

# 2022

## CORPORATE SOCIAL RESPONSIBILITY REPORT OF CHINA BOHAI BANK





# Notes On Reporting

## I.REPORTINGS COPE

The Report focuses on CHINA BOHAI BANK CO., LTD. and covers Our Bank's headquarter, branches and subsidiaries. Due to the need for expression, such terms as "China Bohai Bank", "Our Bank" and "we" or "us" are used in the Report.

The Report is the twelfth Corporate Social Responsibility Reporting issued by CHINA BOHAI BANK CO., LTD. This Report is an annual report covering the period between January 1, 2022 and December 31, 2022.

The previous report was issued in May 2022.

## II.PRINCIPLES OF PREPARATION

As the Bank is an enterprise listed on the Main Board of Stock Exchange of Hong Kong (Stock Code: 09668), the Report refers to the Environmental, Social and Governance Reporting Guide of Stock Exchange of Hong Kong; the Report also refers to the GRI Standards issued by the Global Sustainability Standards Board (GSSB).

Based on the Bank's actual conditions, the indicators used in the Report are highly relevant to major topics of social responsibility, which can effectively reflect the Bank's performance in relevant topics and can be collected through the Bank's existing management system.

## III.APPROVAL OF THE REPORT

The Report has been reviewed and approved by the office meetings of the president and the Board of Directors of the Bank when it is released to the public.

## IV.DATA DESCRIPTION

Unless otherwise stated, the financial data in the Report are derived from the Bank's 2021 Financial Report, some of which involve data of other years. Unless otherwise specified, all currencies involved in the Report are RMB.

The data on the balance of loans to small and micro enterprises, the balance of loans to inclusive small and micro enterprises, and the balance of green credit in the Report are sourced from the regulatory statements submitted by the Bank to the China Banking and Insurance Regulatory Commission (CBIRC).

## V.GUARANTEE METHOD

To ensure its authenticity and reliability, this Report was submitted to KPMG Huazhen LLP as per the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) for a third-party report assurance with an independent assurance report and statement provided.

## VI.ISSUE FORM

The Report is released in electronic form and can be viewed on the Bank's official website (<http://www.cbhb.com.cn>).

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## Statement of the Board of Directors

The Board of Directors of the Bank oversees the implementation of ESG policies and plans to ensure the enhancement of sustainable development, and guides and supervises the management in the ESG-related work by regularly reviewing ESG reports and discussing ESG issues. The Board of Directors has established the Risk Management and Green Finance Committee, the Development Strategy and Inclusive Finance Committee, and the Audit and Consumer Rights Protection Committee, each of which is responsible for studying and formulating the Bank's green finance, inclusive finance and consumer rights protection strategies respectively, listening to, monitoring and evaluating the implementation of the strategies, and reporting to the Board of Directors, making opinions and recommendations, and assisting the Board of Directors in supervising the management in the ESG-related work.

In May 2022, the Board of Directors considered and approved the 2021 Corporate Social Responsibility Report of China Bohai Bank Co., Ltd., which included the section of "ESG Report", providing comprehensive, accurate, true and full disclosure of the Bank's performance in the three major areas of economic, environmental and social responsibility, as well as detailed ESG key performance indicators. The Board of Directors, based on its full understanding of the effectiveness and progress of the Bank's ESG work, has taken the best practices of global peers as the goal of its ESG work, and, together with the management, has carried out improvement work in the areas of financial inclusion, green finance, and consumer rights protection, etc. During the Reporting Period, the Board of Directors and the management had reviewed the Report on Green Finance Work of China Bohai Bank Co., Ltd., the 2022 Inclusive Finance Business Development Plan of China Bohai Bank Co., Ltd., and 2022 Work Report on Consumer Rights Protection and 2023 Work Highlights of China Bohai Bank Co., Ltd., and regularly listened to related work reports to continuously improve the ESG quality and effectiveness.

## Chairman's Statement

The year of 2022 is an unusually year, during which the 20th National Congress of the Communist Party of China started a new journey of comprehensively promoting the great Chinese nation rejuvenation with Chinese-style modernization. 2022 is the first year for the transformation and revitalization of China Bohai Bank. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we are firmly on our way to becoming the “modern wealth and treasury manager offering the best experience (最佳體驗的現代財資管家)”. By adhering to the principle of development guided by party-building, we steadily improved governance standards, achieved fruitful results in transformation and revitalization, and made outstanding achievements in sustainable economic, social and environmental development.

**Improving corporate governance and promoting high-quality development.** We continued to improve the scientific, normative and effective corporate governance to promote in-depth high-quality development with continuous improvement in corporate governance standards. We further improved the corporate governance structure, corporate governance system and information disclosure mechanism in line with the modern enterprise system, and established a timely and unobstructed information communication to ensure the efficiency and standard of corporate governance.

**Sticking to our financial mission and responsibility and gathering all strength to serve the overall situation.** With a firm grasp of the political and people-oriented nature of financial work, we focused on and allocated more resources to key areas, made reasonable concessions to serve the real economy, actively supported regional coordinated development, injected financial vitality into industrial upgrading, and provided financial impetus for the development of people's livelihood. We adhered to the strategy of inclusive finance, provided strong support to micro, small and medium-sized enterprises in hedging against the impact of the pandemic, and continued to meet the requirements for high-quality economic and social development.

**Actively responding to climate change to create a green financial background.** Based on the new development stage, we adhered to the new development philosophy, built a new development layout, actively fulfilled the green development concepts, and increased support for

green, low-carbon and circular economy. At the same time, we continuously raised the awareness of “promoting our own green development”, taking reduction in our own energy consumption as an important development value, and were committed to making greater contribution to achieving the goals of “carbon peaking and carbon neutrality” and promoting the green and low-carbon economic and social transformation.

**Deepening products and services innovation and protecting the rights and interests of consumers.** With digital transformation as our core strategy of transformation and development, we cultivated our digital financial service capability, strived to build an aggressive technology-based banking ecosystem, constantly deepened the business philosophy of asset-light banks and enhanced product and service innovation ability, so that our customers can enjoy the dividends of fintech. We continued to improve service quality and built a pattern of “great consumer protection”, demonstrating our value pursuit of “customer first” with continuous improvement in customer experience.

**Firmly fulfilling our social responsibilities and contributing to achieve common prosperity.** We practiced the concept of “making donation with love and giving back to the society”, and in the face of great operation pressure, we firmly fulfilled our social responsibilities and continued to provide targeted assistance for rural revitalization and employees volunteer services. We have provided targeted assistance to Sangzi Town, Jizhou District, Tianjin City for ten consecutive years to support all-round rural revitalization. Through the coordination mechanism between the eastern and western regions and charity organizations, we made donations to support the effective linkage between consolidating the achievements of poverty alleviation and promoting rural revitalization. We strengthened the construction of volunteer teams, organized, supported and encouraged employees to participate in volunteer services, thus contributing to the improvement in the well-being of the society.

China Bohai Bank is entering a new stage of transformation. Faced with the complex changes, we have more firm confidence. We will unite with all stakeholders in thought and action, practice the ESG concept in the process of transformation and development, and continue to start a new chapter on the road of high-quality development.

**CHINA BOHAI BANK CO., LTD.**

**Secretary of the Party Committee and Chairman: LI Fu'an**



## President's Statement

In 2022, we adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, insisted on the general tone of stability and seeking progress while maintaining stability, unswervingly followed transformation and revitalization, made every effort to overcome the difficulties and challenges on the way forward, and strived to create a new situation of high-quality development of China Bohai Bank. As a result, we achieved significant results in serving the real economy, developing green finance, improving service quality and efficiency, promoting staff development and enhancing the well-being of the society.

### **Consolidating the foundation for transformation and development through steady operation.**

We built a solid foundation for high-quality development by relying on the continuously improved corporate governance system and continuing to deepen the concept of prudent management. We incorporated “Compliance is Lifeblood” into our core values, rapidly developed a good internal control and compliance culture, continuously improved our internal control mechanisms and systems, insisted on corporate governance in accordance with the law to promote compliant operation, and made significant progress in improving internal control work. We followed a risk management system featuring the principles of “consolidation, verticality, independence, balance and integration (集中、垂直、獨立、制衡、融入)”, a risk management concept featuring “comprehensive, proactive, agile and effective (全面、主動、敏捷、到位)” and development rules of “no activities will be conducted in the circumstances of no politics, non-compliance and not consistent with the requirements of risks management”, effectively implemented the management of the sources of business risks, further improved the risk policy system, continued to optimize the unified credit management and upgrade the risk measurement model to ensure the quality and efficiency of risk examination and approval work. We achieved practical results in “three-checks on loans”, and continued to improve the overall level of risk control.

**Taking responsibilities to serve the real economy with our best efforts.** We were fully committed to fulfilling our responsibilities as a financial state-owned enterprise, determined to proactively implement the deployment requirements for stabilizing economy, fully facilitated the implementation of The 28 Measures for China Bohai Bank to Stabilize the Macro Economy (《渤海銀行落實穩住宏觀經濟大盤 28 條舉措》), and consciously integrated all work into the “grand chess game” of the course of the Party and the country. We continued to do a good job in fund investment, took multiple measures to introduce new finance to key areas in a targeted manner, provided convenient services for enterprises affected by the epidemic, and actively leveraged our advantages to improve the quality and effectiveness of serving the real economy. Within 40 days after the executive meeting of the State Council, the accumulated loans of RMB75 billion were issued, representing a year-on-year increase of more than RMB30 billion. As of the end of 2022, medium- and long-term manufacturing loans of

the wholesale business amounted to RMB32.044 billion, representing an increase of 40.51% as compared to the end of the previous year. We continued to focus on small and micro financial services to promote the high-quality development of inclusive finance business. We successfully issued RMB10 billion of special financial bonds for small and micro enterprises, with all the funds raised being used for providing loans to small and micro enterprises. We continued to increase inclusive investment in key areas and industries. As of the end of 2022, the balance of loans to inclusive small and micro enterprises of the Bank reached RMB65.731 billion, an increase of 10.51%, successfully fulfilling the regulatory requirements of “two growths and two controls”. In addition, we vigorously supported rural revitalization. As of the end of 2022, the balance of agriculture-related loans of the Bank amounted to RMB50.571 billion, representing an increase of 7.15% as compared to the end of the previous year.

**Serving “carbon peaking and carbon neutrality” and actively developing green finance.** In the face of the severe challenges of climate change, we implemented China’s major decision-making arrangements, actively fulfilled the green development concepts and sustainable development strategy to create a green financial background for China Bohai Bank. We focused on serving the goals of “carbon peaking and carbon neutrality”, integrated green finance into the Fourth “Five-Year Plan”, and built a complete strategic framework system and implementation roadmap. A number of green finance support policies such as the Guidance on Further Promoting the Development of Green Finance Business of Bohai Bank ( 渤海銀行關於進一步推動綠色金融業務發展的指導意見 ) have been formulated, forming a relatively complete green financial system. We actively built a multi-level and three-dimensional business system to keep improving our green finance service capabilities. In 2022, the Bank won the 2022 “ESG Pioneer Award” (ESG 先鋒獎) of the China ESG Finance Summit jointly sponsored by the Financial Association and the Chinese Academy of Environmental Planning of the Ministry of Ecology and Environment. As of the end of 2022, the Bank’s green loan balance was RMB27.305 billion, an increase of 10.46% over the end of the previous year, and the loans to the clean energy industry were RMB5.182 billion, an increase of 49.68% over the end of the previous year.

**Deepening transformation and improving the quality and efficiency of financial services.** We strengthened our fintech capabilities, and technology agile empowerment continued to play its role, with fruitful digital transformation and unprecedented achievements and intensity of investment in technology throughout the year. We made innovation the first driving force, achieved phased results in the construction of the Blue Ocean Project and continued to improve the innovation cultivation mechanism. The Bank has made joint efforts to improve the product spectrum, strengthen the management of innovation resources, build the user experience management system, and deepen technology innovation, product innovation and business innovation. A new mobile banking version 6.0, a new generation of corporate online banking and the “App of Bohai on the Palm ( 掌上渤海 APP )” and other services have been comprehensively expanded. Innovative “hook” products such as payroll agency payment, a new generation of bill system and “CBHB Global Payment ( 渤銀全球速匯 )” help customers in an efficient manner. We made successful exploration in terms of ecological innovation such as “Bo Xue Duo Cai ( 渤海多財 )”, the green finance individual carbon account project and the cross-border logistics ecology project. At the same time, institutional construction achieved a historic breakthrough, and our service capability and coverage have been significantly expanded. We are awarded the “heavyweight” license for financial subsidiaries and made a historic breakthrough in the construction of subsidiaries. The Capital Operation Center was officially opened for business and the specialized level of capital business was greatly improved. We steadily advanced

the “Light Boat Plan” and explored the new “frontier” of the ultra-light sub-branches. As of the end of 2022, the total number of outlets reached 336, including 110 comprehensive light sub-branches. We continued to improve our service quality, build a new pattern of “great consumer protection” system, intensify our efforts to protect consumers’ rights and interests, and practice the value concept of “customers first”.

**Expanding the development space for employees through coordinated promotion.** We coordinated the promotion of human resources management standards. We strictly controlled the recruitment, selection and employment of talents, increased the reserve of professional talents, and allocated more resources to front-line positions; formed a more market-oriented performance appraisal index system, fully focused on the strategic requirements of the Bank and highlighted the orientation of value creation; improved the performance appraisal system for the departments and management staff of the head office, implemented differentiated assessment according to different responsibilities of the departments and strengthened the application of assessment results. We allocated management resources in a scientific way, and constantly promoted management reform. We are both practical and future-oriented to create a broad career platform for employees. We took the continuous satisfaction of employees’ desire for a better life as one of the important development goals of our enterprise, strengthened the construction of trade union organization to safeguard the legitimate rights and interests of employees, and continued to help employees create a happy life.

**Willing to giving back and continuously contributing to the well-being of the society.** We always kept in mind of the philosophy of “people-oriented” and paid attention to the well-being of the society. We have provided targeted assistance for ten consecutive years and promoted the effective linkage between consolidating the achievements of poverty alleviation and promoting rural revitalization; we continuously strengthened the construction of employee volunteer teams, carried out extensive public welfare and charity activities, and were committed to co-creating and sharing development achievements with the whole society, and actively contributed the power of Bohai to improve the well-being of the society. In 2022, we provided RMB3.2 million to Sangzi Town, Jizhou District, Tianjin City, and will maintain the level of donation in the next two years. Donations of RMB1.46 million to the counterpart voluntary areas in Hedong District, Tianjin City were made through the eastern and western cooperative charity organizations. Our employee volunteer service projects won the bronze award in China and the silver award in Tianjin, and received the attention and coverage of authoritative media in China and Tianjin.

In 2023, we will continued to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the CPC, continuously enhance our awareness of serving the overall situation, and dauntlessly and persistently forge ahead to performing duties with assiduous action, striving to write a new chapter of China Bohai Bank of finance serving Chinese-style modernization with the practical results of promoting high-quality development.

**CHINA BOHAI BANK CO., LTD.**

**Deputy Secretary of the Party Committee and President: QU Hongzhi**

# About China Bohai Bank

## I. Introduction to the Bank

China Bohai Bank Co., Ltd. (“China Bohai Bank”) is the only newly established national joint-stock commercial bank since the amendment to the PRC Commercial Banking Law in 2003, and the first national joint-stock commercial bank to introduce a foreign strategic investor at the stage of promotion and establishment since 2000, and the first national joint stock commercial bank headquartered in Tianjin.

China Bohai Bank was promoted and established by seven shareholders, namely TEDA Investment Holding Co., Ltd., Standard Chartered Bank (Hong Kong) Limited, China Ocean Shipping (Group) Company (currently known as China COSCO Shipping Corporation Limited), State Development & Investment Corporation (currently known as State Development & Investment Corp., Ltd.), Shanghai Baosteel Group Corporation (currently known as China Baowu Steel Group Corporation Limited), Tianjin Trust and Investment Company Limited (currently known as Tianjin Trust Co., Ltd.) and Tianjin Shanghui Investment Holding Company Limited. It was established on December 30, 2005 and officially opened for business in February 2006. It was listed on the Main Board of the Hong Kong Stock Exchange on July 16, 2020.

China Bohai Bank is the youngest Nationwide Joint-stock Commercial Bank and enjoys significant late-mover advantages, and is committed to becoming a modern wealth and treasury manager offering the best experience. Since its establishment, through capturing opportunities created by various national strategies in China and the advance of FinTech, China Bohai Bank achieved rapid growth underpinned by an extensive network with national coverage and an international business with strong growth potential, and technological product innovation with rapid iteration. By the end of 2022, the total assets reached RMB1,659,460 million. We have established 36 tier-one branches (including branches under direct management of the Head Office), and there are a total of 336 out-

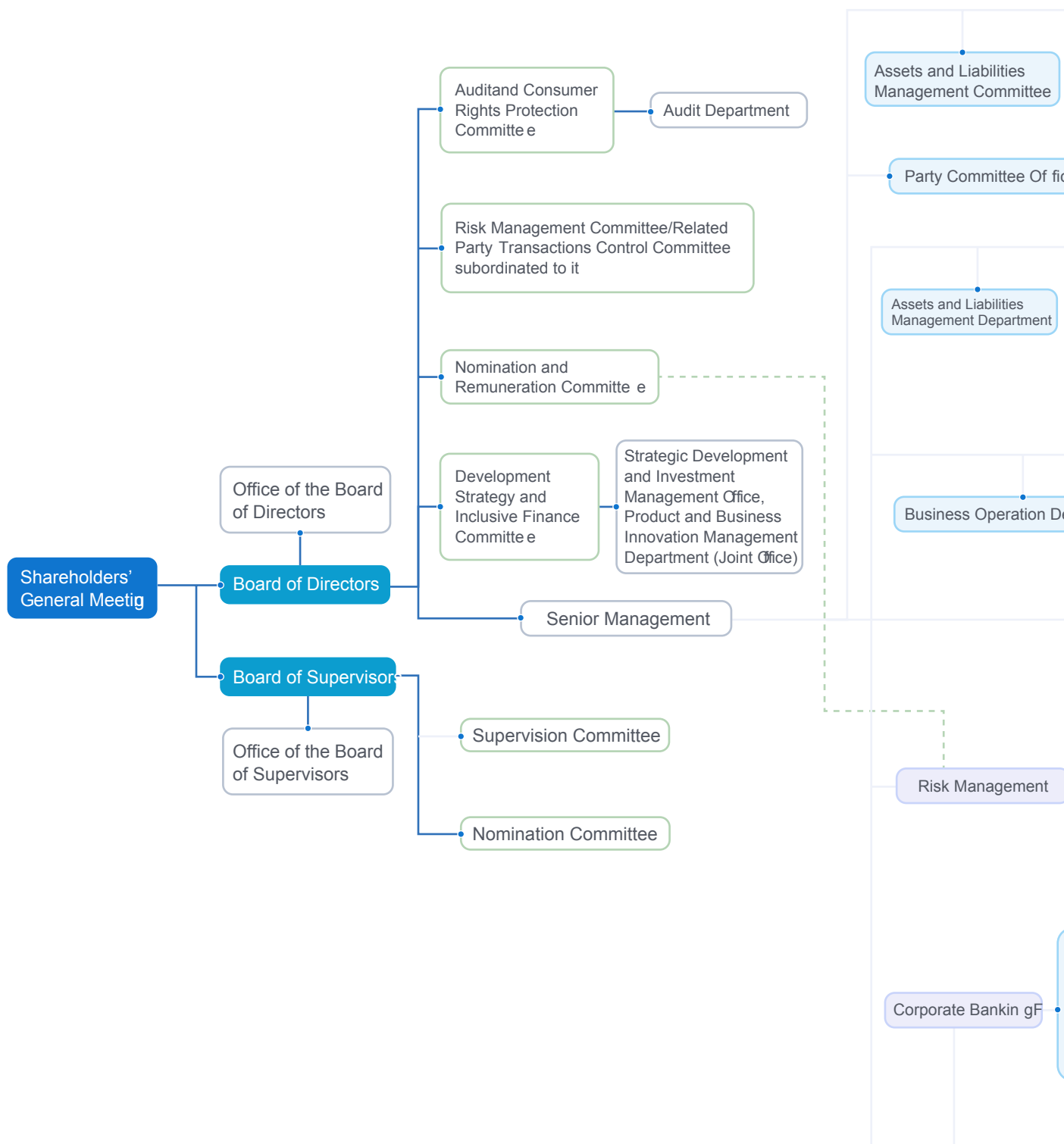


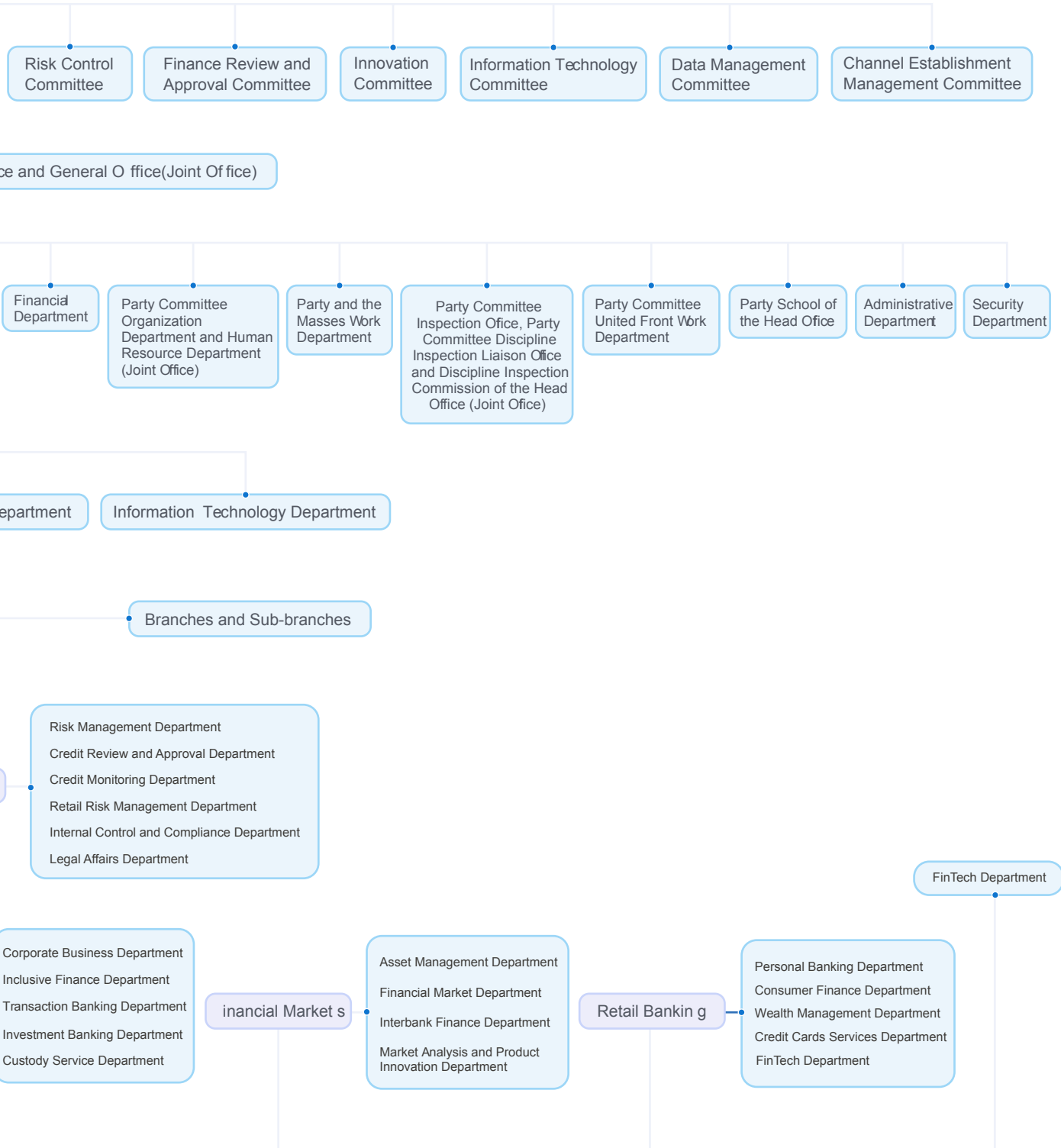


lets in operation, basically completing the strategic layout of major provincial capitals and economically important cities nationwide.

In 2022, China Bohai Bank ranked 114th among the “Top 1,000 World Banks” released by The Banker. China Bohai Bank has won numerous awards among banking awards sponsored by authoritative media, including the “Outstanding Bank Innovation Award”, “Top 10 Transaction Banking Innovation Award”, “Technology – empowered Financial Institutions Award” and “2022 Wealth Manager of the Year”, etc. Award, “Annual Low-Carbon Bank” Award, “Annual Financial Technology Progress” Award and other awards.

## II. Organizational Structure





## III. Corporate Governance

### (I) Further improving corporate governance structure

In accordance with laws and regulations such as the Company Law as well as with reference to the actual situation of the Bank, the Bank has established a corporate governance structure which comprises the Shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees and the senior management and its special committees, conforms to the modern enterprise system and integrated the Party's leadership into all links of corporate governance. The Party organization plays a leading role, and ensures the direction, overall situation and implementation. The Shareholders' general meeting is the highest organ of authority of our Bank, and exercises its functions and powers according to laws. As the decision-making organ of the Bank, the Board of Directors assumes the ultimate responsibility for the Bank's operation and management and is accountable to the Shareholders' general meeting. The Board of Supervisors is the Bank's supervisory organization and is accountable to the Shareholders' general meeting. The senior management, as the executive organ of the Board of Directors of the Bank, is responsible for the Bank's operation and management and is accountable to the Board of Directors. In 2022, the Shareholders' general meeting, the Board of Directors and its special committees, the Board of Supervisors and its special committees fully played their roles in decision-making and supervision and held 57 meetings in total, at which they deliberated 178 proposals and adopted 178 resolutions, heard and reviewed 77 work reports and formed opinions thereon, and made timely decisions on major issues concerning the Bank's development and facilitated the implementation thereof.

### (II) Further improving corporate governance system

Since its establishment, the Bank has established a relatively complete corporate governance system and continuously revised and improved it, laying a solid foundation for the legal, compliant and efficient operations of all corporate governance entities. In 2022, in accordance with the requirements of the Code of Corporate Governance of Banking and Insurance Institutions and other regulatory systems as well as the actual work of the Bank, the Bank made a new round of amendments to the Articles of Association, which were considered and approved at the 2021 annual general meeting and the relevant shareholders' class meeting, pending approval by the CBIRC; the Board of Directors formulated the Bank's the Measures for the Administration of External Donations, the Administrative Measures for Recovery and Resolution Plans and the Measures for Risk Combination Management, and amended the Bank's Measures for Consumer Rights and Interests Protection and Management, the Bank's Working Rules of the Nomination and Remuneration Committee of the Board of Directors and the Internal Audit Charter; and the Audit and Consumer Rights Protection Committee of the Board of Directors revised the Internal Audit Policies and Procedures, and continuously facilitated the improvement of its corporate governance system.

### (III) Further improving information disclosure mechanism

On the basis of sound corporate governance, the Bank continued to regulate the information disclosure mecha-



nism and treated shareholders and stakeholders fairly. In 2022, more than 60 information disclosure documents including various types of statutory and voluntary temporary announcements were published on the website of the Stock Exchange and the official website of the Bank. The Board of Directors successfully completed the preparation and disclosure of the 2021 Annual Report, and completed the preparation and disclosure of the 2022 Interim Report in accordance with the requirements of regulatory requirements of the industry and the Listing Rules. The Audit and Consumer Rights Protection Committee under the Board of Directors of the Bank and independent Directors strictly implemented the Working Procedure of the Audit Committee under the Board of Directors for Review of Annual Financial Reports and the Working Policy of Independent Directors for Annual Reports. The guiding and supervisory role in the preparation, review and disclosure of annual reports was fully brought into play.

#### **(IV) Information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management**

Timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management is essential for corporate governance entities to fully perform their duties and improve their performance efficiency and level. To ensure timely and unimpeded information communication among the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management, and improve the efficiency and level of duty performance, a total of 19 issues of minutes of the President's executive meetings, 9 issues of minutes of President's special meetings, 32 issues of information reports, 5 issues of internal control and compliance risk alerts, 36 issues of relevant related party transaction reports, and 12 issues of information bulletins for Directors and Supervisors of the Bank were sent in 2022, providing information support for scientific decision-making of the Board of Directors, the Board of Supervisors and their special committees.



## IV. The Bank Operated in Compliance with Laws and Regulations

### (I) Risk management

In 2022, the Bank accelerated the construction of comprehensive risk management capacity, and improved the level of refinement and digitalization of risk management in the aspect of filling shortcomings, building systems, improving processes and strengthening intelligence. The Bank promoted the construction of risk culture and established a three-level risk culture system of “three don'ts”, “comprehensive, proactive, agile and to-the-point” and “20 rules”. It deepened the governance of operational risk from the source through learning lessons from cases, and reflected problems from the root causes and implemented 82 management initiatives from the source in accordance with the schedule, and strengthened the implementation of management requirements from the source in branches and sub-branches. China Bohai Bank carried out the construction of the risk control system of 7 new infrastructures to strengthen the top-level design of comprehensive risk. It implemented the construction of “Risk Management 30+” to improve the digital management of various risks. It improved the cooperative risk control mechanism of the three lines of defense to improve the joint force of risk management and control; strengthened the standardization of rules and regulations, information management and personnel management, deepened the activity of “self-examination and rectification, reflection and correction by all staff”, and actively ensured that problems were rectified by improving the system, clarifying risk control measures, strengthening training and warning education, and conducting inspection and investigation in substance. It practiced ESG concept, improved ESG risk management system and strengthened risk management of ESG investment and financing business.

In 2022, the Bank re-examined and optimized the risk appetite indicator system, formed a risk appetite indicator system containing 9 categories and 31 indicators by adjusting the structure, expanding the scope and changing the thresholds, regularly monitored the implementation effect of risk appetite indicators, improved the risk decision-making ability, thus such 9 categories of risks such as credit risk, market risk and liquidity risk were controllable in general.

### (II) Internal control and compliance

The Bank has established a “four-in-one” internal control organization system consisting of process execution, functional management, second-line supervision and internal audit. The Bank adheres to the principle of “comprehensive, whole-process, and whole-workforce” in internal control management, compliance support, operational risk prevention, case prevention and control, anti-money laundering management, business continuity management, auditing and inspection and other aspects, to promote compliant and orderly management and steady development of all operations.

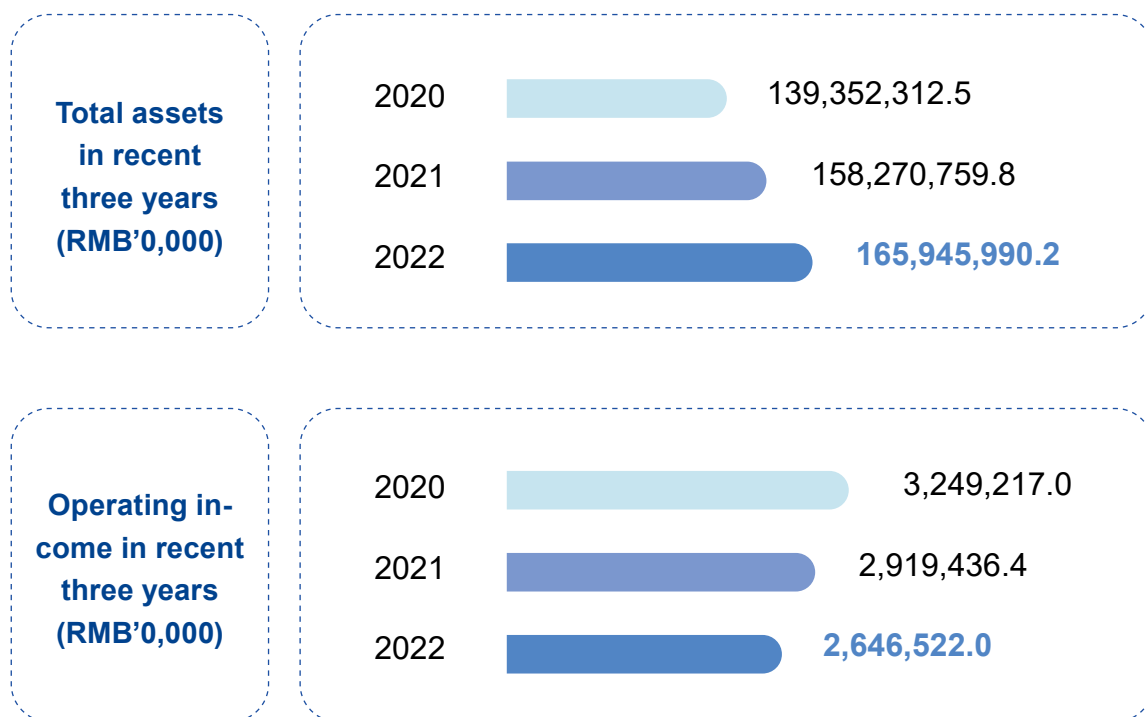
The Bank actively improved a long-term mechanism for internal control and compliance, optimized the internal control and compliance management structure, improved the system and assessment system, focused on the

key risk areas, strengthened the supervision of rectification and improvement, strengthened the recognition and accountability, and cultivated the culture of compliance, so as to enhance the digital and intelligent level of internal control and compliance management and promote the construction “digital Big Compliance”.

The Bank insisted on implementing the “risk-oriented” working principle and took the construction of a sound internal anti-money laundering control system as the core, and continued to improve the anti-money laundering system by issuing the “Bohai Bank Management Regulations for Business Products Money Laundering Risk Assessment (Revised in 2022)”, “Bohai Bank Management Regulations Governing the Monitor List of Anti-Money Laundering (Revised in 2022)” and “Bohai Bank Management Regulations for Customer Money Laundering Risk Assessment (Revised in 2022)” to ensure comprehensive and standardized anti-money laundering management. Based on strengthened anti-money laundering business capability and quality-oriented education, the Bank increased the strength and breadth of anti-money laundering publicity and training through a combination of online and offline channels to fulfill its anti-money laundering obligations and help maintain a stable financial environment. It completed the self-assessment of money laundering risks across the Bank, promoted the full control and comprehensive coverage of money laundering risk management, enhanced the level of anti-money laundering process management, and strengthened the prevention and control of money laundering risks. It continued to enhance system functions and model optimization to promote the establishment of a new pattern of refined, standardized and intelligent anti-money laundering management.



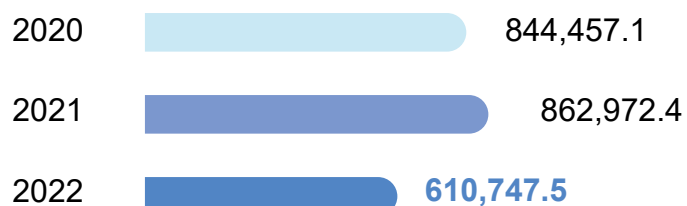
## V. Key Operating Results Indicators



Note: 2022 data is calculated at the Group's level under International Accounting Standards.



**Net profit in recent three years (RMB'0,000)**



**Average return on total assets in recent three years (%)**



**Weighted average return on net assets in recent three years (%)**



Note: 2022 data is calculated at the Group's level under International Accounting Standards.

# The Topic of Responsibility



## I. The Bank Solidly Promoted the Digital Transformation



Guided by the Fourth “Five-Year Plan” strategic development plan, the Bank firmly grasped financial technology and technology iterations, built a “three-step” model of “online, digitalization and intellectualization”, as well as stuck to its strategic positioning for digital transformation and took financial technology as the driving force, so as to solidly promote the digital transformation, and constantly explore the characteristics and advantages of creating high-quality development. The Bank strived to practice “strengthening the Bank through technologies”, and made a series of effective practices in terms of digital transformation and innovation drive to build a technologically progressive ecological bank.

### (1) Overall planning, internal strengthening and solid foundation of technology

- In order to fundamentally promote the deep integration of technology and business and strengthen technology empowerment, the Bank gave priority to internal strengthening, and took multiple measures in system construction, strategic direction, and personnel training to deepen the reform of technology systems and mechanisms. In terms of system construction, according to the Guidance on the Digital Transformation of the Banking and Insurance Industry issued by the China Banking and Insurance Regulatory Commission, the Bank drafted the Digital Transformation Action Outline, which comprehensively guides the Bank’s transformation in terms of strategic concepts, organizational planning, digitalization of business operations, continuous improvement of data and technology governance capabilities, effective risk management, data security, and network security guarantees. In terms of strategic direction, the Bank regards digital transformation as a “top leader” project and a bank-wide transformation strategy for overall and systematic planning. In 2021, the Bank has established a leading group and office for strategic promotion and technological transformation projects, strengthening the connection and integrated transformation between strategic planning and digital construction through establishing a bank-wide organizational structure, breaking down departmental barriers and coordinating resources across the Bank. The Bank has always attached great importance to the introduction and training of technological talents. The Bank established the “Big Data Academy” as a training base for data and measurement talents and adopted a project-based approach to integrate talent training with work practice, cultivate professional capabilities including

modeling, data analysis, and data measurement, and accumulate practical experience. At the same time, the Bank established a bank-wide model expert database and exchange forum, prepared talent reserves and technical exchanges for cross-departmental integration through the professional technical talent database and interactive platform management mode, and optimized human resource incentive policies, continuously expanding the digital talent team.

○ In 2022, the Bank achieved fruitful results in strengthening data governance, promoting the application and upgrading of new technologies, and improving self-control capabilities. Under the background of fully driving the comprehensive digital transformation of "light front platform, fast middle platform, strong back platform", we continued to make efforts in the construction of data middle platform, and took rapid response to business needs and flexible realization of data services as the core to provide valuable data services, and applied to business processes and business management analysis, continuously driving business innovation with data value. At present, the Bank has completed the construction of a big data platform based on Data Lake and Data Warehouse integration, providing efficient computing power support and flexible resource supply for data value mining and data empowerment businesses; the Bank has also developed algorithmic models in areas including smart marketing, smart risk control and smart operations through the integration of various AI technology tools, gradually moving towards intelligent drive, and constantly strengthening risk prevention and control capabilities. The Bank's data middle platform has achieved initial results in scenarios including digital operations, smart marketing throughout the process, and smart corporate approvals; we have rewarded green equity points for green travel in low-carbon scenarios, online account opening, online loans, online wealth management, etc., to encourage green and low-carbon life. In terms of data application, the Bank successfully built and put into operation a one-stop data asset management and service platform - "Digital Asset Manager". Such service platform takes the "content-management-service" integrated data asset management system as the core, starts from the perspective of business users, solves the actual data application demands in a down-to-earth manner, integrates business demand scenarios, data management requirements and digital technology, as well as builds and integrates multiple data capability, opening up the channel from data resources to value creation. On the other hand, the Bank has strengthened the construction of the data governance system from the source, formulated and released Basic Data Standards, Indicator Data Standards and Enterprise-level Data Dictionary Specifications, etc., regularly evaluated and improved the content of data standards, promoted the implementation and application of data standards in the business middle platform, data middle platform and important business systems, laying a foundation for continuous strengthening of data applications. At the same time, the Bank actively responded to the national strategy, improved its independent control ability, strengthened the independent design of core technology business systems, vigorously promoted the application of localized basic software and hardware in the process of digital transformation, realized leading position of localization in new applications, and promoted information technology application innovation in an orderly manner

in accordance with the national information technology application innovation industry strategy.

