



甘肅銀行股份有限公司
BANK OF GANSU CO., LT

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

Stock code 12139



2021

Environmental, Social and Governance Report

Bank of Gansu Co., Ltd.

Table of Contents

Environmental, Social and Governance Report



Report Description	01	Look Ahead in the Future	49
Chairman's Statement	03	Independent Assurance Statement	50
About Us	05	Appendix: SEHK ESG Guide Content Index	55

01 Better Governance and Communication

Sustainability Governance	11
Stakeholder Communication	12
Materiality Assessment	13

02 Sound Management and Steady Operation

Risk Management and Internal Control	17
Anti-corruption	18
Supply Chain Management	19

03 Green Bank to Endorse Low Carbon Development

Green Finance	23
Green Office	24
Address Climate Change	29

04 Customer First and Better Experience

Improve Service Quality	33
Safeguard Customers' Rights and Interests	34
Protect Intellectual Property Rights	35
Fintech Innovation	35

05 Employee Care and People-Oriented

Safeguard the Rights and Interests of Employees	39
Protect Employees' Health	40
Enable Employees' Development	41

06 Give Back to Society and Benefit the People

Work Together to Build a Better Gansu	45
Benefit the People with Concrete Actions	46
Serve Small and Micro Enterprises for Rural Revitalization	46
Popularize Finance for Win-win Results	47
Unite Together to Fight the Pandemic	48

Report Description

About the Report

The *2021 Environmental, Social and Governance Report of Bank of Gansu Co., Ltd.* (the "**Report**") is the 5th *Environmental, Social and Governance Report* issued by Bank of Gansu Co., Ltd. ("**Bank of Gansu**" or the "**Bank**") since it was listed on the main board of the Stock Exchange of Hong Kong Limited ("**SEHK**") in 2018.

In accordance with the disclosure requirements in the *Environmental, Social and Governance Reporting Guide* (the "**ESG Guide**") set out in Appendix 27 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* revised by SEHK in 2019, the Report will focus on the principles and relevant efforts taken by Bank of Gansu in fulfilling its corporate responsibility, so as to respond to the expectations of key stakeholders, and also detail the Bank's sustainability achievements in 2021. To fully showcase the environmental, social and governance ("**ESG**") performance of Bank of Gansu, the Report should be read together with the chapter of "Corporate Governance Report" in the *2021 Annual Report of Bank of Gansu*.

Reporting Scope

The Report prudently selects the entities to be disclosed under the standard of "whether there is any actual business operation" and considers overall impact on the ESG aspect of Bank of Gansu to filter out entities and companies that have no actual impact or have little impact. Based on appropriate selection, the content of the Report covers relevant businesses of the head office of Bank of Gansu, 12 branches, 183 sub-branches, 5 micro-to-small sub-branches and 2 community sub-branches.

The Report covers the period from January 1, 2021 to December 31, 2021 (the "**Year**" or the "**Reporting Period**"). To reinforce the comparability of the Report, part of the content is extended to other years where appropriate.

Reporting Standard

The Report is prepared in strict accordance with the requirements of the ESG Guide, under the principles of materiality, quantitative, balance and consistency, and in line with the mandatory disclosure requirements and the "comply or explain" provisions set out in the ESG Guide.

- ◆ **Materiality:** the Bank has carried out materiality assessment through stakeholder survey, and disclosed ESG issues related to and that will have a significant impact on all stakeholders in the Report. Please refer to the chapter "Better Governance and Communication" for information of the materiality assessment.
- ◆ **Quantitative:** the key performance indicators disclosed in the Report are all measurable. The quantitative information disclosed has been accompanied by narratives, explaining its impacts, and giving yearly comparative data where appropriate.
- ◆ **Balance:** the Report provides an unbiased picture of the Bank's performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
- ◆ **Consistency:** where applicable, the Report uses consistent disclosure and statistical methodologies with previous reports and explains the changes of statistical methodologies or key performance indicators and any other relevant factors affecting meaningful comparison.

Report Statement

The Board of Directors has reviewed and approved the disclosure of the Report and is responsible for the reliability and authenticity of its information. Bank of Gansu expects to strengthen communication with stakeholders and show corporate transparency through the report release, so as to strive for sustainable development.

The currency in the Report shall be RMB (yuan) unless otherwise specified.

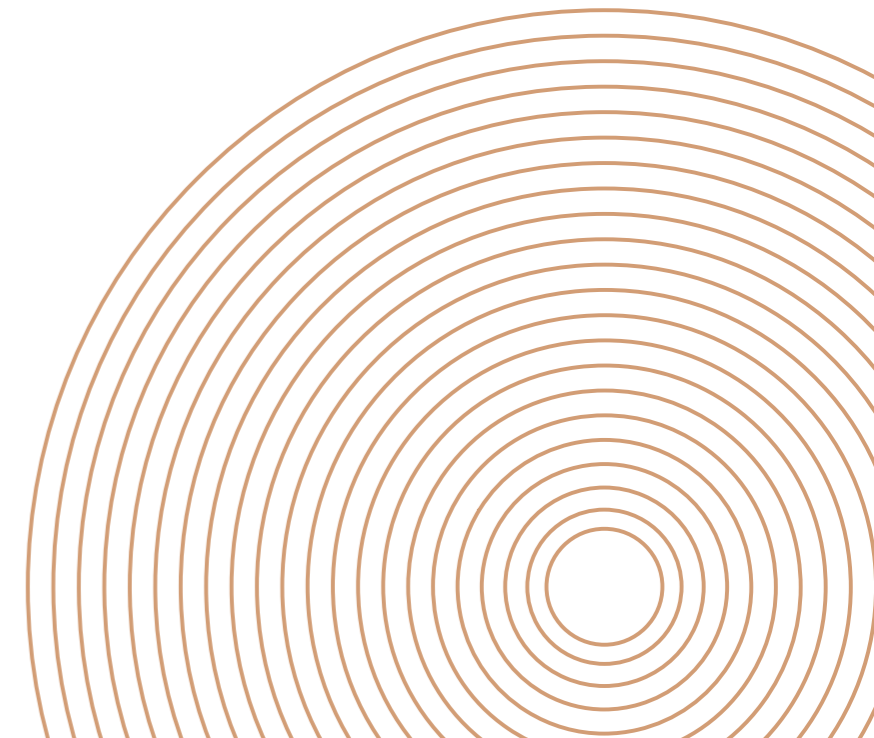
Report Release

The Report is released in traditional Chinese and English. In case of any ambiguity in the content of the Report, the traditional Chinese version shall prevail. The Report has been uploaded to the official website of Bank of Gansu (www.gsbankchina.com) and the HKEXnews (www.hkexnews.hk) for online browsing and downloading.

Contact Information

Bank of Gansu highly values readers' opinions and suggestions on the Report and the Bank. If you have any comments regarding the Report or relevant performance, please feel free to contact the Bank through the following ways:

Address: Bank of Gansu Building, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, China
 Email: dsbgs.zh@gsbankchina.com
 Tel: +86 931 877 0491
 Fax: +86 931 877 1877



Chairman's Statement

2021 marks the start of the "14th Five-Year Plan" and a year of special importance in the modernization drive, as well as the 10th anniversary of the founding of the Bank. Facing new opportunities and challenges on the new journey, Bank of Gansu insists on prioritizing value creation and is committed to high-level corporate governance. The Bank keeps improving profitability, protecting shareholders' rights and interests and enhancing its value, while aiming to build the Bank into "a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region".



Continuously improve the top-down governance. Maintaining a high-standard corporate governance mechanism and high-level corporate governance is one of the key factors to increase the Bank's core competitiveness and build a modern urban commercial bank. During the Year, the Bank further emphasized the role of the Board of Directors in ESG governance, strengthened the guidance of the Strategy and Development Committee of the Board of Directors on ESG related targets and strategies, and specified the responsibilities of the ESG Leading Group in comprehensively coordinating and promoting ESG supervision and disclosure. During the Reporting Period, the Bank reviewed the ESG material topics and climate related risks, and gradually improved management measures in the hope of steadily realizing the Bank's business strategies and objectives and responding to the concerns of stakeholders.

Focus on expanding strategic business with leading innovation. As an urban commercial bank, Bank of Gansu has been guided by the national strategy and continued to expand six strategic businesses including retail finance, inclusive finance, corporate finance, municipal finance, financial market and asset management, and special asset operation. The Bank encourages credit businesses in the emerging technology sectors such as the Internet, big data and artificial intelligence. The Bank requires strict compliance with all regulations on credits targeting those industries vulnerable to changes in macroeconomic conditions and regulatory policies. In addition, the implementation of carbon peaking and carbon neutrality strategy has put forward new requirements on how the Bank of Gansu plays its role and supports Gansu Province to realize the transformation of traditional industries and the green and low-carbon circular development. Bank of Gansu will actively develop green financial business, optimize industrial credit policy and guide, and promote product and service innovation, so as to endorse key industries, serve the real economy and guide industrial upgrading with its own advantages.

Refine operation for efficient and green development. Bank of Gansu always adheres to the brand image of "Bank of Gansu, for the People in Gansu". The Bank emphasizes the focus of customer service during operation and is committed to providing customers with the best service. Bank of Gansu continues to improve its overall capabilities in technology and digitalization, omni-channel management, organizational and talent development, risk control and internal control compliance as well as collaboration and synergy. The Bank adapts fine management in all aspects and comprehensively improves operational efficiency. In terms of green management, the Bank continues to reduce resource consumption, scientifically manage emissions, actively respond to climate change and achieve green and low-carbon development through a series of energy conservation and emission reduction measures. In addition, Bank of Gansu strictly abides by employment management regulations, continues to provide employees with a safe and comfortable working environment, and improves employee benefit policies and vocational training systems to promote the common progress between employees and the Bank.

Mutual trust and win-win results to realize social shared value. Finance should spearhead rural revitalization. During the Year, Bank of Gansu signed a strategic cooperation agreement with the Gansu Administration for Rural Revitalization. The agreement aims to increase the sense of responsibility and mission in carrying out the rural revitalization strategy, help the strategy to be actually implemented across the province, and promote the high-quality development of "agriculture, rural areas and farmers" by leveraging the distinctive advantages and responsibilities of urban commercial bank. As per the agreement, during the "14th Five-Year Plan" period, Bank of Gansu will strive to provide loans of no less than RMB100 billion to the "agriculture, rural areas and farmers" in the province, and the two sides will fully play their own role and work together to promote high-quality rural revitalization through financial services.

In 2022, we will continue to hold aloft the great banner of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, seek progress while maintaining stability in general, implement the new development concept and focus on high-quality themes during the stage of new development. The Bank will further promote the tasks on "strengthening the building of the Communist Party of China ("CPC"), reinforcing weaknesses, consolidating the foundation, adjusting structure, preventing risks, increasing benefits and driving development". On the new journey and starting point, we will struggle to write brilliant chapters for the high-quality development of Bank of Gansu!

About Us

Company Profile

Bank of Gansu was jointly established by merging and reorganizing the former Pingliang Commercial Bank, the former Baiyin Commercial Bank in collaboration with other sponsors after being approved by the former China Banking Regulatory Commission. As of the Reporting Period, the Bank has operations in all cities, prefectures, and 95% of counties in Gansu and formed a business system with Lanzhou as the center and multiple cities, prefectures and counties within the radiation. The corporate banking clients of Bank of Gansu include Fortune 500 and China Top 500 companies from a wide range of industries, including infrastructure, environmental, culture, tourism, "agriculture, rural areas and farmers", technology, livelihood and other sectors.

As the only provincial urban commercial bank in Gansu, the Bank prioritizes value creation, improves profitability, and further enhances asset-liability management with more emphasis on the balance between the bigger and the better. Its ambition is to build the Bank into " a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region".



Sustainability Strategy

Bank of Gansu completely, accurately and comprehensively implements the new development concept, firmly follows the "carbon peaking and carbon neutrality" ("**dual carbon**") strategy, and actively devotes itself to building a greener and more inclusive new financial system. The Bank formulates and practices the *Five-Year Development Strategy of Bank of Gansu (2021~ 2025)*, and is strategically positioned as "based on Gansu and serving greater Gansu". Hence, the Bank practices national and regional strategies, serves the real economy in the province under the market niche of offering inclusive services to small and medium businesses, and remains true to the original intention of urban commercial banks. The Bank regards high-quality development as the core, transforms from speed orientation to quality orientation and from dispersing business to cohesive business, and balances the scale, profitability, risk and capital to promote the high-quality and sustainable development of business. The Bank regards "value creation" as the cultural mission, "stability, innovation, collaboration and integrity" as the core values, and creates value for society, customers, shareholders, employees and the Bank itself. The Bank is committed to becoming "a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region".

Guided by this strategy, the Bank practices the concept of green development, fulfills its social responsibility, promotes the development of green finance, and endorses the rural revitalization strategy. The Bank, based on small and medium businesses, provides solid service to the local real economy and incorporates the ESG concept into all processes of its operation and management.

Firstly, to promote the sustainable and healthy development of green finance business, the Bank optimizes industrial credit policy and guide, strengthens green financial innovation, expands the green financial product system, and endorses environmental improvement, addresses to climate change and resource conservation and efficiency. The Bank combines green finance with the top 10 ecological industries in the province, alights itself with key projects such as energy conservation and environmental protection, cleaner production, clean energy, circular agriculture, and channel logistics in the province, and invests the first green loan pledged by the right to carbon emission and pollution discharge in the province.

Secondly, to establish a rural revitalization financial service system, the Bank sets up the Rural Revitalization Finance Department in the head office and branches, rolls out the Guidelines on Rural Revitalization Financial Service, and signs strategic cooperation agreement with the Gansu Administration for Rural Revitalization on the "RMB100 billion Project" of the agriculture-related loans.



Thirdly, to provide effective services for "Six Stabilities", "Six Guarantees" and pandemic prevention, the Bank strengthens financial services for protecting market players, ensuring job opportunities and various major tasks. The Bank establishes a pandemic section in Longyin Commerce to stabilize the supply of grain, oil and vegetables, designs distinctive sections for 65 counties to sell products under the "Gansu Flavor" brand. During the pandemic, the Bank carries out voluntary sympathy activities, issues "anti-pandemic loans" and handles deferred debt repayment business to ease the financial pressure of enterprises.

