



2022

Guangzhou Rural
Commercial Bank

Corporate Social Responsibility Report

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About this Report

Overview of Report

Adhering to the principles of materiality, quantitative, balance and consistency, the Bank has prepared the annual Corporate Social Responsibility Report (“ESG Report”) for the period from 1 January 2022 to 31 December 2022 (the “Reporting Period”), which focuses on disclosing the Bank’s relevant information on environmental sustainability, social and corporate governance. This report is the sixth corporate social responsibility report published by the Bank since 2018.

Preparation Basis

This report was prepared according to the Sustainability Reporting Standards 2021 of Global Report Initiative (“GRI”), the Environmental, Social and Governance Reporting Guide (“ESG Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (“HKEx”) and other relevant documents. At the same time, it meets the requirements of the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by the China Banking and Insurance Regulatory Commission (“CBIRC”) and the Guidelines on Corporate Social Responsibility of Banking Financial Institutions issued by the China Banking Association.

Scope of the Reporting

The purpose of this report is to, in a balanced manner, state the corporate social responsibility performance of the Bank in supporting the real economy, improving product and service, committing to the community, caring for staff and environmental protection. Unless otherwise specified, the scope of this report covers Guangzhou Rural Commercial Bank Co., Ltd. and its subsidiaries.

Salutation Description

Unless otherwise specified, “Guangzhou Rural Commercial Bank”, “GRCB”, “the Bank”, “the Company”, “We” or “Our Bank” in this report all refer to “Guangzhou Rural Commercial Bank Co., Ltd.”. “The Group” refers to Guangzhou Rural Commercial Bank Co., Ltd. and its subsidiaries.

Data Description

Some of the financial data in this report come from the 2022 Annual Report. The Group’s financial statements for the year ended December 31, 2022 have been audited by PricewaterhouseCoopers (“PwC”). If the data contained in this report are inconsistent with the 2022 Annual Report, the 2022 Annual Report shall prevail. Other data mainly come from the Bank’s internal statistical data, mainly for 2022, with some data beyond the above range. The monetary amounts involved in this report are denominated in RMB, unless otherwise specified.



Principles of Reporting

Materiality: The report identifies and responds to material ESG issues that affect the Bank's sustainability based on the work of online stakeholder survey and information analysis. The process and results of the materiality analysis have been detailed in this report.

Quantitative: This report has disclosed quantitative key ESG indicators of the Bank.

Balance: The content of the report reflects objective facts by disclosing both positive and negative indicators.

Consistency: In this report, indicators used in different reporting periods are as consistent as possible, with explanations given for those that have changed to reflect trends in performance levels.

Assurance Engagement

Zhongcai Green Index Consultant Co., Ltd. has performed assurance procedures for the selected key performance data and issued the independent assurance report thereon (details set out in page 72 to 75) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagement Other than Audits or Reviews of Historical Financial Information.

Form of Release

This report is published in electronic format, which is available on the websites of the HKEx (www.hkexnews.hk) and the Bank (www.grcbank.com).

This report is published in both Chinese and English. In case of any discrepancies between the two texts, the Chinese text shall prevail.

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Chairman's Statement

Resolutely striving for excellence and achieving the ultimate good; continuously pressing forward and persevering to achieve great success. In the past year, faced with the severe and complex macroeconomic environment and the arduous and heavy task of reform and development, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, Guangzhou Rural Commercial Bank has been united and resolute, working together with one heart and one mind, focusing on "what the country needs" and responding to "what the people expect", firmly marching forward on the path of fulfilling the political responsibility, economic responsibility, social responsibility, and environmental responsibility of financial enterprises. The total assets of the Bank reached RMB 1,233.5 billion, an increase of 6.18% compared to the previous year, ranking among the top three rural commercial banks nationwide. Customer deposits increased by 7.15%, the total amount of loans and advances increased by 5.22%, and net profit attributable to shareholders increased by 9.98%. The Bank's overall business development remained stable.

We have taken on the responsibility and resolutely fulfilled the social responsibilities of state-owned enterprises. We comprehensively implemented the spirit of the 20th National Congress of the Communist Party of China, persistently unite and forge our soul with Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, continued to deepen our learning, research and practice, and strived to transform the innovative theoretical achievements of the Party into a powerful force that firmly holds ideals, tempered our Party character, guided our practices, and promoted our work. We firmly shoulder the responsibility and mission of state-owned financial enterprises, and joined forces to fight against the COVID-19 pandemic. More than 3,000 members of the "Jinsui Sun" volunteer service team rushed to the districts of Haizhu, Huadu, Baiyun, Liwan, Nansha, and other areas to provide epidemic prevention and control support services. With our steadfast will and round-the-clock hard work, we successfully completed the task of supporting the fight against the epidemic, and gathered a great positive energy to overcome difficulties together.

We strived to serve the overall situation and provided better support for the real economy. We have always adhered to the purpose and mission of serving the real economy, actively launched the "specialized, refined, special and novel enterprises" development financing acceleration action to support small and medium-sized enterprises, and continued to increase our financial service efforts to key supporting enterprises in manufacturing industry, "specialized, refined, special and novel enterprises" and other industries at the national, provincial, and municipal levels. At the end of the year, loans to "specialized, refined, special and novel enterprises" and manufacturing enterprises increased by 10.31% and 13.83% respectively. We firmly support the development of small and micro enterprises, launched the "20 measures to serve small and micro enterprises", allocated special credit resources, optimized business processes, and developed multiple flagship products such as "online house mortgage loan" and "quick loan for guarantee". We have taken multiple measures to promote the growth of inclusive small and micro loans, reduced the financing costs of inclusive small and micro enterprises by 0.29 percentage points throughout the year, extended the repayment and interest payment period for loans totaling 7.643 billion yuan, and increased the balance of inclusive small and micro loans by 10.75% year-on-year at the end of the year.

Adhering to the principle of both preserving tradition and promoting innovation, we have made remarkable achievements in supporting rural revitalization. Leveraging our own unique advantages, we have continuously improved the quality and effectiveness of financial services in the field of rural revitalization, using new products such as "Credit Loans for Collective Construction Land(集體建設用地信用貸款)" and "Mortgage Loans for Rural Land Contract Management Rights(農村土地承包經營權抵押貸款)" as the starting point, and relying on rural financial digital platforms such as "Cunzi Bao(村資寶)" and "Yunxin Tong(雲信通)" for support. Throughout the year, we invested a total of 12.502 billion yuan to support 14,300 households of farmers to carry out production and operation, and the balance of agricultural loans at the end of the year increased by 8.5% year-on-year. With the support of the Jinmi Foundation(金米基金會) platform, we have collaborated with the Guangzhou Federation of Social Organizations to launch the "Jinmi Public Welfare- Under the Banyan Tree(金米公益·同在榕樹下)" action plan in Conghua, Huadu, Zengcheng, and other regions, actively building a "public welfare + finance" work model. We have spent a total of 8.1972 million yuan in donations, using finance as a force for good to help rural revitalization and achieve common prosperity.

As we move with the times, we are accelerating our pace towards promoting green development. Focusing on our goal to become a green benchmark bank in the Guangdong-Hong Kong-Macau Greater Bay Area, we have formulated a green finance development and implement plan for "14th Five-Year Plan", and implemented a three-tiered green finance governance structure that is top-down, with the Board of Directors providing overall guidance, the Head Office managing and executing green finance business, and specialized green finance agencies responsible for specialized development. We are fully committed to serving the local low-carbon transformation by taking advantage of the favorable opportunities presented by the core area of Huadu as the green finance reform and innovation pilot zone of Guangzhou. We successfully upgraded the Huadu branch to a green sub-branch, increased the tilt of credit resource allocation, approval processes, and interest rates towards green industries, and strengthened financial support for green industrial enterprises. This has resulted in a rapid increase in green loans, with the proportion of green loans to the Bank's total loans reaching 4.17% by the end of the year, a historical high.

With dedication and care, we are helping our employees grow and develop faster. We are deeply implementing the talent development strategy, insisting on multi-channel talent introduction, hierarchical talent training, multi-post rotation, and all-round care for talents. Various talent development programs, including the "Talent Plan(英才計劃)" and the "Sailing Plan(揚帆計劃)", are steadily advancing, activating the talent in "pool of spring water (一池春水)" and providing strong momentum for business development. We are also promoting reform and innovation in depth, continuously improving the fair and competitive selection and employment mechanism, clarifying the selection and employment standards, and emphasizing the selection and employment orientation of practical work and performance. A total of 369 employees throughout the Bank achieved promotion through open competition, greatly stimulating the enthusiasm of employees and renewing the face of the bank's talent pool.

Looking forward to 2023, Guangzhou Rural Commercial Bank will continue to follow the grand blueprint outlined at the 20th Party Congress, deeply implement the new development concept of "innovation, coordination, green, openness, and sharing," actively fulfill its social responsibility, continuously enhance its ESG comprehensive performance, and demonstrate greater contributions to local economic and social development with a high-quality development strategy. We will contribute even more to the promotion of comprehensive, sustainable development of the economy, society, and environment!

Overview of Company

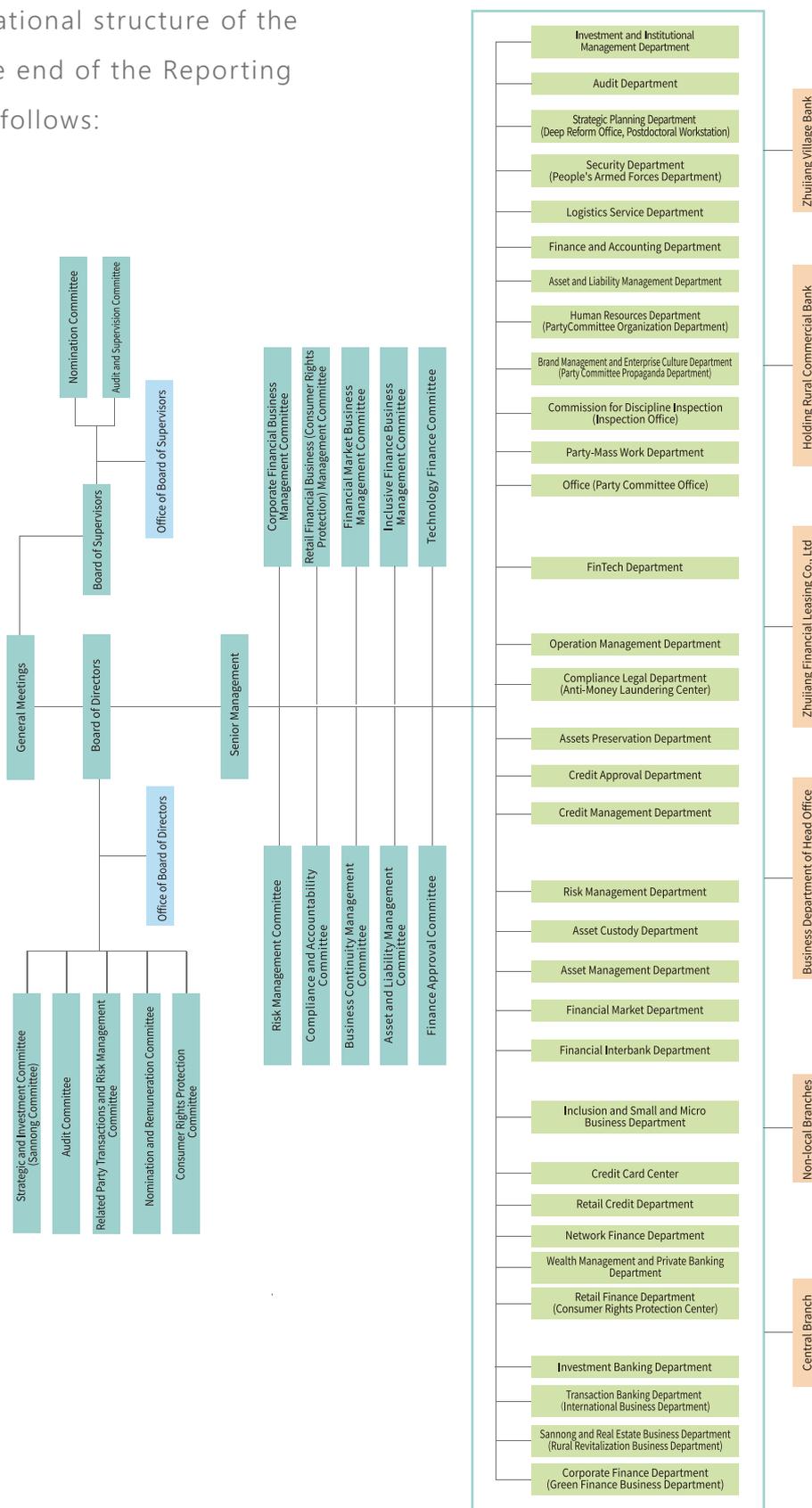
The Bank, formerly known as Guangzhou Rural Credit Cooperative established in 1952, was restructured into a rural commercial bank in December 2009 and listed in Hong Kong in June 2017. The Bank has 11 central branches, 7 branches and 605 branches, of which 586 are in Guangzhou, ranking first in Guangzhou. The Bank has 30 subsidiaries, located in 8 provinces and 1 city, including 1 Financial Leasing Co., Ltd., 4 controlled Rural Commercial Banks, 25 Zhujiang Village Banks, and has obtained the credit card franchise license.

Following the deployment of the Municipal Party Committee and the Municipal Government, upholding and strengthening the leadership of the Party Committee, the Bank, with the vision of “becoming a first-class commercial bank in China”, remains committed to the positioning of supporting development of the agriculture sector and small-sized enterprises, the original aspiration of serving the real economy, the national strategy of rural revitalization and the policy of developing the financial sector to support the real economy, and gradually promotes the four major reform initiatives in adjustment of the organizational structure, selection and appointment of appropriate talents, comprehensive risk management, remuneration and performance review, and comprehensively improves the quality and efficiency of financial services, making contribution to the construction of new development pattern and the high-quality development.

In 2022, all members of the Bank united together and made concerted efforts to steadily advance on the path of high-quality development. With total assets amounting to RMB1,233.5 billion, representing a year-on-year increase of 6.18%, the Bank is among the top three national rural commercial banks. Deposits from customers grew by 7.15%, loans and advances recorded growth of 5.22%, and net profit attributable to the parent company registered growth of 9.98%, which indicated that the Bank maintained stable business development. It was included in the chart of China Top 500 and China Banking Top 100, recognized as Rural Revitalization Demonstration Bank and honored with Top 10 Inclusive Financial Services Innovation Award and Wealth Management Award of the Year.