## **(2) Enhanced management and data empowerment for risk control and operation capabilities**

○ The Bank established the core value of "Compliance is Lifeblood", started from the three major aspects of corporate business, retail business, and infrastructure construction, enhanced nine capabilities, promoted smart risk control, and realized the transformation from "management" to "empowerment". In terms of corporate banking business, the Bank has effectively identified customer risks through comprehensive customer profile analysis, created diversified risk assessment tools, and achieved flexible and efficient approval and decision-making. In terms of retail banking business, the Bank has realized customer-oriented unified management capabilities, and established full-process automation management capabilities, forming "hot-swappable" automation strategies and supporting changeable retail scenarios. In terms of risk control infrastructure, the Bank has not only established standardized risk data and feature label support capabilities, systematic management capabilities of digital risk control models, and visual display and analysis capabilities of risk information, but also built a unified risk management base for all channels and an intelligent risk measurement center to realize 5A (Automated, Actual time, Accurate, Agile and Anagenesis) comprehensive intelligent risk management capabilities.

○ In order to continuously improve the online operation and service capabilities, the Bank restructured the "Channel Collaboration Center" to realize a unified platform to support and guarantee the front-end of all electronic channels, effectively integrating the assembly function and quickly providing service capability output. On this basis, the Bank built an "open platform for corporate finance" to promote channel integration, digitization of financial products, and digital product scenario-based online operation and service capacity construction, comprehensively built a unified corporate portal, completed the launch and production of a new version of corporate online banking, and launched 100 product services and 54 convenient functions. In addition to traditional financial services including settlement, account management, wealth management and salary payment, the Bank will also build an open platform and introduce third-party corporate customers with a multi-tenant system structure to provide a more comprehensive service experience.

## **(3) Customer base and improved personalized services**

○ Taking the circle chain ecological scenario of key target customers as the starting point, the Bank carried out digital financial service journey reshaping. Based on various customer portraits, we developed four characteristic customer groups of "Bozai", "Borui", "Boda" and "Botai", and provided personalized, differentiated and customized products and services to create "Bohai" characteristic services.



In order to fully meet the diversified financial needs of customers, the Bank has comprehensively built up the capacity of "integrated digital marketing", and built and put into operation a series of digital marketing and customer management infrastructure for retail customers, including Mobile Bohai-Retail Smart Sales Management (APP), the digital marketing and operation platform, Boyin E Butler (full asset allocation platform), opening up the digital operation system for retail customers. In terms of the Bank's smart sales management, we have launched the "Mobile Bohai" APP, which fully integrated the desktop system, mobile system and out-of-office system of branch personnel, developed functions covering "customer insight", "marketing", "value development", "activity management", "mobile exhibition", "AI performance board", and simultaneously built a customer label center, analysis center, marketing words database, strategy database and content database. At present, the Bank is making great efforts to fully integrate the corporate WeChat function with the "Mobile Bohai" APP module function, so as to realize the synergy of marketing functions and efficient customer base communication.



## II. A Historical Breakthrough Has Been Made in Institution Construction



In 2022, the Bank made a historical breakthrough in institution construction. We were awarded the "heavyweight" license of the wealth management subsidiary, and made a historical breakthrough in the construction of the subsidiary. The capital operation center officially opened for business, and the specialization in capital business has been greatly improved.



In September 2022, the China Banking and Insurance Regulatory Commission approved the opening of CBHB Wealth Management Co., Ltd. (渤海理財有限責任公司) ("CBHB Wealth Management"), a wholly-owned subsidiary of the Bank. CBHB Wealth Management has a registered capital of RMB2 billion and is registered in Tianjin. It is mainly engaged in the public offering of wealth management products to the unspecified public, the non-public offering of wealth management products to qualified investors, wealth management advisory and consulting services and other related businesses. The establishment of CBHB Wealth Management is an impor-

tant strategic measure for the Bank to strictly implement regulatory requirements, facilitate the healthy development of wealth management business, and promote the Bank's wealth management to return to the root of asset management business. As a wholly-owned subsidiary of the Bank, CBHB Wealth Management is an important layout for implementing business strategies, enriching financial products and services, and meeting customers' diversified financial service needs.



In June 2022, the Beijing Office of the CBIRC approved the opening of the Bank's capital operation center. The capital operation center settled in Beijing, becoming the first national joint-stock commercial bank capital business franchise institution to launch in Beijing. The capital operation center will have important business qualifications including a first-class dealer in the open market, a comprehensive market maker for inter-bank bonds, and a member of the underwriting syndicate for treasury bonds and three major policy bank bonds. In recent years, the Bank has continued to promote business innovation and transformation and development, continuously enriched various transaction business qualifications and product lines, continuously improved the customer services through financial technology empowerment, and actively participated in inter-bank transactions with high professionalism and high standards, forming a product system with rich offerings, convenient transactions, sound customer experience and brand awareness. At the beginning of 2022, the Bank issued special financial bonds for small and micro enterprises with nominal value of RMB10 billion, which strongly supported stable growth, guaranteed employment, effectively guided banks' allocation of funds, and effectively alleviated the difficulty and high cost of financing for small and medium-sized enterprises.



In addition, the Bank solidly promoted the "Light Boat Plan (輕舟計劃)" and explored new "pioneers" for ultra-light branches. As of the end of 2022, 110 comprehensive light-model branches were opened.



### III. The Bank Established a New Pattern of Consumer Protection System

#### (1) Adhering to the leadership of Party building and strengthening top-level design

The Bank has combined the development idea of "people-centered" with the service concept of "customer first", incorporated the protection of consumers' rights into the corporate governance system, the core value system of corporate culture and the planning of the whole-process operation and management system, and fully integrated the concept of "consumer protection" into the three major tasks of strengthening services, preventing risks and promoting reforms, constantly improving the finance for the public.

In terms of corporate governance, the consumer protection management system increasingly improved, specifying the responsibilities of each corporate governance subject and implementing strict supervision. The Party Committee of the head office has "set the direction, managed the overall situation and promoted implementation." As a decision-making body, the Board held five meetings to listen to the work report on consumer protection, and put forward work objectives and requirements; the Audit and Consumer Rights Protection Committee under the Board considered and reviewed 10 consumer protection issues and put forward 20 guiding opinions. As the executive body, the senior management considered and reviewed 10 consumer protection issues, and put forward 20 opinions on specific work; the Consumer Rights Protection Committee has further increased the frequency of meetings and expanded the depth of research, and considered and reviewed 30 consumer protection issues for 13 times, actively promoting the effective implementation of the Bank's consumer protection strategy and policies. As a supervisory body, the Board of Supervisors included the performance of consumer protection duties in the annual performance evaluation of Directors and senior management members, enhanced regular supervision, listened to the work report on the consumer protection for three times, and included four tasks in the supervision items.

## (2) Strengthening cultural construction and establishing a concept of consumer protection

The Bank vigorously promoted the construction of corporate culture centered on service culture, risk culture and compliance culture. We deeply integrated the consumer protection culture with the "customer first" service culture, and established the 16-character concept of service culture - "Adhering to the original intention with excellent services and shouldering responsibilities with consumer protection for the people ( 精益服務堅守初心 消保為民彰顯擔當 )", and regarded "focusing on one center, consolidating three stages and creating a five-dimensional pattern" as the core content of service culture, being adhering to the "people-centered" development idea, consolidating the three stages before, during and after the event, as well as taking "extending the breadth with excellent services, vigorously driving innovation, rapidly improving quality and increasing efficiency, shouldering responsibilities with warmth, and serving the interests of the people and enterprises with depth ( 精益服務拓廣度、創新驅動有力度、提質增效拼速度、責任擔當有溫度、為民利企有深度 )" as the ultimate goal of consumer protection services.

In 2022, we vigorously promoted the construction of consumer protection culture throughout the Bank, successively carried out financial and integrity education, "Talking about Consumer Protection in Golden Autumn ( 金秋話消保 )" essay collection, compliance warning education and other activities, and organized more than 540 special training sessions on consumer protection with more than 115,000 people participated, covering middle and senior management personnel, grass-roots business personnel, new employees, and employees in positions with frequent complaints and high risks, which further improved the "finance for the people" and "consumer protection for the people" awareness of the employees of the Bank and consumer protection skills.

## (3) Optimizing the organizational structure and strengthening coordination and cooperation

A secondary department of consumer rights protection was established at the head office to take the lead in carrying out the consumer protection work of the Bank, enrich key personnel, optimize the personnel structure, and form a professional management team composed of three

middle-level cadres and 14 professionals, so as to ensure the independence, professionalism and authority of consumer protection work. The Bank formulated and issued the Coordination Mechanism for Protection of Consumer Rights of Bohai Bank, which further clarified specific requirements including objectives, principles, coordination and cooperation content, contact person system and consultation system, so as to ensure clear rights and responsibilities, standard procedures, efficient operation, horizontal information sharing and vertical effective execution of consumer protection work. The 20 member departments of the Consumer Rights Protection Working Committee of the head office all have contact persons in place for consumer protection work, gradually improving the complaint handling and consultation mechanism.

At the branch level, the establishment standards, job responsibilities and staffing requirements of the Consumer Rights Protection Working Committee, the first-level department and the second-level department of consumer rights protection have been clarified. At present, 34 first-level branches have formed a professional consumer protection management team with nearly 100 people, providing organizational guarantee and manpower support to promote the implementation of consumer protection behavior supervision requirements.

#### **(4) Improving the operating mechanism and optimizing the institutional system**

The Bank has established a relatively complete "1+1+9+N" consumer protection internal control system framework and a "9+18+N" full-process working mechanism, and formed a "three-in-one" consumer protection system in which the Consumer Rights Protection Department takes the lead in formulating the basic consumer protection systems, the competent business department is responsible for formulating professional management systems, and branches are responsible for formulating implementation rules. Since 2022, the Bank has paid close attention to changes in consumer protection supervision policies and work situations, newly formulated 23 consumer protection-related systems and revised 27 the same, bringing the total number of consumer protection-related systems across the Bank to 109. The Bank sorted out and clarified 56 working mechanisms in 9 categories, covering the comprehensive consumer protection system,

consumer protection review, assessment and evaluation, consumer financial information protection, publicity and education, complaint management, internal supervision and accountability, appropriateness management, cooperative institutions management, traceability management, user experience management and other special fields.

#### **(5) Fully implementing the rectification and optimizing the assessment system**

In order to ensure the implementation of rectification of problems found in regulatory assessment, the Bank formulated and issued the Implementation Measures for Rectification and Follow-up of Supervisory Evaluation Opinions on Protection of Consumer Rights of Bohai Bank, which clarified 5 major working mechanisms and 11 specific measures including interview mechanism, rectification mechanism, improvement mechanism, support and guarantee mechanism, and assessment and evaluation mechanism, using rectification as the starting point to promote the overall improvement of consumer protection. A total of 97 rectification measures were formulated in response to the problems found in the supervisory assessment in the previous year, and more than 130 communication reports between branches and local supervisors were promoted.

The Bank further played the role of the baton in assessment, revised the assessment and evaluation methods for consumer protection, optimized the assessment and evaluation system covering three aspects, internal assessment, supervision assessment and service management assessment, highlighted positive incentives and increased the consumer protection score in the basic management indicators of the branch performance evaluation indicator system from 6 points to 10 points; adjusted the consumer protection assessment indicators in the KPI of the retail line from basic management items for gaining or deducting points to compliance risk control indicators, and gave a weight of 15 points, increasing the proportion of consumer protection and compliance indicators in the branch's comprehensive performance assessment from 8.3% to 15.3%; directly linked the evaluation results of consumer protection of supervisors at all levels and the assessment of consumer protection within the Bank with the performance of the heads of relevant departments at the head office and the leaders of each branch.

## (6) Fulfilling the main responsibility and building a safety barrier

The Bank established the "three lines of defense" for consumer protection through measures including improving the mechanism, optimizing the system, horizontally and vertically supporting and promoting services. The front-end competent business department took targeted measures to protect consumers' rights in key links including product research and development, business innovation, process design, system construction, information disclosure, appropriateness management and consumer financial information protection, strictly implementing the responsibility of the first line of defense; the leading department of consumer protection properly handled complaints, monitored marketing and publicity behaviors, collected feedback from customers, rectified sources of complaints and risk warnings, and implemented various regulatory requirements in compliance training, inspection and supervision, assessment and accountability, etc., resolutely guarding the second line of defense; the audit department effectively played the role of audit supervision, successively carried out special audits on consumer protection in 8 branches, and rectified all 30 problems raised, strengthening the third line of defense.



# ESG Report







## I. Economic Performance

Indicator	Unit	2021	2022
Total assets	RMB'0,000	158,270,759.8	165,945,990.2
Operating income	RMB'0,000	2,919,436.4	2,646,522.0
Net profit	RMB'0,000	862,972.4	610,747.5
Average Return on total assets	%	0.58	0.38
Weighted average return on net assets	%	8.88	5.81
Non-performing loan ratio	%	1.76	1.76
Capital adequacy ratio	%	12.35	11.50
Provision coverage ratio	%	135.63	150.95

Note: The figures for 2022 are the group level performance under International Accounting Standards.

## II. Market Performance

The Bank's remuneration system, oriented by development strategy, is consistent with the operation management requirements of modern commercial banks, coordinated with the interests of Shareholders, the Bank and employees, and aligned with the Bank's current development requirements. The Bank adopts the principles of strategy orientation, classification management, value orientation, performance orientation and total amount control. By benchmarking the remuneration levels of peers in the market, the Bank implements differentiated remuneration management for employees in different levels to enable to play a positive role of remuneration management in attracting, retaining and motivating talents. The Bank's remuneration is not affected by any gender factor. Both male and female employees are paid according to their posts and paid according to their work.

## III. Indirect Economic Impact

As of the end of December 2022, the Bank has established outlets in 25 provinces, municipalities and autonomous regions, 5 sub-provincial cities and the Hong Kong Special Administrative Region, covering 65 key cities nationwide, and has established 36 tier-one branches (including 3 branches in Suzhou, Qingdao and Ningbo under direct management of the head office and 1 overseas branch), 33 tier-two branches, 245 sub-branches, 22 small and micro community sub-branches. The total number of officially opened outlets reached 336

In 2022, the Bank made a historic breakthrough in institution building. Awarded the "heavyweight" license of wealth management subsidiary, the Bank made a historic breakthrough in the construction of subsidiaries. The Bank's capital operation center was officially opened to the public, and the level of capital business franchising was greatly improved. The Bank promoted the "Light Boat Plan" and explored the new "pioneers" for super light sub-branches, with the integrated light sub-branches reaching 110 as of the end of 2022.

Indicator	Unit	2021	2022
Number of domestic and overseas branches	/	289	336
Number of domestic self-service banks	/	314	335
Number of self-service devices	Set	610	625

## IV. Procurement Practice

The Bank kept on optimizing and improving the procurement system management structure to enhance the level of compliant procurement management and issued the 2022 Procurement Authorization Catalogue of Bohai Bank (渤海銀行 2022 年度採購授權目錄), which further enhanced the legal compliance management of all-grade procurement projects

The Bank has basically built an intelligent procurement technology platform system with "Bocai Yiguan" as the core and "Bocai Yicai" and "Bohai Procurement Easy Management" as the complementary dual platforms to provide supply chain cooperation solutions covering management and service for suppliers. In 2022, the Bank received a total of over 7,000 orders on the "Bohai Procurement Easy Management Platform" with a total order value of over RMB159 million, making full use of the Internet platforms to increase the Bank's support to e-commerce and small and micro enterprises. In addition, the Bank put green and environmentally-friendly requirements when purchasing products and services, and categorizes suppliers into "strategic suppliers", "key suppliers", "preferred suppliers" and "general suppliers".

The Bank improved the credibility of procurement by strengthening the supervision of power operation in centralized procurement activities, integrated internal control management of procurement into the whole process and all aspects of supervision of procurement execution and adhered to the "open and transparent" procurement method. The transaction amount of public Grade-A procurement projects accounted for 69.02% and the number of public projects made up 64.18%. The Bank insisted on the procurement organization form featuring "entrusted procurement". The Bank fully leveraged the professionalism of procurement agencies to regulate the procurement process. The transaction amount of Grade-A entrusted procurement projects accounted for 88.49%. Meanwhile,

all of the entrusted procurement of Grade-A procurement projects have a review committee consisting of external review experts accounting for no less than two-thirds. The Bank always adopts the principles of openness, impartiality and fairness in the procurement process, and the Bank improved quality and efficiency while pursuing "legal compliance and efficiency". A total of 134 single-batch Grade-A procurement projects had a total procurement budget of RMB339 million, and a final transaction amount of RMB305 million, which resulting in saving rate of 10% and saving amount (contribution to net profit) of RMB33.968 million.

As to the supply chain risk control, the Bank has established a complete set of risk prevention mechanism of "prevention in advance, control in process and supervision afterwards". Through the construction of systems and processes, the main responsibility of procurement is clarified. From prevention at the beginning to punishment at a later stage, prevention and punishment are combined. The bank has increased the frequency of inspections and spot checks on branches, and carries out key supervision over key links in key areas so as to solidify the foundation of procurement risk management. The bank has strengthened the supervision over and the management of the whole process, and has enhanced the construction of integrity to prevent corruption risks, thus establishing a set of all-round and multi-angle supervision and control system covering centralized procurement system and internal control and compliance management as well as audit, discipline inspection and perambulation during the process from procurement budgeting, procurement demand determination, procurement plan making, evaluation expert management, response document review until procurement-contract-signing, goods and services acceptance and other links.

Indicator	Unit	2021	2022
Number of suppliers in Chinese Mainland	/	780	581
Number of overseas suppliers	/	29	5
Total number of centralized procurement projects	/	672	358
Budget amount involved in centralized procurement	RMB'0,000	94,721	41,530
Average project cycle of centralized procurement	Day	43	57
Coverage ratio of centralized procurement catalog project performance management	%	100	100
Coverage ratio of supplier review	%	100	100
Total number of financial technology projects	/	195	595
Budget amount involved in financial technology projects	RMB'0,000	59,841	61,081
Average project cycle of financial technology projects	Day	146	95.5

## V. Environmental Performance

### (I) Materials

The material consumption of the Bank mainly comes from the paper consumption of certificates, bills, and documents generated in the business and office processes. In view of this, the Bank made great efforts to develop online banking business channels and actively applied WeChat, SMS and other information technology channels and means to reduce paper consumption in business operation. The Bank continued to improve the functions of the online office system on the PC and mobile terminals, and continuously promoted paperless office.

Indicator	Unit	2021	2022
Paper consumption of various promotional materials, card envelopes and single pages	10,000 pieces	119.57	26.20
Proportion of customers using electronic billing for credit cards	%	99.30	100.00
Paper saving of electronic billing	10,000 pieces	463.78	585.10

### (II) Energy

For major energy consumption projects in the operation, the Bank applied energy-saving facilities and equipment and implemented strict management to prohibit unnecessary energy consumption.

Indicator	Unit	2021	2022
Average energy utilization efficiency of the Data Center	-	2.12	1.78
Total power consumption of the Data Center	kWh	12,824,633	10,070,715
Total office power consumption of the Head Office	kWh	18,513,850	19,869,508
Total fuel consumption of official business vehicles of the Head Office	litter	23,093	3,590

Note: The total electricity consumption of the data center and the h Head Office is aggregated by the property company that provides services to the Bank, based on the meter readings.

**(III) Water resources**

The Bank took comprehensive measures in terms of technology and management to reduce water consumption. Since its settlement in the China Bohai Bank Building, the Bank has regularly inspected the water installations, equipment and appliances on all floors of the building to ensure that the water-saving function is normal. During the cooling period in summer, the Bank has regularly inspected and maintained the automatic water replenishing devices of air-conditioning cooling towers to ensure the normal functions, and timely adjusts the water replenishment quantity to avoid wasting water resources; the Bank summarizes the water consumption records of the building every month, and takes targeted measures to ensure the water consumption according to the demand.

Indicator	Unit	2021	2022
Total office water consumption of the Head Office	ton	93,672	91,571

Note: The total water consumption of the Head Office is aggregated by the property company that provides services to the Bank, based on the water meter readings.

**(IV) Sewage and Waste**

The sewage generated by the Bank in the course of business operation and office operation is discharged into the municipal sewage pipeline network in accordance with relevant laws and regulations, and the domestic garbage is transported by the local environmental health team for treatment every day. The garbage rooms are sanitized every day. Overall cleaning is conducted once a week and sewage is cleaned once a month; other wastes are concentrated and transported in a "harmless" manner without any violation of regulations. The Bank used the updated office furniture and electric devices as temporary revolving materials or temporary office equipment for newly-built institutions, "making the best use of everything and eliminating waste" and minimizing the adverse impact of e-waste on the environment.

**(V) Products and Services**

The Bank takes digital transformation as the principal line of the "Fourth Five-Year" strategic planning, and makes the new pattern of finance bigger with channel orientation; optimizes the digitalization of products with innovation as the starting point; enhances the specialization of services with customer as the base; builds the ecology of "finance + non-finance" based on full online operation and services, continuously improved the differentiated development effectiveness of products and services to and makes every effort to realize the value pursuit of "customer first".

## (VI) Environmental Compliance

In 2022, the Bank was not punished for environmental protection violations and did not receive any environmental complaints.

## (VII) Green Procurement

The Bank actively practices green low-carbon concepts in the whole process of procurement, gives full consideration to environmental protection, resource conservation, safety and health, low carbon and recycling. The Bank gives priority to the procurement of raw materials, products and services that are conducive to resource conservation and have the least impact on the environment. The Bank strives to establish a bank-centric green supply chain.

The Bank respectively specifies the quantitative green procurement indicators of green management system, clean production, safe production, recycling of scrap materials, green warehousing, packaging and logistics, etc. in terms of procurement project, pre-qualification, bid evaluation methods, qualification review standards and contract terms of suppliers, and clarifies selection criteria and requirements to encourage suppliers to actively promote the construction of ISO9001, ISO14001, ISO18001 and other systems, and reduce energy consumption and pollution in all links from production to sales. At the same time, the Bank gives priority to products with their equipment models, materials and supplies energy-saving and consumption-reducing, and gives priority to the procurement of environmentally certified products, to achieve the goal of energy conservation and consumption reduction, with reference to relevant national standards, industry standards and the list of items for the government procurement.

In order to win the Bank's orders, the suppliers will also take active measures to continuously improve their management level and technological innovation capabilities as well as investment in environmental protection facilities to save resources and energy and reduce pollutant emissions as much as possible by optimizing processes, adopting energy-saving and environmental protection equipment, improving product quality and taking energy-saving and consumption reduction measures, so as to meet the Bank's requirements.

## VI. Social Performance

### (I) Employment

The Bank strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and other laws and regulations, legally hires employees and fully protects the legitimate rights and interests of employees.

Indicator	Unit	2021	2022
Total number of employees	Person	11,826	13,286
Number of female employees	Person	6,152	7,080
Number of male employees	Person	5,674	6,206
Number of employees under 30 years old	Person	2,767	3,404
Number of employees aged 31-50	Person	8,480	9,153
Number of employees over 50 years old	Person	579	729
Number of new employees	Person	1,896	2,106
Number of employees from Chinese Mainland	Person	11,764	13,222
Number of employees from Hong Kong, China	Person	62	64
Employee turnover rate	%	4.80	5.15
Turnover rate of male employees	%	2.37	2.94
Turnover rate of female employees	%	2.43	2.21
Turnover rate of employees under 30 years old	%	1.44	1.58
Turnover rate of employees aged 31-50	%	3.29	3.47
Turnover rate of employees over 50 years old	%	0.07	0.10

### (II) Labor-capital Relationship

The Bank implements the labor contract system for all employees, and all contract employees must sign labor contracts with the Bank according to law. The Bank fully respects and effectively protects the legitimate rights and interests of employees, and takes effective measures such as promoting the construction of collective contract



system and constantly improving the employees' representative meeting to continuously promote democratic management. We sincerely care for the employees pregnant and perinatal period, provide full convenience for the employees who receive the antenatal inspection in terms of work arrangement, give relevant employees maternity leave according to law, and set up "Mommy's Home" in the office and business premises that provide a healthy and warm private space for employees during the lactation period.

### (III) Occupational Health and Safety

Our Bank's headquarter and all branches cooperate with well-known medical institutions to carry out annual physical examination and health consultation for all employees. Through various types of staff sports associations, we continuously enhanced extensive participation of employees, advocated a positive and healthy lifestyle, and helped employees adopt an optimistic and positive attitude and keep healthy. We continued to strengthen the management of employee canteens to ensure food safety; conducted regular employee satisfaction surveys to improve the service quality of canteens in a targeted manner; in response to COVID-19, the Bank formulated and strictly implemented various pandemic prevention and control measures, and fully safeguarded the health and safety of employees.

### (IV) Training and Education

In accordance with the training system construction program, the Bank has further refined the program nodes and has constructed logical relationships between the planned systems and specific tasks, forming a construction program with the construction of demand system, curriculum system, faculty system and platform system as the traction and driving the whole system construction, and completed the transition from the planning stage to the construction stage.

Indicator	Unit	2021	2022
Number of employee training periods	session	4,044	5,012
Number of employees participating in training	Person	588,485	942,078
Number of employees learning online	Person	12,516	14,221
Average length of training and learning for employees	Hour	22.44	24.89
Proportion of middle-level management participating in training	%	100	100
Proportion of grassroots employees participating in training	%	100	100
Average length of training for middle-level management	Hour	150	60
Average length of training for front-line employees	Hour	22	23.88

**(V) Diversification and Equal Opportunities**

The Bank values the diversity and equal opportunities for development of its employees. The Bank has established a scientific performance appraisal and incentive system to achieve fair, impartial, open and democratic performance assessment and made full use of the assessment results. It strictly follows the principle of "equal employment" and firmly rejects discrimination against employees or restricts others from employment on the basis of race, nationality, region, religion and gender.

Indicator	Unit	Male	Female
Gender ratio of employees	%	46.71	53.29
Gender ratio of middle-level management	%	80.22	19.78

Indicator	Unit	2021	2022
Number of minority employees	人	481	566

**(VI) Handling Mechanism for Labor Issues**

Pursuant to the provisions of the Trade Union Law of the People’s Republic of China and the requirements of higher-level labor unions, the Bank has established labor unions at all levels and a sound working mechanism for the labor unions, continuously promoted democratic management of enterprises, and effectively safeguarded the rights and interests of employees. The Bank has an effective annual performance appraisal result appeal mechanism and actively applies information technology. According to the Labor Contract Law and other relevant laws and regulations, all forms of forced labor and child labor are firmly prohibited. In order to avoid use of child labor and forced labor, we strictly comply with the requirements of laws and regulations, and review the age and background of candidates during the resume screening stage. Those who do not meet the relevant laws and regulations will not be allowed to pass the resume screening.

## (VII) Local Community

The Bank has formulated the "6S Management Manual for Business Outlets of China Bohai Bank", which sets out corresponding requirements in terms of environmental management, item management, personnel management and safety management to create the best outlets service experience for customers. The Bank has revised the "Service Standards for Business Outlets of China Bohai Bank Co., Ltd. (Revised in 2022)", which sets out corresponding requirements for business outlets services in terms of service requirements, service management and protection of customers' rights and interests to further strengthen the standardized management of business outlets services, promote healthy business development, provide customers with one-stop comprehensive financial services and continuously optimize customer experience. At the same time, during the 2022 National "Quality Month", the Bank organized branches to carry out relevant activities around the theme of "Financial Standards for the People and Enterprises", trained and studied the "Service Standards for Business Outlets of China Bohai Bank Co., Ltd. (Revised in 2022)" and publicized the relevant financial standards to raise the awareness of standardized services among the staff of branches and outlets, and actively popularized the knowledge of financial standards among the Bank's customers to effectively protect the legitimate rights and interests of the Bank's customers.

The Bank adheres to the service concept of "customer-centric", actively adapts to the new situation of remote banking changes, continuously enriches and optimizes "non-contact" financial service channels and scenarios, continues to focus on the in-depth integration of "online remote + offline outlets" services, increases the construction of integrated online and offline in a multi-channel way, and makes every effort to provide customers with a more efficient, intelligent, accurate and excellent service experience. In 2022, the remote banking center accelerated the pace of transformation of remote banking by improving "quality" with "intelligence", forming good interaction with customers through multiple channels, and effectively enhancing the core ability of service creation.

Through the purchase jump link of mobile banking products in the intelligent customer service text channel, the Bank can seamlessly connect customer consultation and purchase process. The Bank carries out intelligent outbound calling services, using cutting-edge technologies such as voice recognition, speech synthesis and natural language understanding to achieve natural and smooth dialogue between customers and robots, with services covering many scenarios such as notification, marketing, collection and customer care, etc. In 2022, the Bank's remote banking center completed a total of 61,300 outbound calls, reaching about 40,000 customers, with a total of 232.45 hours of call time and covering 31 provinces, cities and autonomous regions nationwide.

**(VIII)Anti-corruption**

In 2022, under the supervision and guidance of the Discipline Inspection and Supervision Group of Tianjin Municipal Commission for Discipline Inspection and Supervision in China Bohai Bank, the Bank was guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, highlighting its political position, strengthening its responsibility and continuously strengthening its anti-corruption efforts.

Built a clean government. The Bank developed the key points on improving the Party conduct, clean government and anti-corruption, established task lists and ledgers; continuously strengthened the construction of clean culture in the new era, clarified 37 specific implementation measures, and promoted the implementation on a monthly basis; organized the "clean family conduct initiative", organized the entire Bank's middle-level leaders to study the content of the "clean family conduct initiative" together with their spouses and signed 285 copies; The Bank carried out the "Clean Family Conduct -themed Clean cultural Works Collection and Exhibition Activity", collecting a total of 16 paintings and calligraphy works on family conduct; warning education at different levels and classifications, in 2022, a total of 80 warning education meetings were held, and 94 compilation materials for clean government warning education were prepared.

Political supervision. The Bank focused on the "key minority" to identify important clues in the field of transfer of non-performing assets and strengthened the verification and supervision; improved the coordination mechanism of inspection supervision, disciplinary supervision, audit supervision and business supervision, and smoothed the information sharing mechanism to improve the overall supervision effectiveness; the Bank held a supervisory joint meeting to study and discuss key supervision work, and promoted the establishment of a joint supervision meeting mechanism in branches, which achieved the effect of supervision information sharing, joint study of supervision work and solving supervision issues through consultation, and the effect of political supervision was continuously strengthened.

Focused on disciplinary accountability and strengthened the integrated promotion of the "three no's". The Bank sorted out the typical issues of disciplinary violations investigated and handled by the Bank since 2021 and informed the whole Bank, using "the incident around" to warn "people around" and "people in the case" to educate "people in the post" to strengthen deterrence, promote study and discussion, and effectively play the function of case cure. At the same time, the Bank used various warning education books and cases to carry out warning education activities. The Bank has created a column of "Window of Integrity", which was published once a month, and created a culture of integrity

through articles, calligraphy, cartoons and other popular forms. The Bank continued to improve the long-term mechanism, tighten the supervision of the system, improve the effectiveness of governance, promptly reminded the rectification of the weaknesses found in the investigation and handling of clues and identified blockages and loopholes. The Bank has gradually built a working mechanism of "investigating and handling cases, discovering problems, analyzing causes, proposing suggestions and supervising rectification".

### (IX) Anti-unfair Competition

In strict compliance with the Anti-Unfair Competition Law of the People's Republic of China and the Convention on Anti-Unfair Competition of the Chinese Banking Industry, the Bank strictly managed and restricted its business activities, put an end to all kinds of unfair competition behaviors, and effectively maintained a good financial market order.

### (X) Marketing and Logo

For various financial products, the Bank has detailed and standardized product manuals, which provide systematic description and introduction of investment types, sales channels, expected returns, risk rating, transaction time limit and redemption period and fully notice and inform customers of potential risks. The Bank strictly complied with the relevant provisions on prohibited marketing behaviors, comprehensively and accurately described the true conditions of products and services when carrying out marketing activities, and there were no behaviors in violation of laws, regulations and regulatory requirements on the protection of consumers' rights and interests.

The Bank ensured the professionalism and authority of the consumer protection review by improving the management mechanism of mandatory constraints and post-review evaluation mechanism, giving full play to the role of the first line of defense and regulating marketing and marking. In 2022, a total of 1,732 materials related to various products and services were reviewed at the head office level, an increase of 13.2% over the previous year, and 527 substantive review comments were made, an increase of 13.3% over the previous year, with a 100% adoption rate of comments. We further strengthened the management of double entry, appropriateness management, standardized information disclosure, rectified irregularities in pricing management, strictly managed cooperative institutions, etc., and promptly formulated and revised relevant management methods and inspection systems, corrected and identified problems found in a timely manner by conducting self-examination and inspection, and effectively safeguarded the legitimate rights and interests of consumers.

Indicator	Unit	Male	Female
Overall customer satisfaction	%	99.48	99.17
Manual service volume of remote banking	10,000 persons	51.58	56.31
Online channel chat-bot service volume	10,000 persons	69.28	109.51
Number of customer complaints received	Piece	3,594	5,359
Number of performances being praised and recognized by customers	Times	56	77

Note: the data set out in the above table is that from the “95541 Customer Service Center” service of the Bank.

**(XI) Market Promotion**

The Bank has always adhered to the principle of legal compliance and honest operation, strictly required institutions, outlets and employees to conduct standardized publicity, strictly regulated marketing and promotion activities, and strictly prevented any acts that infringe upon the legitimate rights and interests of consumers.

In accordance with laws and regulations and consumer rights protection management requirements, the Bank has formulated the "Implementation Rules for the Regulation of Financial Marketing and Promotion of Retail Business Line of China Bohai Bank " to clarify the management requirements of marketing and promotion and departmental responsibilities, so as to effectively guide the standardization of the Bank's marketing and promotion in retail business. The Bank has strengthened the conduct management of sales staff and required them to be trained and licensed to work; it has formulated a series of staff conduct management rules, such as " Rules for the Conduct of Staff in China Bohai Bank's Retail Business Line" and "Prohibition on Sales Conduct of China Bohai Bank's Retail Business", to regulate staff's sales conduct from different perspectives. Before the launch of new products, corresponding training was organized. The Bank has incorporated marketing and publicity compliance management into the scope of regular inspections of operating entities and organized regular inspections.

The Bank has set up the marketing management function in the customer relationship management system to track and monitor the account management of account managers; set up the KSA-14019 indicator in the operational risk system as an inspection item of "V2022 Consumer Rights Protection Marketing Practices in Financial Branches "; and issued 38 inspection items related to marketing and promotion practices to all branches on a quarterly basis through the retail internal control inspection system, covering various control requirements and inspection points.

## **(XII)Customer's Privacy Right**

The Bank continued to improve the security management mechanism for the whole life cycle of consumer financial information, and in accordance with laws, regulations and industry standards, has formulated and continuously revised the Management Measures for the Protection of Customers' Personal Financial Information of China Bohai Bank, as well as a series of data security management systems, forming a more complete internal control system for information protection. The Bank embedded customer information protection into all aspects of its products and services and into the service standards of its business outlets, and published privacy policies in mobile banking and WeChat mini-programs, announced the handling of consumer information, and enhanced information disclosure. In order to respond to emergencies such as personal customer information leakage and to minimize the damage caused to customers and the Bank by the emergencies, the Bank has formulated contingency plans for personal information emergencies and organized regular drills. The Bank organized annual bank-wide training on the topic of personal information protection.

# Social Responsibility Strategy and Management

The Fourth “Five-Year Plan” of the Bank has established the corporate mission of “serving the national strategies, the real economy and Chinese people’s well-being, creating sustainable value for shareholders, establishing a platform with infinite opportunities for employees’ growth and performing corporation responsibility for the society”. On this basis, the Bank would take active practices of ESG principles, firmly set up social responsibility concepts and continue to strengthen its social responsibility management.

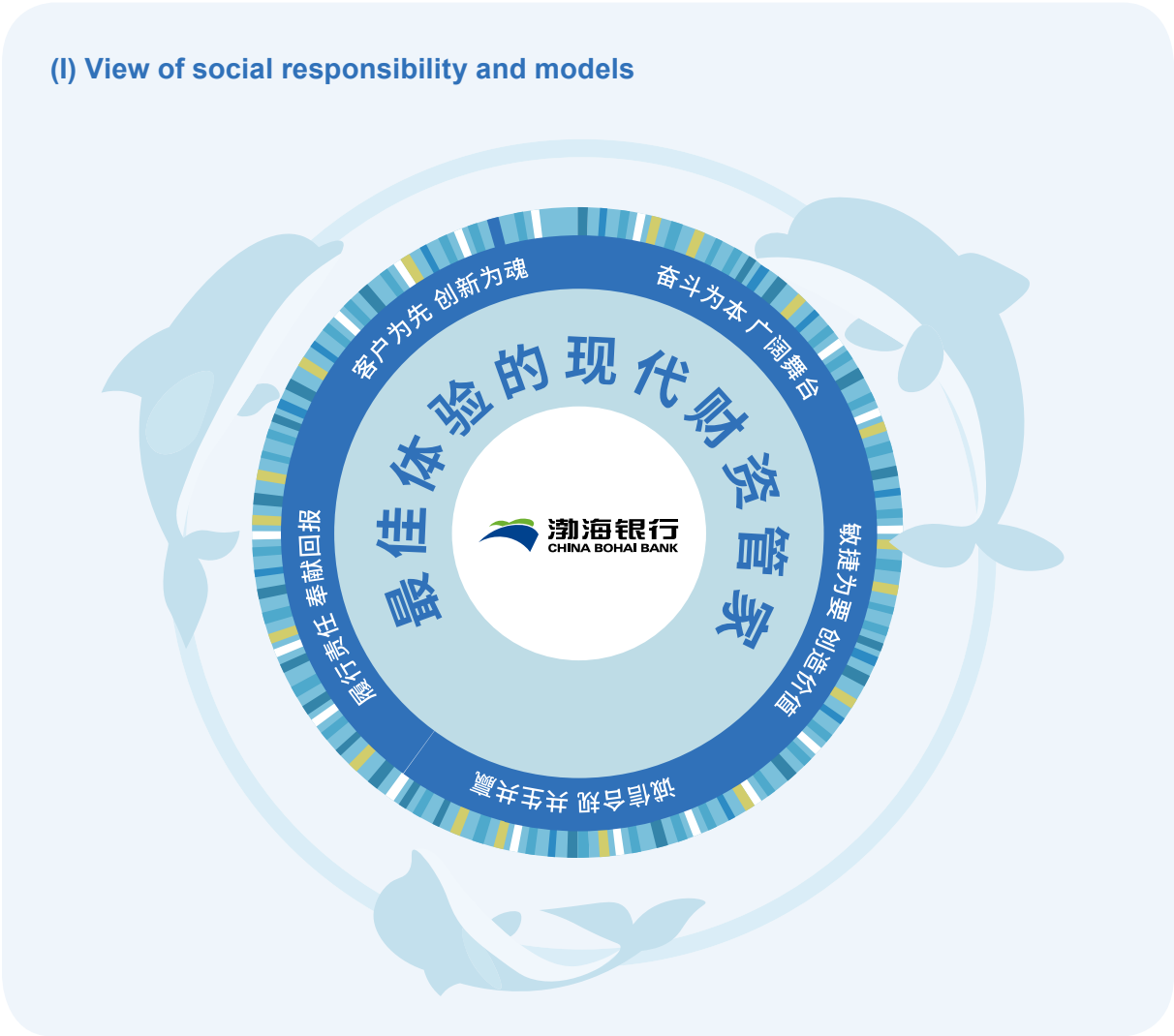






# I. ESG Strategy

## (I) View of social responsibility and models



## (II) Duty Performance Methods

### Customer first and innovation as the soul:

The Bank takes initiative to discover, quickly understand and comprehensively respond to customer needs, embraces changes and is innovative and brave. Besides, it also adept at establishing new ideas and using new methods flexibly with a sense of foresight to give rise to a corresponding solution, through which it would offer services exceed customers' expectations and can create recognized value of customers.

