

BRIDGE CHINA AND THE WORLD
FOR THE COMMON GOOD

ESG 2021

Bank of China Limited

Corporate Social Responsibility Report

Environmental • Social • Governance



BRIDGE CHINA AND THE WORLD FOR THE COMMON GOOD

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Message from Chairman



Sustained actions will lead to a sustainable future. Bank of China adhered to the original aspiration, pursued excellence and fulfilled the mission of “Bridge China and the World for the Common Good” with actions in the significant year 2021. From serving the front line of micro and small businesses to supporting cross-border cooperation of green development, from the farm fields of Yongshou County, Xunyi County, Chunhua County and Changwu County (“four North-Xianyang counties” hereinafter) in Xianyang City, Shaanxi Province, to the ice and snow tracks of Beijing 2022 Winter Olympics, we contributed to the all-round development of economy, society and the environment with high-quality financial services, played an active role in serving and integrating into the new development pattern, and continued to create value for shareholders, customers, employees and society.

We adhered to our distinctive advantages, laid out the pattern featuring “One Mainstay, Two Engines”, thus to contribute our shares to the new development pattern. In the face of a confusing and changing international landscape, we always upheld openness, inclusiveness and win-win cooperation, and built a strategic development pattern where domestic commercial banking serves as the main body flanked by the two wings of globalised and integrated operations. We also set up an operation system featuring accessing the Bank’s global resources and services at any point of contact. In addition to steady promotion of overseas institution layout, we constantly enriched cross-border products and services, fully participated in the implementation of dual listing of H-Share and piloting southbound trading under the Bond Connect programme. With these efforts, we supported high-quality “going global” and “bringing in” by acting as a financial bridge and bond to connect China and the world, and put into practice the concept of a human community with a shared future with concrete actions. Moreover, we leveraged the full-licensed operation advantage in stocks, loans, bonds, leasing and insurance, deepened the cooperation between commercial and investment banks, offshore and onshore institutions, and provided market entities with whole lifecycle financial services covering the entire industry chain, thus to boost the modernisation of industrial and supply chains.

We kept in mind the original aspiration and mission, and focused on the eight priority areas for enhancing its financial services capabilities to empower a high-quality development. Centring on the new business forms and new trends of economic and social development, we improved the quality and efficiency of financial services starting with the eight priority areas of serving technology, green finance, inclusive finance, cross-border business, wealth management, consumption, supply chain and county development, to cultivate new drivers and new modes and serve new business forms. We focused on supporting key areas and weak links of economic and social development. The balance of financing for core enterprises of the supply chain amounted to RMB4,732.1 billion, that for upstream and downstream enterprises of the

industrial chain stood at RMB921 billion and new inclusive finance lending to micro and small enterprises notched a record high. In promoting a comprehensive and sustainable development, we also designed green planning and action programmes, launched various innovative products in green funds, wealth management, leasing, insurance etc., and greatly supported the carbon control and emissions reduction, clean energy promotion as well as transformation and upgrading of traditional industries.

We stood solidly on the people’s position, cultivated human-based culture, and contributed to a better life. We promoted corporate culture in a thorough manner, centring on customers outside the Bank and on employees within the Bank. We advocated values of “providing excellent service, innovating with prudence, upholding openness and inclusiveness, and collaborating for mutual growth”, and acted on the mission of providing finance services for the people’s good to help them prosper and bring them benefits and conveniences. We devoted ourselves in the rural revitalisation cause by searching for programmes, introducing resources and building platforms for the development of agriculture and rural areas, and unblocking the channel of poverty alleviation through consumption, thus helping agricultural products from the mountainous areas debut on the international exhibitions. Relying on the BOC Charity Foundation and Bank of China Philanthropy, we explored the mutual promotion between finance and public welfare. In the past year, we supported 188 public welfare programmes initiated by 73 institutions, raising charity funds of RMB17.3631 million (matching gifts inclusive) in total. And we participated in the Olympic Games again after the 2008 Beijing Olympics by provided quality financial services for the “simple, safe and splendid” Winter Olympic Games in a comprehensive manner, making the dream of “Inspire 300 Million People to Participate in Ice or Snow Sports” come true.

We embraced the wave of technology and moved forward with digital transformation to deliver excellent service to the society. Grasping the opportunity of another round of technological changes, we carried out enterprise-level architecture building, data governance, building of a scenario-based financial services ecosystem, product innovation, the reform of technological system and other key projects in a coordinated manner, and accelerated the digital reconstruction of our mode of thinking, business philosophy, customer service, product innovation and risk control, in a bid to empower our employees and serve the society. We also made breakthroughs in the digital business model, launching products such as “BOC Cross-border E-commerce Connect” and “BOC E-cooperation”, and released mobile banking version 7.0 to better digital services in key areas. Focusing on cross-border, education, sports and silver-haired scenarios, we continued to strengthen basic capacity building and be more community-focused. To eliminate the digital divide, we provided exclusive and convenient services to the senior people by launching a specific version of mobile banking for the elderly and smart counters for seniors, aiming to make technology more humane and services more considerate.

We upheld long-termism, strengthened comprehensive risk management, and created value with a sound development. We continuously improved the corporate governance system, promoted the integration of ESG concepts into corporate governance with focuses on ESG issues such as green finance, inclusive finance, consumer rights protection and targeted poverty alleviation, and clarified the responsibilities of the Board of Directors and Board of Supervisors. Facing the complex and serious challenges at home and abroad, we improved the building of a comprehensive risk management system, re-examined the Group’s risk appetite with appropriate adjustments, and assessed global macro policies, debt structure and capital flow trend in a forward-looking manner so as to ensure the liquidity safety, stable asset quality and continuous compliant operation of overseas institutions. Besides, we strengthened the building of a digital fraud risk prevention system and improved the real-time anti-fraud capability in online finance. As a result, the number of suspicious transactions intercepted by the “Network Defence” system reached 879,000 in 2021, well safeguarding the security of clients’ funds and property.

Bank of China will celebrate its 110th anniversary in 2022. Over the 110 years, Bank of China has always adhered to and passed on “serving society, and contributing to national prosperity” through generations in an unyielding struggle, be it from the time when fulfilling the duties as a central bank to consolidate the results of the Revolution of 1911 to the time when raising foreign exchange funds to support the anti-Japanese war, or from supporting major equipment imports and developing foreign trade in the period of reform and opening up to serving the real economy and supporting poverty alleviation in the new era. Bank of China has made important contributions in different historical periods.

From this new starting point, Bank of China will continue to draw on wisdom from the century-long history, and promote the fine tradition in pursuing excellence as a century-old enterprise. We will stay resolved to serve the people and the country, enhance our capabilities to achieve the intended goals as planned, cultivate the drivers to innovate with future-oriented views, and strive to build a first-class global banking group. We will also strive to yield more good returns while serving the new development pattern, make greater contributions to the continuous and healthy development of economy and society, and advance hand in hand with stakeholders towards a better future with greater prosperity and mutual growth.

Chairman of Bank of China

Message from President



In 2021, the pandemic proved a protracted one, along with frequent occurrence of meteorological disasters and intensifying regional conflicts and contradictions. Against such a backdrop, how to achieve a more sustainable and inclusive development emerges as a key issue concerning the fate of humanity. Bank of China took the initiative to adapt to the new demands and changes occurring in the economy, society and environment, boosted the sustainable development of economy and society and served the building of a human community with a shared future with more inclusive, greener and opener financial strengths.

Performing inherent financing duties to serve the economic transformation and upgrading. In the past year, newly granted domestic RMB loans of Bank of China hit a new record, providing strong credit support for the smooth operation of the real economy and focusing on key areas and weak links of the national economy. The balance of loans to emerging industries of strategic importance registered RMB521.578 billion, up RMB299.335 billion or 135% over the beginning of the year. The Bank continued to strengthen inclusive finance, and built the inclusive financial brand "Inclusive Loan". The balance of inclusive loans granted to micro and small enterprises under the target of "two no-less-than and two control" posted RMB881.5 billion, an increase of 53% in the year. The number of customers with outstanding loans stood at 620,000, up 32%. The Bank enhanced business innovation in the new business forms of trade, and released 18 measures to support new business forms and new modes in foreign trade to create a product system covering the whole process of cross-border e-commerce. In addition, the Bank served the national coordinated regional development with loans to five key areas increased by 11.52%, and supported investment and construction of major projects and demands of improving people's welling to promote higher levels of complementarity and coordinated development. The Bank also established a global enterprise ecosystem named "BOC E-cooperation" as a cross-border "financing + intelligent" platform for medium and small enterprises, and provided a package of services to national economic and trade events including China Import and Export Fair, China International Import Expo and China International Consumer Products Expo. With 89 cross-border matchmaking conferences held cumulatively, the Bank boosted communication, connection and win-win cooperation among Chinese and overseas market entities with financial strengths.

Exploring a low-carbon transition and creating a better future together. The Bank formulated a green finance plan for the 14th Five-Year Plan period on a group level. Committed to becoming the first-choice bank for green financial services, the Bank developed the "BOC Green+" product system, and issued the world's first biodiversity bonds by a financial institution. The sustainable development bonds issued overseas reached to USD12.8 billion, and balance of green credit in the Chinese mainland denominated exceeded RMB1.4 trillion, an increase of over 57%. Moreover, the Bank integrated environmental and social risks into the comprehensive risk management system, conducted sensitivity stress tests on climate risks for key industries, and added binding requirements of environmental and social risk management into the credit policies of 71 industries. Since the fourth quarter of 2021, financial support for new coal mining and coal-fired power projects overseas were ended. The proportion of credit to brown industries has narrowed down to below 10%, thus to promote the industry structure to be more eco-friendly.

Enhancing ESG concepts to drive the Group's sustainable development. The Bank was fully committed to promoting the integration of ESG concepts into the bank-wide governance and business systems, and set up specialised committees in ESG fields such as green finance and consumer rights protection to enhance professional research and management. The Bank focused on building capabilities of sustainable development, carried out ESG-themed training activities for all employees to promote related capacity to perform duties and oversight. Meanwhile, the Bank initiated the development of an innovative pilot project on the ESG evaluation system for corporate customers, incorporated ESG requirements into the whole process of corporate credit granting, and fully considered the ESG factors in screening assets. The Bank has completed calculation of its own operating energy consumption and greenhouse gas emissions, devoted to saving energy and reducing relevant emissions. In 2021, the Bank joined the *UN Principles for Responsible Banking*. Therefore, we will explore the practical path for the sustainable development of banking services through adopting international advanced standards.

The year 2022 is the 110th anniversary of Bank of China. For 110 years, Bank of China has always shared weal and woe with the country and the people, served economic development and enhanced social well-being, fulfilling the mission of "Bridge China and the World for the Common Good" with actions. As a century tradition carried forward from generation to generation, on the new journey of building a first-class global banking group, we will closely follow China's growth as a whole, seize the opportunities of changing times, and carry on the fine traditions of the past century. Giving full play to the advantages of globalised and integrated operations, we will enhance our capabilities and quality of serving the development of real economy and satisfying people's aspiration for a better life, go all out to build a new development pattern with our services, and constantly pursue the unity of value creation and social benefits, thus to contribute to the high quality development with stronger power!

President of Bank of China

Introduction

Bank of China is the bank with the longest continuous operation among Chinese banks. Formally established in February 1912, the Bank served consecutively as the country’s central bank, international exchange bank and specialised international trade bank. After 1949, drawing on its long history as the state-designated specialised foreign exchange and trade bank, the Bank became responsible for managing China’s foreign exchange operations and offering international trade settlement, overseas fund transfer and other non-trade foreign exchange services. Restructured into a wholly state-owned commercial bank in 1994, the Bank provides various financial services, and has developed into a large commercial bank delivering services in local and foreign currencies and featuring complete business varieties and strong strength. The Bank was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006, becoming the first Chinese bank to launch an A-Share and H-Share initial public offering and achieve a dual listing in both markets. The Bank is the official banking partner of the Beijing 2008 Summer Olympics and the Olympic and Paralympic Winter Games Beijing 2022, thus making it the only bank in China to serve two Olympic Games. In 2011, Bank of China became the first financial institution from an emerging economy to be designated as a Global Systemically Important Bank, a designation it has now maintained for 11 consecutive years. With its growing international status, competitiveness and comprehensive strengths, the Bank

has marched forward into the ranks of the world’s large banks. In 2022, Bank of China, in celebration of its 110th anniversary of establishment, is striving to form a strategic landscape with domestic commercial banks as the mainstay, globalised operations and diversified business platforms as the two growth engines, accelerate the building of a first-class global banking group and working hard to write a new chapter in its history of more than hundred years.

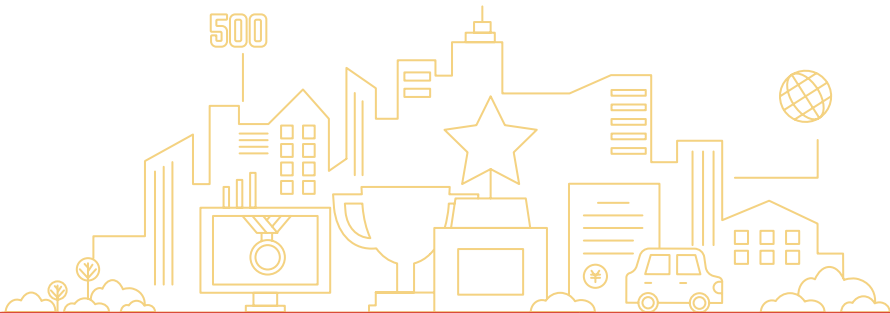
As China’s most globalised and integrated bank, Bank of China has institutions across the Chinese mainland as well as 62 countries and regions, and BOCHK and the Macau Branch serve as local note-issuing banks in their respective markets. The Bank has a well-established global service network and an integrated service platform based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financing leasing and other areas, thus providing its customers with financial solutions featuring one-click access, global response and integrated services.

Bank of China embodies a noble sense of duty and commitment. Over its 110 years history, the Bank constantly cared about the nation, dedicated to contribute to the country, and continued to strive for prosperity of the country and rejuvenation of the nation. Being

deeply rooted in people and committed to providing excellent services, it has fulfilled its responsibilities of delivering financial services for the people, bringing benefits and convenience to the people, and improving the living standards of the people. Keeping the common good in mind and advocating openness and inclusiveness, the Bank has mobilised domestic and overseas resources to serve the two-way interactions between China and the world. It has always followed the law, innovated with prudence, and upheld the spirit of integrity and innovation to strengthen the Bank. As a large state-owned commercial bank on a new journey towards fully building a modern socialist country, the Bank, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, will carry forward the Bank’s century-old tradition of pursuing excellence, take full, accurate and comprehensive implementation of the new development philosophy, contribute to the new development pattern; consciously uphold the mission of “Bridge China and the World for the Common Good”; practice the values of “provide excellent service, innovate with prudence, uphold openness and inclusiveness, collaborate for mutual growth”, take the strategic approach of “invigorate, adapt to change and drive for major breakthroughs”, and thus strive to build a first-class global banking group, promote higher-standard opening-up and high-quality economic and social development, and make an even greater contribution to realising the Chinese Dream of national rejuvenation.

Awards and Honours

Environmental	IFF Global Green Finance Award - Annual Award Winner	International Finance Forum (IFF)
	Best Issuer - Financial Institution	FinanceAsia
	Best Green Bond Bank	AsiaMoney
	Best Sustainability Bond 2021	The Asset
	Best Sustainable Finance Issuer	
	Award of Best Bank for Sustainable Finance of “Star of China”	Global Finance
	Outstanding Leadership in Blue Bonds (Sustainable Finance Awards 2021)	
Social	National Advanced Collective on Poverty Alleviation	State Council of the People’s Republic of China
	2021 China’s Most Popular Employers for College Graduates	Forbes
	Most Attractive Employer in the Opinion of Chinese University Students	ChinaHR.com
	Best Bank with Responsible Investment	Sina
	2021 Outstanding Inclusive Finance Bank	China.org.cn
	2021 Excellent Case of Financial Services for Micro, Small and Medium-sized Enterprises	China Banking Association, China Association of Small and Medium Enterprises
Governance	Ranked 4th in Top 1,000 World Banks	The Banker
	Ranked 4th in Top 500 Global Banking Brands	
	Ranked 39th in Global 500 (2021)	Fortune
	Best Board of Directors for Investor Relations	Securities Times
Branches and Comprehensive Operation Companies	2021 Global Best Environmental, Social and Corporate Governance Project (Bank of China New York Branch)	Project Finance International
	Strongest Bank in Asia Pacific and Hong Kong (BOCHK)	The Asian Banker
	Rated “AAA” for ESG in 2021 (BOCHK)	MSCI ESG
	Outstanding Enterprise for Public Welfare (BOC-SAMSUNG LIFE)	Xinhuanet
	2021 Rural Revitalisation Demonstration Institution with Outstanding Competitiveness (BOC Fullerton Community Bank)	China Business Journal



Strategy and Management

Our Mission

Bridge China and the World for the Common Good

Inheriting the fine tradition of serving the people, we will leverage our characteristic advantages in globalised services, and respond to the calling of the Chinese Dream of national rejuvenation. Through financial services, we will help build a new development paradigm featuring a “dual circulation”, and boost financing connectivity, smooth trade and mutual understanding between China and the rest of the world. Moreover, we will dedicate ourselves to people’s well-being, facilitate social progress and make contributions to the building of a community with a shared future for mankind.

Our Vision

Build a First-Class Global Banking Group

We aim to build a banking group with better integrated services, stronger global competitiveness, better governance capabilities, more efficient operation, better risk control, greater brand impact and more energetic employees.

Our Values

Provide Excellent Service

With in-depth insights into customer demands, agile response to market changes and efficient coordination, the Head Office serves branches, the back line serves the front line and the Bank serves its customers as we believe that sincere attitude and excellent services will help us win more customers.

Innovate with Prudence

Holding fast to the philosophy of prudent operation, the principle of encouraging exploration and innovation and the orientation for value creation, we keep creating value for the country, customers, shareholders, the Bank and its employees.

Uphold Openness and Inclusiveness

We always seek for openness, cooperation and inclusiveness, learn widely from the strengths of others and take the initiative to integrate into society and people’s livelihood, the new development paradigm and community with a shared future for mankind.

Collaborate for Mutual Growth

We adhere to the principle of joint development, creation and sharing, and boost cooperation inside and outside the Bank at all levels to create a community of shared cause. In this way, we aim to unify the values of the Bank and its customers and employees and achieve joint growth and flourishing.

Our Objectives

As a signing institution of the UN Principles for Responsible Banking, Bank of China actively takes on its corporate mission of “bridging China and the world for the common good” and fully integrates the sustainable development philosophy into its own development strategy. Taking its effort to serve the real economy and people’s livelihood as the starting point, the Bank exerts its utmost to build a new financial system that is greener and more inclusive, and continuously contributes to the realisation of the national “dual carbon” goals and the UN Sustainable Development Goals (SDGs).

In 2021, we formulated and released the *14th Five-Year Plan for Development and Long-range Objectives Through the Year 2035 of Bank of China Limited*, which included green finance and inclusive finance into the Bank’s strategies for the eight priority areas for enhancing financial services capabilities. We also successively formulated the plan for green finance and the action plan for serving the dual carbon goals, as well as the plan for inclusive finance, the work plan for development of county-level financial services and the action plan for boosting rural revitalisation, etc. in the 14th Five-Year Plan period, clarifying the action objectives in key areas.



Inclusive Finance

We continued to scale up credit support for the real economy and strengthen the coverage of inclusive finance customers such as micro and small enterprises, individual businesses, owners of micro and small enterprises, farmers, business

start-up guarantee/unemployed, registered impoverished people, and families of students with government-sponsored student loans, to enhance the inclusiveness, universality and accessibility of financial services.

Objectives/Commitment	Progress in 2021	UN SDGs
During 2021-2025, loans granted to micro and small enterprises under the target of “two no-less-than and two control” will remain at an excellent level.	<ul style="list-style-type: none">The growth rate of loans reaches 53.15%	
During 2021-2025, the average annual growth of inclusive finance customers will be not less than 25%. The growth rate of inclusive finance loans and customers will continue to meet the regulatory requirements.	<ul style="list-style-type: none">The growth rate of customers reaches 29.51%	
By 2025, the balance of loans granted to micro and small enterprises will exceed the RMB2 trillion mark and the number of micro and small enterprise borrowers will reach 1.5 million, making the Bank the mainstay of inclusive financial services.	<ul style="list-style-type: none">The balance of loans reaches RMB881,502.25 millionThe number of micro and small enterprise borrowers reaches 644,000	

Green Finance

We keep a close eye on the development goal of achieving peak carbon emissions and carbon neutrality, adapt to the trend of sustainable development and economic transformation, and serve the development needs of the real economy. Also, we will put in place the requirements of green development,

intensify the penetration of green philosophy, raise the green development awareness of all staff, and create a green development atmosphere in the whole bank. We will integrate green and low-carbon concepts into every aspect of our management and business activities, build a green financial system in tandem

with the Bank’s new high-quality development pattern featuring “One Mainstay, Two Engines”, so as to build up a special service brand of carbon finance and build up a new brand image of green finance for the Bank.

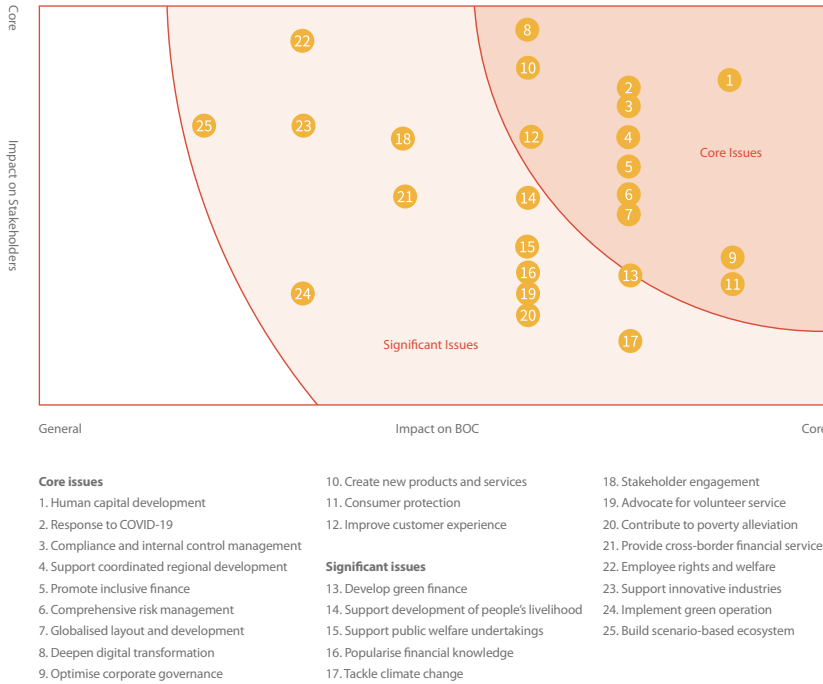
Objectives/Commitment	Progress in 2021	UN SDGs
During 2021-2025, providing financial support of no less than RMB 1trillion for green industries, and the balance of green credit ^{Note 1} will increase year by year.	<ul style="list-style-type: none">The balance of green credit in the Chinese mainland denominated reaches RMB1.4 trillion, up more than RMB500 billion	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>
During 2021-2025, the average annual growth rate of domestic individual green consumer credits will be no lower than 30% and strive to reach 60%.	<ul style="list-style-type: none">An increase of over 60% compared with the previous year	<div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div>
During 2021-2025, the control over the loan balance of the brown industries ^{Note 2} will be strengthened.	<ul style="list-style-type: none">The proportion of corporate credits to the brown industries continued to decline in the past five years and was less than 10% as at the end of 2021	<div>17 PARTNERSHIPS FOR THE GOALS</div>

Note 1: Based on the standards of “green credit” of the CBIRC, mainly covering green credit to such six industries as energy conservation, clean production, clean energy, ecological environment, infrastructure and green services, trade-related and consumption-related green credit.

Note 2: In reference to the eight major emission control industries and coal industry that has been or to be included in the carbon market by the state, brown industries herein include coal, thermal power, iron & steel, petrochemicals, chemicals, nonferrous metals, cement, papermaking and civil aviation.

Materiality Analysis

Based on the trends in the industry, the corporate development strategy and the requirements for sustained development, we determined, through streamlining, 25 social responsibility issues with the greatest impact on the Bank and its stakeholders, and invited internal and external experts and employee representatives to assess the impact of these issues on the Bank and its stakeholders. By doing so, we obtained two-dimensional assessment results of these issues, and built a substantive analysis matrix on top of the results, which have been reviewed by the Board of Directors of the Bank along with the report.



Stakeholder Engagement

Stakeholders	Expectation	Communication Channel
 State	<ul style="list-style-type: none">Support the real economyDeepen transformation and reformFacilitate the Belt and Road InitiativeParticipate in poverty alleviationPromote inclusive financeStrengthen risk control	<ul style="list-style-type: none">Routine communication and reportingProject approval and supervisionMajor project cooperation
 Customers	<ul style="list-style-type: none">Provide new products and servicesProtect consumer rights and interestsImprove customer experienceServe enterprises in cross-border businessFacilitate innovation and entrepreneurship	<ul style="list-style-type: none">Daily communication on servicesCustomer satisfactory surveyCustomer complaint handling95566 call centreWeb portal, WeChat official account and microblog, etc.
 Shareholders	<ul style="list-style-type: none">Constantly create valueOperate with honesty and prudenceStrengthen risk controlImprove cooperate governanceLead industrial development	<ul style="list-style-type: none">Regular reports and ad hoc reportsShareholders' MeetingInvestor surveyBusiness result presentation
 Environment	<ul style="list-style-type: none">Develop green financeImprove credit structurePractice green operation	<ul style="list-style-type: none">Project environmental risk assessmentEnvironmental performance collection and disclosureGreen public welfare activity
 Communities	<ul style="list-style-type: none">Improve people's wellbeingSupport public welfare undertakingsPopularise financial knowledge	<ul style="list-style-type: none">Charitable activityField studyCommunity exchange activityMedia exchange
 Employees	<ul style="list-style-type: none">Help with personal development of staffStrengthen staff trainingImprove staff wellbeingSecure staff's rights and interests	<ul style="list-style-type: none">Awards ceremonyRegular trainingCorporate culture activityWeb portal, WeChat official account and microblog, etc.



北京 2022 年冬奥会官方合作伙伴
Official Partner of the Olympic Winter Games Beijing 2022

百年同心 梦想同行



Feature

01

Official Banking Partner of Both Winter and Summer Olympic Games Meeting You at the Winter Olympics

The XXIV Olympic Winter Games and XIII Paralympic Winter Games, took place in February, and March 2022, respectively. Beijing, hosting this grand once-every-four-year event for ice and snow sports, will attract the world attention and show the Chinese people's enthusiasm for the Olympics and ice and snow sports to the whole world after the success in the 2008 Summer Olympics. BOC is an official partner of the Olympic and Paralympic Games Beijing 2022, the second time to serve the Olympics after the 2008 Summer Olympics. We have upheld the Olympic spirit, and fully supported the construction of venues and infrastructure for the Winter Olympics. With great passion, we provided financial services to support the preparations for the Winter Olympics, to share the joy brought by the Winter Olympics with people around the world, and contribute to the Nationwide Winter Sports Promotion Programme.



Following the guideline of Green Olympics and contributing to the construction of green venues for the Winter Olympics

The National Speed Skating Oval, also known as the Ice Ribbon, is a landmark building of the Olympic Winter Games Beijing 2022, and also the only new venue built in the city centre of Beijing for the Games. We, in response to the guideline of delivering a Green Winter Olympics, actively supported the green construction and operation needs of venues for the Winter Olympics, and has granted a long-term fixed asset loan of more than RMB234 million to Beijing National Speed Skating Oval Operations Co., Ltd. Meanwhile, it provided financing support for the construction project of Shougang Big Air and supporting facilities in the neighboring area, granting green loans of RMB210 million. As at the end of 2021, all venues for the Winter Olympic Games Beijing 2022 entered the final preparations stage, and the National Speed Skating meets the requirements for green building standards Level 3.



▲ National Speed Skating Oval "Ice Ribbon"

北京 2022 年冬奥会官方合作伙伴
Official Partner of the Olympic Winter Games Beijing 2022

Supporting the Construction of Venues and Infrastructure for the Winter Olympics

Since the *Master Construction Plan for Venues and Support Infrastructure for the Olympic and Paralympic Games Beijing 2022* was published in 2018, we have increased loans for the construction of major venues, infrastructure and support facilities for the Winter Olympics, which provided firm support for the implementation and advancement of related projects. As at the end of 2021, we saw a total approved credits of RMB48.6 billion and accumulated loans of RMB21.2 billion.

Construction of venues for the Winter Olympics

Customising comprehensive financing plans for several venues including National Speed Skating Oval, Big Air Shougang and National Alpine Skiing Centre, providing loans of RMB1.8 billion.

- National Speed Skating Oval: holding all disciplines of Speed Skating
- Big Air Shougang: holding Snowboard Big Air and Freestyle Skiing Big Air
- National Alpine Skiing Centre: holding 11 disciplines including Downhill, Super-G, Giant Slalom and Slalom

Transportation support projects

Providing loans of RMB7.9 billion to support the construction of Beijing section of Yanqing-Chongli Expressway, Beijing-Zhangjiakou Intercity Railway and Chongli branch railway.

- Yanqing-Chongli Expressway: main transportation artery connecting Yanqing and Zhangjiakou competition zones
- Chongli railway: is the only railway connecting the core competition venue of the Winter Olympics and the city centre of Chongli

Utilities

Providing funds of RMB11.5 billion for utilities projects for China National Convention Centre Phase II related to the Winter Olympics.

- National Convention Centre Phase II: to be open to media organisations from the world as the Main Press Centre



Easy e-CNY exchange to improve the Winter Olympics experience

During the Winter Olympics, we were the exclusive provider of trial e-CNY exchange services within the Games-related zones, where e-CNY can be used in seven scenarios, i.e., transportation and travel, catering and accommodation, shopping and consumption, tourism and sightseeing, medical care, telecommunication, ticketing and entertainment, to provide flexible payment options for athletes, coaches and tourists from China and abroad.

We also set up 12 e-CNY hardware wallet self-service exchange machines on site of the Winter Olympics. The machines are set in eight languages, and can directly exchange 18 kinds of foreign cash of 169 kinds of face values to e-CNY. Athletes and coaches from overseas, with no need to open a Chinese bank account, can select the function of purchasing e-CNY hardware wallet on the machine, and then put their cash into the machine, after which the machine will automatically calculate the exchange rate and issue a e-CNY hardware wallet of corresponding amount. Customers can easily open such wallets to pay for their accommodation, food and beverage instantly.



BOC staff help customers to use self-service exchange machines

Ensuring Financial Services for the Winter Olympics



We have integrated the bank-wide manpower and pooled advantageous resources to fully support the Winter Olympics in all aspects. During the Games period, we will open five temporary outlets and set up four self-service areas in the Beijing Olympic Villages/ Beijing Paralympic Villages, Main Press Centre, Zhangjiakou Mountain Press Centre, Zhangjiakou Mountain Broadcast Centre etc. in the three zones in two cities and designate 224 employees to these outlets and Olympic venues to provide financial services. Also, the Head Office and branches set up Games-time command centres in the three zones to provide 24/7 off-venue services and ensure secure and stable financial service during the Games time.

Comprehensive financial services

At the temporary outlets for the Winter Olympics, we provided services for overseas people who will stay in China during the Winter Olympics, including cash deposit and withdrawal, foreign currency exchange, cross-border remittance, e-CNY and so on. Meanwhile, we opened a foreign currency "green channel", according to which overseas individuals, by presenting their Accreditation Card for the Winter Olympics, can exchange foreign currencies rapidly and expediently at our outlets in the three zones, and can enjoy small-sum foreign currency exchange services through self-service exchange machines or hotel-based foreign currency exchange points on a 24-hour basis.

e-CNY services

Under the guidance of the PBOC, we acted as the sole provider of e-CNY services piloted in the area of the Winter Olympics, providing whole-process services of exchanging, top-up, use and redemption of software and hardware wallets in BOC outlets, contracted hotels and other sites within the area. The Winter Olympics-themed hardware wallet (Ice Chip-Snow Band) was the first e-CNY hardware wallet in China. Meanwhile, POS terminals accepting e-CNY were applied in merchants, contracted hotels, designated hospitals at various venues of the Winter Olympics. Clients can make payments through the Scan or Touch functions.

Online customer services during Winter Olympics

We fulfilled the commitments made as a partner of the Winter Olympics, provided services for the Games in Chinese, English, French, German, Italian, Russian, Japanese, Korean, Spanish and Arabic languages, and further upgraded functions of telephone banking, audio guide and customer service platform to provide specialised, efficient and high-quality services to improve the event participants' financial service experience.

Launching ski pass products in an innovative way

We launched a series of ski pass, enabling customers to access several top ski resorts in Chongli, Beijing, Jilin and other major skiing areas. This allows skiers to have more skiing options and brings them better and diversified skiing experience.

We built pilot bases of ice and snow sports scenarios at Shijinglong Ski Resort in Yanqing and Xishan Ski Resort in Beijing, providing skiers with a scenario experience integrating recreation and modern finance.

Winter sports zone of mobile banking

We launched a one-stop winter sports zone to support smart Winter Olympics with FinTech, which covered over 100 ice and snow rinks in China and abroad. We also launched a series of Winter Olympics-related products including ski pass and precious metal products to create a brand featuring "ice and snow + outdoor" services.

Organising colourful off-line programmes themed on ice and snow sports

We continued to organise the "Bank of China • China Ice and Snow Sports Caravan" off-line programme, touring to 100 places, and successfully organised a series of ice and snow contests including the sub-contests and national final of "Bank of China VISA Credit Card Cup Super Fixed-Point Skiing • Open" and National College Curling League etc.

Popularising ice and snow sports among youngsters

We organised "Bank of China National Youth Winter Camp" in Tongchuan of Shaanxi, Liupanshui of Guizhou and Dujiangyan of Sichuan, enabling about 2,000 students nationwide to experience ice and snow sports, have a deep understanding of the Winter Olympics culture, have fun in winter sports, and arouse their enthusiasm for winter sports.