Fourthly, to comprehensively promote green office, by reducing the loss of energy, paper, water and other resources, the Bank launches the energy-saving retrofit of buildings, lighting and office equipment, promotes electronic billing, paperless office, mobile office, online video conference and green public travel to practice the concept of green development.

In order to achieve the strategic sustainability goals above, the Bank plans to:



continue building an ESG operation and management system with green finance as the core, further deepen the ESG concept, and assist in achieving the "dual carbon" strategic goals and sustainable economic and social development;



comprehensively consolidate the foundation of operation and management, shape the corporate culture, promote the transformation towards light capital, strengthen customer management, enhance risk management, drive science and technology and digitization, sharpen product capacity, and optimize the business model and basic management;



make characteristic businesses stronger and create differentiated core competitiveness on the basis of the characters of urban commercial banks and our advantages in regional brands, popularity and geography.

Social Awards



The Banker (UK)



China Banking Association



Financial Digital Development Alliance



China Financial Certification Authority



People's Government of Gansu Province



www.cebnet.com



Financial Digital Development Alliance



City Commercial Banks Clearing Service Co., Ltd.



The Chinese Banker



China Financial Market

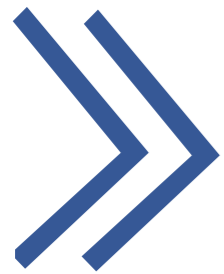


China Central Depository & Clearing Co., Ltd.

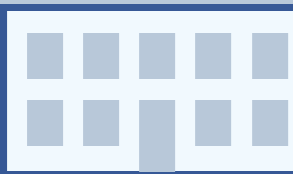


Modern Bankers

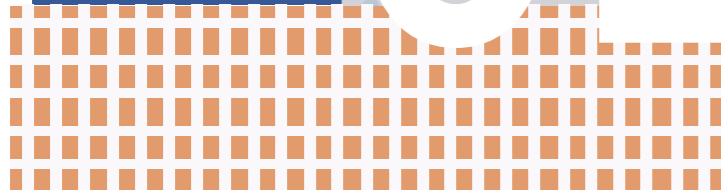
Better Governance and
Communication



甘肅銀行







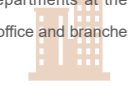
01




Sustainability Governance

The Bank has established a sustainability governance structure with clear levels and responsibilities to strengthen the ESG management. Approved by the Board of Directors, the Bank set up an ESG Leading Group in 2018, thus establishing a long-term governance mechanism for ESG management and ESG information disclosure. To further include the ESG development into the strategic planning of Bank of Gansu, the Bank also improved the Terms of Reference of the Strategy and Development Committee of the Board of Directors during the Year by adding its responsibilities in setting the Bank's ESG-related targets and supervising their implementation, as well as considering major issues related to ESG.

During the Year, the Bank carried out the ESG materiality assessment and reviewed ESG issues material to the Bank and stakeholders. Meanwhile, the Bank analyzed the potential impact of climate-related risks on the Bank's operations and formulated response plans to better control climate risks. The Report details the progress and effectiveness of the Bank's ESG efforts during the Reporting Period, and the results of materiality assessment and climate risk assessment, which were considered and approved by the Board of Directors. In the future, the Bank will further improve the Board of Directors' responsibilities in the ESG supervision, such as identifying the importance of ESG risks and opportunities to the Bank's development strategy and reviewing the relevant ESG targets to ensure that relevant measures have been in place to achieve the expected progress.

ESG Governance Structure		Main Responsibilities
 Board of Directors	The highest ESG decision-maker	<ul style="list-style-type: none"> Supervise the Bank's ESG issues Review ESG management approaches and strategies, including ESG topics and ESG risk assessment, prioritization and identification results Review the Bank's ESG targets and the progress in target achievement Review major ESG management issues, including but not limited to the annual ESG report
 Strategy and Development Committee of the Board of Directors	The institution responsible for setting ESG targets under the Board of Directors and reporting to the latter	<ul style="list-style-type: none"> Set the Bank's ESG targets and supervise the implementation Review documents on major ESG issues and submit proposals to the Board of Directors
 ESG Leading Group	The leading group under the Board of Directors leads and coordinates ESG work, in which the Chairman serves as group leader, the leaders of the banks as the deputy group leaders, and the heads of all departments at the head office as members	<ul style="list-style-type: none"> Identify ESG issues related to the Bank and key stakeholders, including ESG topics and ESG risks Ensure that shareholders understand ESG issues and respond to shareholders' voices Ensure the operation of the Bank's ESG responsibility management system Be responsible for checking the ESG-related policies of the Bank and promoting all departments and branches to implement them Make recommendations on ESG management to the Board of Directors when appropriate
 ESG Leading Group Office	The office under the ESG Leading Group, set up at the office of the Board of Directors to report to the ESG Leading Group	<ul style="list-style-type: none"> Formulate the Bank's ESG-related policies and targets, and report the work to the ESG Leading Group Coordinate and guide all departments at the head office and branches to collect daily data of environmental and social key performance indicators to ensure the information are authentic and accurate Organize and coordinate the preparation, improvement and disclosure of annual ESG report to ensure the disclosure quality of ESG report Carry out other work arranged by the ESG Leading Group
 All departments at the head office and branches	ESG executing agency, in which ESG liaison officers from the departments at the head office and all branches execute ESG work	<ul style="list-style-type: none"> Implement-ESG related policies Be responsible for collecting and submitting daily data of environmental and social key performance indicators Carry out ESG-related work and ESG practices

Stakeholder Communication



To continuously advance the communication with stakeholders, timely respond to their demands and confirm the future focus of sustainability, Bank of Gansu carried out a materiality assessment questionnaire survey (the "questionnaire survey") on stakeholders during the Reporting Period. The Bank confirms the scope of key stakeholders from two dimensions of "impact from the company" and the "impact on the company". Eight groups of stakeholders including directors, management, employees, shareholders, customers, suppliers, the public and regulators were invited to participate in the questionnaire survey, and a total of 3,303 valid questionnaires were collected.

Workflow of Questionnaire Survey

Identify stakeholders involved in the survey

Reassess the stakeholders identified by the Bank in 2020 in terms of the "impact on the company" and the "impact from the company", and finally confirm the key stakeholders to be covered by the questionnaire survey.

Review the previous questionnaire survey

Comprehensively review all processes of the stakeholder survey conducted in 2020, analyze and summarize the imperfections and the key direction to improve in this survey.

Select ESG material topics

Based on the list of 2020 ESG topics of Bank of Gansu, actively incorporated the latest disclosure requirements of the SEHK, and considered the key issues of banking peers, the list of 2021 ESG topics was established, which was confirmed by the Bank's management and relevant ESG principals.

Prepare and distribute questionnaires

Design the questionnaire on the confirmed key stakeholders and list of ESG topics, and organize personnel to invite all key stakeholders to fill in the online questionnaire through communication channels with them.

Collect the questionnaire and analyze the results

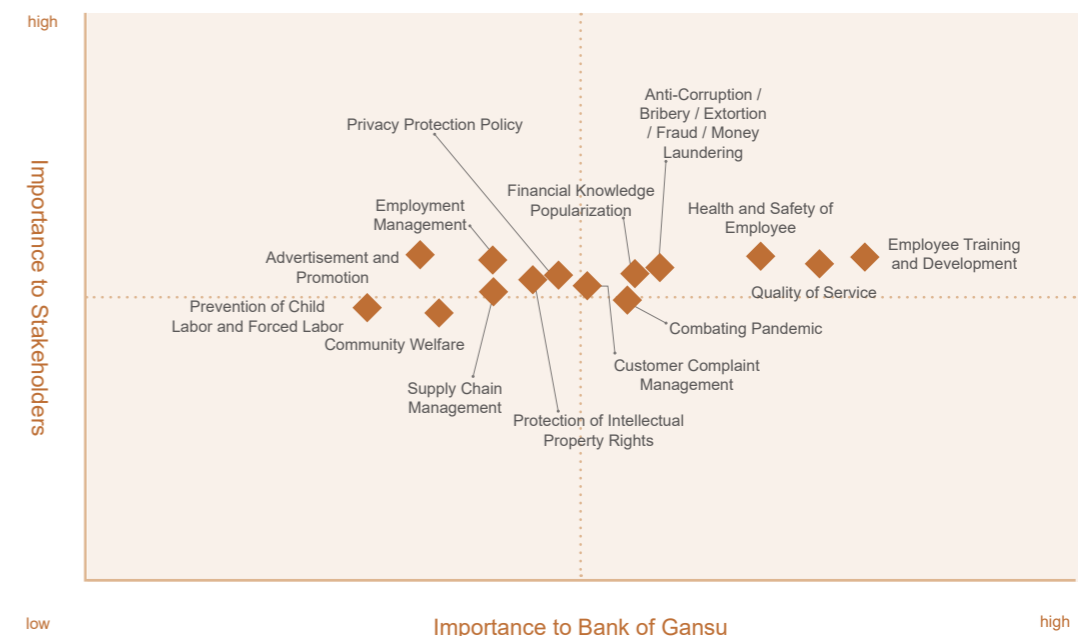
Select the topics of higher importance in two dimensions - "importance to Bank of Gansu" and "importance to stakeholders", in terms of environmental, social and operational responsibility aspects as material topics.

Materiality Assessment

To fully disclose the performance of Bank of Gansu in terms of sustainability, the Bank divided the topics into three aspects: environmental, social and operational responsibility by following the questionnaire structure and topic division approach adopted in 2020, and then selected the topics of higher importance at all aspects prioritized by the key stakeholders.

The scores of each topic in the stakeholder questionnaire were analyzed to form a materiality matrix. During the Year, the Bank identified three material topics on environmental responsibility aspect, seven on social responsibility aspect and five on operational responsibility aspect, which were reviewed and confirmed by the Board of Directors. These material topics will be detailed in each chapter of the Report and will be used as an important reference for the Bank's future ESG work.

Materiality Matrix of Social Responsibility Topics



Topics

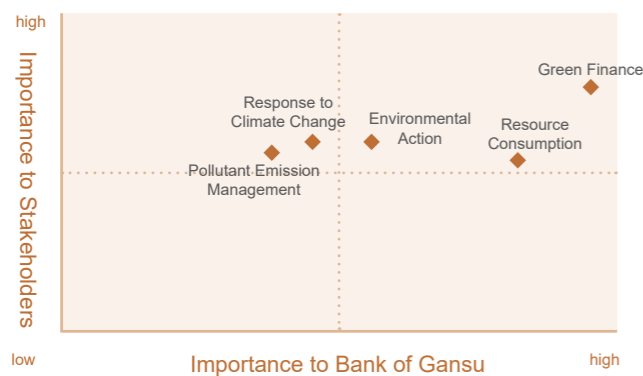
Material social topics

- ◆ Employee Training and Development
- ◆ Quality of Service
- ◆ Health and Safety of Employee
- ◆ Anti-Corruption / Bribery / Extortion / Fraud / Money Laundering
- ◆ Financial Knowledge Popularization
- ◆ Customer Complaint Management
- ◆ Privacy Protection Policy

Other social topics

- ◆ Combating Pandemic
- ◆ Protection of Intellectual Property Rights
- ◆ Employment Management
- ◆ Supply Chain Management
- ◆ Advertisement and Promotion
- ◆ Community Welfare
- ◆ Prevention of Child Labor and Forced Labor

Materiality Matrix of Environmental Responsibility Topics



Topics

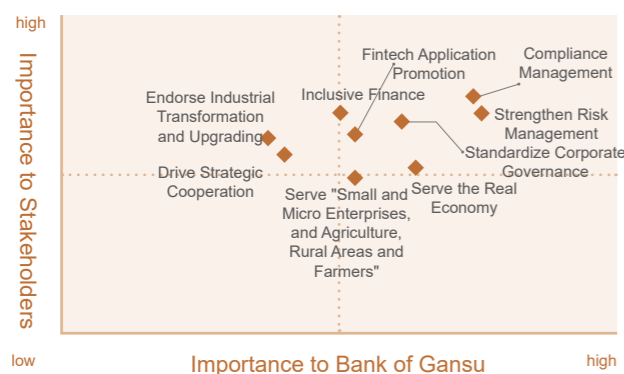
Material environmental topics

- ◆ Green Finance
- ◆ Resource Consumption
- ◆ Environmental Action

Other environmental topics

- ◆ Response to Climate Change
- ◆ Pollutant Emission Management

Materiality Matrix of Operational Responsibility Topics



Topics

Material operational topics

- ◆ Compliance Management
- ◆ Strengthen Risk Management
- ◆ Standardize Corporate Governance
- ◆ Inclusive Finance
- ◆ Fintech Application Promotion

Other operational topics

- ◆ Serve the Real Economy
- ◆ Endorse Industrial Transformation and Upgrading
- ◆ Serve "Small and Micro Enterprises, and Agriculture, Rural Areas and Farmers"
- ◆ Drive Strategic Cooperation



Sound Management and Steady Operation



Risk Management and Internal Control

Bank of Gansu has been advancing the comprehensive risk management system since its incorporation and established a comprehensive risk management system plan of Bank of Gansu in 2021-2025 during the Reporting Period. The system mainly involves the management of credit risk, liquidity risk, market risk, operational risk, interest rate risk in the banking book, reputational risk, information technology risk, county-specific risk, strategic risk and other risks.

In terms of the risk management organizational system, Bank of Gansu has established a three-lines of defense for risk management, dominated by the front-office business operation departments, back-office business management departments and audit department, ensuring that the Bank properly manages risks strictly under the guide principles of "compatibility", "completeness", "independence" and "effectiveness".