Organisational Structure of the Group

The organisational structure of the Group at the end of the Reporting Period is as follows:



Honours

No.	Awards/Honours	Issuing/Granting authority	Time
 01	"Excellent Cases of Digital Service of the Year" of the "2021 Excellent Cases of Digital Transformation in Chinese Banking Industry" List	China Banking and Insurance News and Rural Credit Cooperative of China	May 2022
 02	"Excellent Cases" and "Most Concerned Cases" in the Practical Activity of "I Do Practical Things for the Masses" in Guangdong Financial Industry	Organizing Committee Office of China (Guangzhou) International Finance Expo	June 2022
 03	2022 Top 10 Inclusive Financial Services Innovation Award	The Chinese Banker	September 2022
 04	2022 Inclusive Financial Bank with Excellent Competitiveness	China Business Journal	November 2022
 05	Demonstration Bank for Rural Revitalisation of the Year of the 11th Golden Lion Awards in 2022	Information Times	December 2022
 06	"Sannong" Financial Service Innovation Award of 2022 Guangzhou Daily "Golden Pilot" Golden Quality Financial Selection	Guangzhou Daily	December 2022
 07	2022 Nanfang Zhijing Brand Enterprise of the Year	Nanfang Daily	December 2022
 08	The First Batch of Guangzhou Green Finance Reform and Innovation Cases	Guangzhou Green Finance Association	June 2022
 09	2022 Excellent Cases of Green Finance in Banking Industry	china.com.cn	December 2022
 10	2022 Organisations with Outstanding Service of Green Finance in Guangdong-Hong Kong-Macao Greater Bay Area	21st Century Business Herald	December 2022
 11	Economic Development Contribution Award	Guangzhou Daily	February 2023

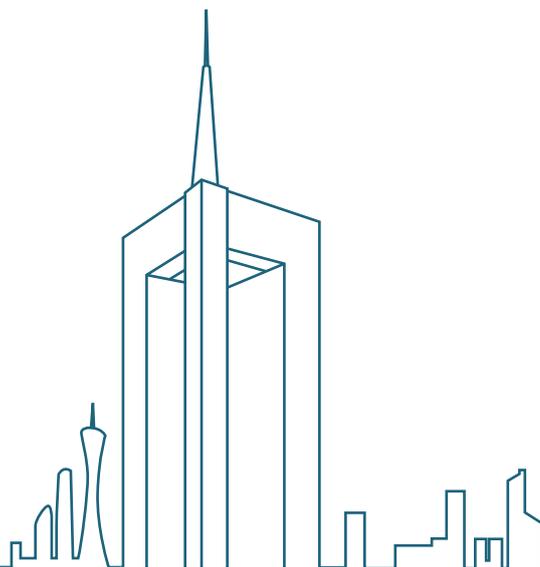
2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

01

Deepening Ideas and Strengthening Management



1.1 Goals of Development Strategy

The Bank adheres to the market orientation, focuses on the main responsibility and main business, and actively integrates into major national strategies and regional development strategies. The Bank focuses on supporting the modern industries, strategic emerging industries and advanced manufacturing, and continues to improve the financial service capabilities to accurately support the development of the real economy and the development of small medium and micro enterprises, and private enterprises.

The Bank continues to improve the corporate social responsibility performance mechanism, accelerates the establishment of a standardised management system for social responsibility, improves the screening, project approval, evaluation and implementation system and mechanism of participating programmes for fulfilling social responsibility, and further improves the social responsibility information disclosure system. The Bank actively carries out public welfare activities, continuously increases its participation in education, poverty alleviation, sports, elderly care and medical and health undertakings, focuses on local social issues, promotes local excellent culture, contributes to economic and social development, and enhances corporate reputation and social influence.

The Bank adheres to serving the real economy, closely focuses on the upgrade of Guangzhou's industrial chain and supply chain, the construction of modern industrial system, and green and low-carbon development, focuses on three key customer groups, enters high-quality industries, innovates business models, strengthens deep integration of technology and business, and enhances transaction banking and construction of an investment bank. The Bank promotes green finance development, improves comprehensive operations, and continues to improve asset quality to build an industrial and financial growth pole with competitive advantages.

1.2 Corporate Culture Concept

Corporate Vision: Become a first-class commercial bank in China

Corporate Mission: Guangzhou Rural Commercial Bank will create a better life with you

Corporate Values: Steady, Efficient, Innovative, Honest, Equal and clean

Business philosophy: Achieve greater, faster, better and more economical results, with win-win cooperation

Management philosophy: Let everything have rules to follow and let every employee perform his duties

Development concept: Development is the last word

Innovative ideas: Only with innovation, we can get better

Risk concept: Face risks and manage them well

Compliance concept: Anyone and anything at any time must comply with the regulations

Internal control concept: Everything is under control

Talent concept: Let aggressive people get opportunities and contributors get rewards

Collaboration concept: Active, inclusive and friendly

Service concept: Accompany you in every step whole-heartedly

1.3 ESG Management System

(I) ESG management structure

As the highest decision-making body of the Bank's corporate social responsibility management, the Board of Directors is responsible for fulfilling corporate governance responsibilities and decides the Bank's corporate social responsibility management structure and management strategy. Besides, it formulates strategic decisions related to the environment, effectively governs and supervises environmental, social and governance issues, as well as assesses and manages significant environmental and social risks. In 2022, the Board of Directors of the Bank and its committees have successively reviewed and approved issues related to environmental governance, social services and corporate governance, such as the 2021 Environmental Information Disclosure Report of Guangzhou Rural Commercial Bank, the 2021 Social Responsibility Report of Guangzhou Rural Commercial Bank, the Report on Green Credit Development of Guangzhou Rural Commercial Bank for 2021, the 2021 Work Report and 2022 Work Plan in Consumer Rights Protection of Guangzhou Rural Commercial Bank, discussing high-quality development strategies and paths that better meet the main theme of social responsibility.

In 2022, the Board of Directors of the Bank formulated the 2022 Implementation Outline of the Development Strategic Plan for the 14th Five-Year Plan Period of Guangzhou Rural Commercial Bank to implement a number of social responsibility initiatives such as accelerating green finance development, promoting the Bank to increase product innovation in clean energy, energy saving and environmental protection, carbon neutrality and other fields, and continuously strengthening the depth and breadth of social responsibility by relying on better financial services. The Bank's Strategy and Investment Committee (Sannong Committee) assists the Board of Directors in reviewing issues such as the corporate governance policies and practices including the Bank's fulfilment of social responsibility, compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report, and makes recommendations to the Board of Directors to continuously improve the quality and standard of the Bank's social responsibility management.

In 2022, in order to effectively manage our own risks and opportunities on environmental and social related issues, the Bank continued to review the implementation standards and disclosure requirements of the Environmental, Social and Governance Reporting Guide ("ESG Guide") and the Corporate Governance Code issued by the HKEx. Meanwhile, the Bank studied and determined the overall corporate social responsibility management framework by taking full consideration of the expectations and future trends of the overall capital market on the environmental and social management of listed companies, and combining the requirements of relevant departments such as the China Banking and Insurance Regulatory Commission ("CBIRC") and the China Banking Association on Bank's corporate social responsibility performance and information disclosure. Thus, each governance level does its duty, and divides the work and assists each other to effectively integrate the concept of social responsibility into the daily operation and management of the entire bank. In 2022, with a clear social responsibility management framework and smooth operating mechanism, the Board of Directors performed its social responsibility management duties in accordance with laws and regulations, and achieved good social responsibility management results.

Management structure	Staffing	Specific responsibility
Decision-making level	The Board of Directors and its committees	<ol style="list-style-type: none"> 1. Discuss important issues related to corporate social responsibility and guide the senior management to carry out relevant work 2. Review and approve important reports on social responsibility 3. Carry out the disclosure of corporate social responsibility information 4. Follow up the listing rules and banking requirements on environmental and social information disclosure, and ensure ongoing compliance
Supervisory level	The Board of Supervisors and its committees	<ol style="list-style-type: none"> 1. Strengthen strategic supervision and follow up the Bank's practice of social responsibility 2. Strengthen the supervision of duty performance and incorporate the social responsibility management into the duty performance evaluation system of the Board of Directors and its members, supervisors, senior management and its members
Management level	Senior management and managers of various functional departments, with the Office of Board of Directors mainly responsible for coordinating the relevant work	<ol style="list-style-type: none"> 1. Study the Listing Rules and banking information on disclosure requirements 2. Prompt and supervise the concrete implementation of corporate social responsibility work 3. Regularly report to the Board of Directors on the implementation of various tasks

Management structure	Staffing	Specific Responsibility
Executive level	Staff of various functional departments	1. Collect, report and submit information 2. Implement specific tasks 3. Give timely feedback on working situation

The Bank has established the Green Finance Department at the executive level. As the Bank’s leading department for the green finance development and environmental information management, it is responsible for the coordination of green finance business, product innovation, business promotion, industry-finance integration, publicity and promotion, establishment and management of green finance project library, delivery management of the projects using fund raised from green financial bonds, and other environmental information management work.

(II) Materiality Analysis

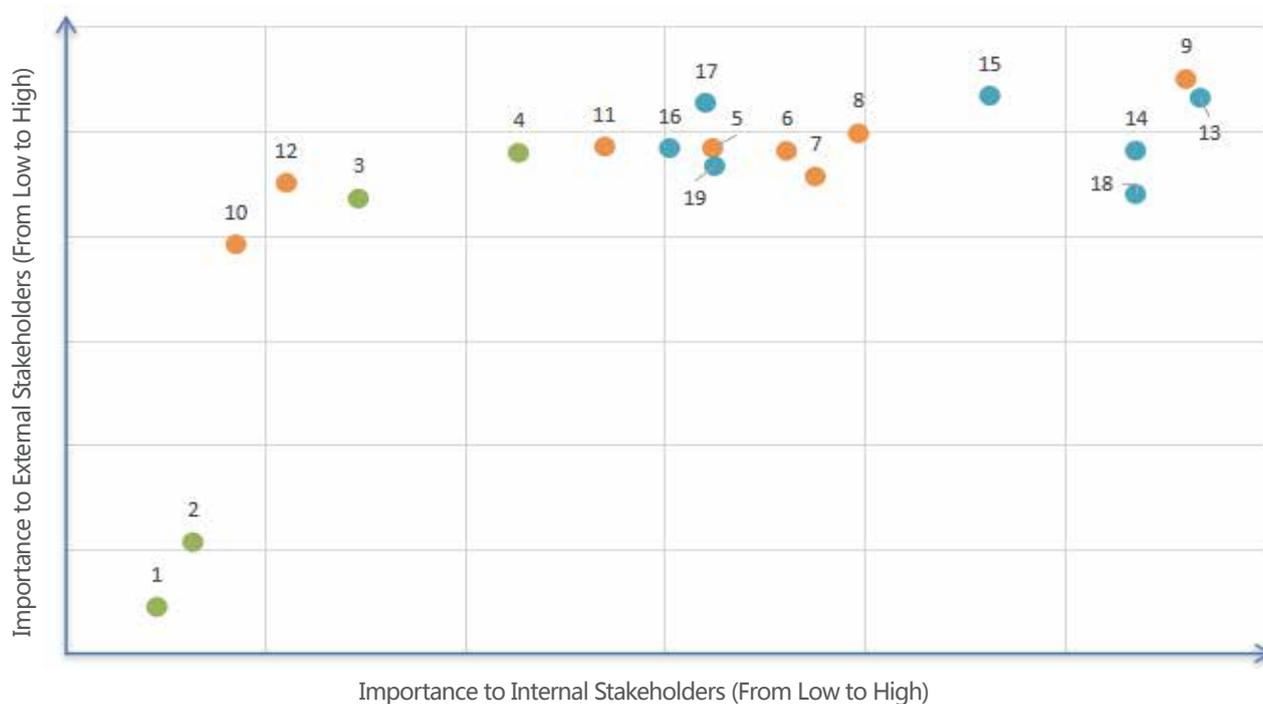
Based on the previous year's work, the Bank continued its identification, assessment and verification of substantive issues with the following process:

1) Identification. With reference to the United Nations Sustainable Development Goals (SDGs), the Sustainability Reporting Standards (GRI) and the relevant requirements of the HKEx for ESG information disclosure, 19 materiality issues for the year were initially identified through peer benchmarking and expert judgment, including 4 environmental issues, 8 social issues and 7 governance issues.

2) Assessment. Materiality issue identification questionnaires were distributed to identify the degree of concern of a total of 11 categories of internal and external key stakeholders, and a total of 309 questionnaires were validly returned and ranked based on the importance rating.

3) Verification. Based on the assessment results of the questionnaire, the Bank has constructed a materiality analysis matrix and ensured that the material issues have been fully disclosed in this report. At the same time, the relevant materiality issues will also serve as an important reference for the next year’s management and reporting cycle.

In 2022, the Bank’s materiality analysis matrix was as follows:



2022 ESG Materiality Issues

Environmental	
1	Greenhouse gas emissions management
2	Energy and water management
3	Green office
4	Green finance
Social	
5	Employee rights and capacity building
6	Financial product and service innovation
7	SMEs and Sannong product and service innovation
8	Customer feedback and satisfaction
9	Customer information security
10	Public welfare
11	Rural revitalisation
12	Public health support
Governance	
13	Organisational structure, compliance management and integrity construction
14	Sustainable risk management
15	Response to the national development strategy
16	Support to development of the real economy
17	Fin-tech R&D and innovation
18	Information transparency
19	Investor relations management

(III) Stakeholder communication

The Bank attaches great importance to communication with internal and external stakeholders, establishes diversified communication channels, attentively listens to the opinions and feedback of various stakeholders, and responds to and meets their sincere requests in a timely manner. We are committed to our social responsibility, and strive to become a financial institution recognized by the society, trusted by customers, complimented by shareholders and relied upon by employees.

Main stakeholders	Appeal	Objective	Concerned Issues	Communication and response channels
Local government	Compliance with laws and regulations and support for local development	Provide financial momentum for high-quality development and rural revitalisation	Paying taxes according to law, supporting local economic development and supporting urban renewal	Policy communication, information reporting and public information access
Regulatory authorities	Compliant with various regulatory requirements	Adhering to the development path of legality, compliance, prudence and stability	Risk management, compliance and steady operation	Liaison with relevant risk control and compliance departments
Shareholders and investors	Reasonable return on investment, good corporate governance, true, accurate, complete and timely information disclosure	Practicing the corporate values of "Steady, Efficient, Innovative, Honest, Equal and Clean", and providing long-term investment value to shareholders	Operating performance, corporate governance, information disclosure	General Meeting of Shareholders, the Board of Directors, investor relations hotline and daily communication
Clients	High-quality products and services	Building a financial service platform for entrepreneurship and development	Service quality, product safety, information security, privacy protection, compliant marketing, and complaint responding	Face-to-face communication in outlets, online service, service hotline, maintenance through account managers, complaint responding
Employees	Personal development, remuneration and welfare	Selection and appointment mechanism based on fair and just competition, comprehensive talent introduction, cultivation and appointment system, strong team to drive high-quality development	Career development path, skill training system, remunerations and benefits, environment safety and health	Trade union, management hotline, management mailbox, e-mail, daily opinion collection and satisfaction survey
Local communities	Activities to benefit communities	Building the social network that is caring, benefits all and ensures the livelihood of people by charitable undertaking	Setting up community banks, interacting with local residents, supporting community reconstruction and development, charitable activities, local environmental impact	Face-to-face communication in outlets, financial knowledge popularisation, volunteer activities, support for local urban renewal projects
Partners	Cooperation for win-win outcome	Build a union of sharing and win-win cooperation	Honesty and reliability, professional ethics, information security, win-win cooperation	Regular visits, cooperation terms, project interaction

During the Reporting Period, we screened and identified important ESG issues as “anti-corruption”, “product responsibility”, “community investment”, “Employment” and “Development and Training” based on the communication with stakeholders in daily operations and in light of the Bank’s strategic development plan and the actual situation. Relevant to the Bank’s business development, these issues also positively respond to the Sustainable Development Goals (“SDGs”) to provide a direction framework for the Bank’s sustainable development. In this report, we discussed our effort and work progress on various ESG-related issues separately.