We jointly launched the programme "Vigorous Winter Olympics with Bank of China – Youngsters from the Capital for a Shared Future Together" with the Beijing Committee of the Communist Youth League of China, supporting more young people to participate in ice and snow sports.



Organising events in Shaanxi to help young people from Xunyi experience winter sports

On January 10, 2021, "Bank of China National Youth Winter Camp 2021" kicked off at Zhaojin Ski Resort in Tongchuan, Shaanxi Province. A total of 50 senior secondary school students from Xunyi County, Xianyang, Shaanxi Province, carrying the donated backpacks and the skiing gear, embarked on the skiing trails to experience skiing under the guidance of professional coaches. They exchanged the ski suits as instructed by the ski resort staff and teachers, and started to warm up in groups as guided by the skiing coaches, which included practice on flat ground and slide in the same place, and then began to glide to walk and progressively to stride.

This was the first time for many of these students to experience winter sports. The whole resort was full of joy as they laughed, sang and hailed. The participants also met two world champions of winter sports, listening to their stories, practicing skiing, and sharing the joy of ice and snow sports at the ski resort together with them.

In Hebei

BOC Hebei Branch carried out a series of publicity programmes on the theme of "Bringing Ice and Snow Sports in Schools", providing guidance for students to experience winter sports and arousing their enthusiasm in this regard.



In Liaoning

BOC Liaoning Branch became the title sponsor of the 3rd Shenyang Ice and Snow Marathon, and advocated the initiative "Inspire 300 Million People to Participate in Ice or Snow Sports" among local people.



In Sichuan

BOC Sichuan Branch organised the leg of the "Bank of China National Youth Winter Camp" in Sichuan, attracting nearly 50 groups of young campers and their parents from Chengdu and neighbouring regions to participate.



In Heilongjiang

BOC Heilongjiang Branch, jointly with Heilongjiang Provincial Bureau of Sports and Harbin Municipal Bureau of Education, organised the launching ceremony to engage millions of youths in winter sports, with over 120 students from primary and middle schools participated. The well-known speed skating Olympic champion and world championship champion Ms. Zhang Hong attended the ceremony.



Feature

02

110 Years of Dedication to BOC's Original Aspiration of Serving the Country

Over the past 110 years, BOC has endeavoured to grow strong through reforms and forge ahead with constant efforts, thus becoming an international large banking group with global influence as a century-old bank on the world stage. Spanning over two centuries, BOC has gone through a lot and is a historical epitome and witness of China's financial industry that struggled to grow amid domestic turmoil and foreign aggression, revived after the founding of new China, thrived after the reform and opening-up, and forged ahead in the new era.



For the prosperity of the country, social progress and the rejuvenation of the Chinese nation, BOC took "being the national economic hub" as its own responsibility and consciously shouldered the historical mission of revitalising the national financial industry.



In the late Qing Dynasty and the early period of the Republic of China, China was under threat and the Chinese people were subjected to untold misery. Foreign capital monopolised China's international exchange and foreign trade, grabbing huge political and economic interests. By approval of Dr. Sun Yat-sen, Bank of China was founded in Shanghai on February 5, 1912 to perform a central bank's functions acting as a financial hub, in a bid to consolidate

the results of the Revolution of 1911. BOC struggled to expand foreign exchange business and fought to save the national financial rights and interests. During the time of frequent wars, a shattered economy and instability, BOC took the lead in reforming the management mechanism and businesses by drawing on advanced experiences with a visionary aim of "building into a modern and international bank". BOC endeavoured to expand its global network, supported national industry and commerce, led the building of industry credit, clearing and settlement system. Finally, BOC "won the trust of the society and laid the foundations as a bank", with its comprehensive strength and influences on the forefront of the national financial industry for a long time and a place earned in the international financial community.



▲ On February 5, 1912, the Bank of China was established at No. 3 Hankou Road, Shanghai (now No. 50). So far, it has become the only bank in China that has been operating continuously for more than 100 years.

A Glance of the Extraordinary 110 Years

► In early 1950, Chairman Mao Zedong wrote an inscription for BOC Staff, an internal magazine.

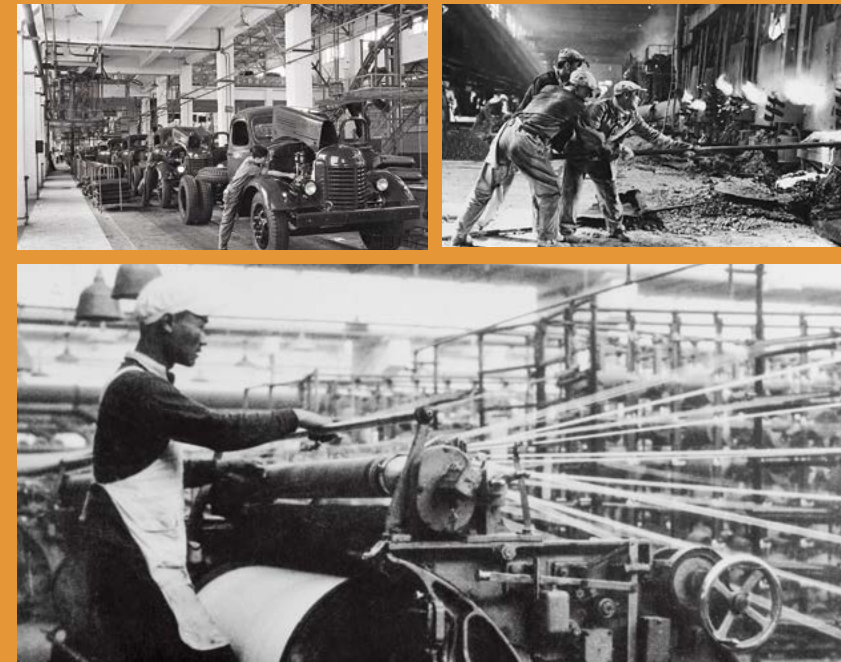


For the prosperity of the country, social progress and the rejuvenation of the Chinese nation, BOC acted as a specialised foreign exchange bank of the country, and consciously shouldered the historical mission of supporting China's economic growth and foreign trade.



During the period of socialist revolution and reconstruction, BOC was committed to the great cause of consolidating the new political power and socialist reconstruction under the care and support the central government. As the designated and specialised foreign exchange

bank, BOC became responsible for managing China's foreign exchange operations, carried out international trade settlement, overseas Chinese remittances and other non-trade foreign exchange businesses, and raised foreign exchange to support the development of ocean transportation and foreign trade. In spite of all obstacles, BOC gave full support to key industries of national economy such as textiles, metallurgy, mechanism, chemistry and light industries, and broke through the economic blockade and isolation of China by western countries, becoming an important window and bridge for China to communicate with the world at that time.



▲ China launched its First Five-Year Plan for economic development from 1953 to 1957. During this period, BOC provided great support for China's economic growth from iron & steel production to railway transportation.



◀ From 1979 to 1980, as approved by the State Council, Bank of China took the lead and succeeded in the negotiations for securing China's lawful seat in the International Monetary Fund and the World Bank.

► In 2006, BOC was successively listed on Hong Kong and Shanghai stock exchanges, becoming the first company that went public on the A and H share markets in full circulation.



For the prosperity of the country, social progress and the rejuvenation of the Chinese nation, BOC gave full play to its role as a major financial power of the country, and consciously shouldered the historical mission of contributing to the reform and opening up and deepening financial reform.



▼ In 1989, Bank of China became the first Chinese enterprise to be listed among Global 500 and has maintained the status for 33 years in a row as of the end of 2021.



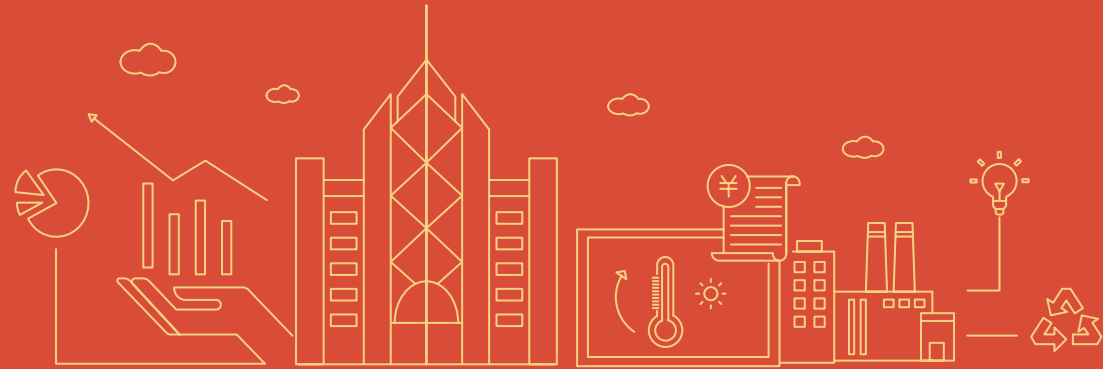
◀ In March 1985, BOC Zhuhai Branch took the lead in launching "BOC card"—the first RMB bank card in Mainland China. In May 1986, BOC Beijing Branch issued the Great Wall card, marking the birth of China's oldest credit card brand. Afterwards the Great Wall card found its way to every corner of the country.



Entering the new era, to achieve the Chinese Dream of national rejuvenation, the decisive victory in building a moderately prosperous society in all respects and build a great modern socialist country with all-out efforts, BOC continues to strive with a spirit of self-confidence, self-reliance, and innovates on the basis of what has achieved in the past. This is a period when BOC embraces the fastest development with the best quality.



Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, BOC consciously undertook the glory mission of “bridging China and the world for the common good” in full and faithful implementation of the new development philosophy, and propelled transformative changes in the quality, efficiency, and impetus of economic development. Bearing the country’s most fundamental interests in mind, BOC served China’s growth as a whole, and performed social responsibilities. Aiming to be the best bank, BOC gave full play to the distinctive advantages, and greatly supported the strategies of “going global” and “bringing in”. By improving the quality and efficiency of development, BOC strived to surpass the global peers, integrated BOC wisdom and strength into the great rejuvenation of the Chinese nation, and added new glory to the brand of a century-old bank!



▶ In 2020, thanks to BOC’s targeted poverty alleviation efforts, 1,034 impoverished villages in four counties of Xianyang, Shaanxi Province had been lifted out of poverty.



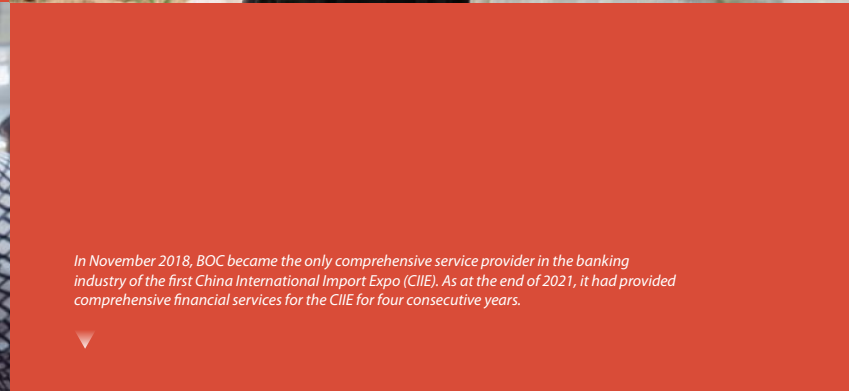
▲ The Hong Kong-Zhuhai-Macao Bridge opened to traffic on October 23, 2018. It is the longest, most expensive and most difficult sea-crossing bridge in China’s construction history. It is an important landmark and central hub of the Guangdong-Hong Kong-Macao Greater Bay Area. As the sole lead bank and agent bank of the main bridge project syndicate, BOC has continued to support the construction of the project and the opening of the bridge, contributing to the integration of Guangdong, Hong Kong and Macao.



▶ BOC has actively implemented the national strategy for regional development and vigorously supported the development of key strategic areas. In 2014, the Beijing-Tianjin-Hebei coordinated development strategy was formally put forward. BOC has actively promoted connectivity and industrial integration in the Beijing-Tianjin-Hebei region.



▲ In 2020, domestic and overseas institutions of Bank of China endeavored to collect anti-pandemic supplies to fight against COVID-19 worldwide.



▼ In November 2018, BOC became the only comprehensive service provider in the banking industry of the first China International Import Expo (CIIE). As at the end of 2021, it had provided comprehensive financial services for the CIIE for four consecutive years.



Achievements of 110 Years' Development

New height of business performance and strength

Rooted in China’s steady, healthy and fast development of economy and society, BOC secured extraordinary achievements with high-quality and development and leapfrogging catch-up. The Group’s total assets and liabilities doubled in years’ efforts, equivalent to building another BOC. BOC improved its ranking from the ninth place in 2012 to the fourth place among Top 1,000 World Banks by The Banker, stepping into the ranks of global advanced large banks. The three major international rating agencies consecutively rated the Bank with the highest level among domestic comparable peers.

New achievements in serving the national strategies

Keeping in mind the strategic overall situation of the great rejuvenation of the Chinese nation and the profound changes unseen in a century, BOC performed responsibilities as a large bank, and constantly improved the quality and efficiency of serving the real economy. BOC continued to increase investment in key areas and weak links of the national economy, got involved in the development of key regions, and supported key national projects. Moreover, BOC developed technology finance to help solve problems that hinder the country’s development, granted more inclusive loans and propelled the economy toward green and low-carbon development. BOC also helped the four North-Xianyang counties and nearly 1,000 impoverished villages across the country fight against poverty, expanded county-level finance and served the rural revitalisation.

New breakthroughs in deepening reform across the board

Contentiously implementing the two “consistencies”, BOC improved corporate governance mechanism, and modernised the governance system and capacity of state-owned financial institutions. By stimulating vitality, making agile response and achieving breakthroughs in key areas, BOC designed on the whole and turned its blueprint for development into reality. With deep and systemic reform implemented orderly, BOC held the national polices and guidance as benchmarks, formulated and carried out the 14th Five-Year Plan for Development, and achieved historical changes and strategic transformation in more and more key fields with wisdom across the board.

New advantages in globalised and integrated operation

BOC actively participated in the new situation of a higher-level opening up, and improved its capabilities to provide comprehensive services in all fronts. With institutions spanning across 62 countries and regions and the most comprehensive platform for diversified integrated operation, BOC actively assisted domestic enterprises in higher-level international competition, and endeavoured to realise accessing the Bank’s global resources and services at any point of contact. In addition, BOC continued to innovate financial services for the Belt and Road Initiative, maintained the largest amount of cross-border RMB settlement and clearing, and stayed ahead of domestic peers in terms of international settlement, currencies and amount of foreign exchange and foreign exchange trading.

New results in forestalling and defusing financial risks

Adhering to thinking about worst-case scenarios and upholding a systematic concept, BOC coped with changes unseen in a century and a series of major events calmly. BOC always took risk prevention and control and steady operation as the cornerstone of business management and development. Handling the relation among reform, development and stability well, BOC paid close attention to risk prevention and control in key areas by taking the chance of being the first to adopt Basel II. Through constant improvement of comprehensive risk management, BOC consolidated the foundations for the whole Bank’s sustainable development. As at the end of 2021, the non-performing loans to total loans of the Group was 1.33%, which kept a lower NPL ratio compared with peers.

The past 110 years of Bank of China are 110 years of adhering to the original aspiration and serving the country through finance, 110 years of striving forward against all odds, and 110 years of making innovations on the basis of tradition for a better future. On the new journey, BOC will further advance our cause, build on achievements by seize opportunities, and shoulder important tasks with courage to create another century of glory.

Focusing on the Original Aspiration and Serving National Strategies

Finance is the blood vessel of economy. In 2021, BOC performed responsibilities as a large state-owned bank. Focused on serving the real economy and satisfying people's increasing demands for a better life, we expanded our presence in the eight priority fields such as technology finance, cross-border finance, inclusive finance and county-level finance in an accelerated effort to establish a strategic development pattern with domestic commercial banking as the body and globalised, comprehensive operations as the two wings. We continued to promote the high-quality development of economy and society and the opening up to a new stage.



Supporting Innovative Development of Regions

Taking serving the country's coordinated regional development as one of our strategic priorities during the 14th Five-Year Plan period, we actively contributed to the integration in the key regions and high-quality development of China. We offered quality, efficient financial services for investment in and development of local major projects, improvement in people's livelihood, etc. in the Beijing-Tianjin-Hebei region, Xiongan New Area, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing economic circle and Hainan Free Trade Port, so as to give these key regions a leading role and realise the balanced development of domestic business.

Supporting the Coordinated Development of the Beijing-Tianjin-Hebei Region



We continued to deepen the coordinated development of the Beijing-Tianjin-Hebei region. Through innovative products and services, we stepped up support for infrastructure construction, rail transport, key livelihood projects, industrial technological innovation, eco-environmental protection and winter sports in the region, fueling higher-quality coordinated development of the region in the new stage. As at the end of 2021, the balance of loans to the projects of the coordinated development of the Beijing-Tianjin-Hebei region was RMB308.9 billion, of which RMB113.5 was issued in 2021 in total.



Transportation goes first in Beijing-Tianjin-Hebei coordinated development

BOC Beijing Branch continuously stepped up services for key projects in the transportation field. As at the end of 2021, Beijing Branch supported 17 metro lines construction with cumulative outstanding loans of over RMB34.5 billion.

In 2021, BOC Tianjin Branch successfully participated in the syndicated loans for Tianjin Metro Line 6 construction and the phase-I project of Line 10, cumulatively contributing tranches of RMB5.65 billion.

Sustainable Development Goals (SDGs)



Supporting the Construction of Xiongan New Area



We continuously increased financial support for Xiongan New Area as we took it as a mission to provide high-standard services for the construction of the area. As at the end of 2021, we approved verified credit limits of RMB290.3 billion to major projects and enterprises in the area, RMB21 billion of which had been cumulatively extended. Most of the funds flew into key fields such as green credit, infrastructure and strategic emerging industries, powerfully backing the major construction projects including the “four vertical lines & two horizontal lines” high-speed rail network, “four vertical lines & three horizontal lines” expressway network and community rebuilding.



Making inclusive finance service more technology-based

In cooperation with the Xiongan New Area Investment Promotion Service Centre, the Xiongan Intelligent City Innovation Federation and the Xiongan Blockchain Lab, we developed and put into use the “scientific innovation service block chain platform of Xiongan New Area”, and launched our online loan products on the platform. The platform is designed to promote the transformation of our inclusive finance service towards the high-tech, intelligent services of the block chain and internet, and enhance our capability and quality of financial services for micro and small enterprises.

Launching the first pilot scenario of “block chain + e-CNY” in China

Relying on the advantage in the block chain technology in Xiongan New Area, we launched the first pilot scenario of “block chain + e-CNY” in China, where salaries were paid in the form of e-CNY through the “Block Chain Payment Platform”. Through the programme, we accumulated precious experience in financial innovation exploration for Xiongan New Area.

Supporting Yangtze River Delta Integration



We continuously backed the high-quality integrated development of the Yangtze River Delta. By tapping into our advantage in comprehensive operation, we promoted inter-region information sharing and helped with building the five-pronged service systems of “connectivity, tech-empowered service, happiness and wellness, factor synergy and green finance”.

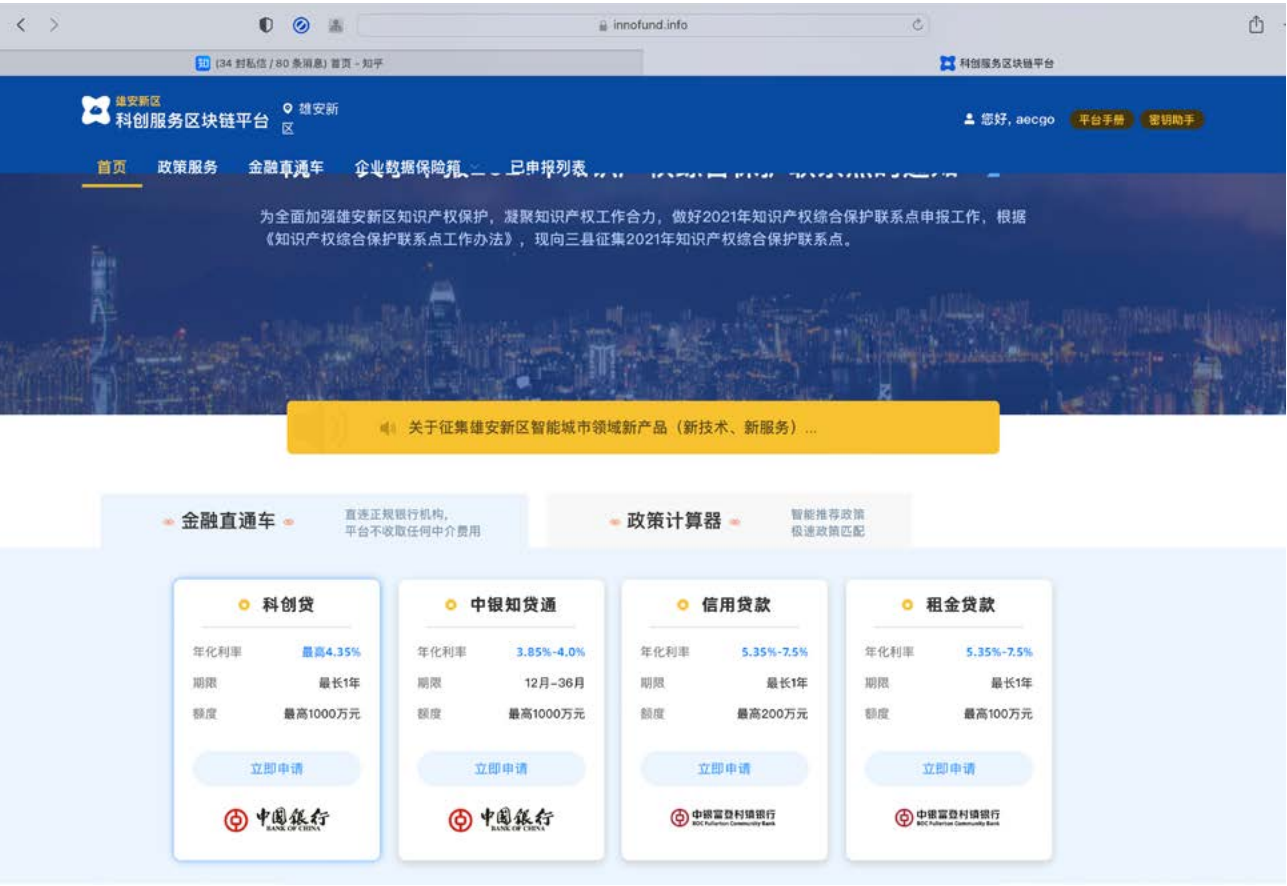
Public transport connectivity

Railway
The “Railway e-Card” convenient service was promoted. We have by far activated the use of the “Railway e-Card” in three intercity railways in the Yangtze River Delta, namely, the Nanjing-Anqing line, the Shanghai-Nanjing line and the Nanjing-Qidong line. As at the end of 2021, a total of 275,200 “Railway e-Cards” in the Yangtze River Delta were distributed.

Public transport
The convenient service for public transport scenarios was refined. We carried out the PBOC’s demonstrative project of mobile payment through launching more bus taking scenarios in different places. As at the end of 2021, we enabled passengers to scan a QR code to take bus in Shanghai, Ningbo, Suzhou, Changzhou and Wuxi in the Yangtze River Delta; besides, the service has fully covered all bus lines and metro lines in Ningbo.

Smart government services: Convenience and benefits to people

We went all out to advance the development of government affairs scenarios in the Yangtze River Delta by deepening the application of the “internet + government services + finance” smart services mode, which has by far covered over 600 outlets and about 1,500 smart counters in Shanghai and Anhui. Citizens in Anhui now have access to 24 frequently used personal government services and those in Shanghai to 37 such services.



Interface of the official website of the scientific innovation service block chain platform of Xiongan New Area



Launch Ceremony for “QR Code for Metro in Ningbo”



Government affairs services on a smart counter of BOC Shanghai Branch

Supporting the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

We deeply integrated into the development of the Guangdong-Hong Kong-Macao Greater Bay Area through continuously increasing financial support for the development of sci-tech innovation, infrastructure interconnectivity, industrial transformation and upgrading, ecological improvement and improvement in people's wellbeing in the Greater Bay Area. With an innovative BOC-featured development mode of technology finance business, we launched such products as "BOC Sci-tech Innovation Loan" and "Guangdong-Macao Sharing Loan" that were designed reasonably to satisfy the financing needs of sci-tech enterprises. As at the end of 2021, the Bank's four major institutions based in the Greater Bay Area recorded a balance of loans of over RMB3.5 trillion.

Meanwhile, by integrating wealth management and cross-border finance, we launched the "BOC Cross-Border Wealth Management Express" with multiple products selected based on the characteristics of the Guangdong-Hong Kong-Macao markets, aiming to provide a convenient channel to allocate cross-border assets for residents in the Greater Bay Area. Up to now, over 11,000 clients have signed up.

As at the end of 2021, the Bank's four major institutions based in the Greater Bay Area recorded a balance of loans of over

RMB **3.5** trillion



Convenient sign-up channels for account opening

We equipped outlets in Guangdong with smart counters that enable the identification of Hong Kong and Macao resident certificates. Clients holding the Mainland Travel Permits for Hong Kong and Macao Residents or Hong Kong/Macao resident ID cards can directly handle the opening of a debit card or mobile banking over the smart counters. A card can be obtained or mobile banking can be activated instantly on the spot. The service allows Hong Kong and Macao residents to quickly acquire a domestic BOC bank account.

Setting up a two-way service platform

Professional "one-to-one" wealth management service was offered by the outlets in Guangdong, Hong Kong and Macao to clients of "BOC Cross-Border Wealth Management Express". Besides, "one-to-one" service with respect to investor protection and other aspects was enhanced so that customers can access safe, consistent service experience in the Greater Bay Area.

Offering comprehensive and diversified services

We launched the Macao "Cross-border Wallet", through which convenient, quick domestic mobile payment service was offered to customers from Hong Kong and Macao. At the same time, we vigorously promoted the serial cards with the Greater Bay Area theme, and developed "Business Connect" to provide preferential treatments for Hong Kong and Macao consumers.

We launched a "cross-border, online and one-stop" service that allows Macao residents to handle Zhuhai social security. Handling the formalities online through mobile banking, Macao customers are now spared "tiresome errands, prolonged waiting time and complicated formalities".

Straightening cross-border investment channels

After signing up for "BOC Cross-Border Wealth Management Express", customers can check details on products available in the "Cross-Border Wealth Management Express" zone of the BOC mobile banking APP (both the mainland and Hong Kong/Macao version), and select investment products that suit their risk tolerance and investment preference on the APP.

Supporting the Development of the Chengdu-Chongqing Economic Circle

We formulated the Action Plan of Bank of China for Supporting the Development of the Chengdu-Chongqing Economic Circle. During the year, we signed the cooperative agreements with local governments of Sichuan-Chongqing Gaozhu New Area and Yibin City to accelerate support for the development of the local economy and the construction of the Chengdu-Chongqing economic circle.

Supporting the Development of the Hainan Free Trade Port

We continued to deepen the implementation of the Framework Agreement on Strategic Cooperation in Finance Services signed with the Hainan Provincial People's Government by fueling the development of the Hainan Free Trade Port and "Smart Hainan", in an effort to become the first-choice bank for the free trade port. In 2021, the balance of loans to the Hainan Free Trade Port increased by RMB12.6 billion.

Promoting liberalisation and facilitation of trade

We handled 370 new-type offshore international trade finance transactions worth USD6.383 billion in total for nine enterprises located in the Hainan Free Trade Port. The underlying trades covered commodities such as crude oil, coal and corn. The new-type transactions of payment and collection facilitation under international trade accounted for over 80% of the total business volume in the province.

Launching the first "Hainan High-tech Loan" in the province

We offered the investment and loan linkage service for the credit risk compensation fund established by the Hainan Provincial Science and Technology Bureau. As at the end of 2021, we extended a total of RMB181.10 million worth of "Hainan High-tech Loan" to 39 local high-tech enterprises.

Serving the First China International Consumer Products Expo

We went all out to serve the First China International Consumer Products Expo through offering cross-border "cloud matchmaking" service to 50 exhibitors from China, Italy, South Korea and other countries; providing trial use of e-CNY on the spot; and hosting such activities as the Green Finance Forum and the Release Conference on Smart Elderly Care.



BOC signs a strategic cooperation agreement with Sichuan Provincial People's Government



BOC Sichuan Branch extended over RMB1 billion worth of "Rong Yi Da" loans to the constructor of the Chengdu-Kunming Railway



Bank-enterprise business matchmaking for "Hainan High-tech Loan"

Optimising the Cross-Border Finance Layout

We took initiatives in getting involved in China's opening-up, and actively pushed forward two-way interactions between China and the outside world. By tapping into our advantage in globalised operation, we made active efforts to fuel China's Belt and Road Initiative, serve the "high-level going global" and "high-quality bringing in" of enterprises, facilitate the RMB internationalisation process and serve the China International Import Expo, helping the country with high-level opening-up in an all-round manner.

Facilitating the Belt and Road Initiative



In adherence to the principles of "achieving shared growth through consultation and collaboration", we boosted the high-quality development of the Belt and Road Initiative in terms of policy communication, facility interconnectivity, trade facilitation, financing availability and people-to-people bonds, with an aim of realising high-standard, sustainable development that improves people's wellbeing. As at the end of 2021, the presence of our overseas institutions covered 62 countries and regions, including 41 countries involved in the Belt and Road Initiative. We also followed up over 700 key projects in the Belt and Road region, and cumulatively extended credit support of about USD223 billion to the Belt and Road countries.

We pioneered in launching bonds with a Belt and Road theme, through which funds of USD14.6 billion equivalent were raised. We built a cross-border matchmaking platform, and hosted 89 cross-border matchmaking fairs, including matchmaking efforts and other activities in support of two consecutive sessions of the Belt and Road Forum for International Cooperation. Moreover, the Belt and Road International Financial Exchange & Cooperation Seminars initiated by us had been held for eighth time.

By the end of 2021

The presence of our overseas institutions covered

62

countries and regions



Including

41

countries involved in the Belt and Road Initiative

We also followed up over

700

key projects in the Belt and Road region



Cumulatively extended credit support of about

USD 223 billion

to the Belt and Road countries

We pioneered in launching bonds with a Belt and Road theme, through which funds of

USD 14.6 billion

equivalent were raised

Expanding Cross-Border Financial Services



We deepened innovation in the cross-border business mode, continuously enhanced the capability of delivering financial services for new business forms and new modes of foreign trade, enriched the assortment of cross-border trade financing products and services, strengthened the digital service capability, deepened the development of the block chain platform and actively explored cross-border financial services.



▲ BOC signs the Special Agreement on Supporting High-quality Development of New Business Forms and New Modes of Foreign Trade with China Export & Credit Insurance Corporation

Supporting the development of new business forms under foreign trade

We formulated and released the *Measures of Bank of China for Supporting High-quality Development of New Business Forms and New Modes of Foreign Trade* with a view to actively boosting online, intelligent and digital development of cross-border finance, continuously sharpening the capability of financial services for new business forms and new modes of foreign trade, and building a comprehensive financial product system covering settlement and financing services.

In 2021, we entered into the *Special Agreement on Supporting High-quality Development of New Business Forms and New Modes of Foreign Trade* with China Export & Credit Insurance Corporation. The two parties will take this as an opportunity to carry out business innovation practice in new business forms, with concerted efforts to extend high-quality financing services for the new business forms and new modes of foreign trade.

Enriching the assortment of cross-border trade financing products and services

We released the fully upgraded version of “BOC Cross-border E-commerce Connect”, a brand under which we offer inclusive payment and collection services under import and export for cross-border e-commerce. We cumulatively settled funds of over RMB140.0 billion in 2021.

Exchange settlement service for SMEs engaged in market procurement trade

We launched the “BOC Cross-border e Procurement Express” service in Shandong, Hubei, Guangdong, Zhejiang, etc., offering overt, online, facilitating exchange settlement services to export-oriented SMEs and self-employed individuals engaged in procurement trade.

Facilitated cross-border settlement for new offshore trade

We offered convenient cross-border funds settlement service to areas covered by the pilot programme on new-type offshore trade facilitation in Suzhou, Ningbo and other places. We have by far completed the first settlement under entrusted overseas processing under new-type offshore trade.



▲ BOC releases the “BOC Cross-border E-commerce Connect” on the 130th China Import and Export Fair

Advancing digital transformation of cross-border business

We expedited the development of online trading channels for financial market products, enhanced our capability of digital service, offered convenient transaction instruments, and stepped up the promotion of the e-transaction platform. We provided services to foreign

trade enterprises and convenient online services for cross-border business, and improved the efficiency of handling exchange rate/interest rate hedging business and customer experience through bank-enterprises link interfaces.



Supporting exchange settlement for individuals through the innovative product “Easy Settlement Express”

In Zhejiang, we launched a new product named “Easy Settlement Express” for local self-employed individuals to satisfy their requirement for exchange settlement service. The product is connected to the Yiwu International Trade Information Service Platform to offer exchange settlement support under procurement trade to individuals, better meeting the requirement of self-employed individuals engaged in foreign trade for exchange settlement service. In 2021, we cumulatively settled USD1.282 billion through “Easy Settlement Express”.

Boosting RMB Internationalisation



We increased support for RMB internationalisation through continuously enhancing our capabilities of product R&D and innovation in service and taking an active part in policy formulation and research. As at the end of 2021, we handled RMB632 trillion worth of cross-border RMB clearing transactions, representing a year-on-year growth of 34%; the Group completed RMB11.26 trillion of cross-border RMB settlements, a year-on-year increase of 22.36%.

Promoting the facilitation of cross-border trade activities

To implement the requirements set forth in the *Notice on Further Optimising Cross-border RMB Policy to Support Stability of Foreign Investment and Foreign Trade*, we encouraged our domestic branches to play a leading role in the local self-discipline mechanism and to work with peers to draw up standards for identifying quality customers. Upon receipt of a payment/collection instruction or order submitted by a quality corporate customer, we can directly handle cross-border RMB settlement service under trade in goods and trade in service.

