



**Bank of Communications Co., Ltd.**  
**2021 Corporate Social Responsibility**  
**Report (ESG Report)**

**March 2022**

## About This Report

### Reporting Scope

This report includes information on Bank of Communications Co., Ltd. (BoCom) and its subsidiaries.

The report covers the period from January 1 to December 31, 2021. BoCom publishes its corporate social responsibility report (ESG Report) annually. Part of the information herein is beyond that timeframe.

The *2021 Corporate Social Responsibility Report (ESG Report) of Bank of Communications Co., Ltd.* was published on March 25, 2022.

### References

This report is prepared in accordance with the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by China Banking Regulatory Commission, *Guidelines on Environmental Information Disclosure for Financial Institutions* issued by the People's Bank of China, *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association, *Notice on Publishing the Guidelines No. 1 for Self-Regulation of Listed Companies-Standardized Operation of Companies Listed on the Shanghai Stock Exchange* issued by Shanghai Stock Exchange, the *Environmental, Social, and Governance Reporting Guide* issued by The Stock Exchange of Hong Kong Ltd. and the *GRI Sustainability Reporting Standards* issued by Global Sustainability Standards Board (GSSB).

### Reporting Process

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

## **Assurance**

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

## **Data Sources**

Financial data from BoCom Financial Statements 2021 have been independently audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company (special general partner). Other data from previous years are included in this report.

The statistical methodology used to disclose data in this report remains consistent with previous years. Any changes in statistical methodology or key performance indicators or any other relevant factors affecting meaningful comparisons will be clearly stated in the report.

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

## **Report Availability**

This report is available in printed and electronic formats. BoCom uses eco-friendly paper for all printed copies. Electronic copies are viewable at [www.bankcomm.com](http://www.bankcomm.com).

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

## **References**

Bank of Communications Co., Ltd. is also referred to as "BoCom" or "the Bank" or "we" in this report. The Bank and its subsidiaries are collectively referred to as "the Group."

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## »Message from Bank leadership

2021 was a milestone year in the history of the Party and the country. In the face of challenges brought by rapid changes and a pandemic unseen in the past century, BoCom resolutely implemented the decisions and deployments made by the CPC Central Committee and the State Council. Rooted on the strategic goal of achieving national rejuvenation with the world experiencing unprecedented changes in the past century, we earnestly advanced the three tasks of serving the real economy, preventing and controlling financial risks, and furthering financial reform. While coordinating business development amid the control and prevention of COVID-19, we maintained and consolidated the momentum of "a stable performance amid progress and quality improvement" to achieve a good start for the 14<sup>th</sup> Five-Year Plan. As of the end of 2021, our net profit registered RMB 87.581 billion, an increase of 11.89% year on year; return on equity reached 0.80% and capital adequacy ratio 15.45%; non-performing loan ratio decreased to 1.48%, and social contribution per share was RMB 4.90. We've been listed among the *Fortune* Global 500 companies for thirteen consecutive years, ranked 137<sup>th</sup> in terms of operating income, and rated 11<sup>th</sup> by *The Banker* for five years in a row among the world's top 1,000 banks in terms of Tier 1 capital. While achieving an overall stable and improving performance, we've fulfilled our social responsibilities in all respects and perfected the ESG governance system to demonstrate outstanding corporate citizenship fully.

### **Upholding the original purpose and serving the real economy**

We believe that "plants with strong roots grow well, and efforts with the right focus will ensure success." With the country's top priorities in mind throughout 2021, we've deepened the supply-side structural reform in the financial sector and constantly worked to better serve the real economy with a bigger financing pool, a better structure, and lower rates. We've extended more than RMB 1 trillion of incremental credit to the real economy throughout the year. Our corporate development strategies have aligned with the key regional strategies to serve the dual-circulation development pattern fully. By leveraging our strengths in international and comprehensive business operations, we've contributed to the Belt and Road Initiative, continued to improve cross-border, cross-sector, and cross-market financial services, and helped build a sound international business environment. While striving to become a "leading bank in the Yangtze River Delta," we've offered inter-city integrated financial services in the region to advance its further integration. By offering special financial service schemes, we've provided strong support for the economic growth of Xiongan New Area and the Guangdong-Hong Kong-Macao Greater Bay Area. We've solved the problem of information asymmetry via digital transformation and actively promoted inclusive finance. We've launched

products such as "Inclusive E-Loan" and "BoCom E-Customs Clearance" to provide targeted services for private micro and small enterprises (MSEs). In response to the government's call to ensure the stability and security of industrial and supply chains, we've picked up our speed in expanding and improving financial services for industrial chains, as well as supporting MSEs along the chains. In 2021, our balance of inclusive loans to MSEs recorded RMB 338.819 billion, up 49.23%.

### **Shouldering responsibilities and advancing rural vitalization**

A new journey begins as the goal of poverty elimination is realized. Over the past year, we've effectively consolidated our fruits of poverty elimination to realize rural vitalization fully. The Head Office, by setting up the Rural vitalization Finance Department, has established an organizational structure led by the Party Committee to involve the whole workforce and cover every aspect of rural vitalization. We've sorted the products and services serving rural vitalization and consolidated them under the brand "BoCom Yi Nong Tong". We've prioritized the support for rural industries and tapped local resources to boost local industries. In 2021, the balance of our unified loans for rural vitalization registered RMB 654.461 billion, up 14.13%. A total of RMB 230 million was donated to poverty-stricken county pairs by the Head Office.

### **Promoting green, low-carbon, and sustainable development**

We advocate well-measured exploration and use of resources. Throughout 2021, we've continued to advance green development, set up the Green Finance Development Committee, improved the governance system and institutional arrangements for green finance, diversified the portfolio of green financial products and services, worked actively to realize the goals of carbon peak and carbon neutrality, and focused on contributing to green development. As of the end of 2021, the balance of our green loans stood at RMB 476.763 billion (up by 31.37%), including RMB 87.612 billion of loans to the clean-energy industry (up 90.57%). Meanwhile, we've strengthened the top-level design for digitalization, rolled out the five-year plan and action plan for fintech development, and actively applied cutting-edge technologies such as big data, artificial intelligence, cloud computing, and blockchain in product R&D, risk management, and internal operations, reshaping our corporate management landscape. In 2021, our input into science and technology went up by 51.43% from the previous year, and our "Computing Platform for Multi-party Security and Scenario-specific Application" was awarded first place in the 2020 Awards for Fintech Development conferred by the People's Bank of China.

### **Putting people first and jointly creating a better life**

The old Chinese saying goes, "All people are my brothers and sisters, and all things are my companions." Over the past year, we've continued to monitor the needs and development of our customers, employees, and communities to generate common value actively. We've improved our consumer protection system that was rated A+ for consumer protection by the People's Bank of China in 2020. To improve the availability, coverage, and satisfaction of financial services, we've continued to expand the breadth and depth of "BoCom e-Service" in Shanghai to address the pain points of livelihood services. We've launched the BoCom Senior Care brand and several services tailored to the needs of the elderly, playing our part in addressing the problem of an aging population. With a donation of RMB 51.9352 million to charities, including RMB 10 million to the storm relief and post-disaster reconstruction in Henan, we've maintained our characteristic public welfare activities. Implementing the strategy on developing a quality workforce in the new era, we've launched talent cultivation projects such as the 10,000 Fintech Talents Project and offered unimpeded career development channels for employees to push for our mutual development.

2022 is an important year as China embarks on the new journey of building an all-around socialist modern country and strives to realize the second centenary goal. BoCom will continue to deliver a stable performance while ensuring progress in this new development stage, implement the new development philosophy, contribute to the formation of a new development pattern, fulfill its work on stabilizing the six key fronts and securing the six key areas, empower industries, improve public wellbeing, and deliver high-quality development to welcome the Party's upcoming 20<sup>th</sup> National Congress.

Ren Deqi, Chairman of Bank of Communications

Liu Jun, President of Bank of Communications

March 25, 2022

## **1. About Bocom**

### **1.1 Company Profile**

Founded in 1908, the Bank is one of the banks with the longest history in China. The Bank reopened after its reorganization on April 1, 1987 and became the first nationwide state-owned joint-stock commercial bank in China, with Head Office located in Shanghai. The Bank was listed on the Hong Kong Stock Exchange in June 2005 and on the Shanghai Stock Exchange in May 2007.

The Bank provides customers with various corporate banking and personal banking products and services, including deposits and loans, supply chain finance, cash management, international settlement and trade financing, investment banking, asset custody, wealth management, bank cards, private banking, and treasury business, etc. In addition, the Group is involved in businesses such as financial leasing, fund, wealth management, trust, insurance, overseas securities and debt-to-equity swap through its wholly-owned or controlling subsidiaries. During the Reporting Period, the Group's operating model, primary businesses, and key performance drivers had no significant change.

## 1.2 Key Performance

Indicators		2019	2020	2021
Economic	Total assets (RMB billion)	9,905.600	10,697.616	11,665.757
	Total loans (RMB billion)	5,304.275	5,848.424	6,560.400
	Net profits (RMB billion)	77.281	78.274	87.581
	Taxes (RMB billion)	30.025	32.894	29.183
	Dividend distribution (RMB billion)	23.393	23.541	26.289
	Dividend per share (RMB)	0.315	0.317	0.354
	Return on average assets (%)	0.80	0.77	0.80
	Return on average equity (%)	11.20	10.35	10.76
	Impaired loan ratio (%)	1.47	1.67	1.48
	Provision coverage (%)	171.77	143.87	166.50
	Capital adequacy (%)	14.83	15.25	15.45
	Tier-1 capital adequacy (%)	12.85	12.88	13.01
	Core Tier-1 capital adequacy (%)	11.22	10.87	10.62
	Total assets of branches outside Chinese mainland (RMB billion)	1,164.018	1,240.992	1,187.234
	Total profits from branches outside Chinese mainland (RMB billion)	6.363	6.109	5.701
	Total assets of controlled non-bank subsidiaries (RMB billion)	389.718	483.712	531.304
	Total profits of controlled non-bank subsidiaries (RMB billion)	5.379	8.024	10.655
	Outstanding loans, central and western China (RMB billion)	1,518.200	1,761.000	1,996.036
	Outstanding loans, micro-, small- and medium-sized enterprises (RMB billion)	1,564.401	1,842.536	2,102.624
	Outstanding loans, agro-related (RMB billion)	607.782	631.313	654.461

	Low-income housing loans (RMB billion)	87.555	86.800	72.346
	Science, education, culture, and health loans (RMB billion)	96.875	112.961	122.196
	Personal loans (RMB billion)	1,754.765	1,980.882	2,285.096
	Number of outlets in the Chinese mainland	3,079	2,929	2,889
Social	SCVPS (RMB)	4.87	4.78	4.90
	Employees (domestic and overseas)	87,828	87,331	86,690
	Female middle and senior management	3,011	3,191	3,220
	Ethnic minorities	3,992	4,000	4,035
	Average training time for employees (hours)	/	/	97.52
	Charitable donations made (RMB million)	43.3471	110.9675	51.9352
Environmental	Balance of outstanding green loans (RMB billion)	/	/	476.763
	Loans to clean energy industries (RMB billion)	/	/	87.612
	Share of loans to heavily polluting, energy-intensive, and overcapacity industries (%)	3.1	2.6	2.3
	E-banking business share (%)	97.67	98.04	97.90
	Head Office water use (tons)	307,000	276,200	301,800
	Head Office electricity use (MWh)	96,710.6	102,395.7	119,635.0
	Head Office gas use (m <sup>3</sup> )	1,573,200	1,182,600	1,506,700
	Head Office paper use (ton)	38.36	32.62	35.45
	Head Office carbon emissions (ton of CO <sub>2</sub> e)	79,606.73	83,242.71	97,527.63

	Head Office energy consumption equivalent to standard coal (ton)	/	31,027	36,055
	Hazardous waste generation (ton)	/	/	0.45
	Video conferences	7,884	7,340	9,515
	Data center PUE	1.91	1.73	1.61

### 1.3 Honors

2020 Ranking/Honor	Sponsor or Granted by
<b>National Rewards</b>	
National Advanced Collective for Poverty Alleviation	The Central Committee of the Communist Party of China and the State Council
<b>Comprehensive Ranking</b>	
Top 1000 World Banks 2021 (No. 11)	<i>The Banker (UK)</i>
Fortune Global 500 -2021 (No. 137)	<i>Fortune (USA)</i>
<b>Brand Rewards</b>	
Advanced Collective for Poverty Alleviation of Financial Institutions	People's Bank of China
2020 A+ Rated Consumer Protection Bank of PBOC	People's Bank of China
2021 People's CSR Awards – Corporate Responsibility Award	People.cn
CSR Excellent Case Award 2021	Xinhuanet
Outstanding Brand Building Bank 2021	China.org.cn
Best Brand Building Bank of the Year	<i>Financial Times</i>
Digital Vanguard Enterprise Award	Tencent
<b>Business Awards</b>	
The First Prize for the project of Computing Platform for Multi-party Security and Scenario-specific Application	People's Bank of China
Typical Case of Financial Services for Micro-, Small- and Medium-sized Enterprises in 2021	China Banking Association China Association of Small and Medium Enterprises

Credit Card Centre 2021	<i>21st Century Business Herald</i>
The 4th New Fortune Best IR Hong Kong Stock Company (A+H Shares)	<i>New Fortune</i>
2021 Outstanding Contribution Award for Technology-Enabled Financial Business Development	<i>Financial Computerizing</i>
Best Open Banking Award, Best Corporate Mobile Banking Award, Best Personal Mobile Banking Award	China Financial Certification Authority
CIFTIS 2021 -- China Service Practice Case	Organizing Committee of China International Fair for Trade in Services 2021
Best International Business Bank	<i>Trade Finance</i>
Bond Market Leader 2021, Global Business Development Contributor of the Year, Outstanding Asset Custodian of the Year	China Central Depository & Clearing Co., Ltd.
Annual Market Influence Award and Market Innovation Award in Interbank Local Currency Market	National Interbank Funding Center
The Gamma Award for Outstanding Investment Bank in the Banking Sector 2021, The Gamma Award for Outstanding Bond Underwriting Bank of the Year	<i>Securities Times</i>
China Securitization Awards – Most Innovative Securities House 2021, Best Securitization Deal 2021	<i>AsiaMoney</i>

## 2. Feature 1: Guided by Party Building to Serve the National Strategies

As a central state-owned financial enterprise, the Bank has strengthened Party leadership as it constantly improves corporate governance. Keeping in mind the utmost interests of the nation, the Bank has fully implemented national strategies and actively advanced the "three tasks" of financial work to allocate more financial resources to key or weak areas with economic and social development needs.

### 2.1 Upholding the Founding Mission and Celebrating the 100<sup>th</sup> Anniversary of the Founding of the CPC

The 100<sup>th</sup> anniversary of the founding of the CPC is a grand ceremony of the CPC and a festival of the people. To celebrate the anniversary, the Bank has held a series of activities, including a celebration ceremony, a commendation conference, art performances, as well as Party history learning and education.

In 2021, the Bank held over 150 art performances, more than 100 speech and debate events, some 120 commemoration seminars, around 4,300 Party lectures, and 5,000 plus onsite learning sessions to celebrate the 100<sup>th</sup> anniversary of the founding of the CPC. The short video, *Striving for the Eternal Great Cause and Praising the One Hundred Glorious Years of the CPC: Officials and Employees of Bank of Communications Wish Our Dearest CPC Happy Birthday*, released on Xuexi.cn by BoCom, and the microfilm *Dawn* shown on various We Media platforms, were well received by Party members, officials, and members of the public.



"Singing Performance to Celebrate the 100<sup>th</sup> Anniversary of the Founding of the CPC" held by the Head Office in July 2022



Singing Contest for Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC held by the Qingdao Branch



Evening Party for Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC held by the Guangxi Branch

**Case: Commendation Conference and Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC**

To celebrate the 100<sup>th</sup> anniversary of the founding of the CPC, on July 1, 2021, the Bank held the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC & Commendation Conference for Excellent Party Members, Excellent Party Workers and Advanced Primary Party Organizations, and Advanced Individuals and Collectives in the Battle Against Poverty Alleviation. Officials and Party members across the Bank collectively watched the live broadcast of the Celebration of the

100<sup>th</sup> Anniversary of the Founding of the CPC held at Beijing Tian'anmen Square at respective venues and listened to General Secretary Xi Jinping's important speech. The Bank also commended excellent Party members, excellent Party workers, advanced primary Party organizations, and advanced individuals and collectives in the battle against poverty alleviation during the reform and development of BoCom. It mobilized all employees to align themselves with progressive standards, improve themselves through learning, and put in efforts to promote high-quality development with the new development philosophy as the guide.



Officials and employees of the Head Office gather together to watch the live broadcast of the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC



Officials and employees of the Chongqing Branch gather together to watch the live broadcast of the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC



Officials and employees of the Hebei Branch gather together to watch the live broadcast of the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC



Officials and employees of the Guangxi Branch gather together to watch the live broadcast of the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the CPC



Commendation of excellent Party members, excellent Party workers, advanced primary Party organizations, and advanced individuals and collectives in the battle against poverty alleviation

## 2.2 Enhancing Faith in Party Ideals and Principles Through Party History Learning & Education

Following the principle of "learning Party history to gain new insight, enhance confidence, improve conduct, and strengthen practices," the Bank has organized bank-wide Party history learning and education activities in various forms. With activities ranging from theory learning group of the CPC BoCom Committee, special lectures, study classes, "Reading Week," Party branch general meetings, meetings of Party branch committees, Party group meetings, Party lectures, to themed Party day, Party members are given a chance to gain a deeper understanding of the history of the CPC and are thus motivated to embark on this journey.

### Logic diagram: BoCom's Party history learning initiatives

- **Emphasize learning & education among young people:** To guide, inspire and unite young people, stimulate the enthusiasm and drive of young officials and employees to stand by and love the Party.
- **Emphasize the inheritance and dissemination of the Party spirit bred by local red resources:** Leverage BoCom's nationwide layout and red resources to help officials and employees grasp Party history.
- **Emphasize the requirements and practices of group-specific guidance:** Through group-specific guidance between groups like organs and primary organizations, officials and employees, Chinese mainland and overseas, as well as among young people and others, work to ensure that the learning & education covers all employees.

- **Emphasize the function and role of bulletins:** Fully leverage the essential guiding role of Party history learning & education bulletins that involve experience sharing, typical model building, practice instruction, and work advancement to effectively facilitate high-quality Party history learning & education across the Bank.

**Emphasize integration of Party history and action:** In combination with the major tasks of the 14th Five-year Plan, push for Party history learning & education to deeply integrate with implementation on General Secretary Xi Jinping's important instructions on financial work.



The Bank fully leverages local red resources in Shanghai, carries out education on revolutionary traditions, and makes collective learning more attractive and targeted to create an immersive experience for Party members and officials to absorb the wisdom of Party history. This is a photo of the members of the theory learning group of the CPC BoCom Committee visiting the "Epoch-making Beginnings" history display at the Memorial Hall of the First National Congress of the CPC.



Members of the theory learning group of the CPC BoCom Committee carrying out the learning event of "History in the Reform and Opening-up Period" at Shanghai Pudong Exhibition Hall



On June 17, 2021, Xinwen Lianbo (CCTV Network News) Broadcast did a special coverage of the Bank's Party history learning & education

### 2.3 Adhering to the People-centric Development Philosophy and Bringing Tangible Benefits to the People

The Bank, adhering to the people-centric development philosophy, has leveraged its financial strengths, visited basic-level employees, and focused on solving outstanding problems. At the same time, the Bank has also established a level-by-level supervision and promotion mechanism to ensure that it delivers tangible benefits to its customers, the society, basic-level organizations, and employees, genuinely applying the fruits of Party history learning & education into actions that benefit the people.

#### Logic diagram: BoCom's concrete measures to bring tangible benefits to the people

- **Implement national strategies:** Keeping up with national, regional strategies and launching more innovative financial products and services to meet people's aspirations for a better life.

- **As a pioneer in rural vitalization:** Distribute the *2021-2023 Work Plan of Bank of Communications for Serving Rural vitalization* and the implementation plan for promoting rural vitalization in all respects, and issue the Rural vitalization themed debit card.
- **Support people's livelihood:** Increase support for key groups involved in entrepreneurship and provide significant support to areas and fields with weak economic and social development, such as inclusive micro and small businesses as well as Sannong (agriculture, farmers, and rural areas).
- **Empower government services:** Promote credit-based healthcare service, "personal electronic IDs," BoCom Smart School, Government Service for Financial Devices, etc.
- **Care for basic-level employees:** Ensure proper pay for basic-level employees from low-income regions, enhance care and aid for sick employees, launch the mental health consulting hotline, solve residence and household registration issues, and secure wages and employment for basic-level employees.
- **Help disadvantaged groups:** Educate the public on financial knowledge and promote anti-fraud applications, donate to the children of heroes who died in the fight against the pandemic, show care and compassion to families with autistic children, and attend to the frontline during the flood disaster of Henan.

### Key Performance

During the Reporting Period,

The BoCom CPC Head Office Committee launched three batches of projects with a total of 80 items to "bring benefit to the people"

and the CPC Committees of 45 directly affiliated institutions launched more than 2,100 related projects

Party branches and Party members across the Bank fully leveraged their leading role in these projects. More than 1,600 Party branches paired up with enterprises, public institutions, or village (community) Party branches to carry out the tasks. Over 44,500 Party members acted in their names to help the people around them

*People's Daily* and *Guangming Daily* reported relevant experiences and practices

### 3. Feature 2: BoCom leads the future with digitalization

With the rise of emerging technologies such as big data, artificial intelligence, cloud computing, and blockchain, fintech is reshaping the landscape of the financial industry by bringing more efficient and accurate financial services. Adhering to the tenet of "Tech for good and equal rights to data", the Bank actively embraces fintech, drives product and service innovation, and strives to bridge the data gaps with technology. Furthermore, by reducing investment and financing costs and improving the operational efficiency of the real economy, the Bank builds the bridge between the real economy and financial resources.

#### 3.1 Focusing on the development of smart products

##### 3.1.1 Cultivating technology-driven scenarios to make finance more inclusive

Focusing on people's livelihood and the needs of micro-, small- and medium-sized enterprises, the Bank has launched the "BoCom e-Service" product family with a mission to "let the data walk instead of customers." Efforts have been put in to enrich the types of online services and products, expand the coverage of inter-provincial general services, solve the difficulties in handling business across provinces or municipalities for customers, and continue to improve user experience.

##### Logic diagram: "BoCom e-Service" product family

One-stop service for micro and small enterprises (MSEs) financing	By integrating data such as tax, credit investigation, industry & commerce authorities, and settlement via Internet technology, the "Inclusive e-Loan" product uses the "big data" model to quickly assess the operation of enterprises and extend loans to MSEs online. MSEs may apply for and obtain financing online instantly without commuting or queuing.
One-stop service for mortgage registration	The Bank improves the efficiency of business processing through data sharing by connecting with the local real estate registration authority system. Customers do not need to commute between the Bank and the registration authority to deal with loans and they can complete the mortgage registration right in the Bank. The business is now available in 56 regions, and is available as an inter-provincial service across Shanghai, Ningbo, and Suzhou.
One-stop service for medical	"Benefit Medical Payment" is an exclusive digital financial product customized by the Bank for medical insurance customers. The application is

payment	<p>available online and can be used instantly. Relying on fintech to reshape the medical payment process, this service improves the medical payment experience for patients. As of the end of the Reporting Period, the service was launched in 22 provincial branches and 29 cities. With the innovative and upgraded "frictionless payments" and "post-medical payment," the service has over 550,000 contracted customers nationwide.</p> <p>Focusing on off-site insurance registration and customers seeking medical treatment in Shanghai, the Bank has opened up credit lines and medical support processes to solve the difficulties of cross-provincial medical treatment. This is currently being piloted in Shanghai along with the Suishenban APP.</p> <p>During the Reporting Period, the Bank's <i>One-stop Support Standard for Medical Payment by Banks</i> passed the comprehensive evaluation of the "Shanghai Standards" Evaluation Committee and was recognized as one of the "Shanghai Standards" 2021. The service received multiple honors, including the "2020 Shanghai Banking Annual Innovation Award" and the "Shanghai People's Financial Excellent Application Scenario Award," and was selected to be among the "Selection of Achievements of the Shanghai Financial Industry in Helping Building the People's City."</p>
One-stop service for electronic IDs	<p>The Bank takes the initiative to connect with local regulatory authorities and data sources to promote the use of "electronic IDs" across society. The use of electronic IDs in banking business processes for both enterprises and individuals means that customers will no longer need physical IDs for business. As of the end of the Reporting Period, the service was available in 7 provincial capitals or prefecture-level cities and used in 25,623 transactions.</p> <p>The Bank is committed to creating the same experience for businesses by enabling the use of electronic IDs in business handling across provinces. During the Reporting Period, the Bank made the service available across</p>

	Shanghai and Anhui.
One-stop service for green energy e-charge	The Shanghai Branch connects with the Suishenban APP to provide integrated and convenient services for new energy vehicle customers. The services, covering application for charging subsidy, payment of subsidy, bill payment, and charge inquiry, meet the requirements of the Shanghai Municipal Government for the exclusive use of new energy subsidies.