(IV) Statement of the Board of Directors

The Board of Directors of the Bank is the highest level of responsibility and decision-making body for ESG, overseeing and guiding ESG strategic planning and implementation at the Bank-wide level. To continuously establish and improve the Bank’s ESG governance, the Board of Directors has appointed the Strategy and Investment Committee (Sannong Committee) to assist in carrying out ESG governance and help the Board of Directors of the Bank with identification and response management of important ESG issues, ESG objectives, ESG-related risks and other matters by leveraging relevant special committees’ professional strength. The Strategy and Investment Committee (Sannong Committee) reports to the Board of Directors based on its working status to ensure that the Bank’s business is closely aligned with ESG issues.

In full combination with relevant national and industrial policies, focusing on own strategy and stakeholders’ expectations, and based on a rigorous process of identification, assessment and selection, the Board of Directors of the Bank reviews and confirms important ESG issues such as serving the real economy, assisting small and medium-sized enterprises (“SMEs”) and agriculture enterprises, rural areas and farmers, green finance development, consumer rights protection and anti-money laundering, and also guides the senior management to seriously carry out related work measures and constantly follow up the implementation.

The Board of Directors of the Bank actively pays attention to the impact of environmental risks on the business of the Bank, particularly key business such as loans, and conducts annual reviews on issues such as environmental governance, environment-related products and service innovations as well as environmental risk management to continuously improve the Bank’s adaptability to environmental risks including climate change. Moreover, the Board of Directors of the Bank places a high value on the importance of participation in corporation social responsibility to the Bank’s business development by always taking the service to SMEs and agriculture enterprises, rural areas and farmers and people’s livelihood as the origin of the Bank’s development, and reviews issues such as social responsibility, development of “Sannong”, and consumer rights protection every year to constantly enhance the unification of economic benefits and social benefits in the Bank’s business development. Furthermore, the Board of Directors of the Bank continues to strengthen the importance of good corporate governance to the Bank’s business development, and reviews issues such as risk management, compliance and internal control, audit supervision every year to enable a sustainable improvement of the robustness and continuity of the Bank’s business development through good corporate governance.

In 2022, the Board of Directors of the Bank and its committees has successively reviewed and approved the 2021 Environmental Information Disclosure Report of Guangzhou Rural Commercial Bank, the 2021 Social Responsibility Report of Guangzhou Rural Commercial Bank, the Report on Green Credit Development of Guangzhou Rural Commercial Bank for 2021, the Report on financial service for “Sannong” of Guangzhou Rural Commercial Bank for 2021, the Report on financial service for “Sannong” of Guangzhou Rural Commercial Bank for 2022, the 2021 Work Report and 2022 Work Plan in Consumer Rights Protection of Guangzhou Rural Commercial Bank, the 2021 Work Report and 2022 Work Plan in Anti-Money Laundering of Guangzhou Rural Commercial Bank, the 2021 Work Report and 2022 Work Plan in Case Prevention and Control of Guangzhou Rural Commercial Bank, and other important ESG issues. Seminars were held to discuss the relevant measures taken by the Bank in environmental, social and governance aspects, and to put forward systematic opinions and requirements.

Positively responding to the national strategic deployment and provincial and municipal requirements, the Board of Directors of the Bank combines green finance development, environmental protection and other important ESG issues with various business development, and urges senior management to formulate the Bank’s development plan and implementation plan of green finance to put forward the development goal of “becoming a green benchmark bank in Guangdong-Hong Kong-Macao Greater Bay Area”. To accomplish the goal, the Board of Directors of the Bank instructs the senior management to build a system framework in terms of organisational security, product innovation, asset structure transformation, risk control, resource security and other aspects, which is thus closely connected with the Bank’s various business types, especially the loan business. In addition, it conducts annual reviews on relevant ESG objectives including green finance development, to promote sustainable and high-quality development of the Bank.

This report discloses in detail the management and practice progress of the Bank on the above work and other ESG-related issues. The relevant reports have been reviewed and approved by the Board of Directors in April 2023.

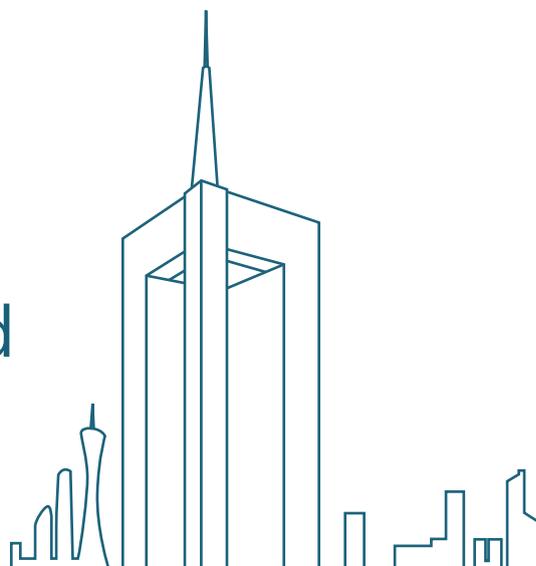
2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

02

Comply with Laws and Regulations and Prudently Operate



2.1 Guidance of Party Building

The Bank strictly adheres to the Constitution of the Communist Party of China, the Regulations on Primary-level Organisations of State-owned Enterprises of the Communist Party of China (Trial) and other institutional provisions, adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, thoroughly studies and implements the spirit of the 20th National Congress of the Communist Party of China, deeply understands the politics-oriented and people-oriented nature of state-owned financial enterprises, comprehensively implements the key tasks of the three-year action plan for Party building of primary-level organisations, continues to promote normalised and long-term Party history learning and education, and innovatively launches a series of “keeping red hearts and gathering strengths” activities to promote the extension of the full and strict governance over the Party to the primary-level organisation and develop it in depth, providing a strong political and organisational guarantee for the realisation of the Bank’s reform and development goals.

(I) Taking a firm political direction and consolidating its responsibility for the management of the Party

In 2022, the Bank firmly adhered to the correct political direction, comprehensively strengthened the leadership of the Party, improved Party building, conducted studies on the “first topic” for 49 times throughout the year, put forward targeted implementation opinions based on the actual business development, established a supervision and reminder mechanism, and formed a good situation in which the secretary of the Party Committee took the first responsibility and the members of the team implemented “one post and two responsibilities”. The Bank formulated the working rules of the Party Committee of the Head Office, revised the implementation measures about major decisions, appointment and dismissal of key leaders, major investment projects and utilisation of capitals of significant amount, held Party Committee meetings for 56 times throughout the year, to review works in full and strict governance over the Party and matters about major decisions, appointment and dismissal of key leaders, major investment projects and utilisation of capitals of significant amount, so that the Party Committee has continuously consolidated the institutional foundation of direction, overall management, and implementation. The Bank has established a leading group for Party building work, regularly studied and solved prominent problems in Party building of primary-level organisations, established a clear direction to fully grasp the matters of the primary-level organisation, comprehensively strengthened the building of primary-level Party organisations, closely linked Party building assessment with performance assessment, and consolidated responsibility of each level to promote Party building work and comprehensively improved work quality and efficiency.

(II) Strengthening the theoretical armament and laying a solid ideological foundation in an all-round way

In 2022, the Bank insisted on arming the mind and guiding practice with Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply learned and thoroughly understood the spirit of the 20th National Congress of the Communist Party of China, held mobilisation meetings, formulated work plans, held special seminars and training, purchased and distributed learning materials, quickly setting off an upsurge of learning and publicity throughout the Bank. The Bank normalised theoretical study, carried out theoretical study of the Party Committee centre group for 13 times throughout the year, and led primary-level Party organisations to carry out theoretical study of the Party Committee centre group for more than 200 times, and “Three Meetings and One Lecture” for more than 4,700 times, effectively transforming learning results into guidance for practice and powerful driving force to promote work. The Bank promoted the normalisation and long-term effect of Party history learning and education, distributed the Selected Cases of Party History Learning and Education, and closely integrated learning and education of Party history with the implementation of the spirit of the 20th National Congress of the Communist Party of China, and carried out Party member education and training in different levels and categories through online and offline forms for 16 times and reaching more than 17,000 participants, guiding Party members, cadres and staff to inherit the red gene, carry forward the red blood, and continue to draw strength from the century-old Party history.

(III) Establishing strong foundation and orientation and building strong grassroots fighting fortress

In 2022, the Bank comprehensively strengthened the building of grassroots Party organisations, issued opinions on strengthening grassroots Party building work, improved normative system documents for Party building, further clarified work standards, and strengthened daily guidance for grassroots Party building in a targeted manner. The Bank carried out the fully covered “five strengthening” building of Party organisations, strengthened the process management of the building work, organised exchange meetings and sharing meetings, and promoted the overall progress and overall strength of the Party organisations of bank-wide. The Bank continued to deepen the “95313” Party building work model, won the award of the Excellent Case of the Blue Book of Social Value of State-owned Assets and State-owned Enterprises in Guangzhou (2022), participated in the municipal state-owned asset system’s micro-Party lecture competition “Party Lectures Starts” and won the third prize, and innovatively carried out a series of activities with the theme “keeping red heart and gathering strengths”. The Bank also adhered to the Party building driving work building and team building, and organised and carried out a series of labour competitions with the theme “I add glory to the GRCB” and a series of activities for the 100th anniversary of the founding of the Communist Youth League, fully stimulating the entrepreneurial enthusiasm of Party members and staff.

(IV) Highlighting the leadership of Party building and gathering a strong development force

In 2022, the Bank adhered to the leadership of high-quality Party building to promote high-quality development. Around the “asset quality year” campaign and the “customer multiplication plan”, the Bank extensively carried out practical activities with the theme of “I am a Party member and I will go first, and we will create a first-class bank”, leading the employees to overcome difficulties and strive to be the first. The Bank constantly consolidated the achievements of the practical activities with the theme of “I do practical things for the public”. Through product innovation and service improvement, the Bank focused on strengthening the financial supports on the areas such as “Sannong”, specialised, refined, featured and innovative, and green and low-carbon and steadily promoted the disposal of existing risky assets. Moreover, the Bank fully served local economic development, and promoted the full implementation of the “four major reforms”, with eight cases winning the honorary award of “I do practical things for the public” in Guangdong’s financial industry.

Concentrated exhibition activities of “Keeping Red Hearts and Gathering Strengths, Red Story Speaking Tour to Keep the Original Heart”

In order to consolidate and deepen the achievements of Party history learning and education, the Bank pursued the red footprints, inherited the red genes, carried forward the great spirit of Party building, and encouraged the Party members and cadres to know the history, love the Party and love the country. On 1 July 2022, the Party Committee of the Head Office held the concentrated exhibition activities of “Keeping Red Hearts and Gathering Strengths, Red Story Speaking Tour to Keep the Original Heart”, and 17 teams from primary-level Party organisations participated in the exhibition activities.

Education practice activities with the theme “Celebrate the CPC 20th National Congress, Always Follow the Party, and Forge Ahead on a New Journey”

2022 was the year of the 20th National Congress of the Communist Party of China and the 100th anniversary of the founding of the Communist Youth League. The Communist Youth League Committee of the Head Office held education practice activities with the theme “celebrate the 20th National Congress, always follow the Party, and forge ahead on a new journey”. On 29 April 2022, the launching ceremony was held in the lobby on the second floor of the Head Office.

Eight cases won 11 awards in “I do practical things for the public”, the excellent case selection and display of the practical activities of Guangdong financial industry

On 24 June 2022, the award ceremony of “I do practical things for the public”, the excellent case selection and display of the practical activities of Guangdong financial industry was held at the main venue of the 11th China (Guangzhou) International Finance Expo. Eight cases submitted by the Head Office including “Entire Village Credit Granting” Relieves People’s Concerns, and “Inclusive Financing” Doing Practical Things won 5 awards of “Excellent Cases” and 6 awards of “Most Concerned Cases”.



“Keeping the Original Heart and Fulfilling the Mission” won the third prize of the second micro-Party lecture exhibition activity “Party Lecture Starts” of the municipal state-owned asset system

In order to deeply study Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and fully demonstrate the brilliant achievements made in the reform and development of state-owned enterprises, on 9 August 2022, the second micro-Party lecture exhibition activity “Party Lecture Starts” with the theme “celebrate the 20th National Congress of the Communist Party of China and strive for a new era” of the municipal state-owned asset system was held in the Guangzhou State-owned Enterprise Party Construction College. The micro Party lecture work Keeping the Original Heart and Fulfilling the Mission selected and submitted by the Party Committee of the Head Office won the third prize.

2.2 Corporate Governance

The Bank has established a governance structure “three meetings and one management” consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the senior management. The Bank adhered to the principles of clear powers and responsibilities, effective checks and balances to regulate the governance mechanism, enhance the ability of governance bodies to perform their duties, and promoted the fulfilment of the respective powers and responsibilities of each governance body in accordance with law, made efforts to improve the corporate governance level of listed companies, and effectively protected the rights and interests of stakeholders and enhanced corporate value. As the highest decision-making body of the Bank, the General Meeting of Shareholders carries out decision-making and exercising powers on major matters in strict accordance with its scope of duties, ensuring procedural compliance, fairness and justice, and fully and effectively safeguarding the legitimate rights and interests of various shareholders, especially minority shareholders. As the core decision-making body for corporate governance, the Board of Directors strictly implements the resolutions of the General Meeting of Shareholders and reports to the General Meeting of Shareholders in accordance with the Articles of Association and Rules of Procedures of the Board, and makes decisions on important matters such as strategic management, risk management and internal control management of the Bank, and simultaneously strengthens its communication and link with the Bank’s Party Committee and external regulatory agencies, and continues to strengthen the comprehensiveness, systematisation and effectiveness of the implementation of responsibilities. The Board of Supervisors of the Bank gives full play to its supervisory role in corporate governance, focusing on supervising the Board of Directors of the Bank, senior management and their members’ performance of duties, financial activities, internal control, risk management, etc., studies and puts forward scientific and reasonable opinions and suggestions, and continues to follow up on the implementation of supervision opinions to consolidate the effectiveness of supervision. As the executive body, the Bank’s senior management strictly complies with external laws and regulations, regulatory rules and the Bank’s Articles of Association to carry out operation and management activities, effectively implements the decisions made by the General Meeting of Shareholders and the Board of Directors, and reports to the Party Committee, the Board of Directors, and the Board of Supervisors as required, and accept the supervision of the Board of Supervisors.

In 2022, the Bank held three general meetings of shareholders, deliberated and decided 20 proposals; the Board of Directors of the Bank held 17 meetings (including meetings adopting resolutions in written form), deliberated and decided 104 proposals; the Board of Supervisors held 10 meetings (including meetings adopting resolutions in written form), deliberated and passed 39 proposals, and heard 29 notifications.

2.3 Good Governance with Integrity

In 2022, the Bank has always adhered to comprehensive and strict governance of the Party, strictly abide by the Banking Supervision and Administration Law of the People’s Republic of China, the Interim Provisions on Prohibition of Commercial Bribery and other relevant anti-corruption laws and regulations, continued to strengthen good manners and strict discipline, and unswervingly improved the Party conduct, upheld integrity, and promoted the fight against corruption. The year 2022 recorded no legal case filed and concluded for corrupt practices of the Bank or its employees.