Risk Management Organizational System



In terms of risk management measures, the Bank has continuously improved the risk identification, measurement, monitoring and control from the aspects of optimized risk management planning, information technology system and risk management tools. Specific measures include:

- ◆ Gradually form a comprehensive risk system, formulate risk appetite and risk management strategies, loan ceilings control, asset quality control, etc.;
- ◆ Continuously improve the comprehensive risk management, internal control and evaluation system, prepare the comprehensive risk management system plan of Bank of Gansu, specify the overall development ideas and basic principles, and refine the implementation plan;
- ◆ Develop and optimize risk management information technology systems, including a new-generation risk early warning system, unified credit management system, credit system, EAST system, customer risk report system, impairment system and other stock systems;
- ◆ Design and complete the detail measures over main operational risk management tools to satisfy the measurement conditions of operational risk standardized capital method;
- ◆ Promote credit risk limit management, gradually establish a multi-level limit management system and improve the development of an internal rating system;
- ◆ Standardize the procedures of market risk identification, measurement and monitoring, and control the market risk by establishing models, using VAR calculation, bond duration analysis, sensitivity analysis, exposure analysis in foreign exchange, stress test in market risk and other approaches.

Anti-corruption

The Bank strictly abides by the laws and regulations, for instance, the *Regulation of the Communist Party of China on Disciplinary* (《中國共產黨紀律處分條例》), the *Law of the People's Republic of China on Administrative Discipline for Public Officials* (《中華人民共和國公職人員政務處分法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), and the *Oversight Law of the People's Republic of China* (《中華人民共和國監察法》) to strictly prevent and control possible violations, discipline violations and law violations of its employees. Furthermore, the Bank prepares its internal systems, including the *Implementation Measures for the Management, Investigation and Punishment of Letters and Visits of Bank of Gansu (for Trial Implementation)* (《甘肅銀行信訪管理及查處工作實施辦法(試行)》), the *Interim Measures for Reporting of CPC Members and Cadres on Organizing Wedding and Funeral Events of Bank of Gansu* (《甘肅銀行黨員幹部操辦婚喪喜慶事宜報備暫行辦法》), the *Operating Procedures for the Reminding, Letter Inquiry and Admonition of Management Cadres at the Head Office of Bank of Gansu* (《甘肅銀行總行管理幹部提醒、函詢和誠勉工作操作規程》), the *Measures for Accountability of Violations and Dereliction of Duty of Bank of Gansu (for Trial Implementation)* (《甘肅銀行違規失職行為問責管理辦法(試行)》), the *Assessment Measures for the CPC Integrity and Clean Governance of Bank of Gansu* (《甘肅銀行黨風廉政建設工作考核辦法》), and the *Measures for Violation Case Prevention of Bank of Gansu* (《甘肅銀行案件防控管理辦法》) to gradually improve the whole institutional system.

In addition to the internal system, the Bank has established a four-in-one petition work mechanism to accept, investigate and deal with clues through "letter, visit, phone call and online means" in accordance with relevant requirements, so as to effectively prevent corruption and other illegal acts. The dispatched discipline inspection and supervision team has formulated the letter and visit management system. The team strictly follows the approval process with the principles of unified management, classified handling within a time limit. Besides, the team investigates and handles the clues in letters and visits and reports in accordance with the regulations and disciplines by acceptance after registration, analysis and judgment, investigation and verification and problem handling.

For anti-money laundering, the Bank has established a comprehensive anti-money laundering rules and procedures in accordance with the *Anti-Money Laundering Law of the people's Republic of China* (《中華人民共和國反洗錢法》) and the regulations issued by the People's Bank of China. The Board of Directors oversees the implementation of the Bank's anti-money laundering policies, supervises the senior management to formulate and follow anti-money laundering rules and procedures, reviews reports made by the senior management on any major anti-money laundering matters and the Bank's money laundering risks, and amends the anti-money laundering policies in a timely manner. Meanwhile, the Bank has established an anti-money laundering leadership group at the head office and its branches. The head office's anti-money laundering leadership group leads and coordinates the bank-wide anti-money laundering efforts. The President of the Bank works as the group leader and the heads of all departments of the head office as members of the group. The leadership group is responsible for formulating anti-money laundering plans, reviewing internal controls of anti-money laundering and ensuring its effective implementation, analyzing significant issues related to anti-money laundering and offering solutions.

During the Reporting Period, Bank of Gansu strictly complied with the regulatory requirements of the aforementioned laws and regulations on corruption, bribery, extortion, fraud, money laundering and other illegal acts. During the Year, Bank of Gansu has not received any legal cases regarding corrupt practices against the Bank or its employees.

Warning and Educational Activities

The Bank actively held warning and educational activities for its directors and employees. During the Reporting Period, leading cadres of CPC members and employees across the bank were mobilized to watch warning film produced by the Provincial Commission for Discipline Inspection and Supervision in twice; the director of the Regulation Office of the Provincial Commission for Discipline Inspection and Supervision was invited to explicate the *Regulation of the Communist Party of China on Disciplinary* (《中國共產黨紀律處分條例》) to the employees of the bank, which further enhanced the political awareness, rule awareness and discipline awareness among cadres and employees; the discipline inspection commission at each branch also organized similar activities of any forms.

Basic Business Training on the Discipline Inspection and Supervision

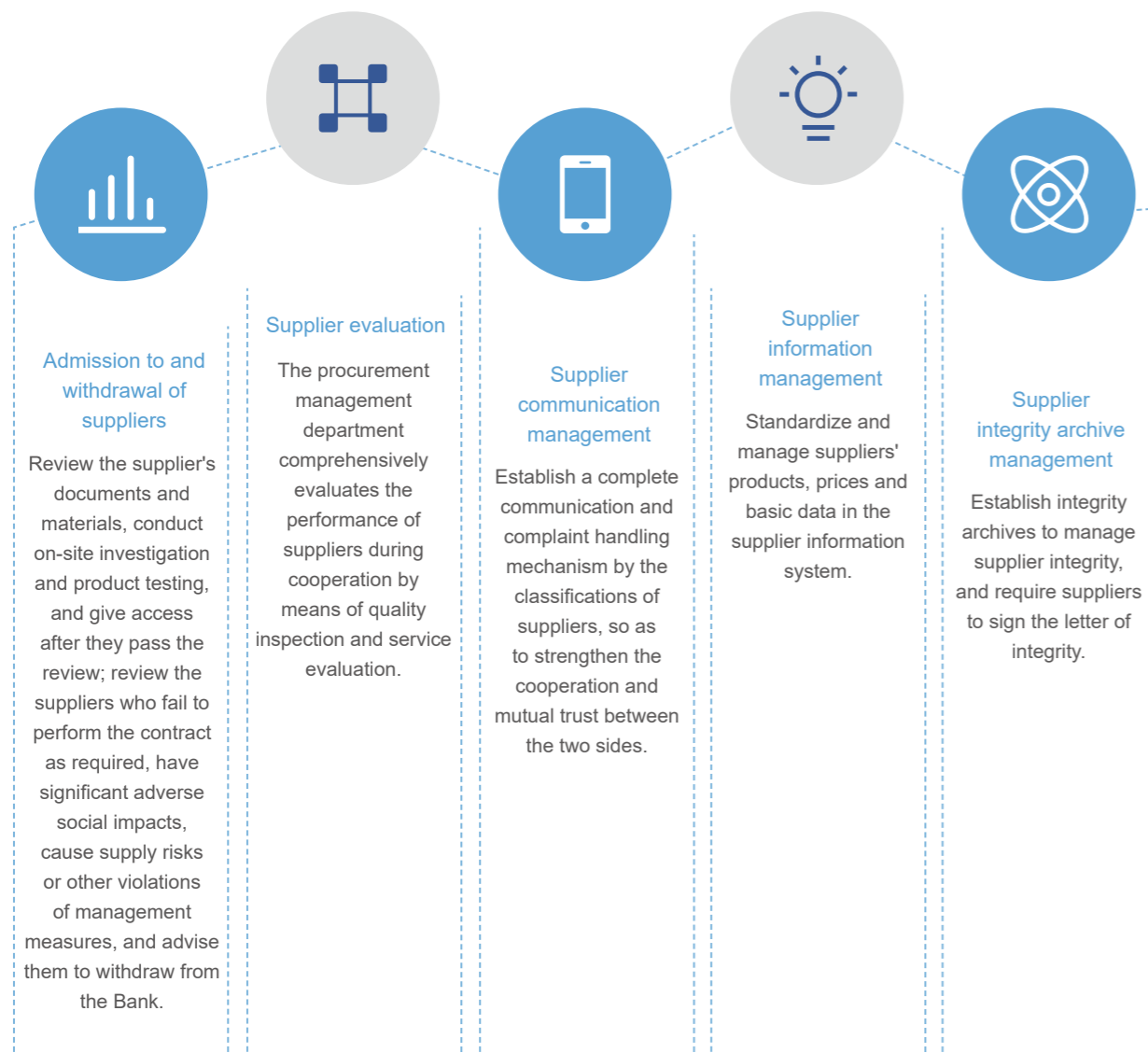
On July 22, 2021, the Bank held a basic business training on discipline inspection and supervision, during which key business personnel of the dispatched discipline inspection and supervision team explained the normative requirements for accepting prosecution and handling clues. More than 80 participants were engaged in the training, including the Secretary of the Discipline Inspection Commission at the head office, the Secretary of the Discipline Inspection Commission from all branches, the director and key business personnel of the Office of the Discipline Inspection Commission, all dispatched discipline inspection and supervision team members and the Discipline Inspection Committee members of each Branch of the CPC at the head office.

Supply Chain Management

Bank of Gansu attaches great importance to environmental and social risk management across the supply chain. The Bank reduces the environmental and social risks in the supply chain by strengthening policies and measures to avoid the negative impacts caused by supply chain risks on the Bank's operation while minimizing the Bank's potential impact on the environment and society.

As for supplier employment practices, the Bank is committed to improving supplier service standards, reducing procurement costs and saving resources throughout the whole process from demand scheme, project procurement to production in accordance with the provisions of the Administrative Measures for Centralized Procurement Management of Bank of Gansu (《甘肅銀行集中採購管理辦法》) and the Administrative Measures for Supplier Management of Bank of Gansu (《甘肅銀行供應商管理辦法》). In practice, the scope of Bank's centralized procurement is determined as per the centralized procurement catalog and quota, and suppliers are admitted or selected according to the centralized procurement procedures in the Administrative Measures for Centralized Procurement Management. In the process of evaluation, a comprehensive consideration will be given to business qualification, tax, financial standings, case of the dishonest judgment debtor, credit and other aspects to select suppliers whose qualifications and capabilities satisfy the needs of the Bank.

Detailed Measures in the Administrative Measures for Supplier Management of Bank of Gansu (《甘肅銀行供應商管理辦法》)



When assessing the impact of the supply chain on the environment and society, the Bank gives priority to the energy-saving and environmentally-friendly products during centralized procurement in strict accordance with the requirements of the Interim Provisions for the Management of Centralized Procurement of State-Owned Financial Enterprises (《國有金融企業集中採購管理暫行規定》). The Bank mainly evaluates contents related to new energy, new technologies and new processes when conducting procurement on goods and projects, and some measures such as safe and proper construction during construction. At the same time, the Bank also considers reducing the impact on the environment when purchasing goods or services, while looking for high-quality products and services, the Bank takes environmental factors into account, considers the impact of their recycling or emission, and selects qualified environmental recyclers. For instance, the Bank purchases vehicles for emission within 1.8L (inclusive), and requires the supplier to provide eco-friendly construction plans for the proposed projects. In addition, the Bank also carries out routine and annual evaluations on suppliers, and includes environmental and social factors such as environmental protection, energy conservation and emission reduction in the content of evaluations.

During the Reporting Period, the Bank strictly managed all suppliers, including

4,126 suppliers from Gansu Province and

561 suppliers from outside Gansu Province in accordance with aforementioned provisions

All procurement processes have been up to the regulations on integrity practice, and no commercial bribery and improper transactions have occurred.



Green Bank to Endorse Low Carbon Development

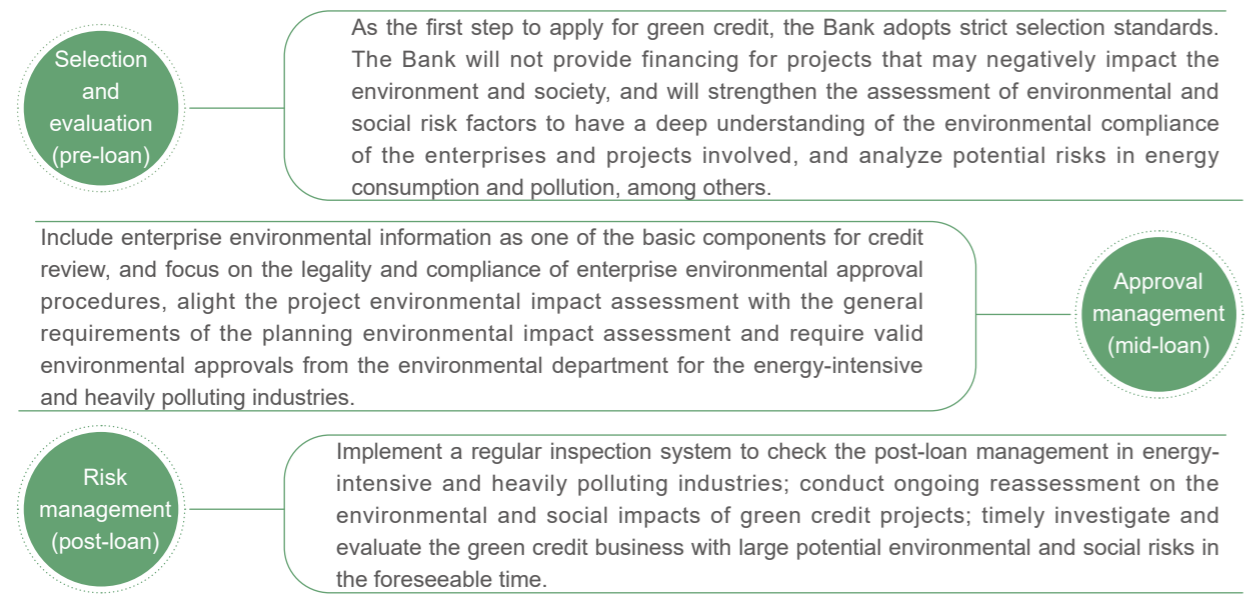


Green Finance

Bank of Gansu proactively boots the development of green finance, successively issued a series of policies and measures such as the *Green Credit Policy of Bank of Gansu* (《甘肅銀行綠色信貸政策》), the *Detailed Rules for Green Credit Policy of Bank of Gansu* (《甘肅銀行綠色信貸政策實施細則》), and the *Administrative Measures for Green Financial Bond Fund-Raising of Bank of Gansu* (《甘肅銀行綠色金融債券募集資金管理辦法》). The Bank also establishes a green finance department and a green finance sub-branch in Lanzhou New District. At the same time, the Bank also increases the assessment and incentive for green finance, incorporates green credit as an indicator into the annual work assessment. The Bank requires the growth rate of green credit which shall not fall below that of other loans, providing a strong guarantee for green finance business.

