These projects focus on infrastructure construction, including residential development, rail transit construction, and public facilities management, with a total amount of RMB 0.71 billion. 2 projects were issued successfully, which were categorized on C type, and focused on Infrastructure construction and other industries (general manufacturing).

During the period from adopting the Equator Principles to the end of 2020,

carried out the applicability assessment of the Equator Principles on financing, involving

3 projects



involving

3 clients



with a total amount of RMB

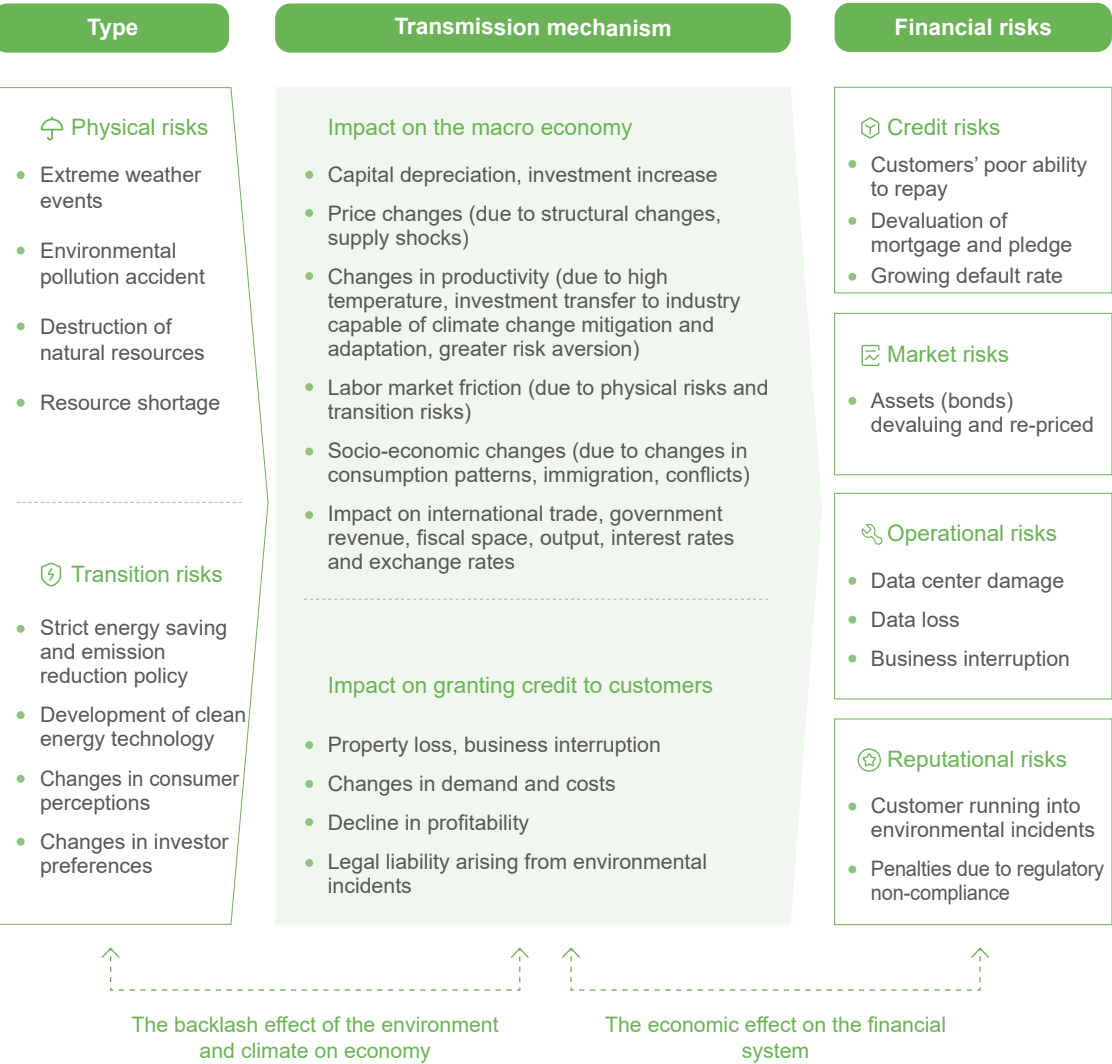
0.71 billion



Environmental Risks Identification

According to the research of the Task Force on Climate-related Financial Disclosures (TCFD), environmental risks can be divided into physical risks and transition risks. Physical risks are caused by extreme weather events, sea level rise, ecological environment pollution, natural resource destruction and shortage; while transition risks are caused by the adjustment of policies, technologies, concepts to cope with climate change and environmental challenges.

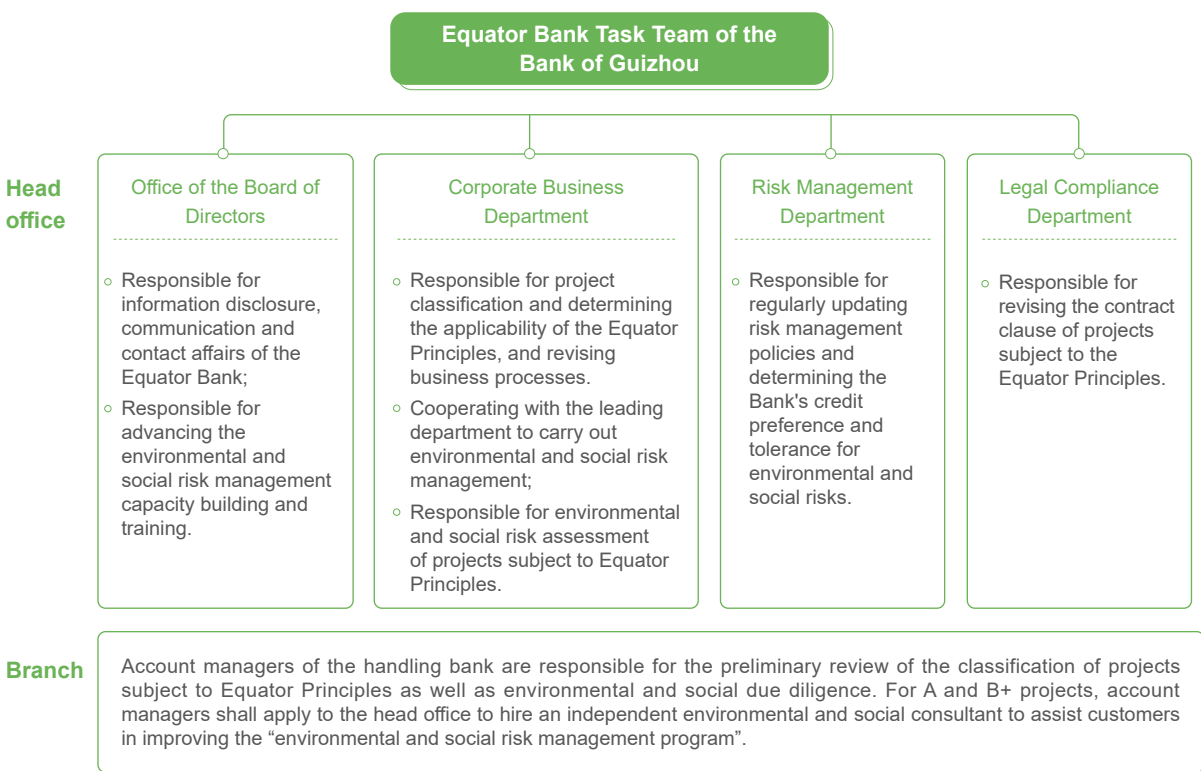
Environmental risks will develop into financial risks at the macro and micro levels through certain transmission mechanisms, thereby affecting the operation and management of financial institutions. The Bank has identified environmental risks in accordance with TCFD's climate risk analysis framework and *Overview of Environmental Risk Analysis* (ERA) issued by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).



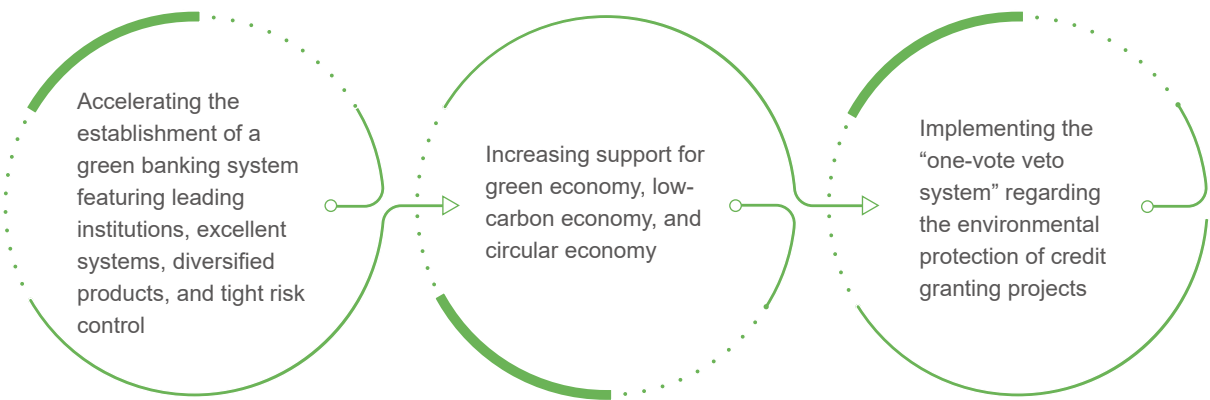
Strengthening Environmental Risk Management

The Bank takes advantage of the Equator Bank to implement the concept of environmental risk management throughout the entire process of credit granting business. It seeks to effectively strengthen environmental risk management by revising the credit management system and remaking the credit management system.