Enhancing the international influence of RMB

We kept track of the RMB internationalisation process, released a series of research results such as “Cross-border RMB Index”, “Offshore RMB Index” and *Whitepaper on RMB Internationalisation*, and pushed relevant market entities to actively participate in the RMB internationalisation process.

Serving CIIE



We provided support for the Fourth China International Import Expo (CIIE) through inviting overseas exhibitors, attracting domestic investors and providing exhibition services. We invited 640 overseas exhibitors and 766 buyers to the event; due to our efforts, 273 intents of cooperation were reached on the spot, amounting to USD3.699 billion.

Promoting CIIE overseas

We hosted online cloud CIIE promotion fair for Latin America and other overseas regions, encouraged Frankfurt Branch, BOCHK, BOC (New Zealand) and other overseas branches to provide assistance for the CIIE Bureau in hosting cloud CIIE promotion activities, and invited local customers to the activities.

Inviting domestic investors

We provided support for over ten onsite or online business roadshows sponsored by the Ministry of Commerce and the CIIE Bureau, broadcasting the influence of CIIE.



Pushing Forward Industrial Transformation and Upgrading

With great attention paid to the development of strategic emerging industries and the transformation and upgrading of advantageous traditional industries, we continuously stepped up efforts in research and policy formulation in relevant fields, vigorously supported clusters of emerging industries and ecological development of industries, and helped build a modern industrial technology system that is advanced, applicable, autonomous, controllable, open and inclusive.

Supporting the Development of Strategic Emerging Industries



We formulated the *Guideline of Bank of China on Serving the Development of Strategic Emerging Industries* and credit policies for a number of segmented sectors. The *Guideline of Bank of China on Credit Extension to Industries (Version 2021)* explicitly states that the Bank will prioritise strategic emerging industries and advanced manufacturing, and selectively support leading enterprises with core competitiveness in such key industries as the new-generation IT industry, high-end CNC machine tools and robots, aerospace equipment, advanced rail transit equipment, energy-saving and new-energy vehicles, power equipment, new materials, biomedicine and high-performance medical apparatus and instruments, marine engineering and high-tech shipbuilding, agricultural machinery and equipment. Meanwhile, we developed standards for evaluating advanced manufacturers, clarified such standards for some manufacturing segments in terms of technology, product, experience, market among other dimensions, and stepped up support.

By the end of 2021

The balance of loans to strategic emerging industries totaled

RMB **521.578** billion



Up RMB299.335 billion or

135%

over the beginning of the year



In September 2021, BOC Guangdong Branch hosted the "specialized and innovative" cross-border matchmaking activity for small and medium-sized enterprises held at the 17th China International Small and Medium Enterprises Fair and Small and Medium Enterprises International Cooperation Forum

Supporting Transformation and Upgrading of Traditional Industries



We continued to adjust the credit structure in a faster pace, strictly controlled credit granting to brown industries with high energy consumption and emission, and propelled the green economic and social transition. At the same time, we timely adjusted our credit strategy for high-carbon industries such as coal power, iron & steel, petrochemicals, chemicals, non-ferrous metals, and building materials in a way that pressed for capacity replacement and green renovation and lowered energy consumption and emissions. As the end of 2021, the corporate credit to brown industries of the Bank accounted less than 10% of total corporate loans.



Helping Echeng Iron and Steel Co., Ltd. realise industrial transformation

Echeng Iron and Steel Co., Ltd. is the largest building steel production base, an important industrial steel production base and an emerging high-end steel panel production base in Hubei Province. Its products are widely used in infrastructure construction projects of water conservancy, hydro power and railway. BOC Hubei Branch conducted an overall evaluation on risk points including environmental protection and industry policy and granted reasonable credit limits to the enterprise based on its actual operation and development status and the evaluation results. In terms of trade financing, the branch simplified the financing formalities, efficiently completed approval for money distribution and offered it the maximum preferential treatment in exchange settlement under import and export, thereby lowering its financing costs. The branch initiated the establishment of a creditors' committee, and pressed the company to upgrade to green and intelligent manufacturing. At present, the company manages to dispose of solid wastes in its factory, recycles waste water and has super-low emissions of dust fall. In 2021, Echeng Iron and Steel Co., Ltd. was honored "Clean Manufacturer, Environmentally Friendly Enterprise" by China Iron and Steel Association.



Total loans extended amounting to
RMB **146.904** billion



Innovative digital inclusive finance services

We launched the “Inclusive Loan” series of online products for micro and small enterprises and business owners. Through mining and analysing enterprises’ internal and external data and utilising such technological means as the internet, big data and biometric authentication, we set up an automatic risk control system that enables comprehensive evaluation of micro and

small enterprises and online handling of financing services from customer application, review and approval to withdrawal and repayment, thus improving the facilitation and availability of finance to micro and small enterprises. As at the end of 2021, the “Inclusive Loan” series served close to 100,000 enterprises with total loans extended amounting to RMB146.904 billion.

Profoundly Developing Inclusive Finance

Positioning inclusive finance as a strategic business related to our sustainable development, we formulated the *14th Five-Year Plan on Inclusive Finance of Bank of China* and actively assumed the responsibility as a major state-owned bank by focusing on serving the real economy and boosting high-quality development of inclusive finance. With an orientation to digital inclusive finance, we accelerated innovation in inclusive finance modes, strove to build an inclusive finance service system with commercial banking as the body, rural finance as a distinct feature, consumer finance and public benefit services as supplements, and endeavoured to provide more financial drivers for improvement in people’s livelihood and social development.

Focusing on Micro and Small Enterprises and Helping More Enterprises Access Inclusive Finance Service



In 2021, we were committed to building an inclusive finance service system with openness and sharing as the innovation principles, digital link as technical foundation, network platform as service media, embedded scenarios as touch point to users and comprehensive, ecosystem-based operation as operating mode, with a view to fully enhancing the efficacy of delivering financial services to micro and small enterprises. As at the end of 2021, the balance of inclusive finance loans to micro and small enterprises that meet the “two no-less-than and two control” requirements recorded RMB881.5 billion, representing a growth rate of 53% during the year; the number of accounts of such loans went up 32% to 620,000.



Building the inclusive finance brand “Inclusive Loan”

To build a new brand image and better serve the inclusive finance customer groups, we launched an inclusive finance brand — “Inclusive Loan” in 2021. We aimed to return to the original aspiration of serving the real economy, align ourselves with the real needs of inclusive finance customer groups, offer professional, efficient inclusive finance services and help the state build the “dual-circulation” development pattern.



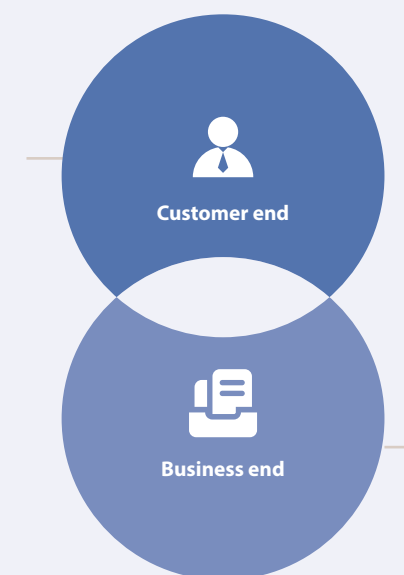
▲ Logo of the inclusive finance brand “Inclusive Loan”

Customer experience

Customers were enabled to make self-service application via corporate online banking, mobile banking and other online service channels without submitting many materials. The application process was quick and convenient.

Expanding scenarios

Embedded third-party platforms such as WeChat mini-programme and H5 marketing tool H5 were used to connect to different external scenarios and data, so as to expand the scenarios and channels of online inclusive finance services and extend the coverage of inclusive finance services.



Reinforcing the capability of comprehensive use of data

In pace with the enterprise-level architecture development, we consolidated the personal loan customer data foundation, supported retrieval of external data such as data from taxation authorities and the industrial and commercial administration organ in offline handling of loans, enriched the dimensions of loan data and improved the capabilities of anti-fraud detection and risk identification.

Upgrading the management mode of “Tax Loan”

We lifted the limits on “Tax Loan” so that branches would not be restricted by the online business limits. A credit model was developed for self-employed individuals to enhance the customer service capability. As for outstanding loan holders, we simplified the pre-lending survey and approval procedures to improve customer experience.

Supporting pilot programmes in important regions

We replied to the applications of Guangdong Branch and Zhejiang Branch for pilot programmes on online personal inclusive finance business, allowing the branches to develop locally featured business modes of online personal business loan based on market and competitive conditions and the local economic characteristics. inclusive finance services.

We verified over

RMB **50** billion
worth of credit limits under
“MSE Benefit Loan”



Cumulatively extended close to

RMB **60** billion



Helping enterprises with “MSE Benefit Loan”

In consideration of the characteristics of micro and small enterprises' financing needs, namely short term, small, frequent and prompt needs, we launched a service scheme named “MSE Benefit Loan” under the inclusive finance brand “Inclusive Loan” to increase support for the customer group. Under the scheme, we verify a certain limit on short-term working capital loans for those micro and small enterprises

that make collections and payments frequently in production and operation. Within the limit, the enterprises can withdraw money multiple times, return money in installments and recycle the loan money for day-to-day production and operation activities. Since its launch in April 2021, we verified over RMB50 billion worth of credit limits under “MSE Benefit Loan” and cumulatively extended close to RMB60 billion.

Joining hands with enterprises via “BOC E-cooperation”

On the “Inclusive Loan • BOC E-cooperation” platform, we innovatively created the “scenario + finance” service mode based on IT technologies such as big data, cloud computing and artificial intelligence. The platform is designed to act as a bridge and bond connecting demands and supplies and helping

governments bring in investments through building an “online + offline” bank-government-enterprise ecosystem and breaking service boundaries of customer groups of enterprises, government bodies and chambers of commerce.

Hosting matchmaking events

We served the four state-level exhibitions with the “BOC E-cooperation” platform. We organised the supply-demand matchmaking conference for the CIEE for four consecutive years, as well as matchmaking activities for the China International Consumer Products Expo, China International Fair for Trade in Services and China Import and Export Fair. As at the end of 2021, we cumulatively hosted 89 business matchmaking activities, providing “financing + intelligent” services for close to 40,000 enterprises from 126 countries and regions throughout the globe.

Boosting bank- government- enterprise collaboration

Based on consultations with 10-odd institutions including local government bodies and sci-tech parks about cooperation, we created 13 customised zones with distinct local features on the platform, including Xiamen Jimei Zone, Inner Mongolia Dairy Industry Revitalisation Zone and Shenzhen Sci-tech Innovation Zone, under which close to 100 pieces of information on investment promotion and bank-government cooperation were released. The zones attracted nearly 1,000 micro and small enterprises to the platform, which publicised close to 1,000 pieces of information on supply of raw materials, product selling and technical cooperation.

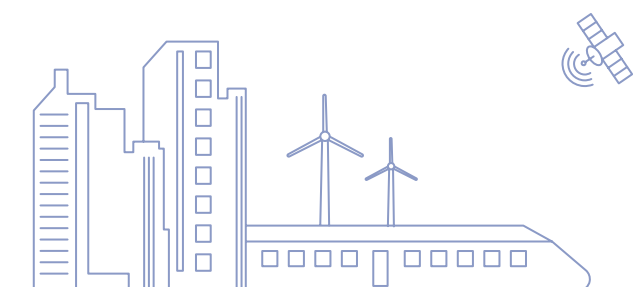
Assisting targeted areas under the BOC's poverty alleviation programme in pursuing prosperity

Relying on our experience in delivering targeted support to four prioritised counties under national poverty alleviation and development, namely Chunhua County, Xunyi County, Changwu County and Yongshou County (“four North-Xianyang counties” hereinafter) in Xianyang City, Shaanxi Province, we designed a module with the theme of rural revitalisation on the “BOC E-cooperation” platform, created a special zone of investment promotion for the four North-Xianyang counties under the module, and launched business promotion dedicated to Xianyang City and the four North-Xianyang counties, in an effort to boost the rural revitalisation in the counties.



Creating more sales for enterprises through “BOC E-cooperation”

At the First China (Qinghai) International Ecological Expo, BOC Qinghai Branch provided financial services as the sole financial partner, and arranged 15 cloud-based business talks between local enterprises and over 10 green agricultural and livestock producers from 5 provinces and municipalities through “BOC E-cooperation”. This broadened sales channels of dairy products makers, green food makers, alcohol processors and manufacturers, green agricultural and livestock producers and helped them reach intents of cooperation. On the exact day, many customers went to the site for face-to-face communication with enterprises from outside the province.



BOC supports China (Qinghai) International Ecological Expo with “BOC E-cooperation”

Deepening Financial Services Related to People's Livelihood in Four Scenarios



Cross-Border Scenario

Centring on the four major scenarios, namely cross-border scenario, education scenario, sports scenario and grey-hair scenario, we continuously stepped up the development of our basic capabilities, improved service measures for specific scenarios, and accelerated building of a scenario-based financial services ecosystem, with dedication to building a convenient, efficient system of banking products and comprehensive services for the general public.

- We released the "BOC Cross-border GO" APP, which offered professional and considerate cross-border services for cross-border customers; and launched the WeChat mini-programme "BOC Compass" targeted at non-resident clients, to further satisfy the diversified requirements of overseas customers after entering the Chinese border for consumption payment, remuneration management, investment & wealth management.
- We optimised and upgraded over 40 core financial products based on our deep understanding of changes in the market and customer needs, embedding the feature of foreign-currency banknote reservation onto Huawei's HarmonyOS,

Alipay, www.gjzfwf.gov.cn (the state government affairs platform) and China Mobile's "Worry-free Travel" and offering industry-leading service features and customer experience.

- We developed the sub-scenario for students studying abroad. We released the Forbes Guideline on International Schools in China and the *Whitepaper on Chinese Studying Abroad* jointly with cooperative institutions, built 10-odd prioritised non-financial services centring on the whole cycle of students' studying abroad experience, embedded over 20 financial features and created one-stop cross-border scenario-based service experience.

- We built a whole-cycle service platform for the education sector, continuously refined the education zone of mobile banking, helped education administrators at all levels implement the state policy of "double reduction (easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education) and standardise the administration of off-campus tutoring institutions, and developed comprehensive, professional, and quality smart campus services for institutions of higher learning and vocational colleges.

- We launched the "Ten Thousand Principals" training programme in cooperation with the Ministry of Education, so as to shift service priority to the primary level and help with enhancing IT-based education capability of primary and middle schools.
- We promoted the whole-cycle education service platform in 35 provinces, municipalities and autonomous regions, which covers over 15,000 educational institutions and serves 4.25 million personal customers.

Education Scenario



- We pressed forward the development of Beijing 2022 scenario, carried out in-depth cooperation with major leading sports venues in China and important winter sports events, and popularisation activities together with the General Administration of Sport of China to encourage more people to engage in winter sports, making the target of "Inspire 300 Million People to Participate in Ice or Snow Sports" achievable.
- We built infrastructure for sub-scenarios, and launched the ERP (Enterprise Resource Planning) system self-developed by sports

merchants, a dedicated platform for management of sports associations and sports events, platform for distributing sports coupons, sport resources centre and other applications.

- We integrated featured financial products such as ice and snow card, the Winter Olympic card and payroll service with sports scenario.
- We enriched the experience of online users, upgraded the sports zone of mobile banking, and enriched the contents, thus to improve user experience.

Sports Scenario

- We primarily established a learning ecosystem of online "BOC University for the Elderly" with 3 sections and 6 colleges, provided about 400 online courses for seniors to study for free, and carried out 500 events of "Craft Making to Community".
- We debuted the Grey-hair Map, an online elderly care resources exhibiting platform at the First China International Consumer Products Expo to provide product and services information on quality-guaranteed elderly care institutions for the elderly. As at the end of 2021, 160 such institutions across 24 provinces and municipalities had registered on the platform.
- Centering on medical care, food, living, travel, entertainment, emotions and learning of the elderly's daily life, we

launched financial products and non-financial services suitable for the elderly in the special elderly zone of mobile banking, and carried out the Second BOC Double Ninth Grey Hair Day campaign to enrich the elderly customers' privileges. The special elderly zone had 2.658 million users logging in, and 7.469 million clicks on login, all in a cumulative manner.

- We continued to make outlets more friendly to the elderly, and provided featured products and differentiated services for the elderly, and actively participated in the building of an elderly service circle within 15 minutes' journey. In the year, we set up 58 new model outlets featuring grey-hair service and turned 218 outlets into elderly finance-featured outlets.

Grey-Hair Scenario

Supporting Rural Revitalisation

We continued to step up support for China's rural revitalisation initiative. In August 2021, we officially set up the Rural Revitalisation Finance Department and special forces to lead work related to rural revitalisation. Moreover, we revised the *Action Plan of Bank of China on Facilitating Rural Revitalisation*, which specifies key measures for supporting rural revitalisation and sets the targets of an increment of RMB1 trillion in agriculture-related loans extended and an average annual growth rate not lower than 10% throughout the Bank during the 14th Five-Year Plan period.

By the end of 2021

The balance of agriculture-related loans recorded

With a growth rate of

15.8%

during the year

RMB **1,740.8** billion



The balance of agriculture-related inclusive loans reached

With a growth rate of

46%

during the year

RMB **188.8** billion



We set up

40

new county-level institutions

in 2021

Stretching our presence to

17

counties previously uncovered



Innovating in Agriculture-Related Products and Services



- We worked out service schemes of "Inclusive Loan · New Agriculture Connect", "Inclusive Loan · Farmland Loan" and "Inclusive Loan · MSE Benefit Loan", and actively supported new-type agricultural operators, high-standard farmland constructors and agriculture product processors by satisfying their diversified, multi-level requirements for financial services;
- We developed "Rural Revitalisation Loan · Agricultural Benefit Loan" to solve problems with traditional agricultural credit business such as insufficient customer information, small service coverage, high customer acquisition cost and inadequate risk mitigation;
- We launched innovative products to help farmers such as "Cotton Loan", "Benefit Farmer Lucky E Loan" and "Tea Merchant E Loan" and continuously refined the pro-agriculture financial product system;
- We popularised the platform for management of assets, resources and funds in rural areas, launched a pilot programme on building a circulation platform for trading property rights in rural areas, and helped with standardised operation of assets, resources and funds in rural areas;
- We launched the credit card themed with rural revitalisation in October 2021, and allocated more financial resources to the key areas and weak links of rural economy.

Deepening Cooperation with Agriculture-Related Entities



- We pushed forward cooperation with agriculture and rural area administrations at all levels and agriculture-featured industrial service platforms, built a digital agriculture-related product system and made use of digital technology to enhance the role of inclusive finance in boosting rural revitalisation;
- We advanced cooperation with the National Agricultural Credit Guarantee Alliance in active marketing of express credit facility to new-type agricultural operators.

Bettering the Diversified Service System



- Upholding the development principle of "supporting agriculture-related and small businesses with a footing on county-level development", BOC Fullerton Community Bank founded 126 community-based banks and 189 sub-branches across China, covering county-level rural areas in 22 provinces (municipalities). It is the community-based banking group with the largest number of domestic institutions and the widest business scale in China. As at the end of 2021, BOC Fullerton Community Bank recorded a balance of loans of RMB70.9 billion, and the loans per account reached RMB160,000.



BOC Guizhou Branch supports the development of kiwifruit industry in Liupanshui City with "BOC Farmer Loan"

Pursuing Green Development to Guard Green Waters and Mountains

In recent years, with the commitment to ecological priority and green development, China has highlighted ecological conservation, incorporating it into the overall plan for building socialism with Chinese characteristics in five fields, and specifying the key nodes and major tasks for the goals of achieving carbon peaking before 2030 and carbon neutrality before 2060. Actively promoting ecological conservation, Bank of China placed an emphasis on green finance. With the aim to become the first choice for green financial services, we supported the sustainable development of China and the world with practical actions. We remained committed to green development to build up our core competitiveness in commercial banking in the new era; we made financial innovations to provide targeted support for green industries; we applied different policies to different industries to boost their prosperity; we consolidated our foundation for the establishment of a green financial standard system; we conducted international cooperation to enhance the efficiency of global green financial resource allocation. All these efforts have contributed to moving China closer to the “carbon peak and carbon neutrality” goals and the international community closer to the *Paris Climate Agreement* goals.



Sustainable Development Goals (SDGs)



Governance System of Green Finance

We thoroughly implemented the concepts of green development and green transformation by putting Xi Jinping thought on ecological progress fully into effect and closely following the Bank's 14th Five-Year Plan. In 2021, we kept refining the top-level design and policy systems for green finance. As a result, green credit grew rapidly, the volume of green bond underwritten led the market, and globalised and integrated operations showed outstanding advantages. Green finance gradually became our new calling card.

Governance Framework



Board of Directors

- We set up a leading group for green finance and industry planning and development, with Chairman of the Board as the head. In 2021, the group held four meetings to study and communicate national green finance policies and review the Bank's major green finance strategies and policies.
- The Board of Directors reviewed green finance related issues on a regular basis, directed and supervised key works relevant to green finance. In 2021, the Board listened to the report on green finance development in 2020, reviewed and approved the 14th Five Year Plan of Bank of China for Green Finance, covering the development of green finance business, management of environmental and social risks, and green performance of institutions and other major issues.
- We incorporated the management of environmental and social risks into the report on the Group's comprehensive risk management, and reported to the Risk Management Committee of the Board of Directors for review on a regular basis.



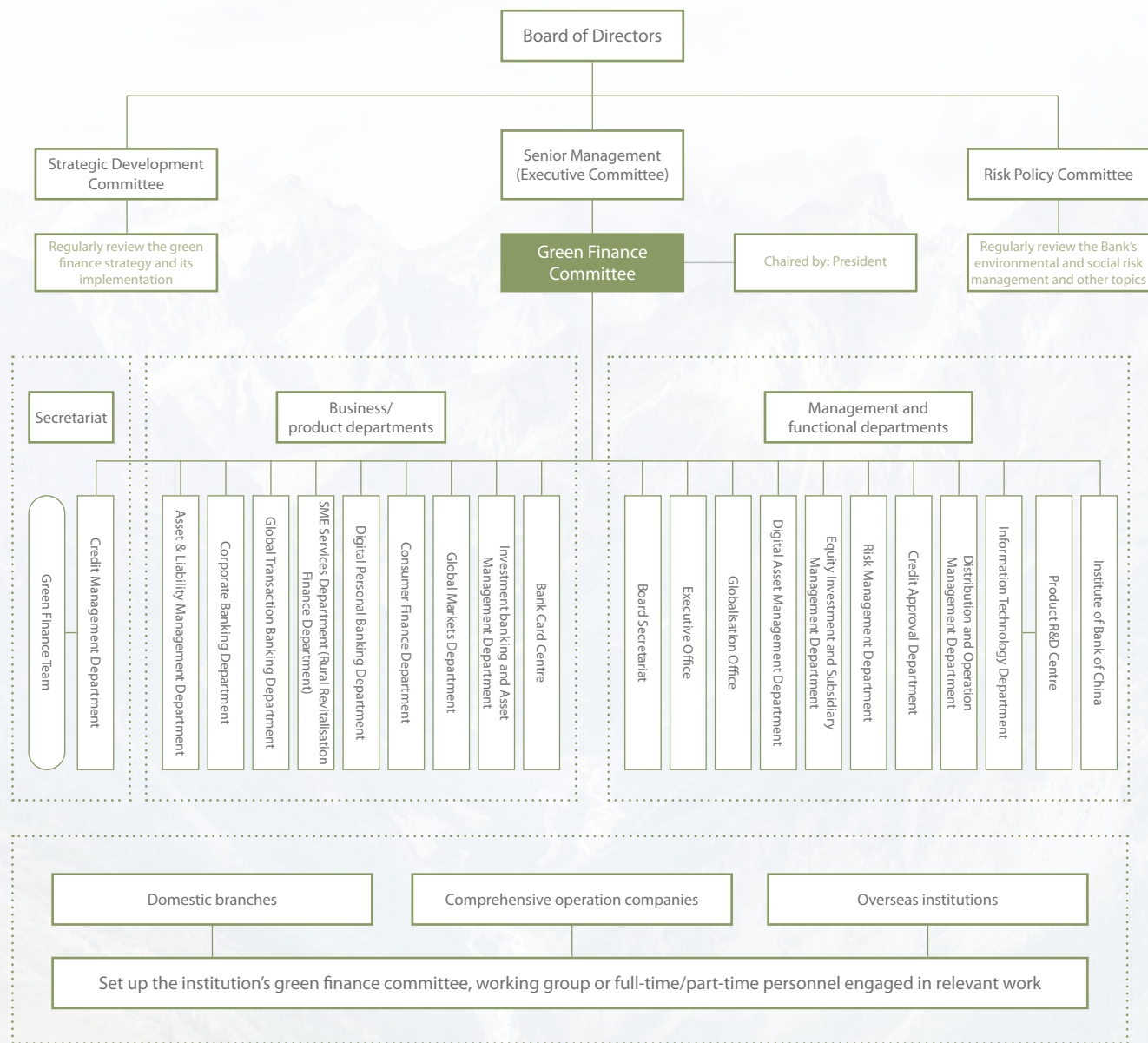
Senior Management

- We set up the inter-departmental Green Finance Committee under the Executive Committee, with the President as the chairman and 21 departments as the standing members. Throughout the year, the committee coordinated and advanced the work on green finance among business lines and institutions of the Group.
- Domestic and overseas branches set up a corresponding inter-departmental leading mechanism for green finance.



Professional Teams

- We established professional green finance teams to coordinate the work on green finance. Full-time or part-time specialists were arranged in all departments to carry out green credit, green bonds, environmental and social risk management, carbon market services, data system construction, operational carbon neutrality and other related businesses. Domestic and overseas branches and comprehensive operation companies had set green finance departments, teams or employees in place for relevant work.



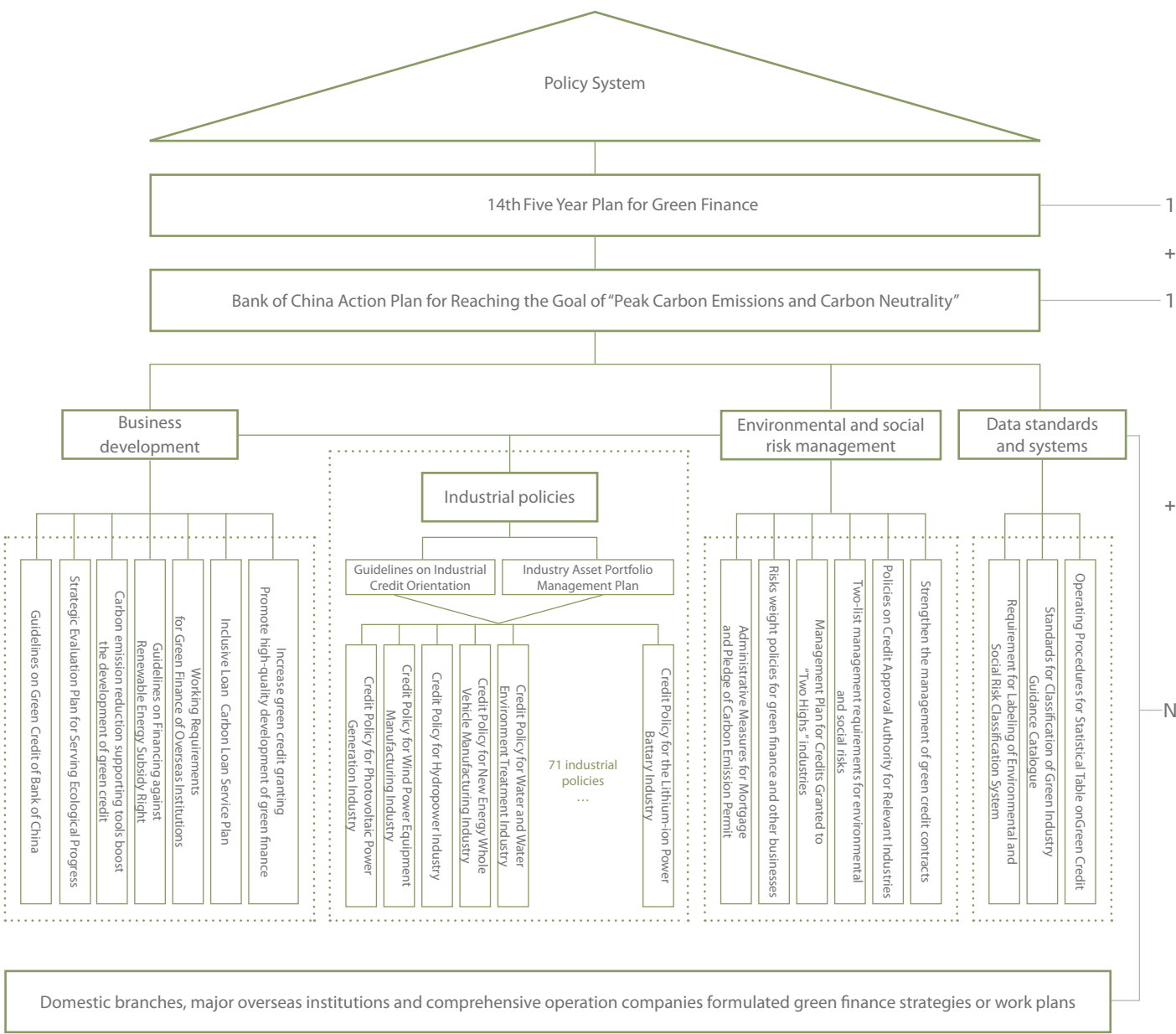
To ensure the sound implementation of green finance strategies, we incorporated green development, environmental and social risk management and other factors into the assessment system for executives and employees, and allocated special-purposed resources to the green finance business to ensure the effective management of green finance.

- We broke down the strategic goals of green finance into key performance indicators (KPIs) for relevant business lines, and domestic and overseas branches. These indicators involved quantitative business growth goals, green finance policies and regulations, working mechanisms, personnel allocation, research results, etc.
- We set qualitative management indicators for comprehensive operation companies, such as national strategy implementation and green finance planning.

Policies and Regulations



Focusing on the national carbon peak and carbon neutrality goals, we integrated green finance into our 14th Five-Year Plan development plan, and established our “1+1+N” green finance policy system, and refined relevant policies, to guide the Bank towards deepening green finance practices on all fronts.



Domestic branches, major overseas institutions and comprehensive operation companies formulated green finance strategies or work plans

1

14th Five Year Plan of Bank of China for Green Finance

Based on the principles of sustainability, responsibility and prudence, the Plan sets forth four strategic goals for the Bank to develop green finance:

- To strive to become the first choice for green financial services;
- To achieve leapfrog development in green finance business;
- To properly manage environmental and social risks;
- To specify the objectives and action plans for carbon neutrality in the operation and asset portfolios of commercial banks.

The Plan expounds the opportunities and challenges facing the Bank in green finance:

- Opportunities: The global atmosphere for green finance becomes increasingly strong; Chinese green finance policies provide huge dividends; the green industry has a broad space for development; China is expected to achieve corner overtaking in carbon finance.
- Challenges: Industrial structural transformation poses a challenge for banks' asset allocation; new green finance requirements pose a challenge for banks' comprehensive management capacity, including strategic decisions and implementation, information disclosure, products and services, risk management and green operations.

The Plan sets out 45 major requirements in terms of business development pattern, green performance and supporting measures.

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Bank of China Action Plan for Reaching the Goal of "Peak Carbon Emissions and Carbon Neutrality"

The Plan builds a detailed roadmap from 15 aspects including the organisational structure, business development strategies, product innovation, green operation, stress testing, international cooperation, capacity building, and technology empowerment.

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Policy system for green finance

The primary framework for the policy system for green finance is formed in terms of business development, industry policies, environmental and social risk management, etc., which is strongly supported by corresponding data systems.

Business Orientation



We kept following the changes in industrial development and macro policies, and actively seized green investment and financing opportunities in the low-carbon and zero-carbon transformation of the real economy. For industries in restricted categories subject to key regulation of the state and industries with major environmental and social risks, we proactively formulated specific credit guidelines and implemented differentiated and dynamic credit policies as well as risk exposure management systems.



Greater support for green industries

- We formulated the *Guidelines of Bank of China on Green Credit*, specified the principled risk management requirements for green credit development, and guided credit resources towards the green industries listed in the *Guiding Catalogue for Green Industries*.
- We formulated the *Business Guidance of Bank of China for Financing Based on Confirmed Electricity Price Subsidies for Renewable Energy*, providing greater support for renewable energy enterprises to narrow their financial gaps.
- We formulated the *Management Measures of Bank of China for Mortgages and Pledges of Carbon Emission Rights*, encouraging the expansion of business regarding mortgage and pledge financing based on carbon emission rights, and supporting enterprises in properly managing their carbon assets.
- We formulated the *Guidelines of Bank of China for Industrial Credit Orientation (Version 2021)*, moving photovoltaics, wind power and other green industries into higher credit strategy categories.

Preferential policies for green projects

- We formulated the *Supporting Policies of Bank of China Regarding Corporate Green Credit*. In terms of credit policies for relevant industries involving green development, we provided preferential policies for green projects, and detailed guidance and support for the development of green businesses. We opened up green approval channels for qualified green projects, allowing them to enjoy preferential credit support such as loan priorities under the same conditions.
- We formulated the *Opinions of Bank of China on Serving the Ecological Conservation by Focusing on Granting More Green Credit and Promoting the High-quality Development of Green Finance*. Guidance on green credit granting, product innovation, green finance development in pilot areas, green operation, policy support, data quality, risk management and other aspects were given to all branches to make them more capable of executing green finance-related work.