During the Year, the Bank formulated the *2021 Industrial Credit Policy Guideline of Bank of Gansu* (《甘肅銀行2021年行業授信政策指引》) to further promote the sustainable and healthy development of green finance business. According to the guideline, the Bank should actively develop green finance, and endorse the economic activities related to environmental improvement, climate change mitigation and resource saving and efficiency. Also, the Bank should strengthen green finance innovation, expand green finance product systems to enable financial services deeper and broader, so as to gradually increase the share of the green finance business and push forward sustainable and healthy development of green finance business with green credit as the mainstay. Moreover, to celebrate the 2nd anniversary of the establishment of the Green Finance Reform Pilot Zone in Lanzhou New District, the Bank's Branch of Lanzhou New District launched Gansu's first green loan pledged by rights to carbon emission and pollution discharge to contribute to green finance reform in Lanzhou New District.

Green Credit Business Management Process



Bank of Gansu fully endorses the top 10 provincial ecological industries¹, actively maintains communication on policy and project information with the Gansu Provincial Development and Reform Commission, the State-owned Assets Supervision and Administration Mission of Gansu Provincial Government, the Department of Industry and Information Technology of Gansu Province, the Department of Ecology and Environment of Gansu Province, the Department of Culture and Tourism of Gansu Province and other departments.

During the Reporting Period, the Bank cumulatively lent RMB12.007 billion to the top 10 ecological industries with a loan balance exceeding RMB24.7 billion to prioritize key industries such as energy efficiency and environmental protection, cleaner production, circular agriculture and channel logistics. During the Year, the Bank added RMB1.739 billion in green loans.



1. The top 10 ecological industries are cleaner production, energy efficiency and environmental protection, clean energy, advanced manufacturing, cultural tourism, channel logistics, circular agriculture, traditional Chinese medicine, data information and civil-military inoculation industries.



Green Mine

New Energy Vehicles

Modern Agriculture

Green Office

As a banking enterprise, Bank of Gansu operates its business mainly in offices and branches. In order to reduce the impact of operation activities on the environment, the Bank establishes and constantly improves the statistical system of resource consumption and pollution emission. The Bank proposes to reduce the loss of energy, paper, water and other resources, implement energy-saving transformation of buildings, lighting and office equipment, and vigorously promote electronic billing, paperless office, mobile office, online video conference and green public travel, so as to achieve the sustainable development goal of low-carbon operation.

The Bank strictly complies with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations. The Bank prepares guidance such as the *Provisions on Hazardous Waste Management of Bank of Gansu* (《甘肅銀行有害廢棄物管理規定》) and the *Provisions on Non-Hazardous Waste Management in office areas of Bank of Gansu* (《甘肅銀行辦公區域無害廢棄物管理規定》). In this way, the Bank standardizes resource and emission management, improves resource efficiency, and reduces air and greenhouse gas emissions, waste discharges into water and land, and the generation of hazardous and non-hazardous wastes. During the Reporting Period, the Bank managed its own pollution emissions in strict accordance with laws and regulations and had no violations related to environmental pollution.

In terms of environmental target setting, some branches of the Bank have set environmental targets based on related environmental performance data of the Year. In the future, the Bank will further set targets on emissions, waste reduction, energy-saving and water conservation, and track and review the progress of achieving the targets.

Targets on waste reduction:

Longnan Branch: based on the total consumption of

7.81 tonnes of paper and office waste and

2,202 toner cartridges and ink cartridges during the Year

the branch sets targets of less than **7** tonnes and **2,000** cartridges respectively for next year.

Jinchang Sub-branch: based on the consumption of

0.52 tonnes of paper during the Year

the sub-branch sets a target of less than **0.5** tonnes for next year.

Targets on water saving:

Longnan Branch: based on the consumption of

4,288 tonnes of water during the Year the branch sets a target of less than

4,000 tonnes for next year.

New District Sub-branch: based on the consumption of

1,130 tonnes of water during the Year the sub-branch sets the target of a

10% year-on-year reduction for next year.

Emission Management




◆ Exhaust Gas

During the Reporting Period, the main sources of Bank of Gansu's air emissions are the combustion of natural gas used for cooking and the use of vehicle fuel. To reduce the impact on air pollution, the Bank actively reduces air emissions by strengthening vehicle management.

 <p>Strengthen the management of vehicle use, strictly approve and record the use of company vehicles, implement the management system of fueling company vehicles with IC cards, check accounts on a monthly basis, and reduce the fuel consumption of vehicles;</p>	 <p>Properly plan the vehicle use throughout the year, and reduce frequency and mileage of vehicle trips to reduce fuel consumption;</p>	 <p>Purchase fuel-efficient and environmentally-friendly company vehicles, and control the number of company vehicles;</p>	 <p>Encourage commuting through public transport and shared bikes to reduce vehicle exhaust emissions.</p>
--	---	---	---

◆ Greenhouse Gases

The Bank firmly practices the "dual carbon" strategy and defines the goal of emission reduction. During the Reporting Period, the Bank emitted 10, 551.27 tonnes of greenhouse gas ("GHG"), 79.88% of which were mainly from the indirect GHG emissions from purchased electricity. In order to further reduce emissions and achieve the "dual carbon" goals, the Bank mainly saves energy through energy-saving renovation and standardizing the use of electrical equipment, thus reducing GHG emissions.

<p>Purchase energy-saving air conditioners in preference, reduce the use of air conditioners by selecting season-specific uniforms, properly set the temperature of air conditioners, and encourage employees to turn off the air conditioners 30 minutes before leaving the office;</p> 	<p>Raise employees' awareness of electricity-saving and remind employees to turn off computers, water dispensers, printers and other electrical equipment in time when not in use;</p> 	<p>Organize relevant personnel to regularly inspect and timely repair the equipment and facilities in the Bank's office space to reduce operational damage and energy consumption.</p> 
--	--	--

◆ Waste

The Bank has formulated and improved the provisions on hazardous and non-hazardous waste management, which require all departments to divide the area under their responsibility and assign personnel to manage the discharge of wastes, as well as to inspect and assess the implementation. The Bank stipulates that the hazardous wastes should be minimized, disposed of and recycled in a harmless manner for better management. Hazardous wastes should be stacked in separate boxes, posted with signs, and uniformly collected and handled by qualified suppliers.

To manage and dispose of non-hazardous wastes, all departments and offices of the Bank have separated non-hazardous waste areas. Property cleaners collect and place non-hazardous wastes at the waste station every day and the local sanitation department trucks them out for disposal. In terms of the treatment of kitchen waste, in the canteen, the wastewater discharge system is equipped with sedimentation tanks and oil filters, while regularly clean the waste and food residue in the food processing area, which is, however, strictly prohibited to be poured into the sewer.

In addition, to reduce waste production, the Bank actively advocates paperless offices, uses Email to transmit reports and documents, and reduces paper printing. The Bank also recycles more recyclable waste by sorting out wastes, setting up recyclable trash bins in offices and branches, and then sending waste papers, newspapers, books and magazines and other recyclables to qualified waste recycling stations.

Resource management

◆ Energy


During the Reporting Period, the purchased electricity constitutes the Bank's largest source of energy consumption, reaching 14,434.62 megawatt hours ("MWh"). In order to reduce energy use and improve energy efficiency, the Bank has taken the following measures:

- ◆ Put on energy-efficient lamps, and turn off or rarely turn on lights when it is sun-filled;
- ◆ Advocate employees' electricity-efficient awareness and post the "power saving" sign on the switch in the offices;
- ◆ The security guard is responsible for inspecting whether the power is shut off in the office after work every day, and recording and reporting cases of waste of energy;
- ◆ The Bank's data center uses the air-cooled chilled water system with natural cooling function to reduce the system's energy consumption through natural cooling while increasing the water temperature for supply and return water in the water-cooling system, reducing the capacity of the refrigeration unit, and improving the operational efficiency. At last, the closed cold channel in the cabinet improves the refrigerating efficiency of the air conditioning system and saves energy, and reduces consumption.

◆ Water Resources

The water used by Bank of Gansu comes from the municipal water supply network, so there are no difficulties in acquiring suitable water sources. During the Year, the Bank consumed 98,400 tonnes of water, representing a 9.95% decrease compared with the previous year. The Bank saves water mainly through the following measures.

<p>Use water-efficient equipment, install water metering devices, monitor water consumption and reduce the use of water resources;</p>	<p>Advocate water conservation, post water-saving slogans in toilets and near hand washing sinks, and adopt the habits of water saving;</p>
<p>Encourage employees to reuse clean wastewater for watering flowers and washing rags;</p>	<p>Appoint personnel to check the sink and toilet drain valve every day, repair in time if there is water leakage, and ensure that the valve in the office area is closed after work.</p>





Voluntary Tree Planting Activities

On April 30, 2021, ahead of the 131st International Workers' Day, Bank of Gansu launched a voluntary tree planting activity under the theme "Afforestation to Green the Country" in the Modern Agricultural Park of Lanzhou New District. Leaders of the Bank's head office, all cadres and employee representatives actively took part in the activity, and everyone presents collaborated with each other. They shoveled soil with spades, built soil cofferdams, carefully irrigated and planted every sapling.



Summary of key performance indicators of environmental aspect²

	Items	2021	2020	2019	Unit
Air Pollutants ³	NOx	5,095.98	760.10	926.60	kg
	SOx	310.36	5.74	6.80	kg
	PM	154.93	64.29	59.34	kg
GHG Emissions	GHG emission - Scope 1 ⁴	1,757.13	2,400.26	4,864.40	Tonne of CO ₂
	Emission intensity - Scope 1	7.30	10.63	22.03	kg CO ₂ /m ²
	GHG emission - Scope1 ⁵	8,428.38	8,437.85	7,614.05	Tonne of CO ₂
	Emission intensity- Scope 2	36.60	37.37	34.48	kg CO ₂ /m ²
	GHG emission - Scope 3 ⁶	365.76	318.58	654.15	Tonne of CO ₂
	Total emission	10,551.27	11,156.68	13,132.60	Tonne of CO ₂
	Total emission intensity	43.85	49.41	59.47	kg CO ₂ /m ²

	Items	2021	2020	2019	Unit
Non-Hazardous Wastes	Wastepaper generation	50.47	49.74	39.15	Tonne
	Wastepaper generation intensity	0.21	0.22	0.18	kg / m ²
	Office waste generation	67.34	70.14	67.28	Tonne
	Office waste generation intensity	0.28	0.31	0.30	kg / m ²
Hazardous Waste ⁷	Waste ink cartridge generation	6,083	7,080	6,748	PCs.
	Waste ink cartridge generation intensity	25.28	31.35	30.56	PCs. / 1,000 m ²
	Waste toner drum generation	5,459	5,969	6,095	PCs.
	Waste toner drum generation intensity	22.69	26.43	27.60	PCs. / 1,000 m ²
	Electronic wastes generation	1.56	0.23	0.54	Tonne
Water resource	Electronic wastes generation intensity	6.48	1.03	2.46	PCs. / 1,000 m ²
	Water consumption	98,357.84	109,228.26	114,855.67	Tonne
Energy resources ⁸	Water consumption intensity	0.41	0.48	0.52	Tonne / m ²
	Electricity consumption	14,434.62	13,830.27	12,480.00	MWh
	Gaseous natural gas consumption	4,731.20	4,094.67	15,788.70	
	Liquefied natural gas consumption	-	7.33	8.14	
	Bituminous coal consumption	19.34	1,671.69	-	
	Anthracite consumption	20.43	34.05	33.23	
	Diesel consumption	35.23	36.99	9.27	
	Gasoline consumption	3,214.08	3,599.25	3,261.89	
	Liquified petroleum gas consumption	13.14	0.04	4.34	
	Fuel oil consumption	0.08	-	-	
	Total consumption of energy resources	22,468.11	23,274.29	31,585.56	
	Total consumption intensity of energy resources	0.09	0.10	0.14	MWh/m ²

2.Unless otherwise specified, during the Reporting Period, the statistical scope of key performance indicators of environmental aspect includes the Bank's total office space of 240,598.29 m², which is used as the denominator for all intensity data calculation.

3.The air pollutants emitted by Bank of Gansu mainly come from the use of vehicle fuel, the combustion of gasoline and diesel in generators, and the combustion of fixed sources such as natural gas, anthracite and bituminous coal. The emission of air pollutants is calculated according to the *Handbook of Emission Coefficient of Urban Domestic Sources in the First National Pollution Source Survey* (《第一次全國污染源普查城鎮生活源產排係數手冊》), the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicle (for Trial Implementation)* (《道路機動車大氣污染物排放清單編制技術指南(試行)》), and the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Non-road Mobile (for Trial Implementation)* (《非道路移動源大氣污染物排放清單編制技術指南(試行)》) issued by the Ministry of Ecology and Environment of the People's Republic of China. As the calculation standard adopted during the Year has changed and covered the calculation of air pollutant emission from all fixed sources and non-road mobile devices of the Bank, the emission of the Year has increased significantly compared with previous years.

4. The calculation scope of GHG emission (Scope 1) includes the use of vehicle fuel, the combustion of gasoline and diesel in generators, and the combustion of fixed sources such as natural gas, anthracite and bituminous coal. The GHG emission and the emission coefficients are calculated with reference to the *Guidelines for Accounting and Reporting GHG Emission from Other Industrial Enterprises (for Trial Implementation)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) and the *Guidelines for Accounting and Reporting Approach of GHG Emission from Enterprises in Land Transportation (for Trial Implementation)* (《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission. Due to the change of the calculation standard adopted during the Year, the emission is reduced compared with previous years.