(I) Strengthening the construction of a clean system

First, the Bank revised the Guangzhou Rural Commercial Bank Party Committee's Implementation of the Top Leader Supervision and Interview System for Comprehensively and Strictly Governing the Party's Main Responsibilities, focused on strengthening the daily management and supervision of the "top leaders" and leading teams of Party organisations at all levels, strengthened the full coverage of the power supervision of the "top leaders", kept an eye on the "key minority", effectively led the majority through supervision of the "key minority", effectively integrated the leader's demonstration, responsibility transmission with the targeted governance, and further consolidated the main responsibility of comprehensively and strictly governing the Party.

Second, the Bank formulated the Guangzhou Rural Commercial Bank Supervision Joint Meeting System, strengthened the coordination, linkage and information sharing among supervisory entities such as discipline inspection, auditing, compliance, and risk management, established and improved the long-term working mechanism for daily communication and information exchange, was problem-oriented, highlighted coordination and linkage, focused on on-the-spot supervision, strengthened the application of results, increased the joint force of supervision, and improved the effectiveness of supervision.

Third, the Bank formulated the Rules of Conduct for Guangzhou Rural Commercial Bank Disciplinary Inspection Post Practitioners, clarifying the code of conduct for practitioners in discipline inspection posts and the corresponding accountability and punishment mechanism for violations of these detailed rules of conduct, further standardised the behaviour of personnel in discipline inspection posts, strengthened the management and supervision of personnel in discipline inspection posts, and created a discipline inspection team with firm beliefs, serving the people, being diligent and pragmatic, daring to take responsibility, and being honest.

(II) Strengthening daily supervision and management

First, the Bank strictly implemented the ten measures for "top leader" supervision and the eight measures for peer supervision, effectively strengthened the supervision of "top leader" and leading groups, organised the heads of departments, operating institutions, and subsidiaries of the Head Office to report to the Party Committee of the Head Office in writing, and promoted the "top leader" to perform their duties with truthful statements, real questions and real comments.

Second, the Bank adhered to and improved the internal Party interview system, moved the supervision threshold forward, carried out reminder interviews with employees who have emerging or tendentious problems, carried out educational return visits to those who have been punished by the Party discipline, dynamically grasped the ideological understanding and psychological changes of those who had been punished, early detected, reminded, and treated Party members and cadres' violations of regulations and disciplines, and prevented small problems from turning into big problems.

Third, the Bank insisted on heavy containment, strong pressure, and long-term deterrence, continued to increase the investigation and handling of complaints, reports, and problem leads, fully standardised the work process, quickly checked and strictly handled cases, further improved the quality and efficiency of disposal, and effectively promoted the further improvement of the Party style.

(III) Carrying out integrity education and training

First, the Bank held the annual work conference "on comprehensively and strictly governing the Party", held a special meeting on Party style and clean government construction every six months, regularly summarised the work of building a clean and honest government and anti-corruption work across the Bank, combined with the problems found in inspections and inspections and typical cases inside and outside the industry to teach special Party lectures, educated and guided leaders to develop a thorough self-revolutionary spirit, and continued to fight the tough and protracted battle of building clean and honest operations and fighting corruption.

Second, the Bank organised to carry out a series of clean culture activities and clean financial culture construction activities bank-wide, deeply strengthened the integrity education of cadres and staff members, continued to build a strong line of defence against corruption and change, and cultivated a clean and upright political ecology with a clean and honest financial culture.

Third, the Bank carried out the discipline education and learning month activities in a solid manner, incorporated discipline education and learning into the overall plan for building clean and honest operations, compiled the Compilation of Warning Cases of People Around You, did practical and detailed warning education, continued to deepen the integrated promotion of not daring to be corrupt, not being able to be corrupt, and not wanting to be corrupt, and created a good atmosphere for comprehensively and strictly governing the Party to develop in depth. In 2022, the Bank carried out anti-corruption training for 229 times, covering 6,060 participants.

The Board of Directors of the Bank attached great importance to the construction of integrity and compliance awareness of directors and other key governance personnel, conducted annual training for directors on matters related to anti-corruption and compliance, and strengthened the interpretation and implementation of key laws, regulations and regulatory policies. A total of five online and offline trainings were carried out in 2022.

2.4 Anti-Money Laundering Management

(I) Strengthening institution construction

In 2022, the Bank continued to improve the internal control system for anti-money laundering, organised and revised nine systems including money laundering and terrorist financing risk management, institutional money laundering risk self-assessment, money laundering risk information sharing, anti-money laundering incentives, anti-money laundering accountability, anti-money laundering practitioner behaviour, anti-money laundering system management, anti-money laundering list system management, and transaction monitoring standard management in accordance with the latest regulatory requirements, in order to meet the requirements of policies and regulations, and lay a solid foundation for anti-money laundering work.

(II) Strengthening system construction

In 2022, the Bank implemented the reconstruction project of the anti-money laundering system, took the opportunity of the reconstruction of the anti-money laundering system, focused on data, increased data governance, and comprehensively sorted out the rules and system implementation methods of data collection, processing, storage and output of the anti-money laundering system, optimised basic data problems, and prevented systematic data problems. It also innovated the development model of suspicious transaction monitoring standards, built model factory system functions, provided business personnel with an integrated standard construction platform of model creation, verification, optimisation and other functions, and effectively improved the speed and quality of monitoring standard construction. At the same time, the Bank continued to improve the anti-money laundering system and anti-money laundering list management system, optimised business processes, and provided system technical support for anti-money laundering work such as customer due diligence, suspicious transaction monitoring, and list monitoring.

(III) Strengthening anti-money laundering training

In 2022, the Bank organised various anti-money laundering training for members of the Board of Directors, members of the Board of Supervisors, senior managers, anti-money laundering personnel and relevant personnel. The training content covered the international situation, regulatory trends, policies and regulations, and legal responsibilities, internal control system, performance requirements and other aspects of anti-money laundering. It also organised anti-money laundering qualification examinations and emergency drills, and actively created a good cultural atmosphere for anti-money laundering compliance throughout the Bank.

In 2022, the Bank conducted a total of 188 anti-money laundering trainings, covering 77,255 participants.

In order to further improve the money laundering risk prevention awareness and performance ability of money laundering risk management of middle and senior managers, the Bank organised anti-money laundering training for middle and senior managers in 2022.

2.5 Supplier Management

The Bank implements the relevant provisions of the Tendering and Bidding Law of the People's Republic of China in accordance with the law, and formulates the Guangzhou Rural Commercial Bank Management Policies of Procurement Series. The Bank gradually strengthens and promotes centralised procurement management, adheres to the principles of openness, fairness and impartiality in the centralised procurement process, and accepts the supervision and inspection of relevant supervisory and management departments.

(I) Improving supplier management policies

In order to strengthen the supplier management, encourage suppliers to respond in compliance and perform contracts in good faith, the Bank has established supplier management policies to clarify supplier qualification management, daily maintenance management, assessment and evaluation management, etc. In terms of supplier qualification management, an access system is implemented for centralised procurement suppliers, and the qualification, ability, reputation and willingness of suppliers are reviewed. If the procurement project involves environmental protection requirements, the conditions for supplier access should meet the relevant national standards and requirements for green environmental protection.

(II) Highlighting environmental and social risks

The Bank clearly stipulated in the procurement system that priority shall be given to the procurement of green, energy-saving and environment-friendly products, and shall not purchase products with high-energy consumption, high-pollution or elimination that the state restricts or discourages the production, procurement and use. In the procurement documents, the Bank explicitly required suppliers to be legal and honest, and make a commitment that there is no major illegal record in business activities in the past three years; if the winning bidder has other circumstances that damage the interests of the bidding unit and the public interest stipulated by laws and regulations, the qualification of the winning bidder will be cancelled, and the right to pursue its legal responsibility is reserved. At the same time, according to specific project situation, clear environmental protection requirements are put forward for suppliers, outsourcing personnel sign labour contracts with external agencies, and the intellectual property rights and other requirements of any third-party shall never be infringed.

(III) Daily supervision and management of suppliers

Through the dynamic assessment and evaluation method of combining the daily management assessment of suppliers with the annual assessment and evaluation of transaction suppliers, the Bank directly withdraws unqualified supplier from the Bank's supplier library of this procurement category; suppliers with bad behaviour will be blacklisted for management, and admonishment interviews, warnings, prohibition and withdrawals will be given after verification; if the supplier violates laws and regulations or fails to perform in accordance with the contract during the bidding process or performance process, which has a greater impact on the Bank, the Bank shall submit it to the Government Public Resource Trading Centre for notification. At the same time, the centralised procurement department also carries out relevant inspections on the Bank's procurement and supplier performance of by means of on-site inspections, off-site inspections, and questionnaire survey etc.

(IV) Strengthening daily communication with suppliers

The Bank has set up special channels to resolve difficulties for suppliers. In addition to accepting enquiries and complaints from suppliers by telephone, it has also set up a dedicated procurement monitoring email address. The Bank prints the supervision mailbox on the procurement documents, arranges special personnel to check the supervision mailbox on a daily basis to accept supervision, complaints and suggestions of suppliers on procurement work. The Bank carefully analysed, verified and handled the feedback, and gave the reply within the prescribed time limit whether it was accepted or not.

As of the end of 2022, the Bank had 574 major suppliers, including 569 domestic suppliers and 5 overseas suppliers.

2.6 Investor Relations Management

The Bank also strictly abides by relevant laws and regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other regulations on information disclosure and insider information management, and continuously improves the efficiency and quality of periodic and interim reports. In 2022, the Bank issued a total of more than 70 announcements, including the 2021 Annual Report of Guangzhou Rural Commercial Bank, the 2021 Social Responsibility Report of Guangzhou Rural Commercial Bank and the 2022 Interim Report of Guangzhou Rural Commercial Bank. The Bank attached great importance to the protection of shareholder rights and investor relations management, maintained close and efficient communication with domestic and foreign investors and minority shareholders through various forms such as telephone, email, visiting and reception, and investor relations column on the company website, and actively strengthened investor relations management.

2.7 Brand and Intellectual Property Right Protection

In 2022, the Bank strictly abode by the Advertisement Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other national and local laws and regulations, as well as Self-Discipline Convention on Advertising Behaviour of Financial Business in Guangdong Province. The Bank standardised and promoted the brand work of the whole bank, conscientiously implemented the laws and regulations related to advertising, improved risk prevention, formulated the Measures for the Administration of Brand Publicity of Guangzhou Rural Commercial Bank, the Rules for the Administration of WeChat Official Account of Guangzhou Rural Commercial Bank, and the Measures for the Administration of Portal Website of Guangzhou Rural Commercial Bank, covering brand planning, marketing publicity, advertising, intellectual property protection, VI management, WeChat official account management, portal website management, etc., implemented scientific and standardised brand management, and continuously improved brand awareness and reputation.

As of the end of 2022, the Bank had 237 domestic registered trademarks, 64 first-level domain names, 4 design patents, 1 utility model patent, 2 art copyrights, and 4 software copyrights.

2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

03

Staying Deeply Rooted in the Local Market and Serving the Real Economy



As a financial institution rooted in the Guangdong-Hong Kong-Macao Greater Bay Area, the Bank adheres to the fundamental principle of supporting the real economy and serving the local economy, the concept of win-win cooperation and the focus on specialised services, redoubles efforts to serve regional economic development, and boosts the high-quality development of the local economy.

(I) Supporting regional economic development

First, the Bank focused on the construction of key fields in key regions.

Focusing on the Greater Bay Area and serving local enterprises. The Bank developed several plans, including the Plan for Implementing the Opinions on Promoting Construction of Guangdong-Hong Kong-Macao Greater Bay Area with Support of the Financial Sector and the Plan of Guangzhou Rural Commercial Bank for Implementing the Overall Plan on Comprehensive Cooperation of Guangdong, Hong Kong and Macao to Facilitate Nansha of Guangzhou to Open Wider to the World, as a Part of Performing Responsibilities as a Corporation and Fulfilling Main Obligations and Original Aspiration as a Bank, to advance strategic coordination and targeted expansion to strongly support the development of key regions and key fields. In 2022, the Bank provided aggregate loans of RMB164.36 billion to enterprises registered in the Guangdong-Hong Kong-Macao Greater Bay Area, and participated in 16 provincial and municipal key infrastructure projects implemented in the Greater Bay Area, which included Guangzhoubei Railway Transportation Hub, Guangzhou Baiyun International Airport Phase III Expansion Project and Guangzhou Airport Phase III Project, providing total facilities of RMB4.32 billion.

In 2022, the Bank obtained the “approval for the filing of conducting the high-level open pilot business of cross-border trade and investment in Nansha New District of China (Guangdong) Pilot Free Trade Zone” and thus became Guangzhou’s first local legal-person bank with pilot qualifications. The Bank offered high-level, open, convenient settlement services to high-quality enterprises in the region concerning cross-border trade and investment, comprehensively supported and implemented the Overall Plan of Nansha of Guangzhou for Deepening the Comprehensive Global Cooperation among Guangdong, Hong Kong and Macao, and supported Nansha District of Guangzhou to become a major strategic platform based on the Greater Bay Area, in collaboration with Hong Kong and Macao and facing the world and to grow into a high-level gateway to the outside world.

Second, the Bank innovatively supported the development of local green finance.

In 2022, with innovation as the drive, deep cultivation in the domestic market and license advantages, the Bank assisted enterprises to issue special corporate bonds of the Guangdong-Hong Kong-Macao Greater Bay Area, green bonds and other innovative bonds, which effectively satisfied the financing needs of the real economy in the Guangdong-Hong Kong-Macao Greater Bay Area.

In terms of investment banking, the Bank gained the recognition of social public institutions with excellent market performance. Specifically, the Bank won the WIND Award for Outstanding Rural Commercial Bank of Best Credit Bond Underwriters for four consecutive years, the Award for Outstanding Rural Commercial Bank of Best Inter-bank Debt Financing Instrument Underwriters for three consecutive years, as well as the Award for Rapid Progress of Bond Underwriting in succession.

Third, the Bank enhanced financial services for talented personnel with multiple measures.

The Bank actively responded to the call, grasped the opportunity of providing financial services for talented personnel in the Greater Bay Area, and implemented the talent introduction projects of the government to help the Greater Bay Area to attract talented personnel. The specific measures included the promotion of debit cards of the “Lingyue Card” series and the issuing of the “Nansha Talent Card” for the high-end talented personnel introduced in Guangzhou. Besides, by adopting the strategy of taking Nansha District as a pilot, actively duplicating and promoting the issuing experience of the project, and carrying out step-by-step implementation according to local conditions, the Bank successively implemented talent projects in Zengcheng District and Huangpu District and issued “Zengcheng Ph.D. Card”, “Huangpu Talent Recruitment Card” and “Huangpu Scholar Card”. The integrated financial services and value-added services highlighted individuality and specificity.

(II) Promoting the optimisation of economic institutions

To support the real economy and strengthen financial services, the Bank actively responded to the central government’s work requirements of “ensuring stability on six key fronts and maintaining security in six key areas” and the business orientation of supporting the development of the real economy, implemented the PBOC’s re-lending policy for supporting small-sized enterprises, and made full use of deferred principal repayment, interest subsidies for first loans and the PBOC’s incentive policies.

First, the Bank acted responsibly in helping enterprises to alleviate difficulties.