### Struggle-oriented and infinite opportunities:

The Bank promotes employees to establish a strong sense of mission, to form a will to strive collectively, to be self-critical, to accept challenges, and to achieve self-transcendence; and facilitates them to strive to be a fighter who possesses aspiration, capability, performance, contribution, and will continue to create value. The Bank regards employees as the most valuable asset, respects the dignity and value of employees, and established a platform with infinite opportunities for employees' career development to satisfy their value requirements of "obtaining stable and reasonable income, enjoying full rights and interests protection, and good career and growth opportunities".

### Agility as the essence and value creation:

Shareholders hope to fully understand the Bank's operating conditions and obtain steady and sound investment income. The Bank will keep improving the corporate governance ability to make timely, true, accurate and standardized disclosure of operating information. The Bank continues to enhance its standardized, modularized and parametric professional capabilities, adheres to pursue agility in process, lean and enterprise-level, to facilitate "AGILE" transformation and enhance our core competitiveness, so that create good operating results and fulfill our commitments to shareholders' investment value.

### Honest compliance, symbiosis and win-win result:

The Bank firmly establishes the concept of "no activities will be conducted in the circumstances of no politics, non-compliance and not consistent with the requirements of risks management", adheres compliance operation according to the law. The Bank builds ecology with partners in a diversified manner to serve ecological users with ecological resources; and establishes symbiotic relationships and achieves win-win result through empowering to each other between the ecological partners. Fair competition is the business ethics that the Bank has always adheres to. We firmly oppose unfair competition, adhere to the principle of reciprocity, and pursue the establishment of long-term and mutually beneficial relations with all competition participants in an equal market environment.

### Take responsibility, devote and offer returns:

The Bank recognizes its corporate social responsibility from the perspective of achieving the "Two Centenary Goals" and realizing the Chinese Dream of Rejuvenation. Adhering to the unification of economic, environment and social benefits, the Bank actively performs corporation responsibility for the society with aims to contribute more to the development of economy and society.

### (III) Responsibility Practice

The Bank upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, adapts new development stages in all aspects and effectively implements the new development concept to build a new development landscape with best efforts. The Bank keeps the original aspiration and mission of serving the national strategies, the real economy and Chinese people's well-being in its mind, centering on the development vision of "a modern wealth and treasury manager offering the best customer experience", and adheres the high-quality transformation with no hesitation, actively promotes the transformation of operation management and the change of development mode to better serve the real economy, support small and micro enterprises in a deeper way, and more vigorously promote the improvement of people's livelihood.

The Bank established its general business mode of "Bank the world( 渤觀約取，海潤萬物 )", which focuses on the target ecology, drives the intelligent engine, deepens the professional empowerment and pursues symbiosis and win-win result to achieve ubiquity. Through the "five E" strategic capacity construction, the Bank focus on chasing excellent customer experience, shifts from product output to capability output to realize capability output of "finance + technology" and empower ecological partners, thereby meet the financial needs of ecological users.

The Bank provides various opportunities for employees, and through scientific career planning, it helps employees realize their own value at work; improves employees' professional quality through comprehensive capacity expansion and business training; safeguards the legitimate rights and interests of employees by continuously improving the system and organizational system; promotes the physical and mental health of employees through a variety of cultural and sports activities and assists employees to build a happy life through warm assistance policies.

The Bank performs corporation responsibility for the society. It adheres to unify the economic responsibilities and environmental obligations, deepens the implementation of the concept of "clear waters and green mountains are as valuable as mountains of gold and silver" and "innovation, coordination, green, openness and sharing", strengthens sense of political responsibilities and historical mission, and implements green financial strategies to comprehensively facilitate construction of green financial systems. The Bank is committed to becoming an excellent corporate citizen, earnestly responding to the expectations and demands of stakeholders, offering achievements, giving back to the society and promoting social harmony and development.

## II. ESG Management

The Bank continues to improve its ESG management structure, incorporating the concept of social responsibility into its business activities and responding to the expectations and demands of its stakeholders with positive and concrete actions through the ESG management system.



### Policy-making level

The Board of Directors of the Bank reviews and makes decisions on major ESG-related issues, regularly reviews the progress of ESG-related work, and deliberates on annual social responsibility (ESG) reports, public welfare and charitable donations, reports on the status of green finance work, inclusive finance business development plans, and issues related to consumer rights protection work. The Board of Directors of the Bank has set up special committees on risk management and green finance, auditing and consumer rights protection to consider and make recommendations to the Board of Directors on issues related to ESG responsibilities, such as corporate governance, development strategy, risk management, internal control and compliance, connected transactions, green finance, inclusive finance and consumer rights protection, in accordance with their respective responsibilities. In 2022, the Board of Directors of the Bank considered and approved 13 ESG-related resolutions, and received semi-annual reports on consumer rights protection and quarterly reports on consumer complaints, and all directors attended training on the interpretation of financial consumer rights protection regulatory policies and integrity education.



### Organizational level

The Bank has established a team and dedicated positions in the Party and Group Work Department of the Head Office to undertake the day-to-day management and organization of ESG, which is responsible for identifying ESG-related issues, planning and organizing ESG-related activities, preparing social responsibility reports and managing external donations to the Bank. In 2022, the Bank continued its work on social responsibility disclosure and complied with the requirements of the HKEx's Environmental, Social and Governance Reporting Guidelines. The Bank prepared and published the Social Responsibility Report 2021 of Bohai Bank, which provides comprehensive, accurate, true and full disclosure of the Bank's performance in the three major areas of economic, environmental and social responsibility, and provides detailed information on ESG key performance indicators. This is the eleventh annual social responsibility report published by the Bank regularly, which was certified by an authoritative organization in accordance with International Standard on Assurance Engagements 3000 (Revised): Assurance Services Other Than Audits or Reviews of Historical Financial Information (ISAE 3000), and conducted suppliers assurance report and provided an independent assurance report and statement. The Bank further improved its social responsibility management and enhanced its ability to manage

and fulfill social responsibility. The Management Rules for External Donations of Bohai Bank Co., Ltd. was formulated and officially published to optimize the decision-making process for external donations and further strengthen the management of regulation.



**Implementation level**

All departments of the Bank's head office, branches and subsidiaries, including the general and party departments, as well as the business departments, are responsible for the day-to-day implementation of social responsibility, implementing the management of ESG issues in accordance with the division of responsibilities, maintaining close communication with stakeholders, and actively carrying out the implementation of social responsibility.

**III. Substantive Issues**

Through the identification, assessment and screening of social responsibility issues, the Bank identifies substantive issues that are important to us and stakeholders, and discloses and responds to them in the annual social responsibility report.

**Substantive analysis**

Indicator	Assessment	Screening
<ul style="list-style-type: none"> <li>▶ The Bank deeply understood the macro and industrial policies, and defined the policy requirements, orientation and policy opportunities for commercial banks to perform social responsibilities.</li> <li>▶ Based on the background of sustainable development and social responsibility issues, the Bank benchmarked itself against domestic excellent joint-stock commercial banks and understood the hot topics of corporate social responsibility at home and abroad.</li> <li>▶ On the basis of the above, the Bank identified the issues of social responsibility important to the Bank and core stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank assessed the importance of the identified issues of social responsibility.</li> <li>▶ The ranking result of the issues was obtained based on the importance assessment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ High-substanty issues were disclosed in the annual social responsibility report or as the focus of disclosure.</li> </ul>

## IV. China Bohai Bank and Stakeholders

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
<p><b>Government and regulatory authorities</b></p>	<ul style="list-style-type: none"> <li>▶ The Bank accomplished the tasks set forth in the national strategy and promoted economic and social development.</li> <li>▶ The Bank operated in compliance with laws and regulations and achieved healthy development.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Deep implementation of economic financial policies.</li> <li>▶ Carrying out and implementation of regulatory requirements.</li> <li>▶ Participation of relevant investigations and meetings.</li> <li>▶ Acceptance of daily supervision and regulation.</li> <li>▶ Reporting of report materials and statistical statements, etc</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank centering on the three major tasks of “serving the real economy”, “preventing and defusing risks” and “deepening financial reform”, it actively integrated itself into such major national strategies as the “Coordinated Development of the Beijing-Tianjin-Hebei Region”, “Peak Carbon Emissions”, “Carbon Neutrality” and “Rural Revitalization”, and vigorously developed inclusive financial services, as well as increased the support for the private enterprises and small and micro enterprises.</li> <li>▶ The Bank resolutely implemented various regulatory policies, implemented comprehensive, proactive, agile and effective risk management and strengthened internal control; held the lifeline and laid a solid foundation for the sustainable development.</li> </ul>
<p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>▶ The Bank provided high-quality financial products and services and continuously improved customer satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Research of customer satisfaction rate.</li> <li>▶ Investigations of customers’demands.</li> <li>▶ The 95541 Customer Service Center and the credit card customer service center.</li> <li>▶ Wechat and other internet channels.</li> <li>▶ Business promoting activities and financial knowledge popularization activities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank strove to build “a modern wealth and treasury manager offering the best customer experience” in the minds of customers, and will continue to improve its lean financial services capabilities.</li> <li>▶ The Bank enhanced its ability in application of financial technology, and further promoted agile transformation to build a financial ecological service system.</li> <li>▶ The Bank promoted consumption upgrading, boosted people’s wealth growth to meet people’s growing needs for a better life.</li> </ul>

Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
Employees	<ul style="list-style-type: none"> <li>▶ The Bank provided broad space for career development, a scientific remuneration and welfare system, and a sound working environment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The staff congress.</li> <li>▶ Reporting and appeal mechanisms.</li> <li>▶ Platform of “Dolphin Vocal Sound”.</li> <li>▶ Staff sports activities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank continuously expanded career development channels.</li> <li>▶ The Bank improved the constraint and incentive mechanism.</li> <li>▶ The Bank resolutely safeguarded the legitimate rights and interests of employees.</li> <li>▶ The Bank cared for employees physical and mental health and wellbeing.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>▶ The Bank realized sustainable operation, improved return on investment, and disclosed information in a timely, truthful, accurate and comprehensive manner.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular reports and information announcements.</li> <li>▶ The general meeting, the meeting of Board of Directors and its special committee, the meeting of Supervisory Committee and its special committee.</li> <li>▶ Investors communication.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank further promoted high-quality transformation and development, created sound operating results, continuously strengthened corporate governance and improved the information disclosure mechanism.</li> </ul>
Market	<ul style="list-style-type: none"> <li>▶ The Bank achieved mutual benefit and win-win results</li> </ul>	<ul style="list-style-type: none"> <li>▶ Daily communication.</li> <li>▶ Communication and cooperation with other banks.</li> <li>▶ Bidding activities.</li> <li>▶ Visit suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Benign competition, equal cooperation and honest performance.</li> </ul>
Public	<ul style="list-style-type: none"> <li>▶ The Bank participated in social welfare events and promoted social harmonious development.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Targeted assistance.</li> <li>▶ Voluntary services by employees.</li> <li>▶ Provision of support to community construction and held community service campaigns.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank continued to participate in the social welfare events, widely and deeply popularized financial knowledge, as well as supported and encouraged employees to participate in voluntary services.</li> </ul>



Stakeholders	Expectations and Requirements	Communication channels	Responsibility Response
<p>Environment</p>	<ul style="list-style-type: none"> <li>▶ The Bank supported green and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>▶ Targeted assistance.</li> <li>▶ Implementation of green financial policies and regulatory requirement.</li> <li>▶ Disclosure of environment performance and key indicators.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank implemented green finance strategy and comprehensively facilitated construction of green finance system.</li> </ul>



# Serving the real economy and promoting the development of people's livelihood

The Bank remained committed to the origin of finance serving the real economy, stays true to the original intention, and always keeps its mission in mind. The Bank kept optimizing the allocation of financial resources, strengthened the innovation of service models and financial products, and by focusing on the key issues of serving regional economic development, promoting industrial upgrading and promoting the development of people's livelihood, supported the real economy with finance and gave full play to the driving force of the finance to constantly meet the requirements of high-quality economic and social development.







## I. Giving Full Play to Our Advantages to Serve Regional Economy

- The Bank takes full advantages of Tianjin headquarters. As the only national joint-stock bank headquartered in Tianjin, the Bank insists on taking foot in Tianjin and serving Tianjin. In terms of resources allocation, the Bank increases resources to the construction of “one base and three districts” in Tianjin, the development pattern of twin cities of “Jincheng” and “Bincheng” and the construction of a socialist modern metropolis to serve the overall reform and development of Tianjin during the “14th Five-Year Plan” period with actions of China Bohai Bank. At the same time, the Bank continues to expand the comprehensive service ability in terms of the Beijing-Tianjin-Hebei coordinated development, strives for breakthroughs and progress in connection, coordination, reform, linkage and connectivity, continuously innovates product models and business structures, deeply promotes the digital, information-based and light-asset transformation and continuously expands comprehensive service capabilities.
- In 2022, the Bank formulated The 28 Measures for China Bohai Bank to Stabilize the Macro Economy ( 渤海銀行落實穩住經濟大盤 28 條舉措 ), aiming at stabilizing market entities and promoting a steady decline in the comprehensive financing cost of enterprises. At the same time, based on the economic development characteristics of the headquarters and its actual situation, the Bank issued The 22 Measures for Tianjin Branch of China Bohai Bank to Implement the Package Policies to Stabilize the Economy and Promote the Steady Growth of Tianjin Economy ( 渤海銀行天津分行落實穩經濟一攬子政策助力天津經濟穩增長 22 項舉措 ), with transformation breakthroughs achieved in key areas.

### Cases

#### Supporting industrial chain financial services centering on building a strong manufacturing city

In 2022, Tianjin Finance Bureau, Tianjin Industrial and Information Technology Bureau, Tianjin Branch of the People's Bank of China, CBIRC Tianjin Office and Tianjin Branch of China Securities Regulatory Commission jointly organized and carried out the competition for “Good Team” of key industrial chains of financial services. The “Agile Team of Industrial Chain General Branch of China Bohai Bank” of the Bank was commended in the competition, and became the “Best Popular Team” through online selection.

As of the end of 2022, the balance of loans to new energy industry chain of Tianjin Branch (as the host bank) was RMB1.228 billion, an increase of RMB611 million or 78.75% over the beginning of the year, ranking second among the 19 financial institutions of the city in terms of new investment and 7th in terms of overall ranking, giving full play to the role of financial institutions in “stabilizing, complementing and strengthening chains”

## Cases

### Nanning Branch received a letter of thanks from the People’s Government of Guangxi Zhuang Autonomous Region

On August 9, 2022, Nanning Branch of the Bank received a letter of thanks from the People’s Government of Guangxi Zhuang Autonomous Region, which expressed sincere gratitude to the Bank for its outstanding contribution to the economic and social development of Guangxi through its active integration and in-depth development in Guangxi. It was specifically mentioned in the letter that since the innovative introduction of “Guangxi Preferential Loan” policy in 2021, the Bank has provided great support. By the end of June, the Bank had invested a total of RMB 170 million, supporting 38 market players, which provided strong financial support for effectively helping the market recover and enhance its vitality.

Since its opening in November 2019, Nanning Branch has been closely following the economic strategic layout of Guangxi Autonomous Region, adhered to the customer-centric approach and actively fulfilled social responsibilities, made practical efforts in precise matchmaking, sought breakthroughs in enriching products, made efforts in fee reduction and profit concessions, and took concrete moves in improving services, thus achieving the deep integration and mutual promotion of business development with Guangxi’s economy.

## Cases

### The first government-led urban renewal loan project of the Bank has been successfully launched

On April 29, 2022, Chengdu Branch issued an urban renewal loan of RMMB700 million to Chengdu Xinjin Urban Construction Investment Group Co., Ltd, which is the first “government-led, market-based” urban renewal project loan granted by the Bank in areas outside Shenzhen after the Ministry of Housing and Urban-Rural Development announced the first batch of urban renewal pilot projects.



## II. Anchor Manufacturing to Promote Industry Upgrading

### (I) Supporting the transformation and upgrading of the manufacturing industry to improve quality and efficiency

The Bank fully attaches importance to the strategic needs for transformation and development of the manufacturing industry, actively promotes the continuous optimization and adjustment of the industrial structure, and provides good financing support for the upgrading and development of the manufacturing industry. On the basis of ensuring controllable risks, the Bank rationally allocates medium and long-term credit resources for the manufacturing industry, and strives to increase the proportion of medium and long-term loans to the manufacturing industry. In terms of industry credit strategy, the Bank focuses on strengthening medium and long-term financial support for scientific and technological innovation as well as technology transformation and upgrading in the manufacturing industry, promoting structural adjustment, transformation and upgrading, quality and efficiency improvement in the manufacturing industry, and directing funds to invest in high-end manufacturing industry. In terms of products, the Bank has successively launched high-quality products such as “Small and Swift Loans ( 小 額 快 捷 通 )” and “Technology Innovation Loan ( 科 創 貸 )”, to enrich the business dimension, simplify the business process, and lower the financing threshold and financing cost of enterprises.



In addition, the Bank resolutely implemented the major strategic deployments of the country and actively followed the working requirements of the Central Bank and the National Development and Reform Commission. Since the introduction of the national policy on equipment renovation and transformation re-loan in September, the Bank has attached great importance to it. The Head Office and branches have set up a special working team led by the Bank leaders to actively dock projects in the list of the Central Bank and the National Development and Reform Commission. At the same time, the Bank improved project management process, formulated preferential policies, established green approval channels, and promoted the implementation of medium and long-term manufacturing loan and equipment renovation and transformation loan projects in a high-quality and efficient manner.

**(II) Supporting the high-quality development of the manufacturing industry**

The Bank continues to strengthen its support for finance serving the real economy, improve system process, optimize credit structure, increase support for manufacturing and strategic emerging industries, support high-end manufacturing and strategic emerging areas in terms of risk preference, credit scale and price setting, and give special credit scale support to key high-quality enterprises.



As of the end of 2022, the Bank's balance of public loans to the manufacturing industry was RMB86.681 billion, of which the balance of medium- and long-term loans to the manufacturing industry amounted to RMB32,044 million, representing an increase of 40.51% as compared to the beginning of the year. The balance of loans to corporate small and micro enterprises was RMB11.837 billion, of which the balance of loans to manufacturing small and micro enterprises was RMB2.425 billion, accounting for 20.49%. In terms of bond underwriting business, as of the end of 2022, the Bank had underwritten a total of 19 manufacturing corporate bonds of various types with duration, with a total underwriting balance of RMB10.025 billion. In terms of M&A loan business, as of the end of 2022, the Bank had supported 4 manufacturing enterprises with M&A loan products, with a total amount of RMB2.05 billion.

**Cases**
**230,000 tons/year (27.5%) hydrogen peroxide and supporting 5,000 tons/year natural gas hydrogen production project of Shandong Minxiang Chemical Technology Co., Ltd. ( 山東民祥化工科技有限公司 )**

In order to implement the spirit of the executive meeting of the State Council and increase the support for finance serving the real economy, China Bohai Bank actively docked projects in the list of the National Development and Reform Commission to accelerate the progress of the project. Jinan Branch of the Bank made great efforts to overcome objective difficulties such as epidemic lockdown, actively communicated with customers, and signed a credit contract of RMB285 million with Shandong Minxiang Chemical Technology Co., Ltd. on October 16, 2022, and RMB285 million was all granted on November 4, 2022. This business is the largest investment project of the Bank in the list of the National Development and Reform Commission so far, and also the first business of all banks in the list of the National Development and Reform Commission in Zhangdian District, Zibo City.

Shandong Minxiang Chemical Technology Co., Ltd. is currently preparing for the 230,000 tons/year (27.5%) hydrogen peroxide and supporting 5,000 tons/year natural gas hydrogen production project. Upon the completion of the project, a green cycle industrial chain of "chlor-alkali - hydrogen peroxide - propylene oxide" will be formed. The project is expected to be fully put into operation in March 2023, which can achieve annual sales revenue of RMB4 billion, tax of RMB320 million and profit tax income of RMB1.2 billion, while solving the employment problem of more than 600 people, with good economic and social benefits.

## Cases

### Xi'an Branch signed the first equipment renovation and transformation loan project

On November 16, 2022, the Development and Reform Commission of Shaanxi Province convened a centralized signing ceremony for subsidized loans to equipment purchase and renewal and renovation in some areas of the province and the expansion of medium and long-term loan projects for the manufacturing industry. Xi'an Branch of the Bank successfully completed the signing of the first equipment renovation and transformation loan project with Shaanxi Bailuyuan Tourism and Culture Development Co. Ltd. ( 陝西白鹿原旅遊文化發展有限公司 ).

Xi'an Branch earnestly implemented the decision-making arrangements of the state, Shaanxi Province and the head office on the package policies of stabilizing the economy and the subsequent policies, conscientiously implemented the work arrangements of the development and reform departments at all levels on subsidized loans to equipment purchase and renewal and renovation in some areas, closely grasped the window period when the policies on equipment renovation and transformation loans are issued, and in the face of fierce competition from many financial institutions, the branch faced up to difficulties, carried out precise marketing and finally completed the signing and implementation of the first equipment renovation and transformation loan project of the branch.



## Cases

## Changsha Branch took multiple measures to support the development of Hunan's manufacturing industry

In 2022, by taking serving the real economy, serving inclusive small and micro enterprises and serving manufacturing industry as the foothold of transformation and development, Changsha Branch of the Bank earnestly supported and served Hunan to build a national advanced manufacturing industry. As of the end of December 2022, the branch's balance of loans to the manufacturing industry amounted to RMB2.24 billion, representing a year-on-year increase of RMB841 million, or 60.11%, of which, the balance of loans to high-tech manufacturing industry was RMB1.72 billion, representing a year-on-year increase of RMB672 million, or 64.12%. The loans to high-tech manufacturing industry accounted for 76.79% of the loans to the manufacturing industry, representing an increase of 1.88 percentage points over the same period last year.

First, the branch prioritized credit resources within the bank to ensure the allocation of loan plans for real enterprises, broadened the channels for loans to manufacturing business, and took the initiative to make credit funds flow into key areas of support, striving for the growth rate of manufacturing loans to be higher than the average growth rate of all loans. Second, centering on the "14th Five-Year Plan" of building a strong manufacturing province of Hunan, the branch strengthened and improved the financial services in key areas and key links, with focus on key industries and the promotion of the development of twelve major industrial clusters, supporting leading industries such as construction machinery, rail transportation, aerospace equipment, information and innovation industries, new materials, energy conservation and environmental protection to grow and expand; highlighting key enterprises and docking pilot enterprises in advanced equipment manufacturing industry. Third, the branch strengthened policy guidance, increased credit investment in staffing, economic capital occupation, internal fund transfer pricing, cost arrangement and assessment incentive to give policy support to this work; controlled the tolerance rate of non-performing loan ratio within 3 percentage points of the non-performing ratio of all loans; effectively reduced intermediate fees for loans and lowered interest rates on loans in accordance with the principle of "increasing supply and reducing cost". Fourth, the branch innovated financial products and services by centering on the new industry and innovation chains of the manufacturing industry, reasonably considered the technology, talents, market prospects and other "soft information" of manufacturing enterprises, and incorporated related factors into the credit rating system of bank customers to explore the potential value of enterprises. Under the premise of controllable risks and sustainable business, combined with non-financial information of enterprises such as "electricity meters, water meters, tax return (三表)", "bank statements, in-and-out record of inventory, payroll (三單)" and "collaterals and products (兩品)", the branch explored the use of credit loans, intellectual property mortgage loans, equity mortgage loans, accounts receivable mortgage loans and brand-based trademark patent mortgage loans to actively meet the financing needs of innovative manufacturing enterprises.



### III. Integrating into Scenarios to Promote the Development of People's livelihood



In 2022, the Bank continued to strengthen financial services in the medical and education industries and continuously improved the scenario-based marketing of hospitals and schools, contributing to promote the construction of intelligent medical and education industries. By setting up special working teams in the head office and branches, giving priority support to risky assets and credit scale, the Bank increased investment in credit investment and intelligent upgrading in the medical and education sectors. In 2022, the Bank kept pace with the construction of digital medical care and digital campus, and by building “smart medical care” and “smart school” platforms for hospitals and schools to help them improve work efficiency and reduce management costs, thus achieving win-win cooperation. As of the end of 2022, the Bank's customers in the medical and education sectors covered 40 cities including Beijing, Tianjin, Taiyuan, etc., and its service scope ranged from grassroots community medical institutions to authoritative Class III Grade A general hospitals, and from early education institutions such as kindergartens to “985” and “211” key universities. In 2022, the Bank issued RMB2.825 billion of credit funds to the medical and education sectors, covering a variety of products such as medium - and long-term working capital loans, project financing, bill products and supply chain finance.



In 2022, the Bank promoted the development of the consumer market to support and promote people's livelihood. In terms of consumer loan business, the Bank has a relatively rich spectrum of marketable products, and the personal credit loan business of the Bank can be applied online, operated independently, with revolving credit lines and repayable on demand, and with convenient and quick operation process and efficient service combining online and offline, the Bank fully met the financial needs of individual customers in culture and education-related consumption scenarios. The Bank launched “Boyin E-loan Golden Lending Loan ( 渤銀 E 貸金領貸 )” and “Boyin E-loan Haihe Loan ( 渤銀 E 貸海河貸 )” to meet customers' consumption needs through precise positioning and convenient process. In terms of credit card, in order to promote and serve residents consumption, the Bank launched different forms of marketing activities for different con-

sumption business scenarios, such as Rising Consumption (消費節節高), Real-time Consumption Lucky Draw (消費即時抽獎), RMB8 for HEYTEA (8元喝喜茶), Wechat/Alipay First-tie Discount (微信/支付寶首綁立減), Tmall/Taobao Full-value Discount (天貓/淘寶滿額立減), etc. Of which, initiatives such as discounted installment rates can reduce the burden of large consumer spending on customers, conducive to promoting consumption upgrading.

In 2022, the Bank actively participated in the third pillar construction of the national pensions, promoted the development of pension services from the top-level design, and provide customized planning services and differentiated product service system. The Bank actively built the “Botai” comprehensive pension service system based on a wealth of financial products, supplemented by considerate non-financial services and featured with a team of professional pension planners, to create a one-stop pension financial service platform. First, the service functions of personal pension accounts have been fully opened. In addition to one-stop information query, management, pension contribution and collection, the exclusive deposit products for pension targets have been developed based on the characteristics of low-risk preference, low liquidity requirements and fixed income of pension funds. Second, in active respond to the demand for the launch of pension accounts, the Bank intensified its efforts in business promotion, cooperated with the launch of the mobile banking function of pension accounts, and completed the launch of pension account opening, contribution and account opening gift campaign. Third, the Bank continued to enrich services by optimizing and upgrading various financial services for the elderly and providing exclusive rights and interests to elderly customers. The Bank opened 95541 “Elderly Line” telephone customer service. Registered customers over 60 years old can enjoy “one click direct access to” manual service when they dial 95541 as the system can automatically identify; the Bank established Botai Club in the new mobile banking version 6.0, and created the online customer service area for Botai customers for the first time, covering all aspects of elderly customers’ life including “clothing, food, housing, travel and entertainment”. Meanwhile, Botai Club launched the Botai Newcomers Gift (渤泰新人禮), an exclusive benefits activity for Botai customer groups, which has been promoted and claimed since its launch, successfully reaching a large number of Botai customers and creating a good brand publicity effect. Fourth, to protect the rights and interests of consumers in strict accordance with laws and regulations, the Bank car-



ried out the of public welfare pension finance knowledge popularization in multi forms and multi levels to improve the ability of elderly customers to identify financial risks, help them establish the correct concept of pension finance consumption, practice the social responsibility of China Bohai Bank, and fulfill the mission of serving the people's better life. Fifth, based on the development vision of a "modern wealth and treasury manager offering the best experience", the Bank will continue to enrich pension finance related products. On the basis of completed qualification training for 200 pension financial planners, by further relying on the market-leading professional team of pension financial planners and through the construction of financial and non-financial pension systems, the Bank optimized our customers' pension planning experience throughout the whole life cycle, nourishing key people's livelihood service industries such as the "silver-haired group( 銀髮一族 )" and "grey-haired group ( 養老一族 )" with financial resources.



Cases

Shanghai Branch won the "2022 Shanghai UnionPay Business Cooperation Excellence Award" from China UnionPay

In 2022, Shanghai Branch of the Bank actively participated in the construction of the UnionPay card environment, proactively dovetailed with the UnionPay key cooperative businesses, strived to overcome the impact of the epidemic, and through dauntless and unremitting efforts, the branch was recognized by the relevant departments of the UnionPay in the joint marketing campaign promotion of UnionPay cards and vouchers, pilot innovation of cloud direct business and other business cooperation with UnionPay, and won the "2022 Shanghai UnionPay Business Cooperation Excellence Award" from China UnionPay Shanghai Branch.

## Cases

## Beijing Branch helped new citizens live and work in peace and contentment

In 2022, Beijing Branch thoroughly implemented the requirements of China Banking and Insurance Regulatory Commission, the People's Bank of China and the Beijing Banking Association on strengthening financial services for new citizens, focusing on areas such as entrepreneurship and employment, housing purchase and settlement, education and training, medical care and pension, and basic financial services for new citizens, intensifying product and service innovation according to local conditions, covering various financial service needs of new citizens, striving to improve the availability and convenience of services for new citizens, constantly improving the quality and effectiveness of financial services for new citizens, and effectively enhancing their sense of gain, happiness and security.

First, the branch strengthened housing credit support for new citizens. In terms of housing purchase, under the principle of "housing is for accommodation, not for speculation", the branch optimized the approval process of individual housing mortgage loans, provided online application service, and opened up a "green channel" to effectively meet the reasonable financing needs of individuals for their first and improved housing purchase, and strengthen the financial services and support for new citizens to "settle down" in Beijing. In terms of house renovation and rental, the branch actively expanded the supply of financial products and services for new citizens, and further strengthened the financial support of the branch's credit products for the owned house renovation and affordable rental houses of new citizens, provided financial support for new citizens in terms of housing renovation and decoration, secured housing rental, etc. through a variety of credit products such as "Boyin E-loan –Golden Lending Loan (渤銀E貸-金領貸)" and Hi Card, so that new citizens can "live and work in peace and happiness" in Beijing. Second, the branch diversified scenarios to provide consumer credit support for new citizens, focusing on promoting the consumer loan product "Boyin E-loan –Golden Lending Loan", which aimed at serving salaried new citizens, with the consumption scenarios involving various aspects such as "clothing, food, travel, entertainment, car and shopping". Consumers can apply for approval online, which offers good customer experience. This product has served 418 new citizen businesses in total this year, with an accumulative loan of RMB113.88 million. Beijing Branch will further increase the amount of personal consumption loans to enhance the quality and effectiveness of financial services for new citizens. Third, the branch further reduced rates and lowered profit margins and offered preferential interest rates to Hi Card installment customers and "Boyin E-loan –Golden Lending Loan" customers. In terms of retail personal account services, the branch waived the debit card annual fee, debit card capital fee and personal small account management fee, and in terms of debit card inter-bank withdrawal fee (via ATM), the first 3 domestic inter-bank withdrawals per month is free of charge.

Cases

### Shanghai Branch provided escort for key enterprises providing epidemic prevention supplies in Shanghai

In March 2022, Shanghai Branch held an online business communication meeting with Shanghai Zhengming Modern Logistics Co., Ltd. (hereinafter referred to as "Zhengming Modern Logistics"), and after fully understanding the current business needs of the enterprise, the branch tailored a credit renewal business plan for the enterprise to protect its supply during the epidemic prevention period.

At that time, Zhengming Modern Logistics was selected as one of the key enterprises for securing living materials for epidemic prevention and control in Shanghai, and faced many challenges in the complex and severe epidemic situation. The branch recommended a comprehensive service package of asset pool, multi-level books and group cash pool on top of its existing business renewal credit, and provided more optimized and enriched online supply chain financing business services.

In the face of the epidemic, the branch responded to the needs of customers in the first time to ensure continuous financial "blood supply", secured people's livelihood through financial practices and overcome difficulties together.



## Cases

## “Bo Xue Duo Cai ( 渤學多財 )” project

“Bo Xue Duo Cai ( 渤學多財 )” project is the first time for the Bank to focus on parent-child customer groups, which is positioned as a financial education provider for teenagers in China, takes meeting children’s needs for New Year’s money and pocket money management as a starting point to build a financial education ecosystem, and was selected in the “2022 National User Experience Innovation Typical Case Collection”.

The Bank introduced professional institutions to create themed IP, with cartoon images that are close to nature and vivid going throughout the functional sections of the platform, empowering the brand features and influence. The organic combination of online financial education platform and offline teaching activities is the highlight design of this project.

As for the online platform, the “Boxue” ( 渤學 ) series of video courses independently developed by the Bank have been widely recognized in the industry thanks to its excellent production and perfect system, and have been included in the auxiliary teaching material “Financial Integrity with the Bank” ( 金融誠信伴本行 ) compiled by Tianjin Branch of the People’s Bank of China, which is targeted at primary and middle school students in the city for learning. The “Little Deeds” ( 小約定 ) section uses parent-child photo shoots to establish a pact to encourage parent-child families to fulfill their contractual spirit and adhere to the bottom line of integrity. The Bank actively undertook corporate social responsibility, and launched a scenario-based financial services segment “Wish List” to popularize the concept of financial education by taking wealth accumulation habits and risk management concept as an entry point. In the offline research and study activities, the Bank developed a standardized plan of parent-child financial literacy salons, provided unified guidance on material design, venue decoration and activity planning, and offered the visiting parent-child customers with a variety of financial literacy themed activities that combine education with fun for teenagers, which has been first practiced in Guangzhou and Shanghai, and can enlighten teenagers about financial education, accompany parents and children to grow up together with the help of practical interaction such as learning courses, playing games and doing crafts.

# Practicing Inclusive Finance and Focusing on Rural Revitalization

The Bank always takes inclusive finance as a strategic core business, regards the development of inclusive finance as an important development opportunity, continues to focus on small and micro financial services and actively applies the fruitful results of fintech to promote the high-quality development of inclusive finance business. The Bank pays close attention to rural revitalization, takes it as a major political task, and strives to improve the availability and inclusion of financial services.









## I. Keep Expanding Inclusive Finance Business

- > In 2022, the Bank fully followed the decisions and plans of the Party Central Committee and the State Council, and was in line with the “Stability on Six Key Fronts (六穩)”, fully fulfilled the “Security in Six Key Areas (六保)”, undertook additional responsibilities and fully supported the recovery and quality development of small and micro enterprises. In terms of business development, the Bank adhered to the development strategy of “getting bigger in short term and better in long term”, focused on the business direction of “big data, strong guarantee and housing credit”, and focused on “system, platform, circle and chain, scenario and ecosystem”, and pursued a bulk, ecological and professional development pathway, which improved the overall coverage of inclusive finance. The Bank continued to improve product systems, optimized the overall business process, further increased credit allocation in key areas and industries, steadily reduced financing costs of small and micro enterprises, and continued to improve service efficiency and standards to achieve healthy and sustainable development of the inclusive finance business.

- > As of the end of 2022, the balance of inclusive small and micro loans was RMB65.731 billion, representing an increase of RMB6.249 billion or 10.51% as compared to the beginning of the year; the number of inclusive loan accounts was 161,777, representing an increase of 15,559 or 10.64% as compared to the beginning of the year; the average loan execution rate was 5.71%, representing a decrease of 0.27 percentage point as compared to the beginning of the year.

### (I) Resolutely expanding the coverage of inclusive finance

Centering on “circle and chain, platform, system, ecosystem and scenario”, the Bank strengthened customer focus, optimized industry layout, conducted in-depth research on the characteristics of industries, focused on regional characteristic industries, advantageous industrial clusters, core supply chains and characteristic industrial parks, formulated several white lists for key real estates, core enterprises, guarantee companies and technology innovative enterprises, and continued to expand the scope of financial services groups for small and micro businesses. The Bank continued to strengthen the promotion of the supply chain business of core enterprises, continuously improved the “1+N” model of circle and chain service, provided convenient and fast financial services for the upstream and downstream small and micro enterprises of core enterprises, and further improved the availability of inclusive financial services.

## (II) Keeping improving inclusive finance product systems

Focusing on the business direction of “big data, strong guarantee and housing credit”, the Bank continued to optimize and innovate and established a multi-scenarios, multi-level and multi-dimensional inclusive finance product system. The “Bohai Bank Housing Loan” streamlined the business process, optimized the risk control strategy and increased the automatic approval rate, which significantly improved user experience and service quality. The “Bohai Bank Commercial Loan” was further renovated and upgraded and expanded the scope of its customer groups to meet the financing needs of customers in different scenarios. The “Medical Insurance Loan” product made full use of the data from the medical insurance system and big data from industry and commerce, justice and credit to determine a customer’s operating conditions. Credit loans were issued online, which significantly increased the convenience of receiving loans.