5.The calculation scope of GHG emissions (Scope 2) includes the indirect emissions caused in the production process by the purchased power in Mainland China. The GHG emissions are calculated with reference to the *Guidelines for Accounting and Reporting of GHG Emissions of Enterprises - Power Generation Facilities (Revised Version in 2021) (Consultation Paper)* (《企業溫室氣體排放核算方法與報告指南 發電設施(2021年修訂版)》(征求意见稿)) issued by the Ministry of Ecology and Environment of the People's Republic of China, and its emission factor is 0.5839 kg CO₂ / kilowatt-hours.

6. The calculation scope of GHG emissions (Scope 3) includes the indirect GHG emissions caused by the Bank's business travel through aviation and waste papers. The GHG emissions from air travel are calculated according to the *Greenhouse Gas Protocol: GHG Emissions from Transport or Mobile Sources* (《溫室氣體核算體系: 移動源燃燒溫室氣體排放計算工具》) issued by the World Resources Institute and the World Business Council for Sustainable Development; The GHG emissions caused by wastepaper are calculated according to the *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs* (《如何準備環境、社會及管治報告 附錄二: 環境關鍵績效指標匯報指引》) issued by SEHK.

7.For statistical purposes, the Bank currently compiles statistics on the waste ink cartridges and toner drum generated on a numerical basis and will consider disclosing them on a weight basis in the future.

8.During the Year, the change in the use of energy resources of Bank of Gansu is mainly from that in the use of fixed source devices, in which the use of fuel oil is added, but liquefied natural gas is not used. At the same time, because all branches use municipal centralized heating, the use of bituminous coal is greatly reduced. The energy consumption data is conversed with reference to the *Guidelines for Accounting and Reporting GHG Emission from Other Industrial Enterprises (for Trial Implementation)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》).

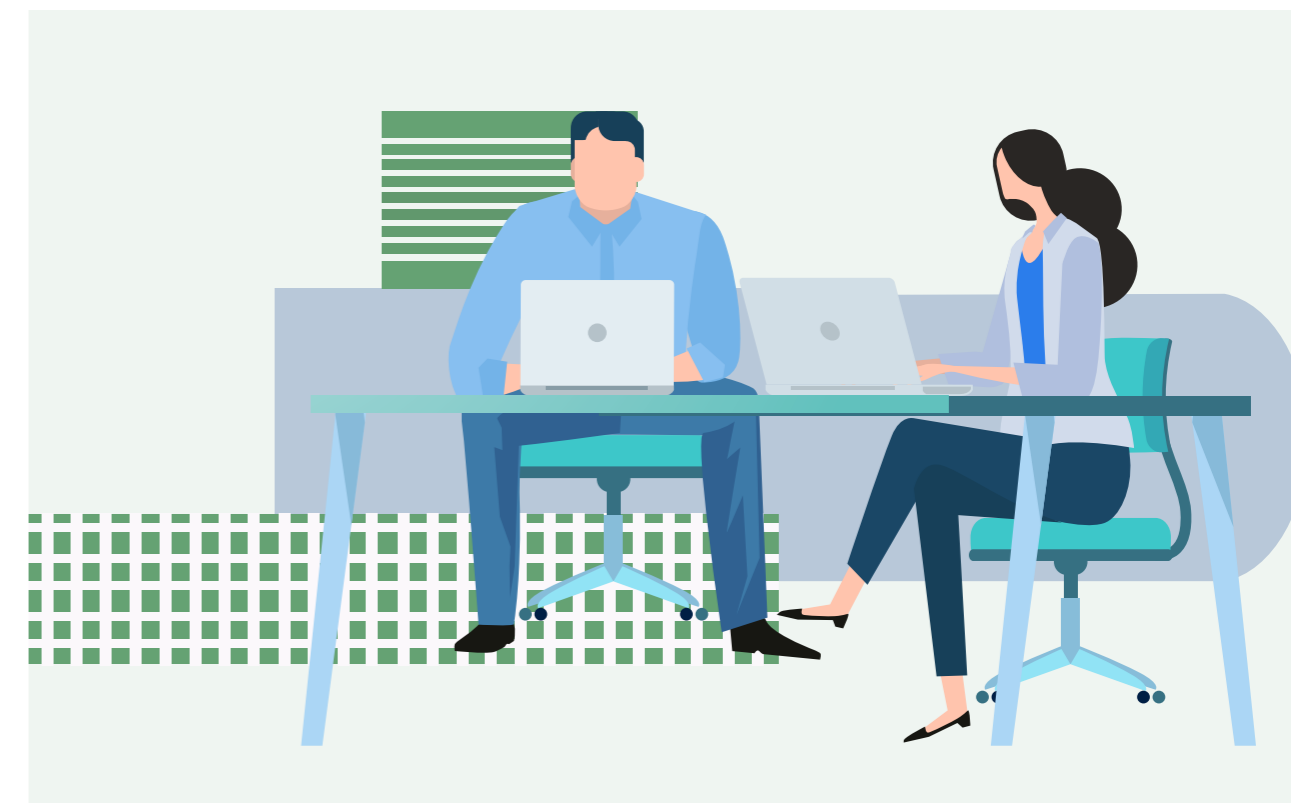
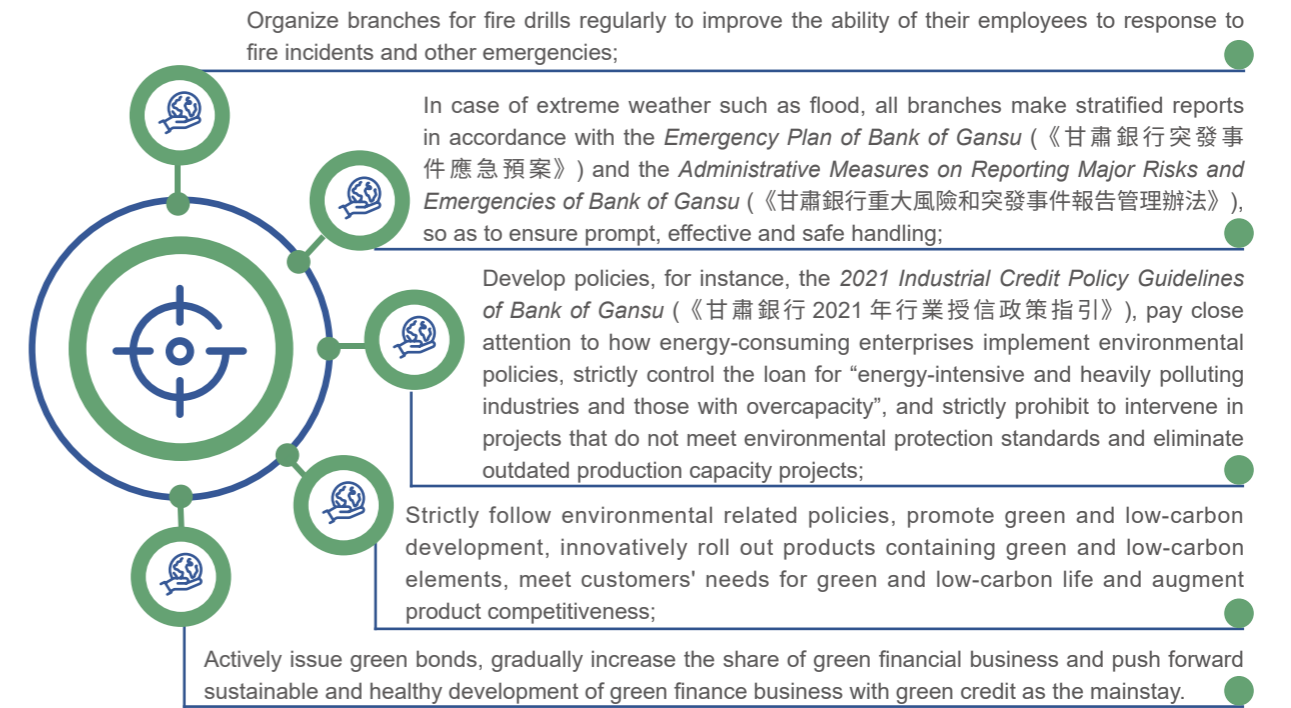
Address Climate Change

Bank of Gansu is aware that climate-related risks are one of the sources of financial risks and initially carried out climate risk identification during the Reporting Period to actively respond to the country's "dual carbon" goals. With reference to the *Recommendations of the Task Force on Climate-Related Financial Disclosures* (《氣候相關財務信息披露工作組建議報告》) issued by Task Force on Climate-related Financial Disclosures (TCFD), the bank has established a Climate Risk List of Bank of Gansu, classified climate risks into two categories: physical risks and transition risks, and analyzed their potential impact on the Bank.

Types of Climate Risks	Potential Impacts on Bank of Gansu
Physical risks	
Acute risk · Adverse effects caused by frequent extreme weather events	· The branches may face the risk of not being able to open for business normally in the events of flood, fire and other impacts
Chronic risk · Adverse effects caused by long-term shifts in global climate patterns	· Changes in rainfall patterns may cause low-lying branches and self-service machines to be flooded, resulting in branch closures or equipment failures
Transition risks	
Policy and legal risks · Stricter policy and supervision on existing products and services · Stricter emission disclosure requirements · Facing litigation or legal risks	· Customers' non-compliance with national policies and impacts on operation caused by high energy consumption may affect the Bank's asset quality · The Bank's failure to make disclosure in time may bring certain pressure to the Bank's operation · The Bank's failure to comply with the requirements of laws and regulations in the environmental area may expose the Bank to litigation risks, resulting in increased costs caused by fines and judgments
Technology risk · Replace existing products and services with low-carbon solutions · Expenditure for low-carbon technology transformation · Uncertainty in the profitability of low-carbon technology investment projects	· If a credit support project fails, it may lead to difficulties in recovering credit
Market risk · Changes in customer behavior · Climate change increases systemic risks in financial and capital markets · Impact of climate change on market direction	· Customers may choose other peers' products that feature more green consumption concepts · The Bank's bonds and other financial products may face repricing risk if some industries are subject to the reduction of market share and revenue caused by climate pricing in the future · Climate change may have a long-term adverse impact on the operation and assets of climate-sensitive industries such as energy, agriculture, transportation, tourism, materials and construction, and then have a certain impact on the Bank's credit business
Reputation risk · Changes in customer appetite · Stigmatization due to business conduct · Stakeholders are increasingly concerned about negative feedback	· The Bank may face reputation risk, which makes it difficult to build relationships with customers, employees, investors and other stakeholders if it has a long-term destructive impact on the climate and environment during operation

By analyzing the results of identified climate risks, the Bank further sorts out the current measures to respond to climate risks, and will further improve its risk control practice in the future to reduce the negative impact of climate risks and grab the opportunities brought by climate risks.

Current climate-related risk measures taken by Bank of Gansu:



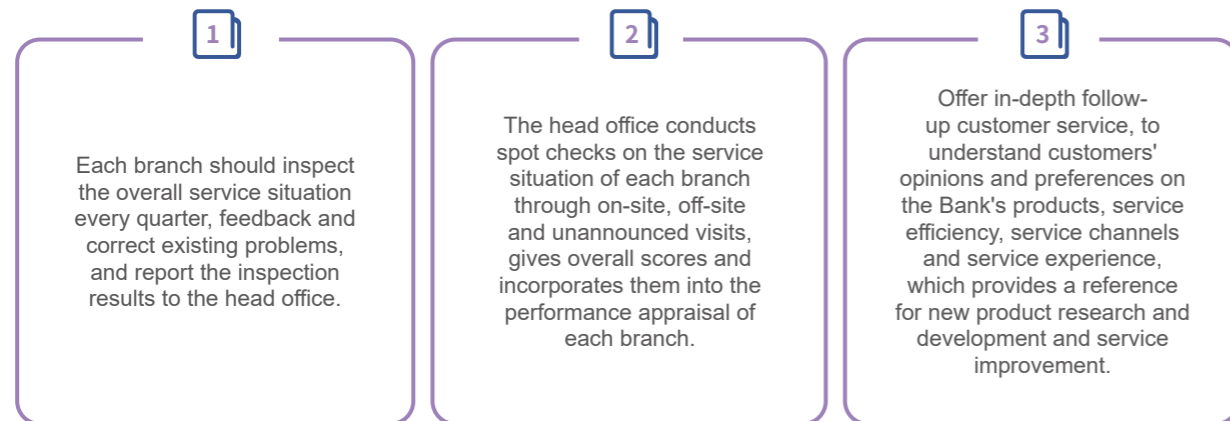
Customer First and
Better Experience



Improve Service Quality

Bank of Gansu thoroughly follows the service philosophy of “customer-centric”, and strictly abides by laws and regulations such as the *Banking Supervision Law of the People's Republic of China* (《中華人民共和國銀行業監督管理法》), the *Law of the People's Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》), the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and the *Guide for the Protection of Consumer Rights and Interests in the Banking Sector* (《銀行業消費者權益保護工作指引》) to standardize and improve the Bank's service. Besides, the head office of Bank of Gansu and its branches have established a “first-in-command” designated person's responsibility system for service quality. The immediate principal is responsible for enforcing service supervision within the Bank or departments by supervising internal inspection, checking the actual service offered by the Bank's employees, and timely correcting and improving their weaknesses.

Service Supervision of Designated Person's Responsibility



In terms of customer complaint management, the Bank formulates many internal policies, for instance, the *Detailed Rules for Consumer Complaint Management of Bank of Gansu* (《甘肅銀行消費者投訴管理實施細則》), the *Administrative Measures for Customer Complaint Handling of Bank of Gansu* (《甘肅銀行客戶問題處理管理辦法》) and the *Operating Procedures for the Management of Customer Complaint Handling of Bank of Gansu* (《甘肅銀行客戶問題處理管理操作程序》) on the basis of its reality and in accordance with the regulatory provisions, such as the *Notice on Strengthening the Handling of Client Complaints in the Banking Sector* (《關於加強銀行業客戶投訴處理工作的通知》) and the *Notice on Improving the Client Complaint Handling Mechanism of Banking Financial Institutions to Effectively Protect Financial Consumers* (《關於完善銀行業金融機構客戶投訴處理機制切實做好金融消費者保護工作的通知》). With those policies in place, the Bank standardizes customer complaint handling, improves the process to transmit complaint contents, and ensures that those complaints can be handled timely and effectively, so as to improve customer satisfaction.