Equator Bank Task Team



Adjusting the Overall Risk Management Policy



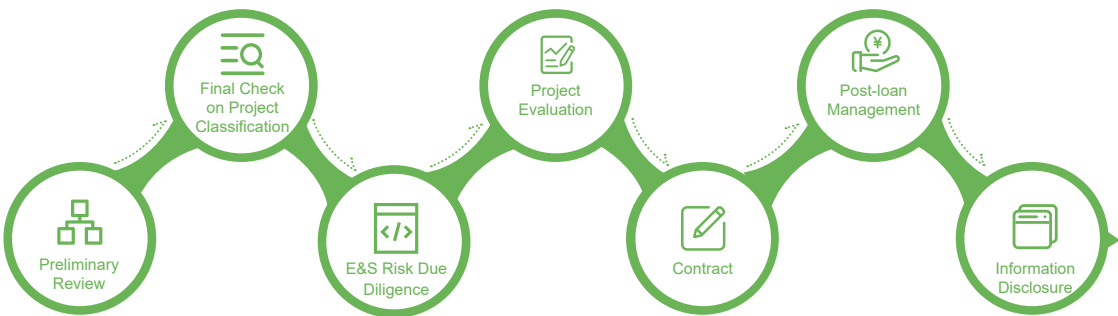
Environmental Risk Management System

The Bank has issued the *Financing Management Measures of the Bank of Guizhou for Projects Subject to the Equator Principles*, which clarifies applicable standards, division of responsibilities and business processes. Moreover, the Bank has formulated the *Guidelines of the Bank of Guizhou for Environmental and Social Risk Due Diligence*, *Environmental and Social Risk Due Diligence Report Template of the Bank of Guizhou* and *Environmental and Social Risk Audit Report Template of the Bank of Guizhou* to define the key points of environmental and social risk management.

Improving the Environmental Risk Management Process

In accordance with the requirements of the *Equator Principles (Fourth Edition)*, the Bank has established a workflow for environmental risk management of credit granting projects.

Management Process of the Bank of Guizhou based on "Equator Principles"




Preliminary Review for Project Classification

Account managers of the handling bank shall identify whether the Equator Principle is applicable based on the total investment of projects.


Total fund cost of project financing consulting service project

≥USD10 million



Total fund cost of project financing service project


≥USD10 million



Loan term for bridge loan

<2 years

Financing for projects that meet the above- standards or project refinancing through corporate loan




Corporate loan for the project

- Most loans are related to a single project that customers have actual operational control (directly or indirectly)
- Loan amount at least USD 50 million
- Loan period at least 2 years

Project-related refinancing and project-related buyout financing

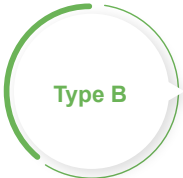
- Project that has adopted the Equator Principles
- No substantial change in the scale or scope of the project
- Project has not been completed when the facility or loan agreement is signed

Type A



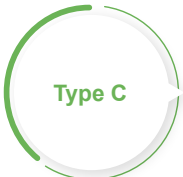
The project has potentially significant adverse effects on the environment and society and/or involves various, irreversible or unprecedented impacts. The risk level is high.

Type B



The project has a limited and/or a small amount of possible adverse effects on the environment and society, and the impacts are generally limited to specific locations, and most of them are reversible and easy to solve through mitigation measures, The risk level is medium.

Type C



The project has little or no adverse risk and/or impact on society and the environment. The risk level is low risk or no risk.

Environmental and Social Risk Due Diligence

- Evaluating and managing environmental and social risks of credit granting business from 9 dimensions and 51 aspects



Contract Management

The Equator Principles supplementary clauses have been added to the fixed asset loan contract template, focusing on the customer's environmental and social risk management, greenhouse gas emissions, and compliance with relevant laws and regulations.

Post-loan Management

For projects type A and B+

The independent environmental and social consultant shall conduct post-loan environmental and social risk monitoring once a year, who will issue a post-loan environmental and social risk review report and upload it to the system.

For projects type A, B+ and B

Reviewing the implementation of the “Environmental and Social Risk Management Program” against the template once a year, and uploading it to the system.

Promoting green finance

Developing green finance is an important measure to support green development, serve carbon peaks, and carbon neutrality. The Bank aims to build a green bank, develop green finance, and promote low-carbon development.

Strategic plan for green finance development

During the reporting period, the Bank has established the *Green Finance Strategic Plan of the Bank of Guizhou (2021-2025)*, which defines the guiding principle, definitions and concepts of green finance, the principles and objectives for the development of green finance. Meanwhile, the Plan establishes a green finance strategy system that consists of eight components, including organizational structure, policy system, business development, product service, risk management and control, culture building and information disclosure.



📍 Green finance business orientation

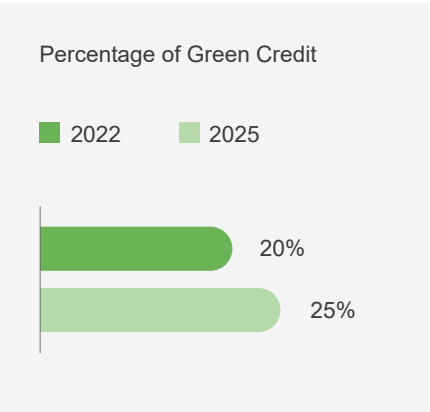
To promote the sustainable development of the Bank, customers, and ecology, the Bank firmly upholds two bottom lines of "development and ecology" and insists on the credit granting principle of "progress and control, priority and expansion". While considering the focus of regional economic and social development and featured resources, the Bank works hard

to deliver China's "3060" carbon target and the local economic and social development plan during the "14th Five-Year" period. Meanwhile, the Bank executes "three strategic actions" of rural revitalization, big data, and big ecology, working on new industrialization, new urbanism, agricultural modernization, and tourism to promote the high-quality development of green finance.

🎯 Staged goals

By 2022, the proportion of green credit is expected to reach 20% and the green finance supporting mechanism will be further improved. The Bank will build a "general product + specialized service" model and a professional management platform. It will include environmental and social risk management into the whole process of credit granting. In addition, the Bank will establish a featured system for policy research.

The brands "Green Bank" and "Equator Bank" of the Bank of Guizhou will become mature by 2025 with green credit accounting for 25%. The Bank will build a leading green finance brand featuring sound management, advanced systems, rich products, controllable risks, and excellent analysis capabilities.



Improving the top-level design of green finance

The Bank shall adhere to the concept of green development and follow the policy guidelines of the People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, and the Hong Kong Stock Exchange. To accomplish the objectives of "three strategic actions", the Bank shall continue to strengthen the top-level design of green finance, strengthen its capabilities to enhance the green development and strive to build a green finance brand.



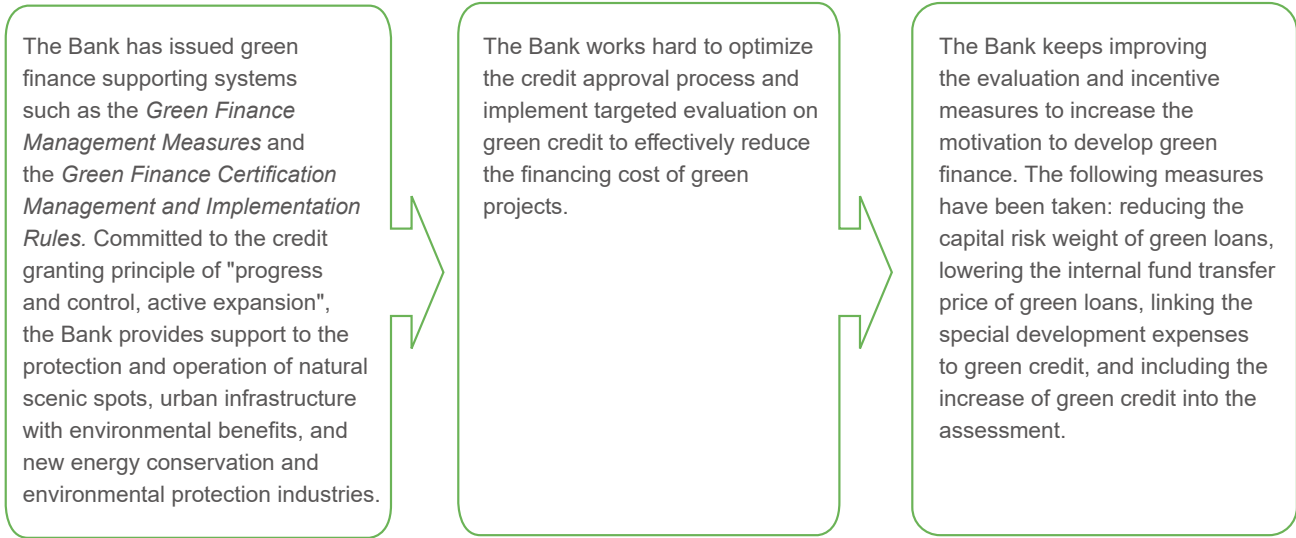
To meet the "two no less than" development goals of green finance during the "13th Five-Year Plan" period, the Bank will use innovative green finance as an key approach to implement the Bank's strategic planning and promote its transformation. The attempt is to realize the strategic goal of "building a green bank rand".