## (III) Establishing a sound long-term mechanism for inclusive finance

Focusing on the “four loans” mechanism for small and micro enterprises, the Bank comprehensively improved the efficiency of serving small and micro enterprises, and optimized 5 process stages, 12 main processes and 26 sub-process operations, achieving a 46.2% improvement in time efficiency. The Bank revised the due diligence exemption system in an all-round way, clarified criteria for identification, formulated positive and negative lists, and improved fault-tolerant arrangements. The Bank optimized the assessment and incentive mechanism and incorporated inclusive finance business into the three key assessment categories of the overall key performance, business line KPI and basic management of branches. The Bank increased internal transfer pricing concessions, and provided differentiated pricing concessions to key areas and key industries, such as freight logistics and manufacturing, affected by the epidemic.

## (IV) Continuously increasing inclusive finance credit allocation

In 2022, the Bank continued to increase its credit support for inclusive small and micro enterprises, focused on key regions, industries and customers, adjusted and optimized the credit resources allocation policy in a timely manner, increased credit allocation to Northeast and central and western regions and other areas affected by the epidemic, and appropriately increased the credit allocation plan in Shenyang, Changchun, Inner Mongolia, Tianjin, Shanghai and other branched; increased support for industries and customers that were greatly affected by the epidemic, such as freight logistics and catering, especially for transportation enterprises, individual businesses and truck drivers, so as to ensure that “no loans are withdrawn, no loans are made incessantly and no loans are suspended” and tide over difficulties with small and micro customers together.

## Cases

### Beijing Branch took multiple initiatives to alleviate the problem of difficult and expensive financing for inclusive small and micro enterprises

In 2022, Beijing Branch of the Bank actively implemented the strategy of inclusive finance business development, continuously optimized the process of inclusive finance products and services through financial innovation and technological empowerment, and improved the coverage, availability and satisfaction of inclusive finance.

On the one hand, the branch launched supporting services such as “repayment on demand ( 隨借隨還 )” and “loan renewal without repayment of principal ( 無還本續貸 )”, implemented the “business renewal early warning mechanism ( 業務續接預警機制 )”, and formulated supporting policies and systems such as “account manager due diligence and exemption ( 客戶經理盡職免責 )”, to effectively achieve loan renewal without repayment of principal and delayed repayment of principal and interest as long as possible, so as to ensure that loans are not blindly suspended, suppressed, withdrawn or cut off, and the sustained operation of troubled enterprises is fully guaranteed. On the other hand, by relying on the “dynamic adjustment mechanism for small and micro enterprise loan prices”, the FTP price for loans to inclusive small and micro enterprise was 50BPs lower than the general enterprise loans and the “0 charges” was implemented. The branch actively applied for subsidies such as interest rate discount for customers, trying its best to reduce the burden for small and micro enterprises.

In Beijing Branch, the balance or amount of delayed repayment of principal and interest, loan renewal without repayment of principal for inclusive small and micro enterprises totaled RMB2.096 billion, accounting for more than 50% of the branch’s loan scale for small and micro enterprises; The inclusive business scale increased from RMB3.05 billion at the beginning of the year to RMB3.343 billion, with a growth rate significantly higher than that of all loans of the branch during the same period.

## Cases

### Changsha Branch actively launched the “Service Month for Individually-owned Businesses” activity in 2022

In November 2022, in accordance with the working requirements of Changsha Central Branch of the People’s Bank of China and the Bank, in order to further strengthen the service support to relieve development difficulties for individually-owned businesses, Changsha Branch took multiple measures to provide service support for individually-owned businesses.

First, the branch selected featured products to solve the financing pain points of individually-owned businesses. In order to achieve precise lending, China Bohai Bank vigorously promoted online products such as “Bohai Business Loans”, “Bohai Tax-based Business Loans”, “Bohai Bank Housing Loan” and “Bohai Bank Commercial Loan”, as well as offline products such as personal loans for production and business purposes and commercial housing mortgage loans, which not only met the financing needs of individually-owned businesses, but also solved the “last mile” problem of financing for some individually-owned businesses.

Second, the branch further strengthened the implementation of policies to support individually-owned businesses affected by the epidemic, adhered to the principle of delayed repayment of principal and interest as long as possible, and implemented the policy of delayed repayment of principal and interest for individually-owned businesses in accordance with market-oriented principles. For inclusive small loans that mature before the end of this year, individually-owned businesses and branches shall, through independent consultation, decide to implement a phased delayed repayment of principal and interest. The branch further promoted the “repayment on demand” model, strengthened the implementation of the policy on loan renewal, took the initiative to follow up the financing needs of individually-owned businesses, actively carried out the business of “loan renewal without repayment of principal”, and provided active support for the loans to normal individually-owned businesses that meet the conditions for renewing loans.

Third, the branch gradually introduced more favorable interest rates and service charges for individually-owned businesses that have been severely affected by the COVID-19 pandemic, and reduced or waived penalty interest to ease the burden on them.

## Cases

### Shanghai Branch launched the first “Entrepreneurship Relay Loan”

Following the development orientation of inclusive finance, Shanghai Branch of the Bank overcame numerous difficulties and successfully launched the first inclusive entrepreneurship relay guarantee business on September 2, 2022. “Entrepreneurship Relay Loan” breaks through the traditional mode of granting credit to the guarantor on a household basis, and conducts credit review on the letter of guarantee facility for the guarantee company, so that it can solve the project financing needs of a number of science and innovation-driven and “specialized, sophisticated, unique and new” small and medium-sized enterprises that meet industrial development policy guidelines under the premise of conforming to the higher credit access of the branch, which can help more small and medium-sized enterprises sustain their development and contribute to the construction of Shanghai’s “Science and Innovation Center”.



## II. Taking Responsibility to Support Rural Revitalization

- > To serve rural revitalization is the requirement of the central government and the responsibility of Bohai. As a national joint-stock commercial bank headquartered in Tianjin, the Bank stuck to its original aspiration, persisted in conscientiously implementing the decisions and deployments of the Party Central Committee and the State Council, adhered to the political and people-oriented nature as a commercial bank, unswervingly serving “rural areas, agriculture and farmers”, strictly implementing the requirements of regulatory authorities, and allocating better financial resources to the key areas and weak links of the development of agricultural industries, in order to accelerate the construction of a modern rural industrial system, and comprehensively promote rural revitalization. As of the end of 2022, the Bank’s agriculture-related loan balance was RMB50.571 billion, an increase of RMB3.374 billion or 7.15% over the beginning of this year; inclusive agriculture-related loan balance was RMB2.979 billion, an increase of RMB1.041 billion or 53.73% over the end of the previous year; the balance of loans to areas lifted out of poverty was RMB1.946 billion, an increase of RMB385 million or 24.68% over the end of the previous year.

### (I) Improved the system and mechanism to form “a board of chess” for the Bank to serve rural revitalization

- > The Bank attaches great importance to the top-level design of integrated development of targeted assistance and rural revitalization, and makes comprehensive deployment in terms of organization mechanism, system guarantee and responsibility implementation.

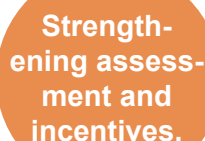
**Strengthening organization and leadership.**

In 2022, under the leadership of the leading group for consolidating poverty alleviation and serving rural revitalization, with the secretary of the party committee of the Head Office as the group leader and the president of the Head Office as the deputy group leader, the Bank developed in coordination to build a long-term working mechanism for serving rural revitalization.

**Improving policy guidance.**

The Bank issued the “Implementation of Financial Support to Consolidate and Expand the Achievements in Poverty Alleviation and to Comprehensively Promote the Implementation of Rural Revitalization by Bohai Bank (渤海銀行落實金融支持鞏固拓展脫貧攻堅成果全面推進鄉村振興的實施意見)”, formulated the 2022 work plan for consolidating the achievements in poverty alleviation and incorporated it into the Development Plan

for Inclusive Finance Business of China Bohai Bank Co., Ltd. (渤海銀行股份有限公司普惠金融業務發展計劃), and specified the key areas of rural revitalization in its credit policy to continuously improve the quality and efficiency of financial



Strengthening assessment and incentives.

services for rural revitalization. The Bank continuously carried out assessment and supervision. Through the formulation of differentiated performance appraisal policies, the importance of financial support for rural revitalization was further strengthened. The Bank continued to promote targeted support for small and micro enterprises involved in “rural areas, agriculture and farmers”, and provided preferential interest rate policies for small and micro enterprises involved in agriculture, forestry, animal husbandry, fishery, as well as wholesale and retail, and increased the preferential margin of loan interest rates to 80 to 95BPS, effectively reducing the financing costs of various market players in agriculture-related industries.

The Bank adjusted the internal assessment mechanism to increase the proportion of KPI assessment of agriculture-related loans of branches. Meanwhile, the Bank included the agriculture-related loans and achievements of consolidating poverty alleviation in the party-building assessment of branches, playing its baton role to guide and urge branches to strengthen the implementation of rural revitalization policies. The Bank improved the due diligence exemption system for agriculture-related loans, promulgated and implemented the Due Diligence Exemption Management Measures for the Credit Business of Inclusive Small and Micro Enterprises of China Bohai Bank (Revised in 2022) (渤海銀行普惠型小微企業授信業務盡職免責管理辦法 2022 年修訂), clarifying the differentiated policies for inclusive agriculture-related and key supported credit business and adding due diligence exemption for financial supported credit business such as inclusive agriculture-related business.

## (II) Strengthened the consolidation of resources to comprehensively promote rural revitalization

- > The Bank continuously enriched the agricultural support credit models, used technology to empower, and met the diversified and multi-level financial needs of rural revitalization by deepening the cooperation between the bank and guarantee institutions and innovating “Bohai Farmer Loans (渤農貸)”, “Inclusive Agriculture and Animal Husbandry (普惠農牧)” and other financial products for rural areas. The Bank relied on rural characteristic and advantageous resources, focused on leading enterprises in the industrial chain, and explored a new model of “1+N” agricultural support credit. Meanwhile, the Bank continued to increase credit in grain production, sales, storage, and processing and other fields to serve the entire agricultural industry chain. Regarding the comprehensive promotion of rural revitalization and realization of high-quality agricultural and rural development as the main line, focusing on modern agricultural development, rural construction and other aspects, the Bank provided targeted marketing services to customers in the field of rural construction, and increased the intensity of loans for agricultural and rural infrastructure construction. The Bank vigorously carried out the underwriting and innovative business of rural revitalization bills, and further

increased the scale of bond underwriting business, to provide smooth direct financing channels for the real economy in rural areas. Taking strategic direction as its guide, customers as its orientation, compliance as its standard, and sustainability as its outline, the Bank strengthened the characteristic training on the theme of rural revitalization, and improved the quality and efficiency of marketing.

- By making full use of fintech, the Bank innovated “Bohai Farmer Loans ( 渤農貸 )”, broke through the limitations of the physical network, solved the problem of last mile of rural finance, and deliver financial services to the “fields”. As of the end of 2022, “Bohai Farmer Loans ( 渤農貸 )” issued 6,910 loans to farmers, with a total loan of RMB410 million, of which 2,924 loans totaling RMB173 million had been issued in Jilin Province, accounting for 42.12% of the total amount of loans granted. In early 2022, when most of the local areas were under repeated lockdown due to the epidemic, “Bohai Farmer Loans ( 渤農貸 )” still accepted and made loans normally, further enhancing its agriculture-related financial service capability.

## Cases

### Shenzhen Branch helps agriculture-related enterprises

Shenzhen Branch of the Bank closely follows the national guidelines and policies to consolidate the achievements of poverty alleviation and comprehensively promote rural revitalization. Shenzhen, as a first-tier city, has no rural areas, but the demand for agricultural industries is strong. Shenzhen Branch actively pays attention to people's livelihood, strengthens financing guarantee for key enterprises supplying agricultural products, and vigorously supports agriculture-related industries.

In the first quarter of 2022, which coincided with the critical period of epidemic situation in Shenzhen, the branch was concerned about the various impacts of COVID-19 on the supply of hog breeding, such as insufficient feed supply, passive clampdown of livestock farms due to the transport roads blockade, short-term shortage of pork supply caused by the closure of some slaughterhouses, and labor shortage due to the quarantine measures during the epidemic period. In order to meet the demand for pork consumption at the catering end and guarantee the living standard of residents in the city, Shenzhen Branch cooperated with a food development company in Shenzhen to provide financial support for its hog procurement. Shenzhen Branch has successively provided loans totaling tens of millions of RMB to the food development company and its affiliated enterprises, which solved its financial needs of hog procurement and ensured the stable supply of pork.

## Cases

### Changchun Branch's services for “rural areas, agriculture and farmers” move forward to a new level

In order to further improve the level of serving “rural areas, agriculture and farmers”, the Bank upgraded its product of “Bohai Farmer Loans ( 渤農貸 )” again, with the application quota and interest rate adjusted, and launched the online service platform of “Bohai Farmer Wealth ( 渤農財富 )”. Changchun Branch held its first online activity on April 21, 2022, innovated the online service mode for the frontline “rural are-



as, agriculture and farmers” groups, so that farmers can enjoy better financial services in the fields.

In May 2020, with the full support and cooperation of Jilin Financial Holding Group and Jinlin Rural Financial Service (吉農金服), “Bohai Farmer Loans (渤農貸)”, the Bank’s first online loan product to support agriculture and help farmers, was officially launched into the market. As of the end of 2022, the Bank had issued more than RMB260 million of inclusive agriculture-related loans, providing nearly 5,000 farmers with credit funds needed for agricultural production in a convenient and efficient way.

The credit attributes of contactless and efficient online approval and release of loans of the product have played an active role in helping farmers prepare for spring farming without interruption. During the period, Changchun Branch even overcame difficulties to increase the application limit, with the maximum application limit for a single loan increased from RMB100,000 to RMB150,000, and the interest rate of the product lowered by 50BP, which reduced the interest of farmers by more than RMB50 for every loan of RMB10,000.

At the same time, the newly established “Bohai Farmer Wealth (渤農財富)” group is an open financial information and wealth consulting service group targeted for the majority of “Bohai Farmer Loans (渤農貸)” borrowers, the business managers and village coordinators of Jinlin Rural Financial Service that provide long-term frontline services, and is also a beneficial attempt for China Bohai Bank to further narrow the gap between urban and rural financial services.

## Cases

### Hohhot Branch successfully issued the first rural revitalization bond in 2022

On March 4, 2022, the eighth ultra short-term financing bonds of 2022 (rural revitalization) of Inner Mongolia Yili Industrial Group Co., Ltd., led underwritten by the Bank were successfully issued, with an issue size of RMB3 billion, which is the first innovative bond of Hohhot Branch in 2022.

Rural revitalization notes are a new innovative product launched by the National Association of Financial Market Institutional Investors, aiming to promote the development of the dairy industry with financial resources, help farmers and herdsmen share industrial profits and benefits, thus achieving poverty alleviation and prosperity. RMB900 million out of the funds raised will be used for Yili’s subsidiaries to purchase raw milk from pastures, which will promote the modernization, scale and standardization of pastures in agricultural and pastoral areas by securing a stable source of income for the pastures, thus driving the development process of the dairy industry chain in agricultural and pastoral areas and promoting rural revitalization.

As the first branch of the Bank established in ethnic minority areas, in recent years, under the guidelines of the “leadership of party building, financial support, targeted efforts and product driven”, Hohhot Branch has concentrated its strength to optimize resource allocation and vigorously develop financial products to help farmers and herdsmen.

# Developing Green Finance and Responding to Climate Change

Based on the new development stage, the new development philosophy and the new development paradigm, we actively put the concept of green development into practice, continued to increase our efforts in climate and environmental risk management, provide more supports for the development of green, low-carbon and circular economy, and strived to build a base colour of green finance for China Bohai Bank. Meanwhile, the Bank has been sticking to low-carbon operation for long and continuing to enhance the awareness of “promoting its own green development”, taking the reduction of its own energy consumption as an important development value.







## I. Strengthening Climate and Environmental Risk Management

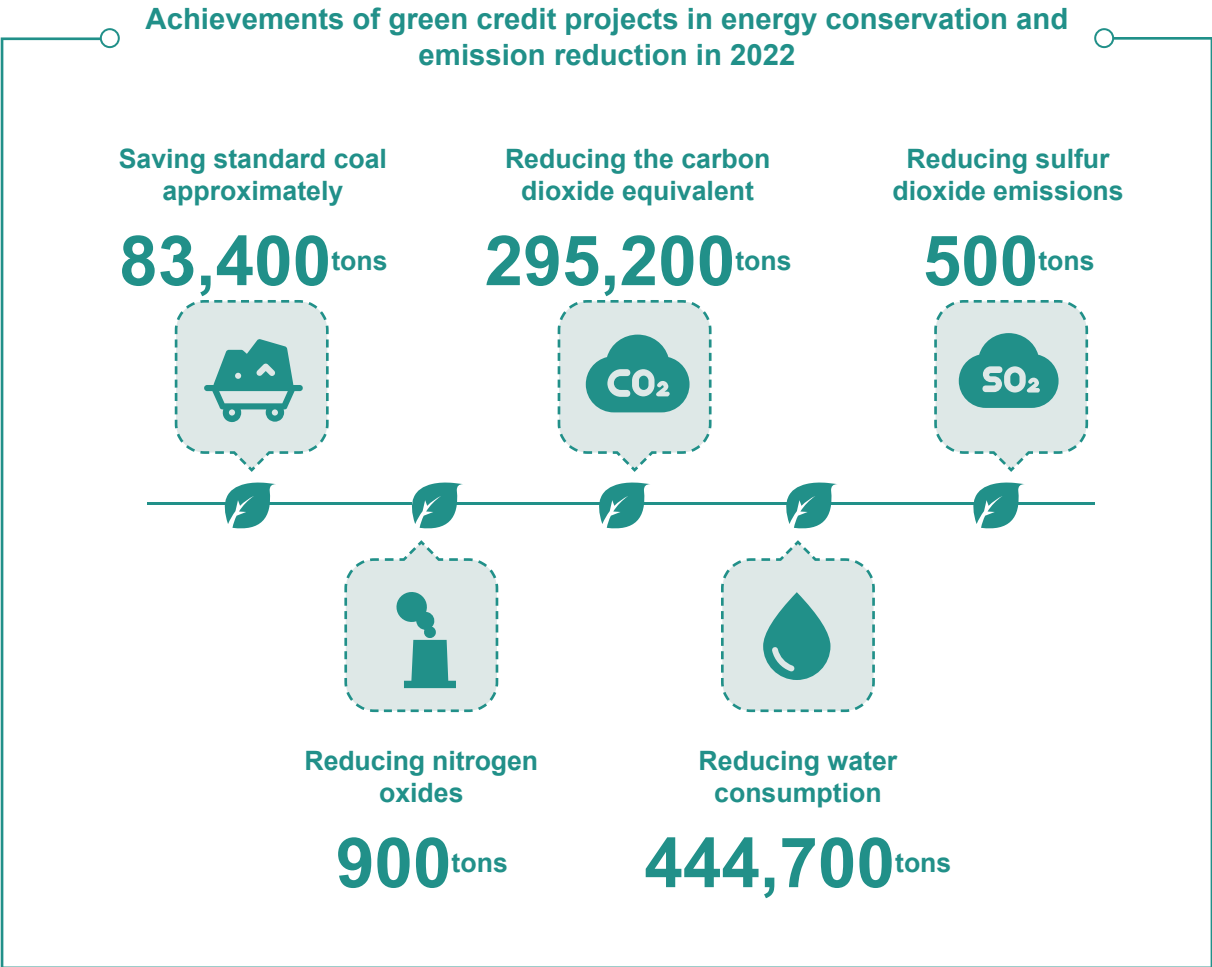
- The Bank implements the development philosophy of innovation, coordination, greenness, openness and sharing, lays emphasis on environmental protection, continuously strengthens environmental and climate risk management, gives play to the functions and roles of the financial industry, and actively responds to environmental and climate change. In 2022, the Bank made amendments to the Regulations on ESG Risk Management of the Credit Business of China Bohai Bank and the formulation of the ESG Risk Management Policies of China Bohai Bank successively.
- The Bank incorporates ESG into its management process and comprehensive risk management system, improves relevant policies and systems and process management, strengthens information disclosure and the communication between it and the stakeholders, and effectively identifies, monitors, and prevents and controls ESG risks (including climate and environmental risks) in its business activities.
- The Bank continues to improve its corporate governance mechanism that “The party committee provides overall leadership, the Board of Directors makes strategic decision, the Board of Supervisors plays the role of supervision in accordance with law and the senior management is responsible for the operation as authorized”, strives to build an ESG governance structure featuring each one performing its own duties, clear division of power and responsibilities, mutual coordination and effective management, and clarifies the ESG risk management functions of each of the Board of Directors, the Board of Supervisors, the senior management and the business management department. The Board of Directors is the top decision-making body for ESG risk management of the Bank, assumes the ultimate responsibility for ESG risk management, promotes the Bank’s implementation of the goal of “peak carbon emission and carbon neutrality”, and regularly considers the social responsibility (ESG) report, green finance implementation report, risk management report and other resolutions. The Board of Directors has set up special committees thereunder to consider the corporate governance, development strategy, risk management, internal control and compliance, related party transactions, green finance, inclusive finance, social responsibility, consumer protection and other issues related to the fulfillment of ESG responsibilities of the Bank, and to make recommendations to the Board of Directors. The Board of Supervisors is responsible for supervising the Board of Directors and senior management’s performance of their respective ESG risk management duties. The senior management coordinates the management of the ESG risks and opportunities in accordance with the authorization, requirements and resolutions of the Board of Directors, establishes ESG risk management mechanisms and processes, clarifies management responsibilities and authority, conducts internal supervision and inspection and appraisal and evaluation, and reports to the Board of Directors on the status of ESG risk management. The special committees under the senior management promote the establishment and improvement of ESG

risk management system in accordance with the ESG-related issues, development strategies and management objectives of the Bank as determined by the Board of Directors. For ESG risk management, the business department is the first line of defense, the risk management department is the second line of defense, and the audit, discipline inspection and supervision departments are the third line of defense, which share the responsibility for ESG risk management.

- The Bank pays close attention to environmental risks and opportunities to improve environmental performance. Adhering to the green development strategy, the Bank advocates financing for ecological protection, ecological construction and green industries in a way that is “beneficial” to the environment, increases its support for green, low-carbon and circular economy, supports the development of the real economy with green finance, and promotes the overall green transformation of economic and social development; plays the role of financial leverage to help achieve the goal of “dual carbon”; prevents environmental risks, limits credit input into high-polluting and high-energy-consuming industries, and accelerates the withdrawal of enterprises with backward production capacity; focuses on and continuously increases its investment in energy conservation and emission reduction, clean energy, carbon emission rights trading, low-carbon technology, green living and other fields, improves green financial products, and builds a green financial ecosystem; advocates green office, practices green operation, and promotes suppliers’ fulfillment of their environmental responsibilities through green procurement.
- The Bank incorporates climate risk, as an important category of risk, into the comprehensive risk policy management framework, clarifies risk management policies for climate change investment and financing business, establishes a climate risk stress test mechanism, conducts climate risk sensitivity stress tests for high carbon emission industries, and evaluates the potential impact of climate change impact and transformation of peak carbon emission and carbon neutrality goal on the business operation and credit assets of the Bank. The business department should identify and control the potential impact that the environment and climate may have on the business of the Bank from two dimensions: physical risk and transformation risk, and plays the role of resource allocation to guide the climate change to influence the investment orientation of funds in the industry and increases the investment of funds in the projects on carbon neutrality.
- The Bank has developed an ESG risk list and its contents. The ESG risk list includes pollution prevention and control, community health and safety, biodiversity conservation and sustainable natural resources management. The Bank identifies, monitors and prevents and controls ESG risks in business activities against the ESG risk list, and promotes customers to strengthen ESG risk management. The Bank has formulated ESG risk assessment criteria and risk classification criteria, and implemented differentiated classification management for credit customers in categories A, B and C. At the same time, the Bank has set risk management requirements in ESG risk review and approval and post-loan management for credit business, promoting the Bank to improve its ESG risk management level.

## II. Actively Building a Base Colour of Green Finance

> In accordance with the decision and deployment of the CPC Central Committee and the State Council, the Bank, based on the new development stage, implements the new development philosophy, builds a new development pattern and actively practices the concept of green development and sustainable development strategy, and increases its support for the green, low-carbon and circular economy. As of the end of 2022, the green loan balance of the Bank amounted to RMB27.305 billion, representing an increase of RMB2.586 billion or 10.46% as compared with the beginning of the year. Specifically, the loan balance for clean energy industry amounted to RMB5.182 billion, representing an increase of RMB1.72 billion or 49.68% as compared with the beginning of the year.





## (I) Strengthening the top-level design and building a base colour of green finance for China Bohai Bank

The Bank actively implements major decisions and deployments of the state, and proactively integrates the concept of green finance into its business operation, to create an “agile and warm bank” to serve the entities. At the top-level design level, the Bank focuses on serving the national goal of “dual carbon” and integrates green finance into the Fourth “Five-Year Plan” of the Bank, building a complete strategic framework system and implementation roadmap. In terms of organizational structure, the Risk Management and Green Finance Committee has been established under the Board of Directors, and a green finance leadership group has been set up under the management to realize the overall planning of green finance business. In terms of systems and mechanisms, a number of green finance support policies including the Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank ( 渤海銀行關於進一步推動綠色金融業務發展的指導意見 ) have been formulated, forming a relatively complete green financial system.



## (II) Performing duties and responsibilities and taking multiple measures to support green and low-carbon development

Focusing on the decision-making and deployment of the goals to achieve peak carbon emission and carbon neutrality, the Bank actively builds a multi-level and three-dimensional business system. Firstly, the Bank continues to increase its financial support for energy-saving and emission-reduction, circular economy, clean energy and other energy-saving and environmental protection enterprises and projects, and has established cooperative relations with many high-quality green enterprises, with green loans increasing year by year. Secondly, the Bank has set up green finance performance appraisal indicators, makes full use of performance appraisal tools to guide and supervise and urge to conduct the implementation of green finance regulatory policies across the bank, and further promotes the development of green finance in the Bank. Thirdly, the Bank strengthens the leadership of innovation, continues to optimize its services and products, and has innovatively launched specific green asset-backed loans and structured deposit products linked to green finance bonds. Meanwhile, the Bank actively promotes the issuance of green bonds, explores retail carbon account business models, and continuously strengthens the development quality and sustainable growth capacity of green finance. Fourthly, the Bank makes full use of structural monetary policy tools, provides green and low-carbon enterprises with stable financing channels and reduces financing costs for them through the PBoC’s carbon emission reduction support tools, and further supports the development of various types of green and low-carbon enterprises. Fifthly, the Bank strengthens risk management and project management in high-carbon industries, supports energy-saving transformation of traditional industries, and avoids one-size-fits-all and campaign-style carbon reduction. The Bank also conducts climate risk stress test to ensure that the overall asset quality of green loans remains at a good level in the long term.



### (III) Raising awareness of “promoting its own green development” and being a “leader” in green and low-carbon transformation

Under the guidance of the goal of “dual carbon”, the Bank continues to improve its own green finance service capabilities. On the one hand, the Bank has stepped up its efforts in training, and carried out several special trainings on green finance via the platform of the “Set Sail Campaign” public lectures, so as to continuously improve the awareness and ability of customer departments to serve green enterprises. On the other hand, the Bank focuses on its own green operation, adopts various measures including electricity-saving to create a transmission chain for energy conservation and emission reduction. The Bank continues to carry out diversified green public welfare activities, disseminates green concepts to its employees, customers and the public, and strives to achieve “carbon neutrality” in its investment and financing structure and the Bank itself. In 2022, the Bank won the 2022 “ESG Pioneer Award” (ESG 先鋒獎) of the China ESG Finance Summit jointly sponsored by the CailianPress and the Chinese Academy of Environmental Planning of the Ministry of Ecology and Environment, gaining a high degree of social recognition.

#### Cases

#### Waste incineration and comprehensive treatment project of Taihuan Company in Guanzhuang Village, Tianjin

The total investment by Taihuan Company in waste incineration and comprehensive treatment project in Guanzhuang Village, Tianjin amounted to RMB1.144 billion. After completion of construction, the project can treat 1,000 tons of domestic garbage per day and 365,000 tons per year. The designed annual electricity production capacity will be 128.62 million kWh and the annual amount of electricity input to the grid will be 100.80 million kWh. The project will be responsible for the treatment of domestic garbage in Hedong District, Hebei District and partially in Dongli District of Tianjin, and after the completion its construction, it can treat the daily wastes in non-hazardous way, minimization measure and resource recycling methods, create a beautiful, comfortable and clean urban environment for residents, bring certain economic benefits, and greatly reducing the pollution caused by non-standardized disposal of kitchen waste.

Since the financing for the project lacked support by corresponding matching product, the head office and branches and subbranches of China Bohai Bank worked together to complete the formulation of and system adjustment to the Administrative Measures for Green Specific Asset-Backed Loan (Trial) for China Bohai Bank (渤海銀行綠色特定資產支持貸款管理辦法 試行) in a rapid manner, allowing the continuous and stable cash flow generated from the fee collection rights or income rights of green specific assets as the first source for repayment, meeting the capital needs of the Bank in its production and operation activities.

As at the beginning of 2022, the Bank successfully approved RMB800 million for the project, and as at the end of January, the issuance of the first green specific asset-backed loan amounting to RMB681.5 million was realized, secured by pledging the accounts receivable and the electricity sales receivable under the Bank’s concession, and as at the end of June, a further project loan amounting to RMB50 million



was granted for the upgrading of the project. Through the innovative introduction of “Green Specific Asset-Backed Loan”, as a practice in the implementation of the green development concept of the Bank, not only the green financial products and service system has been built and improved for the Bank, the innovative green financial guarantee model has been created, but also, an advantageous effective means to carry out green finance has been provided for the branches of the Bank in the context of current sustainable development.

## Cases

### Hong Kong Branch of the Bank has signed the Memorandum of Cooperation on green and sustainable finance with Hong Kong Quality Assurance Agency

On 16 August 2022, the Hong Kong Branch of the Bank officially signed the Memorandum of Cooperation on Green and Sustainable Finance with Hong Kong Quality Assurance Agency, pursuant to which the two parties will work together on the path of green and sustainable development, gives play to their respective strengths, continue to expand their cooperation in green loans, green investments and other green financial projects, and continue to thoroughly implement the major strategic decisions of “2030 Peak Carbon Emission” and “2060 Carbon Neutrality” which the state has proposed.

With the state’s proposal of the dual carbon goal for 2030 and 2060, the Hong Kong Monetary Authority has formed The Green and Sustainable Finance Cross-Agency Steering Group together with the Securities and Futures Commission, attached increasing importance to the financial institutions’ green financial products development and response to the climate, and also set targets. Furthermore, The Hong Kong Monetary Authority has also introduced a regulatory policy manual on “Climate Risk Management”, requiring financial institutions to make disclosures on climate-related information and conduct stress tests on climate risks by 2025, to assist financial institutions in promoting the development of green and sustainable finance in a healthy manner.

## Cases

### Kunming Branch of the Bank has successfully invested in the first “Dual ESG Framework” green and sustainable development US Dollar bonds in China

On 13 April 2022, Kunming Branch of the Bank successfully invested in the first “Dual ESG Framework” green and sustainable development US dollar bonds in China with a coupon rate of 5.3% issued by Yunnan Energy Investment Group, with an investment amount of US\$59,672,400. The bonds was highly

recognized by the Hong Kong Quality Assurance Agency, which adopted innovatively dual certification of green bonds and sustainability-linked bonds, and was the first domestic bond issuance with dual ESG certification, setting a precedent in the field of domestic and overseas sustainable finance.

Kunming Branch of the Bank attached great importance to such bond business. In the context of having signed a strategic cooperation agreement with Yunnan Energy Investment Group and the branch being supporting the development of new energy and green energy of the Group firmly, the branch set up the “Agile Group for Green USD Bond Issuance” which provided daily supervision and urge according to the “Advancing Log”. At the same time, the branch adjusted its strategy depending on the changing needs of customers, and provided customers with comprehensive, multi-level, inbound-outbound linked financial support and settlement services.



### III. Having Adhered to its Own Low-carbon Operation in Long Term

- As a financial enterprise, the Bank generates no pollutants and emission which have obvious impacts on the environment during the operation process, but we never ignore the management and control on our own energy consumption. With the increasing expansion of the scale of operation and significant increases in the number of staff and equipment, the Bank adopts effective measures on key areas, strictly controls its own energy consumption and always adheres to green operation. During the design and construction of China Bohai Bank Tower, we have set the primary target and functional characteristic on environmental friendliness and strived to develop it into a landmark in green development.

#### Green building



The central air conditioning system is a large energy-consuming

equipment in China Bohai Bank Tower. After the commencement of the cooling and heating seasons each year, reasonable energy saving and consumption reduction will be carried out depending on the usage of the building.

In the cooling season, energy saving is achieved by adjusting the temperature of the chilled water discharged out of host system of the central air conditioning. The working condition temperature of the host refrigeration machine will be controlled at 7 to 12 degrees, and the chilled water discharge temperature will be adjusted depending on the temperature change, and the energy-saving effect is extremely obvious at the commencement of the cooling season in May and the end of the cooling season in October.

The start and stop time of the equipment will be strictly controlled to achieve energy saving. The air conditioner of the building will be turned on one hour before the commencement of the centralized work hours for the office workers there and turned off at the end of the working hours. In general, the hours for turning on of the air conditioning of the building will be from 7:00 a.m. to 18:00 p.m., to achieve energy saving by shortening the length of hours between the start time and the stop time of working of the host machine.

The intelligent central air conditioning control system is adopted to realize the scientific adjustment to flow and temperature.

During heating reason, the temperature of discharged and returned water of the boiler system will be reasonably adjusted depending on weather changes, to effectively reduce the power consumption of the pump, and the indoor temperature is set reasonably to control the flow rate and temperature within a reasonable range.

The temperature control panel in the office area will be set within a reasonable range, and the indoor fan can be turned off in advance before end of working hours to reduce power loss. The turning on time and turning off time for the air conditioner in the machine room will be adjusted depending on the temperature change in different seasons, to prevent unnecessary waste.



Elevator transportation systems are divided into ones under centralized control and ones under decentralized control with reference to the control mode; passenger elevators are under centralized and joint control, and the centralized control and operation mode will be optimized in line with the characteristics of passenger flow, so as to save the energy consumption for elevator operation to the greatest extent.

#### Lighting system

At underground parking lots and mechanical parking spaces, the illumination and the number of lamps and lightings for the garage will be minimized provided that the lighting for the driveways are ensured; most of the lamps and lightings are closed on Saturdays and Sundays and legal holidays and festivals, and only the fire emergency lighting are needed to be turned on.

For the lighting in public areas, energy-saving lamps and lightings are adopted or energy-saving transformations are carried out, and the turning on time and turning off time for the lighting fixtures in the public areas are reasonably set. The turning on time and turning off time for lighting in the lobby on the first floor will be adjusted at any time depending on seasonal changes, to reduce the use of energy in peak periods.

↑ For lighting in the machine room, partial lamps and lightings are turned off provided the basic illumination needs of the machine room are ensured, can be temporarily turned on when visits or equipment maintenance are conducted in the machine room, and for equipment rooms with seldom person visiting, “the light can be turned on when there are people visiting, and shall be turned off once people leave the room”.



↑ Water supply and drainage system. The water supply system inspection and maintenance are strengthened, to eliminate the occurrence of leakage and breakage. The range of pressure between the start and stop of pumps for the water supply system is reasonably controlled and a reasonable maximum working pressure is set, to effectively reduce the energy consumption of pumps of all types.



↑ Ventilation system. The turning on and turning off times of the ventilation system are reasonably controlled, not only to meet the requirements for indoor environmental comfort but also to play a role in energy saving and consumption reduction.



↑ Heating water system. Daily inspection and maintenance are conducted, the temperature control device for the direct drinking water heater are checked and adjusted to avoid the failure of the temperature control switch resulting in increased energy consumption for heating water, while the temperature of the Kitchen Po water heater is reasonably set, the operation of the temperature control device is checked, any problems are timely solved once detected, effectively reducing energy losses.



↑ Other energy-saving aspects:  
At staff bathrooms, the temperature of bathing water is strictly controlled and the bathing time in bathrooms shall be unified, to effectively reduce energy consumption.  
The efforts in publicity of energy saving and consumption reduction are increased, to enhance the awareness of energy saving among employees, and the office computers are required to be turned off after the staff leaves work, effectively reducing energy consumption.

## Green office



↑ In 2022, the Bank handled a total of approximately 500,000 official documents in the OA system with an average of nearly 1,300 documents handled online each day.  
All departments of the Head Office assign special persons to manage office consumables, especially consumables for printers, photocopiers and fax machines, strengthen the management of office consumables and regulate their use standards so as to reduce losses and waste, extend the life of office items, facilitate full recovery and save resources.

## Cases

### Taiyuan Branch of the Bank carried out activities for “For energy saving and emission reduction in Summer, we are taking actions”

In Summer, the temperature is high, resulting in the increase in electricity consumption. In accordance with the Regulations on Energy Conservation in Public Institutions, Taiyuan Branch of the Bank carried out activities for “For energy saving and emission reduction in Summer, we are taking actions”, to further implement the national energy conservation and emission reduction policies and practice the concept of green and low-carbon development.