As the main force of local finance, the Bank resolutely implemented relevant decisions and arrangements, promulgated in succession multiple policies and measures to support the economy, strove to improve the coverage, availability and satisfaction of financial support for enterprises affected by the COVID-19 pandemic to alleviate difficulties and stabilise economic growth, and opened up the “last kilometre” of macro-policy direct access to market entities. The Bank continuously increased loan extension to support small-sized enterprises. As of the end of December 2022, an accumulated loan amount of RMB19,341 million that met the requirements of re-lending for supporting small-sized enterprises was extended, and the Bank ranked first in loan scale among Guangdong’s local legal-person institutions. In terms of helping enterprises to alleviate difficulties, RMB7,643 million of loans were covered by deferred principal repayment services, and 2,184 customers were helped. In 2022, the Bank was awarded the “Outstanding Contribution Institution of Private Enterprises in Financial Services” by Southern Daily. The Bank was rated excellent in the evaluation of the credit policy guidance effect for small- and micro-sized enterprises and private enterprises in the second and third quarters by the PBOC. Moreover, in the report on the financial services of small- and micro-sized enterprises in the first half of the year, CBIRC Guangdong Office praised the Bank for the effectiveness of its work on the policy of “interest subsidies for first loans”.

Second, the Bank empowered “specialised, refined, featured and innovative” enterprises with finance.

Targeted at the characteristics of “specialised, refined, featured and innovative” enterprises, such as small size, light assets and large demands for long-term capital investment, the Bank further strengthened its services for “specialised, refined, featured and innovative” enterprises through a number of initiatives, including innovative risk control measures, the promulgation of management measures, and lowering interest rates. With regard to special credit products, the Bank released differentiated credit products, such as “Jinmi Specialised, Refined, Featured and Innovative Loan” and “Jinmi Micro and Small Loan”, and designed patent right pledge, chattel pledge and other guarantee methods, to support the development and growth of “specialised, refined, featured and innovative” enterprises. As of the end of 2022, the number of customers under the “specialised, refined, featured and innovative” loans reached 220, an increase of 73 from the beginning of the year, and the loan balance was RMB8,943 million, an increase of RMB836 million from the beginning of the year.

Third, the Bank served the transformation and upgrading of the industry.

The Bank comprehensively enhanced financial support for the high-quality development of the local manufacturing industry by centring on five aspects, i.e., supporting the innovation-driven development of the Guangdong manufacturing industry, supporting the Guangdong manufacturing industry to build a green production mode, supporting Guangdong manufacturing enterprises to “go global”, supporting the development and improvement of the Guangdong manufacturing industrial chain, and supporting Guangdong manufacturing enterprises to eliminate backward production capacity. Meanwhile, the Bank developed the supply chain finance business and batch financing business to support the development of local advanced industries and leveraged the interaction and mutual promotion between core enterprises and upstream and downstream enterprises to improve the overall level of industrial development. As of the end of 2022, the Bank recorded RMB36,669 million of loans to the manufacturing industry, an increase of RMB4.57 billion from the beginning of the year.

Active implementation of financial services to help enterprises resume work and production

Guangzhou XX Paper Co., Ltd. is a manufacturing enterprise engaged in the production and processing of white cardboard and toilet paper, with an annual output of 60,000 tons. It now has 250 employees and boasts a strong technical force, high-quality technical teams and advanced production equipment. It integrates research and development, production and sales. Its products are well received by users with high quality and low price.

Affected by the COVID-19 pandemic, the enterprise was confronted with three difficulties. First, it was inconvenient to handle business during the pandemic. Second, the rising prices of raw materials aggravated the operating costs of the enterprise and caused its capital turnover in trouble. Third, due to the insufficient rate of employees resuming work, the enterprise had to recruit a large number of temporary staff, resulting in higher labour costs.

After learning about the difficulties faced by the enterprise, the Bank adopted the financial enhancement measure of “one policy for one account”. First, the Bank customised financing plans for the enterprise through active door-to-door service. Second, a green channel was opened up to complete loan approval within two days. Third, under the preferential policy of special limits for re-lending to support small-sized enterprises, a working capital loan of RMB5 million (annual interest rate 4.55%) was extended to the enterprise, which gave credit capital support for the enterprise’s resumption of work and production and ensured its normal production and operation during the pandemic.

(III) Facilitating local economic development

First, the Bank increased investment in local government bonds, supported the precise implementation of fiscal policies, and boosted the construction of major projects and the development of social and livelihood areas. In 2022, the Bank underwrote 17 Guangdong government bonds with an underwriting amount of RMB7.73 billion, which strongly supported the fundraising of Guangdong government bonds. The Bank took an active part in the underwriting of special bonds in the amount of RMB4.66 billion, with a focus on nine areas for the use of special bond funds, such as transport infrastructure, social undertakings and subsidised comfortable housing projects. Moreover, the Bank participated in the transformation of the pricing benchmark of Guangdong government bond issuance to support Guangdong government bonds to further improve the level of market-oriented issuance.

Second, the Bank launched the special service of government industrial fund custody and vigorously created efficient, convenient and professional asset custody services. By efficiently and accurately completing the custody business and diversifying the connotation of custody services, the Bank reached custody business cooperation with multiple government funds in Guangzhou, indicative of the Bank's social responsibility in facilitating the construction of the Guangdong-Hong Kong-Macao Greater Bay Area.

Third, the Bank continuously promoted the innovation of wealth management products and strived to build a sub-brand of wealth management. The "Five Wealth" wealth management sub-brand, consisting of "Wenfu", "Jiafu", "Tianfu", "Ruifu" and "Hongfu", was launched on the basis of asset allocation characteristics. Meanwhile, further efforts were made to enhance the refined service level of customer segments, emphasise the research and development of FOF, T + 1 cash management and other featured products, and achieve the precise service chain of "product line-customer base-featured product".

2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

04

Supporting Development of Agriculture, Rural Areas and Farmers, Helping Micro- and Small-sized Enterprises



4.1 Promoting Rural Revitalisation

In 2022, the Party Committee of the Bank resolutely implemented and studied the spirit of General Secretary Xi Jinping's important instructions on the work of "Sannong" and resolutely implemented the decisions and arrangements of the CPC Central Committee, the province and the municipality. Moreover, it contributed wisdom and strength to accelerate the realisation of strong agriculture, beautiful rural areas and well-off farmers by adhering to the development positioning, returning to the origin of business, serving "Sannong" with financial services, always keeping in mind the initial intention of inclusive people's livelihood service, taking real actions, and implementing the details.

At the end of 2022, the scale of the Bank's agriculture-related loans was RMB43,439 million, up 8.45% from the beginning of the year; the scale of agriculture-related inclusive loans was RMB8.41 billion, up 24.66% from the beginning of the year. With the establishment of 141 rural financial service stations and 267 rural outlets, the Bank maintained its leading position of financial channels covering village communities.

(I) Adhering to exerting the force of mechanisms and optimizing the top-level design of financial services for "Sannong"

First, the Party's management of "Sannong" was upheld. The Party Committee of the Head Office regarded studying and implementing the spirit of General Secretary Xi Jinping's important speeches and instructions as the "first topic" of Party Committee meetings. To continuously deepen the Party's overall leadership over rural revitalisation, the relevant contents of rural revitalisation under the "first topic" were studied 15 times in 2022, with 20 opinions on implementation put forward.

Special implementation plans were issued. In 2022, the Work Plan for Promoting the High-quality Development of Financial Services for "Sannong" Centred on Rural Revitalisation was developed with a focus on the decisions and arrangements of the CPC Central Committee and the focal points of provincial and municipal work and based on the Bank's development strategic plan for the 14th Five-Year Plan period.

Second, the assessment of agriculture-related indicators for rural revitalisation was intensified. In 2022, the Measures of Guangzhou Rural Commercial Bank for Appraisal and Evaluation of Rural Financial Services of Operating Institutions (Provisional) was promulgated, in which the weight of incremental indicators of agriculture-related loans reached 10%.

The credit orientation of supporting agriculture and supporting small enterprises was highlighted. In 2022, the credit policy of the Bank further highlighted the credit input support for key agricultural areas, such as grain production, the stable production and supply of important agricultural products, and the revitalisation of the seed industry. To improve the timeliness of approval, the Bank continued to optimise the approval procedures of the credit business and opened up green approval channels for agriculture-related business. Besides, the Implementation Rules of Guangzhou Rural Commercial Bank for the Exemption of Due Diligence for Microcredit Business Involving Agriculture and People Lifted out of Poverty (Revised Version) was promulgated to optimise and implement the working mechanism of exemption of liability.

(II) Focusing on supporting agriculture and small-sized enterprises and facilitating the stable development of key agricultural areas

First, the top priority was to guarantee grain safety and ensure the stable production and supply of important agricultural products. In 2022, the Bank focused on marketing and credit support for modern agricultural business entities in key areas of stable production and supply, such as the Simiao rice industry in Conghua District, modern fishery in Nansha District, greenhouse vegetable planting in Zengcheng District, and the pre-cooked vegetable industry in Gaoyao District. At the end of 2022, the balance of loans to new agricultural business entities was RMB4,703 million, up 109% from the beginning of the year. The balance of production and operation loans to farmers was RMB12,502 million, an increase of 24.43% from the beginning of the year, which benefited 14,300 farmers, an increase of 145.63%.

Broadening the security power of rural assets to support the development of the modern agricultural industry

A Guangzhou-based ecological agriculture company, one of the leading agricultural enterprises at the provincial, municipal and district levels and a popular science demonstration base in Zengcheng District, is specialised in the large-scale planting and sales of green and pollution-free hydroponic vegetables. The enterprise obtained the right to use the agricultural land in Wulian Village and Anliang Village, Zhongxin Town, Zengcheng District from the "Sanzi Platform" ("Sanzi" refers to rural collective funds, assets and resources) and planned to build greenhouse vegetable bases of about 1,000 mu for smart agricultural production and the research and development of pesticide-free green food.

The Bank took positive actions and granted a five-year credit line of RMB100 million to the enterprise using the combined guarantee method of greenhouse mortgage and actual controller guarantee, which solved the cost problem of building greenhouse planting bases for the enterprise. As of the end of 2022, the loan extension of RMB50 million to the enterprise effectively relieved its financial pressure and boosted the development of important rural revitalisation projects.



Second, focus was placed on the development of agriculture-related inclusive loans. As of the end of 2022, the number of customers of agriculture-related inclusive loans was 16,667, with the number rising by 8,288 in the year, and the average loan balance was RMB504,600. The amount of new agriculture-related inclusive loans this year was RMB1,663 million, with the loan balance growing by 24.66%.

The agricultural industry with local characteristics was deeply developed. The Bank promoted the "whole village credit" business to effectively serve the special villages and towns of "one product in one village, one industry in one town" in the city. In 2022, the amount of new loans extended under the "whole village credit" business reached RMB1.23 billion, an increase of 64% from the previous year. The Bank continued to promote the batch credit mode for the flower industry in Conghua District, and the period-end balance of the "Flower Loan" was RMB27,182,500, up 20% from the beginning of the year.

Third, in-depth support was given to green ecological agriculture. In 2022, the amount of new green loans to ecological agriculture, forestry, animal husbandry and fishery was RMB575 million, and the period-end balance was RMB3,606 million.

Fourth, the financing costs of agricultural business entities were continuously lowered. In 2022, the Bank used a total of RMB2,602 million from the PBOC's re-lending funds for supporting agriculture and extended RMB3,935 million of agriculture-related loans that benefited 1,060 farmers and agricultural enterprises, and the weighted average interest rate was 4.37%, a decrease of 0.76% year on year. The Bank used a total of RMB10.85 billion from the PBOC's re-lending funds for supporting small-sized enterprises and extended RMB19 billion of corresponding loans that benefited 3,804 market entities, and the weighted average interest rate was 4.24%, a decrease of 0.30% year on year. In terms of industry policy, a 100BP subsidy was provided to agriculture-related inclusive loans.

(III) Insisting on the innovation-driven concept to create an efficient financial service system for “Sannong”

First, the financing channels for entities related to “Sannong” were expanded by product innovation. The Bank innovatively developed “loans pledged by the right to the contracted management of rural land”, “credit loans for collective construction land” and “loans for collective construction land projects”. At the end of 2022, the balance of credit loan products was RMB48,782,800, benefiting eight entities. Moreover, the “Villager Getting-Rich Loan” pledged by the right to use the homestead and the right to share dividends in rural areas under continuous promotion benefited 515 entities, and the new loans amounted to RMB241 million in 2022.

Revitalizing rural collective assets and supporting the construction of harmonious and beautiful rural areas

Gualing Village of Xintang Town, Zengcheng District is one of the second group of national rural governance demonstration villages and towns. In order to effectively promote the development of the cultural industry of village communities, Gualing Village introduced Wuxiang Meidi (Guangzhou) Cultural Tourism Investment Co., Ltd. and actively explored the development mode of “leisure tourism + cultural tourism + natural tourism” with the idea of “environment first, industry first, culture as the soul”. Besides, Gualing Village gave full play to its strength in historical and humanistic resources and drove ecological liveability with industrial prosperity to achieve prosperity in life.

After learning about the fact that the land for the project was the collective construction land of Gualing Village through multiple on-site surveys, the Bank took positive actions and launched the “Jinmi rural revitalisation credit loans for collective construction land”, which solved the dilemma of little collateral and difficult financing in rural areas. Moreover, an exclusive credit plan based on “guarantee by actual controller + pledge of stock rights” was developed. A total of RMB23.48 million of loans extended as at the end of 2022 effectively facilitated the construction and operation of key demonstration projects for rural revitalisation.



Second, the financial services for agriculture-related entities were optimised with business innovation. The Bank actively built a “whole village credit” demonstration village of rural finance and promoted the development of the rural credit system. As of the end of 2022, the Bank approved 601 village communities in total, implemented the business for 304 village communities and extended RMB1.97 billion of loans, and the new loans in 2022 amounted to RMB1.23 billion.

Third, the digital transformation of rural finance was boosted by technological innovation. The Bank actively promoted the signing of accounts on the rural collective fund supervision platform, with a total of 1,247 accounts signed by the end of 2022. To enhance the online self-service level of village community finance, the Bank launched the “Cloud Information Connect” cash management service by relying on corporate online banking, which was implemented in Zengcheng District and Nansha District on a pilot basis at the end of 2022. The Bank continued to upgrade the service of the “Village Fund Kit” village-level financial management platform, actively promoted the contract signing and implementation in towns (sub-districts) of the Baiyun area, and enhanced the use efficiency and security of rural collective funds. Additionally, the Bank continued to promote the construction of the mobile payment convenience project, and the mobile payment project in Chuantang Town of Dongyuan County and Laolong Town of Longchuan County, Heyuan City that was constructed under the support of the Bank in 2022 won the honorary title of “Mobile Payment Demonstration Town”.

(IV) Adhering to the principle of helping farmers and bearing in mind the initial intention of improving people’s livelihood with financial services

First, the Bank spared no effort to help the COVID-19 pandemic control work in village communities. In 2022, the Bank dispatched more than 32,000 people to help the pandemic control work in Guangzhou, especially village communities with the most complicated pandemic conditions and the heaviest control work in Zhuhai and Liwan. The successful completion of pandemic control tasks assigned by the superior greatly deepened and strengthened the bank-village relationship, and consolidated the main position of rural finance.

Second, increased efforts were continuously made to alleviate the difficulties of and the burden on small- and micro-sized enterprises. In 2022, a total of RMB7,643 million of loans were covered by deferred principal repayment services, benefiting 2,184 enterprises, and the Bank won the “Top Ten Inclusive Financial Service Innovation Award” of China Financial Innovation Awards this year as a result.