#### **Case: Technology empowers "two-wheel drive" to help the financing of MSEs**

To meet the diversified financial needs of MSEs, the Bank continues to optimize online standard products and accelerates the development of customized products for various scenarios.

In 2021, the Bank maintained its customer-centered strategy. Facing the common online financing needs of small and micro customers, such as mortgage, guarantee, and credit, the Bank developed an online comprehensive financing standard product system, known as "Inclusive e-Loan." The system offers flexible selection and unified control of individuals and legal persons, supports the continued business development and management mode, and efficiently empowers the Bank's employees to carry out inclusive business. It provides support for the development of MSEs.

Facing scenario-based customer groups, the Bank has formed 11 modules, 64 components, and 186 standard function points through modular development of the entire online product process. Through the modular assembly of the whole process of credit, the Bank can respond quickly to the customized needs of featured products in branches. "Inclusive e-loan" is enabled to stimulate vitality in the characteristic scenarios and build the characteristic business portfolio of BoCom.

As of the end of the Reporting Period, the application of "Inclusive e-loan" included rural vitalization, online supply chain, retail pharmacies, small and micro IT enterprises, and loans for mass entrepreneurship and innovation. During the Reporting Period, the balance of standardized online product ("Inclusive E-loan") was RMB 184.823 billion, a net increase of RMB 89.607 billion compared with the beginning of the year, accounting for 80.17% of the net increase in inclusive loans for MSEs. The number of customers was 140,900, a net increase of 60,000 compared with the beginning of the year, accounting for 93.24% of the net increase in the number of inclusive customers of loans for MSEs.



Dalian Branch provides digital payments such as "inter-clinic settlement" and "buy medicine from home" in hospitals and chain pharmacies, successfully creating an upgraded version of the medical payment solution. It also offers "credit-based medical treatment and frictionless payment" services and "medical insurance stations" built with the Dalian Medical Insurance Bureau to provide medical insurance services at home, meeting the needs of medical treatment and medicine purchase for residents

The Bank – taking technology-enabled government supervision as the entry point, using "BoCom Smart School" as its flagship product, adhering to technology independence, and addressing the subtle concerns of customers – builds an efficient and safe business management platform for education authorities, schools, students, and parents. As of the end of the Reporting Period, "BoCom Smart School" helped 65 education authorities in 41 cities to strengthen the supervision of education training funds. There were 1,812 contracted schools covering 490,000 students.

**Case: "BoCom Smart School" responds to the nation's double reduction policy**

Tianjin Branch actively practices the concept of serving people's livelihood, including the nation's policy to ease the burden of excessive homework and off-campus tutoring for students in compulsory education. Based on a framework set up by the Head Office, the branch has developed a function to supervise tutoring funds on the "BoCom Smart School" platform. This product creates a digital cooperation mode for educational scenarios through "finance + technology", and supports special functions such as rolling disbursement, refund of fees, and withdrawal from classes. It effectively protects the interests of tutoring institutions and students while fulfilling the

### 3.1.2 Promoting the pilot project of e-CNY and enjoying the digital economy

E-CNY is the digital version of fiat currency issued by the People's Bank of China. It plays a significant role in improving the operational efficiency of the currency and payment system, enhancing inclusive finance, and supporting the development of China's digital economy. BoCom, as one of the designated operators of e-CNY, is committed to building a diversified e-CNY business system. By expanding the application ecology and trading scale of e-CNY, the public can fully experience the security and convenience brought by e-CNY.

#### Logic diagram: Innovate in e-CNY application scenarios

- **Serve people's livelihood:** Actively expand its applications in people's livelihood scenarios and people's daily life. Main consumption scenarios such as chain catering, retail department stores, transportation, health care, education and training, entertainment and fitness are covered, online and offline e-CNY integrated payment and settlement services are supported, and e-CNY products are upgraded constantly.
- **Government and enterprise services:** e-CNY financial service solutions for the government and enterprises, such as smart parks, e-CNY insurance policies, settlement in port areas, tax payment, payment of State Grid fees, and fund collection and distribution for funds of group companies are formed.
- **Inter-bank service:** Diversified clearing cooperation mode including direct connection, indirect connection, and cash box mode are constructed.

#### Case: Seven e-CNY application scenarios, boosting consumption in Hainan Free Trade Port

Hainan is the only provincial pilot in China to promote the application of e-CNY in 2021. Through a series of initiatives, such as product design and development, setup of payment application scenarios, and development of supporting policies, the Bank actively builds more accessible application scenarios of e-CNY for the public in Hainan. By the end of the Reporting Period, the application scenarios of e-CNY in Hainan covered seven major areas, including duty-free shopping, smart school, smart scenic spots, smart business circles, people's livelihood chains, high-end hotels, and welfare subsidies. The settlement amount of e-CNY by Hainan Branch

exceeded RMB 52.7 million.

In the future, the Bank will continue to deepen the cooperation with government and enterprises. Taking the construction of e-CNY ecosystem as the starting point, it'll explore new application models of e-CNY, add to the prosperity of consumption and inject new momentum into the construction of the Hainan Free Trade Port.



At the launching ceremony of the e-CNY red packet campaign of "E-CNY and Coconut City Shopping Festival" in Haikou, customers are experiencing e-CNY payment at the booth of BoCom



On March 29, 2021, China's first digital currency and coin collection and exchange machine, jointly developed by the Qingdao Central Branch of the People's Bank of China, BoCom, and Julong, launched successfully in Qingdao Branch. Providing two-way exchange services of e-CNY and coins to the public, the machine enriches the application channels of e-CNY and contributes to the development of digital inclusive finance.



The Bank works with Hebei Huaao Hospital to embed e-CNY payment into the entire process of hospital fees. An e-CNY "smart hospital" is established to provide medical guarantees for the Winter Olympics and Winter Paralympics.

### 3.2 Driving digital transformation of industries

Led by innovation, the Bank increases investment in technological resources, actively communicates with all stakeholders, promotes the Bank's digital transformation, and improves IT innovations in the financial industry.

#### **Logic diagram: measures and accomplishments of technological innovation**

- **Promote research on technology applications:**
  - ◆ Five BoCom projects are selected as pilot projects of fintech innovation supervision of the People's Bank of China, including multi-party security computing, big data, artificial intelligence, audio, and video technology.
  - ◆ Accelerating its research on the application of new technologies such as blockchain, privacy computing, and satellite remote sensing in financial scenarios, the Bank has successfully launched the first batch of domestic trade financing businesses in the second phase of the People's Bank of China Trade Finance Blockchain Platform.
- **Motivate innovation across the Bank:**
  - ◆ Explore and establish a mechanism for research projects on the application of fintech,

solicit excellent undertaking units, and promote the application of new technologies to solve bottlenecks in business development.

- ◆ Provide scenario-based financial service guidance and supporting policies for the characteristic local business of the branches, hold innovative product launches to promote new products, and strengthen communication within the Group.
- ◆ Hold a young financial professional training camp and a "Jiaofeng Cup" innovation competition to solicit outstanding ideas and incubate innovative projects.

• **Actively practice open innovations:**

- ◆ Promote the innovative ecological construction of the Shanghai Fintech Industry Alliance, establish the first data industrialization committee within the alliance, and host a summit forum of the alliance.
- ◆ Seven projects with Fudan University, China Mobile, and other joint laboratories are implemented.

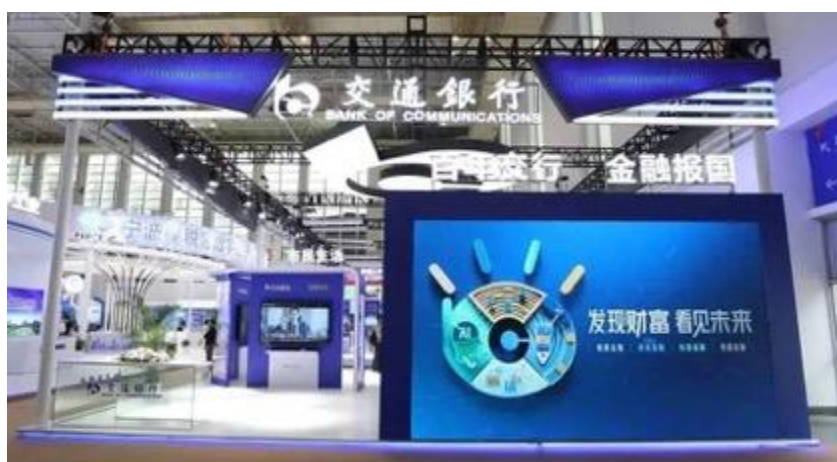


On July 9, 2021, the Bank successfully hosted the forum "AI New Era, Digital, Smart and New Finance" of the 2021 World Artificial Intelligence Conference. Academicians of the Chinese Academy of Engineering, experts from research institutions, leading figures from banking and IT circles were invited to discuss new trends and ideas in the development of artificial intelligence through keynote speeches and round-table dialogues, effectively promoting the innovation and

integration of production, education, and research of fintech



The Bank contributes to the preparation of banking software testing standards to enhance the overall delivery value of banking software testing. In September 2021, the Research on Standardization of Banking Software Testing Framework received the Excellence Award for Key Research Projects of Financial Standardization of the National Financial Standardization Technical Committee



The World Digital Economy Conference 2021 & the 11th Smart City and Smart Economy Expo opened in Ningbo. The Bank displayed a series of financial products created for the digital transformation of enabling cities via financial technologies like artificial intelligence and big data.



On December 4, 2021, the Data Industrialization Committee proposed by the Bank was officially established. The Data Industrialization Committee aims to gather all forces, form innovative application solutions suitable for different sizes and business types, provide technical, application, standards, laws, and regulations support for financial digitalization, comprehensively improve the application of data elements in the financial industry, and ensure the safe and sound development of data industrialization

#### Key Performance

During the Reporting Period, the Bank's investment in IT increased by 51.43% year on year

### 3.3 Facilitating efficient decision-making and operation

The Bank vigorously promotes technology empowerment, drives the deep integration of fintech with middle and back-office systems, and creates an intelligent platform and tools for operation and management decision-making.

#### Logic diagram: Digital tools supporting multiple work scenarios

**Account Manager Digital Work Platform:** Develop standardized sales management support modules, customer portraits and value analysis functions, perfect marketing support functions and customer management functions, and enable account managers to conduct mobile, online, and social marketing. 71% of corporate account managers are using the core functions of the platform.

**Value Analysis and Decision-making Platform:** Systematically support the implementation of the Head Office's performance appraisal plan, realize the drill-down and traceability of appraisal

indicators, shares indicators compared with peers and systems, complete the model building, basic report development, and branch operation view version 2.0, and meet the needs for branch score analysis, performance analysis, as well as profit and loss analysis.

**Management Cockpit:** Accessible from "mobile phone + PC," it supports functions such as indicator Kanban, peer comparison, data statistics, and large digital screen. Offer convenient inquiry of provincial branches and assist the Head Office and branches to make informed decisions in operation and management.

### 3.4 Enabling risk prevention and control

The Bank is deeply involved in the digital transformation of risk management. To facilitate the reform of risk management mode, concept, and process, it promotes the application of new technologies such as big data, cloud computing, and artificial intelligence with an established enterprise-level risk control middle office. It also builds a risk data management base with unified standards and effective integration of internal and external data. With a risk capability sharing center, the Bank improves the flexible allocation and efficient sharing of business processes and management activities. By making the risk management and internal control activities more intelligent, the entire risk management process becomes more streamlined and efficient.

#### **Logic diagram: Advancing the digital transformation of risk management**

- **Optimize the unified view of risk:** Strengthen the risk database. Based on the business data of domestic banks, expand the access to three types of data: subsidiaries, overseas institutions, and domestic institutions. Collect and display the financing situation of customers in the Group in the financing information module of the unified view of risk. Develop the *Bank of Communications Special List and System Management Measures (2021 Version)* to strengthen the overall management of the special list of the Group.
- **Improve the risk monitoring system:** Enhance the use of monitoring and early warning signals and embed early warning signals into business processes such as credit granting, inclusive finance, institutions, and pension. Study the application of multi-party secure computing technology in financial risk control, and optimize the temporary prediction model, implicit relationship mining model, credit relationship extraction model by relying on artificial intelligence means such as machine learning. In addition, carry out the "Enterprise and Regional Risk Monitoring and Analysis Based on Power Data" project to

explore the application of power data in financial risk control.

- **Improve the internal control and case prevention system:** Develop a digital internal control system, update the intelligent case prevention system, and improve the accuracy in monitoring abnormal behaviors of employees.

**Honors:**

During the Reporting Period,

The Bank's "Computing Platform for Multi-party Security and Scenario-specific Application Project" was awarded first prize in the "2020 Awards for Fintech Development"

The Bank's "Risk Monitoring Based on Complex Knowledge Graph" was shortlisted in the TOP30 list of SAIL Awards of "2021 World Artificial Intelligence Conference"

The paper on digital internal control project was included in the "'14<sup>th</sup> Five-Year' Development Plan on Network Security and Information of Financial Industry" by the Fintech Committee of China Finance Association and has been published as part of the 14 topics

#### 4. Governance: Stick to the Right Path for Sustainable Operation

##### Going with the trend of sustainable development

The effectiveness of the corporate governance system of banking institutions has a bearing on the stability of the national financial system and the proper operation of the national economy. The Bank continuously improves its decision-making, implementation, supervision, and evaluation systems to ensure a reasonable, robust, and effective corporate governance system, consolidating its foundation for sustainable development.

##### Aligning with SDGs



##### Our actions

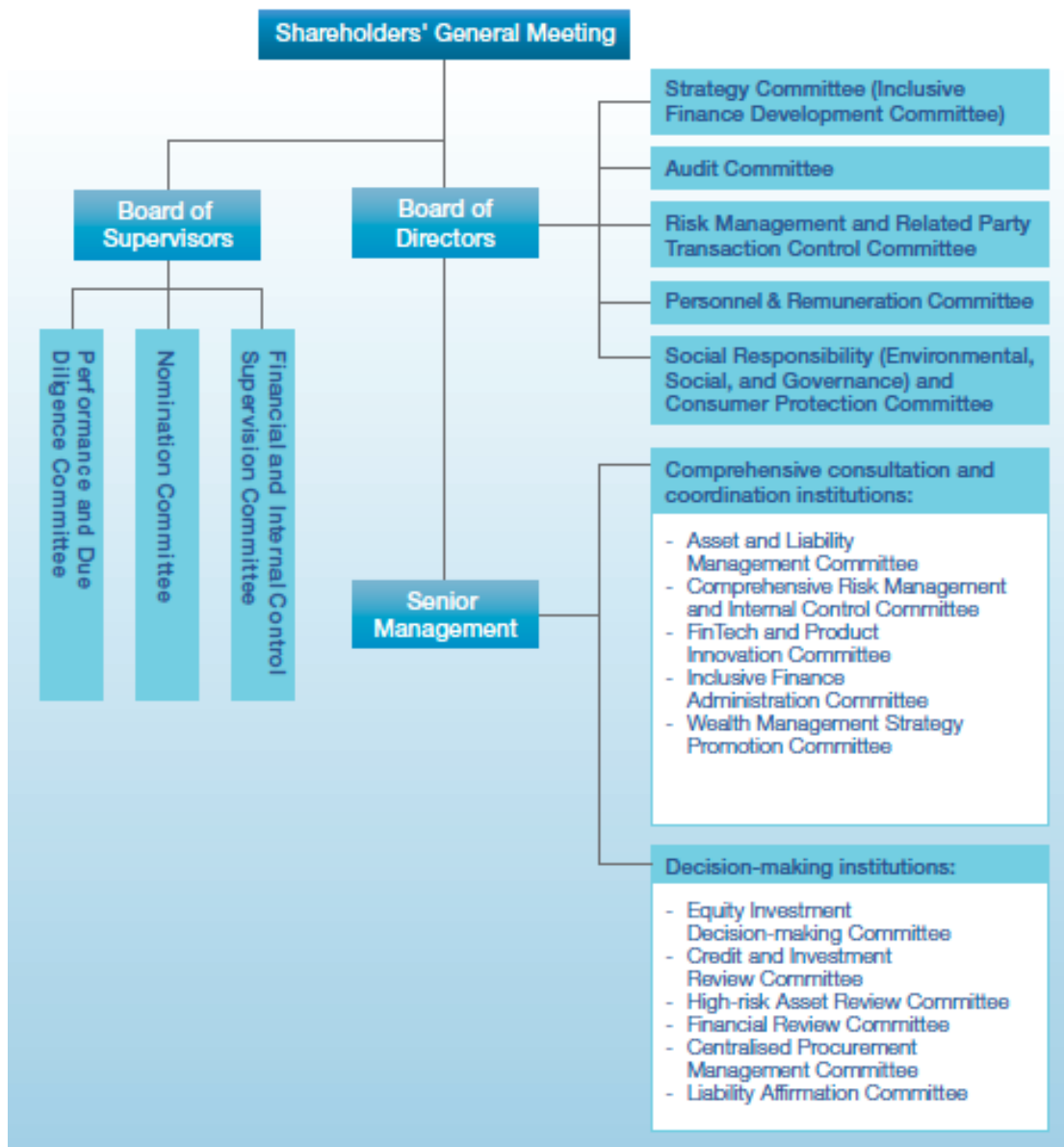
Improvement of corporate governance system; Safeguarding the rights and interests of stakeholders; Building a culture of integrity; Risk management

##### Our performance

The Environmental, Social and Governance (ESG) and Consumer Protection Committee of the Board of Directors held 4 meetings; the Board of Directors held 7 meetings, the Board of Supervisors held 4 meetings, and the shareholders held 3 Shareholders' General Meetings

#### 4.1 Overview

During the Reporting Period, the Bank strictly abode by the laws and regulations, rules for listed companies, regulatory provisions, and the Articles of Association at home and abroad. It kept up with advancing and improving the corporate governance mechanism with Chinese characteristics for large commercial banks, where "the Party committee takes comprehensive leadership, the Board of Directors makes strategic decisions, the Board of Supervisors supervise according to law, and Senior Management is authorized for operations." Determined to act under the new development philosophy, the Bank worked to realize the "three tasks" of financial work, earnestly enforced development strategies and maintained its high-level value return to all shareholders and investors.



Governance structure of BoCom

As of the end of the Reporting Period, there were 16 members in the Board of Directors, including 2 executive directors, 8 non-executive directors, and 6 independent non-executive directors. The number of independent non-executive directors accounted for one-third of the total number of members of the Board of Directors, meeting regulatory regulations. During the Reporting Period, the Board of Directors held 3 General Meetings of Shareholders, which reviewed and approved 11 proposals; 7 meetings of the Board of Directors, which reviewed and approved 57 proposals; and 24 meetings of the special committees under the Board of Directors, which examined 103 proposals and reports.

As of the end of the Reporting Period, there were 11 members in the Board of Supervisors, including 3 shareholder supervisors (1 of them the Chairman of the Board of Supervisors), 4 external supervisors, and 4 employee supervisors. During the Reporting Period, the Board of Supervisors worked in order, with 4 meetings held and 23 proposals reviewed. The in-person attendance rate at supervisor meetings was 95.45%. The supervisors duly attended the Shareholders' General Meetings, attended the meetings of the Board of Directors and the special committees (without voting rights), and attended important meetings of the Bank.

**Logic diagram: Highlights of corporate governance**

<p><b>Refining the governance mechanism</b></p>	<ul style="list-style-type: none"> <li>• In line with corporate governance, the Bank improves the coordination and communication mechanism between the Party Committee, the Board of Directors, and the Board of Supervisors. For major business and management matters, the Board of Directors will make decisions after the Party Committee studies and discusses them to truly integrate prior deliberation by the Party Committee with the decision-making mechanism of corporate governance.</li> <li>• Rectify issues notified by regulatory authorities and provide timely updates on progress to China Banking and Insurance Regulatory Commission.</li> <li>• Improve the corporate governance system by adopting the Green Finance Policy, the Liability Quality Management Measures, the Recovery and Resolution Plan, and Related Management Measures, and revise the Compliance Policy and the Business Continuity Policy.</li> </ul>
<p><b>Further promoting investment value</b></p>	<ul style="list-style-type: none"> <li>• For the first time, the earnings release conference was held through a combination of Internet video live broadcasting, teleconference, and on-site meeting.</li> <li>• During the Reporting Period, 4 results release conferences were held. A total of 500 analysts and journalists attended the conferences, and nearly 2,400 small and medium-sized investors watched the 2020 annual earnings release conference live online and 2021 half-year earnings release conference live online.</li> </ul>

	<ul style="list-style-type: none"> <li>The valuation management team participated in 4 domestic and foreign investor forums, received 2 on-site visits, held 31 teleconferences, and communicated with nearly 400 investors and analysts.</li> </ul>
<b>Safeguarding shareholders' rights and interests</b>	<ul style="list-style-type: none"> <li>In 2020, a cash dividend of RMB 0.317 was distributed per ordinary share, totaling RMB 23.541 billion (tax inclusive), accounting for 31.86% of the Group's net profit (attributable to the parent company).</li> <li>During the Reporting Period, RMB 1.755 billion in dividends were distributed to domestic preference shareholders.</li> </ul>

## 4.2 Compliance management

Compliance governance is the Bank's top priority for perfecting corporate governance. The Bank has been resolute in combating corruption, bribery, and Four Undesirable Work Styles, thoroughly putting the Eight-point Regulation's spirit into practice and creating a clean and positive environment. To ensure the long-lasting prosperity of the Bank, it has done a solid job in anti-money laundering, anti-fraud, and anti-extortion to improve the policy mechanism overall.

### 4.2.1 Combating corruption, bribery, and Four Undesirable Work Styles

The Bank has thoroughly studied and implemented the arrangements of the Fifth Plenary Session of the 19th Central Commission for Discipline Inspection, complied with the Code of Integrity and Self-discipline of the Communist Party of China, the Regulations on Internal Supervision of the Communist Party of China, the Regulations on Disciplinary Punishment of the Communist Party of China, the Implementation Regulations of the Supervision Law of the People's Republic of China and Several Provisions on Integrity of Leaders of State-owned Enterprises, and intensified its anti-corruption efforts in the financial sector. The Bank has always maintained a tough stance in anti-corruption by upholding integrity and discipline. It has worked to coordinate financial anti-corruption and financial risk management, firmly and prudently investigated cases, and attended to the integration of supervision mechanisms and anti-corruption education. Continuing to promote reform and governance through cases, the bank has optimized the responsibility identification and investigation system, strengthened the synergy of internal supervision, and combated corruption and the Four Undesirable Work Styles. Furthermore, the

Bank has devoted itself to solving formalism and bureaucracy to reduce the burden at the community level. These efforts have contributed to the steady development of the Bank.

#### **Key Performance**

During the Reporting Period,

1,290 reports were accepted, 930 clues were handled, 237 cases were filed, 344 employees were punished according to the Party and government discipline, and 192 proposals for discipline inspection and supervision were issued

35 violations of the Eight-point Regulation of the Center were investigated and closed, 38 employees were punished by Party and administrative discipline, and 29 cases were notified

4 employees were transferred to the procuratorate for prosecution on suspicion of work-related crimes, and there were no lawsuits on corruption

#### **Logic diagram: Improving the supervision mechanism to help build integrity**

- **Strengthen rule-based governance:** Promulgate policies such as the *Interim Measures for the Party Committee of Bank of Communications to Strengthen the Supervision and Management of the "Top Leaders" and Leading Groups (2021 Version)*, and the *Administrative Measures for Integrity Commissioners and Part-time Integrity Supervisors of Overseas Institutions of Bank of Communications (2021 Version)*.
- **Promoting law-based governance:** Revise and perfect the *Measures for Handling Violations by Employees of Bank of Communications (2021 Version)* and the *Measures for Reporting to the Discipline Inspection and Supervision Group Dispatched to Bank of Communications*.
- **Properly handling reports:** Strictly follow the approval and circulation procedures, strengthen supervision in the processes of "receiving, transferring, supervising, reporting and closing", and improve the rule-based management of reports.
- **Optimizing the supervision system:** Solidify the handling and supervision of cases by establishing a smooth channel for inspection, case prevention, and transfer of audit clues.
- **Holding special supervision joint meetings:** Closely monitor regulatory notifications and administrative punishment, reinforce accountability and rectification, look into the critical

issues prompted by the "tripartite communication and contact" mechanism of the CBIRC, and hold special meetings to follow up and supervise these issues.