The Bank has built a Green Finance Innovation and Development Leading Group of the Bank of Guizhou with the head office President as the team leader and the Vice President as the deputy team leader to promote the innovation and development of green finance throughout the Bank.

The head office has established the Green Finance Department, which is responsible for the promotion and management of the green finance business throughout the Bank. In addition, the Bank has designated dedicated green finance personnel in its branch offices. A preliminary three-tiered (head office-branch-sub-branch) green finance system has been established.

The Bank has formulated the *Implementation Opinions on the Green Credit*, the *Green Finance Business Management Measures of the Bank of Guizhou*, *Green Finance Business Certification* and the *Management Measures and Implementation Rules of the Bank of Guizhou for Green Finance Business Certification* to reinforce its system structure.

Improving the green financial system



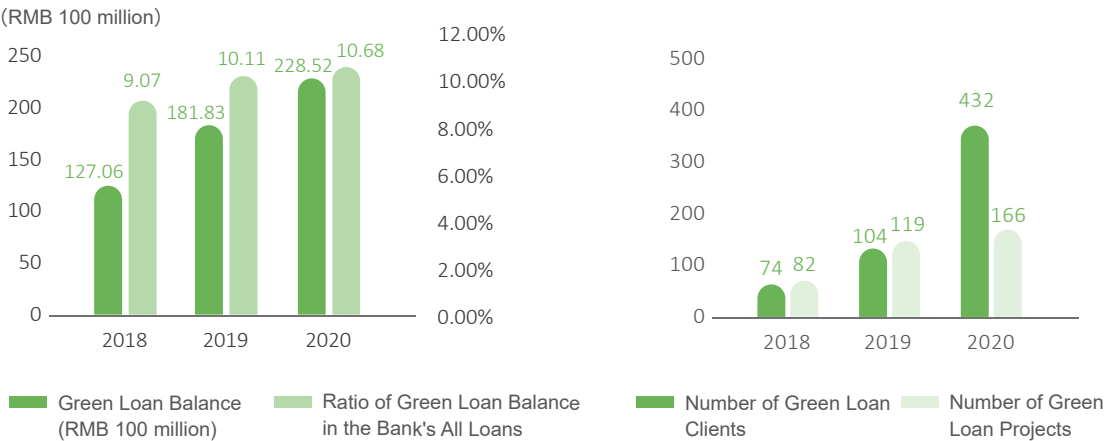
Innovative products and services of green finance



The Bank implements guidelines of the China Banking and Insurance Regulatory Commission on strictly controlling the credit loans to “two high and one excess” enterprises as well as green credit. It works hard to deliver the concept of green development and promote the development of green finance. As of the end of the reporting period, the Bank has supported 166 energy conservation and environmental protection projects. The number of borrowers engaged in environmental protection and energy conservation and emission businesses increased by 315.38% year-on-year. The balance of green loans was RMB 22.852 billion, an increase of RMB 4.669 billion from the beginning of the year. Green credit accounted for 10.68%. The proportion of loans to “two high and one excess” enterprises continue to decline.

Key Indicators of Green Finance Business

Environmental indicator	Unit	2020	2019	2018
Green loan balance	RMB 100 million	228.52	181.83	127.06
Green loan balance year-on-year growth rate	%	25.68	43.11	97.35
Percentage of green loans	%	10.68	10.11	9.07
Green loan customers	Number	432	104	74
Number of green loan projects	Number	166	119	82
Loan balance of the "Two High and One Excess" industries	RMB 100 million	54.08	38.69	32.38
Loan balance ratio of the "Two High and One Excess" industries ¹	%	4	2.87	2.92
Loan balance of the "Two High and One Excess" industries	RMB 100 million	1.36	2.56	2.19
Loan balance of the "Two High and One Excess" industries ²	%	0.09	0.18	0.35



Note 1: The original data: the total balance of steel, coal, and cement loans in the public loan table, specifically the sum of the IOU balances in the Bank's corporate loans (investment sub-category of steelmaking and ironmaking + investment category of coal mining and washing, and investment sub-category of cement production, excluding cement products)

Note 2: This indicator of "Two High and One Excess" industries is calculated with new method. The original calculation method includes the coal industry. The coal industry has been listed as a pillar industry in Guizhou Province and included in the "14th Five-Year Plan" work report of Guizhou Province since 2020. The coal industry will become a key industry in Guizhou. Therefore, the report adopts the new calculation method

Case Supporting the Wengfu and Kailin circular economy project

The Bank used green finance bonds to raise RMB 200 million to support Wengfu Group and Kailin Group to transform fluor silicic acid products into economic returns and realize resource recycling.



Wengfu-Kaillin circular economy project

Case Supporting the construction of sewage treatment plant in Honghuagang Economic Development Zone

The Bank used green finance bonds to raise RMB 165 million to support the construction of a sewage treatment plant in the Honghuagang Economic Development Zone. The project is supposed to treat 12.505 million tons of sewage annually, helping Guizhou win the battle against pollution.



The sewage treatment plant in Honghuagang Economic Development Zone

The Bank issued RMB 5 billion of green bonds in 2018. As of the end of the reporting period, the Bank's green bond raised funds had invested a total of 25 green projects, 76 transactions, with a total investment of RMB 7.329 billion, of which RMB 3.13 billion has been received. The balance of fund-raising investment is 4.199 billion yuan, of which 19 new projects was invested in 2020, with an amount of 1.306 billion yuan. The types includes four categories: clean transportation, pollution prevention, ecological protection and adaptation to climate change, resource conservation and recycling. The projects types include comprehensive management of soil erosion, tourism construction and operation under natural resource protection, urban rail transit, comprehensive utilization of mineral resources, and sewage processing, which are all green certified by a third-party certification body.

As of the end of the reporting period,

the Bank's proceeds from green bond issuance has invested in

25 green projects



76 transactions



with a total amount of RMB **7.329** billion



Repaid

3.13 billion



total disbursement of proceeds of bond RMB

4.199 billion



According to the evaluation and calculation results of a third-party professional organization regarding the Bank's green financial bonds, these bonds have yielded significant environmental benefits.



During the reporting period, the two wastewater treatment facilities have been completed and put into operation. During 2020, the sewage treatment projects treat about 97.755 million tons of sewage every year, reduce chemical oxygen demand by about 14,000 tons, and ammonia nitrogen by about 1,387.98 tons.



During the reporting period, two rail transit projects were financed, one of which has been completed and put in into operation with annual energy saving 8,400tce, and CO₂ emission reduction of 23,300tons. The other project was still under construction, and once completed, is supposed to result in an indirect energy saving of about 19,000 tce and reduce carbon dioxide emission of about 54,000 tons.



During the reporting period, one resource saving and recycling project is an anhydrous hydrogen fluoride project with an annual output of 30,000 tons. During 2020, 25,200 tons of by-product fluorosilicic acid from wet process of phosphoric acid production have been recycled.



The land reclamation project is expected to protect ecological resources and preserve vegetation. The project intends to improve the land of about 180,000 mu (around 728 km²), mitigate soil erosion and use land resources in a sustainable manner.



Supporting Gui'an green finance reform pilot zone

The Gui'an New District is among the first batch of state-level pilot zones and the only district in southwest China approved to carry out green finance reform and innovation. As of the end of the reporting period, the Bank's balance of green loan to Gui'an New Area was RMB 1.253 billion, which was used to support the construction of rural sewage treatment, farmland protection, reservoirs and other ecological projects in Gui'an Green Finance Reform and Innovation Pilot Zone. The Bank supports the green finance reform and innovation in Gui'an New Area with concrete actions.



Surveys and research of green finance

During the reporting period, the Bank has actively carried out survey and researches on green finance, working hard to explore the development direction of green finance, and provide solid theoretical support for the development of green finance.

The Bank has prepared the research paper *“Turning Green into Gold” — The Concept of the Bank of Guizhou: Supporting Guizhou to Build into a Green Finance Center in Western China*. The paper systematically analyzes the preliminary results and competitive advantages of the Bank in implementing green finance innovation and development, which proposes the goal of building a green bank on six fronts. It is supposed to provide theoretical support for the Bank's green finance innovation and development.

The Bank has prepared the research paper *Prospects for Green Credit Securitization of Small and Medium-Sized Banks: Opportunities, Challenges and Suggestions*. The paper summarizes the pros and cons for small and medium-sized banks to securitize green credit assets, and proposes suggestions to optimize green credit securitization mechanism and improve market practices of small and medium-sized banks. This paper was published in the 5th issue of *Journal of Regional Financial Research* in 2020.

The Bank has submitted to the Guizhou Provincial Government the *Report of the Bank of Guizhou on Deepening the Development of Green Finance and Supporting Guizhou to Build a Green Finance Center in the Western China*. The Report introduces the Bank's work plan to build a leading green finance brand featuring sound management, advanced systems, rich products, controllable risks, and excellent analysis capabilities.

The Bank has submitted to the Guizhou Provincial Government the *Report of the Bank of Guizhou on the Establishment of the Equator Bank to Promote the Innovative Development of Green Finance*. The Report introduces the significance of the Equator Bank to the Bank's green finance development as well as its implementation plans.

Strengthening management on "carbon footprint"

In order to reduce the environmental impact of the Bank's business activities, the Bank has continuously established and improved the statistical system for energy consumption and waste generation, and effectively strengthened its "carbon footprint management."