During the Reporting Period, Bank of Gansu received

1,059 customer complaints

which were all properly settled

In addition, the Customer Service Center of the Bank also conducted a customer satisfaction survey during the Year and received a total of

200,595 feedbacks

The satisfaction rate was

98.74%

which was

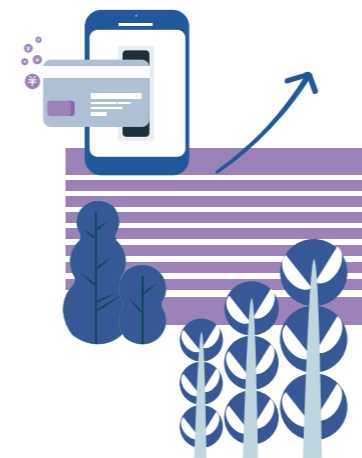
0.37 lower than that of the previous year

Safeguard Customers' Rights and Interests

Bank of Gansu strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and has formulated internal policies such as the *Detailed Rules for the Protection of Consumer Rights and Interests of Bank of Gansu* (《甘肅銀行消費者權益保護工作實施辦法》), the *Terms of Reference of the Consumer Rights and Interests Protection Committee of the Board of Directors of Bank of Gansu* (《甘肅銀行董事會消費者權益保護委員會議事規則》) and the *Provisions on the Pre-Sale Management and Information Disclosure of Individual Products and Services of Bank of Gansu* (《甘肅銀行個人產品與服務售前管理及信息披露規定》). In addition, in order to strengthen the organizational management, the Bank establishes a Consumer Rights and Interests Protection Committee at the head office, in which the Bank's leader serves as the director and the heads of relevant departments serve as members, while authorizing Consumer Rights and Interests Protection Department to be fully responsible for organizing, advancing, supervising and inspecting the protection of the Bank's financial consumers' rights and interests, including the development of institutional mechanisms to execute consumers' rights and interests protection, and the popularization of financial knowledge, to ensure that the Bank's consumer protection is well in place.

In terms of products and advertising, the Bank strictly observes the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), and practices two-level management: the head office and branches (direct sub-branches). As the department in charge of advertising, the office is responsible for unifying and centralizing the advertising management. Also, the Bank formulates the *Administrative Measures for Advertising and Publicity of Bank of Gansu* (《甘肅銀行廣告宣傳工作管理辦法》), which specifies the division of responsibilities, planning, budget, approval and internal control of advertising and publicity. In this way, the Bank ensures its products, services and activities are advertised legally and compliantly with authentic and reliable information.

In addition, the Bank also regards the protection of consumer data and privacy as the top priority of protecting customers' rights and interests. In accordance with the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) and the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and other laws and regulations, the Bank has developed internal management policies such as the *Administrative Measures for Personal Financial Information Protection of Bank of Gansu* (《甘肅銀行個人金融信息保護工作管理辦法》) and the *Administrative Measures for Information Security of Bank of Gansu* (《甘肅銀行信息安全辦法》). The former regulates the collection, preservation, use and management of personal financial data, ensures personal financial information security and prevents information leakage and abuse; the latter defines the Bank's overall information security strategy, management responsibilities and management contents, including data security, operation and maintenance security and the management of system network security, so as to improve the capacity to handle information security events. During the Reporting Period, the Bank has strictly complied with laws and regulations related to customer privacy and security, and there was no incident found that related to leakage of customer information.



Protect Intellectual Property Rights

Bank of Gansu formulates intellectual property right policies and rules to strengthen its protection and management on intellectual property and make sure that it has rules to follow, for instance, the *Administrative Measures for Intellectual Property of Bank of Gansu (for Trial Implementation)* (《甘肅銀行知識產權保護管理辦法(試行)》), the *Administrative Measures for Trademark of Bank of Gansu (for Trial Implementation)* (《甘肅銀行商標管理辦法(試行)》) and the *Operating Procedures for Trademark Management of Bank of Gansu (for Trial Implementation)* (《甘肅銀行商標管理操作程序(試行)》) in strict accordance with the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Detailed Rules for the Implementation of the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》) in Chinese Mainland, as well as the *Trade Marks Ordinance* (《商標條例》), the *Patents Ordinance* (《專利條例》), the *Copyright Ordinance* (《版權條例》), the *Registered Designs Ordinance* (《註冊外觀設計條例》) and other provisions in Hong Kong.

In order to effectively manage the Bank's efforts in intellectual property protection and prevent intellectual property risks, the Bank established a management system with well-defined roles.



Legal and compliance department at head office

As the leading management department for intellectual property protection of the Bank, it is responsible for preparing rules and provisions related to intellectual property protection, guiding all departments at the head office to administer intellectual property and deal with legal disputes lawfully.



Departments at head office

As executive departments, it is responsible for applying for registration of intellectual property for acquired by the department, managing and protecting the intellectual property of the department and its business line, and related legal disputes.



Branches

Be responsible for applying for registration of intellectual property protection, and timely report the obtainment of intellectual property to their own business line management departments at the head office.

In addition to strengthening the system development to protect the intellectual property rights accordingly, the Bank also actively strengthens the protection and management of its own trademarks, domains, computer software copyrights and other intellectual property rights through registration certificate and copyright registration, so as to clearly establish ownership; the Bank renews the registration of deferrable intellectual property rights upon the expiration, and straightens out invalid registration and maintains the valid ones to prevent losses; at the same time, the Bank files lawsuits against any infringement to protect the Bank's intellectual property rights. During the Reporting Period, the Bank had no violations related to intellectual property rights.

Fintech Innovation

Bank of Gansu attaches great importance to the development of fintech and is committed to innovating financial products, financial services and financial channels. During the Year, Bank of Gansu focused on "smart retail" and "smart risk control" to promote the development of key projects and pilot projects in various fields. By improving the ability of marketing, customer acquiring, risk pricing and service, the Bank could realize the interconnection of traditional financial service and rapid development of a new Internet-based financial model.

◆ Financial Products

During the Reporting Period, the Bank relied on a combination of "external + internal" data through financial product innovation and access to loan products on the digital risk control decision-making platform to provide quality customers with pure-credit online loans free of mortgage and guarantee. At the same time, the Bank also innovated QuickPass and credit mini-program, credit card issuing model and clearing time of fusion payment, effectively improving the credit card issuance and merchant acquiring experience.

◆ Financial Services

During the Year, the Bank further improved the channel-based application, completed county-specific sections on the e-commerce platform, and integrated financial and non-financial services; optimized the integrated customer point system to upgrade the customer value-added service; launched the first 5G business hall in the province, which adopted the new banking operation model featuring 5G technology, Internet of Things, artificial intelligence, biometrics and other financial technologies, to bring customers a more intelligent and convenient service experience.

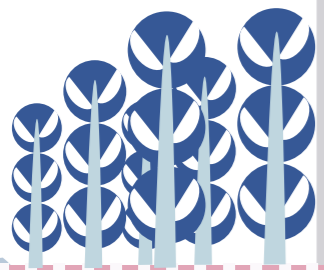
◆ Financial Channels

During the anti-pandemic period, Bank of Gansu successively launched the "card-free" business service model, deferred payment of loans, online risk assessment for the first-time purchase of financial products and online pledge loans with certificates of deposit and other services for the people's livelihood after continuously enriching service channels, thus provided community-wide services for pandemic prevention and control and resumption of work and production. In addition, the Bank also introduced Tencent's mobile development platform to improve development efficiency, enrich product application scenarios, and enhance service ability and user experience.

In the future, the Bank will accelerate digital transformation and fintech innovation and contribute to the high-quality development of the Bank by improving product innovation and digital transformation, strengthening system operation and maintenance management, as well as inspection and disaster recovery system, enhancing the quality of project and test management, increasing information security and network security management, and consolidating the basic management of IT system and the quality of information technology services.



Employee Care and
People-Oriented

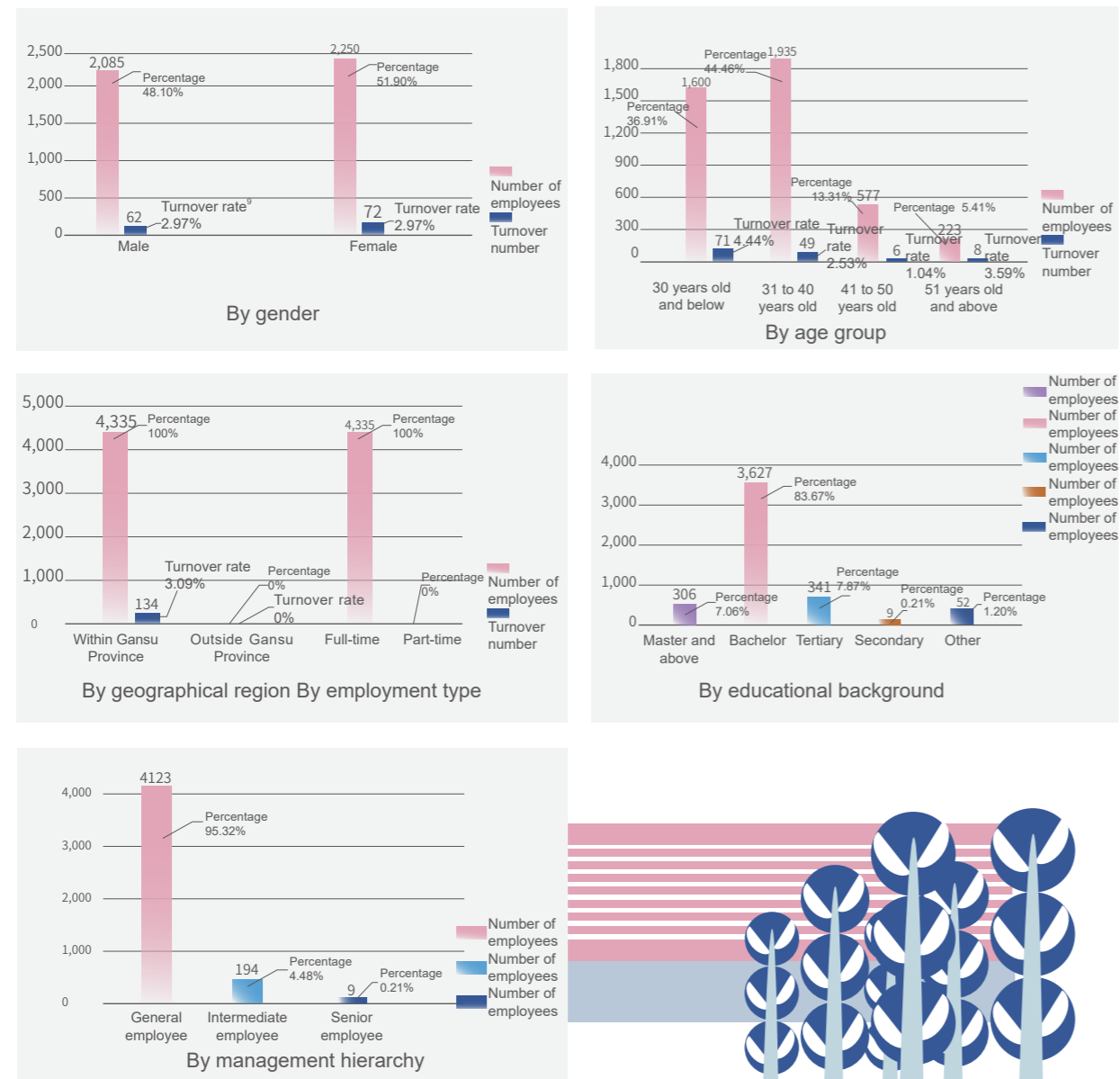


05



Safeguard the Rights and Interests of Employees

During the Reporting Period, the Bank had 4,335 employees. The following tables show the number of employees by gender, age group, geographical region, employment type, educational background, and management hierarchy, and the employee turnover rate by gender, age group and geographical region.



In the course of employee management, the Bank strictly complies with relevant laws and regulations, such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the *Implementation Measures for Paid Annual Leave for Employees of Enterprises* (《企業職工帶薪年休假實施辦法》), and formulates a series of internal management approaches based on the actual situation of the Bank, including the *Administrative Measures for Payment on Remuneration of Bank of Gansu* (《甘肅銀行工資支付管理辦法》), the *Administrative Measures for Labor Contract of Bank of Gansu* (《甘肅銀行勞動合同管理辦法》), and the *Administrative Measures for Attendance of Employee of Bank of Gansu* (《甘肅銀行員工考勤管理辦法》). In this way, the Bank achieves systematic and standardized employment management, protects the legitimate rights and interests of employees, prohibits any discrimination and achieves diverse construction of talent team.

9. Employee turnover rate by category = number of employees turnover under that category / total number of employees under that category * 100%

Compensation

According to the *Administrative Measures for Remuneration of Employee of Bank of Gansu* (《甘肅銀行員工薪酬管理辦法》), the *Administrative Measures for Wage Payment of Employee of Bank of Gansu* (《甘肅銀行工資支付管理辦法》), the *Detailed Rules for Enterprise Annuity Plan of Bank of Gansu* (《甘肅銀行企業年金計畫實施細則》), and other documents, the Bank reasonably regulates the structure of remuneration regarding the Bank's business development, position categories, market condition, etc.

Promotion

Following the *Administrative Measures for Job Management of Personnel in Management Positions of Bank of Gansu* (《甘肅銀行管理崗位職務人員任職管理辦法》) and the *Administrative Measures for Appointment of Professional and Technical Positions of Bank of Gansu* (《甘肅銀行專業技術崗位職務人員聘任管理辦法》) and other documents, the Bank regulates promotion standards and normalizes review and approval process for promotion to ensure the fairness and impartiality of the Bank's employee promotion.

Vacation

Regarding requirements of the *Administrative Measures for Employees' Rest and Vacation of Bank of Gansu* (《甘肅銀行員工休息休假管理辦法》), the Bank regulates employees' working hours to be five days a week and eight hours a day. The Bank implements procedures to manage leaves and attendance of employees through and office automation systems to avoid forced labor.