Support for the transformation of high-carbon industries

- We set the plan for the management of credits granted to industries with high energy consumption and high emissions, and examined and approved energy-intensive and high-emission projects in a prudent way. We supported production capacity replacement, green transformation, technological upgrading and the like in high-carbon industries. We guided resources towards key areas such as advanced production capacity, lower unit energy consumption, technology upgrading and transformation, intelligent and efficient operation, and guaranteed energy supply.
- We formulated the *Notice of Bank of China on Instruments to Support Carbon Emission Reduction and Relending Programs for Clean and Efficient Use of Coal*, which came as an active response to and implementation of special central bank loans for carbon emission reduction supporting tools and the clean and efficient utilisation of coal issued by the PBOC and relevant ministries and commissions.
- In promoting the transformation and upgrading of high-carbon industries, we avoided the "one size fitting all" approach and campaign-style carbon reduction, and implemented differentiated credit management requirements. We did a good job in supporting energy and power supply and price stability, and provided eligible coal and coal-fired power companies and projects with reasonable credit support which involved no blind withdrawals or suspensions of loans.

Data Standards and Systems



According to the *Notice of Bank of China on Implementing System Labeling for Different Categories of Environmental and Social Risks from Corporate Customers*, we labeled customers with Category A, B or C based on their environmental and social risks, and conducted layered management. In particular, the highly risky Category A customers were subject to more stringent assessment and review measures. At the same time, according to the *Classification Specification of Bank of China for the Guiding Catalogue for Green Industries and the Operation Regulations of Bank of China for the Green Credit Statistics Table*, we maintained the green loan signs in the credit system, thus improving the quality of green finance-related data.

In 2021, we further strengthened our study on green finance and training on green credit identification and statistics as well as other capacity building programmes, and systematically introduced the differences and key operation of green credit standards.

Internal Audit



In line with the requirements of the *Green Credit Guidelines and Green Finance Development Plan of Bank of China*, we incorporated the development of green finance into the scope of audit.

In 2021, the internal audit continued to follow the development of green finance of the Bank, focused on the implementation of national policies and regulatory requirements on green finance by the Head Office and branches as well as their formulation and transmission of green credit rules, including the implementation of green credit requirements in credit approval, granting review and post-loan management. Major problems found in the audit were reported within corresponding jurisdictions. This ensured timely and systematic remediation of such problems.

In the year, the internal audit of green credit achieved sound results, effectively enhanced green finance concept across the board, and promoted the improvement of risk control measures for green credit.

Business Development of Green Finance

BOC remained committed to establishing the green financial pattern of “One Mainstay, Two Engines”, where domestic commercial banking serves as the main body flanked by the two wings of globalised and integrated operations. We continued to promote the business development of and product innovation in green finance, continuously enriched the “BOC Green+” product system and service solutions, and provided personalised and diversified financial services for customers’ green development.

Green Finance – Domestic Commercial Banking



We deepened and refined our long-effect development mechanism for green finance, vigorously developed green credit, green bonds and other core businesses, and launched new green finance products in many business lines. By doing so, we met the increasingly diversified financial needs of our customers.

Fast-growing green credit

We continued to allocate more credit resources to energy conservation, cleaner production, clean energy, ecological environment, green infrastructure upgrading, green services and other green industries specified in the national *Guiding Catalogue for Green Industries*. As at the end of 2021, the balance of our domestic green credit surpassed RMB1.4 trillion, a year-on-year increase of 57% with an NPL ratio lower than the overall level of the Group.

The balance of our domestic green credit surpassed
RMB **1.4** trillion

- Targeting the national trading markets of carbon emission rights and certified emission reductions, we launched the carbon emission rights pledge financing business in Shanghai, Fujian, Jiangxi, Shenzhen, Inner Mongolia and other regions.
- We launched the business of financing based on confirmed electricity price subsidies for renewable energy in Beijing, Fujian, Hebei, Inner Mongolia, Zhejiang and other regions.
- In Zixi, a county located in Fuzhou City, Jiangxi Province and included in the first batch of national demonstration counties for ecological progress and the list of national key ecological function zones, the Bank launched a pilot redemption programme for non-state-owned commercial forests. Loans of RMB130 million were specially provided for the programme to make good use of the local forest resources and improve the economic benefits of the ecological resources.
- BOC Guizhou Branch Bijie Sub-Branch granted the National Reserve Forest (Phase I) project in Zhijin County a syndicated loan of RMB350 million. As at the end of 2021, a total of RMB120 million loans were issued to support national reserve forest development and ecological security.

Highlights of innovation

Leading market position in green bonds

We introduced the three-dimensional “green bond supporting mechanism”, linking investment, loans and bonds to support the development of green bonds in all fronts and to meet various capital needs of green industries.

- Bond issuance: A total of USD12.8 billion worth of sustainability series bonds was issued overseas, including USD10.7 billion in equivalent of green bonds.
- Bond underwriting: In 2021, RMB129.4 billion of domestic green bonds were underwritten, ranking the first among commercial banks; USD23.4 billion of overseas green bonds were underwritten, ahead of Chinese enterprises listed on the Global Offshore Green Bond by Bloomberg.
- Bond investment: Green bond investments grew rapidly, and topped the Investment List of Green Debt Financing Instruments in 2021 by the National Association of Financial Market Institutional Investors (NAFMII).

- We issued the first public offering transmission bonds among global financial institutions, with a scale of RMB5 billion equivalent. The bonds aimed to support natural gas cogeneration projects, natural gas power generation projects and cement plant waste heat recovery projects to promote the low-carbon or zero-carbon transformation of clients engaged in traditional industries.
- We issued the first biodiversity-themed green bonds among global financial institutions, with a scale of RMB1.8 billion equivalent. The funds raised were for the demonstration of ecological construction in China, ecological restoration in mountainous areas, ecological water network, national reserve forest, transformation of low quality and low efficiency forest and other projects with biodiversity conservation benefits.
- We issued the world’s first sustainability relinked bonds, with a scale of USD300 million. The bonds aimed to promote ESG financing, to provide bond investors with opportunities to participate in sustainability relinked loan programmes under controllable risks, and to encourage relevant economic entities to focus on and keep improving carbon emission reductions and other ESG performance.
- We supported our client to debut the first carbon-neutral securitised product in China, with a scale of RMB1.75 billion equivalent. The funds raised were all for renewable energy projects such as wind power, hydropower and PV.
- We acted as the exclusive green structuring advisor for China’s first local government overseas bonds and assisted the issuer in obtaining overseas green bond certification.
- We underwrote the first green personal auto loan asset-backed security (ABS) in China.

Highlights of innovation

Fast-growing individual green business

We cooperated with Tesla, Li Auto, Xpeng Motors, NIO and other new energy vehicle companies on consumption installments, and proposed Head Office-to-Head Office system connection service programmes for certain enterprises. In 2021, the growth rate of our green consumer credit exceeded the preset objective of 60%.

- We launched the UnionPay credit card themed with green and low carbon for personal customers, guiding them towards a green and low-carbon life.
- As an exclusive partner for the “Green Fortune” programme in Shanghai, we distributed a total of more than one million sets of green fortune cards in over 2,200 local communities, and actively participated in the construction of the city’s first demonstration base for green, low-carbon and recyclable products.

Highlights of innovation

Support for the development of carbon trading platforms

Under the cooperation agreement with the National Carbon Emission Registration and Clearing Centre, we developed the carbon emission registration and clearing functions in the “BOC E-Commerce Express” system, providing comprehensive internet financial services including contract signing, fund transfer, balance inquiry, fund clearing and account checking. We also actively studied a customer-oriented and integrated financial service model of carbon neutrality based on the domestic carbon emission trading market.

- In collaboration with Shanghai United Assets and Equity Exchange and Shanghai Environment and Energy Exchange, Shanghai Branch formulated the complete operation specifications for financing with carbon emission quotas as effective pledges and risk mitigators, and launched the carbon quota pledge financing service.

Highlights of innovation



Deepened support for green finance pilot zones

We set up green financial institutions in the green finance reform and innovation pilot zones in nine localities of six provinces and autonomous regions. In particular, BOC Zhejiang Branch Huzhou Sub-Branch was designated as the first Head Office-level pilot branch for green finance. These specialised institutions worked hard to innovate green financial products and provide green and low-carbon transformation plans for the pilot zones.

- In Huzhou, we launched “Carbon Loan”, “Loan for VOCs Emission Reduction”, “Star-class Loan for Green Factories” and other products for nearly 100 enterprises.
- In Quzhou, we launched the “Carbon Account” product series.
- In Guangzhou, we innovated financial services such as the first loans based on confirmed electricity price subsidies for renewable energy in the wind power industry, the carbon emission right pledge loans, and held the promotion conference themed with Through Train of BOC Industry Chain Investment, Loan, Bond and Stock – Carbon-Neutral Bond of Green Finance. We also launched “the first carbon-neutral bonds for local state-owned enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area” in Zhuhai.

Highlights of innovation

Green inclusive finance and green public welfare

We launched the “Inclusive Loan · Carbon Loan” service programme, providing micro and small green enterprises with exclusive credit channels to solve the capital needs of green enterprises in multiple dimensions. As at the end of 2021, the balance of green inclusive loans reached RMB7.01 billion, a year-on-year increase of 73.6%.

- Based on relevant calculating indicators for Baishanzu National Park’s ecological value of Gross Ecosystem Products (GEP), we granted the GEP Ecological Value Loan to a subsidiary of State Development & Investment Corp., Ltd. (SDIC) in Qingyuan County, Lishui City, Zhejiang Province.

Highlights of innovation

“It’s a surprise that the Carbon Efficiency Code can be used for bank loan application. With the funds, we don’t have to worry about our equipment transformation and technology development in the next step!”

—Head of A Huzhou Driving Technology Co., Ltd.



Providing new drivers for enterprises’ green and low-carbon development

Based on the local carbon efficiency evaluation system on industrial enterprises, BOC Zhejiang Branch actively launched innovative financial services such as “Industrial Loan for Dual Carbon Goals” and “Industrial Carbon Loan”, providing targeted support for corporate carbon emission reductions.

In Huzhou, we took the lead in launching the “Industrial Carbon Loan” programme based on the results of the local industrial carbon efficiency benchmarking evaluation (“Carbon Efficiency Code”). The programme adopted a credit model based on the results of the “Carbon Efficiency Code” evaluation. Differentiated interest rates, credit lines, loan scale and other resources were tilted to green enterprises to support their green and low-carbon production and improvement in energy-saving and carbon-reducing technology. Since July 2021, “Industrial Carbon Loan” has supported 40 companies, with a total scale of RMB600 million. The product was ranked among the “2021 Innovative Cases of Green Financial Products and Services in Huzhou” with the highest score.

In Quzhou, based on the pioneering carbon account system developed by the PBOC Quzhou Central Sub-branch for industrial enterprises and the “Green Energy Code” evaluation results from the Quzhou Energy Big Data Centre, we launched the innovative “Industrial Loan for Dual Carbon Goals” programme. The programme involved the provision of up to RMB10 million credit loans for micro and small enterprises labeled as “dark green, light green or yellow” in the evaluation of carbon emission intensity. At the same time, the Bank opened up “green channels” for enterprises to enjoy priority in green loan approval and granting, and offered them relevant preferential interest rates. By doing so, we allowed the enterprises to benefit from green development.



Signing with the Ministry of Ecology and Environment to jointly promote the comprehensive green transformation of economic and social development

In September 2021, we signed a memorandum of cooperation with the Ministry of Ecology and Environment, becoming the first commercial bank to have done so in the field of financial services for carbon neutrality. The two sides agree to carry out in-depth collaboration in climate investment and financing, pollution prevention and control, carbon market development, international environmental and energy cooperation and other fields to jointly promote the comprehensive green transformation of economic and social development.

Green Finance
– Integration

Focusing on the requirements of national economic restructuring and industrial development strategies, we gave full play to our advantages in integrated operations, and intensified financial supply and services for green projects in terms of investment, bonds, investment banking, insurance, leasing, asset management and others.



Green Finance – Globalisation



Giving play to the leading role of the green finance, we supported overseas branches in developing green financial products and services adapting to market needs to support their sustainability efforts.

ESG linked loans and green loans

We organised or participated in ESG-linked loans and green loans around the globe. We topped among Chinese banks in the lists of global green loans and sustainability-linked loans by Bloomberg in 2021.

- Frankfurt Branch participated as the mandated lead arranger in the syndicated loan facility for Borkum Riffgrund 3 offshore wind farm in German with a share of EUR129 million. The project will boast a total export capacity of 900 MW, and is the first purely commercial and the largest offshore wind power project in German.
- New York Branch participated in the 10-year syndicated facility for the Vineyard Wind offshore wind power project.
- Joint efforts were made in leading the organisation of the USD1.016 billion international syndicated facility for

the gas-fired combined cycle power plant in Syr Darya of Uzbekistan. Beijing Branch, JSC AB (Bank of China Kazakhstan), Dubai Branch and Tokyo Branch participated in.

- Panama Branch, Bank of China Mexico and New York Branch jointly participated in the USD1.5 billion sustainability-linked syndicated facility for América Móvil.
- BOC (Peru) worked with Sydney Branch to arrange a USD1 billion syndicated loan facility whose interest rate was linked to ESG performance indicators. The loan facility was mainly used for clean energy, carbon emissions and other fields.
- Tokyo Branch participated in the JPY55 billion four-year first green syndicated loan facility arranged by Prologis in the Japanese market, and signed the JPY60 billion seven-year first green syndicated loan facility agreement with Global Logistic Properties, a global logistics and warehousing company.

Green time deposits

- BOCHK launched corporate and personal green time deposit products independently certified by third parties in Hong Kong, to raise RMB, HKD and USD funds for green building, renewable energy and pollution prevention industries. In 2021, the scale of these products grew by approximately HKD3.98 billion in equivalent.

Green consumption credit

- Macau Branch launched the “Green Loan” programme, providing loans with preferential interest rates for local people to buy environmentally friendly electric vehicles, build private charging piles, study environmental protection courses and make other green purchases. As at the end of 2021, the programme received more than 270 applications, involving an amount of nearly MOP100 million.
- In 2021, BOC (UK) issued personal housing mortgage loans, more than 50% of which were used to help customers purchase brand-new properties with the Energy Performance Certificate (EPC) ratings of A and B.

Green trade financing

- New York Branch issued a green standby letter of credit for the cooperation between General Electric and Sinohydro Corporation Limited on water conservancy equipment trading.
- Sydney Branch issued construction guarantees for green projects, and participated in the AUD1.5 billion sustainability-linked guarantee refinancing syndicate for a subsidiary of China Communications Construction Company Limited.
- London Branch participated in the pre-export financing for Iraq's Basrah Gas Co., which was initiated by the International Finance Corporation. This is the world's first green financing aiming at reducing the emission of associated gas from Iraqi oil fields, and was named the Middle East Gas Deal of the Year 2021 by Project Finance International.

Integrated green businesses

- BOCHK provided green advisory services for CSSC (Hong Kong) Shipping, assisting in the pricing and issuance of USD500 million green and blue double certified bonds.
- Sydney Branch customised derivatives hedge plans for clients' green financing projects to reduce interest risk for them.
- Bank of China (Central and Eastern Europe) Limited assisted Hungary in issuing RMB1 billion green sovereign panda bonds in China's interbank market. This was the first issuance of green bonds by an overseas sovereign country in China. This issuance conformed to the domestic standards for green bonds and the requirements of Green Bond Principles formulated by the International Capital Market Association (ICMA). And the raised funds were used for qualified green expenditures within the Hungarian framework of green bonds.
- Luxembourg Branch promoted China-themed asset management products based on ESG concepts through the BOC Asset Management Platform in Europe.
- London Branch participated in developing carbon trading products, and worked on the opening of carbon quota clearing accounts. Singapore Branch continued to follow up on building the global carbon trading platform in Singapore, striving to explore the settlement mode of carbon trading.

Offshore wind power project financing

London Branch participated as the mandated lead arranger in the GBP7.58 billion syndicated loan facility for Doggerbank, the world's largest offshore wind power plant. The branch assisted Transmission Capital Partners in the UK with a GBP230 million M&A financing transaction for the Beatrice Offshore Wind Farm Transmission Assets.

London Branch

Dual-currency green bonds

After Luxembourg Branch issued the first green bonds endorsed by a Chinese bank in Europe in 2016, the branch issued dual-currency green bonds in June 2021, raising USD500 million and EUR500 million successfully. The issuance won great response in the market and both the US dollar and euro were oversubscribed.



Luxembourg Branch

Green loans certified by the Climate Bonds Initiative

Macau Branch carried out the green loan project certified by the Climate Bonds Initiative in May 2021. This project is the first wind power project financing of a Chinese bank in Vietnam, and the first cooperative project financing between the Bank and the Asian Development Bank. It is also an active practice of the Bank in implementing financial innovation of the Belt and Road Initiative and expanding cooperation with multi-lateral institutions.



Macau Branch

Environmental and Social Risk Management

We made continued efforts to improve our environmental and social risk management. We incorporated environmental and social risks as a single category into the comprehensive risk management system. We committed ourselves to establishing an environmental and social risk management mechanism covering the entire process including risk identification, risk assessment and risk monitoring, so as to effectively control relevant risks.

Whole-Process Management

With a focus on the environmental and social impacts of investment and financing activities on localities, we comprehensively streamlined our environmental and social risks in the entire business process, covering target customer selection, business initiation, due diligence, credit approval, contract management, fund appropriation and post-lending management. We categorised the environmental and social risks of credit customers and financing projects, reduced and mitigated the environmental and social risks in the selected financing projects, and avoided those with major negative environmental and social impacts.

Environment and Social Risk Management and Control Process for Credit Business



In the meantime, we established sound environmental and social risk reporting and monitoring mechanisms. On such basis, we fully investigated and supervised our environmental and social risks, and offered to communicate with and report to the Board of Directors, regulators and stakeholders.

Regular reporting

We carried out regular and thorough investigations on the major environmental and social risk events of domestic and overseas institutions and comprehensive operation companies. We updated our risk reports on a regular basis, analysed the risk status and major risk events in the current period, and estimated the risk status for the next period. Moreover, we reported to the Risk Policy Committee under the Board of Directors on a quarterly basis.

Dynamic monitoring

We carried out dynamic monitoring on the environmental and social risks of our customers, and inspected on customers' environmental and social risk categories and green loan labels. We incorporated the management of environmental and social risks into routine internal control and supervisory inspection, timely identified risk loopholes in rules, processes and operations and then made corresponding rectifications.

Commutation with stakeholders

We strengthened our communication with clients, employees, suppliers, peers, investors, community residents, environmental protection organisations, the media and regulators. We strictly followed the environmental protection regulations of localities, and incorporated environmental and social risks and other factors into our management process.

Risk Management Policies



We attached great importance to establishing the environmental and social risk policy system, and incorporated environmental and social risks into our comprehensive risk management system. We specified the system labels for different categories of environmental and social risks,

the binding requirements on environmental and social risks in various industries, the biodiversity protection requirements, and the compliance review lists of environmental and social risks. We also adjusted risk weights assessment and approval authority correspondingly.

Forestalling environmental and social risks

- In the year, we revised the *Comprehensive Risk Management Policies of Bank of China*, incorporating environmental and social risks as a single category into the comprehensive risk management system for the first time.
- We included binding requirements on environmental and social risk management in the credit policies for 71 industries such as agriculture, forestry, animal husbandry and fishery, mining and metallurgy, oil and gas, rail transportation, and material manufacturing.
- We prohibited the provision of credit for projects seriously damaging biodiversity, and paid full attention to the ecological impacts from the business activities of the clients.

Promising overseas coal withdrawal policies

- In September 2021, we made a solemn promise to no longer provide financing for new overseas coal mining and coal-fired power projects, except for the signed ones, from the fourth quarter of 2021.

Specifying the compliance document list and review list

- In the year, we formulated the *Notice on Circulating the Two Lists of Environmental and Social Risks for Certain Industries*. The Notice specified the compliance document list and the compliance risk review list which were used in the initiation, approval and other links of credit granting for certain industries with high environmental and social risks.

Adjusting risk weights assessment

- In the year, we formulated the *Notice on Adjusting the Risk Weights of Green Finance and Other Businesses*, and transmitting the risk appetite and management requirements of the Head Office. The Notice lowered the risk weight of green credit and raised that of financing for brown brown industries in the Bank's internal assessment.

Differentiated approval authority

- In the year, we formulated the *Notice of Bank of China on Implementing Green Finance Strategy and Adjusting the Credit Approval Authority for Certain Industries*, granting part of the approval authority for the photovoltaic industry, and raising that for the coking industry, in a bid to strengthen environmental and social risk management.

Strengthening credit contract management

- According to the current *Notice of Bank of China on Implementing Regulatory Requirements on Green Credit and Energy Efficiency Credit and Strengthening Credit Contract Management*, clients with high environmental and social risks should be urged to strengthen environmental and social risk management among all clauses in the credit contracts.

After fully assessing the environmental and social risks facing all industries, we added binding requirements on environmental and social risk management to the credit policies for relevant industries.

Key industries		Credit policies
	Agriculture, forestry, animal husbandry and fishery	In the year, we revised the <i>Credit Policies of Bank of China for Hog Cultivation</i> , and formulated relevant policies for crop seeding, beef rearing, slaughtering, meat processing and other industries. We enhanced understanding of the sub-sectors of agriculture, forestry, animal husbandry and fishery. In accordance with the <i>Management Measures for Collateral of Permits for Carbon Emissions of Bank of China Limited</i> , China Certified Emission Reduction of forestry carbon sinks conforming to the standards can be included in the collateral scope.
	Mining and metallurgy	In 2021, we formulated the <i>Credit Policies of Bank of China for Mining and Metallurgy</i> . We implemented different policies for different categories of customers and projects, and worked faster to adjust our customer structure and product structure. In particular, we paid attention to the requirements of the national supply-side structural reform, and implemented classification and tiered management.
	Energy and coal	<p>The <i>Credit Policies of Bank of China for Power Industry</i> is currently effective. It specifies that credit granting must comply with Chinese laws, regulations and policies as well as the Bank's requirements related to green credit. The Bank supported the technological transformation for energy conservation and emission reduction, and followed the technological transformation progress of the projects which credit were granted to.</p> <p>We adopted strict control measures for new overseas coal mining and coal power projects. From the fourth quarter of 2021, BOC stopped providing financing for new overseas coal mining and coal-fired power projects. For the signed ones, the Bank continued to fulfill relevant contracts.</p>
	Oil and gas	The <i>Credit Policies of Bank of China for Petroleum Refining Industry</i> and the <i>Credit Policies of Bank of China for Natural Gas Industry</i> are currently effective. These documents require the strict implementation of the <i>Guiding Opinions of the National Development and Reform Commission and the Ministry of Industry and Information Technology on Promoting the Green Development of the Petrochemical Industry</i> , the <i>Catalogue of Construction Projects whose Environmental Impact Assessment Documents Needs to be Approved by the Ministry of Ecology and Environment (Version 2019)</i> and policy requirements related to pollution discharge.
	Rail transportation	The <i>Credit Policies of Bank of China for Rail Transportation</i> is currently effective. According to this document, urban rail transit should be characterised as green, low-carbon and environmentally protective, credit granting must comply with the relevant requirements of environmental protection laws, regulations and policies and the Bank's green finance policies. During business development, attention should be paid to the environmental impacts brought by project construction and operation, and no support may be given to projects with major potential environmental and social risks.
	Shipping	The <i>Credit Policies of Bank of China for Shipping Industry</i> is currently effective. It requires the strict compliance with green credit principles to ensure that shipping transportation complies with domestic laws and regulations and relevant international conventions. No credit support may be given to the projects which produce ships with equipment and materials explicitly eliminated by the state.
	Ports	The <i>Credit Policies of Bank of China for Port Industry</i> is currently effective. It requires that the customers and their projects must be approved by the state and other relevant authorities, and that attention should be paid to the impacts on the ecological and social environment. Key support should be given to the energy-efficient port projects which have minor impacts on water resources and produce low pollution. It is strictly forbidden to support projects involving major environmental and social risks.

Note 1: Adopting the caliber of "green credit" issued by CBRC, mainly includes six industries: energy conservation, cleaner production, clean energy, ecological environment, green infrastructure upgrading, green services, trade-related green credits; and consumption-related green credit.

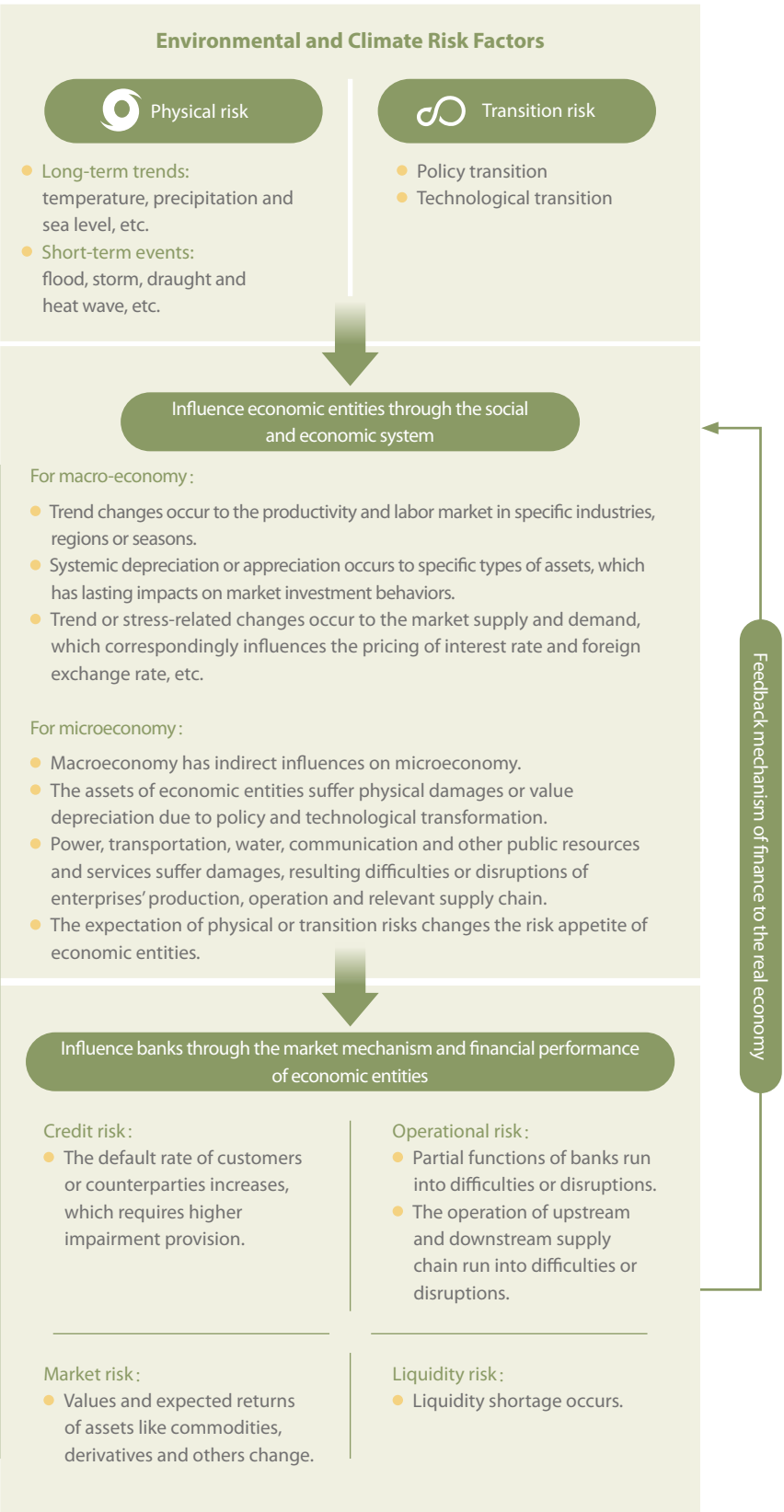
Climate Risk Management



Keenly focusing on the impacts of climate risk changes on our financial assets, we identified and analysed how physical and transformational changes of climate risks caused impacts and transmitted such impacts. We conducted climate risk sensitivity stress tests for key industries, to quantify the risk shocks and financial influences in different scenarios.

We considered how climate risks would impact the Bank in different time ranges. Over the short term (within one year), the middle term (1–5 years), and the long term (more than 5 years), physical and transition risks may have different impacts in our risk system. Some transition risks (e.g., market preference shifted to low-carbon assets) and physical risks (e.g., continued global sea level rise) were expected to have larger impacts over longer periods of time, whereas the risks brought by some sudden weather events (e.g., typhoons and rainstorms) may impact the Bank's financial assets in the short term, but such impacts will be small in the long term. Under the impacts of long-term physical and transition risks, some types of businesses may not be able to operate, some industries may become less profitable overall, and the Bank's asset quality or operation may be influenced. At the present stage, the risk from transition facing the Bank is significant. To achieve carbon peaking and carbon neutrality goals, China's economic development mode, energy structure, technological path, production and consumption patterns will undergo profound changes. What's more, during the green and low-carbon transition, financial position of traditional industries will see different changes as their carbon emissions differ from each other, which will affect the solvency of enterprises and thus will lead to rising default rate. The result is that the asset quality of banks will be affected.

Climate risk identification



Climate risk measurement

In 2021, we participated in the climate risk stress tests organised by the PBOC, and assessed the potential impact of carbon peaking, carbon neutrality and goal-oriented transition on credit assets. The results showcased that under the stress scenario, clients engaged in thermal power, steel, and cement industries would face higher credit risk, but the impact on capital adequacy was generally controllable.

At the same time, our overseas branches carried out stress tests in succession. BOC UK introduced climate risk scenario stress tests to the Internal Capital Adequacy Assessment Report (ICAAP); BOCHK completed the stress tests for the transformational and physical risks of several industries. Branches in Singapore, Frankfurt, Sydney and other regions also conducted relevant climate risk stress tests.



Biodiversity Risk Management



With full attention paid to the impacts from the customers' business activities on the ecosystem, we strictly abode by the laws, regulations and rules on biodiversity protection, and prohibited the provision of credit support for the actions seriously damaging biodiversity. For controversial projects, while ensuring compliance with the laws and regulations of the countries and regions where the customers and projects are located, we fully listened to the opinions

of professional evaluation agencies, residents, media and non-profit environmental protection organisations, etc., evaluated the environmental and social risks of these projects on a prudent manner, and determined relevant credit strategies. Moreover, we urged relevant enterprises to establish ecological protection compensation mechanisms and consciously undertake the obligation of ecological protection and restoration.



Innovative Esg Integration Practices

Credit Business

With great importance attached to customer risk assessment, we included environmental and social risk management in the entire credit granting process. In 2021, we piloted the development of the innovative ESG evaluation system for corporate customers in Zhejiang. Basing on the mature international ESG evaluation framework, we incorporated Chinese characteristic indicators and established a differentiated interest rate pricing mechanism, with greater support provided for enterprises or projects with good ESG performance.

Raising the concept of sustainability as a bank-wide strategy, we actively integrated environmental and social standards into business processes. Basing on our innovative expertise in green finance, we built a future-oriented sustainable financial development model, and worked with all parties to cope with the ever-increasing environmental and social risks.

Developing the ESG evaluation system for corporate customers to serve their sustainability

The ESG evaluation system can help us identify enterprises' credit quality and sustainability, and provide visual reference data for us to make investment and financing decisions. Based on the resource endowment of Zhejiang Province as a pilot zone for green financial reform and digital reform, we integrated internal and external big data to launch the pilot development of the ESG evaluation system for local corporate customers. By comprehensively considering the key influencing factors of credit as well as our data governance, we established an ESG indicator system covering four tiers. The environmental performance, social responsibility, corporate governance and other factors of the enterprises were fully examined, and the results were presented as "Enterprise ESG Scores (a hundred-mark system)". Visually displaying the ESG risks of borrowers in different industries, such scores provided reference for the credit process. At the same time, we also regularly monitored the extent to which the ESG evaluation results impacted industries and regions, and applied results in due diligence and project review to industry and regional limits to create an ESG-driven green bank.



Bond Business

As an active bond issuer in the capital market, we established and improved the sustainability bond-related framework, and actively explored innovative products such as transformation bonds and sustainability-linked bonds. In 2021, we issued the first transformation bonds among global financial institutions, the first biodiversity-themed green bonds among global financial institutions, and the world's first sustainability re-linked bonds. We also provided financial support for the new and existing projects with environmental and social benefits.

Innovating sustainability bonds to support global climate actions

During the UN Climate Change Conference (COP26) in November 2021, we held the listing ceremony for six Sustainability Series (ESG) Bonds on the London Stock Exchange, with a total amount of USD2.2 billion. They were a sustainability re-linked bond and five sustainability series bonds that had already been listed in other markets.

Innovatively issued by London Branch in October 2021, the sustainability re-linked bond was used to raise funds for sustainability-linked loans. The coupon rate of the bond was indirectly linked to the ESG performance targets (including carbon dioxide emission reductions, unit energy consumption and ESG rating) of the underlying loan and its fluctuating interest rate. The bond aimed to promote ESG financing, to provide bond investors with opportunities to participate in sustainability-linked loan programmes under controllable risks, and to encourage enterprises to focus on and keep improving carbon emission reductions and other ESG performance.



BOC listed six ESG bonds totaling \$2.2 billion on the London Stock Exchange On November 12, 2021

Bond framework formulation

We followed the Sustainability Bond Guidelines (2021), the Green Bond Principles (2021) and the Socially Responsible Bond Principles (2021). In 2021, we revised the Sustainability Series Bonds Management Statement of Bank of China, and established the Transformation Bond Management Statement of Bank of China and the Sustainability Re-linked Bond Management Statement of Bank of China.

Assessment of environmental and social benefits

Before bond issuance, third-party institutions were invited to conduct certification on the purpose of funds to be raised, the types of projects to be invested and their selection process, and fund management.

After the bond issuance and before their maturity, we evaluated the use of funds raised, the performance of the projects invested, the impacts of environmental and social benefits and other aspects on a yearly basis.

Information disclosure

We established a regular reporting mechanism for Sustainability Series Bonds. In other words, the capital allocation, environmental and social benefits and other data of qualified projects as well as the Annual Report on Sustainability Series Bonds were regularly disclosed on our official website.