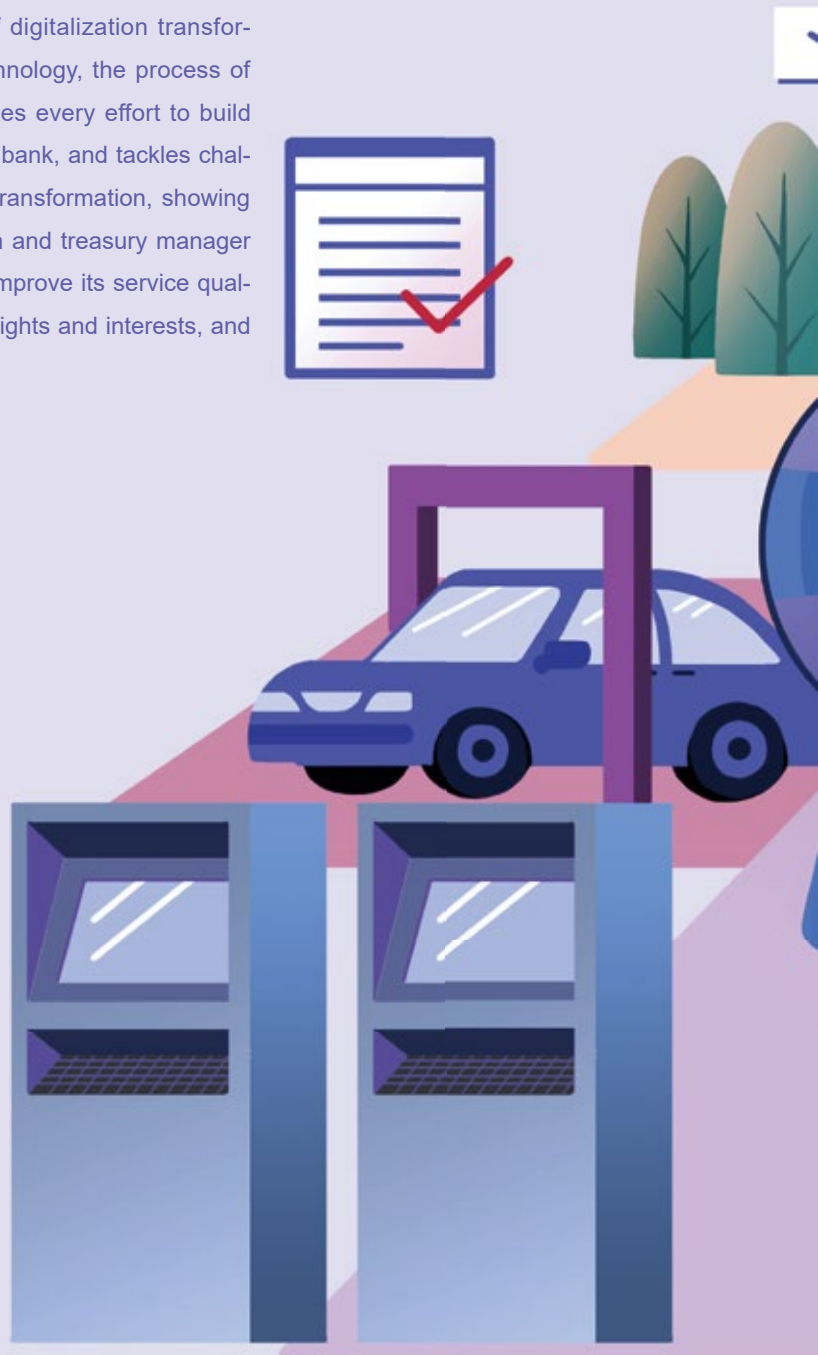
Firstly, advocating green and energy-saving office. The unit’s electricity consumption management was strengthened, the use of natural light was maximized in the office, lighting lamps, computers, printers, copiers and other office equipment should be turned off and unplugged, or the power switches on the power strips should be turned off when the staff finished work or left the offices, so that “the electricity must have been switched off once the staff have left the office”; writing and modifying manuscripts by use of computers, transmission of information through the Internet and improvement of the process of receiving documents were advocated, double-sided printing was advocated for use of paper, and the progress of paperless office was actively promoted.

Secondly, improving energy-saving and emission reduction measures. The management of air conditioning in summer was strengthened, the time of usage of air conditioning was minimized, the temperature of air conditioning should be set at not lower than 26 in Summer, and turning on of air conditioning was absolutely forbidden when no one was in the room or when the windows were open; the management of daily water consumption was strengthened, water taps were turned off in a timely manner in washrooms and canteens, “water taps being kept turned on to allow water flowing for a long time” was prohibited; the management of vehicles was strengthened, fuel consumption was saved, car sharing for travelling was advocated, all collective-owned cars were parked in the courtyard of unit on holidays, and private use of collective-owned cars was strictly prohibited; a ledger for fuel, office supplies and other resource consumption was established, dynamic tracking and monitoring was implemented, and resource consumption was effectively controlled.

Thirdly, advocating green and low-carbon life. Saving is a traditional virtue of the Chinese people. All bank employees were called upon to enhance their awareness of energy and electricity consumption saving, natural light was used as much as possible for home lighting, high-efficiency, low-energy consuming appliances and lamps were applied as much as possible, the temperature of air conditioners was reasonably set, the time and frequency of air conditioner use was reduced, the concept of energy saving was integrated into daily life, and a green, energy-saving, low-carbon and environment friendly lifestyle was advocated.

# Promoting Digital Transformation and Practicing Customer First

The Bank adheres firmly to the strategic position of digitalization transformation, pushes forward, with driving by financial technology, the process of digitalization transformation in a sound manner, makes every effort to build itself into an enterprising technological and ecological bank, and tackles challenges and moves forward by applying digitalization transformation, showing the charm of financial innovation as “a modern wealth and treasury manager offering the best customer experience”; continues to improve its service quality, increases its efforts in the protection of consumer rights and interests, and thoroughly practices the value of “customer first”.







## I. Digital Transformation Deepens Financial Innovation

- The Bank adheres to the service concept of “Finance Benefits People”, relies on the strong power of financial technology, pushes forward the process of digitalization transformation in a solid manner, continues to strengthen its digital infrastructure capabilities., the ecological scenario construction comprehensively empowers, and the financial products are innovated and upgraded continuously.

### Cases

#### The Bank’s self-developed distributed microservice technology platform named as “Chime Stone” was successfully put into operation

After nearly 100 people working day and night for six months, and meanwhile overcoming the serious impact of the COVID-19 pandemic, the first phase of construction of the Bank’s self-designed, self-developed and self-controlled cloud-native, distributed, microservices technology platform which was named as “Chime Stone” was completed and successfully put into operation in November 2022.

As the Bank’s first self-developed financial cloud application infrastructure platform for financial business, the “Chime Stone” platform not only provides technical support capabilities for multimodal, distributed and microservice applications, but also provides enterprise-level integration capabilities on-cloud systems, between on-cloud and off-cloud systems. The “Chime Stone” platform provides a transaction processing capability of 30,000 transactions per second and can support hundreds of millions of customer transactions in a single day, and provides easy scalability and flexibility to meet the Bank’s future business development requirements. It has reached the advanced level in the industry in terms of technology innovation and technical indicators in the cloud-native field, especially in financial-level distributed capabilities, heterogeneous platform integration and integrated research and development.

The successful launch of “Chime Stone” marks the first step by the Bank’s three-year digitalization transformation project, the “Blue Ocean Project”, which will be accompanied by the construction of various competence centers in the business middle office. It will play a strong role in supporting the construction of the new core transformation!

### (I) The quality and speed of online finance development improves

In 2022, the online financial business of the Bank continued to implement the “Fourth Five-Year Plan”, gave full play to the empowerment of technology, and solidly pushed forward the implementation of the “4-4-4-3-3” retail business strategy, accelerating the digitalization and ecological transformation process on the basis of improving the integration of financial services.



## I

## Upgrading service channels and speeding up the digitalization of customer operation

- In June 2022, Bohai Bank released mobile banking version 6.0. With the theme of “Better Finance for Better Life”, the Bank was committed to building a main channel for customer service, a main battlefield for product innovation, and a main front for ecological construction. The Bank extended our digital transformation from financial services to life services to achieve interconnections among multiple channels such as physical outlets, cloud outlets and remote banking, building a closed loop for customer value enhancement.
- Mobile banking is a breakthrough in the digital transformation of the Bank’s retail business. Relying on integrated data, integrated marketing and integrated risk control, the Bank has launched a series of star products and services around its four major service brands, namely, Boyin E-payment, Boyin E-finance, Boyin E-loan and Boyin E Butler. The products and services include Hi Card, a new generation of digital credit card, individual pension service, Quick and Easy Loan, a type of consumer loan available for online application and approval, a comprehensive service area for agency payment and digital RMB products. Focusing on the needs of clothing, food, housing, transportation, consumer life, and government affairs and people’s livelihood, the Bank has integrated and launched the “Bo Lan Hui ( 渤攬惠 )” points service platform. By building a new ecological service platform that is systematic, digital and open, it provides customers with intimate butler services that cover all ecological scenarios, full life cycle, all product spectrums and all channels.
- Based on the customer portraits of thousands of people, our mobile banking has divided our customers into four major groups, namely Bozai, Borui, Boda and Botai, and reshaped the digital financial service journey based on the characteristics of each customer group. The Bank provided financial and business education services for young customers by launching the Bo Xue Duo Cai ( 渤學多財 ) mini-program; on the basis of providing exclusive deposit and financial products and services for elderly customers, we have upgraded the life rights services such as pension, health and special benefits and established Botai Club ( 渤泰俱樂部 ).
- Mobile banking is synchronously linked with the customer manager’s intelligent sales management application Bohai on the Palm ( 掌上渤海 ), WeCom account and 5G messaging bank to build an integrated marketing system and realize the integration of digital operation capabilities and customer manager advisory service capabilities, thereby solidly promoting the “double boosting” strategy of “turbo charging” and “supercharging”.



The Bank releases APP Bohai on the Palm ( 掌上渤海 )

2

Standard output of products and services, comprehensive empowerment of the ecological scenario construction

- Adhering to the service concept of “Finance Benefits People”, the Bank continued to strengthen its digital infrastructure capabilities. In December, we signed a comprehensive business cooperation agreement with UnionPay to open up the account, payment and service segments, enrich convenient mobile payment scenarios and enhance customer service experience. Through open banking, the Bank has fully released its account capacity, payment capacity, digital operation capacity and multi-channel service capacity, connected the external scenario ecology with standardized products and services, and constructed an “open ecology” system with full-time deployment, resource aggregation, ecological operation, data drive, platform construction and security and risk control capabilities.
- Based on “account + payment + financial products”, the online financial service business hall “cloud outlet” is built to delve into the needs of customers in financial scenarios and use hook products to divert customers in the ecosystem to offline outlets, improve the coverage and operation of the customers across circles and chains, industries and ecosystems, and strengthen customer value transformation. The Bank has joined hands with UnionPay to launch the “Cloud E-Connect ( 雲 E 通 )” service, which provides, among other things, account management, payment and settlement, fund depository and guarantee transaction services for cooperative merchants, realizing a full-chain fund management scenario solution integrating “receipt, payment and management”. With the development direction of “inclusiveness, sharing and common benefit” of cloud outlet + mobile banking, the “smart campus” focuses on campus businesses of education payment and living consumption, providing comprehensive financial service solutions for integrated campus scenarios such as account system, payment and fund depository. During the Reporting Period, the Bank’s smart campus scenario established cooperation with more than 100 schools in many provinces across China, and high-frequency transaction scenarios such as enterprises’ payroll agency and smart transportation were being further improved to form standardized solutions.
- According to the strategic deployment of the Fourth “Five-Year Plan”, the Bank’s ecological construction will be based on financial services such as bank account services, payment and settlement, and fund depository, and will target at different fields such as government affairs and people’s livelihood, retail consumption, industrial chains and financial interbanks, building a service platform for industry scenarios. It will continue to launch diversified comprehensive financial solutions, expand service boundaries and depth, and achieve new breakthroughs in financial ecological service models.

## Cases

## The Bank signed a comprehensive business cooperation agreement with China UnionPay

On 12 December 2022, the Bank signed a comprehensive business cooperation agreement with China UnionPay. Li Fu'an, Secretary of the Party Committee and Chairman of the Board of Directors of the Bank, and Shao Fujun, Chairman of the Board of Directors of China UnionPay, attended the signing ceremony. XIE Kai, Vice President of the Bank, and Hu Haozhong, Executive Vice President of China UnionPay, signed the agreement on behalf of two parties.

The Bank gives full play to the advantages of its outlets and online channels to promote UnionPay mobile payment products represented by the QuickPass online payment platform, continues to improve the construction of bank card issuance and acceptance environment, expand and enrich mobile payment convenience scenarios, and create a new paradigm of online and efficient business. After the signing of the cooperation agreement, the two parties will continue to uphold the concept of "Payment benefits the people", give full play to the advantages of their respective fields, strengthen interaction and resource integration partnership, continue to improve the user service experience, and work together to promote the high-quality development of the payment service industry.

The signing of the comprehensive business cooperation agreement signifies that the two parties will further establish long-term effective communication and cooperation mechanism on the basis of the previous fruitful cooperation, and carry out all-round cooperation in more than ten business fields including UnionPay card account, online channel, mobile payment, B2B innovative products, big data, risk control management, cloud computing, financial technology, collection and payment, brand building, international business, etc., so as to connect users, payment and service links, and work together to create a new model of cross-border cooperation in user sharing, scenario connectivity and collaborative development, promote payment product innovation and industry linkage for deeper integration and development, enhance the ability to serve the real economy, and make positive contributions in financial services to facilitate the people's livelihood.

In recent years, the Bank has been cooperating with China UnionPay in all aspects of strategy, business, products, market, marketing, technology and innovation, etc. Especially since the Bank became one of the first pilot banks for UnionPay's Cloud Payment Project in 2015, the two parties have achieved a number of substantial cooperation results in the areas of bank card issuance, APP interconnection, inter-bank and cross-border fund settlement, mobile payment construction and product innovation, etc. In 2022 alone, a total of 36 projects in three categories of scenarios were launched one after another.



## Cases

### Digital RMB Business Has been Officially Launched

On 11 November 2022, the digital RMB ecosystem welcomed a new participant, China Bohai Bank. The successful “unlocking” of digital RMB business is an important step for the Bank to improve the infrastructure of digital RMB business operation relying on the strategy to serve the national digital economy development, which also means that the Bank has taken a key step towards seizing opportunity to make layout in the frontier of financial technology.

**Accelerating the layout of digital RMB business, with multiple application scenarios to spread broadly.** In recent years, the Bank has actively implemented the strategic deployment of the CPC Central Committee and the State Council to promote digital RMB, actively embraced technology development, applied its own technology to drive digitalization transformation, steadily and orderly promoted the development of digital RMB, and enriched digital RMB application scenarios at multiple levels. The digital RMB business launched this time has been developed with the Ecobanking Innovation Lab of China Bohai Bank, Suzhou Branch taking the lead, focusing on three directions: enriching digital currency functions, expanding digital currency application scenarios and integrating mobile banking.

In terms of business functions, the digital RMB business provides customers with convenient mainstream service functions such as wallet filling, bank deposit, money transfer, upgrade, payment collection and transaction record inquiry, which are safe, stable, simple and easy to use.

In terms of application scenarios, China Bohai Bank has established a number of digital RMB application demonstration scenarios in Tianjin, Suzhou and Hangzhou, covering food and beverage, high-end department stores, retail convenience, medical payment and other scenarios, to accelerate the promotion and popularization of digital RMB, focusing on the needs of small and high-frequency consumption scenarios close to people’s lives.

In terms of channel integration, the Bank’s Mobile Banking 6.0 has set up a digital RMB service area to enhance payment capabilities and co-construction of consumption scenarios. Customers can choose digital RMB payment in their daily payment, which is a one-stop solution for customer account management and online scenario application.

## Cases

### China Bohai Bank’s 5G Messaging Bank Has been Officially Launched

On 28 December 2022, the Bank and China Unicom jointly created and launched the “China Bohai Bank 5G messaging bank”. As a new window for the financial industry to provide Internet services to customers, 5G messaging is an upgraded form of traditional SMS with various features such as strong accessibility, easy interaction, and high business connectivity, and users can enjoy the Bank’s attentive services without downloading the client application.

5G messaging bank has created three segments, namely 5G Banking, Benefiting Life and Quality Service, providing one-stop financial services such as personal finance, information inquiry, balance management, etc. It has also launched the brand new “Bo Lan Hui ( 渤攬惠 )” segment which integrates “clothing, food, housing, transportation and entertainment” and focuses on providing customers with preferential products, exclusive benefits and many convenient services, enhancing user experience in all aspects. In view of the shortcomings of the three major telecom operators in terms of the relatively limited adaptable cell phone type for 5G messaging, the Bank’s 5G message banking platform has simultaneously launched an intelligent message delivery service to expand the audience scope, which, by connecting with mainstream cell phone manufacturers, resolves traditional text messages in cell phone terminals into card messages with higher information transmission efficiency, to improve the exposure rate and conversion rate of various businesses in the accessibility link by use of images, videos, button links and other forms.

In terms of operation management, for 5G messages and smart messages, the Ecobanking Innovation Lab will undertake related template production and digital operation work, and the approval of sending will follow the “Management Measures of China Bohai Bank for 5G Messaging Banking Business”, which will be coordinated and managed by the Portal Information and Customer Experience Team of the Network Finance Department of the Head Office.

## Cases

### “Cloud E-Connect ( 雲 E 通 )” Product

The “Cloud E-Connect ( 雲 E 通 )” business is a fund management solution for platform merchants that integrates “collection, payment and management” provided by the Bank and UnionPay’s “Cloud Direct-Connect ( 雲 直 通 )”. The “Cloud E-Connect ( 雲 E 通 )” is connected to the Internet platform through an API interface and allows users to create electronic ledgers online. It provides account management, payment settlement, fund depository and guaranteed transaction services for registered users of the platform, improves the efficiency of customer fund settlement of the Internet platform, ensures the safety of customer transaction funds, and enhances the creditworthiness and fund management compliance of the Internet platform. Currently, the “Cloud E-Connect ( 雲 E 通 )” product has been put into use in Shijiazhuang, Changsha, Shanghai and other branches of the Bank.

## (II) Technology empowerment enhances product innovation

- > The Bank understands the idea of “industry-technology integration” to drive business development, improves the level of technology empowerment, and continuously innovates business models and products and services.
- > **For individual customers.** Depending on the different characteristic of different customers, the Bank has divided into four distinctive customer groups, namely “Bozai”, “Borui”, “Boda” and “Botai”, and provides personalized, differentiated and customized products and services, to create “Bohai” special services. The digitalization transformation of the Bank’s retail business is reflected in all aspects, from the financial product side

to the investment and wealth management side, from the customer operation side to the tool and service side, combining channels, products and customers in all aspects and from multiple angles, to comprehensively improve the comprehensive management ability and value creation ability of customers and achieve high-quality development of retail finance. In June 2022, Mobile Banking 6.0 was upgraded and launched with a new version. Under the theme of “Better Finance for Better Life”, it has become the main channel for customer service, the main battlefield for product innovation and the main front for ecological construction, extending its digital tentacles from financial services to life services. In April 2022, “Boyin E-loan” Quick and Easy Loan was officially launched on the market. Through the whole online process of customer identification, identity verification, application information and online approval, we can efficiently complete the process from incoming documents to back-end approval, and continuously optimize the product process and improve the customer experience. Hi Card, a new generation of digital credit card, was launched, realizing the “two-step” process of wholly online digitalized card issuance and automated real-time approval, allowing real-time card verification and activation, and promoting the smooth transformation of digital cards into physical cards without being sensed. With the accelerated realization of the “dual carbon” goal and the increasing diversification of green living scenarios, China Bohai Bank, with a high sense of social responsibility, actively advocates the concept of green living and launches the personal carbon account “Bohai Bank Carbon Manor”. As the first personal carbon account product in Tianjin, “Bohai Bank Carbon Manor” integrates financial and non-financial scenarios including green travelling, green food, electronic bills and digital credit cards.



#### Focus on promoting the construction of “Boyin E-loan” Quick and Easy Loan products centering on retail banking business transformation

- “Boyin E-loan” Quick and Easy Loan is a key product for the Bank’s retail transformation, targeting young and middle-aged customer group with consumer needs and educational needs for their children, and featuring simpleness, convenience, fast application and other characteristics for Internet loans. The product was promoted and launched in April 2022. Through customer identification, identity verification, application information and online approval, an efficient combination from application to use was completed, realizing online handling of the whole process.
- The Bank continues to optimize the product process and continuously improve customer experience, and has completed the construction of three channels, namely H5, small program and mobile banking 6.0 loan channel, to provide customers with better quality consumer credit financial services.



#### Making every effort to create Golden Lending Loan, a competitive product, and realize the ecological customer acquisition for Golden Lending Loan customized products

- The Bank has comprehensively upgraded the Golden Lending Loan product, which was put into use on 1 June 2022. The upgrade is based on the construction and improvement of the retail credit risk control system and fully applies external data in the form of data route; while improving the risk control capability, it simplifies customer operations and the workflow of the branches of the Bank and enhances the experience; and through the continuously improved

risk control strategy, credit strategy and pricing strategy for white-listed customers, it gives full play to the role of the Golden Lending Loan as a hook product and improves the conversion rate of high-quality customers and effective customers

- With the strategic goal of accelerating the layout of ecological financial scenarios, the Bank focuses on enhancing its “product customization capability” and “scenario embedding capability”. By selecting scenarios and focusing on customer groups, the Bank has successfully embedded the entire process of Golden Lending Loan products online into customer acquisition scenarios such as APPs and official accounts of cooperating large groups, forming customized sales products including “Unicom Employee Loan”, “PICC Employee Loan” and “Channel Cloud E-Loan”, realizing ecological customer acquisition by Golden Lending Loan customized products.
- Along with the system construction of the “PICC Employee Loan” business, the Bank has completed the development of H5 for the new structure of the whole process of external standardized input, so that the future scenario embedding of the Golden Lending Loan can flexibly adapt to the system requirements and customization requirements of the embedded scenario in a pluggable, plug-and-play mode, and continuously promote the ecological scenario construction model to become larger and stronger.



#### Focusing on the operation of the “grey-haired group ( 養老一族 )” clientele, and creating an exclusive service front for Botai customers

- In order to further focus on the operation of the “grey-haired group ( 養老一族 )” customer group, the Bank has set up the Botai Club in Mobile Banking 6.0, being the first time to create an exclusive service front for Botai customers, covering wealth selection, learning garden, benefits, Botai information, exclusive rights and interests, covering all aspects of life of senior customers, including “clothing, food, housing, transportation, and entertainment”.
- The exclusive rights and benefits for Botai customers in Botai Club - Botai Newcomer Gift – has been launched, which directly helps to obtain A class of core customers with high customer satisfaction and forms a good brand promotion effect.



#### Issuing a brand new version of “Bo Tai Card”

- In order to better serve the middle-aged and elderly customer groups and meet their differentiated aesthetic preferences, in July 2022, the Bank launched a new version of Bo Tai Card for customers aged 50 years old and above, which provides customers with a richer choice of debit card products with multi-layout design and beautiful symbolism of card face elements.
- The Bank fully meets the financial service needs of middle-aged and elderly customers, and continues to implement the brand concept of “Warmhearted Bohai, Enjoyable Bo Tai”, providing a number of free services, attentive exclusive services, and convenient security lock functions for “Bo Tai Card” cardholders, which has comprehensively improved the customer service experience.

## Cases

### China Bohai Bank Released Mobile Banking Version 6.0

On 30 June 2022, the Bank officially released the brand new Mobile Banking version 6.0, marking that digital transformation had entered into a brand new stage of development both in scope and depth. Mobile Banking 6.0 is the main channel for customer service, the main battlefield for product innovation and the main front for ecological construction, and is dedicated to creating a “dual model” with parallel financial services and non-financial scenarios to improve customer experience in all respects.

#### Improving the basic functions and making the operation convenient and easy

Mobile Banking 6.0 continues the core concept of “Better Finance for Better Life” and extends the tentacles of digitalization from financial services to life services, upgrading the basic functions, product portfolio, life scenarios and user services, and launched the new product portfolio of “Boyin E-payment”, “Boyin E-finance” and “Boyin E-loan”, built the “Bo Lan Hui ( 渤揽惠 )” non-financial service area, and created the “Boyin E Butler” service brand, providing users with a full lifecycle, full relationship graph and tailor-made attentive butler service.

In terms of visual design, for Mobile Banking 6.0, the design concept that “For real craftiness, no too much emphasis is laid on the shape and details, complex and complicated matters are dealt with through simple and straightforward ways” has been upheld, a flat and minimalist design style, low saturation texture and refreshing layout have been adopted to reduce visual fatigue and bring a comfortable experience; common functions are integrated with simple and clear functional partitions, cumbersome steps are reduced adopting lightweight design, with more focus on usage than on design, to ensure smooth operation.

In terms of basic functions, for the new version, an open user system has been built, debit cards, credit cards, cell phone numbers, WeChat, Class II/III accounts can all log in, further improving the account and payment system with “Boyin E-payment” as the core, realizing more convenient bills payment, payment and transfer in the pan-financial category and clearer display of income and expenses, bringing customers a more comfortable usage experience.

#### Creating competitive products and building a new ecosystem of financial products

One of the important features of the new version is on its further closeness to customer’ needs and use habits in term of creation of competitive products, to build up a new retail product portfolio with “Boyin E-finance” and “Boyin E-loan”, which are close to customers’ needs and habits.

Mobile banking’s “Boyin E-finance” reconstructs the wealth section and continues to enrich wealth management, deposit, fund, insurance, trust and other wealth product lines; for the newly created fund channel, a special section called “Boyin Select” has been added, where a professional team selects high-quality funds to help investors preserve and increase the value of their assets.



As another big hitter brand in the Bank's retail portfolio, "Boyin E-loan" always adheres to being customer-oriented, demand-oriented and best experience-oriented, focusing on three major competitive product series: consumer loan, business loan and mortgage loan, and realizing online marketing with mobile banking as the carrier. Especially for consumer loans, customers' online independent operation has been fully realized, and meeting the needs of customers for "finance + non-finance" is being continuously realized, through being integrated with value-added services such as customer rights and interests, property appraisal, etc.

### Special scenario contents to meet the expectations towards life

Starting with customers' needs for a better life and the relevance of services, for Mobile Banking 6.0, the "Bo Lan Hui ( 渤 攬 惠 )" life scenarios + information content services have been integrated and launched, creating a one-stop financial life service platform on government affairs and people's livelihood need for education, medical care, pension, childcare, as well as consumer life need for clothing, food, housing, transportation, beer and skittles, relying on the customer points entitlement system.

Integrating ecological partners, the new version has introduced QuickPass, Cloud Fee Payment and other cooperative platforms, launched online meal tickets, movie tickets, travelling, card coupons, payment and top up and other life scenarios services; cooperated with Koubei.com, Ele.me to provide delivery services; introduced a number of self-owned brand flagship stores including Yili, Deli, Midea, Zhang Xiao Quan, etc., local branches of the Bank in various regions have also launched "local characteristics" section.

The sophisticated information service system enables customers to browse "7 × 24 hours real-time financial news", read the KOL viewpoint interpretation and investment education courses, not only with graphic contents, but also browse product information when watching live streaming or video, further reducing the threshold for independent customer to make investment, and continuing to accompany the growth of customer wealth.

### Customized butler-like service makes you feeling the warmth of finance

The new version has introduced the "Boyin E Butler" customer service brand, developing the four major customer groups, namely Bozai, Borui, Boda and Botai, to provide differentiated customer service for customers, providing matched financial and non-financial products depending on the different needs of customers in different periods within the whole life cycle, to provide customers with customized and caring butler service.

The "Boyin E Butler" has also built a comprehensive service network, set up a one-key call function, through direct connection to the seats, adopted text, voice and other interactive ways to achieve "face-to-face" warm communication with customers. "Xiao Bo", our AI intelligent butler, can provide function navigation, product recommendation and online dialogue within the mobile banking station, providing

customers with attentive services in the form of voice interaction and both graphic and text.

In addition, for addressing the common problems seniors may encountered, such as “can’t see clearly”, “can’t understand” and “can’t find”, Mobile Banking 6.0 has introduced “Elderly version” – offering larger font, more eye-catching icons, commonly used functions being on top, plug-in shielding ads, etc., more convenient operation, new integration of global voice navigation, one key for help and other customized features, to promote the solution of the “digital divide” among the elderly, allowing them to see and understand at a glance and handle core businesses such as money transfer and finance without obstacles.



## Cases

### Hi Card, Virtual Credit Card Product

In order to adapt to the development trend of digitalization and service online, the Bank, in collaboration with Mobile Banking 6.0, has launched a new digital virtual credit card product, Hi Card, which breaks through the limitations of traditional physical card media and is mainly in the Lego-like combination for credit card products, supporting customers to choose their card face and rights and benefits by themselves, realizing online application, real-time approval, digital card issuance and utilization once upon being activated, providing customers with more convenient and efficient diversified financial service solutions.

- **Corporate customers.** The Bank actively explores the digital transformation of corporate banking in depth, insists on the customer focus, explores the scenario-based needs of customers based on resources, environment and the Bank's characteristics, digitally transforms the processes of supply chain finance, cross-border finance, cash and other corporate banking areas, consolidates and enhances our advantages in corporate banking, and steadily improves our ability and level to serve the real economy. In 2022, the Bank achieved remarkable results in one-stop online services for supply chain finance. Specifically, the Bank launched the combination product of "electronic letter of guarantee (e-L/C) + forfaiting" and electronic letter of guarantee (e-L/G) one after another, effectively helping SMEs overcome the financing difficulties and helping businesses resume work efficiently. In terms of cash management, as one of the "first batch" of pilot financial institutions selected by Shanghai Commercial Paper Exchange Corporation Ltd., we successfully put into operation the new generation of electronic commercial draft system in November, leading our bill business into a new stage of digital transformation and development. This system follows corporate-level modeling working methods, and fully implements Bohai Bank's service requirements of "customer-centered and best experience". We make full use of digital technologies to build a comprehensive risk control system, and establish a whole-process (before, during and after lending) risk prevention and control mechanism to escort for compliant business development. For the cross-border finance, we have launched a new cross-border payment brand, Bohai Bank Global Express. This product addresses the sore point of customers with cross-border payment business that it is difficult for them to control the arrival dates and payment status of cross-border remittances. It can accurately inform customers of the remittance and arrival time and amount through the online "notification manager" service, realizing the full transparency of cross-border remittance fees and the traceability of the remittance status, and providing customers with a new online cross-border payment experience with faster transaction speed, higher transparency and stronger security. On December 8, 2022, the day the product was launched, China Bohai Bank Tianjin Branch successfully handled a cross-border remittance transaction for a bulk chemical import and export enterprise in Tianjin. Our customer received notifications of payment remittance and arrival within 10 minutes, and thus highly recognized our product.

### (III) Combination of digital functionality to enhance service innovation

#### Counter businesses.

The Bank has optimized and upgraded the employee payroll system, realizing interoperability of online and offline signing of employee payroll contracts, automated employee payroll process via electronic channel, one-click return of funds in case of payment failure and other features. We provide customers with self-help signing on an online corporate banking terminal and the self-help return of funds in case of payment failure, offering more convenience for customers to conduct business. The Bank has made system optimization requirements for batch account opening.

The new system will enable the interoperability of online and offline signing in the batch account opening business, self-help application for batch account opening by customers through electronic channels and other features to enhance customer experience.

### Remote banking services.

The Bank actively explores service channels and broadens service areas. It is committed to providing customers with multi-dimensional, all-round and diversified quality services. Seizing the opportunity of the launch of the new mobile banking version, we integrated the online customer service feature into mobile banking to realize service closure. With the advantages of diversified communication methods such as online service text, pictures and videos, we can enhance service efficiency and provide customers with more convenient and easy-to-understand financial communication methods. We further promoted the launch of the intelligent quality inspection system. This system enables the quality inspection staff to effectively monitor all telephone communications, timely identify service problems of agents, and understand customer needs to greatly improve our quality of service. With the goal of integration, digitalization and intelligence, we actively explore a new customer relationship management and business model around the construction of Bohai Bank E Manager. With Online Manager (our WeCom account) as the grip, and building thoughtful one-stop services for customers as the starting point, we built a customer management system featured in remote “light management + account management”, improving the assets under management (AUM) of long-tail customers and continuously stimulating our value creation. By the end of December, 2022, the Bank had made outbound calls to 80,700 long-tail customers and successfully invited 6,132 customers to add the WeCom account of our remote banking center as a contact; the Bank had made 94,600 routine interactions with customers managed in our WeCom account, sent marketing messages on wealth management, deposit products and welfare activities and received inquiries from customers on various types of business by 179,000 times, diverted 1,535 customers to order in offline branches, upgraded 2,960 customers to medium and high-end customers (accounting for 9.25% of the total), added 4,286 10,000-yuan customers (accounting for 21.49%), and increased the accumulated wealth assets of outbound customers by 237 million yuan.

### Credit card services.

The Bank launched the PAD integration and off-bank activation feature, allowing customer to perform online verification, debit card application, credit card application and activation with the PAD, forming one-stop business processing in the lobby and various scenarios, further enhancing the convenience and efficiency of business processing and providing more possibilities for diversified and scenario-based financial services. The Bank uses an intelligent quality inspection system for screening. Specifically, the changes are embodied in the following four aspects: Change from “point” to “plane”, namely from the traditional manual sampling to the comprehensive screening with the system; from “plane” to “point, namely from the traditional sampling like looking for a needle in a bottle of hay to targeted monitoring based on accurate screening; from “complicated” to “simple”, namely using the Beldon recording test to reduce the work time from 13,000s to 8,000s, with the efficiency improved by about 38%; making “less” be “more”, which means the model training is strengthened with the expansion of business scale to improve the accuracy and work efficiency. The Bank’s credit card online service robot was officially put into use in late May 2020, with a cumulative total of 139,451 user visits and 222,218 questions as of the end of 2022, with a question response accuracy of 94%. The seating system and reporting system in the Bank’s credit card customer service center were replaced with new ones to provide more intelligent functions as a whole, which accelerated the pace of digital construction of the credit card center, improved the work efficiency of customer service staff, and increased customer satisfaction. The call line platform was changed from Avaya to ZTE, realizing the mutual telephone system transfer between the credit card center and customer service center. The system provides query of loan assistance/joint loan, allowing direct query of a customer’s use of our funds through a third-party platform and thus providing system support for convenient handling of customer issues. Meanwhile, a predictive outbound calling system was launched, and the average call duration of telemarketing agents increased from 4,000s to 7,500s, greatly improving their work efficiency. In addition, we adopted a robot-agent collaborative marketing model, in which the robotic outbound calling system understands customers’ intentions through simple interaction, and then transfers prospective customers to agents, who will guide the customers to handle their business. The conversion rate of this model is 67% higher than that of the traditional IVR non-interactive recommendation model, and the per capita productivity of this model is 68 times higher than that of an agent-only model.

### Open bank construction.

The Bank focused on the establishment of “cloud outlets”, and constantly improved the product and service capabilities of the open bank. Committed to ecosystem construction, the Bank constantly explored ecological scenario solutions for cloud outlets in various industries, and expanded the cooperation areas in Internet platforms to enhance the ability of attraction and customer acquisition by the ecosystem. The Bank has built an open bank portal to unify the underlying service capabilities of the Bank. Specifically, with the “finance + technology” as a grip, it integrated “account + payment + financial products” with the life and service scenarios in various industries, realizing the standardized output of the Bank’s financial service capabilities through the open bank. The Bank is also committed to the smart campus scenario. Specifically, we used our online accounts to accommodate daily consumption needs of school students and expanded the number of active customers, so as to lay a good foundation for mobile banking and outlet attraction.





## II. Creating Customer Value with Quality Services

- In 2022, with the aim of serving the people, society and the real economy, the Bank thoroughly implemented the decisions of the CPC Central Committee and regulatory requirements, always adhered to the people-centered development concept, continuously strengthened service management, improved service quality and customer satisfaction, strengthened management system construction, optimized service channels, improved service processes, developed service criteria, strictly adhered to the bottom line of compliance, and intensified the consumer protection to provide customers with convenient, safe and efficient service experience.

### (I) Strengthened service management

- The Bank has built up our core service culture concept of “keeping our original intention of lean service and showing our responsibility in consumer protection for the people”, and advocated the service awareness of “customer-centered and service for development” across the Bank. In 2022, the Bank promoted the service management by improving our service management system, develop strict service standards, standardizing service processes, strengthening supervision and assessment, strengthening complaint management, organizing service activities and carrying out service innovation, so as to continuously improve our overall customer service quality and the service management level of the Bank. All branches actively implemented the concept of quality service, paid equal attention to business development and good customer service, attached great importance to the protection of financial consumers, and constantly improved the service awareness of the majority of front-line staff, and greatly improved the efficiency of integrated lobby services.

#### System construction.

- First of all, the Counter Operation Service Guidelines for Special Consumer Groups of China Bohai Bank was revised, further standardizing the provision of financial services for special consumer groups following the principle of “special policy for special cases”, so that the Bank can render financial services to customers based on the principles of compliance, strict risk control, and safeguarding the safety of customer funds and property.
- In addition, to further improve the control of fraud-related suspicious accounts, balance fraud-related risk prevention and control and optimize services, and promote the governance of fraud-related and gambling-related capital chains in a smooth and solid manner, the Notice on Balancing Fraud-Related Risk Prevention and Control and Optimizing Services and Steadily Improving Fraud-Related Suspicious Account Control was issued. To efficiently combat telecom network-based fraud crimes and provide maximum protection of the parties involved, the Notice on Further Improving the Handling

of Fraud-Related Account Complaints was issued, so as to ensure that the Bank actually adheres to the people-centered approach, actively protects the legitimate rights and interests of the people, and attaches great importance to customer demands.