Recruitment

According to the *Administrative Measures for Recruitment and Enrollment of Employee of Bank of Gansu on Recruitment* (《甘肅銀行員工招聘與錄用管理辦法》) and other related internal policies' requirements, recruitments are conducted based scientific selection and revision on candidates' morality, academic qualifications, experiences, skills and other professional abilities, and are prohibited discrimination against gender, ethnicity, religion, age, etc. to fully ensure the fairness and justice of recruitment. Meanwhile, the Bank strictly prohibits the employment of minors aged under 18, so as to eliminate the employment of child labor.

Dismissal

The Bank complies with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), and has adopted legal approval process for dismissals of employees to prevent illegal dismissals.

Working hours

In accordance with the *Administrative Measures for Employee Management of Bank of Gansu* (《甘肅銀行員工管理辦法》), the Bank regulates employees' working hours to be five days a week and eight hours a day. The Bank implements procedures to manage leaves and attendance of employees through and office automation systems to avoid forced labor.

During the Reporting Period, the Bank strictly complied with the provisions of national and local laws and regulations in respect of recruitment, dismissal, compensation, promotion, working hours, vacation and other employment management, as well as the provisions on the prohibition of child labor and forced labor in the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》) and the *Provisions on Prohibition of Using Child Labor* (《禁止使用童工規定》). There was no violation of the laws and regulations above during the Reporting Period.

Protect Employees' Health

In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the *Regulation on Work-related Injury Insurance* (《工傷保險條例》) and other laws and regulations related to the protection of employees' occupational health and safety, the Bank has successively improved the *Administrative Measures for the Safety Management of Branches of Bank of Gansu* (《甘肅銀行營業網點安全管理辦法》), and the *Administrative Measures for the Security Management of Branches of Bank of Gansu* (《甘肅銀行營業網點保安管理辦法》), the *Emergency Response Plan of Bank of Gansu* (《甘肅銀行突發事件應急預案》) and the *Administrative Measures for Video Alarm Networking Center of Bank of Gansu* (《甘肅銀行視頻報警聯網中心管理辦法》), and other management systems to provide a safe working environment for employees.

In the aspect of protecting employees from occupational hazards, apart from the statutory social insurance, the Bank also provides a supplementary medical insurance system for employees to reduce medical cost burden. The Bank has also established a critical diseases medical expenses relief fund in accordance with the *Administrative Measures for Medical Expenses Relief Funds* (《員工重大疾病醫療費用救助基金管理辦法》) to further provide medical insurance for employees suffering from critical diseases. Consequently, the Bank forms a triple medical defense line that is based on basic medical insurance, assisted by supplementary medical insurance and guaranteed by critical disease medical expense fund. In addition, during the Reporting Period, the Bank also signed a cooperation agreement with Sunshine Property and Causality Insurance Gansu.

Branch to provide a "Pandemic Prevention" insurance for all registered employees of the Bank. The guaranteed amount reached RMB101,000 and the duration was 3 months, to provide employees with pandemic insurance.

The Bank highly values regular safety inspection and emergency response and maximizes the guarantee of employees' safety by strengthening hardware equipment and system management. All branches of the Bank are equipped with security personnel and defensive equipment; a monitoring and alarm network center is set up in the head office, covering all the Bank's branches and self-service banks. In terms of fire safety, fire-fighting facilities and equipment in all branches meet national standards and requirements on fire safety, and are inspected and tested on schedule and replaced regularly.

The Bank also actively carries out safety education, encourages employees to learn more about the security system and fire safety-related knowledge, and holds safety trainings such as firefighting and anti-robbery drills, so as to enhance employees' ability to deal with emergencies.

During the Reporting Period, the Bank worked on health and safety management in strict accordance with internal management policies, and there was no case of violation of laws and regulations. The Bank reported no work-related death in the past three years, including this Year, and the number of lost days due to work-related injury during the Reporting Period was 102 days.

Lecture on "Reading Your Medical Examination Report and Managing Your Health"



On January 17, 2021, the Department of Party Affairs of the Bank invited doctors from the Health Management Center of the Lanzhou University Second Hospital to give a lecture on reading medical examination report. The propose of the lecture is to familiarize employees with medical examination, make them understand the medical examination report, know their own health status, and conduct health management and preventive treatment as soon as possible.



Enable Employees' Development

The Bank of Gansu regards talents as important assets and commit to developing employees' professionalism and leadership. The Bank has made training management policies such as the *Administrative Measures for the Management of Employee Training of Bank of Gansu* (《甘肅銀行培訓項目管理辦法》), the *Administrative Measures for Amateur Training of Employee of Bank of Gansu* (《甘肅銀行員工業餘進修管理辦法》), the *Administrative Measures for Training Budget of Bank of Gansu* (《甘肅銀行培訓經費管理辦法》), and the *Administrative Measures for Internal Trainers of Bank of Gansu* (《甘肅銀行內部培訓師管理辦法》).

Those policies constitute norms and guidelines for designing and implementing training activities and the Bank proposes customized vocational training for different business fields, so as to promote employees to grow up with the Bank.

During the Reporting Period, the Bank launched **117** training programs for **21,835** participants

Employee Training System

Training for business personnel

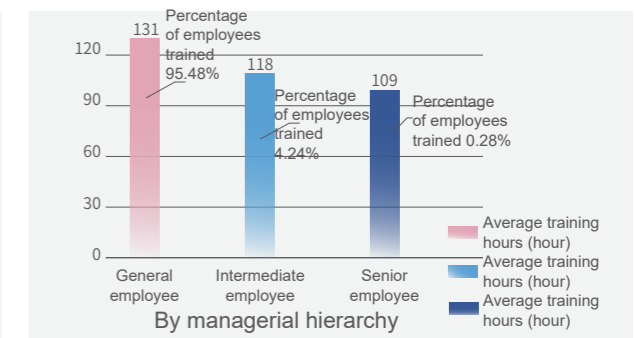
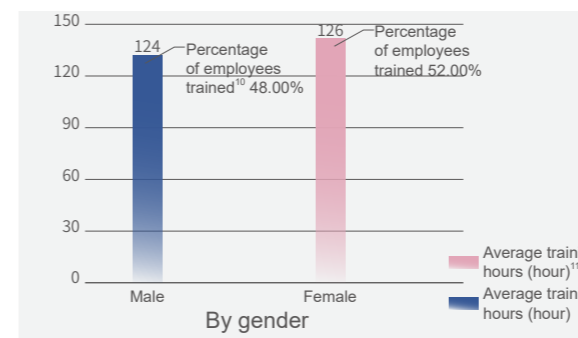
Establish the evaluation model of working competence for employees with different levels and jobs and also their performance and behaviors. Based on the results of modelling analysis and different skill requirements of each business line, the Bank provides classified and graded on-the-job training programs.

Training for operation and management personnel

Focus on managers' political and ideological literary, moral quality and Party spirit education, and mainly develop and improve their leadership, execution, innovation, marketing and management abilities.

Training on risk control

Conduct trainings about risk assessment and authorization management systems and policies. The trainings focus on analyzing the key problems to be solved during the business development of Bank of Gansu, enhance risk control awareness of the trainees, and familiarize them with the importance of risk management, so as to ensure the orderly implementation of the Bank's risk management procedures.



2021 Campus Recruitment and Induction Training for New Employees

On July 20, 2021, the Bank held a 25-day induction training for 240 new employees, which included CPC history education, introduction to banking expertise, team development, incorrupt education, business skill exercise, final examination for graduation, etc. Through the training, the new employees systematically learned the banking business expertise, preliminarily knew the business, processes, rules and regulations of Bank of Gansu, and exercised basic skills such as cash counting and keypad entry. The training helped the new employees to adapt to their new roles as soon as possible, to integrate themselves into new positions and to devote themselves to their work.

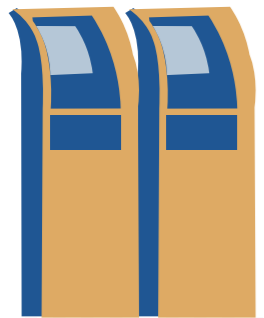


Special Training on Supervisory Knowledge of Listed Companies in Hong Kong Stock Exchange

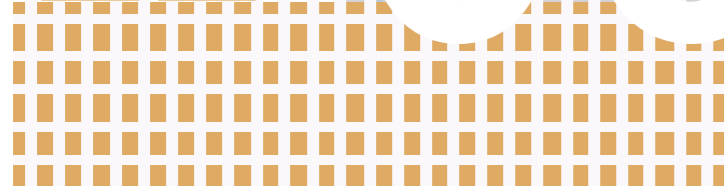
On April 26, 2021, Bank of Gansu invited the distinguished principal lecturer from Everbright Securities to give the special training on supervisory knowledge of Listed Companies in Hong Kong Stock Exchange. The lecturer explained Hong Kong Stock Exchange's regulatory system, information disclosure system, risk management and internal control, and model of returning to the A-share market. The training familiarized the Bank with the regulations in the Hong Kong Stock Exchange and improve the level and quality of corporate governance.

10. Percentage of employees trained by category = number of employees trained under that category / total number of employees trained * 100%
 11. Average training hours completed per employees by category = total training hours completed by employees under that category / total number of employees under that category * 100%

Give Back to Society and
Benefit the People



06



Work Together to Build a Better Gansu

Bank of Gansu insists to be the "Bank of Gansu, for the People in Gansu", and makes extensive use of its "Lanzhou-centered and Gansu-covered" business system, to actively integrate itself into the development of Gansu. Through deepening the strategic cooperation with supervisory organizations and the government, the Bank supports rural revitalization and corporate financing across the province, promotes high-quality economic growth of Gansu and contributes to building a better Gansu.



Bank of Gansu Signed a Strategic Cooperation Agreement with Gansu Administration for Market Regulation

During the Year, Bank of Gansu signed a strategic cooperation agreement with the Gansu Administration for Market Regulation and an agreement of intent on intellectual property pledge financing with related enterprises, to develop collaboration in research on intellectual property financial policies, product development and financial services for corporates, so as to promote the development of operational systems of intellectual property in Gansu Province.



Bank of Gansu Signed a Strategic Cooperation Agreement with Gansu Administration for Rural Revitalization

On July 7, 2021, Bank of Gansu signed a strategic cooperation agreement with the Gansu Administration for Rural Revitalization. According to the agreement, Bank of Gansu strives to lend no less than RMB100 billion to the "agriculture, rural areas and farmers" in the province during the "14th Five-Year Plan" period. The collaboration will focus on seven fields, including reinforcing the connection between consolidation of achievements in poverty alleviation and rural revitalization, promoting agricultural modernization, enhancing the support for rural revitalization through financial products, driving the penetration of financial services into the rural areas, endorsing agriculture through Internet-based consumption, enabling rural revitalization with financial technology and popularizing financial knowledge in rural areas. The cooperation will constantly innovate the model to serve the "agriculture, rural areas and farmers" and promote the revival and high-quality development of rural areas through financial services.



Benefit the People with Concrete Actions

Bank of Gansu insists on "doing practical things for the people". During the Reporting Period, the CPC Committee of the Bank studied and prepared the *Practice Plan Featuring "Doing Practical Things for the People in the Name of the CPC"* (《「為黨旗添光彩、為群眾辦實事」實踐活動》). The scheme focuses on student assistance, voluntary services, elderly-centered financial services, and caring for employees. The Bank's CPC Committee also determined 15 key project activities based on the characteristics of banking industry and established activity accounts which define responsibilities and set deadlines, with the intention of pushing forward the themed activities with practical actions.

In terms of student assistance, the Youth League Committee of the head office of Bank of Gansu called on employees to donate and set up an education fund. During the Reporting Period, the Bank granted RMB66,000 of scholarship and subsidies to 14 college students and 7 students admitted to colleges or secondary technical schools this year. At the same time, the Bank established long-term supportive relationship with five schools at Longquan Town and Dashu Township, Dongxiang County. On the occasion of Children's Day, the Bank launched the activity under the theme of "Hands in Hands to Offer Warmth", and donated cultural and sport supplies which worth RMB30,000 for 704 students.

In terms of voluntary service, the Bank set up 21 volunteer service teams consisting of 937 volunteers. The volunteer service teams hold volunteer service activities such as traffic persuasion, garbage cleaning in old communities, pandemic prevention, blood donation, caring for children, helping the elderly and the disabled and afforestation.



Poverty Alleviation Activities through Education Donation



Volunteer Service Activities

Serve Small and Micro Enterprises for Rural Revitalization

Bank of Gansu is committed to solving financial problems in rural revitalization for small and micro enterprises ("SMEs"), and strongly espouses inclusive finance. When serving rural revitalization, the Bank established a Rural Revitalization Leading Group headed by the Secretary of the CPC committee and the Chairman of the Board of Directors, and the Rural Revitalization Finance Department was set up in the head office. Furthermore, the Bank formulated the *Implementation Opinions of Bank of Gansu on Strategy of Supporting Rural Revitalization in the Province* (《甘肅銀行支持全省鄉村振興戰略的實施意見》) and the *Opinions on Comprehensively Providing Rural Revitalization Financial Services and Accelerating High-Quality Development of County-Level Business* (《關於全面做好鄉村振興金融服務加快縣域業務高質量發展的意見》), designed a series of working mechanisms for analysis and research, product innovation, notification and supervision, effectively strengthened the financial service system and organizational security system to endorse rural revitalization, and promised to offer no less than RMB20 billion of loans to the fields of "agriculture, rural areas and farmers" every year, and RMB100 billion in total within five years.

In order to improve the service for SMEs, Bank of Gansu further simplified the business template process, increased the empowerment by financial technology, accelerated the launch of online credit products such as "SME e-Loan" and "Merchant Loan" and the iterative upgrade of "Tax e-Loan" and "Benefiting Farmer e-Loan". As the SMEs' online financing became more convenient with better customer experience, the coverages of first-time loan households and credit loans are also increasing. Up to November 30, 2021, we have issued RMB270 million "SME e-Loan" to 1,830 SMEs, and RMB1.836 million "Merchant Loan" to 64 merchants. In addition, the Bank earnestly allowed deferred payment of principal and interest on loans for SMEs affected by the pandemic, with the amount of RMB1.92 billion, which positively endorsed the development of SMEs.