**Logic diagram: Warning education, educating people around us by cases around us**

- **Case warning:** Carry out bank-wide warning education via cases of Hu Huaibang and Sun Deshun.
- **Thematic educational films:** Select thematic educational films based on typical corruption cases to provide warnings at different levels and classifications.
- **Typical reading materials:** Organize employees across the bank to read the "Financial Case Notes," a collection of typical violations of discipline and law in the financial sector compiled by the Central Commission for Discipline Inspection.

**4.2.2 Anti-money laundering, anti-fraud, and anti-extortion**

The Bank has thoroughly implemented the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Terrorism Law of the People's Republic of China*, *Opinions on Improving the Supervision System and Mechanism of Anti-Money Laundering, Anti-Terrorist Financing and Anti-Tax Evasion*, the *Measures for the Administration of Anti-Money Laundering and Anti-Terrorist Financing in Banking Financial Institutions*, the *Guidelines for the Risk Management of Money Laundering and Terrorist Financing in Legal Person Financial Institutions (Trial)*, the *Working Methods for Case Prevention in Banking Financial Institutions*, the *Guidelines for the Behavior Management of Banking Financial Institution Employees*, and the *Guiding Opinions on the Prevention of Financial Crimes in Banking and Insurance Industry*, as well as other laws, regulations and regulatory requirements. Following these measures, the Bank has improved its system construction and sanctions compliance management, actively carried out publicity activities on anti-money laundering, anti-fraud, anti-extortion outside the Bank, and fully reinforced the publicity and training on relevant rules and regulations within the Bank.

The Bank has further perfected its anti-money laundering system, basic anti-money laundering framework, and related business systems. Various regulatory requirements have been translated into internal management norms in time. The Bank has constantly enhanced customer identification, fostered money laundering risk assessment at institutions, and escalated the quality and efficiency of large-amount and suspicious transactions reports. It has also improved the screening of customers

with money laundering exposures and money laundering risks assessment for business products.

**Logic diagram: Construction of anti-money laundering related systems**

- **Guiding fundamental documents:** During the Reporting Period, the Bank continued to implement the *Money Laundering Risk Management Strategies, Policies and Procedures of Bank of Communications Co., Ltd. (2020 Version)* and the *Anti-Money Laundering Management Measures of Bank of Communications Co., Ltd. (2020 Version)*.
- **New systems and measures:** During the Reporting Period, the Bank issued the *Bank of Communications Anti-money Laundering Customer Identification and Due Diligence Guidelines (2020 Version)*, *Measures for the Administration of Large-sum Transaction and Suspicious Transaction Reports of Bank of Communications (2021 Version)*, *Implementation Rules for the Construction of Anti-money Laundering Transaction Monitoring Standards of Bank of Communications (2021 Version)*, *Detailed Rules for the Implementation of Bank of Communications Customer Money Laundering Risk Level Assessment and Classified Management (2021 Version)*, *Trial Measures for Money Laundering Risk Assessment and Management of Bank of Communications Institutions (2021 Version)*. With these measures, Bank improved the anti-money laundering management systems, strengthened customer identity due diligence, improved the management of large-amount and suspicious transaction reports, and consolidated the anti-money laundering management systems.

The Bank has been active in cracking down gang crimes regularly. It formulated and issued the Notice on Routine Crackdown on Gang Crimes and strived to create a safe and stable financial order and social environment by putting efforts into work that involves the bank, the public, and prevention & control.

**Logic diagram: Anti-fraud and anti-extortion initiatives**

- **Bank side:** Introduce a unified anti-fraud engine to optimize the fraud-related risk interception model and launch the credit card transaction anti-fraud decision module.
- **Customer side:** Organize activities such as the March 15 Education and Publicity Week and the June Publicity Month on Preventing Illegal Fund Raising, and maximize the use of the official website, mobile banking, and other channels to carry out risk warning education.

- **Prevention and control side:** Maintain close communication with regulatory authorities, government departments, and judicial authorities, and strive to improve its ability to screen and identify clues related to criminal activities.

#### **Key Performance**

During the Reporting Period,

The Bank formulated the Work Plan for Legal Publicity and Education and Compliance Culture Construction in 2021. There were 1,026 anti-money laundering and related legal publicity and compliance publicity lectures (910 offline sessions and 116 online lectures); 924 publicity activities on the rule of law, including the Constitution, the Civil Code, personal information protection, consumer rights protection, and anti-money laundering, covering over 2.33 million people; and 818 compliance training sessions (495 offline training sessions and 323 video training sessions), covering 77,214 people

Training sessions on internal control, case prevention, anti-fraud, and other professional fields were held, and over 10,000 employees studied on the e-Campus network platform

#### **4.2.3 Intellectual property protection**

The Bank continues to strengthen intellectual property protection and management. In 2021, the Bank formulated the *Measures for the Management of Branding of Bank of Communications (2021 Version)* to further regulate the use and management of branding of BoCom and its subordinate institutions at all levels. The Bank revised the *Measures for the Administration of Trademarks of the Bank of Communications (2021 Version)*, applied for trademarks following the law, and protected Group branding and product brands. The Bank cracked down on the rush registration of the Bank's brand trademarks, fought trademark infringement, respected the intellectual property rights of third parties, and protected consumers' legitimate rights and interests.

#### **Key Performance**

During the Reporting Period,

58 trademark registrations were obtained

Copyright and trademark training covering more than 2,500 people were held

### 4.3 Risk management

The Bank has reiterated the vital role of proactive prevention and mitigation of financial risks. It has strictly put regulatory requirements into practice, promoting the modernization of risk management system and governance capacity, and enhanced risk measurement and monitoring. With deeper integration of internal control and operational risk management, it has also built up its risk management digitalization capability, actively prevented and responded to various risks, and promoted high-quality development with risk management.

The Senior Management of the Bank has established a Comprehensive Risk Management and Internal Control Committee to study systemic risks and regional risks, as well as make decisions on major risk management issues. Two business review committees – the Loan and Investment Review Committee and the Risk Asset Review Committee – have been set up under the committee. Taking the framework above as a reference, all provincial branches, overseas institutions, subsidiaries, and other institutions have set up corresponding comprehensive risk management and internal control committees.

#### **Logic diagram: Measures for modernization of risk governance system and governance capacity**

- Formulate and promote the implementation of the **14th Five-Year Plan for Risk Management**
- Promote the reform of **risk credit and anti-money laundering** through projects, and gradually improve the market risk management system and mechanism.
- **Optimize the comprehensive risk management system**, reinforce the decision-making function of the comprehensive risk management and internal control committee, guide the provincial branches to improve the quality of comprehensive risk management, and share excellent experiences.
- **Carry out risk management screening**, comprehensively organize the variety of risks, select and carefully investigate essential areas such as market risk, internal control, and case prevention, and launch stress testing; conduct full-scale bond risk screening of the Group every quarter; conduct special screening of illegal fund-raising, Internet finance, and bill business risks.
- **Improve the systematic regional risk assessment framework**, form an assessment

template, and initiate branch-specific assessments.

#### **Key Performance**

During the Reporting Period, the Bank continued to improve its risk management:

8 online training courses on risk management were held

Over 7,000 participants joined the online training courses

More than 37,000 clicks on posted online courses

Two rounds of risk manager certification examinations were initiated, and 306 employees were certified

#### **4.4 CSR management**

The Bank pays close attention to the management, strategy, objectives, and progress management of environmental, social, and governance-related issues such as climate change. It has actively identified the possible impacts of its decision-making and operational activities on society and the environment and improved its corporate social responsibility management system. It has promoted the organic integration of the corporate social responsibility concept with the Bank's corporate culture and development strategy. It has also established a routine mechanism for social responsibility information disclosure and worked with stakeholders to create and share diversified values.

##### **CSR declaration:**

Achieve more through harmony and credibility and grow with society.

##### **CSR vision**

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

The Board of Directors is the top decision-making body for the Bank's corporate social responsibility work. In accordance with the authorization of the Board of Directors and the provisions of the Committee's working regulations, the Environmental, Social, and Governance (ESG) and Consumer Protection Committee of the Board of Directors is responsible for the Bank's corporate social responsibility strategy and policy, while the Senior Management is in charge of

executing the strategy and policy as approved by the Board of Directors. Reports are delivered to the Board and the Committee on a regular basis.

**Logic diagram: Primary** responsibilities of the Environmental, Social and Governance (ESG) and Consumer Protection Committee of the Board of Directors:

- Draft CSR strategy and policy that are suitable for the Bank, along with plan and measures for fulfilling CSR, periodically review the progress of work on CSR, and submit an annual CSR report to the Board of Directors;
- Study, develop and evaluate measures aimed to improve the Bank's ESG performance, and promote ESG information disclosure;
- Review the strategy, policy, and goals of consumer protection work, and submit work report of consumer rights protection and annual report to the Board of Directors. Study the key issues and important policies on consumer protection following the authorization of the Board of Directors. Ensure comprehensive, timely, and effective supervision over the work of the Senior Management and the consumer protection department;
- Review credit policies involving the environment and sustainable development;
- Approve external donations according to the authorization of the Board of Directors;
- Oversee, inspect, and evaluate the Bank's progress on CSR, ESG, and consumer protection strategies, policies, plans, and measures, and submit proposals to the Board of Directors;
- Complete other matters authorized by the Board of Directors.

**Logic diagram:** During the Reporting Period, the Bank revised the key points of the Corporate Social Responsibility Policy of Bank of Communications Co., Ltd..

- **Objective:** Revise the objective management regulations of corporate social responsibility according to the requirements of regulatory guidelines.
- **Focus:** Sort through the social responsibility issues highly relevant to the Bank considering actual businesses.

- **Functions:** Refine the division of responsibilities of each department and clarify their management focus.

In 2021, the Environmental, Social, and Governance (ESG) and Consumer Protection Committee of the Board of Directors reviewed and approved fourteen proposals and reports, including the annual corporate social responsibility report, the annual green credit work report, the annual consumer protection work report, and the proposal to the Board of Directors for donations for disaster relief in Henan flooded areas in a total of 4 meetings. The opinions were reported to the Board of Directors.



The 7<sup>th</sup> meeting of the ESG and Consumer Protection Committee of the Board of Directors

Awards	Sponsor or organizer
2021 Financial Ranking-The Most Socially Responsible Bank of the Year	Stock Star
Outstanding Responsible Enterprise of the Year	Southern Weekly
Annual Excellent Social Responsibility Report	China Banking and Insurance News
GoldenBee 2021 Excellent CSR Report-Evergreen Award	China Sustainability Tribune

#### 4.4.1 Materiality analysis

During the Reporting Period, BoCom identified, updated, adjusted, and ranked the material

topics of 2020 following the procedure methods proposed in the GRI Sustainability Reporting Standards to determine the Bank's key topics of management and information disclosure.



Influence on stakeholder assessment & decisions

Significance of economic, environmental & social impacts

BoCom Materiality Analysis Metrics

1 Party building	2 Care for employees	3 Voluntary services	4 Equality and diversity
5 Occupational health and safety	6 Green operations	7 Employee training and development	8 Green services
9 Protect the rights and interests of employees	10 Increase returns to shareholders	11 Optimize corporate governance	12 High-quality development
13 Popularize financial knowledge	14 Innovative financial products	15 Green finance	16 Engagement in charity
17 Inclusive finance	18 Rural vitalization	19 Follow national strategies	20

			Improve customers consumption experience
21 Serve people's livelihood	22 Serve the real economy	23 Protect the rights and interests of customers	24 Compliance
25 Forestall financial risks	26 Deepen reform	27 Support people's livelihood	28 Responsible procurement
29 Address climate change			

#### 4.4.2 Stakeholder communication and engagement

Stakeholder	Description	Primary concern	Main source of information	Main response
Customers	Current and prospective customers	Convenient, efficient, and quality financial services	Product promotion, customer service hotline, online and offline activities	Provide efficient, quality services, developing new financial products, and protect customer information
Shareholders	Holders of the Bank's shares	Good return on investment; fair, impartial, transparent, and timely information disclosure	Shareholders' general meetings, investor activities, hotline and fax, and	Stable operations and effective investor relations management

			company announcement s, etc.	
Government ent agencies	Government at all levels; People's Bank of China (PBOC) and its branches, China Banking and Insurance Regulatory Commission and its local offices, China Securities Regulatory Commission; Administration for Industry and Commerce, and Taxation Bureau at all levels, etc.	Maintain the stability of financial system, facilitate the development of national economy, and improve the people's well- being.	Policy directives, work reports, day-to-day communication, etc.	Compliance management, active response to national strategies and macroeconomic policies, assistance to designated targets, service to the real economy, support to the development of MSEs, service to rural vitalization, attention to agriculture, rural areas and inclusive finance, and implementation of green credit, etc.
Employees	Bank staff, regardless of position or job duration	Stable employment, proper benefits, satisfactory working conditions, growth opportunities	Employee congress, personnel opinion solicitation, counseling sessions, etc.	Develop together with employees, improve employee satisfaction by protecting employee rights and interests,
The environment	The ecological environment of areas where the	Pay close attention to climate change,	Information disclosure, other events,	Promote green credit, green services, green operations, green

	Bank transacts business and other affected areas	and support a low-carbon economy	and pricing strategies, etc.	procurement, and green charitable activities
Communities	General public and organizations in areas where the Bank transacts business and other affected areas	Social harmony and improved well-being	Financial service activities, charitable activities, etc.	Engage in charitable activities, organize volunteer activities, and disseminate financial information
Partners	Suppliers, peers, and other institutions in business with the Bank	Honesty, mutual benefit, fair procurement, and win-win cooperation	Invitations to bid, business exchanges and cooperation, etc.	Responsible procurement and business cooperation
Social organizations	Industry associations (e.g., China Banking Association), and non-profit organizations (e.g., environmental, or public interest)	Boost development of the industry as well as social harmony	Information disclosure, various related activities	Accept supervision and participate in industry activities

## 5. Economy: Forge Ahead with High-quality Development

### Responding to the trend of sustainable development

Finance is the lifeblood of the national economy. The Bank has proactively fit in the new development pattern, provided targeted services to national major strategies, and constantly aligned its resource allocation plans with national strategies to improve the quality and efficiency of serving the real economy. In addition, the Bank has emphasized efficiency and fairness, vigorously developed inclusive finance, enhanced access to financial services, and contributed to the sustainable development of the national economy to facilitate common prosperity.

### Aligning with SDGs



### Our actions

Respond to national strategies; Support the real economy; Contribute to the rural revitalization; Make every effort to improve people's livelihood; Assist MSEs; Improve customer services

### Our performance

The Bank recorded total assets of RMB 11,665.757 billion and total loans of RMB 6,560.400 billion. The outstanding inclusive loans for MSEs stood at RMB 338.819 billion, an increase of 49.23%. The number of customers with loan balance increased by 43.49% to 212,200. The average interest rate of cumulative inclusive loans for MSEs was 4%, while the comprehensive financing costs of small and micro customers decreased by 0.49 percentage points. The balance of inclusive agriculture-related loans was RMB 39.741 billion, an increase of 46.9%

## 5.1 Creating a new driving force for the economy

### 5.1.1 Serving the formation of dual-circulation development pattern

Leveraging its sound global presence, the Bank actively contributes to the formation of dual-circulation development pattern, continues to reinforce the integration of on-shore & off-shore businesses, domestic & overseas businesses, as well as RMB & foreign currency businesses, and is focused on improving the quality of cross-border, cross-sector, and cross-market financial services.

### **5.1.1.1 Promoting the development of international businesses**

#### **Improving the layout of overseas institutions**

As of the end of the Reporting Period, the Bank established 23 overseas institutions and 69 operating outlets in 18 countries and regions across five continents.

#### **Key Performance**

As of the end of the Reporting Period, the total assets of overseas institutions exceeded RMB 1,187.234 billion

During the Reporting Period, the financing volume for cross-border trade increased by 44.52% year on year to USD 33.963 billion

The Bank has been awarded "Best International Business Bank at the Annual Conference of China Transaction Banking" from 2019 to 2021

#### **Case: Tokyo Branch makes innovation in products to support the export of China's high-end manufactured products**

In 2021, Tokyo Branch, as a co-leading bank of the syndicated loan, worked with Seaspan, the world's largest independent owner and operator of containerships, to implement a JOLCO (Japanese operating lease with call option) ship financing project secured by China Export & Credit Insurance Corporation. Aimed to provide USD 634 million in financial support for Seaspan to purchase eight containerships from Yangzijiang Shipbuilding Group, it is a major innovative project in the ship financing market in 2021. It provides richer export credit solutions for China's manufacturing industry, enhancing the competitive edges of Chinese enterprises in the export market.

#### **Serving the Belt and Road Initiative**

The Bank earnestly implements the plan for Chinese enterprises to "go global" and provides various Belt and Road Initiative services. As of the end of the Reporting Period, the Bank established eight overseas institutions in the countries and regions participating in the Initiative and conducted cross-border RMB businesses with 41 countries along the Belt and Road, reaching RMB 42.957 billion in total. It also implemented nine medium- and long-term credit insurance financing projects

in eight countries along the Belt and Road.

**Case: BoCom participates in phase III of a central business district in Egypt's new administrative capital project**

As a critical project for countries along the Belt and Road, Egypt's new administrative capital project has attracted significant attention from the Chinese and Egyptian governments. On December 24, 2020, witnessed by Mohamed Elbadri, the Egyptian Ambassador to China, BoCom signed the agreement to participate in phase III of a central business district in Egypt's new administrative capital project. On April 21, 2021, BoCom granted the first syndicated loan for the project, implementing the Belt and Road Initiative by providing financial services.



A phase III project of the central business district in Egypt's new administrative capital

**Key Performance**

From September 2013 to the end of 2021, overseas branches of BoCom granted a total of USD 18.985 billion loans to support the Belt and Road Initiative

As of the end of the Reporting Period, the outstanding loans totaled USD 4.954 billion

**Promoting online and platform-based cross-border business**

To better connect the domestic market with the international market, the Bank has strengthened the online and platform-based development of cross-border business infrastructures to facilitate the foreign exchange business of market entities and enhance the risk resistance capability of foreign trade enterprises with export credit insurance. By meeting the financing needs of foreign trade enterprises with credit insurance financing products, especially those in small and micro scale, the Bank creates a favorable international business environment.

**Logic diagram: Measures to strengthen the development of cross-border business infrastructures**

Bringing services online	<p>Provide a better customer experience with optimized online functions of international businesses, products, and services. "BoCom e-Customs Clearance" furnishes several features, including pre-confirmation of inward and outward remittance payments, enhancing the capital efficiency for customers.</p> <p>Achieve ideal results by accelerating the service mode reshape and business process restructure in aspects like CIPS standard transceiver, system functions of "Easy" series products, etc.</p>
Providing convenience	<p>Keep up with the work on trade and investment facilitation policies, set up a steering group in this regard, and revise internal control regulations and operating procedures.</p>
Cooperating with platforms	<p>Provide financial services for cross-border e-commerce in Chongqing and Jiangsu to offer access to international trades for small and micro merchants of new business forms. In 2021, the service benefited 200,000 cross-border e-commerce customers.</p> <p>Collaborate with comprehensive cross-border trade service platforms in Hebei and Ningbo to realize the tri-party trade information sharing.</p> <p>Provide financial services for procurement trade platforms in Shenzhen, offering one-stop services that range from export proceeds collection to the settlement of exchange for small and micro foreign trade enterprises.</p>

**Key Performance**

During the Reporting Period,

the Bank engaged in and received 11,532 cross-border payments for 83 customer accounts under the trade facilitation policy, amounting to USD 3.61 billion

The number of corporate customers of the Bank's capital item receipt and payment facilitation service was 330, with over 8,072 facilitation businesses handled, totaling USD 3.454 billion

### **Boosting RMB internationalization**

As a significant financial infrastructure, the Cross-border Interbank Payment System (CIPS for short) is increasingly important for the opening of the financial sector and the advancement of RMB internationalization. In 2021, the Bank fully engaged in promoting the application of CIPS standard transceivers in cross-border financial scenarios, helping to solve the difficulties such as inconsistent cross-border payment instructions, lengthy manual processing, and opaque nodes in the capital flow that cross-border businesses face. It also enhanced the efficiency of RMB cross-border payment, reduced the exchange rate risk and costs for enterprises, and promoted the safe and convenient settlement of cross-border trades.



In 2021, Seoul Branch provided participating bank services for all 15 Korean banks. It was honored with the Outstanding Overseas DP Expansion award at the Cross-border Payment Clearing Forum & CIPS Participants Meeting held by Cross-Border Interbank Payment System Co., Ltd.

**Case: Sichuan Branch launches the nation's first CIPS standard transceiver for an entity**

### **enterprise to open up a channel of bank-enterprise linkage for key customers**

Actively responding to the Belt and Road Initiative and the strategy of RMB internationalization, the Sichuan Branch has leveraged its advantages in cross-border finance to provide access to CIPS standard transceiver for Tongwei Co., Ltd. BoCom has become the first bank in China to configure CIPS standard transceiver for private enterprises serving the real economy, which has contributed to RMB internationalization with improved efficiency of cross-border payments and reduced management costs.

### **Key Performance**

As of the end of the Reporting Period, 411 customers launched CIPS standard transceiver through BoCom, ranking first in the market

#### **5.1.1.2 Facilitating regional economic development**

To provide strong financial support for the rapid economic development of key regions, the Bank has actively responded to the key national, regional strategies and regional coordinated development strategies.

#### **Empowering the integration of the Yangtze River Delta**

Shanghai is an entry point for implementing the Bank's 14<sup>th</sup> Five-Year Plan. The Bank has established a steering group for the Yangtze River Delta integration strategy led by the Chairman and the President. Under this group, the Yangtze River Delta Integration Management Headquarters was set up to coordinate works in the major business areas of the integration. In addition to 30 sets of policies and measures related to the procedures, products, and services, the Bank has promulgated the *Action Plan of Bank of Communications to Build Itself into the Leading Bank in the Yangtze River Delta*. The aim is to speed up the development of an inter-city financial service system in the Yangtze River Delta and facilitate regional integration.

**Logic diagram: Empowering the integration of the Yangtze River Delta with inter-city financial services**

- **Establish a service framework:** Set up the Yangtze River Delta Integration

Management Headquarters and branches in the demonstration areas of the integration and new Free Trade Zones, and improve the quality and efficiency of services in an all-around way.

- **Optimize the credit mode:** Launch the joint credit extension system for group customers, simplify the joint credit extension process, and form a loan approval mechanism in the Yangtze River Delta to enhance the efficiency of approving and extending loans. Launch the scheme for inter-city credit extension and pilot the scheme in the demonstration areas.
- **Waive transfer fees:** Take the initiative to exempt corporate customers from online banking transfer fees within the Yangtze River Delta region. The creative measure is among the *16 Financial Supportive Measures for the Demonstration Areas of the Integration of the Yangtze River Delta*.
- **Customize products:** Roll out products like the Yangtze River Delta bond index, Yangtze River Delta wealth management products, and Yangtze River Delta credit card. Create private equities targeted at serving sci-tech innovation enterprises in the Yangtze River Delta regions. As of the end of the Reporting Period, the Bank launched 75 wealth management products themed on the Yangtze River Delta, raising more than RMB 24.92 billion of funds in the region, and issued over 480,000 Yangtze River Delta-themed credit cards.