During the reporting period, the Bank has produced 15,694 tons of carbon dioxide equivalent (CO₂e), with a per capita emission of 2.99 tons of CO₂e/person. The direct emission of greenhouse gas per capita is 0.35tCO₂e, and the indirect emission of greenhouse gas per capita is 2.64tCO₂e. The Bank has consumed 272,205 tons of office water with 51.88 tons per capita. The Bank has consumed 175.9 tons of office paper with 0.034 tons of consumption per capita.

Indicator	Unit	2020
Energy and resource consumption		
Total consumption	tons of standard coal	933.97
Per-capita consumption	tons of standard coal/person	0.178
Energy consumption per square meter of floor area	tons of standard coal/m ²	0.0025
Direct resources consumption		
Natural gas	m ³	95,332
Liquefied petroleum gas	kg	19,233
Diesel for facilities	liter	2,720
Coal gas	m ³	8,923
Gasoline for business vehicles	liter	696,899
Diesel for business vehicles	liter	1,067
Indirect resources consumption		
Purchased electricity	MWh	26,266
Office water consumption	ton	272,205
Office water consumption per capita	t/person	51.88
Office water consumption per square meter of floor area	t/m ²	0.73
Office paper consumption	t	175.9
Office paper consumption per capita	t/person	0.034
Office paper consumption per square meter of floor area	t/m ²	0.00047

Indicator	Unit	2020
Emissions		
Sulfur oxide emissions	kg	10.26
Nitrogen oxides emissions	kg	4,790.45
Particulate matter emissions	kg	457.21
Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	15,694
GHG emissions per capita (Scope 1 and Scope 2)	tCO ₂ e/person	2.99
Greenhouse gas emissions per square meter of floor area (Scope 1 and Scope 2)	tCO ₂ e/m ²	0.042
Direct emissions (Scope 1)	tCO ₂ e	1,848.97
Gas emissions	tCO ₂ e	206.87
Liquefied petroleum gas emissions	tCO ₂ e	72.86
Diesel emissions of facilities	tCO ₂ e	7.05
Coal gas emissions	tCO ₂ e	7.04
Indirect emissions (Scope 2)	tCO ₂ e	13,845
Purchased electricity emissions	tCO ₂ e	13,845
Non-hazardous waste	ton	517.57
Non-hazardous waste per capita	ton/person	0.099
Non-hazardous waste/m ²	ton/m ²	0.0014
Hazardous waste	ton	32.26
Hazardous waste per capita	ton/person	0.0061
Hazardous waste per square meter of floor area	ton/m ²	0.000087



Per-capita consumption

0.178 tons of standard coal/person



Office paper consumption per capita

0.034 ton/person



Energy consumption per square meter of floor area

0.0025 tons of standard coal/m²



Total GHG emissions

15,694 tCO₂e



Purchased electricity

26,226 MWh



GHG emissions per capita

2.99 tCO₂e/person

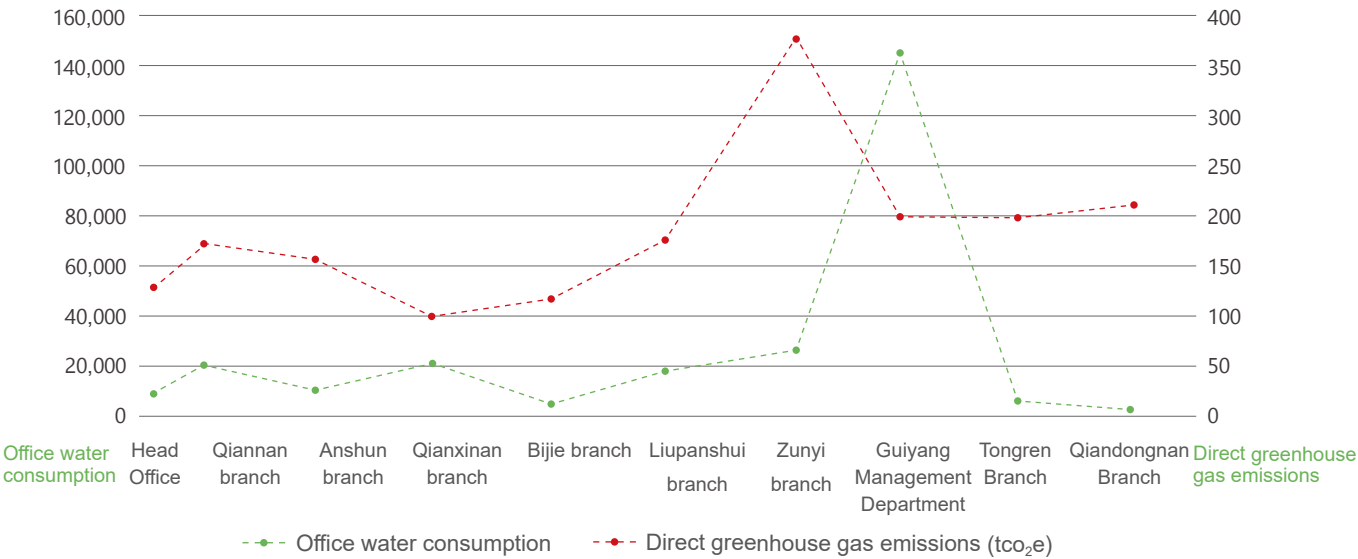
Direct greenhouse gas emissions and natural resource consumption

The Bank produced 1,849tCO₂e of direct greenhouse gas (Scope 1) in 2020 and consumed 272,205 tons of office water.

Consumption of fuel and natural resources of the Bank in 2020 related to direct greenhouse gas emissions

	Independent transportation means		Independent heating (cooling) equipment				Direct GHG emissions	Natural resources	Direct emissions per capita	Office water per capita
	Gasoline (L)	Diesel (L)	Gas (m ³)	Diesel (L)	Coal gas (m ³)	Liquefied petroleum gas (kg)	(tCO ₂ e)	Office water (t)	(tCO ₂ e/person)	(t/person)
Head Office	36,832	602	18,325	1,490	-	1,038	131	14,791	0.215	23.68
Qiannan Branch	68,452	-	6,412	60	6,723	1,375	177	20,576	0.387	44.93
Anshun Branch	65,752	150	-	500	-	3,440	161	10,065	0.389	24.31
Qianxinan Branch	45,763	-	-	-	-	-	102	21,485	0.428	90.27
Bijie Branch	51,864	-	3,525	-	-	-	123	5,686	0.383	17.66
Liupanshui Branch	28,957	130	45,443	-	-	3,456	177	18,716	0.362	38.35
Zunyi Branch	147,015	185	12,665	-	2,200	2,880	368	25,976	0.421	29.72
Guiyang Management Department	68,587	-	8,962	-	-	7,044	199	145,392	0.351	139.53
Tongren Branch	87,677	-	-	470	-	-	197	6,418	0.472	15.43
Qiandongnan Branch	96,000	-	-	200	-	-	214	3,100	0.558	8.07
Total	696,899	1,067	95,332	2,720	8,923	19,233	1,849	272,205	0.35	51.88

Office water consumption and direct greenhouse gas emissions of each branch in 2020



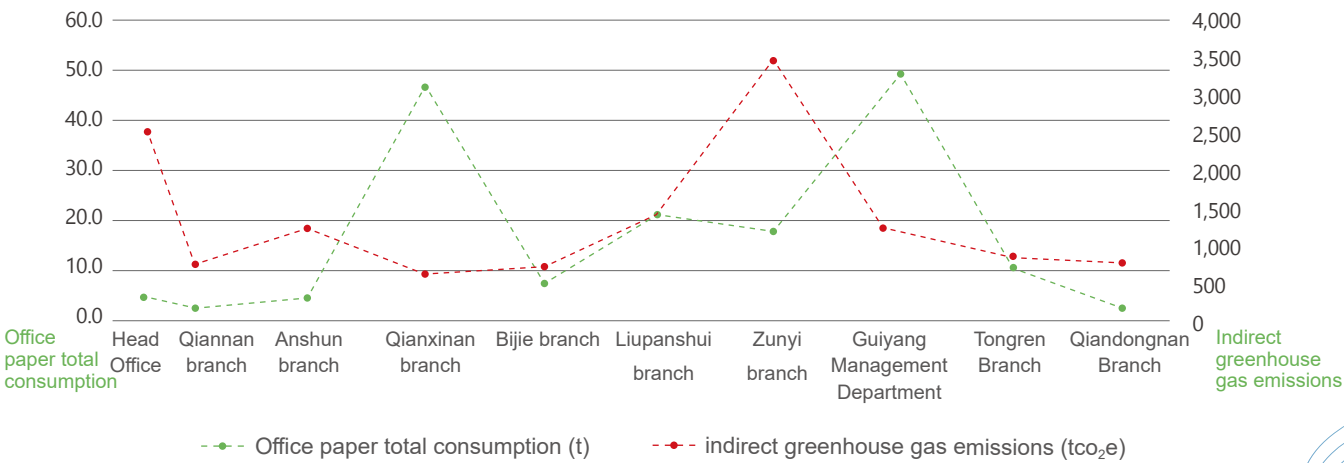
Indirect greenhouse gas emissions and indirect natural resource consumption

In 2020, the Bank has produced 13,845tCO₂e of indirect greenhouse gas emissions (Scope 2) caused by electricity and heat and consumed 175.9t of paper. The indirect greenhouse gas emissions per capita is 2.64tCO₂e, and office water consumption per capita is 0.034 tons. As Guizhou, where the Bank is located, does not provide central heating services, the Bank does not involve any indirect emissions caused by heating.