Third, financial services for new urban residents were properly conducted. To support the employment and business start-up of rural migrant workers and other new urban residents, the Bank innovatively developed the “New Urban Resident Business Loan” in 2022. In contrast to conventional small and micro financial products, the access was further relaxed, and the loan term was prolonged. In 2022, the Bank extended RMB5,392 million of loans in total to urban residents, benefiting 1,733 new urban residents.

Fourth, the Bank helped farmers to increase their income. By relying on the strength of the “Jinmi Market” platform, the Bank helped agricultural products go out of the village and enter the city and guaranteed the sustained growth of farmers’ income.

Practicing the original aspiration with finance to warm new urban residents

A city cannot develop without the construction by new urban residents, especially Guangzhou. With the continuous development of new urbanisation, an increasing number of new urban residents represented by rural migrant workers come to Guangzhou, and they often start from a “stall” in a market. Although these are only small businesses, their demands for funds are frequent. Limited by the lack of assets and credit, it is not easy for them to obtain loans from banks.

In order to earnestly strengthen the level of financial services for farmers in cities, the Bank innovatively launched the “Jinmi New Urban Resident Business Loan”. In contrast to conventional small and micro financial products, the access was further relaxed, the loan term was prolonged, and more flexible repayment methods were available. As of the end of 2022, the Bank accumulatively extended RMB5,392 million of loans to new urban residents, benefiting 1,733 new urban residents, and the balance of such loans was RMB4,609 million.

(V) Shouldering entity responsibilities and consolidating and expanding the great achievements in poverty alleviation

First, the Bank continued to fulfil its responsibilities of targeted assistance and support. The Bank actively implemented the requirements in the Work Plan on Municipal State-owned Enterprises Contacting Relevant Towns and Sub-districts in the North to Help Rural Revitalisation and extended RMB9.97 million of loans in total to support the Jiasongling Village Homestay Project in Paitan Town, Zengcheng District. In this way, the independent profitability of village communities being assisted was enhanced.

Revitalizing rural areas with finance

The Bank actively fulfilled its responsibility of targeted assistance as a state-owned enterprise. Based on its strength in integrated financial services and according to the natural environmental characteristics of “a beautiful place with 80% of mountains, 10% of water and 10% of farmland” in Jiasongling Village of Paitan Town, the Bank strove to build Jiasongling Village into a “golden business card” for state-owned enterprises to help rural revitalisation and contributed to the local “Sannong” economic development.

With the vigorous promotion and support of the Paitan Town government, the Bank successfully introduced the Maike Homestay Project. As of the end of 2022, a total of RMB9.97 million of credit support was extended, to inject a new driving force into the rural revitalisation and development of Jiasongling Village with finance.



Second, the Bank adhered to the positioning of improving “Sannong” business and overall initiative. 2023 is a critical year to comprehensively implement the spirit of the 20th National Congress of the CPC. The Party Committee of GRCB will resolutely implement General Secretary Xi Jinping’s decisions and arrangements for “Sannong” and focus on the implementation of the “high-quality development project of 100 counties, 1,000 towns and 10,000 villages” with a spirit of striving for success and a sense of responsibility of “always keeping in mind”. Moreover, it will contribute to the rural commercial forces for comprehensively promoting rural revitalisation and realizing agricultural and rural modernisation by adhering to the development positioning and the bottom line of compliance, forging ahead with fortitude, and sticking to the right path and making bold innovations.

4.2 Strengthening Inclusive Finance

The Bank continued to improve the construction of the inclusive finance franchise system by establishing the Inclusive and Micro Business Department at the Head Office level and 13 Inclusive and Micro Business Departments in the Guangzhou area branches.

As of the end of 2022, the balance of the Bank’s loans under the inclusive finance programme for micro- and small-sized enterprises was RMB41,225 million, an increase of RMB4,001 million from the beginning of the year and a growth rate of 10.75%. The balance of loans under the inclusive finance programme for agriculture was RMB8.41 billion, a growth rate of 24.66% compared with the beginning of the year.

(I) Building a cooperation platform

The Bank strengthened cooperation and connection with parks, the agriculture bureau, government agencies and the municipal financial technology centre, regularly linked companies and retail white lists to conduct cross-selling, and launched the "New Customer Open Source" strategy 1.0 and the "New Customer Open Source" strategy 2.0 for technology companies in a targeted manner. Meanwhile, with a focus on key indicators such as "customer return, customer loan renewal and customer referral", the Bank released the "In-depth Development of Existing Customers" operation strategies 1.0 and 2.0, to enhance its customer acquisition capacity with multiple measures.

(II) Promoting "customer double growth"

The Bank followed closely the internal strategic orientation of customer segments to carry out special marketing activities for inclusive and small and micro "customer double growth", with the number of inclusive and small and micro customers rising by 11,005 from the beginning of the year.

(III) Innovating on business and products

First, the Bank compared itself with advanced peers, comprehensively optimised the "Easy Housing Loan" online and offline, and created inclusive, small and micro knockout products featuring "quick timeliness", "simple procedures" and "standardisation" to seize market shares. Second, the Bank comprehensively upgraded the "Technology Loan" and customised three sub-products, i.e., "Start-up Loan, Growth Loan and Industrial Loan", based on the growth cycles and scientific research capabilities of technology enterprises. The amount of loans extended throughout the year reached RMB499 million. Third, the Bank comprehensively released the "Financing Guarantee Rapid Loan", actively carried out bank-guarantee business cooperation with government financing guarantee institutions, and gave full play to the strength of "guarantee at the sight of loans" in batch guarantee and rapid guarantee business to achieve a rapid increase in business volume. Fourth, the Bank fulfilled regulatory requirements, implemented social responsibilities, and developed and launched the "Jinmi New Urban Resident Business Loan" to satisfy the demands of new urban residents for employment and start-up financing.

Jinmi Easy Housing Loan

In 2022, the online mode of Jinmi Easy Housing Loan released innovatively by the Bank featured online applications, real-time quota confirmation and approval completed on the same day at the earliest and effectively satisfied the urgent capital demands of small- and micro-sized enterprises, small- and micro-sized enterprises owners and individual businesses.



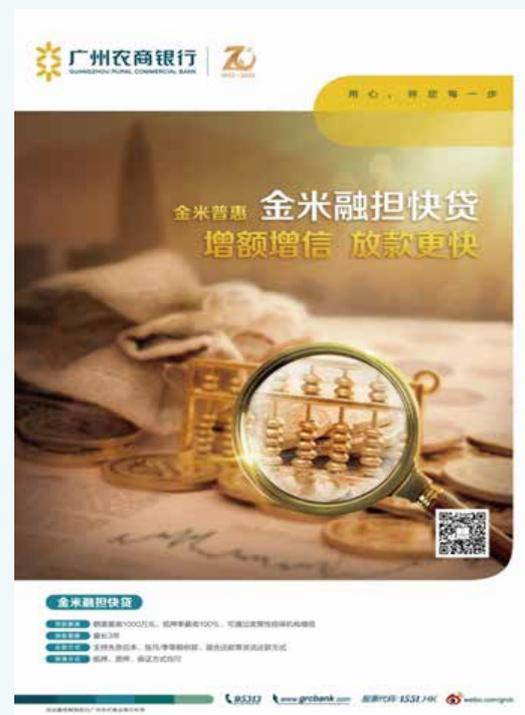
Jinmi Technology Loan

In 2022, to facilitate the development of local technology enterprises, the Bank comprehensively optimised the “Technology Loan” and customised three sub-products, i.e., “Start-up Loan, Growth Loan and Industrial Loan”, based on the growth cycles and scientific research capabilities of technology enterprises.



Jinmi Financing Guarantee Rapid Loan

In 2022, the Bank innovatively released the “Jinmi Financing Guarantee Rapid Loan”. This product refers to the business loans provided by the cooperative guarantee institutions of the Bank to small and micro customers, which can adopt the mode of “guarantee at the sight of loans” and give full play to the strength of rapid guarantee.



4.3 Serving People's Livelihood in Communities

(I) Actively conducting the social security card business

In 2022, the Bank continued to consolidate the project results in upgrading special social security and medical insurance services of "I do practical things for the public", further enhanced the service content of the project, increased the convenience for customers to change their service banks and claim cards, and achieved a breakthrough in the social security card project in out-of-region branches.

First, the Bank created a wealth of exclusive rights and exclusive products of social security cards by fully exerting its strength in the radiation of network resources to the whole city, online multi-channel applications, and other services facilitating and benefiting the people, making it more convenient for the public to handle the social security and medical insurance business.

Second, the Bank enhanced its strength in social security card services. The specific measures included: 1) Adding the free mail service and reducing the mailing fee for customers who apply for or replace social security cards with the Bank; 2) Adding the instant card-making equipment for social security cards to make it more convenient for customers to claim cards; 3) Issuing social security cards by out-of-region branches. On 22 November 2022, the Bank officially issued the first Heyuan social security card, which enhanced the service capacity of out-of-region branches to benefit and facilitate the people.

(II) Enriching convenient financial products

The Bank focused on smart government affairs and smart life construction by adopting the "Internet + Finance" mode. First, the Bank diversified the value-added services of mobile banking, upgraded the non-tax payment function of electronic channels, and expanded the acceptance scope of non-tax business from Guangzhou to areas including Foshan, Zhuhai and Heyuan. Second, with "Zhujiang Payment" and "Jinmi Smart Cashier" as the core, the Bank put emphasis on constructing high-frequency life scenarios, such as village community education, community property management, and transportation and travel, to meet the flexible payment needs of customers. For important corporate customers, the Bank implemented projects such as the "Sanzi management project" and "smart campus project" through the input of the "Jinmi Smart Cashier".

(III) Co-constructing convenient and heart-warming services

The customer-centric Heart-warming Stations of the Bank gave full play to the demonstration and leading role of grass-roots Party organisations, offered services to elderly customers, outdoor workers and other key groups with "Warmth Is Always with You at GRCB Heart-warming Stations" as the theme, and actively cooperated with communities, sub-districts and village communities to provide heart-warming services by focusing on the actual needs of the public.

In 2022, the service scope of 150 Heart-warming Stations was effectively extended. The service went deep into communities, village communities and nursing homes for the aged to send care to elderly customers and the pandemic control personnel. The service went into campuses, villages, enterprises and communities to publicise financial services and knowledge and deliver financial knowledge on a door-to-door basis, to raise people's consciousness of financial risk prevention.

(IV) Serving special groups with heart

The Bank continued to optimise the “961111” care service hotline and released the customer age identification to accurately identify elderly customers making calls and to provide targeted and exclusive services. When customers of special groups dial 961111, they can access staff service with just one click, simple and convenient. Meanwhile, the Bank strengthened publicity and promotion. In 2022, the Bank pushed the recommendation messages of the “961111” care service hotline to more than 1,200 elderly customers calling 95313, benefiting more elderly customers with care services. When elderly customers made calls, the operators would adjust the speed of service voice and use easy-to-understand service language to make it easier and more convenient for elderly customers to get help. Moreover, business operation counselling services through WeChat, mobile banking and other electronic channels allowed elderly customers to better enjoy the convenience and benefits brought by technological progress.

In 2022, the care service hotline provided convenient staff services for the elderly, the disabled, the injured and other special groups for nearly 40,000 times, with a customer satisfaction rate of 99.24%. “Warm, professional and one-stop” heart-warming services have been widely praised by the public.

(V) Guarding against financial frauds

In 2022, the Bank handled more than 2 million fraud risk monitoring business transactions in all channels, actively detected 126 risk cases, and recovered customers’ losses by nearly RMB1 million, which effectively intercepted and prevented the risk of customers’ funds.

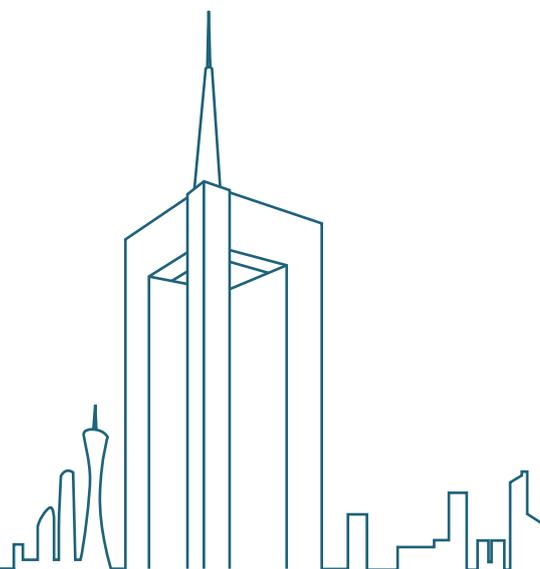
2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

05

Providing Sincere Services and Ensuring Account Security



5.1 Improving Service through Technology

Guided by the principle of “customer-centred”, the Bank adheres to the development of integrated online and offline service and builds a three-dimensional round-the-clock service network.

1) Optimising online channel

The Bank strove to enhance the digital and intelligent service level of mobile banking. In 2022, the Bank integrated direct banking into mobile banking to create a unified mobile portal for retail; optimised a variety of high-frequency transactions in mobile banking to further improve response time.

2) Improving online business hall

In 2022, the Bank continued to enrich the business types of online business hall, adding new functions such as switch between demand deposits and time deposits, credit card and social security card, which gave full play to the advantages of non-contact, warm and strict risk control, and improved the Bank’s online service. As of the end of 2022, there were approximately 360,700 customer calls, and 76,000 services were processed.

3) Optimizing and iterating online banking

By comprehensively upgrading the digital fintech layout and corporate online banking, the Bank iterated and optimised multiple aspects under the principle of customer experience-centric, including basic services, platform capability and risk management. The Bank actively fulfilled the relevant policy requirements and initiatives on reducing the transaction fee of small- and micro-sized enterprises to help the stable and further development of the local real economy.

4) Actively building e-commerce platform

The Bank has always adhered to the purpose of serving “Sannong”, focused on improving the “Internet + Agriculture + E-commerce” operation model, and has actively given play to the innovation and leading role of the e-commerce platform in rural revitalisation. The Bank strengthened the publicity and promotion of agricultural products through the public account, continued to carry out activities with the theme of “Love for Farmers” and “Consumption Assistance”, effectively promoted the “going out of the village” and “going out of the mountain” of agricultural products, and helped farmers of agricultural enterprises broaden their distribution channels.

5) Promoting the transformation of supply chain finance

In 2022, the Bank continued to improve its supply chain product system and launched an electronic letter of credit system, which realised the electronic inter-bank circulation of domestic letters of credit and the online clearing, thus improving the efficiency of business processing and customers experience, and reducing business risks.

In 2022, the Bank set up 5G smart flagship outlets in the Head Office banking department, introduced intelligent modules in Guangdong Hotel and Dongfengzhonglu sub-branch, embedded marketing scenarios such as “Rong e Zu” through multiple channels, and adopted customer routes management, Internet of Things management, precise customer identification and other methods to transform the traditional single financial service outlet into a digital service platform that combined “Eco-marketing + Intelligent Operation + Scenario Integration” and organically integrated online and offline services.



5.2 Listening to Customers

(I) Data related to manual customer service

In 2022, the Bank’s customer service handled nearly 4 million customer calls, of which more than 1.3 million calls were handled by manual customer service. The telephone hotline handled over 1 million calls, with a customer service satisfaction rate of 99.12%; the online customer service handled nearly 200,000 calls, with a customer service satisfaction rate of 88.43%; the online business hall handled over 100,000 video calls, with a customer service satisfaction rate of 99.06%.