#### **Case: "Driving and Benefiting from the Integration of the Yangtze River Delta"**

At the fourth China International Import Expo (CIIE) in 2021, the Bank hosted the Yangtze River Delta integration high-quality development activity themed on "Driving and Benefiting from the Integration of the Yangtze River Delta." Joining hands with another 20 leading financial institutions, BoCom established the "Alliance for Innovation and Development of Inter-city Financial Services in the Demonstration Areas", and served as the president of the alliance. Representatives from the governments, the banking industry, and the academic circle joined the activity to discuss the key issues and give policy suggestions for the high-quality development of the Yangtze River Delta integrated. At the CIIE, the CCDC-BoCom Yangtze River Delta ESG Preferred Credit Bond Index (the first ESG-themed bond index in the Yangtze River Delta) was

launched, helping to build the Yangtze River Delta into a green demonstration area.



Inauguration of the "Alliance for Innovation and Development of Inter-city Financial Services in the Demonstration Areas" of the Integration of the Yangtze River Delta



launched, helping to build the Yangtze River Delta into a green demonstration area.



Inauguration of the "Alliance for Innovation and Development of Inter-city Financial Services in the Demonstration Areas" of the Integration of the Yangtze River Delta

**Serving the Guangdong-Hong Kong-Macao Greater Bay Area**

Fully utilizing the Group's advantages in comprehensive financial service network and constantly expanding the range of products and services, the Bank is committed to providing high-quality and integrated cross-border financial services for customers in the Guangdong-Hong Kong-Macao Greater Bay Area and facilitating its development.

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**Case: To enable the development of the Guangdong-Hong Kong-Macao Greater Bay Area, BoCom International Holdings Company Limited completes the first bond issuance and listing in Macao**

In July 2021, working closely with the Fujian Branch, BoCom International Holdings Company Limited completed China's first public offering of the corporate bond in Macao issued by a provincial-level SOE. The project was listing 364-day senior unsecured bonds worth USD 150 million on Macao Securities Exchange by Fujian Investment & Development Group Co., Ltd. It is the first Fujian-based company to issue bonds in Macao, marking a leap forward in the joint efforts by Fujian and Macao to build the Belt and Road.

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**Case: Getting approval to conduct "Wealth Management Connect businesses for the benefits of residents in the Greater Bay Area**

Announced by the Guangzhou Branch and Shenzhen Central Sub-branch of the PBOC, Hong Kong Monetary Authority, and Macao Monetary Authority on October 18, 2021, the Bank became the first group of commercial banks approved to handle "Wealth Management Connect" business. With a mature service network and professional service personnel, branches in Guangdong, Shenzhen, Hong Kong, and Macao have worked closely to provide residents in the Greater Bay Area with comprehensive, quality, convenient, and efficient wealth management services.

The "Wealth Management Connect" business of the Bank supports functions like online contract signing, witness service for agency account opening in the "Southbound Trading," online risk evaluation, online information inquiry, and product purchase. With continuous upgrades of systems and procedures, the Bank will protect the rights and interests of investors with better schemes, safeguard the legal rights and interests of investors in the "Wealth Management Connect," and empower the development of the people's livelihood and finance in the Greater Bay Area with innovation.

**Supporting the development of Free Trade Zones**

The Bank has issued opinions on supporting business development in Free Trade Zones and Free Trade Ports and accelerated the build-up of financial service systems featuring Free Trade Zones and Free Trade Ports.

**Logic diagram: Measures supporting the development of Free Trade Zones**

Hainan Free Trade Port	<p>Support the building of key parks: Formulate the management measures for contacting key parks of Hainan Free Trade Port and establish a contacting and visiting mechanism of 11 key parks of the Free Trade Port.</p> <p>Assist 100 central SOEs to settle down in Hainan: Put the work arrangement of "100 Central SOEs Settling down in Hainan" of the People's Government of Hainan Province into practice. The Bank</p>
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	<p>connected with more than 50 central SOEs based in Hainan and provided them with credit over RMB 10 billion.</p> <p>Innovate in financial services: Step up on the innovation and continue to be the first in the volume of bonds underwritten. As the lead underwriter and bookkeeper, the Bank underwrote the first green financial bond in Hainan Free Trade Port - Bank of Hainan Green Financial Bond, a big move of financial innovation in support of green industry development in the Free Trade Port. The Bank also completed the single largest-scale M&amp;A syndicated loan worth RMB 6.6 billion in the Free Trade Port.</p>
China (Yunnan) Pilot Free Trade Zone	Promote the economic and social development of Yunnan Province by deepening the cooperation between the Bank and governments and signing a finance cooperation agreement with provincial and municipal governments supporting the 14 <sup>th</sup> Five-Year Plan. In 2021, the Bank input cumulatively RMB 23.6 billion into the projects under Yunnan's "Three Aces" strategy, an increase of RMB 14.2 billion.
China (Guangxi) Pilot Free Trade Zone	Proactively implement the "Guangxi Preferential Loan" interest subsidy policy of the People's Government of Guangxi Zhuang Autonomous Region, and provide comprehensive financial service solution for the industrial chain businesses by formulating "one policy for one company."
China (Jiangsu) Pilot Free Trade Zone	Launch a comprehensive financial service solution for the Free Trade Zone. Conduct businesses in the Free Trade Zone as RMB and foreign currency capital pool, cross-border two-way RMB capital pool, offshore direct loan, cross-border RMB CIPS transceiver, etc.
China (Hebei) Pilot Free Trade Zone	Carry out the Free Trade Zone Journey series activities, actively innovate in business and expand the influence of the Bank's brand in the Free

	Trade Zone.
China (Fujian) Pilot Free Trade Zone	Xiamen Branch vigorously develops the Single Window business and launches a new scenario of import FX payment in addition to the ocean freight payment scenario. As of the end of the Reporting Period, the Xiamen Branch's Single Window had 144 signed customers, with trading volume totaling USD 130 million, ranking first among local peers.

**Case: "Guangxi Preferential Loan" policy drives the high-quality development of the manufacturing industry in Guangxi**

In line with the policy of the People's Government of Guangxi Zhuang Autonomous Region, Guangxi Branch has provided financial support for the key areas and weak areas in Guangxi. It has opened up green channels for key and eligible enterprises in need of funds, improved the efficiency of business operations, and provided efficient services to effectively solve the working capital problems of cooperative enterprises, facilitating the robust and high-quality development of the manufacturing industry.

During the Reporting Period, the Guangxi Branch granted a total of RMB 4.96 billion in "Guangxi Preferential Loan" to 1,065 enterprises and individuals, especially manufacturers. The loans were in mainly in the form of "loans for central SOEs, private enterprises, and Greater Bay Area enterprises to settle down in Guangxi" as well as "sci-tech innovation loan," saving financing costs of RMB 93.7 million for enterprises and individuals.

**Key Performance**

As of the end of the Reporting Period, the Bank had 115 branches in 20 Free Trade Zones, with a coverage ratio reaching 95.24%

### **5.1.2 Improving the quality and efficiency of services provided to the real economy**

Adhering to the core mission of serving the real economy, the Bank has combined the support of the supply-side structural reform with business transformation and development, continued to increase the financial support, and optimized business structure. Offering more support for weak areas and key areas that are in line with the national development planning and related to people's livelihood, it has augmented the amounts, improved the structure, and reduced fees for the financial supply.

#### **5.1.2.1 Promoting the financial supply and interest concessions**

##### **Logic diagram: Measures in support of real enterprises and results**

Driven by performance evaluation	In 2021, the weight of indicators to serve the real economy in the performance evaluation system of provincial and directly-managed branches increased by four percentage points to 19%, which assesses loans for business and customers in areas like inclusive finance for MSEs, rural revitalization, green credit, manufacturing, strategic emerging industries, and trade finance were assessed. Efforts were put in to guide branches to optimize their credit business structure and enhance their capability for serving the real economy and the dual-circulation development pattern.
Increasing credit supply	As of the end of the Reporting Period, the balance of corporate substantial loans in RMB stood at RMB 3,502.6 billion, an increase of RMB 359.5 billion or 11.44% over the year.
Reducing fees to make interest concessions	Strengthen the management of service charges: Dynamically adjust and improve the list of service charges while reducing the number of pay items. In 2021, the number of free items increased by 10 compared with the same period of the previous year.  Improve fee-cut permanent mechanism: Connect the financial reimbursement system with the business system. Take the initiative to assume RMB 330 million charges, including collateral assessment fees, mortgage registration fees, and other intermediary fees.

	Reduce commission charges: From July 25, 2021, the Bank exempted all debit cardholders from service charges for inner- and inter-city, and inter-bank cash withdrawal from ATM, provided a 10% discount on the standard merchant card issuing bank service fees from September 30, while the service fees for acquiring merchants were also reduced.
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### **Key Performance**

During the Reporting Period,

The Bank increased by more than RMB 1 trillion credit funds support for the real economy

The time-point RMB loans raised by RMB 691.4 billion or 12.9%, the highest in recent 10 years

Corporate loans in RMB increased by RMB 2.54 trillion with an average interest rate of 4.06%, dropping 14 Bps from last year

The Bank reduced around RMB 17.3 billion in fees for various market players

### **Case: Ningxia Branch reduces or waives transaction fees to energize small and micro-merchants**

Ningxia Branch provides transaction fee discounts for the self-employed as well as small and micro-merchants in catering, retail, entertainment, and other sectors. Debit card swipe fees are waived for newly-opened private merchant accounts for the first three months, while the same fees for existing private merchant accounts are being reduced or waived step by step. For transactions conducted by scanning QR codes with a total volume of no more than RMB 150,000 throughout the year, fees are also reduced and waived for merchants. By waiving fees at the payment terminals and other means, the branch aims to lower the operating costs of merchants, facilitate the recovery of consumption, and support the development of MSEs.

In terms of agriculture-related enterprises, Ningxia Branch has distributed a general QR code of BoCom to nearly 200 agricultural products sellers, covering fields of grain and oil, beef and mutton sales, vegetable and fruit wholesale, local specialty sales, and nut wholesale. Additionally, transaction fees conducted by general QR code scanning have been reduced or waived. These efforts

have been put in to promote the application of acquiring business in fields that serve agriculture, rural areas, rural residents, and those that support people's livelihood and consumption.

#### **5.1.2.2 Propelling industry transformation and upgrading**

The Bank actively follows national industry policies, improves credit policies, creates new financial products, streamlines the service process, deepens the financial supply-side structural reform, and allocates financial resources to key areas of economic and social development.

##### **Case: Serving the build-up of "Three highlands and four new missions" to enable the development of Changsha**

The industrial park, the area that drives economic development, gathers industries, demonstrates innovation and opening-up, and advances the deepening reform, plays an increasingly important role in advancing high-quality economic development. On June 11, 2021, supported and guided by the Financial Work Office of the Changsha government, Hunan Branch held the signing event for the industrial park financial cooperation contract themed "Serving the building of 'three highlands and four new missions' to enable the development of Changsha" in Changsha. The branch has entered into a strategic cooperation agreement with five major national industrial parks in Changsha, intending to provide a total of RMB 100 billion comprehensive financing amount in five years.

##### **Case: Supporting major sci-tech innovation and serving technological finance**

Aligning with the strategy of developing the country through science and education, and on the premise of good credit risk management, a close watch on technology accumulation of enterprises, and stable industrial supporting facilities, Anhui Branch has approved an RMB 8 billion general credit limit of Ruili Integrated Circuit Co., Ltd. to be used in phase II of the "Changxin 12-inch memory wafer manufacturing base project." The project is a key integrated circuit design and development project backed up by Hefei. By providing key technology enterprises with long-term and comprehensive financial services, the branch has effectively promoted the clustering and development of strategic emerging industries in Hefei.

**Case: BoCom International Holdings Company Limited facilitates the rise of domestic chips**

Silicon wafer is the starting point of the semiconductor industry chain and a critical material of chip production. At present, the silicon wafer market is monopolized. China relies heavily on imports for 12-inch silicon wafers as few are produced domestically. In August 2021, BoCom Shunjing (Hangzhou) Private Equity, with BoCom International Holdings Company Limited as the fund manager, completed the investment in the Hangzhou Zhongxin Wafer Semiconductor Co., Ltd. ("Zhongxin Wafer"). At the same time, while leveraging its extensive network of the Group and comprehensive financial service capability, BoCom International assisted Zhongxin Wafer with its investment research advantages to introduce high-quality resources, pushing the localization process of large-sized semiconductor silicon wafers ahead.

**Case: BoCom Leasing delivers the first air freighter converted from a passenger plane to China Postal Airlines under the operating lease contract**

Demands in the air cargo market face substantial changes under COVID-19. The Bank of Communications Financial Leasing Co., Ltd. ("BoCom Leasing") has thoroughly explored the development potential of the passenger to freighter conversion in the aircraft leasing to overcome difficulties in the aircraft conversion, including resource guarantee, trading process, and aircraft technology management, and also managed communications with lessees, manufacturers, converters, customs, and airports. Finally, it has completed the first passenger-to-freighter conversion aircraft operating lease project of Chinese-funded leasing companies and delivered the aircraft to China Postal Airlines.

The project, a big move of BoCom Leasing, effectively responds to the demand of the air cargo market during the pandemic and contributes to the development of China's air freight. *Airfinance Journal* has stated, "BoCom Leasing's passenger-to-freighter conversion before the second lease... opened up a new era for China's passenger-to-freighter conversion operating lease."



The first converted air freighter of BoCom Leasing for operating lease

## 5.2 Improving the quality and efficiency simultaneously and expanding inclusive finance

The Bank proactively practices the concept of inclusive finance, takes targeted measures to help MSEs based on the principles of equality and sustainability, committing fully to rural revitalization. It expands the scale, increases the amount, improves the quality, and reduces costs for inclusive finance to improve financial services, providing high-quality and efficient financial services for all walks of life.

### 5.2.1 Facilitating the rural revitalization

National rejuvenation necessitates a thriving countryside. The push of rural revitalization on all fronts requires strong financial support. The Bank, consolidating the results of poverty alleviation and effectively connecting with rural revitalization, will help targeted poverty alleviation counties to eliminate poverty and earn a wealthy life. In addition, with comprehensive products, services, and differentiated credit policies, the Bank accelerates the modernization of agriculture and rural areas, forming a consolidating force of poverty alleviation achievements and promoting rural revitalization on all fronts.

#### 5.2.1.1 Financial services for rural revitalization

The Bank has created a rural revitalization financial service brand - "BoCom Yi Nong Tong,"

to support the development of rural industries with financial services and promote rural revitalization.

**Logic diagram: Financial service mechanism for rural revitalization**

<p><b>Organizational guarantee</b></p>	<p><b>Party Committee Leadership:</b> Set up a leading group for rural revitalization and to coordinate the Bank's financial services for rural revitalization and targeted poverty alleviation work, with the Chairman (Party Secretary) and the President (Deputy Party Secretary) serving as group leaders, and the Party members in charge of the Party Committee acting as deputy group leaders.</p> <p><b>Cover all departments:</b> Set up the Rural Revitalization Finance Department primary unit, Targeted Poverty Alleviation Office, and Rural Revitalization Business secondary unit to coordinate and integrate relevant functions of departments.</p> <p><b>Covering all institutions:</b> Branches and domestic subsidiaries follow the Head Office initiative to set up leading groups for rural revitalization led by the secretary of the Party committee, define the division of responsibility, and oversee relevant work.</p> <p><b>Making all-out efforts:</b> 37 provincial and directly-managed branches and 8 domestic subsidiaries of the Group pair with three targeted poverty alleviation counties of the Head Office, and 29 provincial and directly-managed branches assume the relevant work of locally targeted poverty alleviation. The work results are directly linked with the appraisal of heads of institutions.</p> <p><b>Promoting on all fronts:</b> Actively participate in new types of agricultural business credit straight-through activity, finance supporting agriculture pilot scheme, and fintech empowering rural revitalization, give full play to financial strengths, and execute strategic cooperation agreements.</p>
<p><b>Policy guidance</b></p>	<p>Strengthen the top-level design and overall planning by issuing more than 10 documents, including the <i>2021-2023 Working Plan of BoCom for</i></p>

	<i>Serving Rural Revitalization, the Implementing Plan of BoCom for Consolidating and Expanding the Achievements in Poverty Alleviation and Advancing Rural Revitalization on All Fronts, and the Opinions on Promoting Rural Revitalization with Party Building.</i>
<b>Brand building</b>	Create a rural revitalization financial service brand - "BoCom Yi Nong Tong," to gather agriculture-related products and services of different business lines. Build a unified rural revitalization financial service brand system and establish the five modules of policy consulting, financing service, wealth management, payment and settlement, and comprehensive service based on customer demands under the brand.
<b>Product innovation</b>	Plan out the "BoCom Agriculture Development e-Loan" product series and leverage digital technologies to gradually form scenario-specific product line, industrial chain product line, and standard product line of "BoCom Agriculture Development e-Loan." With local special industries in mind, offer scenario-specific online credit financing limit and supporting service schemes to new types of agricultural businesses and peasant households, customize products such as Xinjiang "Corps Small-amount Rural Household Loan," Hebei Tangshan "Blanched Garlic Leaves Loan", and Jiangsu Online Agriculture Support Loan, and promote the implementation of these businesses.
<b>Technology empowerment</b>	Targeting the agriculture-related credit businesses previously unavailable in rural areas, develop the online financing functions to realize scenario-based customization of agriculture-related business. By means of remote authentication, online authorization, online pre-approval, and other digitalized features, improve credit business efficiency, risk control capability, and customer experience.

#### **Case: Rural revitalization themed card boosts financial services in rural areas**

The rural revitalization themed debit card, on top of ordinary debit card functions, provides cardholders with featured services like low-interest agriculture-related loans, agent financial

subsidies, agriculture-related rights, and interests, as well as fee waivers for financial services. Relying on BoCom's standard credit card platform, the rural revitalization-themed credit card features risk policies exclusive to agriculture-related groups. Lifelong annual fee waivers, loss reporting, and card replacement fee waivers, cash withdrawal fee waivers, as well as multiple free and preferential services, are all features that cardholders can enjoy. While assisting in agricultural production and life, it can also further satisfy the diverse and multilayered financial demands of people in rural areas.



BoCom's rural revitalization themed credit card



BoCom's rural revitalization themed debit card

### **Case: Online "Cotton Picker Loan" helps make breakthroughs**

Closely following the national policies on agricultural machinery industry development, the Bank has worked to address the lack of core agricultural machinery technologies and the ineffective supply of high-end agricultural machinery. With the revitalization of Xinjiang and support for the cotton industry, the Bank has made breakthroughs in cotton pickers and innovated in the field of

agricultural machinery mortgage. The first "Cotton Picker Loan" online in Xinjiang Uygur Autonomous Region was thus born. Based on the "Inclusive e-Loan" customization module, online business reduces the conflict between the "migratory bird" operation style (where agricultural machinery matures from north to south following the crops) and the traditional localized operation customers of banks. With the innovative combined guarantee mode featuring "enterprise + agricultural guarantee + mortgage", the Bank has gathered strengths from all parties to realize the business.

#### **Case: "Blanched Garlic Leaves Loan" drives development**

The first batch of villages to receive the "Blanched Garlic Leaves Loan" is the largest blanched garlic leaves production base in North China, as well as the model town of "One Village, One Product" rated by the Ministry of Agriculture and Rural Affairs. Over 80 new type agribusiness entities grow blanched garlic leaves in the village, with an annual output of more than 45 million kilograms. Considering the realities of the village, the Head Office of BoCom has established a special leading group and worked with Hebei Branch to customize the "Blanched Garlic Leaves Loan" for the village. A total credit line has been given to the village based on the "whole-village credit extension" mode, with the list of recommended applicants provided by the village committee. Garlic growers in the list can apply for loans if needed. BoCom has also introduced technological means to assist the loan process. Farmers can handle business applications, withdrawals, and repayments via their mobile phones at home.

The "Blanched Garlic Leaves Loan" is the first pilot digital agricultural brand loan launched by BoCom with a focus on featured agricultural industries. Relying on the "module-based customization and parametric configuration" of "Inclusive e Loan" products, BoCom has moved fast to roll out the featured customized product. The product was launched within two weeks, facilitating the high-quality development of the county economy.

#### **5.2.1.2 Consolidating achievements in long-term assistance**

##### **Logic diagram: Consolidating and expanding achievements in poverty alleviation**

- **Improve the monitoring and assistance mechanism for poverty-returning prevention:**

Regularly monitor populations that are liable to return to or fall into poverty. Focus on examining the sustainability of industrial development, follow-up management of assistance assets, stability of relocation, and the establishment of the long-term mechanism for poverty-returning prevention.

- **Improve the cushion mechanism for poverty-returning prevention:** Develop the featured financial product "Mushroom Loan" to provide different preferential interest rates based on the employment of people liable to return to poverty by the credit receivers, and raise the level of employment for these people by cooperatives and family farms. Help those out of poverty and low-income in rural areas to avoid returning to or falling into poverty in all aspects, thus cementing the poverty alleviation achievements.

Focusing on industrial assistance, the Bank has closely integrated rural revitalization with support for local advantageous industries, and significantly increased policy assistance to facilitate industry revitalization. As of the end of the Reporting Period, the Bank donated about RMB230 million to counties assisted by the Head Office.

#### **Case: Promoting industrial revitalization based on resource availability**

**Tianzhu County, Gansu Province:** The Bank has made concerted efforts to support pillar industries by building a "hometown of plateau edible mushroom in China." The Bank invested RMB12.5 million to develop the mushroom industrial park and granted loans of RMB 8 million to support mushroom growing enterprises. It has launched the big data agricultural financial product "Mushroom Loan" targeted at edible mushroom growers, lowering the financing costs and helping 2,500 people who have been lifted out of poverty to get employed.



Households that have been lifted out of poverty obtain jobs, increase income and achieve prosperity by growing mushroom in their homes

**Litang County, Sichuan Province:** The Bank has built a "City in the Sky" Tibetan culture plateau tourism demonstration site. Adding to the software and hardware development and by building guesthouses, it has cultivated technical talents, promoted cultural tourism, granted financial support to yak industrial park construction, and introduced companies like JD.com to form cold-chain logistics. The Bank has propelled the development of the tourism industry in Litang and the sales of characteristic agricultural products in and out of Sichuan Province.

**Hunyuan County, Shanxi Province:** The Bank has developed the village collective economy demonstration site, introduced the new cooperation mode of new type rural business entities, made better use of idle assets of collectives and the people, offered technical and training support, and expanded the minor crops industry. At the same time, Bank has provided more jobs and adjusted income distribution and redistribution, thus realizing a balanced distribution among minor crops industry and attracting young people to start businesses in their hometown.

### **Key Performance**

During the Reporting Period,

the Bank directly invested RMB25 million of free assistance funds, an increase of 0.40%

The balance of agriculture-related loans was RMB654.461 billion, an increase of 14.13%

Introduced RMB8.105 million of free-assistance funds, an increase of 6.57%

Introduced paid-assistance funds of RMB23 million

Introduced four assistance projects/enterprises

Trained a total of 3,075 people, including 2,354 county and village-level officials, 690 rural revitalization leaders, and 31 professional technical talents, an increase of 21.3%

Bought RMB8.2267 million in agricultural products from designated areas, an increase of 7.76%

Assisted in selling RMB20.2733 million of agricultural products of designated areas, an increase of 9.12%

## 5.2.2 Providing targeted services for MSEs

MSEs are an important foundation of national economic and social development. BoCom raises inclusive finance to a strategic height. It is committed to providing more targeted services for MSEs, solving the problems of difficult, complicated, and slow financing, and building core competitiveness in inclusive finance.

### 5.2.2.1 All-around inclusive service system

To serve inclusive customers, the Bank has established an all-around system from top to bottom, which consists of the following: coordination of corporate business sectors, integration of retail business sectors, and comprehensive transformation of outlets.

- **Strengthening organization and leadership:** The Bank has set up the Inclusive Finance Development Committee on the Board of Directors level to review inclusive finance development plans and their implementation progress on a regular basis; it has set up the Inclusive Finance Management Committee on the Senior Management level to plan and push for the development of inclusive finance; branches have set up leading groups for comprehensive organization and implementation.
- **Refining relevant regulations:** The Bank has formulated and implemented guidance documents like the *Opinions on Further Promoting the High-quality Development of Inclusive Financial Services in 2021*.