Asset Management
and Direct Investment
Business



We actively implemented the concept of responsible investment and incorporated environmental, social and corporate governance-related standards into the investment decision-making process. Basing on the characteristics of asset management, direct investment and other businesses, we made comprehensive use of strategies such as ESG integration and sustainable investment, and worked towards the commitment to realise long-term competitive financial returns and positive environmental and social impacts.



ESG integration

ESG-related factors and traditional financial considerations are structurally integrated into the investment decision-making process

BOC Wealth Management

Based on the research results of third-party ESG evaluators, BOC Wealth Management fully considered the ESG status of asset evaluation objects. The objects with low ESG scores were strictly controlled to participate in wealth management programmes, and those with high ESG scores were given preferential approval policies in this aspect. As at the end of 2021, 85% of BOC Wealth Management's positions were from the entities with medium and high ESG scores, accounting for 94.9% of the position value.

BOCIM

BOCIM established an internal ESG evaluation system for fixed income investment and credit research. The internal model of this system involved 19 indicators such as environmental penalties, taxation, production safety and information disclosure violations. The carbon emissions and other environmental databases of external third parties were introduced to this system as well. BOCIM made continuous efforts to optimise environmental data indicators and comprehensively assessed how environmental evaluation impacted ESG scores.

Sustainability-themed investment

Investment goes to sustainability-themed enterprises or projects to help address environmental or social challenges

BOC Asset Investment

Based on policy and regulatory requirements, BOC Asset Investment formulated the Guidelines for Green Finance Investment, determined to focus on investing in and supporting six green industries: clean energy, energy conservation, clean production, ecological environment, infrastructure green upgrade and green services. It also plans to make green industry investment account for more than 50% of its total investment by 2025. As at the end of 2021, BOC Asset Investment invested in a total of 21 debt-to-equity swap projects in green industries, with an amount of RMB27.9 billion.

BOCG Investment

BOCG Investment established a green bond issuance framework, under which the company issued the first USD600 million five-year green bonds in the year. The funds raised would be invested in clean transportation, renewable energy, green buildings and other green projects. BOCG Investment carried out research on topics such as "carbon peak

and carbon neutrality", and provided greater support for green industries. During the year, the company led the investment in the Series A and B rounds of financing for Svolt Energy Technology Co., Ltd., and participated in investing in the private equity firm National Green Development Fund Management whose establishment was organised by National Green Development Fund Co., Ltd.

BOCI

BOCI gradually incorporated ESG into investment management links. ESG factors were considered as risk factors in investment portfolio analysis; external core ESG databases were used in climate scenario-based analysis and stress testing; the ESG exposures of investment portfolios were analysed and monitored on a regular basis; the ESG scores of investment portfolios and individual stocks were updated on a monthly basis; when the score of a position being held was lower than the threshold, an examination would be automatically triggered.

Capacity Building
for Green Finance

We incorporated the organisation of green finance-related training and R&D projects as our major strategic tasks into our 2021 training plan, and continued to improve our green finance education and training system. By such means as establishing the BOC Green Finance Training Institute, compiling and issuing the *Reader of Bank of China on Green Finance Knowledge (Version 2021)*, and setting up the online green finance learning platform, we comprehensively improved our capacity of serving green development.

Professional
Training



With great importance attached to green finance training, we coordinated and integrated the education and training resources inside and outside BOC. We provided managers and key personnel at all levels and lines with informative training on green finance of various forms, including lectures by BOC's experts, New Finance Academy, open class, special training class, and seminars.

- Preparing the Reader on Green Finance Knowledge:
We compiled the *Reader of Bank of China on Green Finance Knowledge (Version 2021)* for employees' reference and study. The Reader contains a proposal to the whole staff of BOC, definition of the relevant terms, three major functions and five pillars, major events, and internal and external importance policies of green finance.



- Setting up the cloud green finance learning platform:
In the "green finance" column set up on the BOC training centre cloud platform, we kept building and improving our green finance course system and developed and launched 26 online green finance courses in eight modules. As at the end of 2021, more than 350,000 employees benefited from those courses.



- Organising an open lecture on green finance:
In January 2021, Professor Zhang Xiliang, Director of the Institute of Energy, Environment and Economy at Tsinghua University, was invited to give an offline lecture themed with "Technical Routes to Support Carbon Neutrality Goal" in the Head Office of the Bank. Moreover, this lecture was livestreamed to more than 2,000 persons in charge and key personnel in domestic and overseas branches and comprehensive operation companies.



Holding green finance seminars:

In May 2021, we held an advanced seminar of BOC Green Finance Academy in Huzhou, Zhejiang Province, which was lectured offline by seven experts in green finance, including Dr. Ma Jun, director of Green Finance Committee of China Society for Finance and Banking. This lecture was attended by nearly 50 executives including chiefs of Head Office departments and deputy general managers in charge of risk management and corporate banking of tier-one branches.



Launching the training on green finance business development strategies:

In June 2021, we launched an offline training course on green finance business development strategies. This course was given by six expert lecturers invited from within and outside the Bank, and attended by 95 persons, including middle-level managers in charge of risk management and corporate banking from 36 branches.



Launching the training on green credit identification and statistics:

In November 2021, the Credit Management Department of the Bank held a training session on green credit identification and statistics through both online and offline means. The training focused on introducing the green statistical standards of the PBOC and the CBIRC, and presented error-prone marking types and cases in simple terms. It was participated by 5,400 person-times.



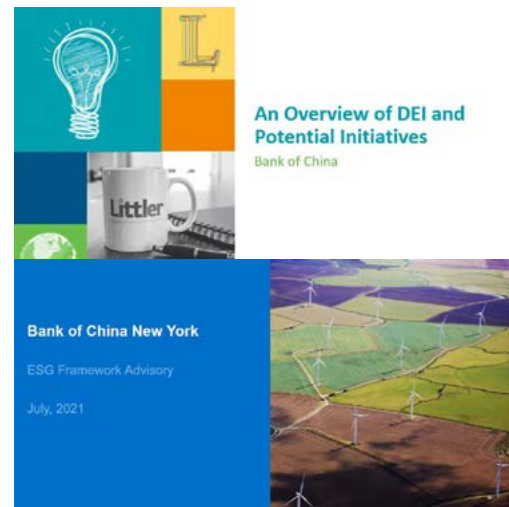
Providing professional qualification certification:

London Branch worked with the Chartered Banker Institute (CBI) to provide employees with the courses for "Green and Sustainable Finance Certificate". The courses focused on the professional basic knowledge of green and sustainable finance and practices in different financial service areas. In 2021, the courses were taken by more than 100 employees.



Inviting experts from professional institutions to deliver special training:

New York Branch ESG working group invited experts to deliver nine sessions of training on diversified topics concerning ESG. The training benefited over 300 employees from business, risk management and compliance departments. As the only Chinese-funded bank among nine founders of Singapore Green Finance Centre, Singapore Branch actively participated in the cutting-edge research and training.



Thematic Research



We actively studied the cutting-edge fields of green finance to promote the formulation of green finance policies and provide suggestions for product and service innovation. By doing so, we advanced the sustainable development of our green finance business.



Contributing Financial Strength to Carbon Peak and Carbon Neutrality Banks Serve the Green and Low-carbon Development and Exploration Developing Carbon Finance to Support Carbon Peak and Carbon Neutrality Goals

International Experience of Commercial Banks in Supporting Low-Carbon Finance

How Financial Institutions Support Green Development along the Belt and Road

International Experiences of How Finance Supports Biodiversity and Relevant Enlightenment to BOC

BOC Analysis of Carbon Neutrality Impacts on Key Industries as well as Relevant Strategy Suggestions

International Experience in Carbon Trading Market and Relevant Enlightenment to BOC

Major research achievements



The directors and the Senior Management members of the Bank published several articles in *People's Daily*, *China Finance*, and *21st Century Business Herald* and were interviewed by media, explaining the economic and social challenges and opportunities brought about by carbon peak and carbon neutrality, introducing green finance planning and risk response scheme of BOC and putting forward constructive views and suggestions.

In addition to the topics above, Institute of Bank of China timely tracked domestic and international hotspot issues related to green finance, publishing 16 research articles on green finance, carbon finance, ESG and other topics in internal and external publications. The Bank's Industry Research Centre launched 28 reviews and 11 features on hotspot issues related to green finance, in an active endeavour to support green finance development in the Bank and in the domestic and foreign financial sectors.

Talent Planning



With professional capacity building as the starting point, we kept enriching our personnel to build a green finance talent team.

Talent training plan



- We kept identifying green finance experts within the group, and assigned full-time green finance specialists in the Head Office and domestic branches step by step.
- Closely following the market, we carried out a series of research on the cutting edges of green finance at home and abroad, the advanced experience of peers, the business opportunities in green finance and carbon market, etc.
- With the BOC Green Finance Research Institute as the platform, we continuously improved our green finance course system to meet the needs of cultivating various types of talents.

Talent team development plan



- We planned the cultivation of green finance talents in the *Green Finance Talent Development Plan for the 14th Five-Year Plan Period*.

Promoting Green and Low-Carbon Operations

Moving Towards Operational Carbon Neutrality



We started our commitment to operational carbon neutrality in 2021, including more than 11,000 domestic and overseas branches and comprehensive operation companies in Chinese mainland and another 62 countries and regions in the scope of carbon accounting. By the means such as systematically compiling the greenhouse gas emission inventory and introducing professional third-party carbon accounting teams, we calculated our own operation carbon emissions in a comprehensive manner. In 2021, the emissions^{Note 1} of domestic and overseas institution and comprehensive operation companies of the Bank totaled 1.5341 million tons of carbon dioxide equivalent. We will strengthen our management on energy conservation, reduce office consumption of water, electricity, paper, oil and other types of resources and improve use efficiency.

We made every effort to respond to the national goals of “carbon peak and carbon neutrality”. Closely following the domestic and foreign progress in climate change policy responses, we formulated the *Bank of China Action Plan for Reaching the Goal of “Peak Carbon Emissions and Carbon Neutrality”*. We improved our environmental management system, took actions for green operation and green office, worked faster to achieve comprehensive green transformation, and reduced the environmental impacts from our operations.

Exploratory practices towards carbon neutrality

- While keeping reducing operational carbon emissions, BOC Aviation purchased carbon credits from two projects that met the international voluntary emission reduction mechanism, Verified Carbon Standard, to offset its direct carbon emissions. Currently, BOC Aviation has become 100% neutral in direct carbon emissions.
- BOC London Branch and BOC (UK) set short-term and long-term green operation goals, planning to reduce greenhouse gas emissions year by year, realise operational carbon neutrality within their jurisdiction before 2030, and help upstream and downstream companies further reduce emissions through supply chain management from 2030 to 2050.
- Singapore Branch put into operation the eGIRO project, enabling online periodic payment business application. This project shortened the time for business handling from

three weeks to a few minutes, thus greatly improving the service quality and efficiency, and made business procedures paperless, saving a large amount of paper.

BOC (New Zealand) had its greenhouse gas emissions measured by a professional third party, formulated carbon emission management and reduction strategies, and obtained a Carbon Reduce Certificate for its compliance with international best practices (ISO 140064-1).



The Carbon Reduce Certificate BOC (New Zealand) obtained

We will further strengthen carbon footprint identification and management. We will actively work out the timetable and roadmap for operational carbon peak and carbon neutrality, formulate the green operation plans of “carbon peak and carbon neutrality” for domestic institutions, and set appropriate quantitative environmental management goals for emission reductions, conservation of water, electricity and paper, and the like.

Note 1: According to the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute and the World Business Council for Sustainable Development, emissions of companies are divided into three scopes (scope 1, scope 2, and scope 3). This operational carbon accounting referred to scope 1 and scope 2.

Practicing Energy Conservation and Emission Reduction



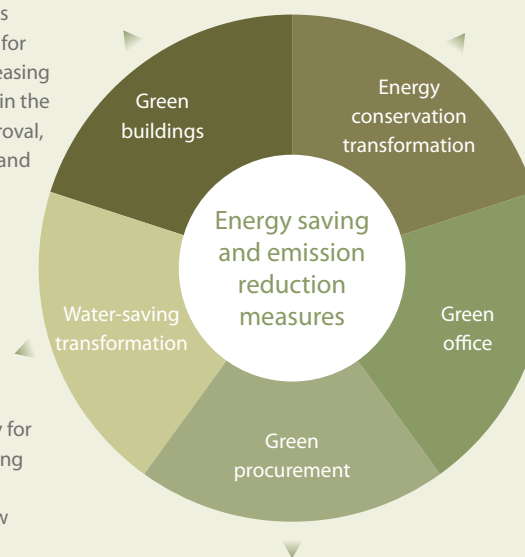
Energy Environmental Management

We established an energy management team of the Head Office to coordinate the energy conservation and greenhouse gas emission control in the Head Office and the institutions in Beijing. The specific work included greenhouse gas emission target setting; emission data gathering, verification, analysis and reporting; trading of greenhouse gas quotas and performance of relevant contracts.

At the same time, according to the *Notice of Planned Water Use Indicators* issued by the Beijing Water Conservation Management Centre and the *Approval Method for Quotas of Key Carbon Emission Institutions in Beijing* issued by the Beijing Municipal Bureau of Ecological Environment, we formulated the standards and quantitative control targets for the consumption of standard coal, electricity, water and other resources, as well as the post-evaluation mechanism for these quantitative control targets.

- We strictly implemented the *Energy Conservation Management Measures for Key Energy-consuming Institutions* and the *Evaluation Standards for Green Buildings*, and emphasised the energy conservation of office buildings. As a result, the energy efficiency of our major office buildings in the Head Office and Beijing reached the nationally advanced level.
- Building energy conservation was regarded as important reference for our construction, purchase and leasing of offices, and was given priority in the entire process including the approval, design, tendering, construction, and use of office building projects.

- We introduced tap water and domestic hot water to the pantry for less consumption of direct drinking water.
- We equipped the toilets with new water-saving sanitary ware.



- We added the consideration of environmental protection to the procurement process and led upstream and downstream industrial chains to a green and low-carbon development.

- We purchased energy-saving products, replacing safety exit indicators, elevator hall lighting, some public area lighting, nightscape lighting and other lighting facilities with LED light sources. That could save approximately 100,000 kWh of electricity every year.
- We transformed the refrigeration units and some other high-power electrical devices in the Head Office into variable frequency ones to reduce their power consumption.
- Basing on factors such as the epidemic, weather and the number of people in offices, we improved the regulation and operation plan for air-conditioning equipment. By making full use of natural cold sources for refrigeration, we reduced the operating time of refrigeration units.
- We promoted paperless office, made full use of teleconferencing and video conferencing systems, and reduced meeting and business trips. In 2021, the number of video meetings held by the Head Office and the institutions based in Beijing reached 3,321.
- We carried out publicity and training activities related to energy conservation. We prepared energy and water saving publicity materials in restaurants, pantries, toilets and other areas, and actively participated in energy-saving public welfare activities such as “Earth Hour”.

Note: For the Bank's performance in green operations, please refer to pages 114 to 116, the part of “ESG Key Performance” in this report.

Providing Green and Low-Carbon Services



We encouraged business outlets at all levels to practice green development concepts from three aspects, namely, green construction, green business, and green operation. Specifically, we encouraged them to follow green building standards for new construction or upgrading projects, promote green energy and energy-saving technologies, and grow themselves into green finance demonstration outlets; to study and prepare a plan for building a green finance-featured outlet, provide customers with green financial products and services, and support green finance development relying on the advantages of outlets in channels; to operate in a green manner, sort garbage, save water and electricity, choose green transportation, eat green food, and reduce the daily consumption of outlets. Through those efforts, we expected to achieve the operational carbon neutrality of a group of outlets.

As the only official banking partner of the Beijing 2022 Winter Olympics, we responded to the "Green Olympics" concept and formulated the *Carbon Neutral Plan of Bank of China for Financial Services for Beijing 2022*, ensuring the carbon-neutral financial services for the Games.

Green finance outlets

Designed as a characteristic green finance outlet, BOC Green Sub-branch in Tongzhou Canal Business District, Beijing, was built in accordance with international green standards. Environment-friendly building materials were strictly applied to ensure the dust-

free assembly and green construction. This Sub-branch is the first characteristic green finance outlet in Beijing with the international LEED certification and the carbon neutral certification for outlet opening issued by Beijing Carbon Emissions Trading Centre.



Green services for the Winter Olympics

- We designed and built our temporary outlets for the Winter Olympics with green building standards and materials, and provided green energy supply for these outlets.
- We actively practiced the concept of "Green Olympics", making full use of our products to provide comprehensive financial services for the qualified green venues and infrastructure projects of the Winter Olympics.
- We comprehensively calculated our carbon emissions in the outlet construction and operations, machinery operation, consumable usage, dining and travelling of personnel and other activities during our support for the Beijing Winter Olympics and Paralympics. We offset inevitable carbon emissions by means such as purchasing carbon quotas and developing carbon sink projects.



In the meantime, we adopted a digitised business model for our green transformation. While providing better customer service experiences, we made all-round efforts to reduce the consumption of paper documents and improve the efficiency of resource utilisation. Additionally, we actively advocated green concepts among customers, and worked to create a more environment-friendly operation and service system.



Participating in Global Green Cooperation

We actively participated in international cooperation on green development. We actively adopted global sustainability-related initiatives or principles, promoted the development of professional cooperation platforms, and participated in various forms of exchange activities on green finance, climate actions and other themes. In this way, we made our voice heard on the international stage of green finance and contributed our wisdom to its development.

Supporting Green Initiatives and International Organisations



In 2021, we officially signed the UN Principles for Responsible Banking (PRB), and became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, we actively performed our responsibilities in relevant task forces, contributed our results of green finance research, and participated in the formulation of international standards. In this way, we worked with all parties to promote win-win cooperation in green development.

Task Force on Climate-related Financial Disclosures (TCFD)



In February 2021, we became a TCFD supporter. In the year, we actively carried out stress testing, carbon footprint measurement and other work, and attended the work related to UK-China Climate and Environmental Information Disclosure Pilot. Moreover, we prepared this report with reference to the TCFD guidelines, fully disclosing our analysis of and practical responses to the impacts of climate changes.

International Capital Market Association (ICMA)



We fulfilled the responsibilities as a member of ICMA's 2020/2021 Advisory Council of the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. We co-organised many online meetings and seminars, and participated in the translation of relevant guidelines into Chinese. In this way, we promoted green bond standards in the international community and integrated them with Chinese ones at the same time.

UN Principles for Responsible Banking (PRB)



In August 2021, we signed the UN Principles for Responsible Banking (PRB), and joined the UN Environment Programme Finance Initiative (UNEP FI). In the year, we conducted a gap analysis on the relevant requirements of the PRB, and actively formulated environmental and social action targets.

Green Investment Principles (GIP) for the Belt and Road



We fulfilled our responsibilities as the co-chairman of the Working Group on Green Financial Product Innovation under Green Investment Principles (GIP) for the Belt and Road; actively attended the webinar co-organised by the GIP Secretariat and Astana International Financial Centre, introducing GIP and our green finance practices to financial institutions in Central Asia; and attended the GIP Annual meeting, reporting summaries and plans on behalf of the Working Group.

Other green initiatives and organisations



We attended the seminar of domestic technical counterpart working group of International Organisation for Standardisation Technical Committee on Sustainable Finance (ISO/TC322), discussing the exposure drafts and expert opinions on relevant international standards; we joined the Technical Expert Group of International Platform on Sustainable Finance Working Group on Taxonomies, promoting the compilation of the *Report of Sustainable Finance Common Ground Taxonomy - Climate Change Mitigation*.

We actively participated in the activities organised by Green Finance Committee of China Society for Finance and Banking, Climate Investment and Finance Association of China Society for Environmental Sciences, etc.

Strengthening Cooperation with Multiple Parties



We actively attended the UN Biodiversity Conference, the UN Climate Change Conference and domestic and overseas sustainability-related exchange activities, discussing with all parties the cutting-edge trends in green finance, and driving and leading the development of global ecologically friendly banks.

The Fifteenth Conference of the Parties to the Convention on Biological Diversity (COP15)

As the only state-owned bank designated to provide financial services for this Conference, we co-organised the forum themed with how banking and financial institutions supported biodiversity conservation, and assisted in drafting and publishing the *Joint Declaration on Support for Biodiversity Conservation by Banking and Financial Institutions*.



The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26)

Chairman Liu Liange delivered a keynote speech at the international cooperation seminar themed on "Addressing Climate Change with Green Finance Support" during the conference, and called on financial institutions to strengthen international cooperation, to include green development in their corporate governance systems, and to contribute strength to addressing climate changes and building a shared community of life on earth. transformation of high-carbon industries. General Manager of London Branch introduced the specific measures taken by BOC to support the green transformation.



China-EU Green Economic Cooperation and Development Summit

This summit focused on issues such as China-EU carbon neutrality and sustainability, China-EU green finance cooperation and corporate green social responsibilities, calling for efforts to strengthen bilateral cooperation in green economy, finance and other fields. Luxembourg Branch released the *Green Action Initiative* on behalf of the business community.



Climate Risk Forum hosted by Chinese and American Chambers of Commerce

We attended the forum, "Tackling Climate Change Together: US-China Business Dialogue", co-hosted by China General Chamber of Commerce-USA and the American Chamber of Commerce in China. At this forum, we encouraged both business communities to further cooperate on coping with climate change challenges and promoting their own green transformation.



A Letter to Nature

It is a dialogue with nature, concerning not only the mountains and rivers, forests, fields, lakes and grass, but more importantly the community of common destiny for all human beings.

To Green Waters

From Li Shanshan, an employee of BOC Macau Branch and Olympic gymnastics champion

“ Seeking balance between development and survival, one retreats to nature after going through all the hustle and bustle and sees a fairyland in the clear lake. We issued the world's first biodiversity bond to repair, build and balance the ecology. Finance is like fresh water to deliver benefit for all and here I see your presence. ”



To Vast Land

From Zhou Shuangjian, a trader of the BOC Global Markets Department and the first Mister World in China

“ Everything grows in the field and where there is field there is food. Chinese people's attachment to the field is rooted history. Your efforts seem to be hardly noticed, but you have provided temporary habitat for birds and comfortable breeding places for creatures; and you bring bumper harvests and silently protect the biodiversity of nature. ”



To Grass

From Li Xuezhong, an employee of BOC Hebei Branch Chengde Weichang Sub-Branch

“ I remember that Saihanba used to be a wasteland with little grass when I was a child. But today it has grown into a vast grassland. Born in the grassland, I have been imperceptibly influenced by the ethos of Saihanba, and as an employee with BOC, I am convinced that finance not only promotes the transformation into green and low-carbon production, but also contributes to the transformation to a green and low-carbon life. ”



To Mountains

From Li Gang, a retiree of BOC Yunnan Branch, a member of the China Association for Photographers in the Financial Industry and Vice Chair of the Yunnan Association for Photographers in the Financial Industry

“ Since 2009, the environment surrounding the Dianchi Lake has seen significant improvement. The ecosystem in the mountains and forests has taken a brand new look. With the help of finance, the national reserve forest spanning Southwest China has grown into an ecological barrier. Look forward to a new picture of green development painted by green finance. ”



To Lakes

From Lei Xiao, an employee of BOC Zhejiang Branch Huzhou Anji Sub-Branch

“ The sound judgment that lucid waters and lush mountains are invaluable assets prompts and guides transformation of the resources. We are committed to providing all-round green financial services and helping to build a Huzhou model of green development. To keep the lush mountains and lucid waters as they are is our commitment to you and to the earth. ”



To Forest

From Tang Shi, an employee of BOC Credit Management Department

“ Let mountain breeze blow afar along the broad highway and let the streams flow through clear courses into rivers to enable more people to be familiar with the breath of nature and make green become the main color of life. I believe that nature is our common home and we are bound to rely on and reward each other. ”



Serving Society and Fulfilling Responsibilities

In the new development stage, we have brought into play our unique advantages, and actively taken on the mission of “Bridge China and the World for the Common Good”. Adhering to the leading role of technology and innovation, we have made all-out efforts to promote the building of enterprise-level architecture and conducted comprehensive digital transformation to provide customers with more considerate, more intelligent and more inclusive financial services. Taking a customer-centric approach, we worked to improve the quality of our financial services and customer experience and effectively protect all rights and interests of customers while meeting all their needs. Persisting in talent reform, we never ceased to build a professional team of financial talents and improved the career development platform for employees, with an aim to stimulate the innovative vitality of the whole bank. Sticking to the commitment to public charity, we gave play to the role of BOC Charity Foundation and created a long-effect mechanism to serve the public welfare undertaking, producing greater value for society.



Leading Digital Transformation with Technology

Taking a technology-based and innovation-driven approach, we built a “NeoBOC” through digital transformation, as part of our efforts to build China into a digital power. In 2021, we made great efforts to promote IT reform, accelerated digital reconstruction in terms of thinking mode, business philosophy, customer service, product innovation and risk control, and comprehensively enhanced the Group’s technological capability to support the businesses digitalisation and pursue the continuous technological innovation, so as to create a new pattern of financial technology services.



Promoting IT reform

- The Group’s 14th Five-Year Plan for FinTech was formulated and put into practice.
- We deepened the reform of our technological systems and mechanisms, streamlined the operation management mechanism and procedures, and improved the synergistic efficiency of lines.
- The digital capacity of the technological teams was strengthened with the improvement of capability to promote digitalisation.



Supporting the implementation of major strategic projects

- We moved faster in the OASIS project with the enterprise-level technology platform successfully launched.
- We gave support to the strategic projects of scenario building, data governance, smart operation and outlet transformation, boosting the establishment of a digital finance ecosystem.



Serving the coordinated development of globalisation and integration

- Globalisation: According to the “One Bank, One Policy” strategy, we optimised the allocation of resources and accelerated the overseas promotion of outstanding products and achievements, such as overseas corporate online banking, mobile banking functions and user experience, etc. We established a basic service platform for data submission to overseas regulators and an overseas comprehensive management platform to continuously empower the development of overseas business.
- Integration: Taking the technological systems of the Group as a whole, we reinforced top-level design, established and improved IT coordination mechanism for comprehensive operation companies, and actively promoted the cloud migration of the infrastructure of comprehensive operation companies. We also consolidated the IT policy compliance and network security development of the comprehensive operation companies and continuously improved the integrated IT coordination and management performance of the Group.

Sustainable Development Goals (SDGs)





Fostering an ecosystem of technology and product innovation

- The technology innovation management structure and working mechanism were established to improve the performance of large-scale and standardised application.
- The product innovation management system was developed and the lifecycle management system involving the demand, incubation, pilot, promotion and post-assessment of innovation was further improved.
- Substantial progress was made in the construction of the innovation research base, and the differentiated authorisation mechanism for innovative research and the open competition mechanism to select the best candidate to lead innovation were also established. The pilot mechanism with moderate tolerance for mistakes was carried out, giving play to the role of the base to stimulate innovative research and transformation of achievements.



Strengthening new FinTech infrastructure

- We moved faster in the future-oriented infrastructure construction of the Group to consolidate the foundation for the safe and smooth operation of information systems.
- The computer rooms at all regions and cloud environments of various kinds were established and delivered to serve the Head Office and comprehensive operation companies. Greater efforts were made to promote the public cloud platform leasing services, so as to meet the demand for external non-financial support services of strategic scenarios.



Improving risk control and safe operation capabilities

- The achievements of special governance on production safety were further consolidated and the long-effect mechanism of production safety governance was put into practice.
- By improving the monitoring system, we promoted the transformation and upgrade from traditional operation and maintenance to agile operation, and optimised the management mechanism of business peaks, so as to ensure the safe and stable operation of the system during key and special hours.
- The network security prevention and control system and the relevant prevention and control capability were enhanced. The access to and daily management of APPs across the Group were also further standardised.



Enterprise-Level Architecture Development



We took the development of an enterprise-level architecture as the "No. 1+" project of the whole bank and promoted the transformation and reconstruction of business structure and technical architectures to "enterprise-level" from the perspective of overall coordination and integrated planning.

Steady progress in top-level design

- Based on the 14th Five-Year Plan of the Bank, we completed the analysis and refinement of our strategic objectives and initiatives in major business lines, identified the hot spots and pain points of strategic core competitiveness, and mapped out a preliminary panorama of the Group's strategic capabilities;
- We finalised the planning and design of the enterprise-level business architecture by horizontally sorting and clustering the businesses of the whole bank from the perspectives of internal and external services and professional capabilities;
- We completed the planning of enterprise-level IT architecture in a platform-oriented, modular and service-based manner, clarified the five-layer IT construction framework, and released the Group's technical standard specification in batches.

Key breakthroughs in pilot areas

- We selected several pilot business areas, completed the work on relevant capability solutions, business modeling and development and testing in accordance with the design methodology of enterprise-level architecture, and launched the large-scale distributive technology platforms at the enterprise level, further consolidating the foundation of next-generation core technology to undertake new business architecture. Relevant preparation work for the launch was in full swing.



Fintech Innovation and Application



We improved the FinTech innovation mechanism and strengthened the efficient cycle from idea collection, prototype incubation, research and pilot, to achievement promotion, with the overall innovation capability greatly enhanced. We also carried out research on new technologies and tackled key technological problems in areas such as blockchain, artificial intelligence, and Internet of Things to strengthen innovative research and transformation of achievements.

AI

The five functions of machine learning, biometrics, voice recognition, robotics and knowledge base were integrated into one to build a standardised service platform, mainly applied to intelligent business areas such as intelligent investment, operation, marketing, customer service and risk control.

Blockchain

The BOC blockchain technology platform was continuously upgraded, with 12 business applications created and 15 authorised patents for blockchain technologies approved.



Big data

A new data governance framework was basically established to continuously accumulate stock data assets and provide support for business applications based on big data.

IoT

The business physical management platform was launched and a whole-process management system of physical objects including cash was established, realising the automated and intelligent operation of the storage and delivery of physical objects.

Some innovative technological achievements



Digital Transformation of Business Processes



Focusing on the needs and experience of customers, we adhered to a three-pronged approach to advance the planning and establishment of the front, middle and back offices of personal banking, so as to improve customer service and product experience.

- Improving the open service system with a customer-centric approach;
- Promoting the age-appropriate and barrier-free transformation of mobile banking to provide convenience for customers with special needs.

Agile front office

We worked to create an agile front office by fostering integrated and collaborative channel management capability and establishing an open and shared scenario ecosystem.

Smart middle office

We worked to create a smart middle office with precise customer identification, whole-process digital marketing, specialised products and services, and in-depth data asset exploration and application capabilities.

Efficient back office

We worked to create an efficient back office to form an efficient intelligent operating capability and smart risk internal control and management capability.

- Upgrading the operating and maintenance system of e-banking and improving the efficiency of maintenance, so as to realise flexible maintenance of announcements and interface of domestic and overseas e-banking.
- Strengthening the building of in-event risk control system and expanding the application of in-event risk control anti-fraud machine learning models.

- Establishing a digital marketing middle office featuring high intensity, strong sharing and stringent closed loop by continuously improving marketing forms, reaching manners and other system capacities for all segments of personal customers, making every effort to improve customer experience while safeguarding customer information, and facilitating more marketing activities for the convenience and benefit of the people.
- Developing a "Smart Reach" intelligent marketing reach system, accurately matching marketing strategies and targeted customer segments through data analysis, realising customers reach through SMS, micro-banking, mobile banking and wealth manager platforms, and improving the effectiveness of customer service and product recommendations.
- Promoting the middle office building for investment products and piloting the lifecycle management function of some fund management products.
- Upgrading the working mechanism of data analysis to meet analysis requirements in key business areas such as mobile banking and wealth finance.
- Building a points evaluation system for data analysts to continuously stimulate the vitality of the data analyst team in combination with measures including targeted guidance, "training by doing", skill training and professional sequence certification.
- Launching "Personal Business Billboard" on the internal mobile office platform to provide the management at all levels with digital management tools covering key business indicators such as the real-time flow of funds and all types of financial assets.

Providing High-Quality Customer Services

Upholding the customer-centric service concept, BOC strove to establish a business ecosystem featuring online and offline integration and the seamless linkage between financial and non-financial businesses, with an aim to continuously improve the quality and efficiency of financial services and provide customers with borderless, warm, intelligent and diversified services.

Facilitating the People and Enterprises with Digital Services



We continued to explore the application of digital technology and expand our service coverage to improve the financial service experience of both personal and corporate customers.

As at the end of 2021, the number of mobile banking customers of the Bank reached

235.18 million



Personal banking

Comprehensive service platform:

We launched version 7.0 mobile banking, strengthened the establishment of key zones, and carried out age-appropriate and barrier-free reform with the launch of an Elderly Version for our mobile banking.

Open and win-win ecosystem:

By cooperating with high-quality merchants, we were able to include payment services in fields of education, medical and people's livelihood, as well as payment scenarios including shopping, tourism, home consumption and charitable donations, which are closely related to people's lives, to the mobile banking client.

Online service channels:

Diversified channels were launched, including the new version of corporate online banking, corporate mobile banking, corporate micro-banking etc.

Online payment experience:

Various corporate payment products such as B2B direct payment, certified payment, agreement payment and pre-authorised payment were launched to support the e-payment needs of different scenarios such as trade and commerce, logistics, aviation and travel, social security funds, etc.

Corporate banking

Expanding Service Coverage of Outlets



We continued to strengthen technology empowerment, deepened the digital transformation of outlets, and promoted intelligent services, digital management and differentiated operation of outlets, in a way to improve the quality of outlet services.

Deepening intelligent service ecosystem



- Mobile smart counters were popularised at all regions, realising the full coverage of smart counters at 36 tier-1 branches and the expansion of outlet business coverage.
- The intelligent service ecosystem of outlets was further diversified to support 296 sub-categories of service scenarios under 57 categories, including digital debit cards, social security cards and digital wallets, deepening online and offline integration.

Meeting the special needs of customer segments



- Focusing on the establishment of "elderly care service demonstration sites", the Bank launched the "elderly version" smart counters to provide convenient and exclusive services for the elderly customers.
- Relying on the mobile account opening service for corporate customers, the Bank supported outlets to provide door-to-door account opening services for micro and small enterprises at favourable prices.

Improving outlets service standard



- Smart screens were launched in outlets to realise the unified management and electrification of various types of promotional information.
- We developed a staff channel and a digital outlet management platform to promote the building of the professional sequence of outlet teams and to enhance the service capability of outlet personnel.