Popularize Finance for Win-win Results

Bank of Gansu has been committed to improving financial education and popularization, increasing the publicity of anti-fraud and credit-scoring awareness, and effectively protecting the rights and interests of consumers. This year, the Bank held more than 200 publicity activities, both online and offline, with the theme of "popularizing financial knowledge" to protect people's wallets. At the same time, the Bank also actively carried out environmental publicity and advocated for green production and lifestyle.



Gannan Branch of Bank of Gansu Launched the "May 15 Publicity Day for Combating and Preventing Economic Crimes" Activity

On May 15, 2021, the Gannan branch of Bank of Gansu held a publicity activity themed "with you, for you". The employees of the branch interpreted the knowledge of personal financial information protection to the public with the cases of wire fraud and distributed leaflets. This publicity improved consumers' understanding of financial products and services and enhanced their awareness of personal financial information protection and risk prevention.



Baiyin Branch of Bank of Gansu Launched the "World Environment Day Publicity" Activity

On June 5, 2021, to deeply implement Xi Jinping's Thought on Ecological Civilization, further promote the public to raise their awareness of biodiversity protection and cope with climate change, the Baiyin branch of Bank of Gansu and Baiyin Municipal Bureau of Ecology and Environment jointly launched the "World Environment Day Publicity" activity featuring "Harmonious Coexistence OF Human and Nature". During the event, CPC members and environmental volunteers handed out environmental promotion materials and gifts to residents and publicized the city's achievements in biodiversity and pollution prevention on the publicity board and information desks. The activity enhanced the public's environmental awareness and encouraged everyone to be an environmental practitioner.



Unite Together to Fight the Pandemic

During the year, the pandemic prevention remained a grim task. For one thing, Bank of Gansu continued to seriously deploy and implement anti-pandemic measures, and strengthened pandemic investigation, and protection and disinfection in branches to ensure the health of employees and customers; and for another, the Bank proactively fulfilled social responsibilities with concrete actions as a dedicated and responsible financial institution, donated pandemic prevention materials to the front line, and actively joined in voluntary services.



All Branches Strictly Implement The "Five Haves" Anti-Pandemic Requirements

Bank of Gansu made serious arrangements to implement pandemic prevention and control, and required that all branches have to strictly follow the "Five Haves" pandemic prevention requirements. All branches posted the QR code of "National Government Service" and pandemic prevention tips and reminders, and set up pandemic investigation points to ensure all visitors to the bank were registered, investigated and temperature detected; all branches were required to strengthen disinfection of the seats, self-service equipment, keyboard for passwords, markers and other facilities frequently exposed to customers to provide customers with a safe financial service environment and ensure no employee was infected.



All Branches Were Engaged in Voluntary Service for Pandemic Prevention

During the Reporting Period, all branches of Bank of Gansu set up volunteer service teams and 24-hour volunteer service stations to actively respond to local pandemic prevention arrangements. The volunteer service teams took visitors' temperature, scanned code for entry registration and propagated anti-pandemic information. At the same time, the teams actively sent protective materials and daily necessities such as masks, disinfectants, hand sanitizers, mineral water, and instant noodles to the front line of pandemic fights and villages that are paired to assist, to demonstrate the love and respect from Bank of Gansu.



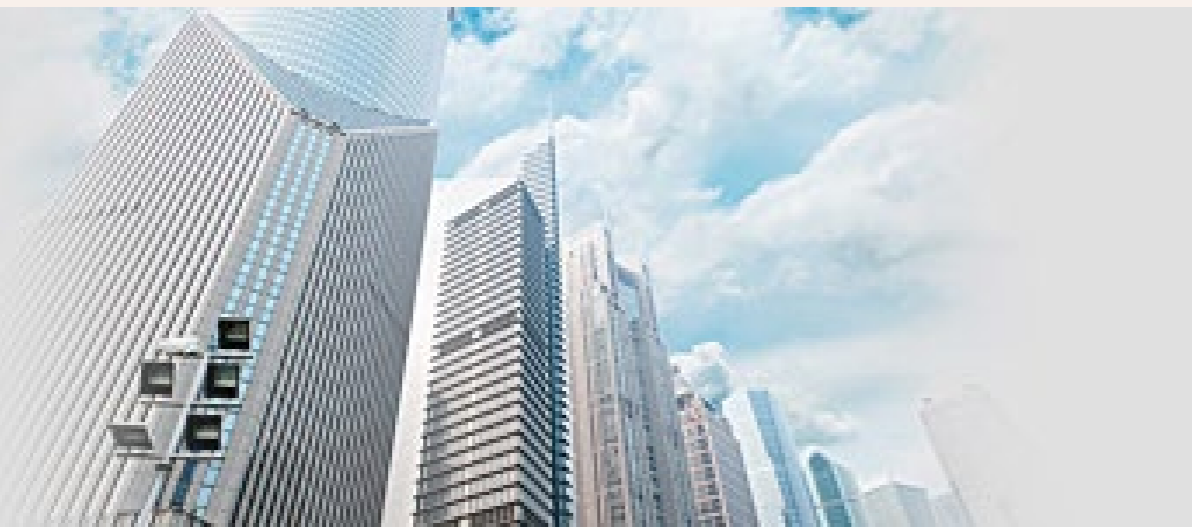
Look Ahead in the Future

Bank of Gansu will continue to move on under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, fully practice Xi Jinping's Thought on Ecological Civilization and implement the new development concept in a full, accurate and comprehensive manner. The Bank will adhere to the strategic positioning of "based on Gansu and serving greater Gansu" in accordance with the *Five-Year Development Strategy of Bank of Gansu (2021-2025)* (《甘肅銀行五年發展戰略(2021-2025)》), under the direction of high-quality financial services and with the goal of high-quality development to contribute to building a new development pattern. Furthermore, the Bank will vigorously expand its financial business, fully promote digital transformation, accelerate fintech innovation, strengthen risk control and improve asset quality in an effort to provide better and more efficient financial support for a happy, beautiful and brand-new Gansu.

There is a long way to go in achieving the strategic goals of "dual carbon". Bank of Gansu will firmly implement the national strategy. For one thing, the Bank will further strengthen its own carbon emission management, insist on low-carbon operation and green office, and strive to achieve carbon emission reduction at its own operational level; and for another, the Bank will devote itself to building a greener new financial system, continue to develop green financial business, enhance green financial innovation, enrich green financial product system, advance support for green industry and help enterprises to achieve low-carbon transformation.

In the future, the Bank will continue to leverage its strengths as a provincial urban commercial bank, and take a distinctive path with differentiated core competitiveness. The Bank strives to constantly optimize the talent team structure and seek for high-quality development while providing customers with the best service, and it will also fulfill its commitment to "doing practical things for the people" and take its corporate social responsibility by actively contributing to rural revitalization, holding charitable activities, and supporting pandemic prevention.

What's past is the mirror and what's to come is rosy. In the next journey, Bank of Gansu will work together with all stakeholders to move forward and write the new chapter of sustainable development.



Independent Assurance Statement

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

CECEPAC (HK) Advisory Company Limited ("CECEPAC (HK)" or "We") has been engaged by Bank of Gansu Co., Ltd. ("Bank of Gansu") to conduct an independent limited assurance engagement ("Assurance Engagement") on the information and data related to sustainable development in *2021 Environmental, Social and Governance Report ("ESG Report") of Bank of Gansu, providing assurance conclusions to users of ESG Report* through the independent assurance statement.

CECEPAC (HK) assessed Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the *AA1000 Assurance Standard v3 ("AA1000AS v3")*. In addition, CECEPAC (HK) provided limited assurance on the reliability and quality of specific performance information disclosed in the *ESG Report* that have been selected in accordance with the 2019 edition of *Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide")* published by the Stock Exchange of Hong Kong Limited ("SEHK").

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

Independence and Competence

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

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have had professional training on sustainability-related standards such as the GRI Sustainability Reporting Standards issued by Global Reporting Initiative, AA1000AS v3, the ESG Reporting Guide of the SEHK, ISO 14064, and ISO 9001, etc.

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

Bank of Gansu's Responsibilities

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

Assurance Provider's Responsibilities

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

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

Scope of the Assurance Engagement

- ◆ The scope of the Assurance Engagement is limited to the information and data in the ESG Report that relate to Bank of Gansu and its subsidiaries only and does not include Bank of Gansu's suppliers, contractors, and the data or information provided by other third parties;
- ◆ Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000AS v3;
- ◆ Assurance on Bank of Gansu's disclosures for general disclosures of environmental, social and governance subject areas and key performance indicators provided with mandatory disclosure requirements and the "Comply or Explain" provision, in alignment with the ESG Reporting Guide published by SEHK;
- ◆ Specified performance information disclosed in the ESG Report were agreed upon and selected between Bank of Gansu and CECEPAC (HK) for assurance. The selected specific performance information is as follow:

- Percentage of trained male employee
- Number of customer complaint
- Number of warning and educational activities are being held

- ◆ CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January, 2021 to 31 December, 2021 and included in the ESG Report only. Any information that falls outside this period and disclosed in the ESG Report is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- ◆ The scope of the assurance is confined to the information and data provided by Bank of Gansu. Any queries regarding the content or related matters within this Assurance Statement should be addressed to Bank of Gansu only.

Methodology

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

- ◆ Evaluating the appropriateness of Bank of Gansu's stakeholder engagement participation process;
- ◆ Conducted interviews¹ with personnel involved in sustainability management, preparation of the ESG Report and provision of the relevant information in the ESG Report;
- ◆ Assessing whether the reporting and management approach for the ESG Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- ◆ Assessing the supporting evidence for selected specified performance information, and conducting random sampling of evidence pertaining to data reliability and quality for selected specific performance information;
- ◆ Recalculating selected specific performance information;
- ◆ Assessing the degree of conformity of the ESG Report with the ESG Reporting Guide; and
- ◆ Performing other procedures we deemed necessary.

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

Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. Moreover, due to the COVID pandemic, the absence of on-site interviews may lead to inadequate assurance of the implementation of policies learned in online interviews.

¹Being limited by the spread of coronavirus disease (COVID-19), the Assurance Engagement was conducted through online means and interviews were conducted in forms of telephone conference.

Conclusions

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

Specific Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the disclosure of the three selected specific performance information, which are percentage of trained male employee, number of customer complaint, and number of warning and educational activities are being held, in the ESG Report are unreliable and unqualified or not been prepared in accordance with the basis of reporting.

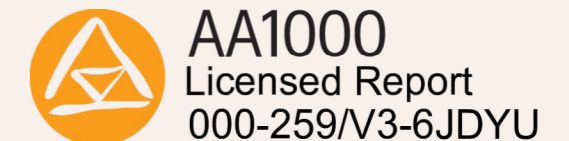
SEHK's ESG Reporting Guide

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

Recommendation

We recommend that Bank of Gansu considers strengthening the below items in the future:

- ◆ Strengthen the relevant policies or measure on supervising, managing, and measuring the impact on stakeholders or the overall ecology, such as the operation of the market.



Appendix: SEHK ESG Guide Content Index

Mandatory Disclosure Requirements		Disclosure Section	
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related	"Sustainability Governance"	
Reporting Principles	Describe or explain how the following reporting principles were applied in the preparation of the ESG report: materiality, quantitative, consistency.	"Reporting Standard"	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	"Reporting Scope"	
"Comply or explain" Provisions Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation	
A. Environmental			
	General Disclosure (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	"Green Office"	
Aspect A1: Emissions	KPI A1.1	The types of emissions and respective emissions data.	"Green Office"
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Green Office"
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Green Office"
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Green Office"
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	"Green Office"
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	"Green Office"
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		"Green Office"
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	"Green Office"

"Comply or explain" Provisions Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Chapter or Explanation
Aspect A2: Use of Resources	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	"Green Office"
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	"Green Office"
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	"Green Office"
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to Bank of Gansu's business does not involve heavy consumption on packaging material, this item is not applicable.
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		"Green Finance"
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	"Green Finance"
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		"Address Climate Change"
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	"Address Climate Change"
Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Chapter or Explanation
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		"Safeguard the Rights and Interests of Employees"
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	"Safeguard the Rights and Interests of Employees"
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	"Safeguard the Rights and Interests of Employees"
Aspect B2: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		"Protect Employees' Health"

Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Chapter or Explanation
B. Social			
Employment and Labour Practices			
Aspect B2: Health and Safety	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	"Protect Employees' Health"
	KPI B2.2	Lost days due to work injury.	"Protect Employees' Health"
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	"Protect Employees' Health"
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		"Enable Employee Development"
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	"Enable Employee Development"
	KPI B3.2	The average training hours completed per employee by gender and employee category.	"Enable Employee Development"
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		"Safeguard Customers' Rights and Interests"
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	"Safeguard Customers' Rights and Interests"
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Bank of Gansu has eliminated all possibility of child labor and forced labor during recruitment and the daily employment, and thus no violation will occur.
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		"Supply Chain Management"
	KPI B5.1	Number of suppliers by geographical region.	"Supply Chain Management"
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	"Supply Chain Management"
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	"Supply Chain Management"
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	"Supply Chain Management"

Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Chapter or Explanation
B. Social			
Employment and Labour Practices			
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		"Safeguard Customers' Rights and Interests" Due to the nature of Bank of Gansu, labelling matters relating to products and services provided are not applicable.
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to Bank of Gansu's business does not involve in product production, this item is not applicable.
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	"Improve Service Quality"
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	"Protect Intellectual Property Rights"
	KPI B6.4	Description of quality assurance process and recall procedures.	Due to Gansu Bank's business does not involve in product production, this item is not applicable.
Aspect B7: Anti-corruption	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	"Safeguard Customers' Rights and Interests"
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		"Anti-corruption"
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	"Anti-corruption"
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	"Anti-corruption"
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	"Anti-corruption"
Community			
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		"Give Back to Society and Benefit the People"
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	"Give Back to Society and Benefit the People"
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	"Give Back to Society and Benefit the People"



省内
撥打 96666

省外
撥打 400-86-9666 6

網址：www.gsbankchina.com