#### Measures for establishing an all-around inclusive service system

Measure	Content	Result
Strengthening coordination of corporate business sectors	The Bank has constantly included inclusive business into the overall layout of corporate business sectors. With a focus on coordinating industrial chain finance, integrated services for the Group's MSE members, and major scenario	As of the end of the Reporting Period, the balance of inclusive industrial chain loans featuring increases in growth rate and the number of accounts was RMB29.117 billion, a net increase of

	platforms, the Bank has leveraged the role of corporate business sectors to drive the synergy of inclusive business.	RMB15.955 billion or 121.22% over the year.
Launching characteristic products	Relying on a "one-stop service for small and micro enterprise financing," in 2021, the Bank launched the "Inclusive e-Loan," a comprehensive financing product system online, realizing the "dual-wheel drive" of online standard products and scenario-customized products.	As of the end of the Reporting Period, the balance of "Inclusive e Loan" registered RMB184.823 billion, a net increase of RMB89.607 billion over the year, accounting for 80.17% of the net increase in loans to inclusive MSEs. The number of customers was 140,900, a net increase of 60,000 over the year, accounting for 93.24% of the net increase in the number of customers of loans to inclusive MSEs.
Strengthening team building	The Bank has issued the <i>Management Measures for Inclusive Finance Risk Manager</i> , carried through the requirements for the integrated development of customer managers, granted customer managers of all business lines the authority to handle inclusive business, promoted the integrated application of system tools, and urged branches to improve the pricing plan of inclusive business covering all employees and all products.	As of the end of the Reporting Period, 21,878 bank employees qualified for MSE business posts, and 45,642 employees qualified for simple MSE business. 74.4% of customer managers of the Bank were qualified for inclusive business, of which 70.4% of retail customer managers were qualified for inclusive business.
Promoting	The Bank has included the increase of	As of the end of the Reporting

comprehensive transformation of outlets	inclusive MSE customers into the bank-wide evaluation of the inclusive business line. Training and publicity have been reinforced to increase the awareness and capability of outlets in providing inclusive services for MSEs. It has organized and implemented inclusive business in outlets from top to bottom.	Period, 2,779 outlets across the Bank could provide high-quality financial services for MSEs, including financing business.
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**Case: Boosting entrepreneurship and innovation through "Loans for Mass Entrepreneurship and Innovation" scenario customization**

The Bank has developed "Loans for Mass Entrepreneurship and Innovation," a credit product exclusive to key groups such as college students, college graduates, demobilized soldiers, and migrant workers returning to their homes. Formulating the *Implementation Plan of Bank of Communications for Loans for Mass Entrepreneurship and Innovation*, it has supported these key groups in innovation and entrepreneurship financing via the startup guaranteed loan mode and "mass entrepreneurship and innovation" scenario customization mode.

The scenario customization mode of "Loans for Mass Entrepreneurship and Innovation" supports online loan application, real-time pre-approval, loan contract signing, withdrawal and repayment, pay-as-you-go lending, and revolving line of credit. Customers can fill in loan applications and withdraw or pay anytime, anywhere. Hubei was the first to put this into use. The guaranteed loans for startups mode have been implemented in Shanghai, Guangdong, Inner Mongolia, Liaoning, Jiangxi, Shanxi, Hubei, Hunan, and Jiangsu, etc., and will be implemented in more regions to support the business startup of customers.

**Case: Assisting in MSE financing with "Cloud Leasing e-Credit"**

On June 16, 2021, the Guizhou Branch successfully launched the first "Cloud Leasing e Credit" transaction across the Bank. "Cloud Leasing Financing," an internet + engineering machinery leasing platform jointly launched by Guizhou Branch and CSCC, is an innovative business tailored

for equipment suppliers, with accounts receivables as the guarantee. Through data interaction and industry + finance integration, the platform captures the real operation data of equipment suppliers for on-chain management. The blockchain consensus algorithms ensure that data is trackable and traceable. In the meantime, confirmations can be submitted online for credit supply, effectively alleviating the difficulty and high costs in financing for MSEs.

#### **Case: Speeding up MSE financing with the investment banking mode**

Jiaoxiang Lianxin 2021-1 (High-tech Investment) Supply Chain Asset-backed Notes, the first N+N+N (i.e., unspecified original owner, unspecified core debtor, and unspecified supplier) asset-backed notes program in the interbank market, with BoCom serving as the sole lead underwriter and Bank of Communications International Trust as the issuing carrier management agency, was successfully issued in July 2021. The "Jiaoxiang Lianxin" series asset-backed notes innovatively use the asset-free registration shelf mode to register an RMB10 billion shelf for unspecified original owners and unspecified debtors. Through a series of structural designs, credit enhancement arrangements, and the "Chain Integration" blockchain asset securitization system, the Bank has effectively connected private, small and micro as well as sci-tech innovation enterprises with the capital market.

#### **5.2.2.2 Supporting industrial chain finance**

The Bank has actively implemented the requirements of the CPC Central Committee to stabilize and maintain the industrial chain, speed up the development of industrial chain finance, assist the development of chain MSEs, and improve the scale, quality, and efficiency of industrial chain financial services.

##### **Logic diagram: Accelerating the development of industrial chain finance**

- Develop the self-built supply chain infrastructure, improve the industry-finance integration ability, and launch the smart transaction chain platform to help manufacturing entities achieve multi-level supplier credit extension from "1+1" to "1+N", empowering small and medium suppliers at all levels with low-cost financing.
- Expand the product line of industrial chain financing to meet the financial needs in new

scenarios. Based on the three product lines of accounts receivable, commercial bills, and supply chain prepayment, expand the two industrial chain financing product lines of order and terminal consumption.

- Push the digital transformation of business processes forward in all aspects. It aimed to enhance customer experience by significantly improving the ability to incorporate supply chain finance into external ecology and the ability to reach customers.
- Focus on key scenarios and cases and promote product innovation with the trade finance special leading group. Integrate product portfolios based on typical scenarios and effectively meet customers' needs and diversified supply chain financing needs of business entities.
- Increase efforts in the pilot special authorization of branches, give full play to the initiative of branches, innovate the regulation improvement process, and take the initiative to meet the financial needs of the regional industrial chain.

**Case: "Jiaohangxin" facilitates the financing of MSEs in the upstream and downstream of the supply chain**

"Jiaohangxin," a supply chain finance service platform based on aerospace information, is an online supply chain financing product jointly developed by BoCom and a third-party platform. Core enterprises distribute aerospace information through the aerospace information platform and confirm the accounts receivable. Without any line of credit or offline operation, upstream enterprises can apply for financing via the aerospace information platform or BoCom's online banking after it gets the aerospace information. Funds are automatically distributed and transferred into the applicants' accounts within seconds.

Since its release, "Jiaohangxin" has given full play to the leading role and credit advantages of core enterprises in the industrial chain, providing convenient, high-quality, and low-cost financing services for upstream and downstream MSEs. In just one year, the financing amount of "Jiaohangxin" has exceeded RMB10 billion. The platform has benefited over 200 core enterprises in manufacturing, construction, new energy, new material, etc., and over 2,000 suppliers.

### **Case: "Ouyeel e Loan" promotes the supply chain through digital transformation**

BoCom focuses on serving the entire industrial chain of Ouyeel, a subsidiary of China Baowu. By rolling out products like "Ouyeel e Loan", it has effectively solved eight major issues, including the financing risk control of customers' steel dealers. As of the end of the Reporting Period, the Bank approved the credit for 114 customers totaling RMB2,164 million. Loans of about RMB2,268 million were granted, ranking first in the industry. With project progress recognized by customers, the Bank is the first and only bank to launch Ouyeel 3.0. It also held the online release ceremony together with China Baowu. "Ouyeel e Loan" won the "Financial Institution Digital Transformation Award" of the 15<sup>th</sup> Shanghai Financial Services Fair in 2021.



Ceremony for launching the BoCom-Bayi Iron & Steel-Ouyeel direct connection service

### **Key Performance**

During the Reporting Period,

supply chain financing amounted to RMB294,937 million, an increase of 23.46% year on year, benefiting more than 18,000 upstream and downstream customers

### **5.2.3 Improving people's well-being**

People's well-being is the foundation of a harmonious society. The Bank has intensified support

to key projects in fields related to people's well-being, including healthcare and education. A number of services brands have been built to serve people and enterprises better.

### **5.2.3.1 Building brands of government services for the convenience of the people**

The Bank actively cooperates with local government service platforms, establishes a one-stop service system, and works with enterprises to enrich the new mode of government services access. As of the end of the Reporting Period, there were self-service devices at 31 BoCom provincial branches connected to local government service platforms, covering public security, customs, civil affairs, human resources, social security, health commissions, disabled persons' federations, and other government departments. The Bank has integrated fintech into peoples' lives and supported people's livelihood and government services, ensuring that the "last mile" of services have been covered for the people.



Shanghai Branch launches the government service for financial devices connection plan. By introducing "Government Online-Offline Shanghai" into 417 Zhiyitong devices at 132 outlets, the branch provides citizens with 124 government service inquiries & items and 605 certificate printing functions, making government services easily accessible and helping Shanghai Municipal People's Government build the 15-minute government service circle

### **5.2.3.2 Protecting people's livelihood with "BoCom Elderly Care"**

In 2021, the "BoCom Elderly Care" service brand was released by the Bank, and 20 strategic action plans for elderly care finance were set. Focusing on the three major areas of pension finance, pension industry finance, and elderly service finance, the Bank is committed to meeting people's aspirations for a better life in their old age.

**Logic diagram: Financial service measures for "BoCom Elderly Care"**

- **Pension finance:** Fully participate in the development of the three pillars of pensions and be the main custodian bank of the national social insurance fund. Engage more in enterprise annuity and occupational annuity services and steadily increase its market share. Actively participate in the pilot reform of the third pillar of pensions and serve the multi-level pension security system.
- **Pension industry finance:** Increase credit support in key elderly care industry areas, formulate exclusive financing service plans for inclusive elderly care customers and meet the comprehensive financial service needs of customers in the elderly care industry through the product extension system of "standardized products + scenario customization."
- **Elderly service finance:** Launch the "Five Enjoyments" personal elderly care financial service system to form a product portfolio of elderly wealth management (funds, wealth management, insurance, and trust). Launch the Care version of mobile banking to offer a one-stop elderly service section on mobile banking. Set up the 95559 service hotline for elders and adjust outlets to be elder-friendly, improving the service experience of elderly users.



BoCom launches the "BoCom Elderly Care" brand

#### 5.2.4 Improving customer services

Adhering to a "people-centered" philosophy, the Bank is devoted to protecting the rights and interests of customers. It insists on serving customers with technologies and strives to make financial services more accessible, inclusive, and satisfactory.

#### 5.2.4.1 Protecting the rights and interests of customers

The Bank incorporates the protection of consumers' rights and interests into its corporate governance and development strategy. It strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, *Advertising Law of the People's Republic of China*, *Interim Measures for the Administration of Internet Advertising*, *Anti-unfair Competition Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests*, *Guiding Opinions of the China Banking and Insurance Regulatory Commission on Banking and Insurance Institutions Strengthening the Building of Working Systems and Mechanisms for Protection of Consumer Rights and Interests*, *Measures for the Administration of the Handling of Banking and Insurance Consumer Complaints*, and other laws, regulations and relevant regulatory requirements. Starting with the top-level design, the Bank has established and improved the mechanism for protecting consumers' rights and interests. Multiple measures have been put in place to protect the rights and interests of consumers, further securing the safety of personal information privacy.

During the Reporting Period, the Bank refined the consumer protection system. It formulated the *Consumer Protection Priorities of Bank of Communications in 2021*, revised the *Management Measures of Bank of Communications for Complaint Handling (2021 Version)* and the *Emergency Management Measures of Bank of Communications for Major Consumer Protection Incidents and Major Complaints (2021 Version)*, and reinforced the whole-process management of complaints. It also developed the *Trial Rules of Bank of Communications on Resolving Financial Disputes (2021 Version)* to improve the dispute resolution mechanism and process further.

##### Logic diagram: Consumer protection measures

<b>Formulating policies relating to consumer protection</b>	Establish the Consumer Protection Committee and the Leading Group for Service Improvement on the senior management level, take responsibility for work on consumer protection and service improvement of the Bank, formulate management measures and emergency plans for consumer protection, and hold consumer protection meetings on a quarterly basis.
<b>Complaint management system</b>	Handle complaints through various channels such as phone calls, business sites, mobile APPs, and emails. Establish whole-process closed-loop management in the system covering the creation, circulation, and process

	of compliant work orders. Identify responsible units to handle complaints accordingly, and carry out investigations and verifications. In 2021, 99.65% of complaints were handled within 15 days of receipt and the complainants were informed of the handling results.
<b>Dispute resolution process</b>	Consumers or the Bank apply to the resolution agency for dispute resolution. If both parties are willing to resolve the disputes, they will prepare relevant certificates and background materials. The resolution will be deemed successful if the parties reach an agreement; if not, the resolution fails. In the former situation, both parties will follow the resolution agreement; in the latter situation, consumers can resolve their disputes by arbitration, litigation, and other remedies.
<b>Privacy protection system</b>	<p>Formulate and execute customer privacy policies such as the <i>Privacy Policy of Bank of Communications on Personal Mobile Banking and Personal Online Banking, Handling Process of Bank of Communications for Personal Customer Information Business, Technical Specification of Bank of Communications for Personal Financial Information Security Protection</i>. Specify the limits of acquisition authority, the scope of use, and security protection specification of personal customer information. Ensure that relevant information is acquired after receiving customer approval and that the information is stored and used according to the agreement.</p> <p>In response to emergencies such as leakage of personal customer information, formulate the <i>Contingency Plan of Bank of Communications for Leakage of Personal Customer Information</i> to minimize the damage caused by emergencies to customers and the Bank, protecting the rights and interests of customers.</p>
<b>Advertising and trademark management</b>	Carry out the <i>Management Measures of Bank of Communications for Advertising (2020 Version)</i> , clarify the advertising management responsibilities of each unit of the Group, and standardize the work process to improve the quality and efficiency of advertising across the Bank.

#### Handling of complaints in 2021

Indicator	2021
Number of complaints handled	162,000
Time for handling complaints	7*24h manual service

Note: Complaints handled mainly involve credit cards, debit cards, loan, and other services, with locations covering Shanghai, Guangdong, Jiangsu, Shandong, and other places.

### Key Performance

During the Reporting Period,

the Bank was rated A+ for consumer protection by the PEOPLE'S BANK OF CHINA

The Bank mediated 2,258 cases, of which 1,280 cases took place at the Shanghai Financial Dispute Resolution Center. It ranked 1<sup>st</sup> in the number of cases submitted for mediation, and it participated in 869 mediation cases at the Shanghai Banking Dispute Resolution Center

### 5.2.4.2 Safeguarding information security

The Bank fully implements the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. It improves data security regulations, strengthens network security management, formulates network security strategies, and refines the network security responsibility system.

In 2021, the Bank carried out self-inspection work on special management of customer information protection in all units across the Group. This comprehensive inspection, covering regulation completeness, mechanism effectiveness, system security, as well as operation of the security management system, data security management, and outsourced personnel management of the units, has promoted the closed-loop rectification. This has further enhanced the awareness and measures for customer information protection, securing customer information and funds.

#### Logic diagram: Data and network security management

Data security management	Based on the classification standards of the PEOPLE'S BANK OF CHINA, promote the reasonable classification of its data standards covering customers, agreements, products, assets, employees, and
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	<p>channels.</p> <p>Define the data security management mechanism based on data classification, covering different life cycle stages such as data collection, transmission, storage, use, exchange and destruction, and continue to enhance data security control.</p> <p>During the Reporting Period, the Bank provided data security and privacy risk management training for more than 20,000 employees across the Bank.</p>
Network security management	<p>Formulate the "14<sup>th</sup> Five-year" network security plan, with focus on zero trust, cloud security, safe operation, and data security.</p> <p>Finish the revision of security regulations such as the <i>Measures of Bank of Communications for Network Security Governance</i> and the <i>Bank of Communications Network Security Strategy</i>, and clarify the working mechanism and methods for network security.</p> <p>Organize special governance actions for customer information protection and fintech inspection to strengthen network security management.</p> <p>Execute application security protection as needed to facilitate network security operation.</p>

#### 5.2.4.3 Promoting the availability of finance

The Bank is committed to making financial services more accessible and convenient. By constantly improving the strategies for county-level institution development, it has established new outlets in eligible counties, pushed to re-adjust inefficient and redundant outlets to counties, semi-rural, and new urban areas. It has also explored service modes, settlement and payment, and intelligent device innovation in county-level outlets with intelligent means, constantly improving its financial services and providing customers with convenient, efficient, and satisfying services.

#### Key Performance

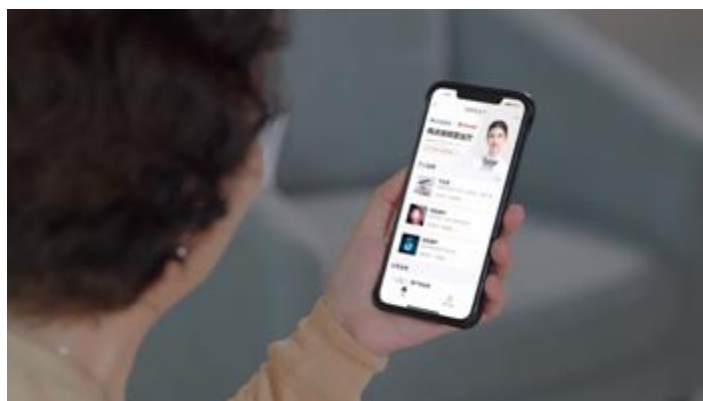
As of the end of the Reporting Period, the Bank had 248 domestic branches, including 30 provincial branches, 7 branches directly managed by the Head Office, 211 branches in provincial jurisdiction, and 2,889 licensed outlets (197 of which are inclusive outlets). These institutions cover 248 cities at the prefecture-level and above, with a coverage rate of 74%

**Case: Innovating mechanisms to improve service experience in rural and remote areas**

The Inner Mongolia Autonomous Region Branch takes services for local dairy farmers as a breakthrough. Combining the purchase by upstream enterprises, fee payments of downstream enterprises, and basic payment and settlement business of dairy farmers, the branch innovates the support mechanism for agency distribution of funds, realize the service mode of linked agency distribution and withholding, solving the problem of commuting to outlets for customers in rural and remote areas.

**Case: "Cloud BoCom" builds a diversified service system**

The Bank applies audio and video stream media technology to build the "Cloud BoCom" business brand, effectively integrating offline outlets and online services. The "Cloud BoCom" service has been launched in Guangdong, Yangzhou, Xiamen, Inner Mongolia, Gansu and other pandemic-hit areas as well as flood-hit Henan. Through the "screen-to-screen" online method, certain financial services in outlets have been made available online. As of the end of the Reporting Period, "Cloud BoCom" served over 3,000 customers and handled 3,757 transactions, effectively extending the service reach of physical outlets and building an integrated and diversified service system.



**Case: Intelligent video customer service system creates a "counter in the air"**

On March 28, 2021, the Bank's first intelligent video customer service system was officially launched. Adopting the innovative technical solution of WebRTC video + AI and the mode of "counter in the air," the system can handle offline services online. Covering functions like operation management and identity verification via video, it also features "quick release," "AI+" and "flexibility." The system breaks the space limitation of traditional outlet services of banks, enabling customers to video chat with customer service representatives on their phones anywhere and anytime. The customer service representatives will quickly complete identity verification and complex business operations, providing seamless and convenient service experiences.

## 6. Environment: Green Transformation and Harmonious Coexistence

### Responding to the trend of sustainable development

Climate change is a major global challenge for humanity. "Carbon peak and carbon neutrality" serves as a main strategy for China's economic transformation and high-quality development in the coming decades. In 2021, the Bank continued to practice the concept of green development, actively developed green finance, and contributed to the ecological conservation and the realization of the "double carbon" goals. By practicing green operation in all aspects, the Bank has contributed to the construction of a green and beautiful homeland.

### Aligning with SDGs



### Our actions

Actively respond to climate change; Strengthen the management of green finance; Promote the practice of green finance; Maintain green and low-carbon operation

### Our performance

The balance of green loans by the standard of the PBOC amounted to RMB476.763 billion, representing a year-on-year increase of 31.37%. Among this figure, the loan balance for the clean energy industry amounted to RMB87.612 billion, representing a year-on-year increase of 90.58%; the E-banking business share was 97.90%.

## 6.1 Green finance for a green future

The Bank actively builds a green financial system, innovates in green financial practices, and serves as a "primary driver" to help achieve the "double carbon" goals.

### 6.1.1 Addressing climate change

The Bank has been active in taking measures to identify and respond to financial risks caused by climate change. To serve the national strategy of "carbon peak and carbon neutrality", it has explicitly incorporated climate and environmental risks into the comprehensive risk management system. In September 2021, the Bank officially became a supporting institution for Task Force on

## Climate-Related Financial Disclosures (TCFD).

### BoCom climate change management framework

<b>Governance</b>	Strengthen the top-level design to turn climate and environmental risk management into an important part of the Bank's medium and long-term planning. Set up a "Double Carbon" Working Group within the framework of the Green Finance Development Committee to establish and perfect the climate and environmental risk management system.
<b>Strategy</b>	Formulate the <i>Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals</i> to promote carbon peak and carbon neutrality in its operations as well as investment and financing activities.
<b>Risk management</b>	Incorporate climate and environmental risks into its comprehensive risk management system, study and utilize risk monitoring, stress testing, green rating, climate risk reserve, and other means to continuously strengthen risk identification and risk offset capabilities.
<b>Indicators and targets</b>	Regularly disclose greenhouse gas (Scope 1 and Scope 2) emissions and emission intensity in its corporate social responsibility (ESG) report every year and formulate corresponding emission reduction targets.

### Analysis of climate change risks and opportunities

<b>Risks</b>	<ul style="list-style-type: none"> <li>• <b>Greater difficulty for risk management.</b> Pollution and carbon reduction policies bring great pressure to business operations. Existing credit assets may deteriorate, especially in the case of disorderly transformation with the risk of stranded assets in high-carbon industries in the short term, thus affecting the balance sheet of the Bank.</li> <li>• <b>Increased pressure on reputation.</b> The market will have higher expectations on the carbon performance of commercial banks in operation, investment, and financing, forming reputation pressure. At the same time, commercial banks will face higher information disclosure requirements.</li> <li>• <b>More complex stress testing.</b> Commercial banks have to collect the carbon footprint data of customers, establish scientific prediction scenarios, sort out the transmission path of climate risks, and analyze changes in customer</li> </ul>
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	default rate and impact on bank capital adequacy ratio.
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• <b>Green low-carbon transformation gives rise to new development drivers.</b> Surveys show that by 2030, China will need about RMB22 trillion of investment in related fields, and about RMB139 trillion by 2050, which will bring new business opportunities to commercial banks.</li> <li>• <b>Green low-carbon transformation brings new business varieties.</b> For example, carbon asset pledge business, green fund business, and green credit card business.</li> </ul>

#### **Highlights in practice:** Climate risk stress testing

In 2021, the Bank participated in the climate risk stress testing organized by the PBOC. The test assessed the potential impact of social and economic green transformation on the asset quality of the Bank's high-carbon emission industries under "double carbon" goals. The test results showed that under the stress scenario, the credit risk of customers in the thermal power, steel and cement industries increased. However, the risks were controllable overall and the impact on the Bank's capital adequacy level was limited.

#### **Highlights in practice:** Making good use of the monetary policy tools of the PBOC

Actively seizing the opportunities brought about by special policies, the Bank has formulated and issued policies such as the *Notice on Using the PBOC's Carbon-reduction Supporting Tool to Boost the Realization of Carbon Peak and Carbon Neutrality Goals* and the *Notice on Using the PBOC's Special Re-loans to Boost the Green and Low Carbon Development of Coal Energy*, so as to make good use of the monetary policy tools of the PBOC, actively developing green and low carbon credit business.

In 2021, the Bank received carbon-reduction supporting tool funds for 96 projects from the PBOC. It granted carbon emission reduction loans of RMB3.662 billion, with a weighted average interest rate of 4.29%, leading to an annual carbon emission reduction of 658,300 tons of carbon dioxide equivalent.

**Highlights in practice:** Strengthening risk management and control in high carbon emission industries

In 2021, the Bank conducted carbon data research on corporate customers in three industries: thermal power, steel, and cement. In this process, the Bank strived to obtain the carbon emission data of the enterprises approved by the ecological and environmental authorities or the carbon emission data calculated by the enterprises following relevant national greenhouse gas calculation standards. Other key indicators and industry benchmark data that could not be obtained directly were obtained via estimation. In addition, the Bank conducted risk screening for customers in the energy and industrial sectors with high carbon emissions. Through these efforts, the Bank had a better understanding of climate risk base, strengthened risk management and control of high-carbon emission industries, guided the transformation of asset structure to green and low carbon, and took measures to prevent the risk of "campaign-style carbon reduction".