Electricity and paper consumption of the Bank in 2020 related to indirect emissions

	Electricity (kWh)	Indirect greenhouse Gas emissions (tCO ₂ e)	Office paper used (t)	Per capita Indirect GHG emissions (tCO ₂ e/person)	Per capita Office paper (kg/person)
Head Office	4,610,660	2,457	5.6	4.02	9.20
Qiannan Branch	1,574,117	830	2.9	1.81	6.42
Anshun Branch	2,335,330	1,231	4.7	2.97	11.30
Qianxinan Branch	1,213,214	639	47.1	2.69	197.73
Bijie Branch	1,385,782	730	7.0	2.27	21.66
Liupanshui Branch	2,931,333	1,545	23.4	3.17	47.91
Zunyi Branch	6,687,552	3,525	17.2	4.03	19.73
Guiyang Management Department	2,366,698	1,247	49.3	1.20	47.32
Tongren Branch	1,586,445	836	15.2	2.01	36.60
Qiandongnan Branch	1,575,000	830	3.4	2.16	8.92
Total	26,266,131	13,845	175.9	2.64	33.52

Office paper consumption and indirect greenhouse gas emissions of Bank branches in 2020



Calculation method for environmental impact of business activities



The Bank adopts the statistical data of greenhouse gas emissions in the second edition of the *Guidelines for Calculating Energy Conservation and Emission Reduction of Green Credit Projects* issued by the China Banking and Insurance Regulatory Commission in May 2020. The calculation method is as follows:

$$CO_2 = \sum_l^n E_i \times \alpha_i$$

CO₂: Carbon dioxide emission reduction of the project. Unit: tons of carbon dioxide;

E_i: Reduction of certain energy products consumed by the project. Unit: tons (or 10,000 kilowatt-hours or cubic meters);

α_i: The carbon dioxide emission factor of the energy consumed by the project. Unit: carbon dioxide/kg (or cubic meter). For raw coal, the report adopts carbon dioxide emission factor of the raw coal consumed by the project. If the carbon dioxide emission factor is not available, the report adopts the carbon dioxide emission factor of the standard coal converted from the calorific value of the raw coal. For electricity, the carbon dioxide emission factor is the average carbon dioxide emission factor of the regional power grid where the project is located. For natural gas, the carbon dioxide emission factor is 2.17 kg of carbon dioxide/normal cubic meter; for diesel (including diesel for both power and fuel purposes), the carbon dioxide emission factor is 3.16 kg of carbon dioxide per kg of diesel; for gasoline, the carbon dioxide emission factor is 2.98 kg of carbon dioxide per kg of gasoline.

→ **Gasoline and diesel emission factors**

The carbon dioxide emission factors of diesel and gasoline refer to the *Guidelines for Calculating Energy Conservation and Emission Reduction of Green Credit Projects*: for diesel (including diesel for both power and fuel purposes), the carbon dioxide emission factor is 3.16 kg of carbon dioxide per kg of diesel; for gasoline, the carbon dioxide emission factor is 2.98 kg of carbon dioxide per kg of gasoline. The gasoline density refers to *Automotive Gasoline* (GB 17930-2016) published by Standardization Administration of China, where, the density of No.89, No.92, No.95 and No.98 gasoline (20°C)/(kg/m³) ranges from 720 to 775. The Bank adopts an average value. The diesel density refers to *Automotive Diesel* (GB 19147-2016) published by Standardization Administration of China, where, the density of No.5, No.0, No.-10 diesel (20°C)/(kg/m³) ranges from 810-850 while No.-20, No.-35, No.-50 diesel (20°C)/(kg/m³) ranges from 790-840. The Bank adopts an average value.

→ **Natural gas emission factor**

The natural gas emission factor refers to the *Guidelines for Calculating Energy Conservation and Emission Reduction of Green Credit Projects*, where, for natural gas, the carbon dioxide emission factor is 2.17 kg of carbon dioxide per normal cubic meter.

→ **Coal gas emission factor**

The conversion factor for coal gas refers to *General Principles for Calculation of the Comprehensive Energy Consumption* (GBT 2589-2008).

→ **Liquefied petroleum gas emission factor**

The conversion factor for liquefied petroleum gas refers to *General Principles for Calculation of the Comprehensive Energy Consumption* (GBT 2589-2008).

→ **Grid emission factors**

Guizhou Province, where the Bank is located, is within the service scope of China Southern Power Grid. According to the 2012 average carbon dioxide emission factor αi(kgCO₂/kWh) of regional power grids in China released by the Ministry of Ecological Environment, the emission factor of regional power grids (Guangdong Province, Guangxi Autonomous Region, Yunnan Province, Guizhou Province, and Hainan Province) in southern China is 0.5271kgCO₂/kWh.

→ **Emission factors of sulfur oxides, nitrogen oxides and particulate matter**

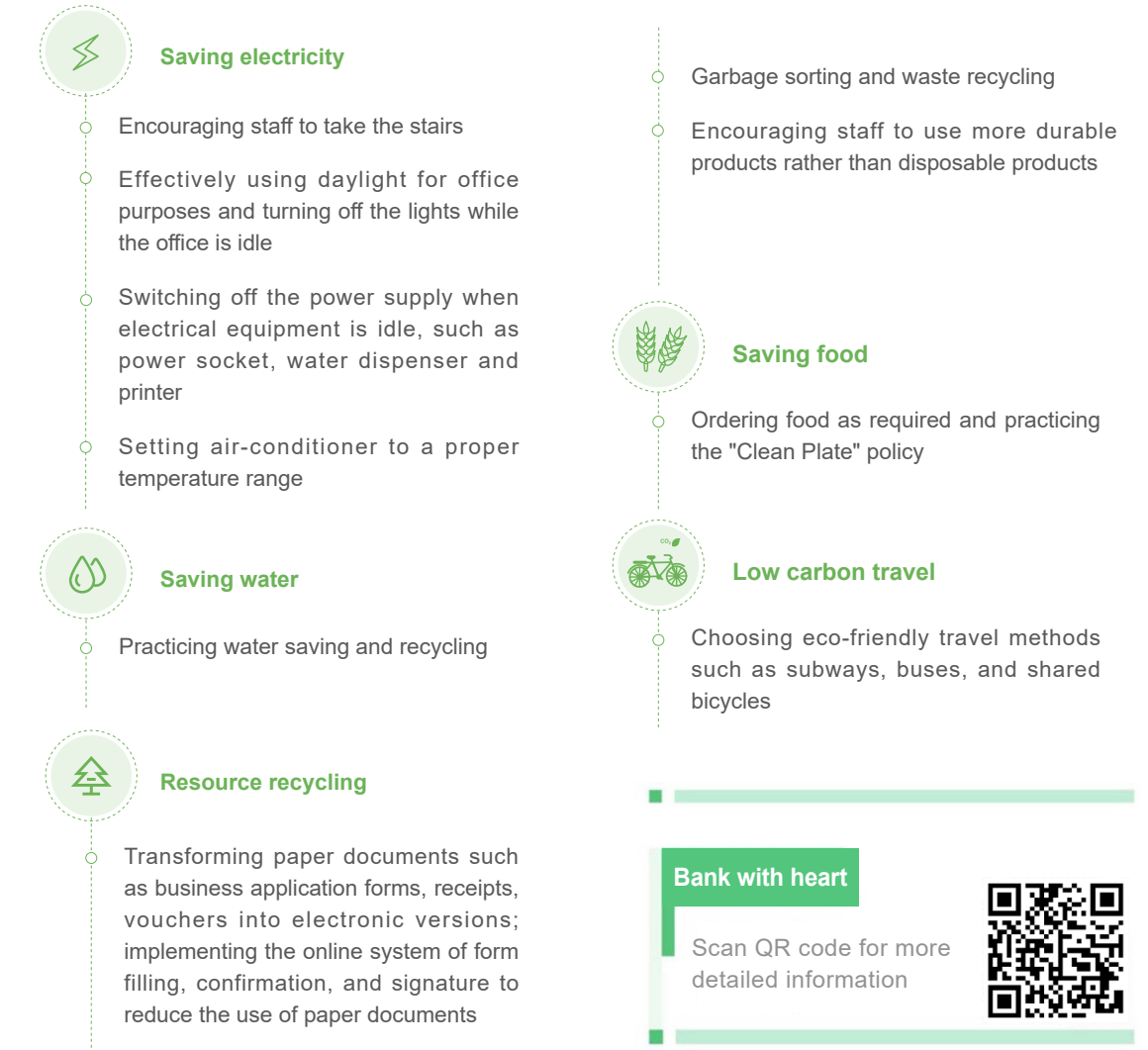
Sulfur oxides, nitrogen oxides and particulate matter derive from gasoline and diesel consumed by vehicles. The calculation method is based on the *Environmental Key Performance Indicators Index* issued by the Hong Kong Stock Exchange.

Promoting green and low-carbon operations

During the reporting period, the Bank promoted low-carbon development, reduced carbon emissions, and strengthened carbon footprint management in terms of saving water, electricity and paper, implementing waste classification, and expanding green projects. An atmosphere of environmental protection, energy saving, emission reduction, diligence and thrift has been formed among the Bank.

Building a “Green Bank”

The Bank has issued a proposal to build a "green bank", attempting to integrate the concept of green development with business management and call upon employees to initiate green practices, such as saving water, electricity, and paper.