- Then, the Management Measures for User Experience in Retail Electronic Channels (Trial) was released. Specifically, for electronic channels such as personal e-banking, personal mobile banking and WeChat official account, the terms of specific business rules require the Bank to obtain the usage of products and the achievement of business goals in an effective, objective and comprehensive manner, effectively motivating relevant departments to improve the quality of products and services, strengthening user experience services and providing a basis for subsequent iterations and upgrades, and ensuring the achievement of the Bank's strategic goals at all stages. The Management Measures for Non-Financial Value-added Services for Private Banking Customers of China Bohai Bank (2022) was revised to standardize the requirements for non-financial value-added services for private banking customers, strengthening the whole-process management from service project management, service management process and post-service evaluation. The Reference Standard for the Family Trust Advisory Service Fee Pricing was formulated, regulating the pricing of the Bank's family trust advisory service fees to promote the healthy development of the business. The Guidelines for Private Banking Customer Operation Processes of China Bohai Bank was formulated, specifying the four-step private banking customer operation, so as to continuously improve the Bank's professional ability to serve private banking customers, create a closed-loop and refined customer operation process, and optimize customer experience. The Guidelines for the Construction of the Premises of Private Banking Centers in Tier-1 Branches of China Bohai Bank (BYHB [2022] No. 592) was formulated to strengthen the management and construction of the premises of private banking centers, further refining the requirements for the private banking centers and strengthening the specifications for constructing premises of the private banking centers. The Guidelines for Quantitative Management of Retail Integrated Account Manager Grades of China Bohai Bank (Trial), Quantitative Revenue Generating Value Criteria for Retail Integrated Account Manager Grades of China Bohai Bank (Second Half of 2022) and Management Measures for Retail Integrated Account Managers of China Bohai Bank (2022 Revision) were formulated and issued, further constructing the bank-wide retail business marketing team, standardizing the work scope and management mechanism of retail integrated account managers, strengthening the behavior management of practitioners and promoting the high-quality development of retail business. 34 systems and standards were revised, including the Management Measures for Personal Primary Mortgage Loans of China Bohai Bank, and 24 systems and standards were formulated or revised for credit card business, including management measures for credit card and Internet consumer loan business and relevant operating procedures.
- By continuously strengthened system construction, the Bank further improved the business policies and related management regulations, continuously optimized the business operating processes, and enhanced its ability to prevent potential business risks and operational risks at the system level in combination with peer cases and regulatory requirements. Meanwhile, the Guidelines for Return Visits in Credit Card Business was formulated to verify the true will of credit card business customers, the authenticity of business background, and any violations of laws and regulations through return visits, detect potential business risks in a timely manner, and address risks for problems identified



## Service monitoring.

- Firstly, the Bank continuously strengthened the service monitoring and inspection of outlets. In 2022, the Bank organized four service inspections by third-parties and one service video inspection, covering all 34 tier-1 branches and inspecting 1,140 outlets (including special and light sub-branches). Based on the original service video inspection, third-party service inspection and on-site service inspection, the service supervision and inspection system of outlets was further improved. In addition, expert inspection and peer comparison and analysis were added to deeply explore the service management weaknesses in the Bank's outlets by increasing the service supervision and inspection on outlets. At the same time, the Bank employed a professional agency to conduct a bank-wide customer service satisfaction survey both online and offline. The agency helped make links such as index setting, survey execution and statistical analysis more scientific, professional and accurate. Through the survey, the Bank collected and analyzed customer evaluations, preferences and suggestions, identified and improved the service shortcomings of outlets, and improved its ability to collect, analyze and apply customer service satisfaction evaluations and suggestions. Then, the consumer protection and service management were integrated into the daily inspection items of the business lines and subject to regular management. Through on-site, off-site and unannounced inspections, the Bank supervised and checked the implementation of customer service, bank account service and account risk prevention and control by the counter staff of outlets. At the same time, the problems found in the inspections were regularly disclosed, and the assessment results were included in the annual work appraisal of the branches, urging them to implement the regulations seriously. The Bank further strengthened the supervision and inspection of the internal control of the remote banking centers, strictly implemented the protection of personal financial information security, prevented all kinds of operational and case risks, and inspected the use of computers and communication equipment in the office areas of the centers and the work of the night-shift agents by means of data access, on-site inspection and viewing surveillance videos to further manage and control the service quality. At the same time, in terms of telephone service quality inspection, we increased the frequency of random inspection of voice-based customer service and online customer service, assessed the business mastery and accuracy of answers in agent service, checked service attitude, skills and specifications, and put forward targeted business tips and improvement suggestions. Tips were given in terms of outstanding problems to improve the agent service quality. As of the end of 2022, a total of nearly 47,000 voice, online, intelligent and outbound marketing service calls were sampled and inspected. Furthermore, on the basis of daily on-site management and regular spot-checking of surveillance videos, a BI visual monitoring system for the Directly Operated Center of Consumer Finance and Credit Cards Service Department was created to monitor incoming calls and display them in the office area, which allows timely acknowledging incoming calls and prompting abnormal situations, so that effective measures can be taken accordingly.

### Service assessments.

- The Bank has formulated and issued the Management Measures for Consumer Protection Assessment and Evaluation of China Bohai Bank (2022 Revision), which incorporates service management assessment into consumer protection assessment and evaluation system and into the comprehensive performance assessment of branches as a basic management indicator. The assessment contents can be adjusted based on annual service management focuses and work plans. Based on the experience of the service assessment in 2021, the service management assessment indicators were revised, and 9 assessment indicators for three aspects of service quality supervision, major service issues and daily management were set appropriately, covering service inspection, service training, service culture and service issue monitoring, so as to assess the performance and actual effect of daily service management in a scientific manner and effectively improve service management.

### Service training.

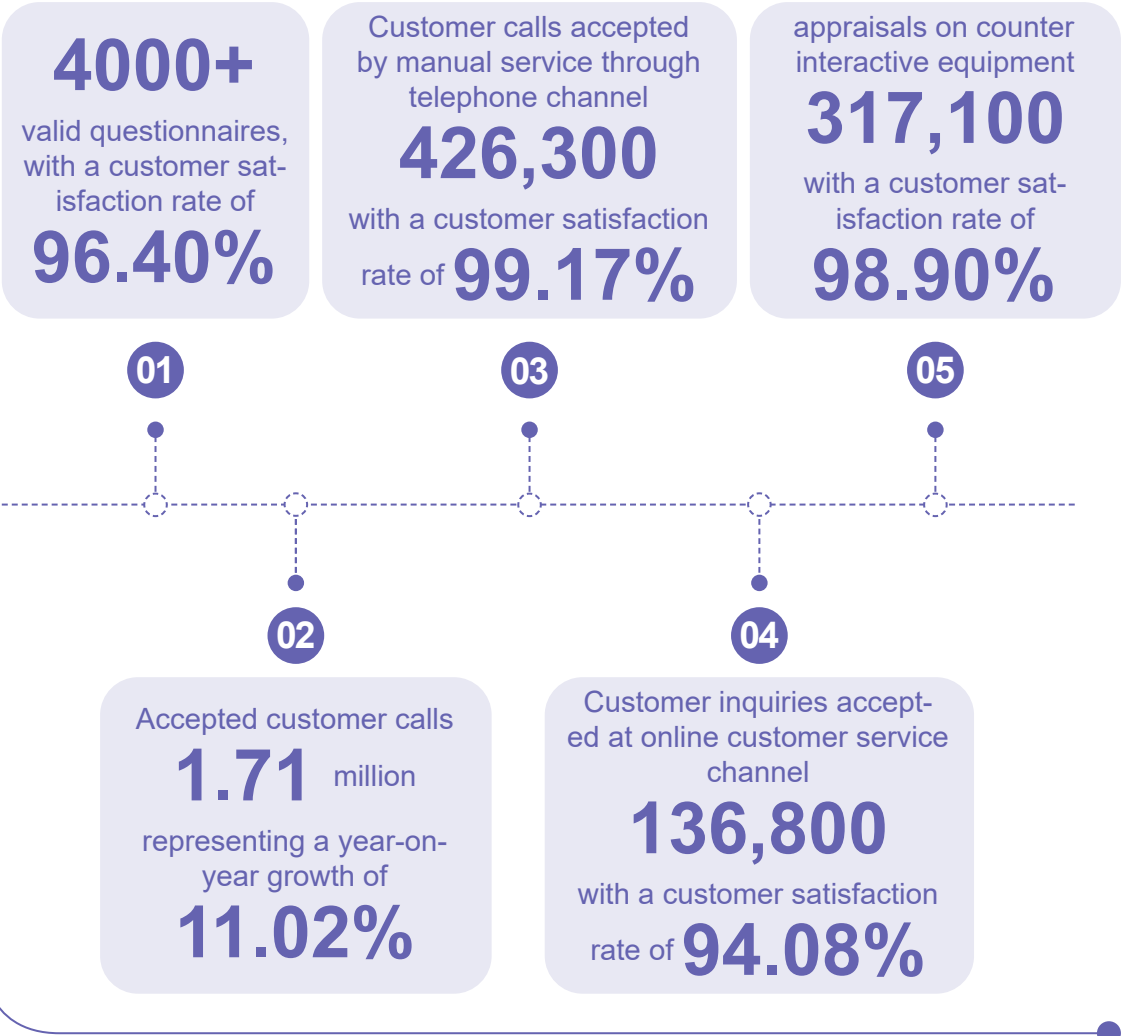
- Firstly, the bank-wide service management training was organized for more than 300 participants, including consumer protection service managers of the Head Office and branches and service managers of new branches. The training covered service management systems, service supervision and inspection, service assessment, service training, service culture, and interpretation of indicators for solving difficulties in the use of intelligent technologies for the elderly in the self-assessment of consumer protection. The training effect was objectively assessed based on the training examination to ensure that the training can really enhance the service awareness and management competence of service managers. Then, focusing on the bank-wide complaint management, special training was organized to make the bank-wide complaint management standard and compliant. The training also helped to strengthen the knowledge of financial dispute mediation, playing a positive role in creating a standardized, safe and stable financial ecological environment and improving the quality and efficiency of the Bank's complaint handling. During the 2022 national Financial Standards for the People and Businesses campaign, the Bank organized the training on the industry standard, Statistical Classification and Coding of Financial Consumer Complaints - Banking Institutions, with 778 people attended the training. We increased training on businesses frequently complained, and conducted special complaint training on loan and credit card businesses subject to centralized complaints, deepening the frontline staff's understanding of business from the product design and business process, so as to prevent at source the damage to customers' interests due to irregularities in business handling. Furthermore, the Bank organized the live streaming training with a subject of "improving comprehensive skills of outlet staff in intelligent scenarios", with a total of 1,404 people participated in the training, including general managers of business operation departments of branches, members of internal control teams and personnel related to outlet lobby services. The training covered the service awareness change, service competence enhancement skills and complaint handling skills of the staff. Through the combination of theoretical knowledge and practical cases, the training made the business line personnel of branches understand service connotation more deeply and mastered

complaint handling skills, providing good operation support for the transformation of all outlets. The Bank organized the live streaming training with a subject of “sharing cases of consumer protection in the new era”, with a total of 1,378 people participated in the training, including general managers of business operation departments of branches, members of internal control teams and personnel related to outlet lobby services. The training strengthened compliant operation from three aspects based on case, namely prohibiting operation on behalf of customers, protecting consumers’ right to be fully informed and compliant marketing and promotion referrals, and provided in-depth interpretation of the Personal Information Protection Law of the People’s Republic of China from four aspects: analysis of key concepts, analysis of the application of financial consumer information, the principles of information handling and typical operation cases, and the legal responsibility and punishment cases of personal information infringement. The training helped improve the consumer protection knowledge base of the business line staff of branches and sub-branches, and helped them better provide customer services. In addition, the Bank organized frontline retail staff to participate in the training on “Macroeconomic analysis and customer management” and “Focus on consumer protection - compliant sales” to regulate the marketing behavior of sales staff and further strengthen compliant and efficient marketing from the perspective of consumer protection. Finally, the training of new customer service staff was organized, covering safety training, financial information protection training, study of bank and center systems, skills training, business training, and hands-on training, so as to help new employees smoothly transition and quickly adapt to and master job skills, and to enhance their working competence from all aspects.

### Service campaigns.

- First of all, the Bank fully implemented the six customer service concepts, strengthened the top-level design, and specified the strategy of customer management by tier and group. Focusing on the four customer segments of Bo Zai, Bo Rui, Bo Da and Bo Tai, we designed a standard customer marketing model, and provided customers with exclusive rights and benefits and special products based on their financial and non-financial needs to improve our service quality and efficiency. Focusing on “the elderly” clientele, we constantly enriched the products of the Bo Tai Club online and created an online special service position for the Bo Tai clientele, covering wealth selection, learning area, special information, exclusive rights and benefits, including all aspects of older customers’ lives. We also held special Bo Tai activities offline and provided exclusive rights and benefits for older customers to form our distinctive business. To serve the Bo Rui and Bo Da clienteles, we created an online service area for corporate employees - special mobile payroll area, which supports all types of customers, including employees of the Bank, employees with payroll from the Bank and those with payroll from other banks, to check their salary statements. We also provided exclusive rights and activities, selected wealth products and intelligent customer service to improve the experience of payroll product customers. Our branches organized special activities for payroll customers offline, such as movie-watching, improving the quality of payroll services in all aspects. A bank-wide service improvement

campaign on the subject of Customer Satisfaction in China Bohai Bank was organized, covering all 34 tier-1 branches and 307 outlets (including special and light sub-branches). The campaign covered service self-examination and self-correction, service observation and exchange, evaluation of excellent outlets, and service experience by special groups. During the campaign, the Bank identified 383 problems in the self-examination, with 371 rectified and rectification measures and completion deadlines specified for remaining problems; 53 excellent articles on service observation experience (involving 29 excellent service outlets under control), 48 excellent articles on special group service exercise summaries, and 63 excellent articles on service cases were recommended, making the campaign effective. This campaign was closely combined with the actual service management of the Bank, with all-round service self-examination and self-correction conducted, service shortcomings identified through multiple channels. We focused on the elderly, disabled and other special groups, actually fulfilled our social responsibility, and effectively improved the overall service level and customer service satisfaction of our outlets.



## (II) Optimized service channels

### Business outlets.

- As of the end of December 2022, the Bank has established 36 tier-1 branches (including 3 direct branches in Suzhou, Qingdao and Ningbo and 1 overseas branch), 33 tier-2 branches and 267 sub-branches in 65 key cities and special administrative regions in 25 provinces and autonomous regions and 5 sub-provincial cities, with a total of 336 officially opened outlets.

### Self-service channels.

- The first involves the construction of ATM and CRS channels. As of the end of December 2022, the Bank was equipped with 625 sets of ATM and CRS devices, including 10 off-bank devices; it completed the construction of projects such as 330 IT application innovation project, ATM reconfiguration localization, ATM monitoring platform, ATM transfer optimization and platform migration of Windows-based ATMC system devices and 8583 interface transformation. The second is about the construction of VTM and intelligent PAD channels. As of the end of December 2022, the Bank was equipped with 254 sets of VTM devices, with the self-service wealth management subscriptions via VTM amounting to 10.21 billion yuan and 65,000 subscriptions; 21,000 cards were opened via the VTM channel, and the features such as VTM-based certificates of deposits, Bohai fixed-deposit statistical reports, risk assessment optimization, account opening optimization and handwritten signature type fields were put into operation; 116,800 cards were opened through the smart PAD off-bank business, an increase of 127% over last year, and the number of cards issued via the off-bank channel during the epidemic was 5.56 times that of cards issued via the in-bank channel, with the off-bank channel almost fully replacing the self-service channel; the features such as optimized account opening process in the smart PAD channel and digital certificates were put into operation. The third is the construction of intelligent devices. The Bank constantly enriched the hardware components of the smart device group with a view to expanding the service modes and forms. Specifically, the concept of “free combination, flexible configuration and independent choice of LEGO bricks” was implanted into the design of hardware, and more types of user cash recyclers (UCR) were provided at an accelerated pace for quick deployment. By the end of 2022, we have put low full-function UCRs and non-cash low UCRs into operation, and all five models of UCRs have been put into use in branches. Guided by the strengthening of service capabilities, we continuously enriched the transaction features of and service experience provided by intelligent devices to rapidly expand transaction features and complete basic capabilities. We strengthened technology leadership and drove the development of device intelligence in depth. The debit card-based cardless transaction mode was added and more ways of authentication were provided for customers; the authorization audit became more convenient, and the “face-scanning” authorization mode was enabled by using the face recognition technology, providing customers with more options and enhancing the convenience and security of authorization audit. We actively built a green finance ecosystem to save operational costs. Specifically, we realized electronic transformation of the credentials on smart devices, and the electronic receipt feature is available to all transactions at the device; the feature of online paperless instant application was also launched.

## Online channel construction.

- First of all, the Bank's mobile bank and physical outlets, open banks, remote banks and other channels together build the banking service capabilities, and all channels interconnect with each other to realize the integration of digital operation capabilities and customer manager service capabilities. The Mobile App 6.0 builds a network financial business management system to form pluggable, quick-access and data sharing operation mechanism. Based on event data tracking, label management, customer group determination, we can collect and analyze user information such as crowd attributes and behavioral data and provide custom booth management, financial services and other content, providing strong technical support for the output efficiency of the mobile app and our channel operation & management capability, enabling the mobile app to have such channel service and operation features as data analysis, accurate marketing, customer determination, custom services, and rapid implementation of functions. Then, the Bank continued to promote the upgrade and iteration of system functions in 's remote banking centers. In terms of optimizing the basic platform, the Bank successfully optimized and replaced the platform to further enhance the basic service capabilities of all channels of a center. In terms of intelligent services, the Bank continuously optimized telephone banking features and service experience, and upgraded intelligent navigation to identify customers' intentions faster and more accurately, thus realizing accurate positioning and meeting diverse and differentiated needs of customers. In terms of human customer services, a new routing strategy was used to enhance the effectiveness of the agents, effectively improving the answering efficiency of agents working at home and ensuring continuous operation during the epidemic. At the same time, in accordance with the concept of technology-enabled and intelligence-driven construction, the Bank's remote banking center has successively launched the intelligent quality inspection and voice of the customer system and preview-based human outbound call system, and upgraded the intelligent outbound call system, realizing the "AI + human" service operation mode, with the construction of the intelligent operation and service system basically completed. Meanwhile, the Bank continued to improve its product functions and actively promoted the creation of an "online bank". As of the end of December 2022, the Bank optimized a total of 168 items related to credit card self-service channels to continuously improve customer experience and service efficiency. Through continuous optimization and iteration of the service, the number of mobile credit card users increased from 217,100 at the beginning of the year to 275,800, and the user coverage rate increased from 32.20% at the beginning of the year to 40.88%, with a year-on-year increase of 27.01% in the number of users and an increase of nearly 9 percentage points in the user coverage rate. The total number of credit card WeChat Bank followers increased from 361,000 at the beginning of the year to 430,400, and the total number of subscriptions increased from 130,000 at the beginning of the year to 158,000, with a year-on-year increase of 19.21% and 21.52%, respectively. Finally, the Bank's WeChat official account Wealth and Treasury Manager continued to operate as a user activity platform with asset enhancement as its core, with over 60,000 registered medium and high-end customers and over 2,000 private banking customers. Specifically, Wealth and Treasury Manager helped achieve annual asset enhancement for mid-to-high-end customers of over 13.8 billion yuan, accounting for 40% of the total asset enhancement for all mid-to-high-end customers.

### Customer service centers. //

- The Bank provides 7×24-hour service via the telephone banking channel, 24/7 intelligent customer service via personal e-banking, mobile banking, WeChat banking, official website and other electronic channels, and 7×13-hour online human customer service.

### Collaboration of multiple online and offline channels. //

- The Bank continuously enriched and optimized “non-contact” financial service channels and scenarios, and constantly focused on the in-depth integration of “online remote + offline outlet” services to provide customers with more efficient, intelligent, accurate and excellent service experience. The mobile banking product purchase jump links in the intelligent customer service text channel help achieve a seamless connection between customer consultation and purchase process. Intelligent outbound call services are provided. Specifically, cutting-edge technologies such as automatic speech recognition, text to speech and natural language understanding are used to achieve natural and fluent dialogue between customers and robots. The business covers many scenarios such as notifications and customer cares. In 2022, the Bank’s remote banking centers made 61,300 outbound calls, reaching about 40,000 customers in 31 provinces, municipalities and autonomous regions, with 232.45 hours of accumulated call time. During the epidemic, the Bank further optimized the Home Office Emergency Plan for the Remote Banking Centers in Case of Emergency (2022 Revision), and took multiple resumes such as launching the coordinated service plan of “Head Office Building + Sub-center Operation + Remote Home Service” in an effective and timely manner, forming complementary and intertwined financial services via various means, and building a solid bridge between the Bank and customers with our warm voice and high-quality and professional services. At the same time, the Bank continued to upgrade the quality and efficiency of intelligent services. On the basis of existing services such as mobile banking, WeChat banking, personal e-banking, official website, telephone banking and agent assistance, we launched a new “digital human” intelligent assistant service that provides voice consultation for the convenience of the elderly customers, providing multidimensional and all-weather financial services for customers. As of the end of December 2022, the intelligent customer service system provided services for 1,095,100 persons for the year, with 96.70% questions solved and an overall intelligent self-help diversion rate of 64.07%.



### (III) Innovation of service processes

#### Counter businesses.

We simplified the procedures for customers to handle the services and continuously enriched the business system features. Some examples are as follows. The personal account password unlocking transaction is added to facilitate customers to quickly release the password lock status caused by too many password attempts; the feature of opening a personal time account within a debit card is added, allowing customers to open and cancel time accounts and withdraw partial amount with debit cards as media, without the need to keep certificate of deposits or passbooks; the feature of replacing the passbook of a personal Renminbi settlement account with an IC debit card is provided, with the original account number and contract information remaining unchanged after the replacement, making the personal account media more flexible.

#### Remote banking services.

We formulated corresponding process specifications for each business activity, and established a long-term service process and improvement mechanism in business operation and management, effectively promoting smooth and efficient operation of remote banking services. More on-site management systems were established and improved to further standardize customer service and operation management; the level of intelligent services was further improved, and a bank-wide unified, convenient and efficient customer service system was built to comprehensively standardize and manage intelligent outbound call services and improve the operational efficiency of customer service; the complaint management was further strengthened, the processing procedures for complaint work orders standardized, and the requirements for complaint acceptance, processing and relevant return visits specified, effectively improving the efficiency and quality of work order processing.

#### Credit card services.

The Bank followed the trend of financial digital transformation to improve service efficiency. The credit card cash installment feature was launched in self-service channels, which allows online application and real-time disbursement and payment. After the launch of the feature, the total amount of cash installment transactions handled through self-service channels reached 132 million yuan, involving 7,959 transactions, generating total handling fees of 1.485 million yuan, achieving a year-on-year increase of 1,594.13% in the amount of cash installment disbursement; 99.92% of customers handled cash installment disbursement



through self-service channels, and only 6 transactions were handled through the manual mode, greatly solving the problem of credit card cash installment only being subject to applications through the customer service channel. It helped save customer service manpower and improved overall service efficiency and level. In 2022, the Bank carried out the campaign of collecting comments and suggestions from customers and employees, focusing on nodes in the use of consumer finance and credit card products. Specifically, 187 suggestions were collected; after excluding duplicate and invalid suggestions, 98 suggestions were evaluated, with 83 suggestions on product/business processes, such as adding the SMS reminder of Kuai-yidai and enriching applet features, streamlining the process of epidemic-based extension certification, adding intelligent voice reminder, and optimizing the features of mobile banking and WeChat banking; another 15 suggestions were related to system transformation and other issues, such as improving the features of the customer service system and optimizing the IVR process. 49 suggestions were finally adopted to effectively improve customer experience and service efficiency. In addition, at the beginning of the year, the Directly Operated Center formulated an inter-bank survey plan and finally formed 6 study reports, 5 on the credit card journey, covering five major aspects: mobile banking features, card promotion, online application process, first card activation and card cancellation. With study on leading peer banks and in combination with the actual situation of the Bank, these reports provide optimization recommendations and improvement directions for relevant business teams, promoting the effectiveness of the Bank's credit card products and services. Meanwhile, the inter-bank survey targeted at WeCom services was also conducted from promotion methods and operation strategies, providing optimization and development ideas for subsequent operations and services.

### Mobile banking services.

The business processes were extensively optimized and upgraded in the new version (6.0) of Mobile App. Now, the Mobile App is available to the Bank's I, II, III account customers (including cloud outlets) and credit card customers. It is also available to non-Bank customers who log in through WeChat and mobile numbers, expanding the scope of service. In terms of Bohai Bank E Wealth, we continued to improve the product categories for wealth management, funds, deposits and insurance, optimized business processes, and launched fund investment and banking services. The special private banking area is under construction. In terms of Bohai Bank E Loans, the online products for consumer loans, business loans and mortgage loans are all available, and it supports all credit card features and cash transfers. In terms of Bohai Bank E Pay, e-CNY exchange service and interoperable transfer with China UnionPay Quick Pass are supported, with continuous optimization of mobile banking cashier features, expanding the scope of one-click card binding for quick payment. In terms of Bohai Bank E Connect, the features of online ID card NFC authentication and mobile number-based identity authentication for online account opening are provided, improving authentication methods and processes for high-risk transactions. In terms of Bohai Bank E Manager, the message

center is reconstructed for instant messaging; more services such as exclusive pages for Bo Tai, Bo Da and Bo Rui groups, label-based product pushing for customer groups, thoughtful greetings, service notifications, and recommendations for rights and interests have been scheduled for development.

### **Inclusive finance business.**

Bohai Bank Housing Flash Loans, a key inclusive finance product, was upgraded, with streamlined business process, optimized risk control strategy, simplified list of documents, reduced input content, and improved automatic approval rate without human intervention. After the optimization, the business operation efficiency of Bohai Bank Housing Flash Loans has been fully improved, achieving approval on the same day of application and disbursement next day in the quickest case, effectively improving the service efficiency. Under the principle of “overall control by the Head Office and autonomous management by the branches”, the inclusive pricing approval mechanism was optimized, with the credit scale approval in a branch changed from a case-by-case basis to a monthly basis. On the premise of equal authority and responsibility, the approval processes of scheme-type businesses were optimized, and the approval of scheme-type businesses such as financing guarantee and supply chain was delegated from the Head Office to branches. The process of inclusive loan lending for small and micro enterprises was fully optimized, and all nodes and elements in each step were sorted out item by item. On the basis of thorough inter-bank survey and consultation with frontline business personnel and operators, the Bank optimized 12 main processes and 26 sub-processes associated with lending, merged similar operational links and streamlined the information retained, thus improving the lending efficiency by 46.2% and shortening the processing time to 3-4 working days.

### **Unified credit.**

The Bank optimized the unified credit process for wholesale customers and formulated the Operating Procedures for Unified Comprehensive Credit Applications for Wholesale Customers. The key advantages of the Operating Procedures are as follows: in terms of business application, added consolidated - single application mode and optimized application summary mode for different needs of customers; simplified application materials and optimize the list of credit documents; set up flexible credit line transfer and sharing rules and credit line release rules under multiple scenarios, and simplified the approval process of new products; established an internal syndication system and an inter-branch business application mode. In terms of credit line management, low credit risk lines are incorporated into the management of total credit lines; to strengthen the lead bank's overall management role over the group, the lead bank coordinates the management of group lines, and to ensure the efficiency and fairness of line usage, the principles of group line application and allocation are specified and the corresponding processes are optimized. In terms of

group management, the Group's customers are classified into four categories: A, B, C and D. The Group adopts a list system for high-quality customers in categories A and B, and through active credit granting and "consolidated-single" application mode, the Bank's capability to serve high-quality customers is strengthened and business processing efficiency is improved. The responsibilities and rights of the lead bank and member banks were redefined and specified, and the management assessment criteria and plan of the lead bank were formulated. The identification criteria for group customers were unified across the Group, and the process of identifying group customers was optimized.

### Construction of customer relationship management system.

A total of more than 70 feature items involving more than 10 scenarios were proposed for upgrade in 2022, including adding key business scenarios such as the consignment wealth management business, personal pensions, and customer level adjustment. This improved our efficiency of customer service and maintenance.

## (IV) Appreciating customer complaints

- > The Bank conscientiously implements the people-centered development ideology, adheres to create the best user experience from the consumer perspective and the concept of whole-process companionship, attaches great importance to the handling of consumer complaints and the governance of the root causes of complaint problems, actively use alternative third-party resolution mechanisms to resolve financial disputes, and continuously optimizes and improves products and services to create a fair and just financial consumption environment. The complaint hotline, mailing address and complaint handling process are announced in the official website, mobile clients and other electronic channels and prominent locations in the business premises. The Bank's e-mail address to receive complaints, web site and other information are announced through the Internet complaint channels, and complaint hotline and information of other complaint channels are provided in products and service contracts. The complaint channels are smooth, effective and convenient, enabling the Bank to effectively protect the legitimate rights and interests of consumers.



### Complaints.

In 2022, the Bank accepted 11,037 individual complaints and 343 corporate complaints, with a complaint resolution rate of 100% and a customer satisfaction rate of 85.13%. (Note: Considering possible differences in consumer complaint statistics among banks, the Bank's number of complaints and related indicators are intended for peer comparison.) In terms of business categories, 34.44% of the complaints were about loans, 24.07% about credit cards and 8.60% about personal financial information. In terms of regions, the complaints mainly involve businesses in the following regions: Tianjin (6.47%), Guangdong (5.99%), Shandong (4.04%), Shaanxi (3.14%) and Shanghai (3.04%).

### Countermeasures.

The Bank actively took measures in several aspects to effectively fulfill the responsibility of handling financial consumer complaints and continuously improved our complaint handling management. Specific measures are as follows. First of all, we strengthened the construction of complaint management system and mechanism. Specifically, the Bank revised relevant rules and regulations, including the Consumer Complaint Handling Management Measures of China Bohai Bank (2022 Revision), the Emergency Response Plan for Major Consumer Protection Emergencies of China Bohai Bank (2022 Revision), the Guidelines for Diversified Settlement of Financial Disputes of China Bohai Bank, and the Evaluation Measures for Handling Consumer Complaints of China Bohai Bank (Trial). 12 working mechanisms were improved, including complaint statistics and analysis, normalized monitoring, traceability and rectification, information disclosure, internal coordination and communication, diversified resolution of disputes, assessment and evaluation, and accountability. Then, we optimized the complaint handling process to improve the quality and efficiency of complaint handling. Specifically, we achieved the closed-loop control of the whole process of before, during and after complaint to strengthen the traceability management of complaint handling, conducted regular supervision and inspection of complaint handling, and strictly implemented relevant requirements: thoroughly solving the problem in case of reasonable demands, giving instructions for unreasonable demands, providing help and assistance for complainants in trouble, and handling unlawful behavior in accordance with the law. Then, in terms of businesses and key positions frequently complained, more sessions of training were provided to strengthen the staff's consumer protection awareness. We provided various types of training to improve our ability to prevent and handle complaints and make the complaint handling standard and compliant, and strictly implemented the rules for statistical classification and coding of financial consumer complaints to ensure accurate complaint data. In addition, drills on the emergency response plan for major

complaints were conducted to enhance our capabilities to give early warning of and handle major complaints and prevent and control risks. Then, we effectively promoted the traceability of complaint problems for rectification. In the daily complaint handling, data analysis, and supervision and inspection, we promptly identified weak links and risks, and supervised and promoted relevant business departments to improve from product design, sales management, customer service, operation processes and incentive mechanism. Finally, we actively used the alternative third-party resolution mechanisms to resolve financial disputes and made efforts to prevent intensification of conflicts. As of the end of the year, 31 tier-1 branches of the Bank had established cooperation with local financial consumer dispute mediation centers, and 14 had signed the Cooperation Agreement on Rapid Resolution Mechanism for Small Financial Consumer Disputes.

## (V) Comprehensive consumer protection



### 1. Establishing and improving rules for consumer protection

The Bank constantly strengthened the construction of consumer protection rules and has established a relatively sound consumer protection system. As of the end of the year, the Bank developed 23 new consumer protection-related business, product and service rules and revised 27 existing rules, bringing the number of consumer protection-related rules in the Bank to 109, which cover various areas such as assessment and evaluation, appropriateness management, information protection, marketing and campaign management, complaint management, emergency management and provide systematic guarantee for compliant operation.



### 2. Construction of consumer protection mechanisms

#### Review of products and services.

First of all, relevant consumer protection review rules are established and improved. Specifically, the Administrative Measures for Review on Financial Consumer Rights Protection of China Bohai Bank (2022 Revision) was revised and issued. These Measures: specify the basic principles and management principles to be followed in the consumer protection review; specify that the Consumer Protection Committee of the Head Office shall be responsible for coordinating the construction of the Bank's consumer protection review mechanism, incorporating consumer protection review into the Bank's risk management and internal control system, and refining the work of each department; define the status of the consumer protection review subjects and the qualifi-

cation requirements for consumer protection reviewers; specify the coverage of consumer protection review; specify the responsibilities and obligations of each participating department in the consumer protection review process, and emphasize the closed-loop management of consumer protection review; further refined the key points of consumer protection review based on the types of target information and target business. Then, consumer protection review mechanisms were established. A mandatory binding management mechanism for consumer protection review was established. To guarantee the coverage of consumer protection review, the mandatory binding requirements of consumer protection review are incorporated into the relevant business management system, and from product program review, product and service information release, SMS sending, the formulation of consumer-related contract text and various legal documents, business departments are explicitly required to provide consumer protection review records before the release of products and services to the public, avoiding from the source the direct flow of products and services into the market without consumer protection review. A post-consumer review assessment mechanism was established. The post-consumer protection review assessment was conducted on the products and services in stock before the consumer protection review was carried out as required by the regulator, promptly identifying and immediately rectifying the suspected infringement of consumer rights and interests in the products and services in stock. Then, a training and supervision mechanism for consumer protection review was established. In June and November 2022, the Bank organized bank-wide training on consumer protection review to continuously improve the ability of consumer protection reviewers at all levels to perform their duties. Then, a closed-loop management mechanism for consumer protection review was established, and relevant responsible persons were promptly reminded in case of failing to give feedback on review comments on time. An inspection and assessment mechanism for consumer protection review was established. Specifically, the implementation of consumer protection review was included in the scope of internal control and audit, and the irregularities in consumer protection review identified were included into the disciplinary violations and points for violations of employees, as well as into the consumer protection assessment of all product and service departments and branches. The consumer protection review process was subject to stricter management. In 2022, the Bank conducted consumer protection review over 1,732 items of policies, systems, business rules, fee pricing, agreement terms, promotional documents and other materials that may affect consumers, promptly identifying problems affecting consumer rights and interests in all aspects of products and services from design and development, pricing management, agreement formulation to marketing and promotion, and made 527 items of substantive consumer protection review comments, all of which were adopted. The consumer protection department promptly followed up and supervised the implementation of consumer protection review comments and the relevant rectifications by business departments. For those who did not provide timely feedback on the review comments, two emails were sent to remind timely correction, effectively protecting the legitimate rights and interests of consumers.

### Disclosure of information.

First of all, the Bank disclosed material information on consumer protection through its annual report, social responsibility report and official website. In accordance with the regulatory requirements for disclosure of material information on consumer protection, the Bank published the 2021 Annual Report of China Bohai Bank Co., Ltd. and 2021 Corporate Social Responsibility Report of China Bohai Bank Co., Ltd. on its official website ([www.cbhb.com.cn](http://www.cbhb.com.cn)) under the path of Home > Investor Relations > Performance Reports and Corporate Social Responsibility Reports, disclosing material information on consumer protection in 2021, which includes the top-level design of consumer protection, the whole-process control mechanism, the construction of consumer protection review mechanism, the management of marketing and publicity behavior, financial literacy improvement and consumer education, consumer complaints, internal inspection and supervision, and rectification and accountability. A special section for consumer protection is set up on the home page of the official website ([www.cbhb.com.cn](http://www.cbhb.com.cn)), including columns for information disclosure, consumer protection news, activities, knowledge dissemination and risk alerts. The information disclosure column discloses material information on consumer protection. Meanwhile, we will continue to disclose significant information on consumer protection in 2022 Annual Report of China Bohai Bank Co., Ltd. and 2022 Corporate Social Responsibility Report of China Bohai Bank Co., Ltd. and on the official website. The number of complaints, the types of businesses complained about and the distribution of complaints by region are disclosed through the annual reports and corporate social responsibility reports. The Bank discloses information on consumer complaints such as the number of complaints, categories of businesses complained about and the distribution of complaints by region of the whole bank through annual reports, corporate social responsibility reports and the official website on an annual basis, as required in the regulatory requirements, and specifies the next steps in the complaint analysis report released on the official website to enhance the transparency.

### Internal assessment.

We formulated and issued the Administrative Measures for Assessment and Evaluation on Consumer Rights Protection of China Bohai Bank (2022 Revision), highlighting the regulatory orientation and problem orientation, specifying the key contents such as assessment objects, indicators, methods and cycles, and highlighting positive incentives. We continuously increased regulatory integration, and linked the quality and effectiveness of consumer protection in the Head Office and branches with performance assessment more closely. An assessment and evaluation system covering supervision and evaluation, internal evaluation and service management evaluation of consumer protection was established, fully covering the consumer protection. Key businesses and aspects that are prone to infringing consumer rights and interests, such as marketing and publicity, information protection and complaint management, were subject to more strict assess-

ment to give full play to the role of assessment and evaluation in improving the quality and efficiency of consumer protection. The Administrative Measures for Assessment and Evaluation on Consumer Protection Training of China Bohai Bank (Trial) and the Evaluation Measures for Handling Consumer Complaints of China Bohai Bank (Trial) were developed and issued. Specifically, the Evaluation Measures for Handling Consumer Complaints of China Bohai Bank (Trial) clearly include data such as the rate of regulatory referral complaints, complaint growth rate, repeat complaint rate, customer satisfaction rate, reasonable complaint rate and mediation implementation rate into the assessment indicators, making all units attach more importance to complaint management and dispute resolution and ensuring effective prevention and resolution of the high risk of consumer complaints. Then, the Bank strictly implemented the assessment and evaluation mechanism for consumer protection. The Consumer Protection Department of the Head Office takes the lead in collecting consumer protection evaluation data on a quarterly basis, forms the results of consumer protection evaluation of all departments of the Head Office and branches on an annual basis, and submits the relevant results to the performance authority Human Resources Department for application.

### Emergency response.

Firstly, the Bank formulated and issued the Emergency Response Plan for Major Consumer Protection Emergencies of China Bohai Bank (2022 Revision), which continues the Bank's emergency management principle of "prevention-oriented, combining emergency response and prevention" and covers the definition and classification of major emergencies, reporting and handling procedures, follow-up treatment and emergency drills. The Plan systematically regulates the emergency management and handling of major consumer protection emergencies, ensuring that employees at all levels of the Bank are constantly improving their awareness of preventing and handling major emergencies. The Bank formulated special emergency response plans for fields such as personal information protection, major complaints, safety and security, business continuity, and production system operation, specifying definition, classification, reporting and handling, follow-up treatment, and emergency drills of emergencies. The Bank also organized emergency drills against emergencies in consumer protection, personal information protection, major complaints, safety and security, business continuity, and production system operation to improve the Bank's ability to prevent and respond to various emergencies.

### Consumer protection audits.

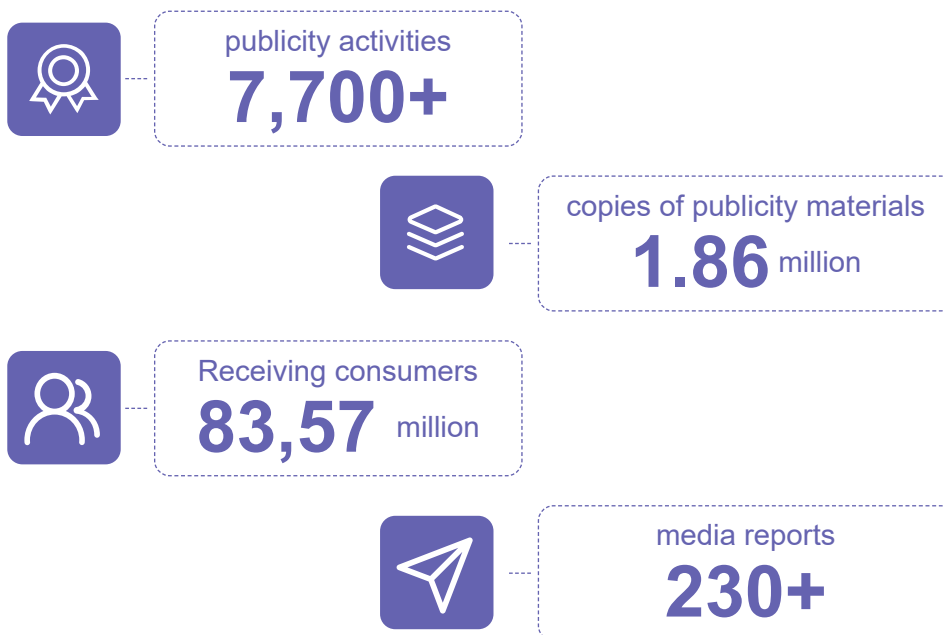
The Bank carried out consumer protection audits in strict accordance with regulatory requirements. The audits covered relevant consumer protection projects, and a regular audit mechanism was established for audits covering all departments and branches of the Bank, so that problems can be effectively identified and rectified to improve the quality and efficiency of consumer protection. First of all, the Bank incorporated consumer protection into its annual audit. In particular, the Internal Audit



System for Consumer Protection of China Bohai Bank was formulated, clearly including consumer protection in the annual audit and the regular audits of branches; The Programs for Regular Audits of Tier-1 Branches of China Bohai Bank and the Control, Evaluation and Testing Procedures for Regular Branch Audit - Consumer Protection were also formulated and issued. In 2022, the Bank conducted special audits on consumer protection in relevant departments of the Head Office and Jinan and Chongqing branches in accordance with the audit plan. At the same time, the audit line covered the consumer protection in the regular audit and other audits of 9 branches. The audit contents included the consumer protection system and work organization, consumer protection review, marketing and information disclosure, sales area and audio and video recording management, personal financial information protection and complaint handling. The Bank also established a regular and standard internal audit mechanism, specifying the audit cycle, frequency, key points and objects. The Bank's internal audits related to consumer protection were carried out in a standardized manner, and the problems in consumer protection were identified and rectified in a timely manner. The audited units were able to formulate rectification plans based on the issues found in the audit and specify the person responsible for rectification and the completion date. The audit line made management recommendations for the relevant issues, followed up on the solving of the issues, and urged the audited units to make rectifications as required and improve internal management. As of the end of 2022, all relevant issues for which the rectification period expired have been rectified.