## **6.1.2 Actively developing green finance**

The Bank constantly improves the green financial governance system by building a diversified green financial product and service system. With in-depth prospective research on green finance, we contribute to a green, low-carbon, and high-quality development of the economy and society.

### **6.1.2.1 Strengthening green finance management**

In 2021, BoCom established the Green Finance Development Committee to make decisions and formulate plans on major policies, regulations, and important issues related to the Group's green finance development. The Board of Directors is the top decision-making body for green finance. The Senior Management is responsible for promoting the development of green finance.. The Head Office departments, branches and subsidiaries will perform their respective duties to form joint efforts. The Bank actively propelled the establishment and improvement of the "Four Mechanisms" and "Five Systems" to comprehensively enhance the development capability of green finance.

#### **Logic diagram: Green Finance Development Committee**

##### **Members:**

- Chairman: Chairman of the Board and President of the Bank
- Vice chairmen: Vice President in charge of credit and risk and Chief Risk Officer

- Members: Principal responsible persons of 19 departments of the Head Office
- The office of the Green Finance Development Committee is set up at the Credit Department

### **Organizational structure**

- The Green Finance Development Committee has five working groups: Investment Policy and Structural Adjustment Group, "Double Carbon" Working Group, Corporate Business Group, Retail Business Group, and Resource Guarantee Group

### **Logic diagram: "Four Mechanisms" and "Five Systems" of green finance**

#### **"Four Mechanisms":**

- Green finance policy research and transmission mechanism
- Green finance innovation and development mechanism
- Green finance resource allocation and guarantee mechanism
- Green finance assessment and evaluation mechanism

#### **"Five Systems":**

- Green finance governance system
- Green finance development risk management system
- Green finance data governance system
- Green finance development talent support system
- Green operation and ESG information disclosure system

### **Logic diagram: Strengthening the formulation of regulations on green finance**

- **Continue to upgrade and improve green finance policies.** Issue the *Green Finance Policy of Bank of Communications Co., Ltd.*, the *Opinions on Accelerating the Development of Green Credit Business (2021 Version)*, and the *Opinions on Implementing*

*the Plan of the PBOC for Green Finance Evaluation of Banking Financial Institutions.*

- **Add or refine requirements related to green finance in relevant plans and policies.**  
Add or refine green finance-related requirements in the 14th Five-year Plan for fintech and risk management, guidelines for rural revitalization and construction of common prosperity demonstration zones, credit policy outline, investment guidelines as well as special credit policies to ensure that green finance policies were put in place.
- **Develop differentiated credit policies for key areas to support/control specific areas.**  
Issue policies such as the *Notice on Supporting Energy and Power Supply Guarantee and Low-carbon Transformation and Development* and *Opinions on Resolutely Curbing the Development of Projects with High Energy Consumption and High Emission and Continuously Strengthening the Management of High-carbon Emission Industries (2021 Version)* to further strengthen the management of green credit.

#### **6.1.2.2 Innovative green finance products and services**

- **Green credit**

##### **Key Performance**

As of the end of the Reporting Period, the balance of green loans of BoCom by the standard of the PBOC amounted to RMB476.763 billion, representing a year-on-year increase of 31.37%. Among this balance, the balance of loans for the clean energy industry amounted to RMB87.612 billion, representing a year-on-year increase of 90.58%, both higher than the year-on-year growth rate of loans and exceeding the regulatory requirements

##### **Logic diagram: Green credit management initiatives**

Strictly implementing the green credit access system	Include environmental and social risks into project evaluation & review and contract approval process, and carry out the "one-vote veto" system for green credit to ensure targeted allocation of funds as well as safe and compliant use of credit loans.
Actively evaluating customers' environmental	Closely track the external information of enterprises, such as environment and production safety accidents, improve the accuracy of green credit classification identification, and adopt timely measures against enterprises that fail to meet environmental protection emission standards or

and social performance	that severely pollute the environment to help fight the battle against pollution.
Ensuring front offices fulfill green credit operation evaluation responsibilities	Put the green finance evaluation system of the PBOC into effect, include green credit in the business performance evaluation of provincial branches, and require the whole Bank to improve stance, act proactively, and maintain a good performance in green credit supply.
Optimizing green credit data management	Maintain the use of the "green credit statistical classification" label to classify businesses or projects in combination with the credit process. Strengthen data quality management and ensure the submission of green credit data to regulatory authorities.
Intensifying training on green credit	During the Reporting Period, the Bank held 19 special online courses for more than 60,000 people on green credit, such as Analysis of the Impact of Carbon Peak and Carbon Neutrality on Banks and Countermeasures and Value and Risk Control of Green Credit in the New Era, helping credit professionals of the Bank to fully understand the requirements of green credit business and promote its sound development.

In 2021, the Bank provided further guidance on green credit investment to facilitate the construction of a green, low-carbon, and circular economic development system.

#### **Guidance on green credit investment in industries in 2021**

<b>Industry</b>	<b>Guidance</b>
Modern agriculture	<ul style="list-style-type: none"> <li>Based on available resources and the features of industrial distribution, prioritize support to agricultural production and operation in the main production areas of national key agricultural products and regions with characteristic agricultural advantages.</li> <li>Carefully select and work with industry leaders and enterprises with regional advantages and characteristics. The enterprises shall own large-scale operations, comply with environmental protection standards and</li> </ul>

	<p>food safety requirements, and have smooth channels between production and marketing.</p> <ul style="list-style-type: none"> <li>• Pay close attention to the impact of natural disasters, food safety, and environmental protection requirements on the sustainability of enterprises. For enterprises with poor resources, low operating efficiency, and unstable sales channels, take proactive measures to deal with credit issues.</li> </ul>
Energy conservation and environmental protection industries	<ul style="list-style-type: none"> <li>• Actively support the development of energy conservation and environmental protection industries. While considering the progress of the fight against pollution, and the green development requirements of key regions such as Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta, Yangtze River Economic Belt, Yellow River Basin ecological protection and high-quality development, prioritize support for environmental protection enterprises and projects that are in line with national policy guidance. They shall also have feasible and compliant business models, strong technological and market advantages, reasonable debt rates, and stable cash flow.</li> <li>• Select and support energy-saving and environmental protection enterprises and projects that meet the <i>Green Industry Guidance Catalogue (2019 Version)</i>. Actively implement the national decision of "achieving carbon peak before 2030 and carbon neutrality before 2060". Increase financial support for environmental protection enterprises and major climate projects with significant advantages in capital, talents, and technology.</li> </ul>
Metallic and non-metallic mining industries	<ul style="list-style-type: none"> <li>• Be cautious with business in ferrous metal mining, mining of commonly used non-ferrous metal, and soil, sand, and gravel mining in non-metallic mining industry.</li> <li>• Tighten the risk screening, identify and discover potential risk customers as early as possible, take active and effective risk mitigation measures, and optimize the guaranteed structure given the declining downstream demands, more stringent environmental protection and safety standards,</li> </ul>

	higher industry standards, and faster elimination of backward production capacity.
Oil exploitation and processing	<ul style="list-style-type: none"> <li>• Quickly withdraw from the following enterprises: those with main production facilities that do not meet the national industrial policy; those with atmospheric and vacuum distillation units rated two million tons per year or below; those that carry out oil refining and processing in the name of asphalt and heavy oil processing; those that use waste rubber and plastics for indigenous refining processes; and those that use tar batch process to produce bitumen.</li> <li>• Quickly withdraw from enterprises with weak oil supply guarantee, lack of long-term stability in sales, weakening financial indicators, and uncertain development prospects.</li> <li>• Quickly withdraw from oil and gas exploitation enterprises that do not comply with the <i>Pollution Prevention and Control Technology Policy</i> for Oil and Natural Gas Exploitation Industry, and oil refiners that do not comply with the <i>Emission Standards for Pollutants from Oil Refining Industry</i>.</li> </ul>

#### **Case: Promoting coordinated development of green finance and rural revitalization**

During the Reporting Period, the Bank provided a fixed asset loan of RMB347 million for the construction of the 80MW characteristic agricultural PV project of Lijiang Longji Clean Energy Co., Ltd. in Shuiziping Village, Huaping County. The project, effectively combining the clean energy industry with modern agriculture, serves as a representative case for BoCom in carrying out major national decisions and plans on green finance and rural revitalization and promoting the coordinated development of green credit and rural revitalization related credit business.

#### **• Green bonds**

As of the end of the Reporting Period, the Bank underwrote nine green and sustainable development theme bonds amounting to RMB14.3 billion, including the lead underwriting of RMB5

billion panda bonds linked with the United Nations Sustainable Development Goals of New Development Bank.

- **Green Development Fund**

In May 2021, the Bank made the initial paid-in capital contribution of RMB750 million to the Green Development Fund. With the initial capital contribution and the participation of the Bank of Communications International Trust in establishing the management subsidiary of the Green Development Fund, the Bank continued to strengthen its cooperation with the National Green Development Fund and promote the collaboration between investment and loan.

- **"Inclusive Carbon" business**

**Logic diagram: Launching the innovative "Inclusive Carbon" business**

- Formulate policies and management measures: Formulate the *Notice on Marketing of "Inclusive Carbon" Green Finance Business towards MSEs* to guide branches in carrying out "carbon assets" pledge financing business. In response to the "carbon-reduction supporting tool" launched by the PBOC, formulate customer service plans to expand inclusive green energy conservation and emission reduction projects.
- Practicing "Inclusive Carbon"
  - In April 2021, the Bank launched the first carbon quota pledge financing business in Shanghai, also the first of its kind in the Yangtze River Delta.
  - After the national carbon emission trading market officially launched in July 2021, the Bank actively connected with key emitters to issue pledge financing based on national carbon emission quotas in Qingdao, Chongqing, Nanchang, and other places, helping enterprises to revitalize the carbon assets and transform towards green and low-carbon development.
  - In November 2021, the Bank reached a "carbon quota + pledge + insurance" cooperation with Shenergy Carbon Technology Co., Ltd. and CPIC Property & Casualty, and launched the country's first carbon emission quota pledge coupled with guaranteed insurance financing business.

- **Green financial services for individual customers**

Empowering the functions and service scenarios of green and low-carbon products, the bank has focused on various areas of people's lives, such as clothing, food, housing, and transportation, to build a multi-dimensional and hyper-integrated green financial product service system.



Advocate the concept of green development by issuing the innovative green low-carbon theme credit card and green low-carbon theme debit card

**Case: Promoting new energy vehicle consumer credit to boost green transportation**

New energy vehicles (NEVs) play an important role in the transformation of transportation energy. They are also an important part of achieving the "double carbon" goals. The Bank's Credit Card Center has worked closely with NEV manufacturers to vigorously build up the relevant installment business, supporting the development of NEVs. Through in-depth cooperation with NEV manufacturers in providing favorable prices, interest subsidies, and other aspects, the Bank

has provided customers with zero- or low-interest concessions for car purchase installment, cultivated public awareness of green consumption, and accelerated the promotion of NEVs and the development in green consumer credit.

As of the end of the Reporting Period, the Credit Card Center established business cooperation with leading new energy vehicle producers such as Li Auto and Dongfeng VOYA. It is also actively working to cooperate with Tesla, XPeng, and NIO. During the Reporting Period, the Credit Card Center issued RMB1.107 billion of installment loans for new energy vehicles.

### 6.1.2.3 Participating in industrial development

The Bank has actively participated in the development of the green finance industry, carried out internal and external exchanges, promoted cutting-edge research, and contributed to the development of green finance.

#### Logic diagram: Responsible for deepening the development of the green finance industry

Promoting exchanges within the industry	Establish a communication mechanism for climate risk management within the system. With confidentiality ensured, fully share resources and experience with domestic and overseas branches that have carried out climate risk stress testing and ESG management.
	Actively participate in the work of the China Banking Association's Double Carbon Goal Expert Working Group, and launch several rounds of exchange activities with domestic and foreign professional consulting firms, national and regional carbon markets, and other institutions to explore the path of realizing "double carbon" goals via financial assistance.
Promoting cutting-edge research	Establish the "Fudan University-BoCom Innovation Joint Laboratory" mechanism, continuously deepen the understanding of climate and environmental risks. Promote the research on climate change risk transmission mechanism, carbon data accounting, transformation path for key industries, environmental information disclosure, and other topics.
	In 2021, at the invitation of the Hong Kong Monetary Authority, Hong Kong Branch (Subsidiary) conducted a physical risk stressing test to establish an analysis model for extreme weather events and real estate industry losses. The stress testing

	results show that within the possible intensity range, future tropical cyclones will have little impact on the Bank's assets in Hong Kong.
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## 6.2 Conducting green operation and advancing low-carbon development

The Bank has strictly complied with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations, practiced the concept of green development, provided green services, and adhered to responsible green procurement methods. The Bank has also guided employees to form a resource-saving, green, and low-carbon office concept and reduced daily energy consumption and pollutant emissions via better management, upgraded technology, and equipment transformation.

### 6.2.1 Providing green services

The Bank actively uses digital technology tools to create diversified online financial service channels, providing customers with green, low-carbon, high-quality, and convenient financial services while reducing resource consumption and greenhouse gas emissions.

#### Environmental benefits of green services

Customer category	Customer/transaction scale	Annual growth	Environmental benefits (equivalent)		
			Trees planted	CO2 emissions reduction	Paper use reduction
Corporate online banking (including corporate mobile banking)	RMB157.77 trillion	14.08%	420,500	5,904.24 tons	23,852 tons
Personal online banking (Including personal mobile banking)	8.975 billion transactions	25.76%	1,643,300	23,059.07 tons	92,807.67 tons

banking)					
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Note: The calculation is based on the average paper use per account of corporate online banking and the average paper use per transaction of personal online banking.

## 6.2.2 Practicing responsible procurement

The Bank has strictly adhered to the *Measures for the Administration of Centralized Procurement of Bank of Communications (2021 Version)*, *Measures for the Management of Suppliers of Bank of Communications (Trial)*, *Measures for the Performance Assessment of Suppliers of Bank of Communications (Trial)*, *Detailed Rules for the Implementation of Supplier Management of the Head Office of Bank of Communications (Trial)* and other regulations to put all suppliers under special management. It has comprehensively identified and prevented related environmental and social risks. In addition, the Bank has attached great importance to integrity management in procurement, implemented a rotation system for procurement personnel, and tightened the prevention of commercial bribery in centralized procurement activities to safeguard the interests of suppliers, preventing integrity risks, moral risks, and operational risks.

### Logic diagram: Responsible procurement management activities

Admission standards for suppliers	<ul style="list-style-type: none"> <li>Suppliers must abide by national laws and regulations. In the past three years, the legal persons and their legal representatives should have no records of legal violations and no breach of social responsibility.</li> </ul>
Management of social risks of suppliers	<ul style="list-style-type: none"> <li>By adding safety management requirements for suppliers in procurement, suppliers are required to provide social insurance certificates for key personnel in projects and urged to strengthen employment management, ensuring employee health and safety.</li> </ul>
Management of environment risks of suppliers	<ul style="list-style-type: none"> <li>Under the condition of meeting procurement needs, quality, and service standards, prioritize energy-saving and environment-friendly products.</li> <li>In bulk goods procurement, suppliers are required to pass ISO 9001 quality management system certification and ISO 14001 environmental management system certification.</li> <li>In equipment procurement, "energy conservation and environmental protection" is one of the scoring elements for</li> </ul>

	<p>technical performance. Fully consider energy consumption indicators of equipment such as electricity consumption, water consumption.</p> <ul style="list-style-type: none"> <li>• In the procurement of lamps, prioritize "green lighting" lamps.</li> <li>• Actively communicate its support and advocacy for green procurement to suppliers.</li> </ul>
Management of misconduct of suppliers	<ul style="list-style-type: none"> <li>• Strengthen the risk management and control of suppliers. Investigate suppliers that perform poorly with emerging problems. The Head Office takes charge of warnings, denials, and removals from the pool.</li> <li>• Prohibit suppliers on the list of defaulters, list of parties involved in major tax violations, list of records of serious illegal and untrustworthy acts in government procurement, and list of abnormal business operations.</li> </ul>
Supplier evaluation system	<ul style="list-style-type: none"> <li>• Through market research, comprehensively review the management status of eight supplier management modules, including supplier sourcing management, on-site inspection management, certification management, performance management, information management, risk management, relationship management, blacklist and exit management, followed by data analysis. Drawing on relevant industrial research theories, build a unified, quantifiable, and practical supplier evaluation system standard.</li> </ul>

As of the end of the Reporting Period, there were 15,073 suppliers (all suppliers are required to comply with the responsible procurement management activities described above) in the Bank's supplier pool, which are classified by region as follows:

Region	Number
Circum-Bohai Sea Region	2,893
Yangtze River Delta	3,760
Pearl River Delta	2,113
Central China	2,807
Western China	2,256

Northeast China	1,227
Overseas	17

### 6.2.3 Advocating green office

According to the different characteristics of each building (park), the Head Office has enacted the *Green Property Management Plan* to identify the key objects, contents, and objectives of energy conservation and environmental protection. To ensure that the environmental indicators of each building (park) meet relevant standards and requirements and the ISO 14001 environmental management system, the Bank has engaged professional institutions to carry out environmental testing annually.

#### Logic diagram: Reducing the environmental impact of daily operations

- Pollution prevention and control:** Regularly evaluate the environmental conditions, identify major environmental factors, and formulate corresponding management plans. Promote the physical treatment technology for air conditioning circulating water to minimize flushing after chemical treatment of pipeline, avoiding chemical pollution due to flushing and water waste. Clean the cooling water system and pipe network of central air conditioning on a regular basis. Discharge oil fume exhausts from restaurants after oil absorption and filtration to prevent air pollution. In repairing and maintaining central air conditioners, ensure that relevant personnel operates according to applicable standards. Old refrigerants are recycled during maintenance to reduce the leakage of ozone-depleting substances.
- Energy saving and emission reduction:** To save energy and reduce emissions, establish an energy management team to provide organizational guarantee for energy conservation and emission reduction efforts. Put energy conservation and emission reduction fully into practice by covering all staff members and processes. Monitor energy data in real time through the "Intelligent Corporate Service" system platform, record energy data such as electricity and gas in real time and generate energy trend charts to lay a solid data foundation for energy data analysis and energy consumption prediction.
- Water resource management:** Use the "Intelligent Corporate Service" information platform to monitor water consumption, deal with errors timely, and eradicate leakage of

water resources. Promote water-saving technologies such as recycling of reclaimed water and high-temperature wastewater from boilers. (Note: All water used by the Bank is taken from the municipal network in place of natural water. The Bank has no problem in obtaining applicable water sources.)

- **Waste management:**

- **Electronic wastes:** The Bank has achieved 100% recycling through trade-in, employee buyback, or auction.
- **Non-hazardous waste:** The Bank has encouraged double-sided printing of paper and the "clean your plate" campaign and reduced non-hazardous waste from the source. The Bank has also performed well in garbage classification and disposal by signing agreements with sanitation companies to regularly transport and dispose of non-hazardous wastes.
- **Hazardous waste:** The Bank has included the "trade-in" requirement in all the purchase contract clauses for hazardous solid wastes (such as fluorescent tubes and toner cartridges). According to relevant national regulations, suppliers must bring back the replaced hazardous solid wastes for disposal; the contractors must bring back the replaced hazardous solid wastes and dispose of them in all construction works. The Bank has set up conspicuous collection points for hazardous solid wastes and arranged special personnel to obtain statistics on recycling.

**Logic diagram: Environmental management targets for the buildings (parks) of the Head Office**

- 5% reduction in electricity consumption in 2025 compared to 2021
- 30% reduction in greenhouse gas emissions in 2025 compared to 2021
- 10% reduction in non-hazardous waste in 2025 compared to 2021
- 5% reduction in water consumption in 2025 compared to 2018

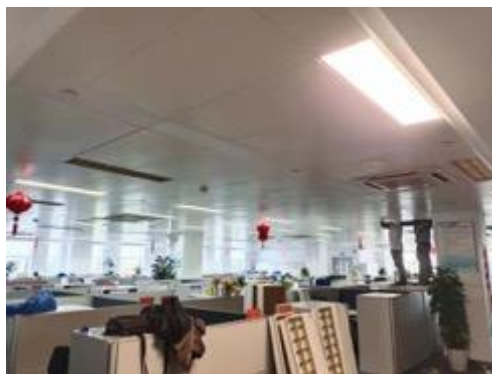
Note: "Buildings (parks) of the Head Office" refers to the five office buildings in Lujiazui (BoCom Financial Towers), Zhangjiang, Hongqiao (Jinming Building), Gaoke and Caohejing of

Shanghai.

**Case: Technical transformation of lighting fixtures to achieve economic and environmental benefits**

To reduce energy consumption, the Head Office has engaged in a complete LED fluorescent lamp makeover in all buildings (parks), replacing traditional grille lamps with LED lamp panels, energy-saving lamps with LED downlights, and traditional fluorescent tubes with LED tubes.

Compared with the old lamps, the new lamps have consumed 50% less in power with the same level of illumination. After the project is complete, the annual power consumption is estimated to reduce by about 2.987 million kWh. The project is expected to be completed in July 2022. At the same time, BoCom has attached great importance to the rational disposal of wastes. Also, following the requirements of the environmental management, the Bank has reported hazardous waste management plans in advance on the government solid waste management system. By handling the hazardous waste transfer manifest in advance and tracking the entire process of waste transfer, the Bank has also properly arranged the contractors with hazardous waste licenses to collect and dispose of the waste fluorescent tubes at a fixed time via designated vehicles and personnel. By the end of December 2021, 450kg of fluorescent tubes were transferred and disposed of.



LED fluorescent lamp modification site

**Case: Building "zero-carbon outlets" to create a green future**

The Guangdong Branch has fully applied the new development philosophy. Leveraging its resources brought by the innovative source and test site for Guangzhou Green Financial Reform

Pilot Zone, it established the Green Finance Center on August 5, 2021, and actively explored the carbon neutrality mode of outlet operation.

The Guangdong Branch has formulated a set of low-carbon operation plans to help employees establish awareness of energy conservation and environmental protection, including green concepts such as low-carbon travel, green office, garbage sorting, and green procurement. It has successfully promoted the establishment of "zero-carbon outlets" in 18 cities under its jurisdiction, with 12 being the first in local cities. As the first financial institution in Guangdong Province with full coverage of zero-carbon outlets, the Guangdong Branch has achieved 2,771 tons of nationally certified voluntary emission reductions. The branch has obtained double certificates of "Carbon Neutrality" in 2021 and "Pre-carbon Neutrality" from 2022 to 2023 issued by China Emissions Exchange.

Green development is a long-term policy. BoCom practices the concept of green, low-carbon, and sustainable development, takes improving the ecological environment as its responsibility, and takes action to protect the lush mountains and lucid waters.



"Carbon Neutrality" certificate presentation ceremony

#### 2021 data on green offices of buildings (parks) of the Head Office

Indicator	Total	Per capita (10,630 persons)
Head Office's buildings (parks)	• Water consumption: 301,800 tons	• Water consumption: 28.39 tons per capita
	• Power consumption: 119,635,000 kWh	• Power consumption: 11,254.47kWh per capita
	• Gas consumption: 1,506,700 m <sup>3</sup>	• Gas consumption: 141.74 m <sup>3</sup> per capita
Greenhouse gas	• Direct emissions: 3,255.22	9.17tons of CO <sub>2</sub> equivalent per

emissions by the Head Office	tons of CO <sub>2</sub> equivalent <ul style="list-style-type: none"> <li>Indirect emissions: 94,272.40tons of CO<sub>2</sub> equivalent</li> <li>Total: 97,527.63tons of CO<sub>2</sub> equivalent</li> </ul>	capita
Total energy consumption at the Head Office's buildings (parks) (equivalent to standard coal)	36,055tons	3.39tons per capita
Paper consumption at the Head Office	35.45tons	0.0033 tons per capita
Video conference	9,515 sessions	

Note: Coefficients used to calculate direct and indirect greenhouse gas emissions come from the *Measures of Shanghai for Computation and Reporting of Greenhouse Gas Emissions by Tourist Hotels, Malls, and Real Estate and Financial Office Buildings (Trial)*. The statistical boundaries of direct and indirect energy consumption are consistent with those of greenhouse gases. The conversion method for energy statistics of the National Bureau of Statistics was adopted.