(II) The construction of intelligent manual customer service

Firstly, the Bank built an intelligent voice outbound system, which enabled intelligent robots in multiple business scenarios to make automatic outbound calls, including customer review, business reminder, risk inspection and product research, thus improving the efficiency of outbound calls and the coverage of customers contacted.

Secondly, the Bank completed the optimisation of multi-channel collaborative (diversion) services of customer service, realised the service interoperability of mobile banking, online customer service and online business hall, and created a service closed loop of “receiving from one interface and carrying out integrated services”, thus improving the one-stop service and the overall service capability of channels.

5.3 Protecting Consumers' Rights

For the protection of consumers' rights, the Bank has always acted on the service concept of "customer-centred". Driven by a high sense of social responsibility, the Bank implemented the Law of the People's Republic of China on the Protection of Consumers' Rights and Interests, the Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests, the Guidelines for the Protection of Consumers' Rights and Interests in the Banking Industry, the Guidance on the Construction of Institutional Mechanism for Banking and Insurance Institutions to Strengthen the Protection of Consumers' Rights and Interests and other laws, regulations and regulatory requirements related to the protection of consumers' rights, and continuously improved the institutional mechanism of consumer rights protection, which covered the management measures of consumers' rights protection, assessment and evaluation, risk rating evaluation, personal financial information protection, marketing and publicity, financial literacy education, consumer complaints handling, emergency handling of major complaints, review management, etc. The above measures effectively protected consumers' rights, improved customer satisfaction, and achieved a customer service satisfaction rate of 99.12%. In 2022, the Bank handled a total of 1,263 consumers' complaints through various channels. The regions involved in complaints were mainly in Guangdong Province, and the types of complaints mainly involved credit card, operation and management, retail credit and other business. The promptness rate has reached 100%, and the work of suppressing and reducing complaints has achieved remarkable results.

In addition, the Bank carried out a number of consumers' rights protection publicity and education activities, including the theme of "315 Consumers' Rights Protection", "Popularise Financial Literacy to Protect Your Wallet" and "Financial Literacy Wan Li Xing", with about 15 million participants, contributing to the improvement of consumers' financial literacy; as a result, the Bank won awards from regulatory authorities for many times throughout the year, such as "Excellent Publicity Institution", "Excellent Organiser", "Best Creativity Award" and "Best Popularity Award".



5.4 Protecting Information Security

(I) Strengthening account security management

For account security, the Bank focused on strengthening the whole-process account risk prevention and control mechanism, and adopted a series of risk prevention and control measures in account opening, use, reconciliation and other aspects. First, the Bank implemented strict rules for admission of customers in the process of opening accounts, rigorously promoted the real name registration and continuously improved information security management. Second, the Bank strengthened risk monitoring in the process of using the accounts, implemented the accountability mechanism and improved the mechanism for urgent payment termination and quick freezing, to ensure that accounts were being used in a safe manner. Third, we strengthened public publicity and risk alert to improve people's awareness of risk prevention and control and protect people's property and legitimate rights and interests.

(II) Improving the construction of information security system

For the organisational structure, the Bank built an organisational structure of information security in accordance with the principle of "top-down and tier-by-tier implementation"; the Head Office also set up a steering group for network security, with the Party Committee Secretary as the group leader, so as to comprehensively coordinate the Bank's network security management and construction.

For the institution construction, the Bank strictly observed the Cybersecurity Law, the Data Security Law, the Administrative Measures for the Graded Protection of Information Security issued by the Ministry of Public Security, the Provisions on Protecting the Personal Information of Telecommunications and Internet Users issued by the Ministry of Industry and Information Technology and other laws and regulations, formulated more than ten information security management policies, including the Administrative Measures for Network Security of GRCB, the Administrative Measures for the Graded Classification and Protection of Information of GRCB and the Administrative Measures for Information Security Incidents of GRCB, so as to regulate the protection of information security from the policy aspect.

For the emergency response mechanism, the Bank formulated the Administrative Measures for Information Security Incidents of GRCB and supporting emergency plans, which clarified the assignment of responsibility, resolution steps and reporting paths for handling sensitive information leakage incidents, and regularly carried out emergency drills to ensure that information security emergencies could be handled quickly and orderly, so as to minimise losses.

(III) Implementing management measure for information security

The Bank fully deployed security access control, security audit and security monitoring technology, completely banned the external interface of office terminals, and set up data leakage prevention equipment(DLP) to prevent sensitive data leakage; admission control was implemented for the internal network, so that external personnel and equipment couldn't access the data of the production system without authorisation; a range of security devices were deployed for areas of the Internet access network to ensure encrypted transmission of sensitive information data; access and administration permissions were opened according to the principle of minimum privileges, and the separation of duties for key positions and double proctoring for key affairs were realised to ensure the security for operating and managing information data; cybersecurity awareness training was carried out regularly, which publicised the management requirements of information security and related laws and regulations, so as to enhance staff's compliance and security awareness; the Bank also conducted regular information security inspections to ensure that the information security system was effectively implemented. In 2022, the Bank's information security protection measures were effectively implemented and no information security incidents that have significantly violated the above laws and regulations occurred.

5.5 Strengthening the Construction of Security

In 2022, the Bank strengthened the overall management of security operation and continuously promoted the prevention and mitigation of hidden security risks, thus effectively protecting the lives and properties of staff and customers. First, we have implemented security construction with high standards, actively transformed and used outlets that are star-rated benchmarks in security to create work achievements, standardised the acceptance criteria of security facilities, and promoted the deep integration of manual and technological defence. Second, we have perfected the emergency system for security incidents, established and strengthened the minimum emergency unit, and carried out emergency drills, so as to comprehensively improve the emergency response capabilities of institutions. Third we have strengthened inspection and supervision, closely combined on-site inspections and online rounds, and used data to retroactively investigate the actual security management of institutions; we have inspected more carefully than ever to improve the accuracy and effectiveness of proactive risk identification. Fourth, we have promoted the construction of the new generation security system and launched a unified management platform for intelligent security, which realised the linkage control of multiple security systems and the early risk warning, so as to achieve more effective security risk prevention. Fifth, we continued to fulfil our social responsibility to alert our customers to all types of fraud. During the year, the Bank's business outlets successfully blocked a total of 90 fraud cases of various types, and recovered approximately RMB7.08 million of losses for customers.

2022

Guangzhou Rural
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Corporate Social Responsibility Report

06

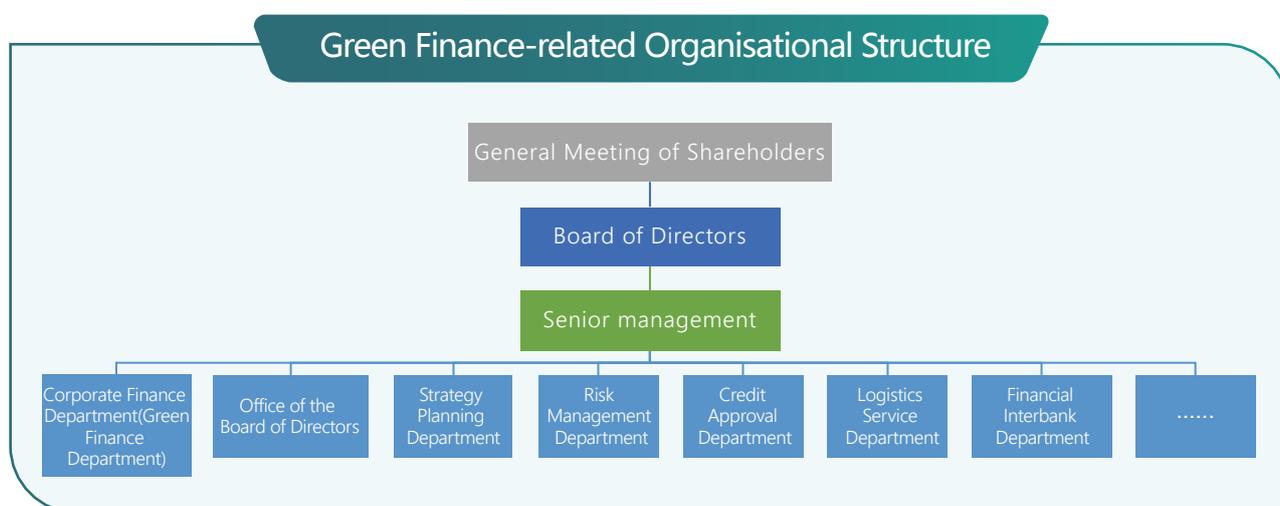
Green and Low-carbon,
Energy Saving and
Environmental
Protection



6.1 Developing Green Finance

(I) Improving organisational security

The Bank actively implements the work requirements of the CBIRC and other regulatory authorities as well as provincial and municipal governments, and attaches great importance to the development of green finance business. The Strategy and Investment Committee (Sannong Committee) of the Board of Directors is responsible for reviewing the Bank's green finance development strategy and evaluating its implementation. In terms of management and execution, the Corporate Finance Department (Green Finance Department) is responsible for the overall planning of the Bank's green finance business, and shall coordinate the 29 Head Office departments as well as the Bank's operating departments and institutions to jointly push forward the development of green finance.



(II) Strengthening institution construction

The Bank has formulated a special work plan for the development of green finance in 2020. On this basis, it formulated the Development and Implementation Plan of Guangzhou Rural Commercial Bank for Green Finance (2023-2025), and proposed the work objective of "becoming a green benchmark bank in the Guangdong-Hong Kong-Macao Greater Bay Area" to further strengthen the strategic guidance of green finance. Specific work measures have been developed from the aspects of organisational guarantee, business and product innovation, asset structure transformation, green capacity building, environmental and social risk control, supporting resources and brand publicity to promote the high-quality development of green finance through multiple measures. As the Bank's policy and framework document, the plan will ensure the development of green finance from a strategic perspective.



(III) Establishing specialised institutions

First, in light of the actual situation of the Bank, each branch institution actively develops green enterprise and green project customer base according to the business development plan and marketing advantages, and provides advanced green finance services with a variety of products to ensure that the Bank achieves its objective of accelerating the loan increment of green finance. Second, with the location advantage of Huadu Experimental Zone, Huadu Sub-branch was successfully upgraded to Green Financial Reform and Innovation Pilot Zone - Huadu Branch in 2022, which was the first branch in the green pilot zone set up by legal entities in Guangzhou. In the future, the Bank will further increase its support for green finance to empower the building of "Green and Beautiful Guangdong".

(IV) Stimulating business vitality

To further facilitate the development of its green finance business, the Bank took measures such as setting appraisal indicators and allocating financial resources to guide operating institutions to develop their green finance business in 2022.

First, the Bank incorporated the scale of green loans into the appraisal indicator system of branches, sub-branches and management departments of the Head Office, and urged operating institutions to attach higher importance to the development of green finance business.

Second, it incorporated the relevant business performance of green finance into the regular financial resource valuation of operating institutions, allocated special financial resources to provide certain FTP subsidies to green finance, and encouraged operating institutions and business personnel to exert more efforts to expand green finance business.

Third, the credit approval procedure for green finance was optimised. The Green Finance Division was set up under the Credit Approval Department, and a special green approval channel was opened for enterprises or projects meeting the green credit criteria to prioritise processing and ensure the review and approval efficiency.

(V) Innovating green finance products

In 2022, the Bank continued its development of innovative green finance products and timely followed up the financing needs of enterprises in clean energy, environmental management, energy conservation and emission reduction, providing effective assistance to support the development of green industries.

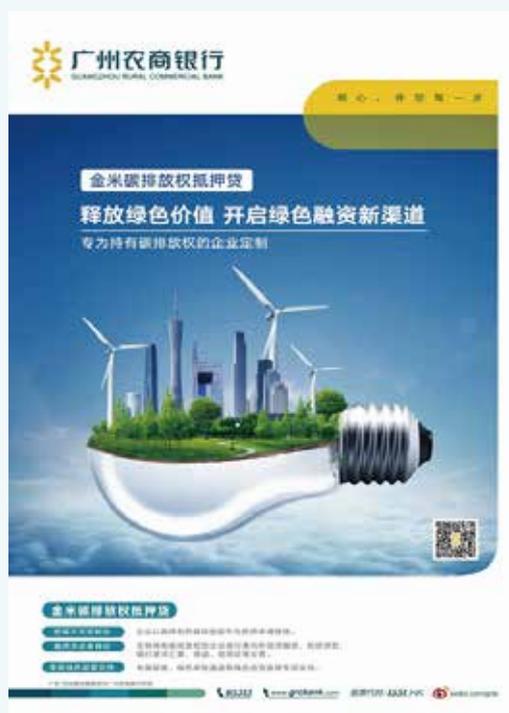
Jinmi Green Enterprise Loan

This product is specially designed to meet the needs of green enterprises (projects) for working capital loans and fixed asset loan financing. It covers a number of green industries such as energy conservation and environmental protection, clean production, clean energy, ecological environment and green service.



Jinmi Carbon Emission Right Mortgage

The Bank has innovatively launched the “Jinmi Carbon Emission Right Mortgage” to support the energy conservation and emission reduction activities of enterprises. This product is the Bank’s first environmental equity financing product that supports enterprises’ energy conservation and emission reduction transformation activities and meets the needs of green development funds, which is of great significance in promoting the green and low-carbon transformation of emission control enterprises.



Jinmi Rural Revitalisation Forest Loan

The Bank implements the spirit of the Central Rural Work Conference and the work arrangements of the Urban-rural Integration Pilot Zones - Guangzhou-Qingyuan Joint Area, effectively leverages the ability of financial institutions to serve rural revitalisation and green development, and has innovatively designed the special credit product “Jinmi Rural Revitalisation Forest Loan” pledged against the compensation usufruct of ecological public-welfare forests. This move demonstrates that the Bank has taken another step forward in improving the collateral security power of rural property rights and innovating the ecological value realisation mechanism.



Implementation of Guangzhou's first batch of loans pledged against the usufruct of ecological public-welfare forests in Conghua

Guangzhou is the first national forest city in Guangdong Province. Located in the north of Guangzhou, Conghua District is a "green pearl" on the Tropic of Cancer. It occupies a forestry land area of 2,026,500 mu with a forest coverage rate of 69%, including 1,278,000 mu of ecological public-welfare forests, accounting for 62% of the forestry land area in the district. Guangzhou Rural Commercial Bank actively collaborated with the Operations Office of PBOC Guangzhou Branch, PBOC Conghua Branch and the Bureau of Forestry and Landscaping of Guangzhou Municipality, and has successfully issued the first batch of loans pledged against the compensation usufruct of ecological public-welfare forests in Conghua District. It was a useful exploration and active practice to improve the collateral security power of rural property rights and innovate the ecological value realisation mechanism, which provided new methods for effectively revitalizing the collective forest land resources, supporting the development of forestry and under-forest economy, and turning "green hills and clear waters" into "mountains of gold and silver".

(VI) Issuing green bond

To expand the sources of funds, the Bank successfully issued its first green financial bond of RMB3 billion in the national interbank bond market in April 2022 with a coupon rate of 2.89%, which recorded the lowest issuance rate for green financial bonds issued by rural commercial banks in China in the past three years. As of the end of 2022, all funds raised from the issuance of the Bank's green financial bonds have been extended to vigorously support the development of green industries.