### 3. Actively performing campaigns for financial literacy skills and consumer education





### Centralized education and publicity activities.

In accordance with the unified deployment and requirements of the regulator, the Bank organized the “March 15 Consumer Rights Day”, “March 15” Consumer Protection Education and Publicity Week, “Improve Financial Literacy Skills and Protect your Funds”, “Ten Thousand Miles for Improving Financial Literacy Skills”, “Financial Literacy Skills Improvement Month”, “Financial Literacy Skills Improvement in Tens of Thousands of Homes” and “Strive to be a Rational Investor and a Good Financial Internet Citizen”, with than 10,000 employees from over 300 outlets of the Bank participated in the activities.



### Regular financial literacy skills improvement and risk warning.

The Bank carried out routine education and publicity activities through long pictures, short videos, microfilms, public service SMS, day signatures for consumer protection, live streaming, online quizzes and other forms that are popular with the public. The Bank set up a Consumer Protection section on its official website and an Anti-Fraud Center column in mobile banking, and provided regular consumer protection publicity and risk warning through the WeCom account “Group Operation”. The Bank further expanded the online and offline education and publicity channels. With “Xiaohai Consumer Protection Lecture Hall” as the main line, “Xiaohai Classroom in the Community”, “Xiaohai Classroom in the Campus” and other theme activities were carried out throughout the year.



### Promoting the construction of consumer protection culture.

We carried out discussions on consumer protection culture across the Bank, deeply integrating the consumer protection culture with the service culture of “customer first”. In particular, we established the service concept of “keeping our original intention of lean service and showing our responsibility in consumer protection for the people”, set the “one center, three stages and five dimensions” as the core connotation of the service culture, and set the ultimate consumer protection goal of “expanding breadth with lean service, innovating with strength, improving quality and efficiency, performing responsibility with warmth, and benefiting the people and enterprises”. The essay writing activity of “Talking about consumer protection in the golden autumn” was carried out to enhance the recognition of the consumer protection culture by all employees of the Bank.



## Improving the quality and effectiveness of education and publicity.

159 articles on consumer protection from the Bank were adopted by the People's Bank of China and its branches, the China Banking and Insurance Regulatory Commission and its agencies. The 13 articles submitted by the Bank won the first, second and third prizes in the "Improve Financial Literacy Skills and Create a Better Life" campaign organized by the Tianjin Branch of the People's Bank of China. The "Bo Xue Duo Cai" financial education series of animated courses for children independently developed by the Bank were incorporated into the "Finance and Integrity" series of teaching materials by the Tianjin Branch of the People's Bank of China, helping include financial literacy skills in the national education system.



### Cases

## The Bank and Guangzhou Financial Development Service Center jointly launched a financial literacy campaign

As required by the regulatory authorities, the Bank actively conducted joint financial education and publicity activities in various forms and with rich contents in September 2022. During this period, the Guangzhou Branch, together with Guangzhou Financial Development Service Center, successfully organized a financial literacy campaign for the youth with the theme of "The Story of Money" at Lingnan Finance Museum, a financial literacy study and practice education base in the Bay Area. In this campaign, the Bank's "Bo Xue Duo Cai" financial education platform for the youth and the Bay Area Financial Literacy Study and Practice Education Base of Guangzhou Financial Development Service Center carried out activities in the "online + offline" mode simultaneously. The campaign aimed at enhancing the financial literacy of children and youth. Through diversified and unique ways of publicity and education, a feast of financial literacy skills was offered to the participating children and their families.

### Campaign details

A team of professional instructors from Guangzhou Financial Development Service Center led the children to learn about the origin and development of money; with lively examples, they demonstrated the changes of money in different periods, and asked questions to guide the children to actively think about the reasons for the changes and to inspire their financial thinking. In the interactive teaching session, the instructors led the children to understand the impact of different forms of money on the convenience of business and trade by simulating purchases at the “Small Fair”, and visually showed the reasons for the evolution and development of money. In the review and sharing session, under the guidance and encouragement of the instructors, the children gave full play to their imagination and turned into “little money designers” to create their own unique “future money”, and were encouraged to share their creative ideas on stage.

The children were immersed in the sea of financial literacy skills, fully appreciated the rich history of China’s monetary development and the profound financial culture of Lingnan. The campaign implicitly helped the children learn to establish a rational view of consumption and financial awareness and was unanimously praised by parents.

### Highlights

The campaign was jointly organized by Guangzhou Branch and the Bay Area Financial Literacy Study and Practice Education Base, in an “online + offline” mode. It combined the Bank’s “Bo Xue Duo Cai” series of financial literacy courses with the study and practice of the Bay Area Financial Literacy Study and Practice Education Base to provide better education and publicity effect, making financial literacy spread more vital and effective.

The financial literacy spread was combined with the financial history education. In the spread of financial literacy skills, the campaign allows children to learn in-depth financial history and culture of Lingnan, perceive the development of China’s financial history, understand the huge role of finance in the Chinese revolution, and cherish the hard-won good life.



## 4. Effective protection of customers’ personal information

### Improving the financial consumer information protection system.

In accordance with the Personal Information Protection Law of the People’s Republic of China, the Implementation Measures for the Protection of the Rights and Interests of Financial Consumers of the People’s Bank of China and other laws and regulations and regulatory provisions, the Bank revised and issued the Customer Personal Financial Information Protection Management Measures of China Bohai Bank (2022 Revision). It specifies the Bank’s principles of information protection

of “compliance-based, prevention-oriented, responsible and classified protection”, and clearly stipulates the collection, storage, use, transmission and deletion of customers’ personal financial information in accordance with regulatory requirements. The Emergency Response Plan for Customer Personal Financial Information Protection Emergencies of China Bohai Bank (2022 Revision) was revised to improve the Bank’s emergency response capability and protect the legitimate rights and interests of customers. The Privacy Policy for Mobile Banking APP Users of China Bohai Bank and the Privacy Policy for Mobile Banking Users of China Bohai Bank were formulated to disclose the purpose, manner, type and content of handling personal financial information to consumers in an appropriate manner. The Service Criteria for Standard Outlets of China Bohai Bank Co., Ltd. (2022 Revision) was formulated and issued. It clearly requires the outlets to improve information security measures, strictly keep customer information confidential, consciously safeguard the customer information security, and not to leak or illegally provide the customer information to others. It also specifies the criteria for facilities equipped at each outlet to better protect customer privacy and information security.

#### **Strengthening the emergency management of customers’ personal financial information.**

In May 2022, the Bank organized a bank-wide emergency drill for protecting personal and financial customer information. This was the third drill of its type, and the first drill since the implementation of the Personal Information Protection Law of the People’s Republic of China. The organizations of the Head Office and branches paid great attention and were well-prepared. This drill helped practice and improve the Bank’s ability to handle financial consumer information protection emergencies.

#### **Strengthening the routine supervision and inspection of personal customer information protection.**

The Bank organizes semi-annual regular checks on the security of personal and financial information across the Bank, and incorporates personal information protection into the regular inspection plan for retail and internal control compliance of branches, so as to promote branches to improve their management system of consumer information security and strengthen the ability of the inspected units to protect financial consumer information. Inspected units are required to immediately solve problems identified to eliminate risks and hazards.

#### **Attaching great importance to information protection and security training.**

In 2022, the Bank organized 2022 special training on personal and financial customer information protection, 2022 bank-wide training on personal information security case study and warning, 2022

emergency drill and training on personal customer information emergencies, compliance promotion and education activities based on Banned Retail Sales Conducts of China Bohai Bank, and training on the 2021 List of Regulatory Penalties in Retail Banking. The training covered laws and regulations and regulatory requirements for personal information protection management, specifying the code of conduct for employee in information protection and helping raise awareness of employee in information confidentiality.

### Creating learning tools for consumer information protection.

The Bank specially sorted out laws and regulations and regulatory provisions on personal information protection, forming the Summary of Key Points on Personal Information Protection for Banking and Financial Institutions. The Summary covers key points in regulations such as the Personal Information Protection Law of the People's Republic of China, Civil Code of the People's Republic of China, Anti-Telecom and Online Fraud Law of the People's Republic of China, and Measures for Assessment of Outbound Data Transfer Security, providing legal and regulatory references for all units at all levels to implement various regulations on consumer information protection from a business perspective. The compliance points of financial consumer information protection were sorted out and classified, and a compliance tool (mobile client) in the form of a retail business compliance compass was created for the Bank's employees, enabling them to access the regulations on financial consumer information protection with their mobile phones at any time.



## 5. Optimizing services for special groups in all aspects

### Outlet services.

The Bank formulated the Counter Operation Service Guidelines for Special Consumer Groups of China Bohai Bank, further standardizing the provision of financial services for special consumer groups following the principle of "special policy for special cases", so that the Bank can render financial services to customers based on the principles of compliance, strict risk control, and safeguarding the safety of customer funds and property. The Bank's outlets are equipped with an appropriate number of service personnel to provide guidance and auxiliary services for the elderly in handling business, and the number of services windows is set based on the business situation (peak or not) to effectively reduce customer waiting time and relieve the pressure of self-service equipment services in the lobby in a timely manner. In each outlet, special personnel are designed to prepare for high-counter service every day, pay attention to elderly customers and special groups, and fully understand customers' willingness and needs to handle business.

#### Construction of intelligent equipment devices.

The Bank continuously enriched the transaction features of the “For the elderly” module of the smart devices. In 2022, we added the all-in-one passbook of time deposit, with the transaction features of certificate of deposit, Bohai Bank time deposit and in-bank and inter-bank transfer. We use such means as enlarging the font of the transaction screen, increasing the volume of voice prompts and extending the time limit for password entry based on the operating habits of elderly customers to effectively enhance their satisfaction when using smart devices.

#### Mobile banking services.

In response to the common problems of “can’t see”, “can’t understand” and “can’t find” of the silver generation, the Bank launched Bo Tai Club and the Mobile Banking for the Elderly. The Mobile Banking for the Elderly has larger fonts and more eye-catching icons, with commonly used features on top and plug-in ads blocked, making the operation more convenient. Customized functions such as integrated global voice navigation and one-click help service were added to help bridge the “digital divide” among the elderly. It allows the elderly customers to freely transfer, manage treasure and use other core banking services. In addition to optimizing and upgrading the interface interaction, the operation prompts and other features, we focused on connecting exclusive financial products such as wealth management with the rights and services in the four major life topics: pension, health, preferential treatment, and social networking. The Bohai Tai comprehensive service system for the elderly was established, and offline fraud prevention and other seminars for financial literacy skills were used to reach the elderly consumer groups in multiple dimensions.

#### Debit card product design.

In July 2022, the Bank launched a new version of Bo Tai Card for customers aged 50 and above, which uses multi-layout design and conveys good message with the card face elements, providing customers with a richer choice of debit card products. The Bank fully considers the financial service needs of middle-aged and elderly customers, and continues to implement our brand concept of “Heartwarming Bohai Services for the Elderly”. Specifically, we provide a number of free services, intimate and exclusive services, and convenient security lock feature for “Bo Tai Card” cardholders to improve their service experience.



## Cases

### Campaign for service enhancement for special groups

In 2022, with the goal of “Focusing on special groups and fulfilling social responsibility” and combined with the service enhancement campaign in the theme of “Customer Satisfaction in Bohai Bank”, the Bank reviewed the services of outlets, including construction of interior and exterior accessible environment, accessible facilities, service processes for special groups, and capabilities to serve special groups. During the campaign, the services for special groups were reviewed in 307 outlets, covering all the 34 tier-1 branches of the Bank.

At the same time, the Bank organized various forms of special group service exercises, invited special group customers or took the form of role-play by staff to immerse themselves in the accessible service environment, facilities and processes of the outlets, so as to raise the service awareness and capability of frontline staff in outlets for special groups from their needs. During the campaign, each branch recommended 48 excellent summaries of special group service exercises, involving various groups such as the elderly, the mobility impaired, the visually impaired, and the hearing impaired. The process of serving the special groups was visually displayed through photos and videos, and the exercises were effective.

## Cases

### Wujiang Sub-branch was awarded the civilized, standard and age-friendly outlet in Jiangsu Province

In December 2022, Wujiang Sub-branch of Suzhou Branch was awarded as one of the 2022 civilized, standard and age-friendly banking outlets in Jiangsu Province. Since the opening in 2021, the Sub-branch has been dedicated to providing age-friendly financial services in terms of hardware facilities, service methods and human care, so as to meet the needs of the elderly and continuously improve their service experience.

#### **Simultaneous improvement of hardware and software to provide accessible and age-friendly financial services.**

The Sub-branch has established barrier-free access to ensure that elderly customers with limited mobility can enter the outlet using wheelchairs and other facilities. In the lobby, special seats for the elderly are arranged, and presbyopic glasses, first-aid kits, wheelchairs, water dispensers and umbrellas are equipped for elderly customers. Staff members take the initiative to receive elderly customers in the lobby and serve them throughout the entire process. Those who can communicate in the local dialect are arranged to better guide the elderly in handling business and ease their anxiety in the process. For elderly customers who wish to do business at the counter, the Sub-branch sets up special service windows, prepare sufficient small-denomination notes, and provide large-print money counting machines and counterfeit money detectors to meet the cash needs of the elderly. The Sub-branch actively



focuses on the most common financial matters and service scenarios involving the elderly. The special interface for the elder on the UCR in the outlet has such features as enlarged font, simplified interface operation and voice assistance. The staff take the initiative to explain the operation of electronic channels and mobile banking to the elderly and guide them to understand the basic financial products, so as to help them better enjoy the digital financial services.

### Care for the silver generation.

For elderly customers with limited mobility, the outlet provided on-site services many times. Since the opening of the Sub-branch, the Party members and cadres and young employees have participated in voluntary services in the surrounding communities, and actively promoted financial literacy skills and explained fraud prevention techniques to the elderly, raising the awareness of financial risk prevention among the elderly customers. Considering that the children of some elderly people are not around and are worried about their being out of touch with society, the Sub-branch organized a variety of activities during traditional festivals, such as sachet making during the Dragon Boat Festival, moon cake making during the Mid-Autumn Festival, and presenting Chongyang cakes in universities for the elderly on the eve of the Chongyang Festival, effectively increasing the sense of contentment and happiness of the elderly customers while inheriting traditional Chinese culture.

## Cases

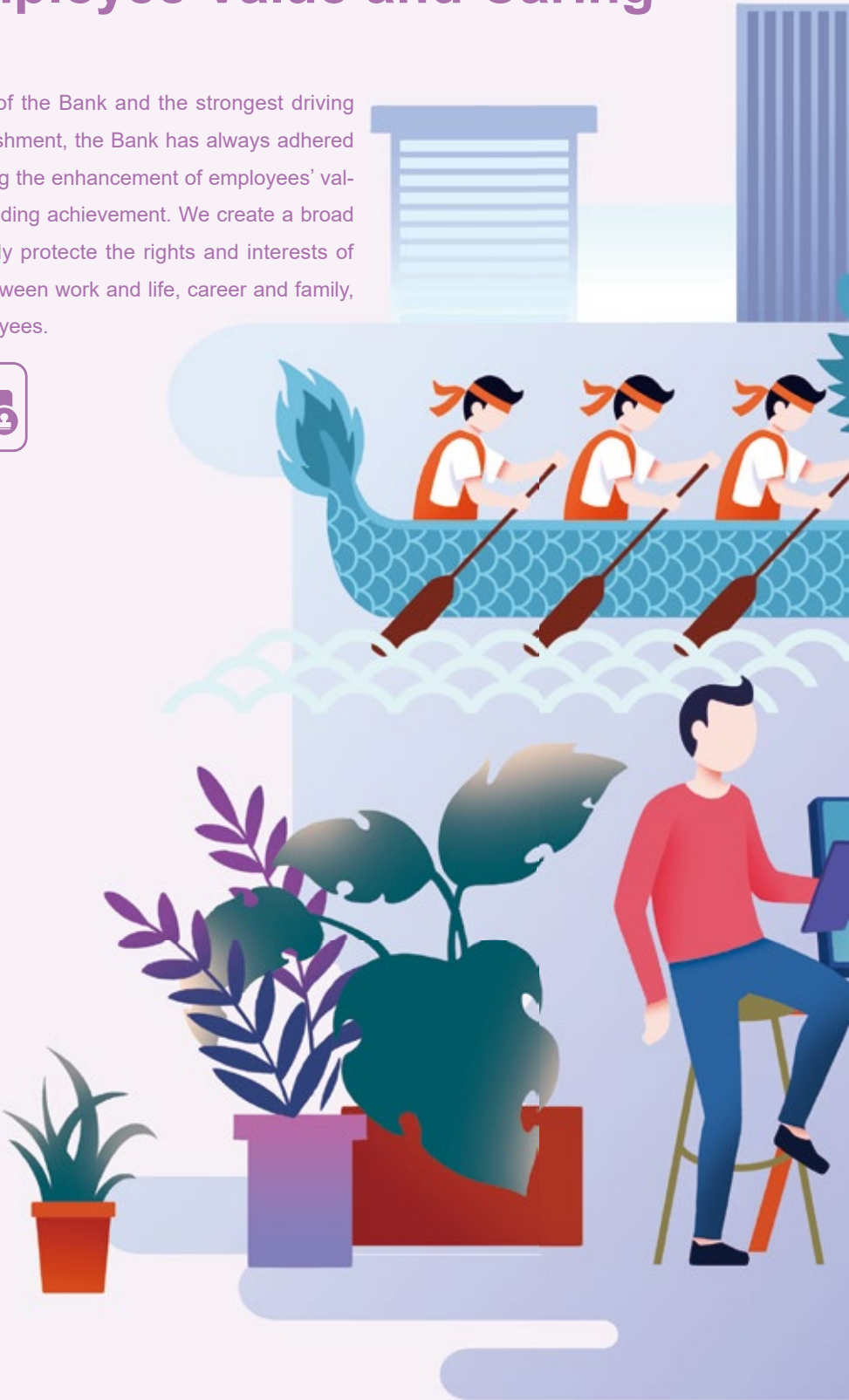
### Taiyuan Branch assigned special staff to Taiyuan Anti-Fraud Center

To fully implement the relevant requirements of the police and bank cooperation in anti-fraud, and strengthen the precise measures to combat new types of telecom and online crimes, The Bank's Taiyuan Branch assigned special staff to Taiyuan Anti-Fraud Center to carry out inquiries, payment stopping and clue investigation together with the police.

The Branch established a 7x24-hour emergency contact mechanism for case-involved account inquiries. Specifically, before account opening, the Branch fully queried information of suspicious customers through such means as feedback from the public security inquiry platform, inquiries from inter-bank information sharing resources, understanding of their existing bank cards, and inquiries about their whereabouts. Then, the full life-cycle management mechanism for bank accounts was strictly implemented. Specifically, the Branch conducted a comprehensive survey on new account opening customers, and carried out in-depth investigation of suspicious situations found in the survey relying on the strong resource advantages and technical advantages of the public security organ. Thirdly, the Branch investigated and cleaned up existing risky accounts and businesses and those with frequent write-offs, maintained a record of suspicious accounts in the existing accounts, managed them by category and strengthened due diligence, fully achieving account management and risk control together.

# Enhancing Employee Value and Caring for Happy Life

Employees are the core stakeholders of the Bank and the strongest driving force for development. Since its establishment, the Bank has always adhered to the principle of people-oriented, taking the enhancement of employees' value as an important mission and outstanding achievement. We create a broad career development platform, effectively protect the rights and interests of our employees, advocate a balance between work and life, career and family, and care for the happiness of our employees.







## I. Building Broad Career Platforms

- “Building broad career platforms for employees” is one of the corporate missions determined under the Fourth “Five-Year Plan” of China Bohai Bank. We allocate management resources scientifically, continuously promote changes in management, and build a broad career platform for our employees based on both practical-and future-oriented.

### (I) Expanding staff development paths

- The Bank issued the Trial Measures for Management of Positions and Grades of Employees of China Bohai Bank to provide employees with a broad space for career development and continuously broaden their career paths.

### (II) Driving Training Improvement with Four Major System Construction



#### Managing requirements system.

The Bank has formulated and issued “China Bohai Bank Corporation Training Fee Management Measures (2022 Version)” to enhance the scientific and seriousness of training plans, and the relevance and effectiveness of training programs. Following the principles of strict economy, budgetary control, moderate concentration and earmarking, the Bank has arranged training fee budgets scientifically and reasonably, thus improving the efficiency of using training fees.



#### Standardizing our curriculum.

Taking the construction of course system as the entry point, the Bank has precipitated course resources and gradually built course classification. We have basically formed the working mechanism of timely conduction of product knowledge, business dynamics, process practice, risk alarms and compliance points through the channel of training system structure.



#### Strengthening the faculty system.

The Bank has formulated and issued “China Bohai Bank Internal Part-time Trainer Management Measures (Revised in 2022)” to set requirements for training quality, standardize the declaration and assessment management of internal trainers, refine and improve

the criteria and levels of assessment and incentive, standardize the content and form of teaching management. By improving the training system, we have created a standardized internal trainer team, improved the professional quality of internal trainers, standardized professional behavior, maintained the standard of teaching, and promoted the steady development of the internal trainer team.

### Advancing the platform system.

Combining the actual training scenarios and needs, as well as the operating experience of the current platforms in use, the Bank has planned the supporting system functions, data logic and flow, etc. Integrated with advanced design concepts and system functions, the Bank initially formed a data-centered business logic structure to support basic and training services, gradually realizing the parallel operating of the construction of the new platform and the operation of the existing platform.



## Cases

### The Bank held the “Big Data Academy 2021 Graduation Ceremony and 2022 Commencement Ceremony”

On August 19, 2022, the Bank held the “Big Data Academy 2021 Graduation Ceremony and 2022 Commencement Ceremony”. The Bank held a ceremony to award the first batch of “Junior Data Analyst”, the “Outstanding Students”, and “Award-winning Projects”.



## Cases

### Guangzhou Branch established “One Question, One Reading” session to cultivate staff’s growth mindset

In order to further strengthen the communication and interaction among staff, cultivate the growth mindset of staff, enhance professionalism, improve the ability to solve practical problems and promote life-long growth, the Guangzhou Branch has added the “One Question, One Reading” session as the first item on the agenda of the weekly bank business meeting.

“One Question”: Asking a question. Combined with the key work of the branch, the Branch raised a question from policy guidance, key business, product model, marketing strategy, risk control and other aspects, and randomly designated a middle-level cadre to answer. Through this mode, the Branch focused on business priorities and strived to solve the difficult and main problems in development; At the same time, the Branch has led all staff to take the initiative to carry out business learning. By accurately grasping the policy guidance, being proficient and skilled in business products, we have improved our professional skills and the overall business effectiveness. “One Reading”: Reading a good book. The participants exchanged reading experience and shared the advanced management concepts. The Branch led the call for more and good reading in order to expand thinking and understanding, and to achieve self-improvement; promote the transformation and development through innovation; and improve the management and service level through the transformation of thinking and style. With these efforts, we aimed to provide a solid guarantee for scientifically drawing the development blueprint, promoting the implementation of the “Fourth Five-Year Strategic Planning”, as well as unique advantages for long-term development and core competitiveness.

In order to facilitate the study of all employees, the Branch has regularly compiled selected contents of each session of “One Question, One Reading” and published them through the Branch’s mailbox and its comprehensive information platform to actively guide all employees to study carefully.



## II. Respecting and Protecting Employee Rights and Interests

- The Bank focused on compliance construction, self construction and reform and innovation to further enhance the vitality of labor union. The Bank grasped the compliance construction of labor union at all levels, identified problems in organization, fund and budget management, and promptly requested rectification and sent out bank-wide tips. We have further strengthened the budget management of union funds, planned work projects scientifically and improved the budget execution rate. The Bank has increased training efforts and organized union cadres to attend online union cadre training courses to improve their capacity.



### Legitimate rights and interests of employees

- The right to equal employment.
- The right to labor remuneration and security and welfare.
- The right to resolve labor disputes fairly and properly.
- The right to work-life balance.



### Measures of China Bohai Bank

In terms of recruitment, the Bank continues to improve the recruitment process and establish a strict and fair recruitment system and working mechanism.

In terms of promotion, the Bank has been continuously promoting our employees in accordance with the “Trial Measures for Management of Employee Position Levels in China Bohai Bank”.

In terms of fair resolution of labor disputes and mechanisms, the Bank has implemented a full employment contract system and all contract employees are required to sign employment contracts with the Bank in accordance with the law. The Bank fully respects and effectively protects the legitimate rights and interests of employees and takes effective measures such as promoting the construction of collective contract system to continuously promote democratic management.

In terms of performance appraisal, the Bank has established a scientific performance appraisal and incentive system, implementing fair, just, open and democratic performance appraisal, and fully applying the appraisal results. The Bank has an effective annual performance appraisal results appeal mechanism, which can accept performance appeals through online and offline channels, providing an efficient, safe and convenient way to safeguard employees' own litigation rights.

The Bank always been protected its employees' legitimate leave rights and interests, built harmonious labor relations, and formulated internal leave management regulations in accordance with relevant laws and regulations.

The Bank promoted the establishment of a collective contract system.

The Bank continuously improved the union organization and working mechanism.

The Bank implemented a system of employee representative congress. All policies, systems, work arrangements, etc. involving employees' rights and interests must be reviewed and approved by the employee representative conference. In 2022, the Bank convened seven meetings of the employee representative congress, reviewed and approved proposals including the Report on

Performance of Employee Supervisors of China Bohai Bank in 2021, Staff Attendance Management Measures of China Bohai Bank, and the Administrative Measures for the Annual Comprehensive Performance Assessment of Staff of China Bohai Bank (Revised in 2022); nine meetings of the labor union committee and five meetings of the labor union review committee; the Head Office convened three meetings of the employee representative congress, reviewed and approved proposals including Head Office Departmental Performance Appraisal Management Measures of China Bohai Bank (Revised in 2022) and Adjustment Plan for Housing Provident Fund and Supplementary Housing Provident Fund Contribution Base and Ratio of China Bohai Bank in 2022; the Head Office convened nine meetings of the labor union committee and nine meetings of the labor union review committee.

In accordance with the requirements of the Interim Measures of China Bohai Bank for Administration of Employee Leave and the Notice on Adjustment to Marriage and Maternity Leaves of Employees of China Bohai Bank, the Bank implemented paid annual leaves, sick leaves, marriage leaves, maternity leaves and other rest and holidays of employees to protect the legitimate rights and interests of employees to rest and leave.





**Cases****Labor union of Beijing Branch was awarded “Advanced Staff House of Beijing Financial System”**

In December 2022, the Beijing Municipal Federation of Trade Unions issued the “Decision on Commending Advanced Staff House, Advanced Staff Home and Excellent Trade Union Worker in Beijing Financial System”, and the labor union of Beijing Branch was awarded the title of “Advanced Staff House in Beijing Financial System” and the staff of Beijing Branch was awarded the title of “Excellent Trade Union Worker in Beijing Financial System”.

In recent years, under the leadership of the Beijing Federation of Trade Unions, the Head Office Trade Unions and the Party Committee of the Branch, the labor union of the Branch has closely focused on the general situation of operation and development, elaborated specific home building programs to meet the actual needs of workers. And it carried out various activities as a carrier to build the labor union into a standardized, harmonious, warm, peaceful and innovative home.

**Cases****Labor union of Shanghai Branch opened “Labor Union Online Employee Mailbox” to listen to the voices of our employees**

In order to carry out the practice of “I do practical things for the masses” and give full play to the role of trade unions as a bridge and link to serve the masses, the labor union of Shanghai Branch opened the “Labor Union Online Staff Mailbox” in July 2022 to listen to the voices of our employees, opening up the communication channels for them and actively guiding them to reflect their concerns. Employees could make suggestions, put forward demands and problems online through the “Labor Union Online Employee Mailbox”, which provided a communication platform for branch cadres and employees to express their views and make suggestions. The labor union collected employees’ demands and reflected them to the relevant departments for solutions and actively promoted the implementation of responses. Employees could share with the union their wonderful moments in work and life such as their daily work, participation in activities, personal painting and calligraphy talents, and natural scenery in the form of pictures.

## Cases

### Labor union of Jinan Branch was awarded the title of “Top Ten Staff Homes Trusted by Staff” in 2022 by the Directly Affiliated Trade Union System

In June 2022, the labor union of Jinan Branch was awarded the title of “Top Ten Staff Homes Trusted by Staff” by the Jinan Municipal Federation of Labor Unions in the 2022 year of “Creating Employee’s Trusted House”.

The labor union of Jinan Branch focused on its main responsibility and business, safeguarded the legitimate rights and interests of the workers. It strengthened the ideological and political leadership of the party through education and learning, improved labor skills through competitions, united the strength of the workers through cultural and sports activities, and enhanced their spirit. The Branch strived to provide space for development and growth platform for the employees, and to gather love, strength and heart for the family.

- The Bank safeguarded the rights and interests of female employees in accordance with the law and organized a series of distinctive activities to make the majority of female employees work and live happily. In 2022, the labor union of the Head Office purchased health insurance for 1020 female employees from the labor union of the Head Office.



▲ Celebration of “We are moving forward together” for 2021 International Working Women’s Day on “March 8”

## Cases

### Taiyuan Branch earnestly studied and implemented the Regulations on Labor Protection for Female Workers in Shanxi Province

On May 27, 2022, the Standing Committee of Shanxi Provincial People's Congress amended the Regulations on Labor Protection for Female Workers in Shanxi Province, which further improved the protection of rights and interests of female workers. In accordance with the requirements of the Financial Work Committee of the Provincial Federation of Trade Unions, the Taiyuan Branch of the Bank earnestly studied and implemented the Regulations on Labor Protection for Female Workers in Shanxi Province.

First of all, the Branch attached great importance to strengthening leadership, designated a practical publication and implementation program, and took strong measures to put the work into practice. Female staff cadres consciously took the lead in studying the regulations to deepen their understanding of the newly amended provisions, so that they could learn first, know and understand, and continuously improve their ability of protecting their rights according to the law; Secondly, the Branch carried out publication for the amendment of the regulations, fully understood the significance of the amendment of the regulations. By organizing staff study and training in the form of online and offline combination, the Branch continuously expanded the awareness and coverage of the amended regulations, and created a good atmosphere for the whole society to care for and love female workers; Third, the Branch promoted the implementation of the amended regulations in depth, actively carried out services such as mommy huts, investigated the key and difficult issues in the protection of women workers' rights and interests, so as to do a good job in the protection of women workers' rights and interests.



### III. Always Caring for Happiness and Health of Employees

- > The Bank regards continuously satisfying employees' aspiration for a better life as one of the important development goals of the enterprise. In 2022, we adhered to the "people-oriented" and "caring" concepts and continuously facilitated employees in living a happy life.



**Assisting employees with difficulties.**

In 2022, the labor union of the Head Office carried out hospitalization sympathy, funeral sympathy, marriage, childbirth sympathy and retirement sympathy for 106 people, and issued sympathy money and condolence goods totaling about RMB324,000.



**Promoting inclusive services.**

In 2022, the labor union of the Head Office issued nearly 2,400 birthday cards; applied for new union membership cards for 489 employees; insured 1,553 people from the labor union of the Head Office for exclusive union membership card assistance coverage; and purchased 76 pieces of small fitness equipment for Ocean Plaza employees, totaling nearly RMB 19,000. On the occasion of June 1 Children’s Day, the Bank organized more than 1,100 employees and their children to watch the children’s drama “Dream Kids” online and distributed automatic foam washers to employees’ children under 14 years old.



**Special condolences for the pandemic.**

In 2022, the Bank’s labor union sent timely care and condolences to 11 branches in Shanghai and other branches during the critical period of COVID-19 prevention and control, as well as during the drought in Chongqing and Chengdu. The the labor union of the Head Office sent timely condolence letters, mental health counseling services, and special condolence food and materials valued more than RMB3 million to the employees of local branches.



**Mass cultural and sports activities.**

In 2022, the Bank overcame the impact of the pandemic and carried out popular cultural and sports activities to promote the physical and mental health of employees, while meeting the requirements of various pandemic prevention policies. The Bank continued to allocate sufficient funds to organize the daily cultural and sports activities of the labor union such as movie watching, sports and fitness, as well as the activities in the 29 associations. In June 2022, the Bank formed a team for the first time to participate in the Dragon Boat Competition of the 15th Tianjin Municipal Games and achieved the fourth place for the men’s team and the sixth place for the co-educational team.



▲ The labor union of the Head Office provided employees with Influenza vaccination injection

## Cases

### The labor union of Hangzhou Branch organized summer care classes for employees' children

In order to help employees solve the problem of childcare during summer vacation, the Hangzhou Branch has made preparations and organized summer care classes for employees' children to solve their worries. Starting from 2018, the Bank continued to hold colorful summer care classes for the children.

The summer care class prepared interest classes, exercise classes, dance classes and games for the children. At the same time, the Branch cafeteria arranged nutritious and delicious lunches for them every day, and provided fresh seasonal fruits at every meal. The rich and interesting curriculum, attentive supervision services and eye-opening new experiences have brought up a colorful vacation and endless happiness in the summer for the children. The program, integrated with "care", "management", and "education", made the children reap a lot of happiness.

As one of the important initiatives of "I do practical things for the masses" in the labor union of Hangzhou Branch in 2022, the summer care class has won high recognition from the employees.

# Continuing Targeted Support to Build Volunteer Power

Facing the goal of “Two Centenary Goals” and implementing the strategic task of “Building a rich, strong, democratic, civilized, harmonious and beautiful China”, the Bank has continued to provide targeted assistance for ten years, consolidating the effective connection between poverty eradication and rural revitalization; the Bank has continuously strengthened the construction of volunteer teams, widely carried out welfare and charity activities, committing to creating and sharing the fruits of development with the whole society, and actively contributing to Bohai’s strength to enhance social welfare.







As of the end of 2022, a total of RMB13,212,700 was invested in villages receiving targeted assistance in Jizhou District, Tianjin.

As of the end of 2022, the balance of loans to areas lifted out of poverty was RMB1.946 billion, representing an increase of 24.68% over the beginning of the year.



In 2022, the total consumption support for rural revitalization was RMB1,428,500.

National Bronze Award and Tianjin Silver Award of the Sixth China Youth Volunteer Service Project Competition.



## I. Continued Ten Years of Investment in Targeted Support

- > Since August 2013, the Bank has continuously sent village support teams to carry out targeted support work in Jizhou District, Tianjin. The village support teams, by grasping the keys of infrastructure construction, development of special industries, and support for difficult groups, actively invested financial support, and devoted themselves to cultivating the organic power of helping villages the economy development and changing their images, so as to form a long-term mechanism for consolidating the results of poverty eradication.
- > In 2022, in accordance with the requirements of the Central Committee and Tianjin Municipal Committee on the full implementation of rural revitalization, the Party Committee of the Bank attached great importance to supporting the economically weak villages. The Bank once again dispatched six business leaders to form two task teams for economically weak villages, supporting four difficult villages, namely Guiningtun Village, Yuanxinzhuang Village, Madao Village and Zhaojiatuo Village in Sangzi Town, Jizhou District, Tianjin, for a period of three years. The Bank has been proactive in providing maximum financial support, and in May 2022, the Board of Directors approved a special support fund budget totaling RMB9.6 million for three years, with the first batch of RMB3.2 million disbursed in June 2022. With strong financial support, the four targeted villages were in full swing to carry out infrastructure upgrading projects, which begun to show the results.



- In line with the standards of “five increases and five upgrades” from the Tianjin Municipal Party Committee and Municipal Government on the in-depth support for economically weak villages, the support teams focused on the “urgent difficulties and worries”, continuously strengthened industrial support and enhanced the collective economy of the villages. Firstly, the Bank formulated a three-year plan and an annual work plan to help the villages in difficulty in a timely manner. Under the guidance of the Party Committee of Jizhou District and Sangzi Town, the support team, by relying closely on the “two committees” of the villages, actively visited households to understand their real needs, determined the industrial development plans according to local conditions, and identified specific projects for infrastructure upgrading one by one. At present, each village has drawn up the Master Plan for Supporting Economically Weak Villages 2022-2024 and the Work Plan for Supporting Economically Weak Villages 2023. Secondly, the Bank fully implemented the construction of infrastructure projects to upgrade economically weak villages. The Bank has completed the infrastructure projects such as road hardening, pond improvement, renovation of fitness square, hardening and brightening of village streets and planting of green seedlings. Third, the Bank made full use of the publicity and education in the village to vigorously publicize the necessity and urgency of combating rural environmental pollution, actively guiding the villagers to abandon stereotypical habits, cultivate a healthy lifestyle and strengthen environmental awareness. The Bank increased supervision and inspection efforts, regularly inspected with the two village committees, so that the road was swept and the garbage was cleaned every day. Fourth, in helping the needy groups, the Bank promoted employment for those who have the ability to work and the will to transfer employment. For those who have lost the ability to work and cannot get out of difficulties through industrial support and employment assistance, the Bank provided social assistance for them. Fifth, in the 2022 pandemic prevention and control, the Bank assisted the town party committee and the two village committees to issue health kits to low-income households, and the key protection elder. The Bank established a record of key people over 65 years old. And with the support of the two village committees and volunteers, the Bank regularly followed up with key people and filled out record forms for retention, providing timely assistance according to actual needs.