#### 2021 vehicle use at the Head Office

Vehicle type	Distance traveled (km)	
Light vehicles (<= 2.5 tons)	504,703	
Light vehicles (2.5-3.5 tons)	70,094	
Light vehicles (3.5-5.5 tons)	53,822	
Medium and heavy vehicles (5.5-15 tons)	35,797	
Fuel type	Consumption (liter)	Per capita (liter/person)

		<b>(10,630 persons)</b>
Diesel	8,467	0.79652
Gasoline	74,655	7.02305

**2021 emissions at the Head Office**

<b>Type</b>	<b>Emission (ton)</b>
NO <sub>x</sub>	0.8604
SO <sub>x</sub>	0.0163
PM	0.0976

Note: The emission calculation factor is derived from the Hong Kong Stock Exchange's *Reporting Guidance on Environmental KPIs*.

**2021 electronic waste discharge from the Head Office**

<b>Types of electronic waste</b>	<b>Quantity (piece)</b>	<b>Per capita (piece/person) (10,630 persons)</b>
Mainframe	1,079	0.10151
Display	1,079	0.10151
Laptop	626	0.05889
Printer	284	0.02672

**2021 non-hazardous waste discharge from the Head Office**

<b>Type of waste</b>	<b>Quantity (ton)</b>	<b>Per capita (ton/person) (10,630 persons)</b>
Household waste	2,013	0.1894
Kitchen waste (including wet waste)	729	0.0686

Total	2,742	0.258
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**2021 hazardous waste discharge from the Head Office**

Type of waste	Quantity	Per capita (10,630 persons)
Fluorescent tube	450 kg	0.04233 kg/person
Discarded lead accumulator	14 pieces	0.00132 piece/person
Total	0.45 tons	0.00004233 ton/person

Note: 10,630=Headquarters staff in Shanghai (dispatched employees included).

## 7. Society: Work Together to Create Common Prosperity

### Responding to the trend of sustainable development

The Bank has worked to help employees grow in their work and create values together with employees. It has actively fulfilled its social responsibility, participated in community construction, and given back to the community.

### Aligning with SDGs



### Our actions

Safeguard the fundamental rights and interests of employees; Pay attention to the occupational health and safety of employees; Empower employees for career development; Actively engage in public welfare activities in the community

### Our performance

The proportion of female employees at management positions was 39.99%; Public welfare donations totaled RMB51,935,200; 442 public welfare projects were carried out; Total voluntary service time was 281,936 hours

## 7.1 Caring for employees and building a happy home

The development of BoCom is inseparable from every employee's hard work and creation. In 2021, the Bank continued with the employee development philosophy of "joint creation, common prosperity, sharing, and common development" to grow with and enhance the well-being and satisfaction of employees.

### Key Performance

**Total number of employees (domestic and overseas institutions, excluding subsidiaries): 86,690;**

**Employee gender structure (domestic institutions)**

Female employees: 46,223

Male employees: 37,890

**Employee age structure (domestic institutions)**

Employees aged 30 and below: 20,840

Employees aged 31-50: 53,732

Employees aged 51 and above: 9,541

**Employment type (domestic institutions)**

Full-type employees: 79,634

Dispatched employees: 4,479

**Regional structure of employees (domestic and overseas institutions, excluding subsidiaries)**

Head Office: 3,408

Circum-Bohai Sea Region: 13,330

Yangtze River Delta: 25,307

Pearl River Delta: 9,138

Central China: 13,620

Western China: 10,776

Northeast China: 8,534

Overseas: 2,577

**Employee turnover rate (domestic institutions)**

Male employee turnover rate: 3.44%

Female employee turnover rate: 3.18%

Turnover rate of employees aged 30 and below: 7.56%

(Note: Leaving employees aged 30 and below are mostly marketing and operations personnel at business units such as corporate customer managers, retail customer managers, interbank customer managers, and customer service managers.)

Turnover rate of employees aged 31-50: 2.62%

Turnover rate of employees aged 51 and above: 0.20%

Employee turnover rate of the Head Office: 3.20%

Circum-Bohai Sea Region: 2.65%

Yangtze River Delta: 3.16%

Pearl River Delta: 4.48%

Central China: 3.57%

Western China: 3.76%

Northeast China: 1.73%

### **7.1.1 Safeguarding employees' rights and interests**

The Bank is committed to creating a healthy, harmonious, diversified, and stable work environment for employees. To protect the basic rights and interests of employees, the Bank strictly abides by relevant national and local laws and regulations such as the *Contract Law of the People's Republic of China* and the State Council's *Provisions on the Prohibition of Using Child Labor*. Based on its actual situation, the Bank has formulated rules and regulations such as the *Measures for Employment Contracts of Bank of Communications*, *Measures for the Administration of Recruitment and Employment and Internal Mobility of Bank of Communications*, *Regulations for*

*Employees of Bank of Communications to Take Vacations, Interim Measures for the Administration of Overtime Wages of Bank of Communications, Administrative Measures for Steady Salaries, and Administrative Measures for Supplementary Medical Insurance of Domestic Institutions* to strictly regulate and manage the recruitment, promotion, salary, dismissal, health insurance and other welfare benefits of employees. The Bank has signed the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees of Bank of Communications Co., Ltd.* with the trade union to eradicate all discriminatory acts, ensure equal employment and equal pay for equal work, and resolutely oppose and prohibit child labor, forced labor, and other violations of human rights. In recruitment, the Bank has avoided child labor and forced labor via means of applicant identity verification. All violations in question have been dealt with in accordance with relevant provisions of the *Measures for Handling Violations by Employees of Bank of Communications*.

#### **Key Performance**

During the Reporting Period, the Bank signed employment contracts with all on-the-job contracted employees and provided compliant and stable remuneration packages and a sound social security system

Committed to creating a harmonious, diversified, fair, and just development platform for employees, the Bank has established an employee congress, a petition system, and the "Jiaozi" platform to take feedback from employees, improve the democratic management system, and actively safeguard the legitimate rights and interests of employees.

#### **Logic diagram: Channels for protecting employees' rights and interests**

<b>Democratic management</b>	Continue to promote the democratic management system based on the employee congress to protect the employees' rights to know, participate, and express. Improve the employee supervisor system and ensure that employee duly perform their right to supervise. Refine important rules and regulations such as the <i>Report on Declaration of Special Working Hours</i> .
<b>Safeguarding</b>	Resolve disputes related to the rights and interests of employees following the

<b>g rights and interests</b>	<i>Regulations on Petitions of Bank of Communications</i> , assign responsibility to different levels, exert territorial management, and solve problems in accordance with the law timely and on the spot. Combine persuasion with education, promote the effective settlement of petitions and safeguard the legitimate rights and interests of employees.
<b>Listening to the voice of employees</b>	Utilize the "Jiaozi" platform to enable direct communication between Junior employees with departments of the Head Office in real-time so that employee voices can be heard and addressed effectively. Departments of the Head Office are to explain and guide policies on the platform, enabling more transparent and efficient management via their benign interactions.

### 7.1.2 Empowering career development

Talents are the key to financial work in the new era. The Bank has actively aligned with the strategy of a strong nation with talents in the new era. It has leveraged its advantages in capital and information to build a platform for the exchange and innovation of talents, technologies, and projects. The Bank has thus created a high-quality financial talent team with both competence and merit.

#### 7.1.2.1 Focusing on talent cultivation

Committed to establishing a multi-sectoral and multi-channel talent development system, the Bank has formulated the *Opinions on Studying and Implementing the Instructions of the Central Conference on Talent-related Work and Further Improving Talent Work* and identified the strategic orientation and priorities for the building of the talent team. The Bank has also formulated the *Bank of Communications Fintech Talent Team Building Plan (2020-2024)*, continued to promote the 10,000 Fintech Talents Project, enhanced its strategic cooperation with major universities in China, actively recruited outstanding fintech graduates, and built a talent team.

#### Logic diagram: Talent cultivation projects

- 10,000 Fintech Talents Project: Cultivate fintech talents that are "forward-looking,

agile and efficient, and value-created".

- **Head Office Management Trainee Program:** Select outstanding graduates from universities and train them to become middle and high-end management and professional talents.
- **International Talent Reserve Program:** Build an international elite team with domestic and global high-quality training resources.

#### **Case: 10,000 Fintech Talents Project - Shaping digital talents**

To better respond to and meet the digital transformation demands of customers and junior branches, the Bank has proposed the idea of building an "over 10,000 people, forward-looking, agile and efficient, and value-created" technology-led force team, presented higher requirements for the competence of digital professionals, and clearly planned the three paths of external talent introduction, internal talent transformation, and incentive and empowerment. These efforts have laid a solid foundation for further promoting digital transformation.

#### **Key Performance**

**Total number of trainees (including online training, domestic institutions):** 1.08 million person-times

##### **Number of trainees by type of employee (domestic institutions):**

Proportion of trained managers: 6.73%

Proportion of trained special talents: 13.41%

Proportion of trained business personnel: 55.59%

Proportion of other trainees: 24.27%

##### **Average training hours by employee type (domestic institutions):**

Average training hours of managers: 9.40 hours

Average training hours of special talents: 7.73 hours

Average training hours of business personnel: 3.26 hours

Average training hours of other personnel: 13.58 hours

#### 7.1.2.2 Improving the development path

To meet the career development needs of employees, BoCom has actively expanded external high-quality training resources to provide professional training channels for employees and establish a pool of training resources. As of the end of the Reporting Period, 112 training channel resources were in the pool, covering leadership, Party building, operation and management, and other fields. The Bank has strived to build a clear and smooth employee development channel, bolstered internal training for officials and employees, optimized the performance appraisal and salary incentive mechanism, and encouraged employees to fulfill their personal values actively.

##### **Logic diagram: Improving employee development path**

- **Exchange and rotation of officials:** Proactively build a "double-cycle" system of exchanges of officials featuring multi-post training within the institution and across institutions of the Company to promote the regular exchange of officials. In 2021, there were 84 exchanges of D-level managers and 95 exchanges of C-level managers in Head Office departments. Furthermore, actively serve rural revitalization and respond to national major regional development strategies by appointing and taking in a number of officials to serve at temporary posts.
- **Optimizing salary incentives:** Issue one-off special rewards to officials and employees at or below C-level. Promulgate the *Measures for the Assessment of Managers and D-level Employees of Operating Units of Bank of Communications in 2021* and the *Measures for the Annual Assessment and Distribution of Head Office Departments and D-level Managers of Bank of Communications in 2021* to bolster the correlation between salary incentives and performance.
- **Reforming the promotion system:** Carry out pilot projects of optimizing the positioning system in 13 provincial branches to enhance the positive incentive effect and eliminate

overlapping and mismatched ranks. By widening the range of ranks, expand the career development channels of officials and employees.

### **7.1.3 Building a happy BoCom**

Employees are precious to BoCom. The Bank has strived to create a "people-oriented" corporate culture by paying attention to employees' physical and mental health, providing visible benefits to employees, responding to concerns of employees, and creating a harmonious and happy working atmosphere for employees.

#### **7.1.3.1 Caring for employee safety**

The Bank has strictly complied with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Regulation on Internal Security and Safeguard for Enterprises and Public Institutions*, as well as industry safety standards such as the *Bank's Security Requirements*. The Bank has formulated safety specifications such as the *Bank of Communications Security Management Measures*, *Bank of Communications Business Outlet Security Work Standards*, *Bank of Communications Fire Safety Management Implementation Rules*, and other safety management measures. It has also constantly improved health protection measures and comprehensively organized COVID-19 prevention and control to protect the health of employees.

#### **Logic diagram: Employee health protection measures**

- Purchase travel insurance for employees to ensure their safety on business trips.
- Arrange annual physical examinations, hold healthcare lectures, analyze physical examination reports, provide health guidance services, and host online micro-class interactive expert Q&As and other activities.
- Customize physical examination packages and provide physical and mental health services for female employees.
- Purchase masks, hand sanitizers, alcohol, and other pandemic prevention supplies to ensure the health of employees.

### Employees' work-related injuries

Indicator	2021	2020	2019
Work-related deaths	2	0	1
Work-related death rate (%)	0.003	0	0.012
Lost days due to work injury	6,471.5	40.5	—

Note: The work-related injuries of employees in 2019 and 2020 were calculated by the standard of the Head Office, and those in 2021 were calculated by the standard of domestic institutions.

### Case: Inviting experts to provide health training for employees

To further enhance employees' health awareness and sense of acquisition, happiness, and security, in September and November of 2021, the Fujian Branch invited experts from Fujian Rehabilitation Hospital and Fujian Provincial Government Hospital. The experts provided cervical and lumbar spine health lectures and consultations, employee health management lectures, and physical examination consultation activities on-site or via video links. At the event sites, the experts examined and treated the employees one by one, gave personalized physical examination suggestions to each employee, and answered questions about aches in the neck, shoulder, waist, and leg, and poor sleep quality of employees. Both events were well received by employees.



### Cervical and lumbar spine health lectures and consultations



### Health management lectures and physical examination consultations

#### 7.1.3.2 Enriching the cultural life

The Bank advocates a "positive, healthy, free and happy" lifestyle with innovative and diverse cultural and sports activities, creating a healthy and happy work environment for employees.

##### **Case: Carrying out BoCom-branded campaigns to enrich the life of employees**

BoCom has launched a series of branded campaigns such as "BoCom Cloud Spring Festival Gala," "Words of BoCom Young Employees," and "The Voice of BoCom." It held the first Cloud Spring Festival Gala that streamed live and covered the whole Group, reaching more than 80,000 viewers. Through a series of cultural activities, the Bank has alleviated the work and psychological pressure of employees, further boosted the confidence of the Bank in business growth, and improved the Bank's brand image.



Recording scene of the song titled *Tomorrow Will Be Better* at BoCom Cloud Spring Festival Gala



In October 2021, Beijing Branch held the 12th Employee (Online) Games-themed "Vibrant BoCom." For the first time, the Games adopted a brand-new mode of "offline sports and online interaction ." With five sports and 11 events, the Games attracted 59 teams and nearly 1,600 participants. On the day of the opening ceremony, more than 20,000 viewers watched the event online



Hubei Wuhan Economic and Technological Development Zone Sub-branch held a badminton competition for employees themed "Shared Happiness and Health through Badminton" to enhance the friendship between employees, strengthen their physique and enrich their spare time life



During the Dragon Boat Festival, Heilongjiang Huayuan Sub-branch carried out outward bound activities to provide a platform for employees to communicate and to enhance staff cohesion



Shandong Liaocheng Branch organized the "May 4th Talent Competition ", providing a stage for young employees to express themselves and create a relaxed working atmosphere

### 7.1.3.3 Assistance to employees

The Bank is dedicated to improving the care for employees in daily life and meeting their diverse needs. The Bank also works with employees to help them grow and forge ahead.

#### **Logic diagram: Care for and assistance to employees**

- In terms of daily life, commit to caring for employees in the whole life cycle. Show care during the "Chinese New Year and Spring Festival," seven festivals, employees' birthdays, weddings and funerals. Take care of the 20,000+ employees who followed the "minimum travel" policy at the start of the Chinese New Year.
- In terms of employee assistance, BoCom, as the first institution in the financial system to establish a mutual aid association for employees, set up a medical security system of "basic medical care for employees + supplementary medical care + care and support + mutual assistance and subsidy ." In 2021, BoCom revised the *Measures of Bank of Communications for Management of the Mutual Help Association (2021 Version)* to provide support for employees with serious illness or economic difficulties. As of the end of the Reporting Period, 72,950 employees voluntarily joined the association, and 610 employees were subsidized with an amount of RMB6,748,200.



On the morning of February 12, 2021, the first day of the first lunar month, Ren Deqi, Secretary of the Party Committee, on behalf of the Party Committee of the Head Office, arrived at the Credit Card Center and the Data Center to visit the officials and employees who remained at their posts during the Chinese New Year. He thanked them for their dedication and hard work and sent blessings and holiday greetings for the Chinese New Year. The picture shows Ren Deqi, Secretary of the Party Committee, visiting the Credit Card Center during the Chinese New Year

## **7.2 Jointly building the community to pursue a better life**

Enterprises are both beneficiaries of and contributors to a harmonious society. The Bank has always adhered to the public welfare concept of "uniting for love and a better future," actively participated in financial education and public welfare activities in communities, and conveyed the responsibility culture of BoCom.

### **7.2.1 Carrying out public education**

The Bank has kept up with building the special publicity brand of "Jiaojiao & Consumer Protection ." It has carried out diversified, omni-channel, and high-frequency financial knowledge popularization activities online and offline for consumers, helping consumers to raise financial security and risk awareness, preventing fraud and criminal activities, and ensuring people's property safety. In the "March 15<sup>th</sup>" Education and Publicity Week, BoCom was recognized by the CBIRC as an "Excellent Organizer" for joint financial education and publicity activities.

### Key Performance

During the Reporting Period,

Carried out 19,861 activities

Reached 383.43 million consumers

### Logic diagram: Consumer education and publicity activities

- **Focusing on important groups:** Focusing on important groups such as the elderly and teenagers, carrying out a series of innovative activities targeting the elderly, the young, and rural residents.
- **Working with other institutions:** Actively work with national authorities, and jointly release the "Stay away from Illegal Online Loans and Protect the Wallet" short video on platforms including Weibo, TikTok, Kuaishou, om.qq.com, and baijiahao.baidu.com via official accounts of both parties, covering a total of 6.069 million views.
- **Improving employee awareness:** Film a video of *Employees on Consumer Protection: What is Consumer Protection for Banks*, and compile 12 keywords including "mission," "responsibility," and "compliance" to strengthen employees' awareness of consumer protection.
- **Special interactive channels:** Launch a special Q&A activity for mobile banking consumer protection and enhance the accessibility of financial knowledge publicity and education through interaction with users, covering 1.5 million participants.

### Case: Cracking down on telecom fraud and protecting people's property safety

The Bank has been active in disseminating anti-fraud knowledge, cracking down on fraud and criminal activities, and ensuring people's property safety. In September 2021, during an extensive security review of accounts, Datong Branch successfully recovered RMB725,000 of telecom fraud funds by identifying suspicious accounts, tracking suspicious transactions, and freezing fraudulent transaction funds with assistance from the police. The funds were properly returned to their owners.



Jiangsu Branch launched the activity of "Keeping the Money Bag and Conducting Publicity in the Community" to help consumers improve their anti-fraud awareness



Hainan Branch carried out the publicity and education activities of "Financial Knowledge into Campus" to help students establish correct financial concepts and enhance their awareness of financial security



In conjunction with the "June 16<sup>th</sup> Pension Financial Day ", Zhejiang Branch publicized wealth management knowledge in elderly communities and nursing homes to help the elderly improve their awareness of telecommunication fraud

### 7.2.2 Giving back to communities

The Bank has actively participated in social welfare undertakings, continued to promote the standardization of public welfare management, executed the *Measures for the Management of External Donations by Bank of Communications (2020 Version)*, helped vulnerable groups, carried out special community public welfare activities, and promoted the harmonious development of communities.

#### Key Performance

During the Reporting Period,

Employee volunteer service recorded 281,936 hours and 35,242 person-times

- **Care for the elderly**

#### Logic diagram: Using technology to promote accessible and elderly-friendly services

**Explore service boundaries and promote accessible services** According to the requirements of the Ministry of Industry and Information Technology, improve the accessibility of mobile banking in perceptibility, operability, understandability, and compatibility. Personal mobile banking version 6.0 APP and the official website, successfully passing the evaluation of the first batch of "Special Action for Elderly-friendly and Accessible Transformation of Internet Applications" by the Ministry of

Industry and Information Technology, may support the elderly, blind people, and visually impaired people with reduced reading ability to operate and use with auxiliary software. Help the elderly, visually impaired people, and other user groups to feel the happiness and security brought by technology truly.

**Cross the digital divide and benefit elderly customers.** Personal mobile banking version 6.0 APP tailors a new exclusive version for elderly users-the Care version. With a clean design, it simplifies the layout of the main page, adds transaction risk tips, and guards the "wallet" of the elderly while meeting their usage habits. It provides functions and services such as "exclusive manual customer service," "nearby outlets," "message card", and "intelligent voice assistant" to help the elderly cross the digital divide and experience the convenience and intelligence brought by technology. At the same time, there's a special service line by 95559 set up to provide more convenient financial services for elderly users.

#### **Key Performance**

During the Reporting Period, the Care version of personal mobile banking had 169,000 users

Since the function was launched, the special service line for the elderly served more than 1,000 elderly users per day, and the average waiting time for elderly users to transfer to manual services was reduced to less than 15 seconds

- **Employment opportunities for the disabled**

#### **Case: Sponsoring vocational skills competitions to promote the employment of the disabled**

Since 2007, BoCom began to devote itself to supporting the disabled. For the past 14 years, BoCom donated RMB109 million for disability assistance. In October 2021, the "Bank of Communications Cup" National Elite Vocational Skills Competition for the Disabled & the 2021 National Vocational Guidance Competition for Disabled Employment Service Staff was held in Haining, Jiaxing, Zhejiang Province. The competition events ranged from drone control, network information security to pet care. The success of the competition fully promoted the scientific, pragmatic, and long-term development of employment services for the disabled, advanced the high-quality development of employment and entrepreneurship, and led the disabled to pursue success through skills.



Pet Care Competition of the "Bank of Communications Cup" National Elite Vocational Skills Competition for the Disabled

- **Care for children**

**Case: Children's medical trust to show true care for sick children**

Funded by family trust customers of private banking, with Bank of Communications International Trust as the trustee, "Bank of Communications International Trust · Ruihe-Children's Humanities and Medical Care No.1 Charity Trust" – the industry's first charity trust for children's humanities and medical care - was officially launched in June 2021. An initial amount of RMB300,000 was used to fund children's humanities and medical care charity projects in the Yangtze River Delta. Centering around children and their families, the project provided humanistic care for families of sick children, assisted young patients in adapting to the hospital environment, alleviated the emotional stress of children and their parents, and improved their coping ability in medical treatment.



Launching ceremony of the "Bank of Communications International Trust · Ruihe-Children's Humanities and Medical Care No.1 Charity Trust"

- **Flood fighting and disaster relief**

In July 2021, many places in Henan were hit by torrential rain. The Bank donated RMB10 million to Henan to assist in flood control and post-disaster reconstruction. The Henan Branch quickly responded to the requests of the local government, regulatory authorities, and the Head Office for flood control and disaster relief financial services, acted quickly and provided efficient services, increased support for post-disaster infrastructure reconstruction, and gave priority to meeting the emergency turnover financing needs of disaster-stricken enterprises.



Scene of emergency supplies donation of Henan Branch

- **Culture and education**

In 2021, Singapore Branch donated SGD20,000 to Ding Yi Music Company to support its public performances in communities, hospitals, schools, and business districts, promoting Chinese traditional music and Chinese traditional folk culture.



Ding Yi presented a *Gift of Love* online concert in the name of love and cooperated with Indian vina players, blending the music of multiple ethnic groups

**Case: Helping poverty-stricken students to share the Chinese Dream**

The Hong Kong Branch has continued with the "Sharing Chinese Dream" campaign, supporting college students and middle school students from poverty-stricken families in Hong Kong to receive education from mainland China. In 2021, it funded 70 students with an investment of HKD740,000.

**7.2.3 Fighting against the pandemic**

The Bank puts life above everything else. To protect the health of employees, it has devoted itself to pandemic prevention by leveraging its advantages to optimize banking and medical business services, contributing to pandemic control.

**Case: Allocating anti-pandemic special funds to care for employees**

To facilitate pandemic control, the Bank, providing guarantees for institutions and employees, allocated RMB17,056,000 in 2021 to cover all 36 high and medium risk institutions, as well as nearly 800 confirmed cases and isolated employees. Before the Chinese New Year, the Bank allocated RMB5,826,100 to more than 20,000 employees who were obliged by the "minimum travel" recommendation during the Spring Festival so that they could spend a good New Year.