Boosting e-CNY development to meet diversified payment needs

We played an active role in pushing forward the pilot and promotion of e-CNY to meet the public's demand for the convenience, security, inclusiveness and privacy of retail payment. As at the end of 2021, about 171 new product functions were launched and the number of pilot scenarios amounted to 2.76 million, covering such fields as living payment, catering service, transportation, shopping and government services, with exponential growth in the number of e-CNY wallets opened.



▲ BOC e-CNY programs such as vending machine, coffee machine, gashapon machine and foreign currency exchange machine debut at Western China International Fair



Establishing demonstrative outlets of pension services

We made continuous efforts to improve our elderly-friendly services at all outlets and took hardware facilities, process optimisation, service experience and humanistic care as the starting points to help the elderly overcome the “digital divide”. As at the end of 2021, a total of 332 elderly care service demonstration sites were built nationwide.

Based on the living needs of the elderly in medical care, food, housing, transportation, entertainment, sentiment and learning, Hongdong Sub-branch of BOC Shanxi Branch not only provided a tea table and tea sets, blood glucose and blood pressure meters, and old films screening equipment in the outlet hall, but also organised a volunteer team to serve the elderly customers. More than 40 activities on the theme of “community, medical care, learning and sojourn” were held on holidays to make the elderly feel at home.

Relying on 5G technology, Sanya Yabei Sub-branch of BOC Hainan Branch launched a “smart elderly care platform” and three scenario-based functions of “university lessons for the elderly, cloud advisor and product demonstration”. The elderly could have access to health lectures, remote interrogation and comprehensive information on elderly care products, pension policies and provincial tourism resources at the outlets, enjoying “smart” elderly care services.

As at the end of 2021
a total of

332

elderly care service
demonstration sites were built
nationwide



▼ “Elderly Fashion Show” activity at Hongdong Sub-branch of BOC Shanxi Branch



▲ “Smart screen” at the hall of Sanya Yabei Sub-branch of BOC Hainan Branch

Improving Customer
Experience by Heart



Drawing on the power of FinTech, we worked persistently to provide more convenient services, integrated customer service awareness into every aspect of our daily work, and delivered professional services and sincere communication to every customer in a heartfelt manner.



Improving intelligent customer
service



The online intelligent customer service system was upgraded to cover various online service channels such as mobile banking, micro-banking and the new version of online transaction banking and web portals, with the percentage of intelligent customer service reaching 85.77%. The customer service entrance and interaction logic of the “My Customer Service” zone in mobile banking was also optimised to provide services anytime and anywhere.

Cultivating customer experience
division



A professional customer experience division team was set up and continuously improved by introducing an admission and exit mechanism, certification, performance appraisal, and training and exchange.

Optimising intelligent robots



New robotic business scenarios and corpus were introduced, and the question recognition rate of robots was increased to 94.59% to better meet customers’ needs for personalised and customised services.

Promoting feedback and
improvement mechanism



Customer experience feedback of branches was collected on a quarterly basis to produce a “Special Issue on Offline Customer Experience Management Exchange” for bank-wide sharing. Questions and improvement suggestions were also collected through the SOPS platform to help continuously improve the customer experience mechanism.

Promoting Customer Protection Comprehensively

Putting customers' rights and interests highest on the agenda, we established a Corporate Culture and Consumer Protection Committee under the Board of Directors, which is responsible for reviewing the Bank's consumer protection strategies, policies, objectives, etc., making suggestions to the Board of Directors, and supervising and evaluating the Bank's consumer protection efforts. In 2021, we formulated the *Policy of Bank of China Limited on Consumer Protection (Version 2021)* to continuously improve the strategic goals, governance structure, system and mechanism, and policy foundation of consumer protection. In addition, we made extensive publicity and education efforts to equip consumers with risk prevention awareness. Our consumer protection training class had more than 60,000 employees trained throughout the year.

Identifying Customer Needs



With an emphasis on the voice of customers, we took customer feedback as the guide to constantly enhance our products and customer service experience and developed a closed-loop workflow featuring "collection - analysis - assessment - improvement". In 2021, by conducting analysis on customer in-calls, we collected a total of 634 pieces of customer feedback and produced 51 analysis reports. Meanwhile, we also took the initiative to learn about the brand recognition and customer satisfaction of the Bank by regularly inviting third-party specialised organisations to conduct customer satisfaction surveys every year. The 2021 survey results showed that external customer satisfaction stood at 93%, basically unchanged from the previous year.



Handling Customer Complaints



In 2021, we revised the *Management Measure of Bank of China Limited for Customer Complaints* and clearly stated the definition, handling and verification of complaints. We also clarified the management system, working mechanism and operating rules of complaints, and strengthened the traceability and rectification, assessment and accountability, and dispute resolution of customer complaints to effectively protect the legitimate rights and interests of consumers. A total of 148,000 customer complaints were accepted throughout the year, and the completion rate of complaint handling reached 100%.

Major complaint business category

50.3% of the complaints were about credit cards, 18.1% about debit cards, and 8.1% about loans. The above three types of complaints accounted for 76.5% of the total.

Regional distribution of major complaints

The top five regions in terms of the number of complaints were Guangdong (10.4%), Jiangsu (5.7%), Beijing (4.0%), Shandong (3.7%) and Hebei (3.5%). Complaints in the above five regions accounted for 27.2% of the total.

Standardising Marketing and Publicity



In accordance with the principle of financial appropriateness and the regulatory requirements, we formulated the *Guidelines of Bank of China limited on Marketing and Publicity Management of Consumer Finance* in 2021 to clarify the management framework and code of conduct for marketing and publicity as well as the management responsibilities of business lines and departments, putting in place clear-defined rules and accountability. We refined and clarified requirements of prudential control and implemented the whole-process control mechanism of pre-marketing review, while-marketing approval and post-marketing monitoring. We also further perfected the risk warnings before, during and after the sales of products to ensure that the Bank's marketing and publicity efforts are strictly in compliance with the law.



Vigorously Protecting Information Security



Improving management mechanisms and protecting customer privacy

- Establishment of regulations and policies: We formulated the *Management Policy of Bank of China Limited on Customer Information Protection* and the *Management Measures of Bank of China Limited for Protection of Financial Information of Consumers*, set up bank-wide framework strategies for customer information protection and management, and clearly defined the division of responsibilities among departments. We proposed the management requirements in the collection, storage, use, transmission, sharing, deletion and destruction of information, and internalised and solidified the relevant requirements of regulations and supervision in the process of system building and business operation.
- Self-inspection and rectification: We conducted self-inspection and rectification of the information protection of personal customers, corporate customers and financial institutions, and pushed forward the risk screening of information security of consumer finance, so as to produce self-inspection reports and establish problem rectification accounts in time.

Applying information technology and strengthening system security

- System security assurance: We carried out security control over the lifecycle of information systems, including system requirements, design, coding, testing, operation and maintenance, and were able to discover and rectify information system security loopholes in a timely manner through an active risk identification mechanism.
- Network security defence: By deploying defence systems and instruments, improving the system building of data leakage prevention, and establishing business data masking mechanisms, we were able to establish an active and extensive network security defence system.
- Security team building: We set up a network security team and constantly improved the professional capabilities of the team members through skill training and practical exercises.
- System security test: We carried out penetration tests on a regular basis and security tests of online application systems across the entire network environment on an annual basis for loophole scanning. We also cooperated with specialised institutions engaged in network security for security loophole assessment and emergency response.

Preventing Fraud Risk



We highly valued the protection of customers' fund safety and considered it as our responsibility. We strengthened precautionary measures and scaled up our efforts in launching education, publicity and warnings activities on anti-fraud and anti-counterfeit currency, in a way to raise consumers' awareness of risk prevention. At the same time, we continued to improve the in-event control, upgrade the "Cyber Defence" smart risk control and prevention system, so as to effectively identify and respond to fraud risk events through the comprehensive application of big data, cloud computing, AI and other financial technologies. In 2021, the suspicious transactions intercepted by the "Cyber Defence" smart risk control and prevention system amounted to RMB15.070 billion.

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RMB **15.070** billion



Making every effort to set up a financial security network

BOC Hebei Branch successfully helped an enterprise in Cangzhou recover

EUR **440,000**

equivalent to more than RMB3.4 million, of a cross-border online telecommunications fraud, retrieving a huge loss of the customer.

Based on the limit control mechanism of corporate online banking and the rapid response of account handling, **Binzhou Bincheng Sub-branch of BOC Shandong Branch** helped a corporate customer successfully intercept a fraudulent fund of

RMB **4,686,200**

With a keen awareness of risk, staff members of **BOC Shenzhen Branch** were able to identify fraud risk in time, helping an elderly customer to avoid losses of

RMB **10** million



Stimulating the Creativity of Talents

More than
9,600
employees were hired by
our domestic institutions



Upholding a people-oriented philosophy, we kept a close eye on the living and growth needs of employees, providing them with a sophisticated training system and favourable remuneration and benefits. We actively listened to the voices of young employees and constantly cultivated and explored outstanding talents, with the aim to work hand in hand with employees to create a better future.

Talent Introduction



On the basis of the scientific planning of human resources demand across the Bank, we continued to expand the recruitment scale of college graduates, extensively carried out various forms of campus promotion activities, and improved the campus recruitment

process to provide humanised recruitment services. In 2021, more than 9,600 employees were hired by our domestic institutions, and the global campus recruitment for 2022 was launched, offering 11,000 job opportunities.



▲ Group photo of employees of BOC New Zealand

Talent Cultivation



We formulated an annual talent cultivation plan across the Bank, optimised the BOC training system and mechanism, and expanded and improved the training programme system that empowers the Group, employees, society and customers. We also worked to expand our expertise and resource investment in training, so as to provide intellectual and talent support for the Bank's strategic development.

Improving training mechanism

- Integrating and tapping training resources**
- Faculty building: We launched the *Management Measures of Bank of China Limited for Internal Part-time Teachers*, and held a training course for trainer certification on outlet management in the form of panoramic classes, completing the certification and recruitment of 1,691 internal trainers at the Head Office level.
 - Course and micro-course establishment: By holding seminars on high-quality courses development, we developed 82 high-quality courses in a centralised and independent manner and completed the standardisation of the teacher manual, trainee manual and teaching casebook. We organised exhibition activities for excellent original courses, with 65 high-quality courses recorded and exhibited. We also established a micro-course library and relevant study zone on the cloud platform of BOC Academy.
 - Case building: We developed a series of cases with Yangtze River Delta characteristics, and organised case and course infrastructure workshops and case development and teaching

- integration seminars. As a result, a total of 48 teaching cases were developed and put online.
- Textbook production: We completed 23 textbooks, including Green Bond Knowledge Reader, Financial Market Product Manual, Financial English, and Corporate Culture Brochure.
- Expanding employee learning platform**
- As at the end of 2021, the registered users of the BOC training cloud platform reached 315,000, with 230,000 monthly active users recorded and 25,000 online courses launched. The average learning hours of the Bank's employees were 43.5 hours.
 - The BOC Training Centre cloud platform was created, bringing a new space for digital and intelligent learning, with the total number of visits exceeding 250 million.
 - The "Online Book Purchasing Platform for Spare-time Learning of Employees at the Head Office" went online, which was designed to allocate the book purchasing quota of employees and support employees to purchase books independently.

Key training programmes

- Expert lectures**
- We gave play to the role of the external think tank as a strategic advisor to the business development of the Bank, in a way to help managers and employees at all levels to expand their horizons and refresh their mindset and shape a corporate culture encouraging all-staff learning. In 2021, we held six sessions of "BOC Grand Lecture", with 36,000 employees watching the live broadcast online and nearly 42,000 people participated.
- Staff learning day**
- The second session of staff learning day themed with "Learning for Excellence" was held, with Chairman Liu Liange personally giving the first lesson. A total of 149 branches participated, with an average daily visit of 46,000 people and a total of 4.24 million clicks on the course.

- New employee development community**
- Facing all employees of the Bank, we implemented an online learning programme of "New Employee Development Community" and invited the senior management of the Bank to give lectures to new employees. The programme covered 41 domestic institutions with 7,899 new employees participating in the programme.

Nearly
42,000
people participated "BOC Grand Lecture"

7,899
new employees participating in the programme



Career promotion channel

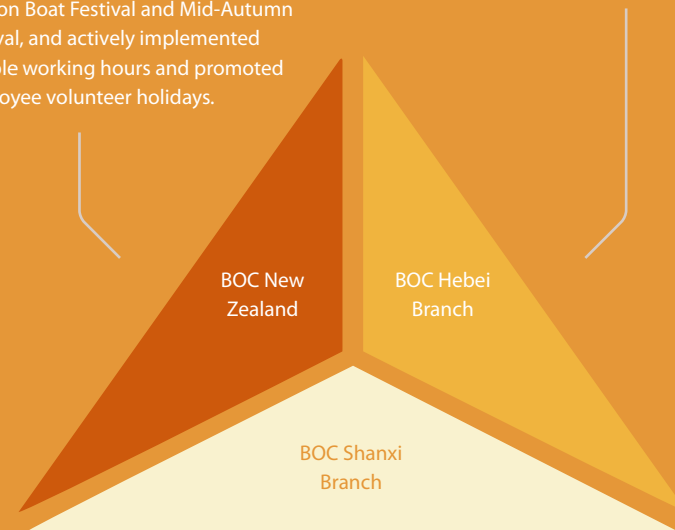
We continuously strengthened the management of professional qualifications with the improvement of professional development pathways. We also simplified the promotion channel of professional personnel and clarified the appointment and job transfer requirements for professional and technical positions, as part of our sustained efforts to advance the building of professional development pathways. As at the end of 2020, implementation rules (plans) for the management of professional qualifications were issued for 21 professional sectors. More than 6,200 employees obtained senior professional qualifications, and about 190,000 employees received middle and junior professional qualifications.



BOC New Zealand regularly organised afternoon tea parties and birthday parties for its employees, held distinctive celebrations during traditional Chinese festivals such as the Spring Festival, Lantern Festival, Dragon Boat Festival and Mid-Autumn Festival, and actively implemented flexible working hours and promoted employee volunteer holidays.



BOC Hebei Branch established a loving care station for employees' children during the summer vacation and organised children of its employees to visit the workplaces and exhibition halls of their parents.



BOC Shanxi Branch held a Chinese traditional rice-pudding (Zongzi) wrapping activity during the Dragon Boat Festival to share the happiness of the festival with employees.



Being Devoted to the Public Welfare Undertaking

Continuing to Deepen Fixed-Point Poverty Alleviation



We actively implemented the requirements of aligning efforts to consolidate and expand the achievements in poverty alleviation with efforts to promote rural revitalisation, and promoted the revitalisation of targeted assistance areas with financial strength. As the assistance pair for the four counties, namely Yongshou, Xunyi, Chunhua and Changwu in Xianyang City, Shaanxi Province ("four counties in Xianyang"), we earnestly implement the requirement of giving a "grace period" to previously impoverished population, villages and counties, during which poverty alleviation policies and government supervision are continued until their status is secure, and coordinated resources at home and abroad to facilitate the revitalisation of those counties in light of the local actual needs.

We have long adhered to the philosophy of "serving, contributing to and giving back to society" and endeavoured to empower the development of charity and public welfare with our advantages of diversified financial services. Using BOC Charity Foundation as the carrier to fulfill public welfare responsibilities, we played an active role in developing the "finance + philanthropy" model, gave full play to the role of the BOC Charity platform, and continuously pushed forward the innovation of the public welfare projects model, with the aim to expand the impact and benefits of public welfare practices and promote the realisation of common prosperity.

Focusing on the implementation of projects in key areas

We prioritised the regional industry development and brand building in the fruit industry and animal husbandry, focused on improving water supply capability, disaster relief, and pandemic containment to consolidate the achievements in poverty alleviation, paid attention to sewage treatment, garbage disposal, and other actions to improve the rural environment, and attached importance to developing education, health care, and other public services in rural areas to promote balanced development between urban and rural areas. In the year, we invested and channeled a total of RMB107 million funds in those four counties in Xianyang, and carried out almost 100 projects concerning people's livelihood and industrial assistance, directly benefiting more than 30,000 people. Through those efforts, we contributed to the construction of beautiful villages.

Improving the effectiveness of financial services

We developed 12 online courses for the rural revitalisation, covering the interpretation of the relevant policies, fostering of characteristic farming industries, and "Internet Plus" marketing of agricultural products, and mobilised primary-level cadres, foregoers of the rural revitalisation, technicians in the four counties to take these courses. We also provided 28,900 people with offline training to enhance their capability for rural revitalisation and promote financial literacy. The training offered access to advance ideas to local cadres and people and equipped them with the ability to propel economic development with financial tools.

Further promoting consumption-based poverty alleviation

We promulgated the *Notice on Further Stepping up Efforts in Consumption-based Poverty Alleviation* and the *Work Programme of Bank of China Limited to Help Sell Agricultural Products of Xianyang Malan Red Apple*, to fully and practically conduct consumption-based poverty alleviation. In the year, we purchased and sold RMB177 million agricultural products of regions getting rid of poverty. We initiated the campaign of adopting an apple tree. A total of 8,000 apple trees were adopted in the year. We continued to purchase agricultural products from the targeted poverty alleviation areas. In the year, our institutions and employees bought more than 0.9 million kilograms Xianyang Malan Red Apple that were worth RMB13 million.

Introducing Xianyang agricultural products into the CIIE

At the 4th China International Import Expo (CIIE), we set up a special zone for Xianyang agricultural products and placed these special agricultural products including Xianyang Malan Red apples and Yongshou pagoda flower honey at the BOC e-CNY activity sites and the exhibition halls of BOC branches. We also presented agricultural and sideline products from the targeted poverty alleviation counties in posters and videos. Two members from the poverty alleviation team of BOC in Xianyang, Shaanxi Province, also made a special trip to the venue and popularised the characteristic agricultural products from the targeted poverty alleviation counties on the online platform, aiming to help the local who have been lifted out of poverty achieve stable and sustainable income. In the main hall of the CIIE, a special investment business meeting for Xianyang was held in the BOC exhibition hall, creating more opportunities for customers and exhibitors of the CIIE to have an in-depth understanding of the investment policies, business environment, and local features of Xianyang and the four counties in Xianyang.

Building an Open and Shared Public Welfare Platform



We actively pursued the integrated development of internet public welfare and banking finance based on the concept of “finance + public welfare + internet”. In 2021, we supported 188 charity donations initiated by 73 organisations through the Bank of China Philanthropy platform¹, raising a total of RMB17.3631 million (including the Bank’s matching funds) with 160,000 donations.



Converging the strength of social care

The “BOC Double Love” public welfare activity was launched to gather social forces in public welfare undertaking through “one donation from a caring person and one equal donation from BOC Charity Foundation”, in a bid to achieve the convergence effect of “one plus one”. A total of RMB 6.4 million was raised for the 10 branded charity projects of six charitable organisations through the activity, attracting 66,000 people to participate in the donation.



Deepening the scenario-based charitable platform

We created an innovative elderly care service, launched the philanthropy mutual assistant for elderly care platform, and encouraged volunteers to save time of assisting the elderly when they are young to exchange for pension services at an advanced age, forming a virtuous cycle. In 2021, we promoted the age-appropriate transformation of the platform, with the aim to create a user experience of large fonts, concise content and simplified operation for elderly customers. We added the “offer service” and online training and learning functions on the volunteer side to increase the flexibility of volunteer services. We also invited caring merchants and enterprises around the community to settle in the platform to provide living facilitation for volunteers.



“BOC Campus Charity” is an online donation-raising platform created by Zhongyi Shanyuan for universities to contact alumni, contribute to campuses, and serve society, and provides a package of online and offline services, such as donation-raising consultation, activity planning, project launch, and system operation. The platform practically improved the public image of universities, helped them attain alumni economy and the opportunity of the third distribution, and provided a new path and a new platform for the building of universities and the growth of teachers and students. In 2021, foundations of dozens of universities, including Tsinghua University, Peking University, Renmin University of China, and Hunan University, joined the platform.



Empowering the development of social organisations

Relying on its strengths in FinTech and experience in establishing online public welfare platforms, BOC Financial Technology worked with Yunnan Branch to develop a donation management integrated platform for local red cross society, which integrated online and offline organisational management and money and material donation management. The platform ensured timely and transparent information disclosure while improving the efficiency of internal management, contributing to the development of public welfare undertaking.



In June 2021, BOC Charity Foundation, together with BOCIM and China Charity Federation, held the “First Training Course on Preservation and Appreciation of Charitable Assets” to support charitable organisations to improve their donation management capability, covering laws and regulations related to investment of charitable assets and asset management of charitable organisations. Many leaders or financial staff from more than 50 national charitable organisations participated in the training.



¹Bank of China Philanthropy platform was initiated and established by BOC, and is the online public donation-raising information platform for charitable organisations designated by the Ministry of Civil Affairs of the PRC. Launched in June 2018, the platform is dedicated to “empowering the development of social organisations and creating a good public welfare ecosystem”. Relying on the online and offline resources of BOC, the platform built an O2O charity donation-raising model, bringing users a new experience of convenient participation in public welfare.

Taking Concrete Actions to Build a Better Life



Actively responding to the needs of social development, we pursued innovation and continuously carried out public welfare activities in various fields such as poverty relief, education aid, cultural heritage, volunteer service and disaster prevention and relief, aiming to help the general public to advance towards a better life.



▲ BOC Macau Volunteer Association participated in the 2021 Macau Caritas Charity Run and won the "Most Popular Team Award"

Education aid

- Combining the attraction of capital and talents, we looked to improve the teaching environment and quality in poverty-stricken areas. By enhancing weak links, strengthening faculty building, and fostering characteristics, we were able to pool high-quality educational resources and promote education equality.
- In collaboration with the China National Centre for Student Assistance Administration of the Ministry of Education, we carried out the "Aid Students" series of activities for the tenth consecutive year. In 2021, we launched the "Rainbow Bridge" Red Tour, "BOC Scholarship for Basic Subjects" and BOC "Work-study Programme" to help young students with their studying, employment and business start-ups.
- For the eighth consecutive year, we organised customers and employees to subsidise high-school girls in Shaanxi and Yunnan Province through the "BOC Private Enjoyment•Love - Spring Bud Project", with RMB1.26 million donations collected to help 315 poverty-stricken students in 2021.

Cultural heritage

- For the 10th consecutive year, BOC London Branch supported the "Chinese Bridge" Chinese Proficiency Competition for All-UK Region to popularise Chinese culture and facilitate cultural and people-to-people exchanges between China and the UK.
- BOCHK sponsored the "Rites to the World" cultural heritage programme of the Hong Kong Institute for Promotion of Chinese Culture to popularise Chinese traditional culture in kindergartens, primary and secondary schools in Hong Kong.

Volunteer service

- We improved the volunteer service mechanism to provide employees with diversified volunteer activities, and encouraged them to carry forward the volunteer spirit and contribute a good atmosphere of actively serving the people.
- In 2021, the league organisations at all levels carried out more than 520 voluntary service activities of "Learning from Lei Feng", with a total of more than 19,800 youths participants serving more than 100,000 people and the accumulated service hours exceeding 19,000 hours. These activities were designed to provide service to teachers and students, community residents, enterprise employees, skilled farmers, elderly people living alone, leftover children, etc.
- We also played an active role in organising youth volunteers to serve in events such as CIIE, China-ASEAN Expo, CIFTIS, Biodiversity Conference and National Games.

Disaster prevention and relief

- Faced with the resurgence of COVID-19 pandemic and natural disasters of heavy rainfall, we took the initiative to carry out material donation and spontaneously organised volunteer teams to participate in the relief and reconstruction work based on our efforts to provide support to the fight against disaster and ensure the guarantee of financial service.
- We established a green credit and financing channel for all kinds of enterprises devoted to flood prevention, disaster relief and livelihood protection. We also provided business convenience for affected micro and small enterprises to ensure the smooth payment of donations for flood control and contribute to the fight against the disaster through timely and efficient financial services.
- All outlets of the Bank made advance preparation for flood and disaster prevention, provided facilitation to the information sharing channels among outlets, and worked to secure the provision of fundamental financial services, with the aim to prevent the rights and interests of customers from infringement.



Adopting a tree to help a poverty-stricken farmer household

We created "Public Welfare of China", a consumption-based poverty alleviation platform, to continuously power rural revitalisation, made an attempt on the innovative path of "Joint Development with Party Building + Consumption-based Poverty Alleviation", and relied on the platform of "Public Welfare of China" to carry out the activity of "Party Building + Apple Tree Adoption", calling on Party members, officials and employees of the Bank to voluntarily adopt apple trees in the four northern targeted poverty alleviation counties of Shaanxi Province. By accompanying the whole growth process of the apple tree from budding blossoms into plump fruits, all participants were able to be involved in consumption-based poverty alleviation personally and jointly promote the "BOC Joint Development with Party Building for Forest Revitalisation". Meanwhile, BOC branches in Shenzhen, Ningbo, Guangdong, Suzhou, Shanghai and Tianjin also called on their employees and customers to join in the adoption activity. As at the end of 2021, a total of 6,562 apple trees in the four counties in Xianyang were adopted, amounting to RMB1,065,840, and 9,382 boxes of apples were distributed by stages, converging efforts of all to push forward the development of the rural industry.



Caring for society and serving the community

Since the establishment of the BOCHK Charitable Foundation in 1994, BOCHK has actively donated to and participated in charitable activities, with a total donation of over HKD 1.4 billion (approximately equivalent to RMB1.14 billion). In 2021, the Foundation continued to promote more than 70 philanthropic projects in various fields such as poverty-stricken and vulnerable groups assistance, youth development, environmental protection and carbon emission reduction, and culture, sports and arts, making a contribution to the harmonious development of local communities.



▲ The BOC Adoption Board on the apple tree from the four counties in Xianyang

Total donation of over

HKD 1.4 billion



1 The "Food Recovery and Assistance Programme for Food Wise and Allocation" was launched to provide free meals to people in remote areas. In the year, BOCHK assisted the recovery of 1,426 tons of food, benefiting 2.16 million people.

2 BOCHK supported "Towards Carbon Neutrality" youth training scheme to help students develop the concept of a low-carbon lifestyle and deepen their understanding of the national goal of carbon neutrality and action plan. Their environmental protection-themed paintings were presented at the 15th session of the Conference of the Parties (COP 15) to the Convention on Biological Diversity.

3 Financial support was provided to the "Protecting Wildlife - Sustaining the Planet's Future" Programme of Ocean Park Conservation Foundation Hong Kong by funding 13 conservation projects in Hong Kong and Asia, with a total of 19,000 HK people attracted to participate in the publicity campaign of "Ocean Park Conservation Day".

4 In cooperation with 16 social organisations, "BOC Hong Kong Volunteer Day" was designed to carry out 25 volunteer activities, with the participation of about 4,000 staff volunteers and over 8,000 hours of service.

Popularising Financial Knowledge to The Public



We actively assumed the responsibility of financial knowledge publicity and education and taken into account the specific needs of different groups such as the elderly people, community public, students and rural people to carry out differentiated publicity and education activities, with an aim to provide accurate and direct access to financial knowledge and enhance the public's financial literacy and ability to protect their own rights and interests.

In 2021, we intensified efforts in financial knowledge publicity campaign:
Launching

59,722

external education and publicity activities



Distributing

98.42 million

copies of education and publicity materials



Reaching

560 million

financial consumers



For the elderly

We published various short videos on the publicity of illegal financial activities prompts, typical cases and anti-fraud via our official website, WeChat public account and WeChat video channel, carried out regular live broadcasts in the silver economy zone of mobile banking to interact with the elderly online, and encouraged outlets to conduct on-site publicity to the elderly from surrounding communities and elderly care institutions. Multiple measures were taken to guide the elderly to raise their prevention awareness to avoid financial fraud.

BOC Guizhou Branch

is explaining to the elderly how to prevent telecommunication frauds in a community



BOC Ningbo Branch
Xiangshan Shipu Sub-Branch

is publicising RMB knowledge in Yanchang Branch of Shipu Town Central Kindergarten



For students

Domestic branches at all levels continued to carry out education activities on the theme of "bringing financial knowledge into campus", with a focus on the introduction of trick loans, campus loans and other illegal lending cases involving students, in a bid to help students develop a rational consumption concept and build up an ideological line of defence against fraud and gambling.

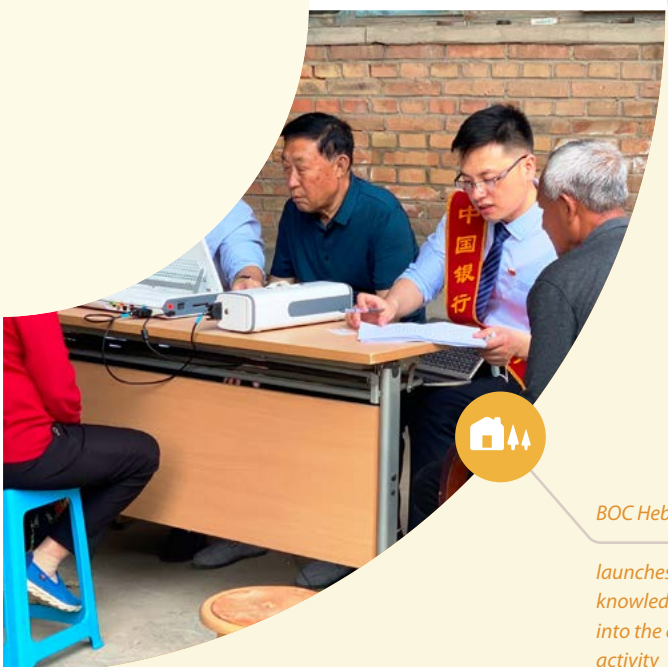
BOC Guangdong Branch Foshan Sub-Branch

launches a publicity activity of "bringing financial knowledge into campus"



BOC Hebei Branch

launches "financial knowledge going into the countryside" activity



For community

We went deep into society to carry out on-site publicity. We worked to popularise financial knowledge to community residents by distributing publicity materials, launching financial classes and establishing financial knowledge publicity WeChat groups.

For countryside

We went into the countryside to carry out education activities by spreading financial knowledge such as prevention of online telecommunications fraud, prevention of illegal fund-raising, anti-counterfeit currency and RMB cash services with vivid and real cases and easy-to-understand language.

Stabilising Governance and Building a Solid Foundation for Development

The Bank takes excellent corporate governance as an important objective. It has constantly pursued the best practice in corporate governance and integrated the Party's leadership with improvement of corporate governance. Adhering to the rules and regulations governing capital markets and relevant industries, the Bank has made constant efforts to improve its corporate governance framework, which comprises the shareholders' meeting, the Board of Directors, the Board of Supervisors and the Senior Management. This framework operates smoothly owing to a clear division of duties. All special committees of the Board of Directors and the Board of Supervisors have performed their duties and functioned effectively, thereby enhancing the Bank's corporate governance capabilities.



Sustainable Development Goals (SDGs)



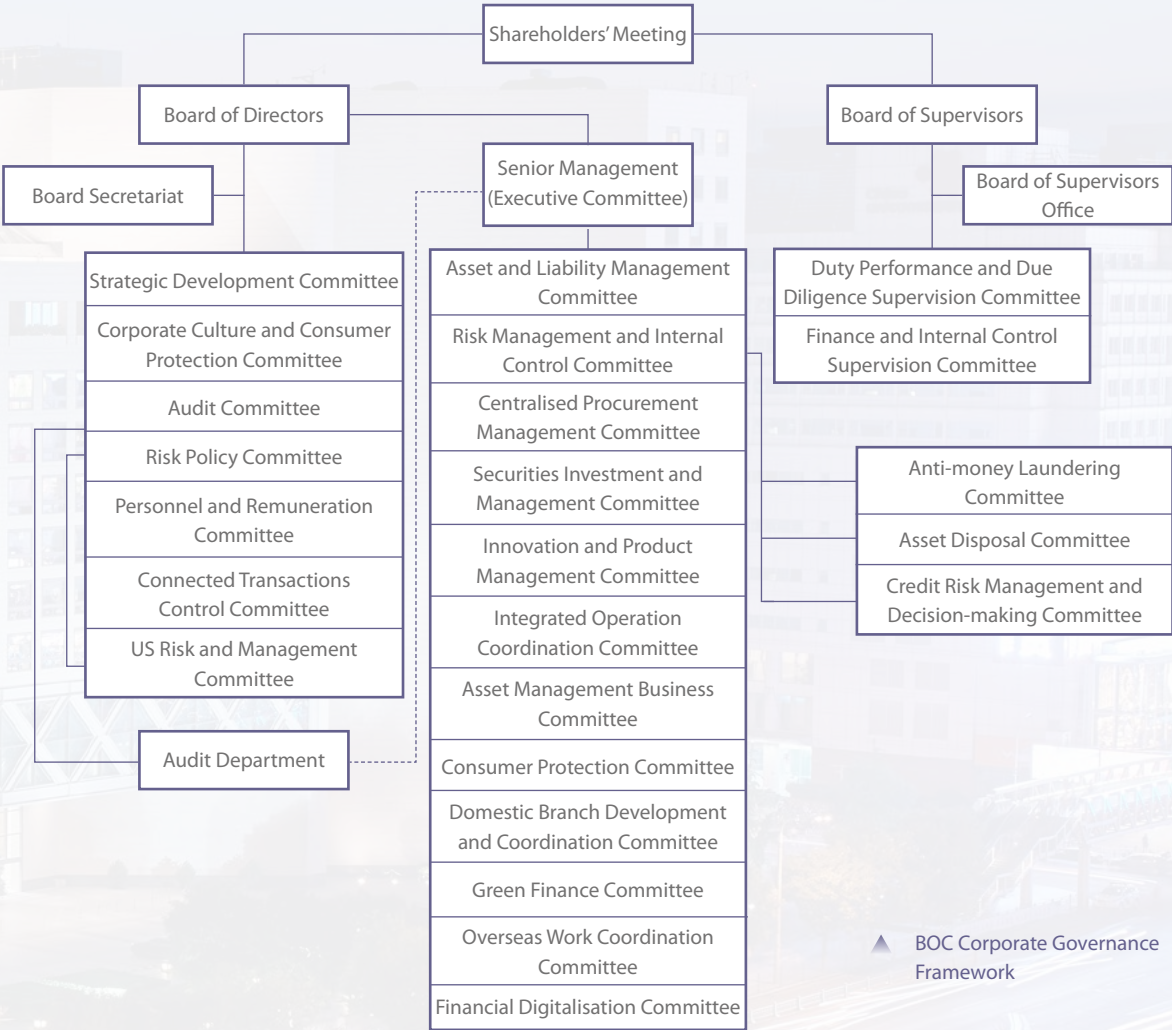
Improving Corporate Governance Comprehensively

The Bank takes excellent corporate governance as an important objective. It has constantly pursued the best practice in corporate governance and integrated the Party's leadership with improvement of corporate governance. We made sustained efforts to improve the corporate governance capability by establishing and improving the corporate governance structure, strengthening the fulfillment of ESG responsibilities, and enhancing the Board diversity.