## II. Continued to Support East-West Collaboration Efforts

- In 2022, the Bank continued to participate actively in Tianjin’s social mobilization donations by donating money to Yutian County in Xinjiang Autonomous Region and Diebu County in Gansu Province through the East-West collaboration mechanism, Tianjin Charity Association and Tianjin Hedong District Charity Association to support the consolidation of poverty alleviation and promote high-quality rural revitalization.
- In 2022, the Bank’s total such donation was RMB1.46 million.



### III. Volunteering Gathers Strong Energy

- > The Bank carries forward the traditional virtues of the Chinese nation, shows the sentiment of “finance for the people”, and actively carries out voluntary service activities to gather a strong positive energy for the good and to “lay a warm color” for the land of Jingu. “Volunteer service team of the Head Office in China Bohai Bank” was established in 2013, and the flag awarding ceremony of Tianjin Charity Association-China Bohai Bank Head Office Volunteer service team was held in Tianjin Charity Service Center in 2022. And the flag awarding ceremony was held by President San Xiangjun of Tianjin Charity Association. Volunteer service team of the Head Office in China Bohai Bank became the 44th volunteer service team of the Tianjin Charity Association.

#### (I) Do a good job of community twinning and building a better home together

- > In April 2022, the Party Committee of the Bank’s Head Office and the Party Committee of the Tianjin Branch paired up with the communities their located, joined in the community charity while adhering to the volunteer spirit of “dedication, help, love and progress”. The Bank and the communities have carried out the “six joints” twinning activities of joint construction of organizations, joint work, joint public welfare, joint management of party member education, joint creation of spiritual civilization, and joint cultural activities, to served more than 10,000 people outside the bank and realize the complementary advantages of resources and effective linkage of supply and demand, which achieved a warm response.

##### Organizing joint construction.

With the guiding method of “party build the stage and branch sing and play”, 46 party branches help neighboring communities and realize the common development of organization building. Through activities such as one-yuan donation, party members and group members contacting households, the Bank achieved targeted assistance. On April 20, 23 party (general) branches and 21 volunteers went to Chenghouli community to carry out joint construction; on April 29, 16 party branches and 17 volunteers participated in the “Theme Party Day” volunteering activity of Xinheyuan community.

##### Public service co-operation.

The volunteer service team organized employees to “do a good deed” on the 99 Welfare Day. They supported the rebirth on wheelchair project through activities such as donating small red flowers, quiz assistants and one-yuan donation. On the eve of the Spring Festival in 2022, seven volunteers

from the Bank paid a visit to the community of Chenghouli, Hedong District. In October, the Party Committee of the Head Office carried out a donation activity called “Warm Hearts with Clothes and Love in Yunnan”, calling on all employees to lend a helping hand to donate winter clothes to the Lisu Autonomous Prefecture of Nujiang and Chuxiong Yi Autonomous Prefecture of Yunnan Province according to their abilities, with more than 150 pieces of quilts, thick clothing, shoes and other donations received.

#### Joint management of party member education.

On July 14, the Bank and Dawangzhuang Street Party Committee jointly carried out the theme of “Welcome the event, cast loyalty, take responsibility and create performance” and organized the youth to watch the movie “Beyond the Skies”. The Bank participated in the quarterly joint meetings of the Party Committee of Dawangzhuang Street and participates in community governance. The Bank co-organized the study of the spirit of the 6th Plenary Session of the 19th CPC Central Committee and the 20th CPC National Congress, listened to expert lectures. And the Bank co-organized and carried out a vivid political life within the Party. On November 9, more than 10 volunteers from the Bank served Dawangzhuang to elect the candidates for the 18th NPC by-election and organized more than 1,400 employee voters to vote in an orderly manner.

#### Spiritual civilization co-creation.

The Bank’s volunteer service teams joined hands with the surrounding communities to create a beautiful Tianjin. On April 26, the 34th Publicity Month for Patriotic Health Movement was jointly held with the Xinheyuan Community of Dawangzhuang Street, advocating a new style of civilization and building a better home; On July 1, the Bank and the Chenghouli community of Dawangzhuang jointly organized the “Summer of Color” voluntary campaign to promote the separation of household waste; On August 26, 25 volunteers from China Bohai Bank’s volunteer service team participated in the volunteer service activity of “All rivers go to the sea and I benefit from the river” to clean the bus stops, leisure seats and hygiene corners along the Dawangzhuang section of East Haihe Road, and to improve the parking order of shared bicycles, so as to promote the ecological civilization construction of Haihe River with practical actions. The voluntary service team at the Head Office continued to organize volunteers to participate in a series of activities of the “Sea River Guardian” project. We aimed to win the battle of blue water with heart and soul by creating a “green Sea River”, “ecological Sea River” and “beautiful Sea River”, and to draw a new ecological picture of “clear water, smooth river, green shore and flying birds”.

#### Magpie bridge go-between activities.

The volunteer team of the Head Office organ, in conjunction with the community and University Magpie Alliance, the Municipal Federation of Trade Unions and the District Federation of Trade Unions, held 12 magpie bridge activities for young workers, resulting in 26 pairs of young people starting love relationship.

#### Important work to do jointly.

At the critical moment of the pandemic, we actively responded to the call to go to the front line of prevention and control. Volunteers braved the cold and heat, in every morning and night, undertook the task of screening information entry, order maintenance, care of the elderly and children, turning the Bohai volunteer station a most beautiful landscape. More than 150 volunteers from the Bank participated in the anti-pandemic supervision and inspection of China Bohai Bank Building and Ocean International Building, completing inspection of nine points and over 60,000 people. In every round of nucleic acid testing in Hedong District, Tianjin, volunteers from China Bohai Bank were always present. On April 29, the volunteer service team of the Hand Office from China Bohai Bank won the "Excellent Volunteer Service Team in Fighting the Pandemic" in Dawangzhuang Street, Hedong District.

## (II) Achievement and Impact

- Since it was launched, the community volunteer service project has achieved positive responds and good results. Through the volunteer service jointed with the Bank, the community has eased the work pressure to a certain extent, effectively filling the gap of government services; Through the relay of volunteer services, the majority of community people gained a better sense of success, a more sustainable sense of happiness, and a more secure sense of security; young volunteers have realized their self-worth and sublimated their life through loving dedication and participation in community governance.
- The volunteer service team of the Head Office of the Bank won the award of "Excellent Volunteer Service Team" in the commendation Conference of "Excellent Volunteer Service Group" in the fight against the pandemic in 2022 in Dawangzhuang Street, Hedong District; In the sixth China Youth Volunteer Service Project Competition held in October 2022, the Bank's project of "Building a Better Home through Community Cooperation of 'Six Joins'" won the national Bronze Award and Tianjin Silver Award. The "Party building leads to the ability of civilization practice and show the style of party members by volunteering as 'five members'" recommended by the Party Committee of the Bank was included in the "Selected Cases of Excellent Party Building at the Grassroots Level of State-owned Enterprises in Tianjin"; The "New Exploration and Practice of Financial Enterprises and Neighboring Communities in Building Volunteer Service

Mechanism” written by volunteers was selected as one of the research results of the Party construction and ideological and cultural construction of China’s financial industry. Our volunteer activities have been widely publicized by social media. On July 6, the Xuexi.cn published an article entitled “China Bohai Bank: ‘Six Joints’ to build a civilized Tianjin together”; On August 8, the Xuexi.cn published the article “China Bohai Bank: Adhering to the leadership of party building, practicing volunteer spirit and transmitting the temperature of Bohai”; on November 1, the article “China Bohai Bank Head Office volunteer service team - practicing volunteer spirit and transmitting the temperature of Bohai” published by Tianjin Daily was forwarded by the Xuexi.cn; on November 8, Tianjin Daily published the photo news of “warmth in Yunnan with clothes”. These reports show that the Bank’s volunteer activities are widely recognized by the community at large.

## Cases

### Zhengzhou Branch Launched “Love and Help Gaokao Candidates” Activities

On the occasion of the annual college entrance examination in June, the Zhengzhou branch acted promptly to support the candidates with a series of attentive services including pandemic prevention and protection against the heat during the examinations.

The Bank has established “Love Service Stations”. At each branch, candidates can enjoy green channel, printing, photocopying, special paper and pencil for exams, masks, medical kits and other services with their examination cards. The Bank also provided drinking water, disinfectant wipes, hand sanitizer and anti-pandemic items for candidates and parents. And we set up a temporary rest area for parents, and sent them blessings. The Bank has joined hands with the community to carry out “examination assistance volunteer services”, providing students and parents with directions to the examination sites, giving them heat protection stickers, drinking water, cool caps, cool sleeves, masks and free rides. And the Bank has provided timely publicity to parents on topics such as “card-cutting” action and consumer rights protection, helping parents to grasp knowledge of financial fraud prevention and effectively alleviating anxiety about accompanying examinations.

## Cases

### Suzhou Branch Staff Received Letters of Appreciation for Their Volunteer Service

In February 2022, the COVID-19 struck Suzhou. The Suzhou Branch acted swiftly with party members and young employees formed the China Bohai Bank Suzhou Branch Party Members Anti-pandemic Team, which actively carried out pandemic prevention and control volunteer services for days to contribute to the defense against the COVID-19.

In pandemic prevention and control, party members moved first. Since February 16, Suzhou has started several rounds of large-scale nucleic acid tests, which requires a lot of staff. Wujiang Branch responded to the call of the local “Party Building Alliance Volunteer Team” first, with its party members and party activists assembled quickly and formed an 8-member team, which immediately joined the training and volunteered in Songling Street. The High-tech New Area launched district-wide nucleic acid tests. The front-line medical staff and volunteers braved the cold and stayed at their posts to conduct nucleic acid test for the community. On February 17, employees of the New Area Branch went to the nucleic acid test site in Shishan Street and delivered prepared lunch, hot drinks and other materials to the medical staff and volunteers. On February 22, a new round of nucleic acid test was carried out in the industrial park, and the young people from the branch headquarters actively signed up to volunteer for the service. Before 6 a.m., volunteers went to Xinhua Park to carry out order maintenance, temperature scanning, information registration and other safeguard work. On February 22, due to the advancement of nucleic acid test, volunteers were temporarily called from the nearby streets. And our staff from the New Area Branch immediately rushed to the four sites to provide support. Since February 23, the youths from the Changshu Branch also went to the three communities to carry out nucleic acid test volunteer services respectively.

Suzhou Branch received two letters of appreciation from Jiangling Street of Wujiang District and East Taihu Lake Resort (Taihu New Town), which highly praised the active participation of volunteers of Wujiang Branch in pandemic prevention and control.





## Social Recognition

In 2022, the Bank ranked 114th among the “Top 1000 World Banks” released by The Banker.

At the “2022 Digital Finance Innovation Presentation Week and the 18th Publicity Year Annual Ceremony (2022 數字金融創新發佈周暨第十八屆宣傳年年度盛典)”, the Bank won the “Mobile Banking Best Smart Service Award ( 手機銀行最佳智能服務獎 )” and the “Digital Finance Best Business Innovation Award ( 數字金融最佳業務創新獎 )”.

At the “2022 China Financial Technology Annual Conference and the 13th Financial Technology Application Innovation Award Ceremony (2022 中國金融科技年會暨第十三屆金融科技應用創新獎頒獎典禮)”, the Bank won the “2022 Financial Industry Digital Transformation Outstanding Contribution Award (2022 金融業數字化轉型突出貢獻獎)”.

In the 2022 First “Golden Toad Award ( 金蟾獎 )” Selection, the Bank won the “2022 Lianhe Zhiping Wealth Management Award (2022 聯合智評理財風雲獎)”.

In the “10th Innovation and Entrepreneurship Leaders’ Summit and 2022 Innovation and Entrepreneurship Ceremony ( 第十屆創新創業領袖峰會暨 2022 年度雙創盛典 )”, the Bank’s official WeChat account won the “2022 Most Influential New Media Award in the Industry and Market (2022 年度最具行業市場影響力新媒體獎)”.

At the “8th China Securitization Forum (CSF) Annual Conference ( 第八屆中國資產證券化論壇 CSF 年會 )”, the Bank won the “Annual Innovation Institution Award ( 年度創新機構嘉勉獎 )”.

At the “China’s Financial Innovation Forum and China Financial Innovation Award Presentation ( 中國金融創新論壇暨中國金融創新獎成果發佈會 )”, the Bank won the “Top 10 Transaction Banking Innovation Award ( 十佳交易銀行創新獎 )” and “Top 10 Risk Management Innovation Award ( 十佳風險管理創新獎 )”.

At the “13th Fund and Wealth Management · Jiefu Award Ceremony ( 第十三屆基金與財富管理·介甫獎頒獎典禮 )”, the Bank won the “Private Bank Outstanding Customer Service Award ( 私人銀行杰出客戶服務獎 )”, and its subsidiary, CBHB Wealth Management Co., Ltd. ( 渤銀理財有限責任公司 ) won the “Outstanding Growth Potential Bank’s Wealth Management Subsidiary Award ( 卓越成長力銀行理財子公司獎 )”.

In the “Great Asset Management · New Vision: Insight into Asset Management Reform, Focus on Wealth Pattern - 2022 China Asset Management and Wealth Management Industry Annual Summit and the Second “Golden Honor Award” Ceremony ( 大資管·新視野 洞見資管變革 聚焦財富格局——2022 年中國資產管理與財富管理行業年度峰會暨第二屆‘金譽獎’頒獎典禮 )”, the Bank won the “Excellent Wealth Management Bank ( 卓越財富管理銀行 )”, “Excellent Private Bank ( 卓越私人銀行 )”, “Excellent Investment Return Bank of the Year ( 年度卓越投資回報銀行 )”, “Excellent Operational Management Bank ( 卓越運營管理能力銀行 )”, “Excellent Transformation and Development Bank ( 卓越轉型發展銀行 )” and other awards.

In the selection of the “6th Retail Bank Innovation Practice Award ( 第六屆零售銀行創新實踐大獎 )”, the Bank won the “Best Customer Base Management Award ( 最佳客群經營獎 )”.



## Assurance Report of Independent Third Party

To the Board of Directors of China Bohai Bank Co., Ltd.,

We have been engaged by the Board of Directors of China Bohai Bank Co., Ltd. ("China Bohai Bank" or the "Bank") to provide limited assurance on the key data for the year of 2022 selected from the 2022 Corporate Social Responsibility Report of China Bohai Bank for the year ended December 31, 2022 prepared by China Bohai Bank (the "Social Responsibility Report").

### I. Key data

We have performed a limited assurance engagement on the following key data in the Social Responsibility Reports:

- Balance of inclusive loans to micro and small enterprises (RMB100 million)
- Balance of agricultural loans (RMB100 million)
- Balance of green loans (RMB100 million)
- Number of domestic and overseas branches
- Total office power consumption of the Head Office (kWh)
- Total office water consumption of the Head Office (ton)
- Total number of employees
- Number of female employees
- Number of ethnic minority employees
- Number of employee training sessions organized
- Complaint resolution rate (%)

Our assurance engagement is limited to the key data for the year of 2022 selected from the Social Responsibility Report, and our work does not cover the other information disclosed in the Social Responsibility Report and the information for 2021 and before.

### II. Standards

The standards adopted by China Bohai Bank for the preparation of the key data in the Social Responsibility Report are set forth in the basis of preparation for key data (the "Basis of Preparation") attached above.

### III. Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for the preparation of the key data in accordance with the Basis of Preparation. Such responsibilities include designing, implementing and maintaining internal controls in relation to the preparation of the key data in the Social Responsibility Report to ensure that these data are free from material misstatement, whether due to fraud or error.

### IV. Our independence and quality control

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

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

#### **V. Responsibilities of the CPA**

We are responsible for expressing conclusion on the key data in the Social Responsibility Report based on the work performed.

We have performed the assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits and Reviews of Historical Financial Information, which requires us to plan and perform our work to obtain assurance conclusion.

#### **VI. Summary of work performed**

The nature and timing of the procedures performed in a limited assurance engagement differs from that of a reasonable assurance engagement, and the extent is smaller. As such, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We would not express reasonable assurance on whether the key data in the Social Responsibilities Report have been prepared in accordance with the Basis of Preparation in all respects. The assurance engagement performed by us includes assessing whether there is a risk that the Assurance Report of Independent Third Party key data in the Social Responsibilities Report are subject to material misstatement due to fraud or error, and the selection of assurance procedures depends on the judgement of the CPA and our assessment of the risk of the engagement. In addition, our work is not for the purpose of expressing an opinion on the effectiveness of the internal control of China Bohai Bank.

Within the scope of the engagement, we only carried out our work at the level of the Head Office of China Bohai Bank.

The procedures performed by the us include:

- (1) Conducting interviews with relevant departments of China Bohai Bank which have participated in the provision of the key data in the Social Responsibility Report;
- (2) Analyzing the key data in the Social Responsibility Report;
- (3) Inspecting the key data in the Social Responsibility Report by sample;
- (4) Recalculation.

#### **VII. Inherent restrictions**

The users of this report should be aware that there are still no generally accepted standards for the evaluation and measurement and as such there are no consistent measurement methods, which may impact the comparability of the data among companies.

### **VIII. Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the key data selected from the Social Responsibility Report have not been prepared in accordance with the Basis of Preparation in all respects.

### **IX. Restriction on use**

This report has been prepared solely for the preparation of the Social Responsibility Report by the Board of Directors and is not appropriate for and may not be used for other purposes. We do not accept any responsibility to any third party other than the Board of Directors of China Bohai Bank.

*RPMG Huaizhen*

Beijing, China

26 April 2023

## Assurance Report of Independent Third Party

- ▶ Balance of inclusive loans to micro and small enterprises (RMB100 million): Balance of inclusive loans to micro and small enterprises has been adjusted in accordance with the Notice by the General Office of the China Banking and Insurance Regulatory Commission of Further Promoting the High-quality Development of Financial Services for Micro and Small Enterprises in 2022 (Yin Bao Jian Ban Fa [2022] No.49), removing data in relation to bill discounting and inter-bank discounting.
- ▶ Balance of agricultural loans (RMB100 million): Balance of agricultural loans includes balance of loans to agricultural hukou holders, balance of loans to non-agricultural hukou holders for agriculture, forestry, animal husbandry and fishing, loans to rural enterprises and other organizations and loans to urban enterprises and other organizations for agriculture.
- ▶ Balance of green loans (RMB100 million): Balance of green loans presents the balance in the sheet of green loans of China Bohai Bank. Balance of green loans is determined with reference to the scope specified in the Notice of the People's Bank of China on Revising the Special Statistic System of Green Loans (Yin Fa [2019] No.326).
- ▶ Number of domestic and overseas branches: Number of domestic and overseas branches includes tier-one branches, tier-two branches and sub-branches and micro and small community sub-branches of China Bohai Bank Co., Ltd. at home and abroad.
- ▶ Total office power consumption of the Head Office (kWh): Total office power consumption of the Head Office represents the total electric power consumption of the Head Office building of China Bohai Bank Co., Ltd. for the whole year.
- ▶ Total office water consumption of the Head Office (ton): Total office water consumption of the Head Office represents the total water consumption of the Head Office building of China Bohai Bank Co., Ltd. for the whole year.
- ▶ Total number of employees: Total number of employees represents the total number of regular employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts, excluding dispatched workers.
- ▶ Number of female employees: Number of female employees represents the total number of regular female employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts, excluding dispatched workers.
- ▶ Number of ethnic minority employees: Number of ethnic minority employees represents the total number of regular ethnic minority employees with which China Bohai Bank Co., Ltd. or its domestic or overseas branches have signed labor contracts.
- ▶ Number of employee training sessions organized: Number of employee training sessions organized represents the total number of training programs provided by China Bohai Bank Co., Ltd. to employees employed under contract, including off-the-job training and online training organized by the Head Office and domestic and overseas branches.
- ▶ Complaint resolution rate (%): Complaint resolution rate =  $(1 - \text{number of unresolved customer complaints} / \text{total number of customer complaints}) \times 100\%$

## List of Important Systems for ESG-related Issues

Issues	Name of Systems
■ Risk Management	
	Regulations on Environmental and Social Risk Management of the Credit Business of China Bohai Bank
■ Employee Behavior Management	
	Code of Professional Conduct for Practitioners of China Bohai Bank
	Employee Handbook of China Bohai Bank (2012 Edition)
■ Anti-money laundering	
	Risk Management Policies on Money Laundering and Terrorist Financing of China Bohai Bank Co., Ltd.
	Customer Identification Management Measures of China Bohai Bank
	Large Transaction and Suspicious Transaction Reporting Management Measures of China Bohai Bank
■ Anti-corruption	
	The Implementation Plan of China Bohai Bank's Party Committee on Integrally Promoting the Dare Not to be Corrupt, Cannot be Corrupt and Do Not Want to be Corrupt
■ Internal Audit	
	Internal Audit Charter of China Bohai Bank Co., Ltd. (2022 Revision)
	Internal Audit Policies and Procedures of China Bohai Bank Co., Ltd. (2022 Revision)
■ Information Security	
	Information System Security Setup Standard of China Bohai Bank
	Information Security Management Measures of China Bohai Bank
	Special Virtual Network Management Measures of China Bohai Bank
	Internet Assets Security Management Measures of China Bohai Bank
	Network Security Vulnerability Management Measures of China Bohai Bank
	Information Technology Security Operation Management Measures of China Bohai Bank
	Terminal Security Management Measures of China Bohai Bank

Issues	Name of Systems
	<p>Information System Security Development Life Cycle Management Measures of China Bohai Bank</p> <p>Information System Cryptographic and Keys Management Measures of China Bohai Bank</p> <p>Data Life Cycle Security Management Measures of China Bohai Bank</p>
<p>■ <b>Consumer Rights Protection</b></p>	
	<p>Work Plan for the Protection of Financial Consumer Rights of China Bohai Bank Co., Ltd. (2021-2025)</p> <p>Consumer Rights Protection Management Measures (2022 Revision) of China Bohai Bank Co., Ltd.</p> <p>Administrative Measures for Assessment and Evaluation on Consumer Rights Protection of China Bohai Bank (2022 Revision)</p> <p>Customer Personal Financial Information Protection Management Measures of China Bohai Bank (2022 Revision)</p> <p>Management Measures for Information Disclosure of Financial Products and Services of China Bohai Bank (Trial)</p> <p>Management Measures for Information Inquiry on Financial Products and Services of China Bohai Bank (Trial)</p> <p>Management Measures for Financial Literacy and Consumer Education of China Bohai Bank (2022 Revision)</p> <p>Administrative Measures for Internal Oversight and Accountability on Consumer Rights Protection of China Bohai Bank (Trial)</p> <p>Consumer Rights Protection Response Plan for Major Emergencies of China Bohai Bank (2022 Revision)</p> <p>Administrative Measures for Review on Financial Consumer Rights Protection of China Bohai Bank (2022 Revision)</p> <p>Consumer Complaint Handling Management Measures of China Bohai Bank (2022 Revision)</p> <p>Emergency Response Plan for Major Complaints of China Bohai Bank</p> <p>Evaluation Measures for Handling Consumer Complaints of China Bohai Bank (Trial)</p> <p>Guidelines for Diversified Settlement of Financial Disputes of China Bohai Bank</p> <p>Guidance on Actively Applying the Mediation Mechanism in Resolving Financial Disputes of China Bohai Bank</p>

Issues	Name of Systems
<ul style="list-style-type: none"> <li>■ Recruitment and Employment</li> </ul>	<p>Operational Procedures for Personnel Administration of China Bohai Bank (2018 Revision)</p> <p>Selection and Employment Measures for Middle-level and Senior Management Personnel of China Bohai Bank (2020 Revision)</p> <p>Selection and Employment Measures for Grass-roots Management Personnel of China Bohai Bank (2018 Revision)</p> <p>Administrative Measures for Employees' Exit of China Bohai Bank (Trial)</p>
<ul style="list-style-type: none"> <li>■ Green Finance</li> </ul>	<p>2022 Annual Credit Policies of China Bohai Bank</p> <p>Guidance on Further Promoting the Development of Green Finance Business of China Bohai Bank</p>

# Index Of Guidance For Environment, Society And Governance Report By Stock Exchange

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
<b>■ A.Environment</b>			
<b>Aspect A1: Emissions</b>			
General disclosure	Policies and compliance with relevant laws, regulations related to the emission of exhaust gas and greenhouse gases, sewage discharge to water and land, generation of hazardous and non-hazardous wastes, etc.	Explanation or compliance	P35-P37 P80-P91
A1.1	The types of emissions and respective emissions data	Explanation or compliance	P35-P36 As a financial institution rather than an industrial enterprise, the Bank does not produce emissions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system.
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity	Explanation or compliance	As a financial institution rather than an industrial enterprise, the Bank does not produce emissions that have a significant impact on the atmosphere and the environment during its operations, so it has not established an emissions density statistical system and plan to gradually establish it in the future.
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity	Explanation or compliance	P36
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity	Explanation or compliance	P35-P36
A1.5	Description of measures to mitigate emissions and results achieved	Explanation or compliance	P35-P37, P80-P91
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Explanation or compliance	P35-P37, P80-P91



Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
<b>Aspect A2: Use of resources</b>			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Explanation or compliance	P35-P37,P80-P91
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	Explanation or compliance	P35-P36
A2.2	Water consumption in total and intensity	Explanation or compliance	P36
A2.3	Description of energy use efficiency initiatives and results achieved	Explanation or compliance	P35-P36,P84-P91
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Explanation or compliance	P36
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Explanation or compliance	Not applicable
<b>A3: Environment and natural resources</b>			
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Explanation or compliance	P35-P37,P80-P91
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Explanation or compliance	P35-P37,P80-P91

**B Society****Conventions for employment and labor****Aspect B1: Working conditions**

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer that are related to the remuneration and dismissal, appointment and promotion, working hours, holidays, equal opportunity, diversity and anti-discrimination and other benefits and welfares.	Explanation or compliance	P32,P38-P40,P136-P147
B1.1	Total workforce by gender, employment type, age group and geographical region	Suggested disclosure	P38
B1.2	Employee turnover rate by gender, age group and geographical region	Suggested disclosure	P38
<b>Aspect B2: Health and safety</b>			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to provision of a safe working environment and assurance of employees from occupational hazard.	Explanation or compliance	P39,P140-P147
B2.1	Number and rate of work-related fatalities	Suggested disclosure	The Bank plans to disclose this Indicator gradually in the future.
B2.2	Lost days due to work injury	Suggested disclosure	The Bank plans to disclose this indicator gradually in the future.
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Suggested disclosure	P39,P140-P147

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
<b>Aspect B3: Development and training</b>			
General disclosure	Policies of knowledge and skills about enhancement on employees' fulfillment of job responsibilities. Description of training activities	Explanation or compliance	P39,P138-P140
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Suggested disclosure	P39
B3.2	The average training hours completed per employee by gender and employee category	Suggested disclosure	The Bank disclosed the average training hours of its employees. The Bank has not yet established the average training hours completed per employee by gender, and will continue to improve the statistical indicators in the next step.
<b>Aspect B4: Labor standards</b>			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the prevention of use of child labor or force of labor	Explanation or compliance	P40
B4.1	Description of measures to review employment practices to avoid child and forced labor	Suggested disclosure	P40
B4.2	Description of steps taken to eliminate such malpractices when discovered	Suggested disclosure	The Bank has no child labor and forced labor issues.
<b>Operating practices</b>			
<b>Aspect B5: Supply chain management</b>			
General disclosure	Policies on managing environmental and social risks of the supply chain	Explanation or compliance	P33-P34,P37

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
B5.1	Number of suppliers by geographical region	Suggested disclosure	P34
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Suggested disclosure	P33-P34,P37
<b>Aspect B6: Product responsibility</b>			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the health and safety, advertising, labels, privacy issues and remedy methods of supplied products and services.	Explanation or compliance	P36,P41,P123-P135
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Suggested disclosure	Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with	Suggested disclosure	P121-P123
B6.3	Description of practices relating to observing and protecting intellectual property rights	Suggested disclosure	The Bank strictly maintained and protected intellectual property rights in accordance with laws.
B6.4	Description of quality assurance process and recall procedures	Suggested disclosure	Not applicable
B6.5	Description of policies about consumer data security and privacy and relevant implementation and supervision methods	Suggested disclosure	P130-P132

Aspect	Main performance indicators	Guidance requirements	Relevant section or paragraph
<b>Aspect B7: Anti-corruption</b>			
General disclosure	Policies and compliance with relevant laws, regulations and other data having great impact on the issuer and related to the prevention of bribery, extortion, fraud and money laundering.	Explanation or compliance	P42-P43
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	Suggested disclosure	There is no such situation in the Bank.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Suggested disclosure	P16-P17,P42-P43
<b>Community</b>			
<b>Aspect B8: Community investment</b>			
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	Explanation or compliance	P20-P29,P56-P88 P89-P135
B8.1	Focus on areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Suggested disclosure	P148-P157
B8.2	Resources contributed (e.g. money or time) to the focus area	Suggested disclosure	P148-P157

# Gri Indicator Index

## GRI102: General Disclosure

### Organizations and their reporting practices

Disclosure item	Content	Relevant section or paragraph
2-1	Organizational details	P10-P19,P32-P33,P38
2-2	Entities included in the organization's sustainability report	P1
2-3	Reporting period, reporting frequency and contacts	P1,P181
2-4	Information restatement	There is no significant change in reporting scope from prior year reports
2-5	External assurance	P159-P162

### Activities and workers

Disclosure item	Content	Relevant section or paragraph
2-6	Activities, value chain and other business relationships	P10-P19,P30-P45
2-7	Employees	P38-P40,P136-P147
2-8	Workers who are not employees	Please refer to the annual report

### Governance

Disclosure item	Content	Relevant section or paragraph
2-9	Governance structure and composition	P12-P13
2-10	Nomination and selection of the highest governance body	Please refer to the annual report
2-11	Chairman of the highest governance body	Please refer to the annual report
2-12	Role of the highest governance body in overseeing the management of impacts	P4,P14-P15,P51-P52
2-13	Delegation of responsibility for managing impacts	P51-P55
2-14	Role of the highest governance body in sustainability reporting	P4,P51-P52
2-15	Conflict of interest	Please refer to the annual report

2-16	Communication of important concerns	P53-P55
2-17	Common knowledge of the highest governance body	P14-P15
2-18	Performance evaluation of the highest governance body	Please refer to the annual report
2-19	Remuneration policy	P32
2-20	Process of determining remuneration	Please refer to the annual report
2-21	Annual total compensation ratio	Please refer to the annual report
<b>■ Strategies, policies and practices</b>		
Disclosure item	Content	Relevant section or paragraph
2-22	Statement on sustainable development strategy	P4-P9
2-23	Policy commitments	P5-P9
2-24	Embedding policy commitments	P38-P40,P136-P157
2-25	Processes to remediate negative impacts	P16-P17,P42-P43
2-26	Mechanisms for seeking advice and raising concerns	P48-P52
2-27	Compliance with laws and regulations	P16-P17
2-28	Membership associations	P158
<b>■ Participation of stakeholders</b>		
Disclosure item	Content	Relevant section or paragraph
2-29	Approach to stakeholder engagement	P53-P55
2-30	Collective bargaining agreement	Not applicable

### GRI3: Substantive issues 2021

Disclosure item	Content	Relevant section or paragraph
3-1	Process to determine substantive issues	P52
3-2	List of substantive issues	P53-P55
3-3	Management of substantive issues	P55

### GRI201: Economic Performance 2016

Disclosure item	Content	Relevant section or paragraph
201-1	Economic value directly generated and distributed	P18-P19,P32
201-2	Financial impact of climate change and other risks and opportunities	P82-P88

### GRI202: Market Performance 2016

Disclosure item	Content	Relevant section or paragraph
202-1	Ratio of the standard starting salary by gender to the local minimum wage	The Bank plans to disclose this indicator gradually in the future.
202-2	Proportion of hiring executives from local communities	The Bank plans to disclose this indicator gradually in the future.

### GRI203: Indirect Economic Impact 2016

Disclosure item	Content	Relevant section or paragraph
203-1	Infrastructure investment and supporting services	P58-P59,P64-P69
203-2	Significant indirect economic impact	P32-P33,P82-P88,P150-P157

### GRI204: Procurement Practice 2016

Disclosure item	Content	Relevant section or paragraph
204-1	Proportion of purchase expenditure from local suppliers	P34



**GRI205: Anti-corruption 2016**

Disclosure item	Content	Relevant section or paragraph
205-2	Communication and training of anti-corruption policies and procedures	P42-P43
205-3	Confirmed incidents of corruption and actions taken	P42-P43

**GRI206: Anti-competitive Behavior 2016**

Disclosure item	Content	Relevant section or paragraph
206-1	Legal proceedings against unfair competition, antitrust and antitrust practices	P43

**GRI301: Materials 2016**

Disclosure item	Content	Relevant section or paragraph
301-1	Weight or volume of materials used	P35
301-2	Recycled feed used	Not applicable
301-3	Recycled products and packaging materials	Not applicable

**GRI302: Energy 2016**

Disclosure item	Content	Relevant section or paragraph
302-1	Energy consumption within the organization	P35
302-3	Energy intensity	P35
302-4	Reduction of energy consumption	P35
302-5	Reduction of energy demand for products and services	P35,P88-P91

### GRI303:Water and Effluents 2018

Disclosure item	Content	Relevant section or paragraph
303-1	Water intake by source	Not applicable
303-2	Water sources that are significantly affected by water intake	Not applicable
303-3	Water recycling and reuse	P36

### GRI305: Emissions 2016

Disclosure item	Content	Relevant section or paragraph
305-1	Direct (Scope 1) greenhouse gas emissions	Not applicable
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Not applicable
305-3	Other indirect (Scope 3) greenhouse gas emissions	Not applicable
305-4	Greenhouse gas emission intensity	Not applicable
305-5	Greenhouse gas reduction	Not applicable
305-6	Emissions of ozone depleting substances (ODS)	Not applicable
305-7	Emissions of nitrogen oxides (NOX), sulfur oxides (SOX) and other major gas	Not applicable

### GRI306: Waste 2020

Disclosure item	Content	Relevant section or paragraph
306-1	Waste generation and significant waste-related impacts	P36
306-2	Management of significant waste-related impacts	P36
306-3	Waste generated	P36
306-4	Waste diverted from disposal	P36
306-5	Waste directed to disposal	P36

**GRI308: Supplier Environmental Assessment 2016**

Disclosure item	Content	Relevant section or paragraph
308-2	Negative impact of the supply chain on the environment and the actions taken	P37

**GRI401: Employment 2016**

Disclosure item	Content	Relevant section or paragraph
401-1	New employees and employee turnover	P38
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	P39,P136-P147

**GRI402: Labor Relations 2016**

Disclosure item	Content	Relevant section or paragraph
402-1	Minimum notice period for operational changes	The Bank plans to disclose this indicator gradually in the future.

**GRI403: Occupational Health and Safety 2018**

Disclosure item	Content	Relevant section or paragraph
403-2	Types of work-related injuries, rates of work-related injuries, occupational diseases, lost working days, absenteeism, etc.	The Bank plans to disclose this indicator gradually in the future.

**GRI404: Training and Education 2016**

Disclosure item	Content	Relevant section or paragraph
404-1	Average training hours received by an employee per year	P39
404-2	Employee skill improvement program and transition assistance program	P39,P138-P140

### GRI405: Diversity and Equal Opportunity 2016

Disclosure item	Content	Relevant section or paragraph
405-1	Diversity of governance institutions and employees	P40

### GRI406: Anti-discrimination 2016

Disclosure item	Content	Relevant section or paragraph
406-1	Discrimination incidents and legal corrective actions	P40

### GRI407: Freedom of Association and Collective Bargaining 2016

Disclosure item	Content	Relevant section or paragraph
407-1	Operating sites and suppliers where freedom of association and collective bargaining rights may be at risk	Not applicable

### GRI408: Child Labor 2016

Disclosure item	Content	Relevant section or paragraph
408-1	Operating sites and suppliers with significant risk of child labor incidents	Not applicable

### GRI409: Forced or Compulsory Labor 2016

Disclosure item	Content	Relevant section or paragraph
409-1	Operating sites and suppliers with significant risks of forced and compulsory labor incidents	Not applicable

**GRI410: Security Practice 2016**

Disclosure item	Content	Relevant section or paragraph
410-1	Security personnel trained in human rights policies or procedures	Not applicable

**GRI411: Rights of Indigenous Peoples 2016**

Disclosure item	Content	Relevant section or paragraph
411-1	Incidents involving violations of the rights of indigenous peoples	Not applicable

**GRI413: Local Communities 2016**

Disclosure item	Content	Relevant section or paragraph
413-1	Operations with local community engagement, impact assessments, and development programs	P115-P117
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable

**GRI414: Supplier Social Assessment 2016**

Disclosure item	Content	Relevant section or paragraph
414-1	New suppliers that were screened using social criteria	P33-P34
414-2	Negative social impacts in the supply chain and actions taken	Not applicable

**GRI415: Public Policy 2016**

Disclosure item	Content	Relevant section or paragraph
415-1	Political contributions	Not applicable

### GRI416: Customer Health and Safety 2016

Disclosure item	Content	Relevant section or paragraph
416-1	Assessment of the health and safety impact of product and service categories	P123-P127
416-2	Violations involving the health and safety impact of products and services	Not applicable

### GRI417: Marketing and Identification 2016

Disclosure item	Content	Relevant section or paragraph
417-1	Requirements for product and service information and labeling	P43-P44,P123-P127
417-2	Violations involving product and service information and labeling	Not applicable
417-3	Violations involving marketing	Not applicable

### GRI418: Customer Privacy 2016

Disclosure item	Content	Relevant section or paragraph
418-1	Substantiated complaints of violations of customer privacy or loss of customer information	Not applicable



## Reader's Feedback

Dear Readers:

Hello!

Thank you for reading. We would like you to evaluate this report so as to improve the Bank's ability to fulfill its social responsibilities. Please put forward your valuable comments and suggestions during your busy schedule to facilitate the continuous improvement of our social responsibility report and the entire social responsibility work.

You may provide feedback through the following means.

Fax: 022-58314881

Letter: Party and Mass Work Department, Bohai Bank, No.218 Haihe East Road, Hedong District, Tianjin City (Zip Code: 300012)

E-mail [yj.hao@cbhb.com.cn](mailto:yj.hao@cbhb.com.cn)

### Please give us your comments:

1. Are you able to fully obtain the required information from this report?

Yes     Partly     No

2. Do you think this report fully reflects the economic responsibilities of the Bank?

Yes     Partly     No

3. Do you think this report fully reflects the social responsibilities undertaken by the Bank?

Yes     Partly     No

4. Do you think this report fully reflects the environmental responsibilities undertaken by the Bank?

Yes     Partly     No

5. Does the layout design of this report meet your aesthetic requirements? Does it make your reading and understanding easier?

Yes     Partly     No

6. If you have other comments and suggestions, please briefly describe them.



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