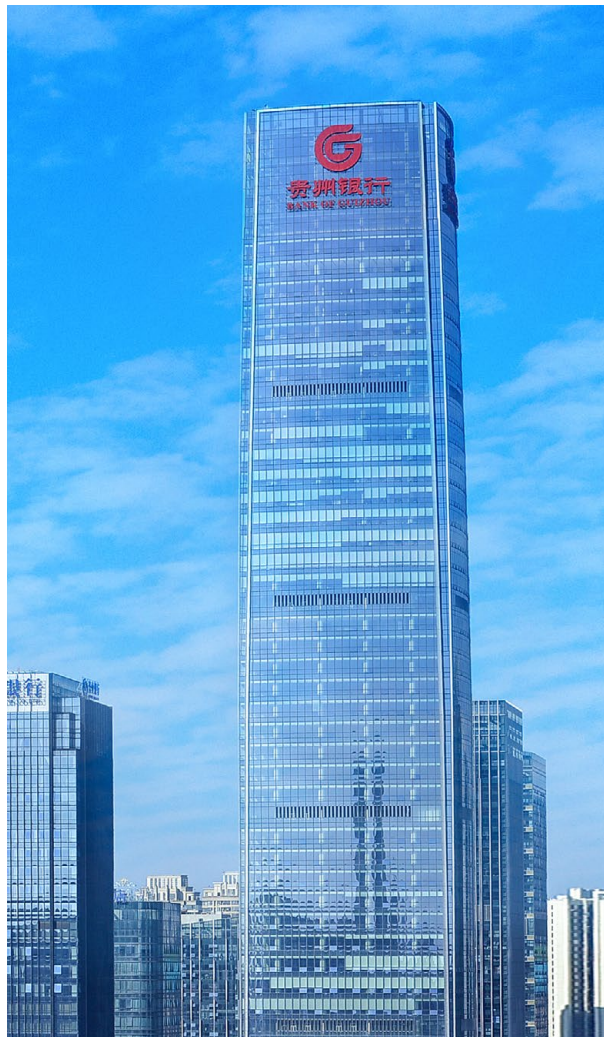


Case The head office of the Bank of Guizhou

The head office of the Bank is located at No. 9, Yongchang Road, Guanshanhu District, Guiyang, which is a landmark building in the financial city designed by Architectural Design and Research Institute of South China University of Technology. The building aims to improve resource utilization, reduce carbon emissions and care for environment and human health, which meets high environmental protection standards.

Exterior wall

- LOW-E laminated glass(6+1.52PVB+6+18A+10), shading coefficient: 0.32, heat transfer coefficient for windows: 2.5, solar heat gain coefficient: 0.28, air tightness: level 3, and visible light transmission ≥ 0.4 .



Water supply and drainage

- Adopting one-star Green Building standard, water-saving toilet below 3L/6L, and sensor faucet that ensures the discharge pressure of water less than 0.2MPa, which is water-saving and comfortable. The pool and water tank are equipped with high-level alarm and automatic closing devices to prevent water overflowing in case inlet valve fails.

Heating, ventilation and air conditioning

- Controlling the room temperature with a room temperature controller.
- The refrigerant machinery room is equipped with a group control system that controls the number of chillers and chiller pumps in service or suspension according to the changes in the cooling load of the air conditioner.
- The secondary cold-water pump and the secondary and tertiary hot water pump of the cold/hot water system adopt variable frequency control and variable flow control technologies.
- The cooling tower fan adopts variable frequency control technologies.
- The energy efficiency of AC units is 6% higher than the value specified in the current *Design Standard for Energy Conservation of Public Buildings* (GB50189-2015). The power consumption of circulating water pumps for air conditioning & water cooling/heating system is 20% lower than the value specified in the current *Code for Design of Heating Ventilation and Air Conditioning in Civil Buildings* (GB50736).

Electrical design

- The distribution substation and electric shaft should stay as close to the load center as possible and select reasonable distribution line path and cable section; adopting high-efficiency, energy-saving and low-loss transformers and choosing the right capacity and quantity of transformers to optimize operation; installing reactive compensation devices capable of automatic adjustment on the low-pressure side. The power factor after compensation should be greater than or equal to 0.9.
- Lighting lamps, light sources, and electrical accessories should meet high-efficiency and energy-saving standards. Fluorescent lamps and gas discharge lamps should be equipped with electronic ballasts that meet national energy efficiency standards. The lighting power density value should meet the requirements of Article 6.3 of the *Standard for Lighting Design of Buildings*. Public areas such as lobbies, corridors as well as multi-function halls, large offices, and external environment should be equipped with energy-saving devices such as intelligent lighting control. Except for the elevator hall and emergency lighting, staircase areas should be equipped with auto shut off switches.
- Adopting frequency conversion control options for air-conditioning fans, water pumps, elevators and other power equipment (except for fire-fighting equipment).

Energy-saving management systems and measures adopted

Controlling the service time of indoor and outdoor lights

- **Indoor lighting:**
intelligent light control system beyond business hours - infrared-controlled light off when the office area is idle; and the staircase area is equipped with auto shut off switches.
- **Building floodlighting and LOGO management:**
floodlighting - Power on/off at fixed hours on holidays according to government regulations; power off during working days. LOGO -- Power on from 19:00 to 23:00 every day; power on/off at fixed hours on holidays according to government regulations.

Energy saving and emission reduction measures through e-channels

The online multi-channel sourcing and mobile marketing platform has been launched to implement credit card customer acquisition online. Optimizing the credit card activation process, shortening the business processing time, and reducing the use of paper materials.

Business vehicle reform

In response to the business vehicle reform in Guizhou Province, the Bank has canceled business vehicles for general purposes, and adopted strict business vehicles management measures. For business travelers, the Bank will reimburse business transportation expenses, offer proper subsidies and take other incentive measures. The reform is to raise the efficiency, reduce cost and standardize the management of business vehicles. Since the launch of the business vehicle reform, the Bank has reduced business vehicles from 390 units to 232 units with an elimination rate of 40.5%.



Rigorous enforcement of economy and anti-waste

To implement rigorous enforcement of economy and anti-waste, the Bank has issued the *Notice on Rigorous Enforcement of Economy and Anti-waste Actions*, which regards the education about food saving and anti-waste as a political task and calls upon people to reduce food waste.

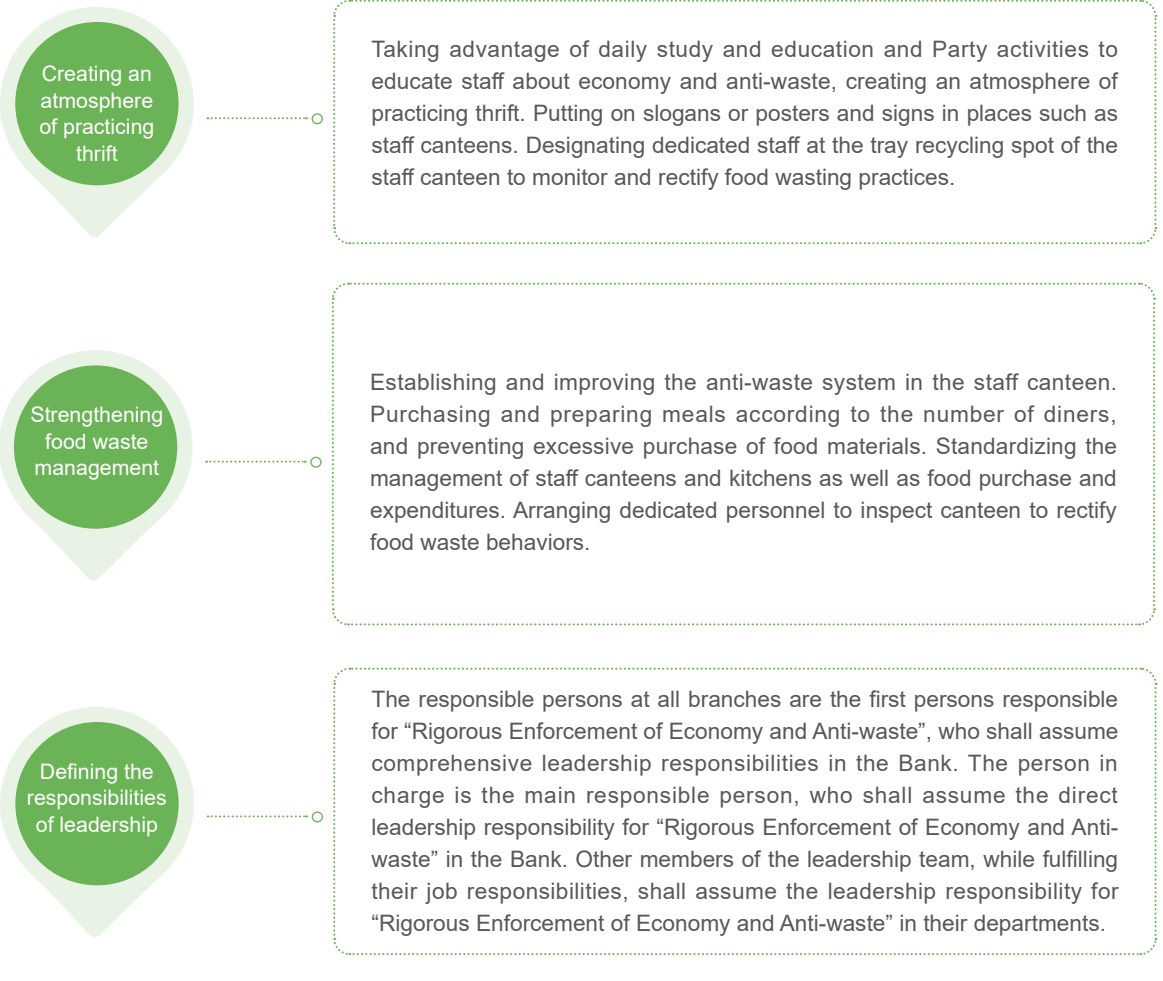
Case The Bank actively involved in “Rigorous Enforcement of Economy and Anti-waste”