Optimising Governance Structure



Sticking to the strictest available standards, we kept track on and put into practice the regulatory requirements of the capital market and collated comprehensively and systematically the Articles of Association and rules of procedures of special committees. Adhering to the rules and regulations governing capital markets and relevant industries, the Bank has made constant efforts to improve its corporate governance framework, which comprises the shareholders' meeting, the Board of Directors, the Board of Supervisors and the Senior Management. This framework operates smoothly owing to a clear division of duties. All special committees of the Board of Directors and the Board of Supervisors have performed their duties and functioned effectively, thereby enhancing the Bank's corporate governance capabilities.



Deepening ESG Governance



ESG performance of the Board of Directors

In 2021, focusing on ESG-related topics such as green finance, inclusive finance, consumer protection and targeted poverty alleviation, the Board of Directors considered and adopted many proposals, which included the *2020 Corporate Social Responsibility Report of Bank of China Limited*, the *Green Finance Plan of Bank of China Limited for the 14th Five-Year Plan Period*, the *Inclusive Finance Plan for the 14th Five-Year Plan Period*, the *Consumer Protection Policy*, and the *Application of Special Outbound Donations for Fixed-point Poverty Alleviation*. At the same time, it also heard such reports as the *Report on the Implementation of the Three-year Development Plan for Private Enterprises*, the *Report on the Development of Green Finance for 2020*, and the *Report on the Supervision and Evaluation of Consumer Protection for 2020*.

The Board of Directors set a Corporate Culture and Consumer Protection Committee, and its responsibilities include deliberating the Bank's ESG-related development plans, policies and reports, making recommendations to the Board of Directors, identifying, evaluating and managing important ESG-related affairs, establishing an appropriate and efficient ESG risk management and internal control system, and listening to ESG reports on a regular basis.

ESG performance of the Board of Supervisors

In 2021, the Board of Supervisors formulated the *Measures for Evaluating the Duty Performance of the Board of Directors, the Board of Supervisors, the Senior Management and its Members of Bank of China Limited (Version 2021)*, to improve the system building, enhance the governance capability, and intensify the daily and special supervision over and special research of duty performance, strategy, financial position, risk and internal control. The Board of Supervisors also assumed the supervision of the duty performance of the Board of Directors and the Senior Management in ESG-related affairs such as green finance, inclusive finance, consumer protection and environmental and climate risk management and made relevant comments and suggestions. In the year, the Board of Supervisors considered and adopted a series of proposals, including *2020 Corporate Social Responsibility Report of Bank of China Limited*, *Opinions of the Board of Supervisors on the Evaluation of Duty Performance of the Board of Directors, the Senior Management and its Members in 2020*, and *Opinions of the Board of Supervisors on the Supervision and Evaluation of Consumer Protection of the Bank*. The Board of Supervisors oversaw the fulfillment of ESG obligations of the Bank.

ESG education and training

We attached great importance to the capability building of the Bank in pursuing sustainable development and regularly invited experts and scholars to conduct ESG-related lectures and training to help the Board of Directors, the Board of Supervisors and employees at all levels know more about the latest situation and market hotspots in the ESG field and improve their ESG duty performance and supervision capabilities. In 2021, we launched training courses on topics such as green finance, anti-money laundering policy and AI for the Board members, as well as special training courses on "Carbon Neutrality Risk Management for Financial Institutions" and "Opportunities and Challenges for the Globalisation of Commercial Banks" for the members of the Board of Supervisors.



2021

Employee participants of ESG training

55,101

Employee participants of inclusive finance training

46,023

Employee participants of risk compliance and anti-money laundering training

236,863

Employee participants of information security and privacy protection training

17,400

Board Diversity



We formulated the *Diversity Policy of the Board of Directors of Bank of China Limited*, setting out our stance on Board diversity and the policies to be maintained in the process. We highly valued the Board diversity and appointed Board members based on the skills and experience required for the overall sound operation of the Board. We also took into full consideration of the objective and requirement of member diversity from various aspects, which were followed through the whole process of director selection and engagement, including but not

limited to regulatory requirements and gender, age, cultural and educational background, region, professional experience, skills, knowledge and tenure of directors. In 2021, taking into account all factors of the directors, three candidates for independent director and one candidate for non-executive director were nominated as the supplement to the Board, in a way to further enhance the Board diversity.

Improving Risk Management System

We adhered to the bottom line of risk, considered risk management as the lifeline for the sustainable development of commercial banks, and took stringent risk management and control as the driving force for the steady development of the Bank. In 2021, in the face of the complex internal and external situations, we earnestly implemented the decisions and plans of the CPC Central Committee, promoted development and security in parallel, deepened the development of a comprehensive risk management system, and accelerated the digital transformation of risk management. As a result, we ushered into a new stage of comprehensive risk management and achieved steady progress in the refinement and specialisation of risk management, providing a strong guarantee for the building of a first-class global banking group.

Comprehensive Risk Management System



Based on the programmatic document of the *Policy of Bank of China Limited for Comprehensive Risk Management*, we further formulated the *Optimisation Plan for the Comprehensive Risk Management System of the Group*. Focusing on the general guideline of “improving governance structure, clarifying responsibilities and functions, upgrading the management foundation and empowering business development”, we endeavoured to build up the core competitiveness of risk management, put in place all improvement measures, and strengthen all kinds of risk management requirements covering all institutions, businesses and the whole process, with an aim to improve the risk management system in all aspects.

We made it a primary goal to improve the comprehensive risk management system and improve the effectiveness of comprehensive risk management, and incorporate risk management into multiple levels. We set up a Risk Policy Committee and a US Risk and Management Committee under the Board of Directors, as well as a Risk Management and Internal Control Committee under the Senior Management. We also established a risk control middle office in major business departments, assigned each business department with a risk director, and clearly specified the major department responsible for each individual type of risk, with the audit department in charge of audit supervision.

Management structure

We interconnected the risk management elements of risk governance, strategy, appetites, limits, policies, procedures, systems, data, internal control and audit to create a risk management structure with effective check and balance and clear boundaries.

Management technology

We deepened the application of AI, blockchain, intelligent contracts and other technologies, promoted the in-depth integration of risk and business and technology, and increased the penetration of multi-dimensional and all-around risk management, in a bid to create an automatic and real-time comprehensive risk management system.

Operation mechanism

From the horizontal perspective, we strengthened the comprehensive risk management at the Group’s level, institutional level and product level. From the vertical perspective, we improved the building of three lines of defence for risk management, specifically by solidifying the primary responsibilities of risk management of the first line of defence, enhancing the independence, authority and professionalism of the second line of defence, and increasing the effectiveness of audit supervision and evaluation at the third line of defence.

Team building

We continued to strengthen the personnel management of key risk management positions, optimise the introduction and training mechanisms, and build a team of professionals who are proficient in risk, business and technology.

We worked continuously to push forward the Group’s comprehensive risk management system, optimised the comprehensive risk management system, and re-examined and adjusted the Group’s risk appetite in light of internal and external situations. Through in-depth research and comprehensive demonstration, we developed the risk management sub-plans and strategies, and strengthened the subject consciousness of comprehensive risk management.

Laying A Solid Foundation for Risk Management



We made continuous efforts to improve the long-effect mechanism of risk management and strove to consolidate the line of defence for financial security by enhancing risk prevention and early warning capabilities, strengthening the technological support for risk management, cultivating the risk management awareness of talents, as well as promoting internal audits of risk prevention and control.

Enhancing prevention capability of major risks

- Enhancing response awareness and speed by optimising policies, systems and operating procedures.
- Exploring the proactive application of management instruments such as stress testing to enhance the ability to deal with extreme scenarios.
- Persistently carrying out major risk screening, establishing an implementation and follow-up mechanism for risk screening, and increasing the operability of major risk screening.

Strengthening internal audit and supervision

- We focused the establishment of the third line of defence on the main responsibilities and main business of internal audit, highlighting the audit of the implementation of major national policies and regulatory requirements. At the same time, we strengthened the effectiveness of the first and second lines of defence in duty performance, enhanced the supervision on the rectification of problems identified in audits, and continuously pushed ahead the development of the audit line as well as the digital transformation of audit.

Advancing the digitalisation of risk management

- By leveraging big data and AI technology to conduct in-depth mining and analysis of market price data, we achieved forward-looking research and evaluation on listed companies and debt-issuing enterprises. The model implemented early warning to 70% of defaulting enterprises in the market and provided warning 3–15 months in advance to those “spoiler” enterprises with high market impact.
- By efficiently acquiring, integrating and measuring all-dimensional risk information of customers and affiliated enterprises, we enhanced the foresight and effectiveness of early warning. The model incorporated customers’ affiliated enterprises outside the banking sector into the monitoring scope, made use of intelligent algorithms to quantify the risk impact of risky events on the affiliated enterprises, and conducted in-depth analysis on the transmission pathway of risks.
- We integrated various kinds of big data of risks inside and outside the Bank to form a list of high-risk enterprises, providing each business line and comprehensive management company with functions such as one-click risk inquiry, batch scanning of customer risks and affiliates risk inquiry.

Improving the empowerment capability of risk management

- Solidifying the risk liability concept of the whole staff: We integrated risk management into the corporate culture and the code of conduct of employees, with the aim to foster a risk liability concept of “every employee should regard himself as the only line of defence, and every line of defence should serve as the last line of defence”. We also made progress in implementing definite accountability and enhancing the risk compliance awareness of the whole staff.
- Strengthening the staff management of risk control positions: We strengthened the performance appraisal of executive vice presidents of domestic and overseas tier-1 institutions in charge of risk management, the risk directors of the Head Office business departments, and the US chief risk officer. By organising regular debriefing and introducing various forms of training, we looked to improve the professionalism and duty performance of executive vice presidents responsible for risk management and their assisting personnel, and strengthen the management of employees in risk control positions. As at the end of 2021, the certificated risk management professionals of the Bank amounted to 11,919.
- Establishing risk management culture: We formulated the *Work Plan for Enhancing Risk Awareness and Establishing a Sound Risk Culture*, which was designed to steadily promote the establishment of risk culture in a layered manner through 20 measures in seven aspects, including risk publicity, whole-staff training, rectification and accountability, policy and system building, assessment and motivation, selection and appointment, and supervision and inspection, etc. In 2021, a total of 12 seminars on China’s financial risk managers, 12 lectures on results exchange, and one advanced qualification training course were conducted.



▲ Macau Branch organises a compliance lecture

Ensuring Honest and Compliant Operation

Remaining committed to the concept of honest operation, we intensified our efforts in the development of a compliance management system in accordance with laws, regulations and relevant regulatory requirements. We improved the working mechanism of internal control and case prevention, carried out training on compliance risk, enhanced the overseas compliance management system, and strengthened anti-money laundering and sanctions compliance management, with the aim to hold the bottom line of non-occurrence of systematic financial risks.

Preventing Financial Crime

We carried out risk screening in all aspects of business operation to prevent all kinds of illegal and non-compliant cases from the source. In 2021, we formulated the *Management Policy of Bank of China Limited on Case Prevention (Version 2021)* and the *Work Measures of Bank of China Limited for Case Prevention (Version 2021)*, which included various types of cases such as corruption, bribery, fraud and money laundering into the scope of work, and further clarified the division of responsibilities, policy formulation, employee behaviors management, and supervision and inspection of case prevention and control, as well as other work measures including case risk screening and case prevention and evaluation. We effectively standardised the case prevention and communication mechanism, as well as evaluation, motivation and constraint mechanisms, so as to solidify the foundation of case prevention and control management in all aspects.

Fostering Compliance Culture

We carried out in-depth warning and education activities, organised the heads of institutions at all levels to sign the Responsibility Statement on Case Prevention and Control Objectives and employees to sign the Letter of Compliance Commitment, and scaled up the publicity of preventing financial practitioners from breaking the law and committing crimes. At the same time, relying on the BOC training cloud platform, we cultivated compliance culture, launched courses such as knowledge manuals, special courses, case studies and live lectures, and conducted training and tests and “one-to-one” compliance knowledge competitions to convey the Group’s compliance concepts and management requirements to domestic and overseas employees.

In line with the *Regulations on the Prevention and Disposal of Illegal Fund-raising* issued by the State Council, we formulated the *Notice on Further Strengthening the Prevention and Disposal of Illegal Fund-raising* to clarify the requirements for monitoring the prevention of illegal fund-raising and enhance staff education and social publicity.

Anti-Money Laundering (Aml) Management

We developed AML control policies such as the *Policy of Bank of China Limited on Anti-money Laundering, Counter-terrorist Financing and Sanctions Compliance* to continuously optimise the self-assessment methods and indicators of money laundering risk and enhance the risk monitoring of suspicious accounts involving virtual currencies and telecommunication frauds. Making full use of the self-assessment findings, we realised the matching of resource allocation and AML controls with the risks faced. At the same time, we paid close attention to changes in the sanctions situation, benchmarked with domestic and overseas regulatory requirements and advanced peer practices, and constantly improved the Group’s sanctions compliance management system, so as to effectively control the sanctions compliance risks.

Targeting directors, senior management and employees, we regularly conducted anti-money laundering and sanctions compliance training on topics such as the international situation, regulatory requirements and interpretation of Group policies.

Compliance Management of Overseas Institutions

We took active measures to consolidate the liability of overseas institutions as the primary responsible parties for compliance operation, safe operation and high-quality development. In compliance with the local law and regulations and the policy requirements of the Head Office, we established a “list of core policies” management mechanism, further standardised the policy system of overseas institutions, strengthened the ability to deal with the complex external environment, and made intensified efforts to strengthen the risk management of anti-money laundering and sanctions compliance in overseas institutions.

At the same time, we formulated the *Several Opinions on Further Strengthening Overseas Compliance Management, Guidelines on Management of Important Compliance Matters in Overseas Institutions* and *Administrative Measures for Key Personnel in Compliance Management of Overseas Institutions*, establishing the concept, principles, major control areas and requirements of overseas compliance management, and improving the management mechanism and process of key personnel in compliance management of overseas institutions.

All-Round Development Under the Leadership of Party Building

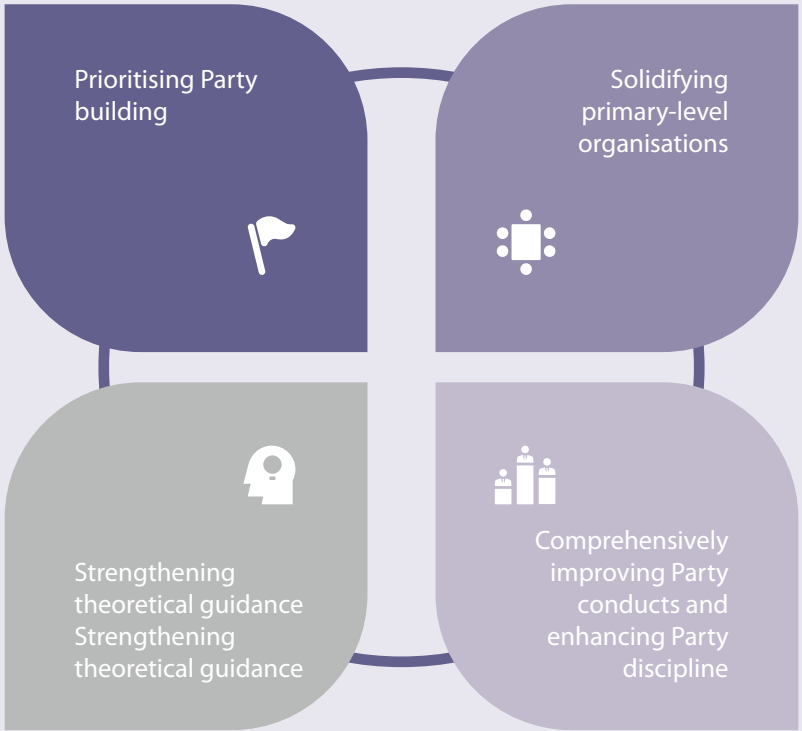
BOC upheld the principle of the Party exercising effective self-supervision and practicing strict self-governance, strengthened the consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership, and stayed confident in the path, theory, system, and culture of socialism with Chinese characteristics. We firmly upheld Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and upheld the Central Committee's authority and its centralised, unified leadership. We remained mindful of the country's most fundamental interest, made enhancing the Party politically the guiding principle, adhered to the theoretical guidance of the Party as the starting point, and took primary-level standardisation as the solid foundation. We earnestly safeguarded the integrity line, paid close attention to work implementation, and continued to promote the high-quality development of Party building, so as to provide a strong impetus and solid guarantee for the building of a first-class global banking group.



According to the decisions and plans of the CPC Central Committee, we carried out in-depth study and education of Party history. In accordance with the general requirements of learning Party history to obtain knowledge, strengthen confidence, honor morality, and practice diligently, we conducted thematic learning, special Party class, special publicity, special Party organisation meetings, and special Party branch meetings around the mobilisation meeting of Party history study and education, the ceremony marking the centenary of the Communist Party of China, and three key points of the six plenary session of the 19th CPC Central Committee. We actively developed "the second class" of Party history study and education, made great efforts to popularise the great founding spirit of the Party, and organised the commendation ceremony for outstanding Party members, exemplary Party workers and advanced community-level Party organisations, as well as thematic publicity and education activities such as "Always Following the Party". We also built the BOC Museum and created a matrix of party education bases to guide a mass of Party members and cadres to pass on the revolutionary spirit and stay firm in the original aspiration and missions. Furthermore, we carried out "I do practical things for the masses" activity. 72 matters listed by the Party Committee of the Head Office, 273 measures committed by Party branches of the Head Office, and 2,459 projects put forward by domestic tier-1 branches and comprehensive operation companies were all concluded as required.

We continued to give top priority to the Party's political building and firmly upheld Comrade Xi Jinping's core position on the CPC Central Committee and in the Party as a whole, and upheld the Central Committee's authority and our centralised, unified leadership. Keeping in mind the essential role of CDFEs, we will continue to improve our capacity for political judgment, thinking and implementation. We made efforts to implement our political liability of promoting the exercise of full and strict Party self-governance, conscientiously put in place the major responsible parties for the full and strict Party self-governance, scaled up our inspection and supervision efforts and participated in the exhibition of party building achievements of the central and state organs to present the party building results.

We continued to conduct an in-depth study of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and made greater efforts to strengthen the theoretical guidance in a more powerful and effective way. We further improved the work system of arming all Party members and educating officials and employees with the Party's innovative theories, and gave full play to the demonstrative and leading role of the Theoretical Learning Group of the BOC Party Committee at all levels. In 2021, we won the championship in the "Learning Party History, Strengthening Literacy and Setting Example" Reading Relay Competition held by the central and state organs.



We made all-around efforts to promote the standardisation of Party branches and consolidate the primary-level organisations and emphasised the enhancement of the political awareness and professionalism of the leadership teams and officials at all levels to adapt to the new era. We established the joint conference mechanism of party building, and prepared or revised working regulations and other management measures of the steering group for party building, so as to develop systems throughout the strict Party self-governance. We also leveraged the "Fuxing No.1" smart Party building platform to boost our IT application, and compiled and published more than 100,000 books of party building's "four books, two reports and one collection" series, which were distributed to 18,000 party organisations to provide them with system basis and operational guide.

We stepped forward in improving the Party's conduct and enforcing Party discipline to promote a cleaner and healthier political ecosystem of the Party. As part of our efforts to resolutely crack down on corruption, we strengthened our oversight and constraint efforts, enhanced the accountability of supervision and discipline enforcement.

Compiled and published more than

100,000

books of party building's "four books, two reports and one collection" series



Distributed to

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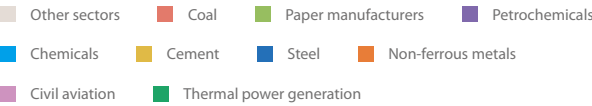
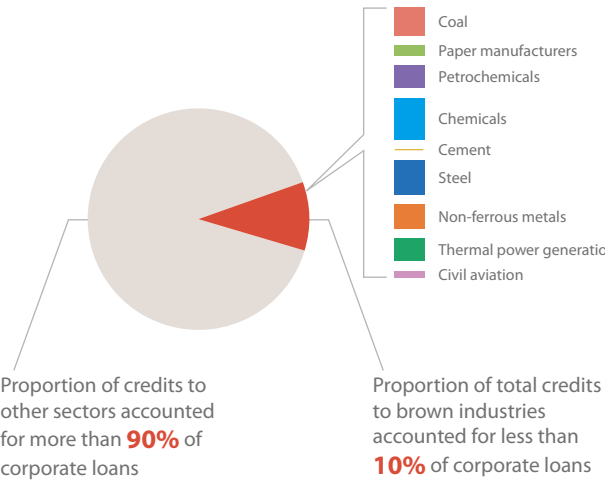
ESG Key Performance

Environmental Performance

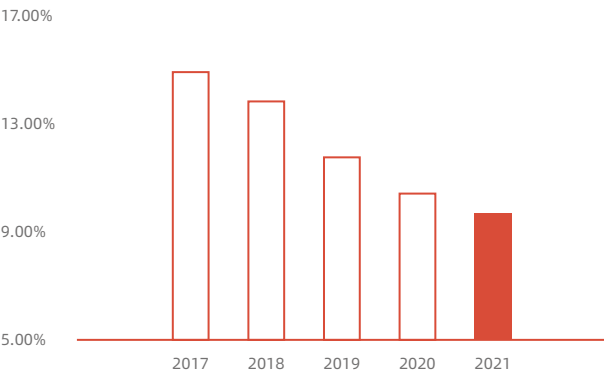
Green financial development

Indicator	2021
Balance of green credit in the Chinese mainland denominated (RMB trillion)	14,086
YoY growth of balance of green credits in the Chinese mainland (%)	57
Underwriting scale of issuance of domestic green bonds (RMB100 million)	1,294
Underwriting scale of issuance of overseas green bonds (USD100 million)	234
Accumulated issuance scale of green bonds over the years (USD100 million)	107

Proportion of credits to brown industries in corporate loans



Proportion of Credits to Brown Industries in Corporate Loans decreased every year in 2017-2021



Green credit environmental benefits

Indicator	2021
CO ₂ equivalent emission reduction attributed to green loans (10,000 tons)	25,380
Sulfur dioxide emission reduction attributed to green loans (10,000 tons)	1,385
Water conservation attributed to green loans (10,000 tons)	12,992
Standard coal conservation attributed to green loans (10,000 tons)	11,702
COD emission reduction attributed to green loans (10,000 tons)	67
Ammonia nitrogen emission reduction attributed to green loans (10,000 tons)	52
Nitrogen oxide emission reduction attributed to green loans (10,000 tons)	1,374

Energy

Indicator	2021	2020	2019
Total energy consumption (MWh)	2,754,463	2,717,945	2,825,765
Gasoline consumption (ton)	12,400	12,658	14,870
Diesel oil consumption (ton)	463	482	646
Natural gas consumption (10,000 m ³)	1,779	1,638	1,833
Electrical power consumption by offices (MWh)	1,279,768	1,164,930	1,156,660
Electric power consumption by the Data Centre (MWh)	506,101	585,547	661,133
Heat consumption (MkJ)	2,214,424	2,251,532	2,218,428

Note 1: 10 types (such as gasoline, diesel oil, natural gas, electric power and heat) of energy were consumed by the operation of the Group during 2019-2021. Gasoline and diesel oil were mainly consumed by office vehicles, natural gas and liquefied natural gas by the canteens in office places, electric power was by office places and data center, and heat by the heating of office places in northern China.

Note 2: The total energy consumption was calculated according to the consumption of various types of energy and the conversion factor provided in *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020).

Indicator	2021	2020	2019
Gasoline consumption of the Head Office and the institutions based in Beijing (liters)	29,478	36,514	44,228
Electrical power consumption of the Head Office and the institutions based in Beijing (MWh)	123,482	121,812	122,118

Note: BOC is a key energy-using unit and key emission unit in Beijing. The data in this table and the Group's data are results from different batches of inspections.

Greenhouse gas emission

Indicator	2021	2020	2019
Total greenhouse gas emission (tCO ₂ e)	1,534,060	1,512,554	1,587,180
Greenhouse gas emission (tCO ₂ e) within Scope 1	79,309	77,214	88,718
Greenhouse gas emission (tCO ₂ e) within Scope 2	1,454,751	1,435,340	1,498,463
Greenhouse gas emissions intensity per FTE (tCO ₂ e/FTE)	4.99	4.89	5.12

Note 1: The greenhouse gas emission from the operation of the Group during 2019-2021 was mainly incurred by energy consumption and included the emissions within Scope 1 and Scope 2. Scope 1 refers to the direct emissions from combustion of fossil energy such as gasoline, diesel oil, natural gas, liquefied natural gas, liquefied petroleum gas, fuel oil, coal and coke. Scope 2 refers to the indirect emissions embodied in electric power and heat consumption. Based on the business scope of the Bank, greenhouse gas included carbon dioxide, methane and nitrous oxide.

Note 2: The greenhouse gas emission was accounted by using the energy-related emission factor mentioned in the Accounting Methods and Reporting Guidelines

for Greenhouse Gas Emissions of Public Building Operators (Provisional) and Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Land Transport Enterprises (Provisional) issued by National Development and Reform Commission, carbon dioxide emission factors of China's regional power grids issued by State, and the electric power emission factors issued by overseas regions, based on the accounting scope proposed in the ISO14064-1 Greenhouse Gases-Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals and the Greenhouse Gas Accounting System WRI.

Note 3: The energy consumption and greenhouse gas emissions of the Bank decreased significantly in 2020, partly due to pandemic control measures such as working from home.

Note 4: The Bank is actively setting a greenhouse gas emission target of the Group.

Water resource use

Water used by the Bank is sourced from municipal water supply, without its own water source. The Head Office and the institutions based in Beijing set water consumption target and developed their own water use plan and water conservancy plan each year as per the Notice on the Planned Water Use Indicator issued by the Beijing Water Conservancy Management Centre. Water consumption target for the Head Office and other three offices based in Beijing in 2021 was 386,672 cubic meters.

Indicator	2021	2020	2019
Total water consumption (m ³)	358,887	336,100	390,134
Total cycling use of water (m ³)	54,477	66,188	74,918

Note: Data covered the Head Office and the institutions based in Beijing.

The Bank only produced domestic sewage from daily office work, which was discharged into municipal sewer networks. It engaged a qualified third-party testing agency to regularly monitor sewage discharge.

Sewage and waste management

The Bank classified and recycled waste from daily office work and operation, including domestic waste, kitchen waste and toxic waste. A waste management task force was set in the Head Office. Kitchen waste, toxic and hazardous waste and other waste were handled by a third party with such qualification for dissolving and absorbing in compliance with regulations. In 2021, the Bank completed the establishment of demonstrative units for domestic waste classification among central CPC and government departments. Domestic waste classification knowledge was popularised among 100% of the employees in the Bank and the output of domestic waste per capita achieved “zero growth”.

Indicator	2021	2020	2019
Discharge of hazardous waste (tons)	6.34	0	5.1
Discharge of non-hazardous waste (tons)	1,120	1,064	1,127

Note: Data covered the Head Office and the institutions based in Beijing.

Materials and packing

Indicator	2021	2020	2019
Office paper consumption (tons)	65.1	53.4	59.74
Paper conservation (tons)	-11.7	6.34	-11.74
Number of credit cards issued this year (10,000)	332.83	679.39	—
Paper consumption of newly issued credit card statements and envelops (10,000)	1,561.41	—	—
Paper consumption attributed to credit card e-bill (100 million)	3.96	2.57	—

Note: The data of office paper consumption and paper conservation only covers the Head Office and the institutions based in Beijing.

Work to secure environmental compliance

The Bank did not receive any punishment for violation of environmental laws and regulations or environmental complaint in 2021.

Social Performance

Human resources structure

Indicator	2021	2020	2019
Number of employees	306,322	309,084	309,384
Number of male employees	131,387	131,916	132,169
Number of female employees	174,935	177,168	177,215
Number of employees in the mainland of China	280,908	283,312	284,044
Number of expatriates	2,051	1,956	1,877
Number of employees in Hong Kong, Macao and Taiwan	19,445	19,495	19,205
Number of local employees at overseas institutions	23,992	24,370	23,463
Number of new employees of the year	10,221	11,468	10,289

Number of minority employees	13,260	13,073	12,843
Number of employees aged 30 and below	66,995	73,355	—
Number of employees aged 31–50	185,917	189,454	—
Number of employees aged above 50	53,410	46,275	—
Number of employees from campus recruitment	9,610	9,218	—
Number of employees from social recruitment	611	1,005	—
Number of interns accepted	665	517	—
Number of employees having senior professional qualifications	6,280	4,308	—
Number of employees having intermediate and junior professional qualifications	196,000	35,000	—
Percentage of scientific and technical personnel (%)	3.07	2.49	—

Employee protection

The Bank treated all employees equally and set no discriminative condition on the basis of gender, nationality or physical disease for social recruitment, campus recruitment, and internal promotion and appointment, ensuring openness, fairness and equality. It fully respected and protected the legitimate rights and interests of employees through signing employment contracts, launching collective consultation and holding workers’ congress.

Indicator	2021	2020	2019
Execution of employment contracts (%)	100	100	100
Coverage of social insurance schemes (%)	100	100	100
Percentage of female employees (%)	57.11	57.32	57.28
Percentage of female mid-to-senior-level managers (%)	30.79	33.24	—
Percentage of male mid-to-senior-level managers (%)	69.21	66.76	—

Caring of occupational health

The Bank cared for employees’ physical and mental health, provided diversified health care, and advocated healthy lifestyles. In 2021, the Bank continued to purchase critical illness insurance for the Head Office’s employees and applied SOS health insurance for employees dispatched to foreign areas with hard conditions, further strengthening the protection of employees’ health.

Indicator	2021	2020	2019
Number of employees receiving physical examination in the Head Office	4,985	4,144	4,179
Number of occupational injury cases involving employees of the Head Office	3	7	—
Number of deaths in line of duty at the Head Office	0	0	—
Workdays lost due to work-related injury	100	—	—

Note: The number of employees receiving physical examination in the Head Office does not include employees at the Software Centre and some persons dispatched by the Head Office.

Employee turnover

Indicator	2021
Employee turnover (%)	2.5
Male employee turnover (%)	2.4
Female employee turnover (%)	2.6

Employee education and training

Focused on business development and employee growth, the Bank built a system for six internal training programmes, namely Party school training, strategic task training, key talent training, post competency training, routine business training and comprehensive quality training. Besides, the Bank planned leadership training, and trained managers at senior, medium and primary levels systematically. It also continued to build 21 pathway sequences, and carried out curriculum R&D and certification. Moreover, the Bank improved incentives for learning in employees’ spare time, encouraged them to learn on the job and created a learning culture for them.

Indicator	2021	2020	2019
Investments into employee training (in RMB10,000)	81,386	53,804	79,217
Employees trained	2,663,696	2,498,657	2,927,903

* Excluding employees learning online by themselves.

Indicator	2021	2020
Percentage of employees trained (%)	97.01	95.89
Number of female employees participating in training	175,377	174,054
Number of male employees participating in training	130,847	127,438
Number of senior management personnel participating in training	14,293	15,948
Number of mid-level management personnel participating in training	265,698	321,541
Number of non-management employees participating in training	2,383,705	2,161,168
Average length of employee training (hours)	48.32	59.35
Average length of female employee training (hours)	51.74	62.1
Average length of male employee training (hours)	45.83	55.6
Average length of training participated by the senior management (hours)	46.3	51.24
Average length of training participated by the mid-level management (hours)	61.99	87.92
Average length of training participated by non-management employees (hours)	41.92	58.8
Number of registered users on the BOC training cloud platform	315,674	314,411
Number of average monthly active users on the BOC training cloud platform	234,170	137,331
Number of courses provided on the BOC training cloud platform	25,072	14,463
Participation in BOC training cloud platform by employees (person-times)	2,663,696	2,498,657
Average length of learning on the BOC training cloud platform (hours/person)	43.55	40.63

● Customer privacy protection

Under the coordinated planning, guidance and arrangement of the Board of Directors and the consumer protection committee under the Executive Committee, the Bank improved the customer information protection mechanism by formulating and refining policy documents such as the *Management Policy of Bank of China on Customer Information Protection* and the *Management Measures of Bank of China for Consumer Financial Information Protection*. It also formulated and updated the privacy policy on consumer products and services, and strengthened the protection of customer funds, accounts and information. Moreover, the Bank strictly standardised the handling of personal information of consumers, held training in personal customer information protection and strengthened internal training assessment and personnel management to protect the information security right of consumers.

In 2021, the Bank organised investigations of consumer financial information security risks, carried out comprehensive self-inspection and rectification of related information protection, including comprehensive investigation of consumer financial information protection and special investigation of consumer financial information protection of partner institutions, and formed self-inspection reports and problem rectification history log. At the same time, the Bank benchmarked its compliance standards against the *Personal Information Protection Law of the People's Republic of China*, analysed gaps and took corrective measures timely. Focusing on sensitive personal information processing, cross-border information transmission, information owner rights response, partner organisation management and other dimensions, the Bank reviewed the status quo and conducted re-inspection to improve and clarify relevant mechanisms and norms.