**Case: Shaanxi Branch offered RMB50 million loans to guarantee food supply in Xi'an during lockdown**

Xi'an Aiju Grain and Oil Industrial Group Co., Ltd. is a leading enterprise of agricultural industrialization at the national-, provincial-, and municipal-level. It is listed as a key enterprise of grain and oil supply for pandemic prevention in Xi'an and a key organization of market supply. In late December 2021, as Xi'an faced a severe pandemic challenge, help came from all around the nation. After learning that Aiju Group needed loan support, Shaanxi Branch proactively connected with the person in charge and built a "green channel for credit granting". Taking multiple measures simultaneously and combining online and offline measures, the branch efficiently completed the credit approval business process, donated pandemic prevention supplies, and made every effort to ensure the grain and oil supply in Xi'an during the lockdown.



Chengnan Sub-branch of Shaanxi Branch donates pandemic prevention supplies to Aiju Group, an enterprise that guarantees the pandemic supplies in Xi'an

**Case: "Intelligent Financial Services" to help those who returned to their hometown for pandemic prevention**

The Bank has cooperated with Chengguan District People's Hospital of Lanzhou to acquire businesses. The Intelligent Financial Service Platform has been successfully launched to provide the hospital with an online collection and reconciliation service for nucleic acid tests. The tested personnel only need to scan the QR code to complete the registration and payment online, helping to improve the efficiency of pre-examination and triage processes. At the same time, the Intelligent Financial Service Platform also features comprehensive information reconciliation and statement inquiry, making it more convenient for financial personnel of the hospital to check the information and conduct reconciliations.

## Independent Statement of Assurance



普华永道

2022/SH-0140  
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### 注册会计师独立鉴证报告

致：交通银行股份有限公司董事会

我们接受委托，对交通银行股份有限公司（“交行”或“交通银行”）2021年社会责任（ESG）报告中选定的2021年度关键数据（以下简称“关键数据”）执行了有限保证的鉴证业务。

#### 关键数据

本报告就以下选定的交行2021年社会责任（ESG）报告关键数据（即交行2021年社会责任（ESG）报告第6-7页关键绩效）实施了有限保证鉴证工作程序。

我们的鉴证工作仅限于社会责任（ESG）报告中选定的2021年度关键数据，社会责任（ESG）报告中所披露的其他信息、2020年及以前年度信息均不在我们的工作范围内。

#### 标准

交通银行股份有限公司编制2021年社会责任（ESG）报告关键数据所采用的标准列示于社会责任（ESG）报告中第92-93页的关键绩效数据编报说明（以下简称“编报基础”）中。

#### 管理层的责任

按照编报基础编制2021年社会责任（ESG）报告关键数据是交通银行股份有限公司管理层的责任。这种责任包括设计、执行和维护与编制社会责任（ESG）报告关键数据有关的内部控制，以使该等数据不存在由于舞弊或错误而导致的重大错报。

#### 我们的独立性与质量控制

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

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

#### 注册会计师的责任

我们的责任是在执行鉴证工作的基础上对2021年社会责任（ESG）报告关键数据发表结论。

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普华永道

2022/SH-0140  
(第二页, 共二页)

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

有限保证鉴证业务所实施程序的性质和时间较合理保证鉴证业务有所不同, 且范围较小。因此, 有限保证鉴证业务的保证程度远低于合理保证鉴证业务。因此, 我们不会就 2021 年社会责任 (ESG) 报告中选定的 2021 年度关键数据是否在所有重大方面按照编报基础编制, 发表合理保证意见。我们的鉴证工作包括评估 2021 年社会责任 (ESG) 报告关键数据是否存在由于舞弊或错误导致的重大错报风险, 以及应对评估出的风险。选择的鉴证程序取决于我们的判断及对项目风险的评估。在我们的工作范围内, 我们仅在交行总行层面开展工作。我们没有对除交行总行外的其他分支机构实施鉴证工作。我们所实施的工作包括:

- 1) 与交行参与提供社会责任 (ESG) 报告中所选定的关键数据的相关部门员工进行访谈;
- 2) 实施分析程序;
- 3) 对选定的社会责任 (ESG) 报告中关键数据实施抽样检查;
- 4) 重新计算;
- 5) 我们认为必要的其他程序。

#### 固有限制

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

#### 结论

基于已实施的程序及获取的证据, 我们没有注意到任何事项使我们相信 2021 年社会责任 (ESG) 报告中选定的 2021 年度关键数据未能在所有重大方面按照编报基础编制。

#### 使用限制

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

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

中国上海市  
2022 年 3 月 25 日

## Notes to Key Performance

1. "8 controlled non-bank subsidiaries" refers to eight non-bank subsidiaries, i.e., Bank of Communications Financial Leasing Co., Ltd., China BoCom Insurance Co., Ltd., BoCom Financial Asset Investment Co., Ltd., Bank of Communications Schroder Fund Management Co., Ltd., Bank of Communications International trust Co., Ltd., BoCommLife Insurance Co., Ltd. and BoCom International Holdings Company Limited, plus BoCom Wealth Management Co., Ltd. The figures on profits from controlled subsidiaries indicate profits attributable to the parent company.
2. "Branches outside the Chinese Mainland" refers to the 23 overseas branches/subsidiaries and representative offices established in 18 countries and regions, including Hong Kong Branch/Bank of Communications (Hong Kong) Co., Ltd., branches in New York, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, San Francisco, Sydney, Taipei, London, Bank of Communications (Luxembourg) Limited/Luxembourg Branch, Brisbane Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications (Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., Melbourne, Prague Branch, Johannesburg Branch, and the Toronto Representative Office.
3. "Central and western China" refers to the 17 provinces, autonomous regions, and municipalities of Shanxi Province, Inner Mongolia Autonomous Region, Anhui Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Qinghai Province.
4. "Outstanding loans, micro-, small- and mid-sized enterprises" is the sum of outstanding loans to small- and micro-enterprises and those to mid-sized enterprises as reported to the People's Bank of China.
5. "Outstanding loans, agro-related" refers to the sum of outstanding agro-related loans reported to the People's Bank of China, including agro-related loans to enterprises and organizations in cities, farm loans, loans to enterprises and organizations in rural areas, and non-farm loans concerning agriculture, forestry, animal husbandry, and fisheries.
6. The data on outstanding low-income housing loans were collected in accordance with the CBIRC's *S66 Information Table of Low-income Housing Loans by Region*.

7. The data on outstanding science, education, culture, and health loans were obtained based on the 2011 classification of sectors in the national economy, including "scientific research and technology services," "education," "health and social work," and "culture, sports and entertainment".
8. "Number of outlets in the Chinese mainland" refers to the number of all licensed outlets of BoCom in the Chinese mainland.
9. "Share of loans to heavily polluting, energy-intensive, and overcapacity industries" was determined in accordance with the management scope as stipulated in the *Notice on Better Managing of Loan Limits (Ceilings) for Overcapacity Industries in 2021* (J.Y.SH.X. [2021] No. 2).
10. "Loans to clean energy industries" are the total outstanding loans to industries of new energy and clean energy equipment manufacturing, building and operation of clean energy facilities, clean and efficient use of traditional energy resources, and efficient operation of energy systems granted by branches in the Chinese mainland. They were calculated according to the standards of the People's Bank of China.
11. "Outstanding green loans" are the total outstanding loans to energy conservation and environmental protection industry, clean production industry, clean energy industry, ecological environment industry, green upgrading of infrastructure, and green services granted by branches in the Chinese mainland. They were calculated according to the standards of the People's Bank of China.
12. "E-banking business share" refers to the ratio of the volume of transactions conducted via e-channels to those conducted via electronic and non-electronic channels combined and covers only domestic branches. Overseas branches and subsidiaries are excluded.
13. "Head Office" refers to the five office buildings in Lujiazui (BoCom Financial Towers), Zhangjiang, Hongqiao (Jinming Building), Gaoke and Caohejing of Shanghai. "Head Office carbon emissions" includes direct and indirect emissions produced by the Head Office. "Head Office energy consumption equivalent to standard coal" refers to the standard coal equivalent of natural gas consumption and electricity consumption. "Head Office hazardous waste disposed" means the total hazardous waste received and disposed by the third-party company with qualification to which the Head Office transfers hazardous waste.
14. The data on bank-wide video conferences refer to the number of meetings held using television and telephone to transmit sound and images in real-time between users in two or more locations.

15. The data center PUE is the ratio of total facility power to total IT equipment power at the Bank's Data Center.

16. SCVPS is based on the relevant requirements of the Shanghai Stock Exchange's *Circular on Promoting the Social Responsibility of Listed Companies and Publishing Environmental Information Disclosure Guidelines for Companies Listed on the Shanghai Stock Exchange* issued on May 14, 2008, and taking into account the characteristics of the banking industry. The calculation method is:  $SCVPS = \text{earnings per share} + (\text{taxes} + \text{staff cost} + \text{interest expense} + \text{total public welfare investment}) / \text{total share capital at the end of the period}$ .

17. "Employees (domestic and overseas)" refers to the total number of regular employees and dispatched employees at its Chinese and overseas branches and subsidiaries of the Bank. "Female middle and senior management" means the number of regular and dispatched female employees at the ninth level or above in mainland branches. "Ethnic minorities" refers to the total number of employees from ethnic minorities in all mainland branches, with both regular and dispatched employees included.

18. The average training hours of employees mean the average training hours received by employees of BoCom Head Office and all branches of BoCom in the Chinese mainland on the platforms, e-Campus network platform, and China E-learning Academy for Leadership.

19. "Charitable donations made" refers to the donations made in the name of BoCom to public programs for rural vitalization, COVID-19 response, and charity in accordance with *BoCom's Measures for Managing Donations to Other Organizations*.

## ESG Index

This report has complied with the "non-compliance and interpretation" provisions set out in the *Environmental, Social and Governance Reporting Guidelines*.

Environmental				
Aspect	Indicator	Description	Section	Exposure
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. .	Conducting green operation and advancing low-carbon development	Disclosed
	A1.1	The types of emissions and respective emissions data.	Conducting green operation and advancing low-carbon development	Disclosed
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Conducting green operation and advancing low-carbon development	Disclosed
	A1.3	Total hazardous waste produced (in tonnes) and,	Conducting green	Disclosed

		where appropriate, intensity (e.g. per unit of production volume, per facility).	operation and advancing low-carbon development	
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Conducting green operation and advancing low-carbon development	Disclosed
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Conducting green operation and advancing low-carbon development	Disclosed
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Conducting green operation and advancing low-carbon development	Disclosed
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Conducting green operation and advancing low-carbon development	Disclosed
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 000s)	Conducting green operation and advancing	Disclosed

		and intensity (e.g. per unit of production volume, per facility).	low-carbon development	
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Conducting green operation and advancing low-carbon development	Disclosed
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Conducting green operation and advancing low-carbon development	Disclosed
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Conducting green operation and advancing low-carbon development	Disclosed
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not disclosed since packaging material is a topic with low importance in regards to the Group's operation	
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuers significant impacts on the environment and natural resources.	Green Transformation and Harmonious Coexistence	Disclosed

	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Transformation and Harmonious Coexistence	Disclosed
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green finance for a green future	Disclosed
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green finance for a green future	Disclosed
<b>Social</b>				
<b>Aspect</b>	<b>Indicator</b>	<b>Description</b>	<b>Section</b>	<b>Exposure</b>
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal	Safeguarding employees rights and interests	Disclosed

		opportunity, diversity, anti-discrimination, and other benefits and welfare.		
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Caring for employees and building a happy home	Disclosed
	B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for employees and building a happy home	Disclosed
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Building a Happy BoCom	Disclosed
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Building a Happy BoCom	Disclosed
	B2.2	Lost days due to work injury.	Building a Happy BoCom	Disclosed
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and	Building a Happy BoCom	Disclosed

		monitored.		
Aspect B3: Development and Training	General Disclosure	Policies on improving employees knowledge and skills for discharging duties at work. Description of training activities.	Empowering career development	Disclosed
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering career development	Partially disclosed, currently unable to collect the data statistics by gender and is planning to add the "percentage of employees trained" and "average training hours" statistical indicators by gender in the intelligent human resources system
	B3.2	The average training hours completed per employee by gender and employee category.	Empowering career development	
B4 Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Safeguarding employees rights and interests	Disclosed

	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguarding employees rights and interests	Disclosed
	B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding employees rights and interests	Disclosed
B5 Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Conducting green operation and advancing low-carbon development	Disclosed
	B5.1	Number of suppliers by geographical region.	Conducting green operation and advancing low-carbon development	Disclosed
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Conducting green operation and advancing low-carbon development	Disclosed
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are	Conducting green operation and advancing low-carbon	Partially Disclosed

		implemented and monitored.	development	
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Conducting green operation and advancing low-carbon development	Disclosed
B6 Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Improving Customer Services	Disclosed
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable since the Group's operations do not involve sold or shipped products	
	B6.2	Number of products and service related complaints received and how they are dealt with.	Safeguarding the Rights and Interests of Customers	Disclosed
	B6.3	Description of practices relating to observing and protecting intellectual	Intellectual Property Protection	Disclosed

		property rights.		
	B6.4	Description of quality assurance process and recall procedures.	Not applicable since the Group's operations do not involve quality assurance process and recall procedures	
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Improving Customer Services	Disclosed
B7 Aspect B7: Anticorruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-money Laundering, Anti-fraud, and Anti-extortion	Disclosed
	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.	Combating Corruption, Bribery and Four Undesirable Work Styles	Disclosed
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are	Compliance Management	Disclosed

		implemented and monitored.		
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliance Management	Disclosed
B8 Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	Giving Back to Communities	Disclosed
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Jointly building the community to pursue a better life	Disclosed
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Jointly building the community to pursue a better life	Disclosed

## GRI Index

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

Disclosure Items		Section	Exposure
1. Organizational profile	Disclosure 102-1 Name of the organization	About BoCom	Disclosed
	Disclosure 102-2 Activities, brands, products, and services	About BoCom	Disclosed
	Disclosure 102-3 Location of headquarters	About BoCom	Disclosed
	Disclosure 102-4 Location of operations	Promoting the Availability of Finance	Disclosed
	Disclosure 102-5 Ownership and legal form	About BoCom	Disclosed
	Disclosure 102-6 Markets served	About BoCom	Disclosed
	Disclosure 102-7 Scale of the organization	About BoCom	Disclosed
	Disclosure 102-8 Information on employees and other workers	Caring for employees and building a happy home	Disclosed
	Disclosure 102-9 Supply chain	Conducting Green Procurement	Disclosed
	Disclosure 102-10 Significant	About BoCom Sticking to the Right Path	Disclosed

	changes to the organization and its supply chain	and Maintaining Sustainable Operation	
	Disclosure 102-11 Precautionary Principle or approach	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-12 External initiatives	CSR Management	Disclosed
2. Strategy	Disclosure 102-14 Statement from senior decision-maker	Message from Top Executives	Disclosed
	Disclosure 102-15 Key impacts, risks, and opportunities	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
3. Ethics and integrity	Disclosure 102-16 Values, principles, standards, and norms of behavior	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-17 Mechanisms for advice and concerns about ethics	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
4. Governance	Disclosure 102-18 Governance structure	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-	Sticking to the Right Path	Disclosed

	19 Delegating authority	and Maintaining Sustainable Operation	
	Disclosure 102-20 Executive-level responsibility for economic, environmental, and social topics	CSR Management	Disclosed
	Disclosure 102-21 Consulting stakeholders on economic, environmental, and social topics	CSR Management	Disclosed
	Disclosure 102-22 Composition of the highest governance body and its committees	Overview	Disclosed
	Disclosure 102-23 Chair of the highest governance body	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-26 Role of highest governance body in setting purpose, values, and strategy	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed

	Disclosure 102-27 Collective knowledge of highest governance body	Message from Top Executives	Disclosed
	Disclosure 102-29 Identifying and managing economic, environmental, and social impacts	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-30 Effectiveness of risk management processes	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-31 Review of economic, environmental, and social topics	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-32 Highest governance body's role in sustainability reporting	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-33 Communicating critical concerns	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
	Disclosure 102-	Sticking to the Right Path	Disclosed

	34 Nature and total number of critical concerns	and Maintaining Sustainable Operation	
5. Stakeholder engagement	Disclosure 102-40 List of stakeholder groups	CSR Management	Disclosed
	Disclosure 102-41 Collective bargaining agreements	Caring for employees and building a happy home	Disclosed
	Disclosure 102-42 Identifying and selecting stakeholders	CSR Management	Disclosed
	Disclosure 102-43 Approach to stakeholder engagement	CSR Management	Disclosed
	Disclosure 102-44 Key topics and concerns raised	CSR Management	Disclosed
6. Reporting practice	Disclosure 102-45 Entities included in the consolidated financial statements	About This Report	Disclosed
	Disclosure 102-46 Defining report content and topic	CSR Management	Disclosed

	Boundaries		
	Disclosure 102-47 List of material topics	CSR Management	Disclosed
	Disclosure 102-48 Restatements of information	About This Report	Disclosed
	Disclosure 102-49 Changes in reporting	About This Report	Disclosed
	Disclosure 102-50 Reporting period	About This Report	Disclosed
	Disclosure 102-51 Date of most recent report	About This Report	Disclosed
	Disclosure 102-52 Reporting cycle	About This Report	Disclosed
	Disclosure 102-53 Contact point for questions regarding the report	About This Report	Disclosed
	Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	CRI Index	Disclosed
	Disclosure 102-55 GRI content index	GRI Index	Disclosed

		Disclosure 102-56 External assurance	Independent Statement of Assurance	Disclosed
GRI 201: Economic Performance	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Forging Ahead with High-quality Development	Disclosed
	Topic-specific disclosures	Disclosure 201-1 Direct economic value generated and distributed	Sticking to the Right Path and Maintaining Sustainable Operation	Disclosed
		Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Addressing climate change	Disclosed
		Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Caring for employees and building a happy home	Disclosed
GRI 202: Market Presence	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components;	CSR Management	Disclosed

		Evaluation of the management approach		
GRI 203: Indirect Economic Impacts	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Forging Ahead with High-quality Development	Disclosed
	Topic-specific disclosures	Disclosure 203-1 Infrastructure investments and services supported	Forging Ahead with High-quality Development	Disclosed
		Disclosure 203-2 Significant indirect economic impacts	Forging Ahead with High-quality Development	Disclosed
GRI 204: Procurement Practices	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Conducting green operation and advancing low-carbon development	Disclosed
GRI 205: Anti-corruption	GRI 103: Management Approach	Explanation of the material topic	Combating Corruption, Bribery and Four	Disclosed

	t Approach	and its Boundary; The management approach and its components; Evaluation of the management approach	Undesirable Work Styles	
	Topic-specific disclosures	Disclosure 205-1 Operations assessed for risks related to corruption	Combating Corruption, Bribery and Four Undesirable Work Styles	Disclosed
		Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Combating Corruption, Bribery and Four Undesirable Work Styles	Disclosed
		Disclosure 205-3 Confirmed incidents of corruption and actions taken	Combating Corruption, Bribery and Four Undesirable Work Styles	Disclosed
GRI 302: Energy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Green Transformation and Harmonious Coexistence	Disclosed

	Topic-specific disclosures	Disclosure 302-1 Energy consumption within the organization	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 302-3 Energy intensity	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 302-4 Reduction of energy consumption 11	Conducting green operation and advancing low-carbon development	Disclosed
GRI 303: Water and Effluents	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Conducting green operation and advancing low-carbon development	Disclosed
	Topic-specific disclosures	Disclosure 303-1 Interactions with water as a shared resource	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 303-3 Water withdrawal	Conducting green operation and advancing low-carbon development	Disclosed
GRI 305: Emissions	GRI 103: Management Approach	Explanation of the material topic and its Boundary ; The management	Green Transformation and Harmonious Coexistence	Disclosed

		approach and its components ; Evaluation of the management approach		
	Topic-specific disclosures	Disclosure 305-1 Direct (Scope 1) GHG emissions	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 305-4 GHG emissions intensity	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Conducting green operation and advancing low-carbon development	Disclosed
GRI 306: Waste	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Conducting green operation and advancing low-carbon development	Disclosed
	Topic-specific	Disclosure 306-1 Waste generation	Conducting green operation and advancing	Disclosed

	disclosures	and significant waste-related impacts	low-carbon development	
		Disclosure 306-2 Management of significant waste-related impacts	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 306-3 Waste generated	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 306-4 Waste diverted from disposal	Conducting green operation and advancing low-carbon development	Disclosed
		Disclosure 306-5 Waste directed to disposal	Conducting green operation and advancing low-carbon development	Disclosed
GRI 307: Environmental Compliance	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Conducting green operation and advancing low-carbon development	Disclosed
GRI 308: Supplier Environmental Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management	Conducting green operation and advancing low-carbon development	Disclosed

		approach		
	Topic-specific disclosures	Disclosure 308-1 New suppliers that were screened using environmental criteria	Conducting green operation and advancing low-carbon development	Disclosed
GRI 401: Employment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
	Topic-specific disclosures	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Building a Happy BoCom	Disclosed
GRI 402: Labor/Management Relations	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management	Safeguarding employees' rights and interests	Disclosed

		approach		
GRI 403: Occupational Health and Safety	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Building a Happy BoCom	Disclosed
	Topic-specific disclosures	Disclosure 403-3 Occupational health services	Building a Happy BoCom	Disclosed
		Disclosure 403-5 Worker training on occupational health and safety	Building a Happy BoCom	Disclosed
		Disclosure 403-6 Promotion of worker health	Building a Happy BoCom	Disclosed
		Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Building a Happy BoCom	Disclosed
		Disclosure 403-9 Work-related injuries	Building a Happy BoCom	Disclosed

		Disclosure 403-10 Work-related ill health	Building a Happy BoCom	Disclosed
GRI 404: Training and Education	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Empowering career development	Disclosed
	Topic-specific disclosures	Disclosure 404-1 Average hours of training per year per employee	Empowering career development	Disclosed
		Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Empowering career development	Disclosed
GRI 405: Diversity and Equal Opportunity	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
	Topic-	Disclosure 405-1	Working Together to	Disclosed

	specific disclosures	Diversity of governance bodies and employees	Create Common Prosperity	
GRI 406: Non-discrimination	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
GRI 407: Freedom of Association and Collective Bargaining	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
GRI 408: Child Labor	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
GRI 409: Forced or Compulsory Labor	GRI 103: Management Approach	Explanation of the material topic	Safeguarding employees' rights and	Disclosed

	t Approach	and its Boundary; The management approach and its components; Evaluation of the management approach	interests	
GRI 412: Human Rights Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Safeguarding employees' rights and interests	Disclosed
GRI 413: Local Communities	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Jointly building the community to pursue a better life	Disclosed
	Topic-specific disclosures	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Improving Customer Services Jointly building the community to pursue a better life	Disclosed

GRI 414: Supplier Social Assessment	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Conducting green operation and advancing low-carbon development	Disclosed
GRI 415: Public Policy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	CSR Management	Disclosed
GRI 416: Customer Health and Safety	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Improving Customer Services	Disclosed
GRI 417: Marketing and Labeling	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components;	Improving Customer Services	Disclosed

		Evaluation of the management approach		
	Topic-specific disclosures	Disclosure 417-1 Requirements for product and service information and labeling	Improving Customer Services	Disclosed
GRI 418: Customer Privacy	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Improving Customer Services	Disclosed
GRI 419: Socioeconomic Compliance	GRI 103: Management Approach	Explanation of the material topic and its Boundary; The management approach and its components; Evaluation of the management approach	Sticking to the Right Path and Maintaining Sustainable Operation Work Together to Create Common Prosperity	Disclosed

## Feedback Form

Dear Sir/Madam,

Thank you for reading BoCom CSR Report 2021. Your feedback is helping us to perform our management and practice of CSR better. To leverage the communication role of this Report, we sincerely invite you to leave your opinions and suggestions,

1. What's your overall assessment of BoCom's fulfillment of social responsibility?

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

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

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

3. What's your assessment of BoCom's performance in stakeholder communication?

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

4. What's your assessment of BoCom's fulfillment of economic responsibility?

- ☐ Very good
- ☐ Good

- ☐ Fair
- ☐ Poor
- ☐ Very poor

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

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

6. What's your assessment of BoCom's fulfillment of environmental responsibility?

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

7. What's your assessment of BoCom's fulfillment of responsibility to its employees?

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

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

- ☐ Very good
- ☐ Good
- ☐ Fair

☐ Poor

☐ Very poor

9. Do you think this Report is easy-to-read in both content and layout?

☐ Yes

☐ No

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

Note: Please tick "√" in "□".



Please scan the code to fill in the feedback form