Anti-waste slogan in the canteen of the head office



“Anti-waste” Party event at Liupanshui Branch



Annex

HKEX ESG Indicators

General disclosure and KPIs	KPIs	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Promoting green and low-carbon operations
A1.1	The types of emissions and respective emissions data	Promoting green and low-carbon operations
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	Promoting green and low-carbon operations
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Promoting green and low-carbon operations
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Promoting green and low-carbon operations
A1.5	Description of settled emission targets and measures taken to achieve such targets	Strengthening management on "carbon footprint"
A1.6	Description of methods to dispose hazardous and non-hazardous waste, and description of settled waste reduction targets and measures taken to achieve such targets	Strengthening management on "carbon footprint"
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Promoting green and low-carbon operations
A2.1	Direct and/or indirect energy consumption by type (e.g. Electricity, gas or oil) in total (kWh in '000s) and intensity	Promoting green and low-carbon operations
A2.2	Water consumption in total and intensity	Promoting green and low-carbon operations
A2.3	Description of settled energy use targets and measures taken to achieve such targets	Promoting green and low-carbon operations
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and the water efficiency targets as well as measures taken to achieve such targets	The company is a financial service provider and the indicator is thus not applicable.
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	The company is a financial service provider and the indicator is thus not applicable.
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Promoting green and low-carbon operations
A3.1	Description of the significant impacts of actions on the environment and natural resources and the actions taken to manage them	Promoting green finance Strengthening management on "carbon footprint"
Aspect A4: Climate Change		
General Disclosure	Identification and response to major climate policies that may exert impacts on the issuer.	Strengthening management on "carbon footprint"
A4.1	Description of significant climate matters that may exert impacts on the issuer and the response actions	Promoting green finance

General disclosure and KPIs	KPIs	Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Stimulating the vitality of the talent team
B1.1	Total workforce by gender, employment type, age group and geographical region	Stimulating the vitality of the talent team
B1.2	Employee turnover rate by gender, age group and geographical region	Stimulating the vitality of the talent team
Aspect B2: Health and Safety		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Stimulating the vitality of the talent team
B2.1	The number and rate of people who died from work in the past three years (including the reporting year.	Stimulating the vitality of the talent team
B2.2	Lost days due to work injury	Stimulating the vitality of the talent team
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Stimulating the vitality of the talent team
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Stimulating the vitality of the talent team
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Stimulating the vitality of the talent team
B3.2	The average training hours completed per employee by gender and employee category	Stimulating the vitality of the talent team
Aspect B4: Labour Standards		
General Disclosure	Relating to preventing child and forced labor: (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Stimulating the vitality of the talent team
B4.1	Description of measures to review employment practices to avoid child and forced labor	Stimulating the vitality of the talent team
B4.2	Description of steps taken to eliminate relevant practices when discovered	Stimulating the vitality of the talent team
Operation practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Strengthening supply chain ESG management
B5.1	Number of suppliers by region	Strengthening supply chain ESG management

General disclosure and KPIs	KPIs	Section
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Strengthening supply chain ESG management
B5.3	Description of practices to identify environmental and social risks at each link of supply chain, and corresponding execution and supervision methods	Strengthening supply chain ESG management
B5.4	Description of practices of urging selected suppliers to use more environmental products, and corresponding execution and supervision methods	Strengthening supply chain ESG management
Aspect B6: Product Responsibility		
General Disclosure	Information on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Protection of consumer rights and interests
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with.	Protection of consumer rights and interests
B6.3	Description of practices relating to observing and protecting intellectual property rights	Protection of consumer rights and interests
B6.4	Description of quality assurance process and recall procedures	Not applicable
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Protection of consumer rights and interests
Aspect B7: Anti-corruption		
General Disclosure	Relating to bribery, extortion, fraud and money laundering (a) Policies; and (b) Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Enhancing internal control compliance management
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	Enhancing internal control compliance management
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Enhancing internal control compliance management
B7.3	Description of anti-corruption trainings for directors and employees	Enhancing internal control compliance management
Communities		
Aspect B8: Community Investment		
General Disclosure	Policies on neighborhood engagement to understand the needs of the neighborhood where the issuer operates and to ensure its activities take into consideration the communities' interests	Fulfilling social responsibility and passing warmth
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sports).	Fulfilling social responsibility and passing warmth
B8.2	Resources contributed (e.g. money or time) to the focus area.	Fulfilling social responsibility and passing warmth

GRI Standards Indexes

GRI Index	Interpretations	Section
General Disclosure		
Organization profile		
G102-1	Name of the organization	About Us
G102-2	Activities, brands, products, and services	About Us
G102-3	Location of headquarters	About the Report
G102-4	Location of operations	About the Report
G102-5	Ownership and legal form	About Us
G102-6	Markets served	About Us
G102-7	Scale of the organization	About Us
G102-8	Information on employees and other workers	About Us
G102-9	Supply chain	2020 Corporate Annual Report
G102-10	Significant changes to the organization and its supply chain	2020 Corporate Annual Report
G102-11	Precautionary principle or approach	2020 Corporate Annual Report
G102-12	External initiatives	Not applicable
G102-13	Membership of associations	Not applicable
Strategy		
G102-14	Statement from senior decision-maker	Leader's statement
G102-15	Key impacts, risks, and opportunities	Leader's statement
Ethics and honesty		
G102-16	Values, principles, standards, and norms of behavior	About the Report
G102-17	Mechanisms for advice and concerns about ethics	About the Report
Governance		
G102-18	Governance structure	About Us
G102-19	Delegating authority	2020 Corporate Annual Report
G102-20	Executive-level responsibility for economic, environmental, and social topics	Our ESG philosophy
G102-21	Consulting stakeholders on economic, environmental, and social topics	Our ESG philosophy
G102-22	Composition of the highest governance body and its committees	2020 Corporate Annual Report
G102-23	Chair of the highest governance body	2020 Corporate Annual Report
G102-24	Nominating and selecting the highest governance body	2020 Corporate Annual Report
G102-25	Conflicts of interest	2020 Corporate Annual Report
G102-26	Role of highest governance body in setting purpose, values, and strategy	Not applicable
G102-27	Collective knowledge of highest governance body	Not applicable

GRI Index		Interpretations	Section
G102-28		Evaluating the highest governance body's performance	Not applicable
G102-29		Identifying and managing economic, environmental, and social impacts	Our ESG philosophy
G102-30		Effectiveness of risk management processes	2020 Corporate Annual Report
G102-31		Review of economic, environmental, and social topics	Materiality analysis
G102-32		Highest governance body's role in sustainability reporting	About the Report
G102-33		Communicating critical concerns	Materiality analysis
G102-34		Nature and total number of critical concerns	Materiality analysis
G102-35		Remuneration policies	2020 Corporate Annual Report
G102-36		Process for determining remuneration	2020 Corporate Annual Report
G102-37		Stakeholders' involvement in remuneration	Not applicable
G102-38		Annual total compensation ratio	2020 Corporate Annual Report
G102-39		Percentage increase in annual total compensation ratio	2020 Corporate Annual Report
Stakeholders Participation			
G102-40		List of stakeholder groups	Our ESG philosophy
G102-41		Collective bargaining agreements	Not applicable
G102-42		Identifying and selecting stakeholders	Our ESG philosophy
G102-43		Stakeholders Participation in Policies	Our ESG philosophy
G102-44		Key topics and concerns raised	Our ESG philosophy
Reporting practice			
G102-45		Entities included in the consolidated financial statements	2020 Corporate Annual Report
G102-46		Defining report content and topic boundaries	About the Report
G102-47		List of material topics	Materiality analysis
G102-48		Restatements of information	Not applicable
G102-49		Changes in reporting	About the Report
G102-50		Reporting period	About the Report
G102-51		Date of most recent report	About the Report
G102-52		Reporting cycle	About the Report
G102-53		Contact point for questions regarding the report	About the Report
G102-54		Claims of reporting in accordance with the GRI Standards	About the Report
G102-55		GRI content index	Annexes
G102-56		External assurance	Third Party Assurance Report
Economic performance			
G201-1		Direct economic value generated and distributed	2020 Corporate Annual Report
G201-2		Financial implications and other risks and opportunities due to climate change	Promoting green finance
G201-3		Defined benefit plan obligations and other retirement plans	Stimulating the vitality of talent team
G201-4		Financial assistance received from government	Stimulating the vitality of talent team
Market Presence			
G202-1		Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
G202-2		Proportion of senior management hired from the local community	Not applicable