● Product risk management

The Bank formulated the *Management Measures for Products of Bank of China Limited (Version 2021)* and the *Management Measures for Product risks of Bank of China Limited (Version 2021)*. Guided by the principles including lifecycle management, three lines of defense management, controlled risks, differentiated management and digital management and control, the Bank identified management requirements for different stages such as new product access, product duration, stop selling and exit market. The scope of product management was expanded from commercial bank product management to group-wide product management, from new product management to lifecycle management and from self-run product management to self-run and consigned product management, thus achieving full-covered product management. At the same time, the Bank upgraded the organisational structure of product management, clarifying the supervision and management responsibilities of the Board of Directors and Management.

For new products, product department was required to carry out risk self-assessment during product access, risk management department shall propose risk control measures and issue review

opinions on product risk assessment and product launch, and product department shall implement differentiated launch approval according to product risk level. For duration products, product department was required to carry out product re-inspection and evaluate products in terms of product characteristics, operation conditions, market environment, customer demands, policy requirements, risk changes and other aspects, while risk management department shall review risk assessment results of the products launched within one year, key stock products and the products with elevated risk level after re-inspection, issue comprehensive risk assessment reports and propose risk control suggestions for other re-inspected products. At the same time, the Bank formulated the Performance Assessment Index for Product Management in 2021, set negative marking items (2 points each) concerning new product assess, monitoring reports, product re-inspection, risk review and other dimensions, and integrated them into comprehensive risk management assessment.

● Fair Advertising Policy

The Bank established a complete and detailed system of rules and regulations for advertising, standardised the management and approval of advertising publicity, and strictly abided by the *Advertisement Law of the People's Republic of China* and other relevant laws and regulations as well as the policies and regulations issued by industry regulators. The contents of advertising are true and legal, and do not exaggerate or deceive or mislead consumers. The ideas of advertisements are healthy and uplifting and deliver positive energy. Advertising products delivered overseas abide by local laws, regulations and regulatory provisions, and respect local customs and culture.

● Prevent fraud risk

With big data, cloud computing, artificial intelligence and other technologies, the Bank continued to advance the building of a digital fraud risk prevention system and improve the real-time anti-fraud capability in online finance.

Indicator	2021	2020	2019
Number of suspicious transactions intercepted by the “Network Defence” system (in 10,000)	87.90	52.00	34.30
Amount of suspicious transactions intercepted by the “Network Defence” system (RMB100 million)	150.70	119.84	82.39

● Support social development

Indicator	2021	2020	2019
Donations (RMB million)	98.54	162.28	117.6
Social contribution per share (RMB) ^{Note 1}	2.60	1.98	1.86
Balance of loans granted to poverty-stricken areas (RMB100 million)	3,608.76	3,028.88	—
Balance of government-sponsored student loans (RMB million) ^{Note 2}	2,139	2,191	2,365
Amount of government-sponsored student loans cumulatively granted (RMB100 million)	250.72	246.12	240.53
Amount of pension funds in the Bank’s custody (RMB100 million)	1,415.45	1,017.92	—
Number of personal accounts of enterprise annuities under the Bank’s management ^{Note 3} (in 10,000)	367.59	341.36	—
Amount of pension funds under custody (RMB100 million)	7835.02	5,928.72	—
Cumulative number of financial education events for the public	59,722	22,211	—
Number of people receiving financial education (in 10,000)	56,295	9,997	—
Number of anti-counterfeit money education events (in 10,000)	5,600	5,600	—
Number of customers receiving anti-counterfeit money education (in 10,000)	1,225	212	—
Number of anti-counterfeit money materials distributed (10,000 copies)	277	244	—

Note 1: The calculation method of Social contribution per share has adjusted since 2021. In 2021, Social contribution per share = (contribution value of economic performance + contribution value of social performance - social cost caused by environmental pollution) / total share capital + basic earnings per share.

Note 2: Government-sponsored student loans: Unsecured loans granted to students from poor families in universities and colleges, in payment for their study, accommodation and living costs at school.

Note 3: Number of personal accounts of enterprise annuities under the Bank’s management: Number of personal accounts with the Bank serving as the manager of the enterprise annuity accounts.

Governance Performance

● Value creation

Indicator	2021	2020	2019
Total assets (RMB million)	26,722,408	24,402,659	22,769,744
Operating income (RMB million)	605,717	567,647	550,010
Operating expenses (RMB million)	226,355	202,411	198,269
Total profit before income tax (RMB million)	276,620	246,378	250,645
Profit for the year (RMB million)	227,339	205,096	201,891
Return on average total assets (%)	0.89	0.87	0.92
Return on average equity (%)	11.28	10.61	11.45
Capital adequacy ratio (%)	16.53	16.22	15.59
Non-performing loans to total loans (%)	1.33	1.46	1.37
Income tax expense (RMB million)	49,281	41,282	48,754
Capital and reserves attributable to equity holders of the Bank (RMB million)	2,225,153	2,038,419	1,851,701

● Service channels

Closely following the financial services demand of global customers, the Bank steadily pushed forward outlet and e-channel construction and stepped up efforts in building outlets in rural and county regions to practice the concept of inclusive finance.

Indicator	2021	2020	2019
Number of mobile banking customers (in 10,000)	23,518	21,055	18,082
Transaction amount through mobile banking (RMB trillion)	39.38	32.28	28.28
Number of monthly active users of mobile banking APP (in 10,000)	7,104.41	6,031.09	4,768.49
Number of operating outlets in the mainland	10,382	10,487	10,652
Number of intelligent outlets	10,382	10,487	10,652
Number of ATMs	27,729	33,314	37,331
Number of smart counters	32,367	31,960	30,425
Coverage ratio of smart counters at outlets (%)	100	100	100
Number of tablet-version smart counters	10,853	—	—

Number of outlets in national-level rural revitalisation assistance counties ^{Note 1}	34	32	29
Number of county-level outlets	2,934	2,981	3,016
Coverage ratio of county-level institutions (%)	62.52	62.07	61.42
Rate of counters substituted by scenarios (%)	92.90	96.24	96.13
Electronic reconciliation rate (%)	98.52	97.80	96.64
Costs of bill mailing reduced (RMB100 million)	4.89	4.19	3.66

Note 1: For national-level rural revitalisation assistance counties, please refer to the list of (160) national-level rural revitalisation assistance counties released by the Office of the Central Leading Group for Rural Work and the National Rural Revitalisation Administration in August 2021.

● Support economic development

The Bank assumed responsibilities for implementing the strategy for serving the country through financial services, supporting the real economy and developing business with innovation and better efficiency. Moreover, it worked faster to improve its capabilities of integrated services, allocated more resources to key regions and vigorously supported key areas such as inclusive finance, private enterprises and strategic emerging industries to contribute to high-quality development of the real economy.

Indicator	2021	2020
Balance of inclusive financial loans meeting the “two increases and two controls” assessment requirements ^{Note 1} (RMB million)	881,502.25	611,661.62
Growth rate of the balance of inclusive financial loans meeting the “two increases and two controls” assessment requirements (%)	53.15	48.12
Growth rate of loans for micro and small enterprises ^{Note 2} (%)	33.60	21.43
Balance of loans for micro and small enterprises (RMB100 million)	25,560.85	19,131.77
Balance of loans for micro and small enterprises as proportions of the total balance of all loans of the Bank (%)	19.97	16.77
Number of micro and small enterprises to which the Bank granted loans	644,037	497,300
Growth rate of micro and small enterprises to which the Bank granted loans (%)	29.51	10.19
Balance of loans for small and medium-sized enterprises (SMEs) ^{Note 3} (RMB100 million)	42,935.60	37,417.55
Growth rate of loans for SMEs (%)	14.75	11.09

Balance of personal business start-up loans (RMB100 million)	26.32	22.73
Number of beneficiaries of personal business start-up loans	15,458	18,119
Balance of loans for private enterprises (RMB1 trillion)	2.44	1.76
Balance of loans in support of strategic emerging industries (RMB100 million)	5,215.78	2,222.43
Balance of government-subsidised housing loans (RMB100 million)	1,494.41	1,514.45
Loans newly extended to a variety of transportation fields (RMB100 million)	4,686	3,253
Balance of agriculture-related loans (RMB100 million)	17,408	15,185
Balance of financing for core enterprises in the supply chain (RMB100 million)	47,321	40,000
Balance of financing for upstream and downstream enterprises in the industrial chain (RMB100 million)	9,210	7,818
Balance of loans in support of the marine economy (RMB100 million)	708	553
Total credit approved for winter sports projects of Beijing 2022 Olympic Winter Games (RMB100 million)	615	567
Accumulative credit granted to winter sports projects of Beijing 2022 Olympic Winter Games (RMB100 million)	304	259

Note 1: Inclusive financial loans meeting the “two increases and two controls” assessment requirements: By the standard of the CBIRC, they refer to the loans for micro and small enterprises with the total single-account credit amount of RMB10 million or below.

Note 2: Micro and small enterprises: They refer to the small enterprises, micro enterprises, individual businesses, and micro and small business owners by the standard of the CBIRC.

Note 3: Small and medium-sized enterprises (SMEs): They refer to medium-sized enterprises and small enterprises by the standard of the CBIRC.

● Board diversity

Indicator	Number	Percentage (%)
Board members	15	—
Executive directors	4	26.7
Non-executive directors	5	33.3
Independent directors	6	40.0
Male directors	11	73.3
Female directors	4	26.7
Directors aged 31–50	2	13.3
Directors aged above 50	13	86.7
Directors holding doctor's degree	8	53.3
Directors holding master's degree	7	46.7
Foreign director	1	6.7
Directors with work experience in economy	15	15
Directors with work experience in finance	15	15

● Director independence

In 2021, the Bank had 6 independent directors, accounting for 40% of total directors, who were selected from personalities at home and abroad. They were professional with good reputation. Independent directors did not assume any other position at the Bank, and were not subject to the influence of the Bank's substantial shareholders, de facto controller or any other institution or individual that had a major stake in the Bank. At the same time, the Bank requires in its Articles of Association that directors, who have a stake in the enterprise involved in the matter reviewed at the Board meeting, may not vote on the matter, and that resolutions made at the Board meeting shall be passed by more than half of the directors who do not have a stake in the matter^{Note 1*}. As at the end of 2021, chairmen of special committees of the Board other than the Strategic Development Committee were assumed by independent directors.

Note 1*: For details, please refer to the Articles of Association of Bank of China Limited: https://www.boc.cn/investor/ir/6/200812/t20081222_508231.html.

● Attendance of the Board of Directors and training

In 2021, the Bank held 14 meetings of the Board of Directors in total, during which time the average attendance rate of the Board of Directors was 94%, and 108 proposals were reviewed. Meanwhile, upon authorisation, committees of the Board of Directors vigorously assisted the Board of Directors in duty performance. At the same time, the Bank provided a total of 10 training sessions for Board members throughout the year, with 73 person-times participation directors and 14 hours of training per Board member.

Number of meetings attended in person/number of meetings convened during term of office

Directors	Shareholders' Meetings	Meetings of the Board of Directors (including meetings held via written resolutions)
Incumbent Directors		
Liu Liange	2/2	13/14
Liu Jin	0/0	5/7
Wang Wei	2/2	13/14
Lin Jingzhen	2/2	14/14
Xiao Lihong	2/2	14/14
Wang Xiaoya	2/2	14/14
Zhang Jiangang	2/2	14/14
Chen Jianbo	2/2	14/14
Wang Changyun	2/2	13/14
Angela Chao	1/2	12/14
Jiang Guohua	2/2	13/14
Martin Cheung Kong Liao	2/2	13/14
Chen Chunhua	2/2	12/14

Chui Sai Peng Jose	2/2	12/14
Former Directors		
Wang Jiang	1/1	0/1
Zhao Jie	2/2	14/14

* Meetings are held in the form of onsite meeting or via written resolution.

Special Committees	Chairman of Committee
Strategic Development Committee	Liu Liange
Corporate Culture and Consumer Protection Committee	Chen Chunhua
Audit Committee	Jiang Guohua
Risk Policy Committee	Wang Changyun
Personnel and Remuneration Committee	Chui Sai Peng Jose
Connected Transactions Control Committee	Martin Cheung Kong Liao

● Information disclosure and communication with investors

The Bank continued to improve the information disclosure management policy system. Aiming at enhancing transparency, the Bank enriched and optimised the disclosure content, enhanced the pertinence and effectiveness of disclosure, and safeguarded the legitimate rights and interests of investors.

Indicator	2021	2020
Number of publicly disclosed documents	388	355
Including: Documents issued at A share market	126	123
Including: Chinese documents issued at H share market	132	127
Including: English documents issued at H share market	130	105
Number of events for communication with investors	419	490
Including: Investor conferences held	178	179
Including: Investor hotlines answered	111	122
Including: Responses to enquiries posted on e-interaction online platform run by SSE	57	91
Including: Responses to emails through the IR mailbox	73	98

● Compliance and business ethics

The Bank required its employees to abide by business ethics, organised employees to sign the Letter of Compliance Commitment and carried out the study of policies such as the *Measures for Handling Employee Violations*, so as to channel employee management standards deep into the Bank. At the same time, the Bank organised regular investigation into abnormal behaviors of employees and timely intercepted case risk.

● Clean office and anti-corruption

The Bank was committed to preventing integrity risk, resolutely punished corruption, established a sound monitoring and restraint mechanism for key areas such as credit management, non-performing loan disposal and centralised procurement, and kept a tough anti-corruption stance. It deepened the building of a long-effect anti-corruption mechanism, adhered to the principle of “not daring to corrupt, not being able to corrupt and not wanting to corrupt”, promoted Bank-wide special prevention and control, stepped up the investigation and punishment of violations of laws and disciplines, and improved the mechanism of power restriction. Carrying forward its excellent clean culture of “loftiness, clean and determination”, the Bank extensively carried out the cultivation of an integrity culture, continuously conducted warning education, held special warning education conferences, and compiled and published typical cases, thus consolidating the ideological foundation of the whole staff to resist corruption and prevent degeneration.

Attaching great importance to the integrity building and anti-corruption supervision of overseas institutions, the Bank established a leading mechanism for integrity risk prevention and control and corruption governance in overseas institutions, overseas institutions strengthened their anti-corruption efforts and risk prevention and control in the light of the actual situation in local countries and regions. It enhanced education and supervision, and continuously promoted a strong atmosphere of integrity and compliance in overseas institutions. Moreover, it established and improved the supervision system for the integrity of overseas institutions, introduced management measures, stepped up efforts of supervision and promoted the implementation of the requirements of building a clean bank.

For more information on the number of cases of corruption and the results of lawsuits, please visit the websites of the Central Commission for Discipline Inspection of the Communist Party of China and the National Supervisory Commission of the People’s Republic of China.

● Handling letter-or-visit matters

In 2021, the Bank amended the *Management Measures of Bank of China for Reception of Letter-or-visit*, further improving mechanism for making investigation and coordination and handling letters and visits. Citizens, legal persons or other organisations can report facts and give opinions through phone calls, letters, visits, etc. The Bank set up a letter-or-visit office and a reception station, and domestic branches assigned full-time personel for accepting Letter-or-visit matters. All those efforts were to process letters, phone calls and visits received and listen to opinions, suggestions and appeals of people. The Bank also accepted Letter-or-visit made by stakeholders in a real-name or anonymous way, safeguarded the privacy and safety of whistleblowers and disallowed retaliation against whistleblowers in any form by anyone.

● Safeguarding intellectual property rights

The Bank strictly complied with the *Trademark Law of the People’s Republic of China*, the *Patent Law of the People’s Republic of China*, the *Copyright Law of the People’s Republic of China* and other laws and regulations. It advocated the concept of intellectual property rights protection, applied for and protected trademarks, patents and other intellectual properties in line with the Bank’s intellectual property rights management measures. Meanwhile, the Bank showed full respect to intellectual property rights of others and paid attention to the prevention of infringement of intellectual property rights.

● Procurement practice

In 2021, the Bank amended the *Charter of Centralised Procurement Management Committee of Bank of China Limited (Version 2021)*, the *Management Measures for Procurement of Bank of China Limited (Version 2021)* and other documents to further improve procurement review mechanisms, optimise procurement implementation process and strengthen substantive control over procurement risks with the goals of intensify supervision and control risks. It promoted open, transparent and standardised procurement, primarily adopted public tenders, strictly controlled single source procurement, and organised all employees in centralised procurement centre of the Head Office to sign the *Code of Conduct of Procurement Personnel for Clean Practice*, in a bid to strengthen the oversight, management, discipline and accountability of procurement.

Indicator	2021	2020	2019
Total number of centralised procurement projects	13,961	12,995	15,095
Budget amount involved in centralised procurements (RMB100 million)	292.49	288.15	312.88
Number of suppliers of the Head Office	1,087	1,082	—
Including: Proportion of suppliers in the Chinese mainland (%)	90	—	—
Proportion of suppliers in outside the mainland (%)	10	—	—
Coverage ratio of supplier review (%)	100	100	—

The Bank established procurement complains handling mechanisms and formulated the *Measures for Handling Questions from Suppliers of Centralised Procurement of China of Bank Limited*, allowing suppliers to raise questions on procurement activities to the Bank through e-mail, letter and other forms. The Bank will timely accept, investigate and deal with these questions and record relevant handling process, and reply contents and files. In 2021, one supplier’s questions were accepted and handled by the Head Office.

The Bank implemented the national policies *Regulations on Ensuring Timely Payments to Small and Medium-sized Enterprises* and the *Notices on Strengthening Support to Small and Medium-sized Enterprises*, formulated the *Management Measures for Payments to Small and Medium-sized Enterprise Suppliers of Bank of China (Version 2020)*, the *Special Agreement Between Bank of China Limited and Small and Medium-sized Enterprise Suppliers* and the *Notice on Further Strengthening the Management on Payments to Private Enterprises and Small and Medium-sized Enterprises*, and concluded special agreement with SME suppliers, in a bid to optimise payment conditions and process and ensure timely payments to SMEs. At the same time, it safeguarded the right of SME suppliers to equally participate in bids. Public online tenders, public invitation of tenders were adopted for procurement projects, in which micro and small enterprises meeting requirements all have eligibility and opportunities to bid. While proposing requirements on the basic eligibilities of qualified suppliers, the Bank did not have any other requirement on the registered capital or scale of the enterprises except for a few projects with special requirements.

● Environmental and social assessment for suppliers

The Bank incorporated responsible procurement into supplier selection, procurement, evaluation, supplier management, contract signing and other links. It was clearly stated in procurement invitation documents of all projects that “suppliers shall not have any violations against laws and regulations that cause environmental and social risks such as environment pollution and illegal employment”. The Bank evaluated suppliers’ commitments to environmental protection and social responsibility during supplier inspection and project review. In addition to the written commitments of suppliers, the Bank also investigated their environmental protection equipment and measures, labor contract signing, social security payment, office environment, labor protection measures and other conditions during the investigation of specific project, and considered these factors in the process of review.

Indicator	2021	2020	2019
Supplier social responsibility training sessions held	3	1	—

● Responding to challenges of the COVID-19 pandemic

In 2021, the COVID-19 pandemic was basically under control in the Chinese mainland, with high clusters and sporadic outbreaks in some areas across the country. In comparison, overseas outbreaks continued to occur frequently, with the prevention and control situation remaining grim and complex. The Bank continued to improve its business continuity management system, and formulated the Distribution and Operation Business Continuity Plan of Bank of China Limited (Version 2021), which standardised its procedures and requirements for response, disposal and recovery in the event of interruptions to its channels and operations, clarified the management responsibilities of branches, required daily monitoring as well as efficient epidemic prevention and control in local outlets during major events or statutory holidays. To reduce the risks associated with the pandemic, the Bank implemented a national centralised transaction processing service for corporate loan transactions. Through the development of relevant systems, the transaction processing workload of pandemic-affected branches could be directly undertaken by other branches, thus effectively ensuring continuity in credit operation.

Outlook

Ushering in 2022, Bank of China will remain committed to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, act on the general principle of pursuing progress while ensuring stability, assume its responsibilities and missions as a large state-owned bank, contribute to the stability of the macro economy, and put in place and deepen the requirements of the supply-side structural reform in the financial sector. The Bank will coordinate the prevention and mitigation of financial risks with its efforts to serve the real economy, and build a first-class global banking group while bridging China and the world for the common good.

○ **Focusing on the eight major priority fields and contributing to the stability of the macro economy:**

The Bank will apply the new development philosophy of “innovation, coordination, green development, opening up and sharing” in a full, accurate and comprehensive manner and focus on the development of eight major priority fields, namely, technology finance, green finance, inclusive finance, cross-border finance, consumer finance, wealth finance, supply chain finance and county-level finance, to build up a new service image of BOC. It will continuously strengthen the adaptability, inclusiveness and competitiveness of its financial services, and improve its capability and efficacy of serving the real economy.

○ **Realising the goals of peaking carbon emission and carbon neutrality and pursuing green development:**

Closely following the development goal of peaking carbon emission and achieving carbon neutrality, the Bank will optimise the sustainable financial business system and enhance its green and integrated service quality, so as to build itself into the first-choice bank for green financial services. It will keep a close eye on industrial development and policy changes, in a bid to make a timely adjustment to the relevant credit granting policies and procedures of the banking industry, and strengthen environmental and social risk management. It will also integrate environmental, social and corporate governance (ESG) principles into the entire business process, pursue breakthroughs in the development of sustainable investment and financing products, actively participate in international cooperation on ESG, and promote the construction of specialised cooperation platform, with the aim to achieve cooperation and win-win results together in green development.

○ **Caring for the expectation of society and endeavouring for the people's well-being:**

The Bank will step up efforts to establish an integrated inclusive financial service system covering diversified products and services, with commercial banking as the mainstay, rural finance as a feature, and consumer finance and public welfare services as the supplement. The Bank will make an active response to the aging of the population, and continuously optimise the services targeted at the elderly, in a bid to help them conquer the difficulties in using digital devices with smarter and warmer financial services. The Bank will ensure the effective connection between comprehensive poverty alleviation and rural revitalisation, promote the development of county-level finance in rural areas, and offer stronger support to the new industries, new business patterns and models at the county and village level.

○ **Sticking to the people-centric approach and witnessing employee growth:**

The Bank will continue to optimise the career development platform for employees, put in place the protection of their rights and interests, care for their physical and mental health, and create an energetic working environment, so as to improve their sense of belonging and happiness. It looks to establish a global talent training system, carry out training programmes in a tiered and classified way, and increase the expertise and resource investment to training programmes. It will keep strengthening the digital talent team building to enhance the deployment of new technological talents and foster a new digital talent team that specialises in both business and technology.

About the Report

The Board of Directors and all the directors of the Company hereby guarantee that the report does not contain any false presentation, misleading statement or material omissions and shall assume individual and joint liability for the authenticity, truthfulness and completeness of the contents hereof.

Coverage

Organisation: Focusing on Bank of China Limited (“BOC”), the report covers the Head Office, domestic branches, overseas branches, subsidiaries, representative offices and affiliates.

Time: From January 1 to December 31, 2021, with some exceptions.

Reporting cycle: Annual report. The 2020 CSR Report was released in March 2021.

Preparation References

This report is prepared in accordance with the *Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions* of the China Banking and Insurance Regulatory Commission (the former China Banking Regulatory Commission), the *Guidelines of China Banking Association on the Corporate Social Responsibility of Banking Institutions of China*, the *Guide of the Shanghai Stock Exchange to Self-discipline Regulation of Companies Listed on SSE* and the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited as well as the *Guidance of International Organisation for Standardisation on Social Responsibility (ISO26000)*, the *Sustainability Reporting Guidelines (GRI Standards)* of the Global Reporting Initiative, the *recommendations of the Task Force on Climate-Related Financial Disclosures* and the *Principles for Responsible Banking* of the United States.

Data Basis

The financial data contained in the report is based on the 2021 financial report audited by PricewaterhouseCoopers Zhong Tian LLP. Other data is based on the reports of 2021 and the reports of previous years as well. The monetary amount mentioned herein is denominated in Renminbi unless otherwise specified.

Guarantee

PricewaterhouseCoopers Zhong Tian LLP assumes the liability for qualified assurance services on selected key data disclosed in the report and issues an independent assurance report.

Disclosure Format

The report will be issued in printed and electronic formats. The electronic version is available at the website of BOC (<http://www.boc.cn>).

Note: For details on other environmental, social and governance information of the Bank, please refer to the 2021 Annual Report of Bank of China Limited and relevant announcements published on the websites of SSE, HKEx and the Bank.

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GRI 305: Emissions	A1.1	305-1 Direct (Scope 1) GHG emissions	109
GRI 305: Emissions	A1.1	305-2 Energy indirect (Scope 2) GHG emissions	109

Content Index for GRI Standards	SEHK ESG Reporting Guide	Disclosure	Page Number(s) or Explanation
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GRI 305: Emissions	A1.2	305-4 GHG emissions intensity	109
	A1.5	Measures to mitigate emissions and results achieved	66-69,109
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GRI 306: Effluents and Waste	A1.3, A1.4, A1.6	Total weight of waste by type and disposal method	109
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GRI 401: Employment		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	88-90
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GRI 103: Management Approach	B4 General disclosures	103-1, 103-2, 103-3 Management approach disclosures	88-90,110-111
GRI 402: Labor/Management Relations		402-1 Minimum notice periods regarding significant operational changes, including report whether the notice period is specified in collective agreements	/
	B4.1	Review of employment practices to avoid child and forced labour	88-90,110-111
	B4.2	Steps taken to eliminate child and forced labour practices when discovered	88-90,110-111
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GRI 103: Management Approach	B3 General disclosures	103-1, 103-2, 103-3 Management approach disclosures	88-89,110-111
GRI 404: Training and Education	B3.1,B3.2	404-1 Average hours of training per year per employee by gender and employee category	111
GRI 404: Training and Education		404-2 Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	88-89,110-111
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GRI 103: Management Approach		103-1, 103-2, 103-3 Management approach disclosures	110
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Content Index for GRI Standards	SEHK ESG Reporting Guide	Disclosure	Page Number(s) or Explanation
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GRI 103: Management Approach	B6 General disclosures	103-1, 103-2, 103-3 Management approach disclosures	84-85,112
GRI 417 Marketing and Labeling		417-1 Requirements for product and service information and labeling	85,112
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GRI 103: Management Approach	B6 General disclosures,B6.5	103-1, 103-2, 103-3 Management approach disclosures	86,112
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Compliance with Social Practices, Laws and Regulations			
GRI 103: Management Approach		103-1, 103-2, 103-3 Management approach disclosures	104-105
GRI 419: Socioeconomic Compliance	B6 General disclosures	419-1 Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of total monetary value of significant fines and total number of non-monetary sanctions	104-105,115-116
	B6.3	Practices of maintenance and protection of intellectual property rights	116

Task Force on Climate-Related Financial Disclosures (Tcfd) Index

Tcfd Recommended Disclosures	Page Number(s) or Explanation
Governance: Disclose the organisation's governance around climate-related issues and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	41
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	41-42
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	44,58-59
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	44-74
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	41-74
Risk Management: Disclose how the organisation identifies, assesses and manages climate-related risks.	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	58
b) Describe the organisation's processes for managing climate-related risks.	58
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	54-59
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	58,108-110
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	109
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	44-74

Principles for Responsible Banking (PRB) Reporting and Self-Assessment

PRB Reporting and Self-Assessment	Page Number(s) or Explanation
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	6,9,20,40,74,98
Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	9-13,20-117
Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	63-65,70-97
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	11,20-107
Principle 5: Governance and Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	8,88-89,98-107
Principle 6: Transparency and Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	7-10,12-15,20-117

Assurance Statement

2022/SH-0129
(Page1/3)

English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of Bank of China Limited

We have been engaged to perform a limited assurance engagement on the selected 2021 key data as defined below in the 2021 Social Responsibility Report ("SR Report") of Bank of China Limited (the "Bank").

Selected Key Data

The selected key data in the Bank's 2021 SR Report that is covered by this report is as follows:

- Total assets
- Operating income
- Non-performing loans to total loans
- Capital adequacy ratio
- Profit for the year
- Income tax expense
- Capital and reserves attributable to equity holders of the Bank
- Number of employees
- Percentage of female mid-to-senior-level managers
- Employees trained
- Balance of green credit in the Chinese mainland denominated
- Balance of government-sponsored student loans
- Donations
- Total water consumption
- Electrical power consumption of the Head Office and the institutions based in Beijing
- Gasoline consumption of the Head Office and the institutions based in Beijing
- Number of video meetings
- Social contribution per share

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 SR Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2021 SR Report

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is set out in the basis of reporting of the key data (the “basis of reporting”) after this assurance report.

Management’s Responsibilities

The Management of the Bank is responsible for the preparation of the selected key data in the 2021 SR Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2021 SR Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

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

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2021 SR Report based on our work.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank’s 2021 selected key data in the 2021 SR Report has been prepared, in all material respects, in accordance with

the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2021 SR Report, whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Head Office of the Bank. We have not conducted work in other branches.

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

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2021 selected key data in the 2021 SR Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

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

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

March 29, 2022

Basis of Reporting

Total assets (RMB million):

The term disclosed herein refers to the total assets consistent with the 2021 Annual Financial Report of the Bank.

Operating income (RMB million):

The term disclosed herein refers to the operating income consistent with the 2021 Annual Financial Report of the Bank.

Non-performing loans to total loans (%):

The term disclosed herein refers to the non-performing loans to total loans consistent with the 2021 Annual Financial Report of the Bank.

Capital adequacy ratio (%):

The term disclosed herein refers to the capital adequacy ratio consistent with the 2021 Annual Financial Report of the Bank.

Profit for the year (RMB million):

The term disclosed herein refers to the profit for the year consistent with the 2021 Annual Financial Report of the Bank.

Income tax expense (RMB million):

The term disclosed herein refers to the income tax expense consistent with the 2021 Annual Financial Report of the Bank.

Capital and reserves attributable to equity holders of the Bank (RMB million):

The term disclosed herein refers to the capital and reserves attributable to equity holders of the Bank consistent with the 2021 Annual Financial Report of the Bank.

Number of employees (person):

The term disclosed herein refers to the total number of employees in the Bank (excluding non-financial institutions) at the end of the reporting period, including contract employees and dispatched employees.

Percentage of female mid-to-senior-level managers (%):

The term disclosed herein refers to the number of middle and senior female management to the total number of middle and senior management in the Head Office and branches of the Bank at the end of the reporting period.

Employees trained (person-time):

The term disclosed herein refers to the total person-times of employees of the Head Office, domestic branches and domestic comprehensive operations of the Bank who participated in training during the reporting period.

Balance of green credit in the Chinese mainland denominated (RMB trillion):

The term disclosed herein refers to the balance of green credit in the Chinese mainland denominated at the end of the reporting period

invested by the Bank in industries, including energy conservation and environmental protection, clean production, clean energy industry, ecological environment, green upgrading of infrastructure, green services, overseas projects adopting international practices or standards, green trade financing and green consumption financing.

Balance of government-sponsored student loans (RMB million):

The term disclosed herein refers to the balance of loans by the end of the reporting period granted by the Bank to eligible students from low-income families in universities affiliated to the central government (including branch campuses) and local universities to pay the basic expenses of their study and living in school.

Donations (RMB million):

The term disclosed herein refers to the total amount of donations made by the Group through government departments, legally established charities and other public charitable organizations eligible for pre-tax deduction of philanthropic contributions.

Total water consumption (m³):

The term disclosed herein refers to the total water consumption of the Head Office of the Bank in Beijing during the reporting period, including the water consumption of the Head Office Building, Heishanhu Office Area, Haiying Building Office Area, Xijiaominxiang Office Area and Shangdi Office Area.

Electrical power consumption of the Head Office and the institutions based in Beijing (MWh):

The term disclosed herein refers to the total electrical power consumption of the Head Office and the institutions based in Beijing during the reporting period, including electricity consumption of the Head Office Building, Heishanhu Office Area, Haiying Building Office Area, Xijiaominxiang Office Area and Shangdi Office Area.

Gasoline consumption of the Head Office and the institutions based in Beijing (liters):

The term disclosed herein refers to gasoline consumption of the vehicle fleet owned by the Head Office of the Bank during the reporting period.

Number of video meetings (number):

The term disclosed herein refers to the total number of video meetings held by the Head Office and institutions in Beijing of the Bank during the reporting period.

Social contribution per share (RMB):

The term disclosed herein refers to the value-added per share created for the society calculated based on the basic earnings per share created by the Bank for shareholders, adding the value created by the Bank for other stakeholders during the reporting period, such as taxes paid by the Bank for the state, wages paid to employees, loan interest paid to creditors and total external donations, and deducting other costs derived from environmental pollution.

Readers’ Feedback

We appreciate your reading the *Corporate Social Responsibility Report of Bank of China Limited for 2021*. This is the 14th year the Bank releases the social responsibility report. In order to better meet your demands, provide you with more valuable information and enhance social responsibility performance of the Bank, please kindly give us your comments on this report and feed back to us in any of the following ways:

Telephone: 86-10-66595921
Fax: 86-10-66014024
E-mail: CSR@bankofchina.com
Mailing address: Executive Office, Bank of China, 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Postal code: 100818

1. What’s your overall impression of this report?

☐ Excellent

☐ Good

☐ Acceptable
2. What do you think of the Bank’s performance of the social responsibility in implementing China’s major development strategies?

☐ Excellent

☐ Good

☐ Acceptable
3. What do you think of the Bank’s performance of the social responsibility in enhancing global financial services?

☐ Excellent

☐ Good

☐ Acceptable
4. What do you think of the Bank’s performance of the social responsibility in providing quality services to customers?

☐ Excellent

☐ Good

☐ Acceptable
5. What do you think of the Bank’s performance of the social responsibility in supporting charity and public interest?

☐ Excellent

☐ Good

☐ Acceptable
6. What do you think of the Bank’s performance of the social responsibility in improving supply chain management?

☐ Excellent

☐ Good

☐ Acceptable
7. What do you think of the Bank’s performance of the social responsibility in dedicating to green finance and low-carbon operation?

☐ Excellent

☐ Good

☐ Acceptable

Do you have any comment or suggestion on the Social Responsibility Report and social responsibility work of the Bank?

Sincerely thank you for your support!