GRI Index		Interpretations	Section
Indirect Economic Impacts			
G203-1		Infrastructure investments and services supported	Promoting high-quality economic development
G203-2		Significant indirect economic impacts	Not applicable
Procurement Practices			
G204-1		Proportion of procurement expenditures from local suppliers	Not applicable
Anti-corruption			
G205-1		Operations assessed for risks related to corruption	Not applicable
G205-2		Communication and training about anti-corruption policies and procedures	Fighting against corruption and upholding integrity
G205-3		Confirmed incidents of corruption and actions taken	Fighting against corruption and upholding integrity
Anti-competitive Behavior			
G206-1		Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
Materials			
G301-1		Materials used by weight or volume	The company is a financial service provider and the indicator is thus not applicable.
G301-2		Recycled input materials used	The company is a financial service provider and the indicator is thus not applicable.
G301-3		Reclaimed products and their packaging materials	The company is a financial service provider and the indicator is thus not applicable.
Energy			
G302-1		Energy consumption within the organization	Promoting green and low-carbon operations
G302-2		Energy consumption outside of the organization	Not applicable
G302-3		Energy intensity	Promoting green and low-carbon operations
G302-4		Reduction of energy consumption	Promoting green and low-carbon operations
G302-5		Reductions in energy requirements of products and services	Promoting green and low-carbon operations
Water			
G303-1		Interaction between organization and water (as a shared resource)	Not applicable
G303-2		Manage impacts related to drainage	Not applicable
G303-3		Obtaining water	Promoting green and low-carbon operations
Emissions			
G305-1		Direct (Scope 1) GHG emissions	Promoting green and low-carbon operations
G305-2		Energy indirect (Scope 2) GHG emissions	Promoting green and low-carbon operations
G305-3		Other indirect (Scope 3) GHG emissions	Not applicable
G305-4		GHG emissions intensity	Promoting green and low-carbon operations

GRI Index		Interpretations	Section
G305-5		Reduction of GHG emissions	Not applicable
G305-6		Emissions of ozone-depleting substances (ODS)	Not applicable
G305-7		Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Promoting green and low-carbon operations
Effluents and Waste			
G306-1		Water discharge by quality and destination	Not applicable
G306-2		Waste by type and disposal method	Promoting green and low-carbon operations
G306-3		Significant spills	Not applicable
G306-4		Transport of hazardous waste	Not applicable
G306-5		Water bodies affected by water discharges and/or runoff	Not applicable
Environmental Compliance			
G307-1		Non-compliance with environmental laws and regulations	Not applicable
Supplier Environmental Assessment			
G308-1		New suppliers that were screened using environmental criteria	Promoting green and low-carbon operations
G308-2		Negative environmental impacts in the supply chain and actions taken	Promoting green and low-carbon operations
Employment			
G401-1		New employee hires and employee turnover	Stimulating the vitality of talent team
G401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Stimulating the vitality of talent team
G401-3		Parental leave	Stimulating the vitality of talent team
Labor/Management Relations			
G402-1		Minimum notice periods regarding operational changes	Not applicable
Career Health and Safety			
G403-1		Occupational Health and Safety	Stimulating the vitality of talent team
G403-2		Hazard identification, risk assessment and incident investigation	Stimulating the vitality of talent team
G403-3		Occupational Health Service	Stimulating the vitality of talent team
G403-4		Occupational health and safety affairs: workers' participation, consultation and communication	Stimulating the vitality of talent team
Training and Education			
G404-1		Average hours of training per year per employee	Stimulating the vitality of talent team
G404-2		Programs for upgrading employee skills and transition assistance programs	Stimulating the vitality of talent team
G404-3		Percentage of employees receiving regular performance and career development reviews	Stimulating the vitality of talent team
Diversity and Equal Opportunity			
G405-1		Diversity of governance bodies and employees	Stimulating the vitality of talent team
G405-2		Ratio of basic salary and remuneration of women to men	Not applicable
Non-discrimination			
G406-1		Incidents of discrimination and corrective actions taken	Not applicable

GRI Index		Interpretations	Section
Freedom of Association and Collective Bargaining			
G407-1		Operating sites and suppliers where freedom of association and collective bargaining rights may be at risk	Not applicable
Child Labor			
G408-1		Operations and suppliers at significant risk for incidents of child labor	Strengthening supply chain ESG management
Forced or Compulsory Labor			
G409-1		Operations and suppliers at significant risk for incidents of forced or compulsory labor	Strengthening supply chain ESG management
Security Practices			
G410-1		Security personnel trained in human rights policies or procedures	Not applicable
Rights of Indigenous Peoples			
G411-1		Incidents of violations involving rights of indigenous peoples	Not applicable
Human Rights Assessment			
G412-1		Operations that have been subject to human rights reviews or impact assessments	Not applicable
G412-2		Employee training on human rights policies or procedures	Not applicable
G412-3		Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not applicable
Local Communities			
G413-1		Operations with local community engagement, impact assessments, and development programs	Not applicable
G413-2		Operations with significant actual and potential negative impacts on local communities	Not applicable
Supplier Social Assessment			
G414-1		New suppliers that were screened using social criteria	Strengthening supply chain ESG management
G414-2		Negative social impacts in the supply chain and actions taken	Strengthening supply chain ESG management
Public Policy			
G415-1		Political contributions	Not applicable
Clients Health and Safety			
G416-1		Assessment of the health and safety impacts of product and service categories	The company is a financial service provider and the indicator is thus not applicable
G416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	The company is a financial service provider and the indicator is thus not applicable
Marketing and Labeling			
G417-1		Requirements for product and service information and labeling	Protection of consumer rights and interests
G417-2		Incidents of non-compliance concerning product and service information and labeling	Protection of consumer rights and interests
G417-3		Incidents of non-compliance concerning marketing communications	Protection of consumer rights and interests
Customer privacy			
G418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of consumer rights and interests
Socioeconomic Compliance			
G419-1		Non-compliance with laws and regulations in the social and economic area	Not applicable

Third-party Assurance Report



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Independent Assurance Report
on the Environmental, Social and Governance Report

安永华明（2021）专字第 61445608_A01 号
Bank of Guizhou Company Limited

The Board of Directors of Bank of Guizhou Company Limited:

We have been engaged to express a limited assurance opinion on the selected data in the 2020 Environmental, Social and Governance Report of Bank of Guizhou Company Limited ("ESG Report") prepared by Bank of Guizhou Company Limited ("Bank of Guizhou").

I. The Board of Directors' responsibilities

The Board of Directors of Bank of Guizhou are responsible for the preparation and presentation of the selected data in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected data and making estimates that are reasonable in the circumstances.

II. Our responsibilities

Our responsibility is to express a conclusion on the selected data in the ESG report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected data in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year then ended in the ESG report is not prepared in all material respects in accordance with the basis of reporting.

III. Scope of work, approach, and limitation

The selected data in the ESG report that is covered by this report is as follows:

- Total number of employees
- Number of training programs (Number)
- Green loan balance (RMB 100 million)
- Number of projects that have been carried out the applicability assessment of the Equator Principles on financing (projects)

Independent Assurance Report
on the Environmental, Social and Governance Report

安永华明（2021）专字第 61445608_A01 号
Bank of Guizhou Company Limited

- Total Amount of financing on the projects that have been carried out the applicability assessment of the Equator Principles (RMB billion)
- Head Office power consumption (MWh)
- Head Office water consumption (t)
- 96655 customer service satisfaction rate (%)
- Complaint handling satisfaction rate(%)
- Loan balance for inclusive finance for Small and Micro companies under CBIRC's definition accounts (RMB 100 million)
- Number of licensed institutions

Our work was performed at the Head Office of Bank of Guizhou, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the ESG report in relation to the selected data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected data on which we report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and the therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected data prepared in accordance with the basis of reporting.

Our work was limited to the selected data as of 31 December 2020 and for the year then ended in the ESG report. We have not performed any procedures over other data included in the ESG report, nor have we performed any procedures on other data or data for 2019 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of Bank of Guizhou internal controls.



Independent Assurance Report
on the Environmental, Social and Governance Report

安永华明（2021）专字第 61445608_A01 号
Bank of Guizhou Company Limited

IV. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting listed in the *ESG report*.

V. Our independence, quality control and assurance team

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.


Ernst & Young Hua Ming LLP
Beijing, China
26 May 2021



Reader Feedback

Dear readers:

Thank you for your time to read the *Bank of Guizhou Co., Ltd. Environmental, Social, and Governance Report 2020*. To better improve our ESG performance and ability to fulfill social responsibilities, we look forward to receiving your valuable feedback about our report through the following ways:

Tel: (86) 0851-86987798

E-mail: irm@bgzchina.com

Address: 43F,Board of Directors office,Bank of Guizhou Building, No. 9, Yongchang Road, Guanshanhu District, Guiyang

1. What do you think of the quality of this report?

☐ Excellent ☐ Good ☐ Fair

2. What do you think of Bank of Guizhou's performance in improving corporate governance?

☐ Excellent ☐ Good ☐ Fair

3. What do you think of Bank of Guizhou's performance in supporting the development of the real economy?

☐ Excellent ☐ Good ☐ Fair

4. What do you think of Bank of Guizhou's performance in supporting employee development?

☐ Excellent ☐ Good ☐ Fair

5. What do you think of Bank of Guizhou's performance in green development and green operations?

☐ Excellent ☐ Good ☐ Fair

6. Do you have any suggestions on the social responsibility management of the Bank?

Thank you for your support.

因需而至，用心爲您



Tel: 96655

Website: www.bgzchina.com

Address: Bank of Guizhou Building, No. 9, Yongchang Road, Guanshanhu District, Guiyang