(VII) Green research and cooperation

The Bank has actively participated in various activities of green finance, strengthened external cooperation and communication, learned industry development trends through government-bank collaboration and bank-enterprise interaction, took the initiative to approach the market, stepped up service supply, and enriched its service modes to timely respond to, proactively explore and meet the financial service needs of green enterprises in all aspects. As a member unit of the first session of Guangzhou Green Finance Association, the Bank has actively participated in various green finance activities to strengthen internal and external collaboration as well as business promotion.

In 2022, under the guidance of the Financial Society of Guangdong, the Bank actively participated in the research project of Difficulties and Suggestions on Environmental Information Disclosure of Financial Institutions organised by the Guangdong Green Finance Committee and won the first prize, contributing its wisdom and power to lead the development of green finance in Guangzhou, and to promote the in-depth integration of industry, education and research of green finance in Guangdong.

The Bank was awarded the "Excellent Green Finance Case in the Banking Sector in 2022" by China.org.cn.



The Bank received the award of “Excellent Service Institution of Green Finance in the Guangdong-Hong Kong-Macao Greater Bay Area in 2022” from the 21st Century Business Herald.



(VIII) Building green finance capacity

In 2022, the Bank established a pre-review mechanism for green loans, in which operating institutions must perform pre-lending preliminary identification with reference to the Green Industry Guidance Catalogue (Version 2019) and the Policy for Green Financing Statistics, while the business management departments of the Head Office should conduct review to ensure the authenticity and accuracy of new green loans. Meanwhile, to ensure the development of green business, the Bank established a green loan project database, which covered the approved green loan projects pending extension and the green loan projects for targeted marketing. Management through weekly reports was also implemented to actively promote the steady growth of green loans.

The Bank has strengthened training on green finance business, and prepared several issues of Green Review Biweekly Report for green loan review cases to help operating institutions improve their ability to identify green credit business. In order to promote the development of green finance products, provide more targeted and effective financial support for green enterprises and projects, and effectively support the high-quality development of operating institutions, a number of training sessions on innovative green finance products were organised to improve the product application capabilities.

6.2 Practicing Green Operation

The Bank has taken proactive environmental measures in daily operations in order to limit greenhouse gas (GHG) emissions and natural resource consumption in business activities. Compared with 2021, the Bank has achieved significant results in managing per capita direct GHG emissions, fuel consumption of official vehicles, and paper used in business and office activities in 2022. GHG emissions per capita reduced by 2% compared with 2021.

(I) GHG emissions and natural resource consumption

GHG emissions

Scope category	GHG emissions in 2022 (Ton-carbon dioxide equivalent)	GHG emissions per capita in 2022 (Ton-carbon dioxide equivalent/Person)	GHG emissions per capita in 2021 (Ton-carbon dioxide equivalent/Person)
Scope 1: Direct GHG emissions	161.69	0.07	0.02
Scope 2: Indirect GHG emissions	11,470.45	4.69	4.84
Total GHG emissions (Scope 1 + 2)	11,632.15	4.76	4.85

Note:

1. The calculation scope of direct and indirect natural resource consumption arising from business activities in 2022 was the Head Office. Specifically, direct GHG emissions (Scope 1) mainly referred to the amount of fuel consumed by the Head Office's own transport vehicles, and indirect GHG emissions (Scope 2) mainly included electricity consumed by the Head Office's business and office activities;

2. The accounting of per capita emissions was based on the calculation standard (total number of employees in the Head Office) corresponding to the emission amount in Scope 1 and Scope 2;

Direct and indirect natural resource consumption

Type	Environmental indicators	Unit	2022
Natural resource consumption directly from business activities	transport vehicles	Litre	8,076.99
	Water consumed by business and office activities	Ton	152,580.00
	Amount of fuel consumed by own		
Indirect natural resource consumption from purchased products or services	Electricity consumed by business and office	MWH	21,761.44
	Paper used in business and office	Ton	21.70

(II) Actively practicing green operation

In 2022, the Bank continued to strictly abide by the Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, Regulations on the Classification and Management of Domestic Waste of Guangzhou Municipality and other laws and regulations. It adhered to the concept of energy conservation and environmental protection, promoted green office and green operation, and developed a series of policies and measures for energy conservation and emission reduction to effectively fulfil the responsibility for environmental protection. In recent years, the Bank has issued proposals such as Resolutely Stop Waste and Practice Diligence and Frugality and the Notice on Jointly Practicing Frugality by All Group Employees, focused on guiding employees to consciously save water, electricity, materials and other saving behaviours, improved resource utilisation efficiency, and improved management work such as waste classification and green procurement.

Energy Saving Measures

Type	Measures
Air conditioning management	<p>Control the air-conditioning temperature and require the cooling temperature to be set at 26 degrees or above in summer, and 20 degrees or below in winter. Windows must be closed when the air-conditioning is running.</p> <p>The Head Office building is centrally air-conditioned and the air-conditioning is controlled on and off at regular intervals. The air-conditioning will be switched off automatically after working hours. Prior filing and application shall be made for the use of air-conditioners in OT hours.</p>
Lighting management	<p>Strengthen daily lighting management and turn on the lights as needed according to the actual situation, that is, do not turn on the lights when the light is sufficient and the light is good during the day, turn off the lights in time after leaving the office for a long time or after get off work, and ask employees to turn off the lights at will, so that staff can leave the lights off, put an end to the ever-bright light.</p> <p>The parking lot of the Head Office building adopts energy-saving lamps, which will be automatically turned off when no vehicles or pedestrians pass by to avoid unnecessary lighting.</p>
Electrical management	<p>Regularly check the outdated condition of the equipment in the office, and assign a special person to be responsible for the daily maintenance of the equipment, so as to avoid the increase in power consumption caused by the old and damaged electrical equipment.</p> <p>There is a specially-assigned person to inspect the use of electrical appliances and to cut off the power to the equipment in time when it is not in use.</p> <p>The power of electrical equipment such as lights, air-conditioners, computers and printers must be turned off when employees leave the office for a long time, finish a meeting, get off work, and leave for holidays.</p>
Elevator management	<p>It is recommended that employees use stairs to walk up and down the elevator within 5 floors to reduce elevator energy consumption.</p>

Fuel and Gas Saving Measures

Type	Measures
Vehicle management	<p>Implement centralised management of official vehicles. Vehicles need to be reserved in advance, and a specially-assigned person will be responsible for unified deployment, rationally arrange vehicle travel routes and personnel collocation, encourage employees to carpool travel, improve vehicle use efficiency, and reduce vehicle travel frequency.</p> <p>Strictly follow the internal travel expense standards for business trips, and give priority to public transport to save transportation costs and avoid unnecessary expenses.</p> <p>Give priority to public transport means for OT transportation.</p> <p>Scrap and replace old vehicles with excessive emissions according to their service life, and give priority to using energy-saving and emission-reducing vehicles when replacing vehicles, so as to reduce the impact or vehicle exhaust emissions on the environment.</p>
Canteen gas management	<p>Collect meal requirements in advance and make the right amount of meals to avoid wasting canteen gas and food.</p>

Water Saving Measures

Type	Measures
Water saving equipment	Use energy-saving sensor faucets in bathrooms to avoid wasting water resources due to open faucets.
Management on water usage	<p>Post posters on water conservation in the Bank to enhance employees' awareness of water conservation.</p> <p>Collect drinking water on demand to avoid waste, and prohibit the use of drinking water to wash tea cups.</p> <p>Washing water in bathrooms and pantries must be cut off before leaving.</p> <p>Regular maintenance and management of water-using equipment to prevent running, spilling, dripping and leaking.</p> <p>Reuse waste water from mopping to water green plants.</p>

Paper Saving Measures

Type	Measures
Paperless office	<p>Post posters on paper conservation in the Bank to enhance staff awareness of paper conservation.</p> <p>Prioritise the use of electronic office channels to reduce paper consumption.</p> <p>For voting, questionnaire, evaluation and other tasks, give priority to online functions to reduce paper consumption.</p> <p>Strictly control the printing of non-essential materials in large quantities for meetings.</p> <p>Strictly control the repeated and useless printing of large-size files or multiple copies.</p> <p>Make full use of discarded paper without sensitive information to reduce paper consumption.</p>

Other Measures for Environmental Protection

Type	Measures
"Clear Your Plate" campaign	<p>Take food as needed without extra order.</p> <p>Join the "Clear Your Plate" campaign to stop food waste.</p> <p>Timely dispose of catering waste after the meal with dry and wet food separation.</p>
Waste classification	<p>Set up segregated waste bins, strengthen waste classification publicity and enhance staff awareness of waste classification.</p> <p>In order to implement relevant fire protection work requirements, eliminate potential safety hazards, and build a comfortable and clean working environment, the trash can of No. 2 fire escape in Xinhe Building was removed, and a new garbage transfer station was set up on the Nanyi of the 14th floor of the building for fixed-point disposal of garbage. In principle, the trash cans on the office floor of the building are only used for domestic garbage and recyclable garbage. Food waste such as take-out food must be strictly classified with domestic garbage and placed in the transfer trash can in the Nanyi of the 14th floor.</p>
Online meetings	<p>Try to increase the frequency of online meetings and reduce the frequency of on-site meetings.</p>
Green data centres	<p>During the construction of the generator room, measures such as sound insulation, noise elimination, exhaust gas purification (secondary treatment and purification), layout of the exhaust gas outlet (emission from the roof of the building) and acceptance by the environmental protection department were used to ensure that the construction met environmental protection standards.</p> <p>Improve energy efficiency through effective equipment maintenance and management measures, such as regular cleaning of precision air conditioner outdoor units.</p> <p>Optimise the layout of cold and hot aisles in the computer room, adjust the temperature setting value of the precision air conditioner in the computer room, keep the ambient temperature of the computer room at about 23°C, and use the redundant precision air conditioner as a standby for shutdown.</p> <p>Maintain illumination levels between 300lx (illuminance) and 500lx, disable redundant lighting as a standby, disconnect power branch switches for unconnected equipment, etc.</p>

Energy Saving Measure - Electrical Appliances Management



Energy Saving Measure -Air-Conditioning Management



Advocating Food Conservation



(III) Disposing of hazardous and non-hazardous wastes

With regard to the management of hazardous and non-hazardous wastes, recyclable wastes such as paper, plastic and metal generated in the Head Office building of the Bank are handed over to the resource recycling facilities for recycling and processing; canteen food waste and other non-recyclable wastes are cleaned by garbage removal facilities every day; qualified third-parties are engaged for the recycling and processing of hazardous wastes.

6.3 Key Environmental Performance

The Bank's Key Environmental Performance in 2022:

Category	Indicator	Unit	2022
Green finance	Green loan balance ¹	RMB100 million	248.95
	Green loan customer	Number	175
	Balance of investments in green non-financial enterprises bonds	RMB100 million	12.14
	Volume of green bill business	Transaction	159
	Amount of green bill business	RMB100 million	2.47
Green operation ²	Total GHG emissions (Scope1 and Scope 2, Scope 3 covers high carbon credit assets)	Ton-carbon dioxide equivalent	9,032,822.22
	-- Direct GHG emissions (Scope 1)	Ton-carbon dioxide equivalent	161.69
	-- Indirect GHG emissions (Scope 2)	Ton-carbon dioxide equivalent	11,470.45
	-- GHG emissions from high carbon credit assets (Scope 3)	Ton-carbon dioxide equivalent	9,021,190.07
	Amount of fuel consumed by own transport vehicles	Litre	8,076.99
	Water consumed by business and office activities	Ton	152,580
	Electricity consumed by business and office premises	MWH	21,761.44
	Paper used in business and office premises	Ton	21.70
Green investment and financing	GHG emissions reduced by green credit assets	Ton-carbon dioxide equivalent	176,601.18

¹The calculation standard is based on the regulatory calculation and reporting rules specified in the CBRC's Notice on Work Related to the Statistical System of Green Financing (Y.B.J.B.B.H. [2020] No. 739).

²The green operation data covers the Head Office of Guangzhou Rural Commercial Bank Co., Ltd.

6.4 Environmental Goal Management

In response to the national goal of "carbon emission peak and carbon neutrality" and to effectively implement the green and low-carbon development, the Bank, as a financial institution in the banking industry, not only strove to achieve "carbon neutrality" in its own operations by 2060 or before 2060, but also actively supported the development of green finance through its financial activities.

In its operations, the Bank has taken proactive energy saving and environmental measures by setting qualitative and quantitative environmental objectives respectively to reduce energy consumption and GHG emissions from its daily operations. In 2022, the Bank achieved its targets in managing per capita direct GHG emissions, fuel consumption of official vehicles, and water used in business and office activities.

Environment Objectives of Its Own Business

Classification	Objectives		Status of objectives in 2022
Qualitative objectives	Reduction of energy consumption Control of GHG emissions	Utilization of clean energy, reduction of use of private transport vehicles; Reduction of electricity consumption under publicizing and implementing related regulation established by the Bank; Reduction of water consumption under publicizing and implementing related regulation established by the Bank.	Achieved
	Waste disposal	Preferentially using and recycling environmental-friendly materials; Classification of wastes; Environmental-friendly disposal of wastes in a harmless manner.	Achieved
	Internal control	In compliance with environmental laws and regulations; Participating in more environmental protection community activities; Incorporation of environmental and social risk indicators into supplier standards.	Achieved
Quantitative objectives	Purchased electricity	Reduction rate of electricity consumption in operation at least reach 1%.	Achieved
	Gasoline consumption of official vehicles	Saving of at least 50% in gasoline consumption of official vehicles in 2022.	Achieved
	Waste disposal	Reduction of waste electronic equipment per capita to at least 0.30 pieces per person in 2022.	Achieved

In terms of supporting green investment and financing activities, the Bank has set development targets for the scale and growth rate of its business and the environmental benefits generated from both green loans and green bonds. In 2022, the Bank's green loans reached RMB24.895 billion with a growth rate of 69%, higher than that of various loans, and the growth rate of GHG emission reduction brought by green credit assets was 158.41% , achieving good environmental benefits.

Environment Objectives of Investment Activities

Classification	Objectives	Status of objectives in 2022
Green loan objectives	Growth rate of green loans not lower than that of various loans in the same period	The scale reached RMB24.895 billion with a growth rate of 69%, higher than the growth rate of various loans in the same period
	Continued growth of environmental benefits generated from green loans	The growth rate of GHG emission reduction brought by green credit assets was 158.41%
Green bond objectives	Green bond investment scale remains stable	The balance of green non-financial corporate bond investments has exceeded RMB1 billion for two consecutive years
	Zero breakthrough in green bond	Successfully issued the first tranche of RMB3 billion green financial bonds

6.5 Prevention and Control of Environmental Risks

The Bank's credit policy encourages and supports customers in key areas including green manufacturing, energy conservation and environmental protection, pollution control, clean energy, green building, green transportation, green agriculture, resource recycling, new energy, new materials, etc. For enterprises whose environmental credit is rated as red or yellow card, their credit limit and credit granting will be suspended, which will be resumed after their credit rating is restored to blue or green card.

(I) Optimizing the management procedure and policy for preventing and controlling environmental risks

The Bank continues to improve its risk management system, and incorporates the identification, assessment and management of environment-related risks into all pre-lending, in-lending and post-lending phases with reference to the advanced international management technologies. It pays close attention to environment-related risks throughout financing business, strictly implements the state's industrial policies and policy requirements for environment management and pollution control, and improves its professional management capacity for environmental risks to effectively prevent and control environmental risks.

(II) Improving policies for the prevention and control of environmental risks

The Bank has formulated special policy guidelines such as the Guidelines on Green Credit Business to set out in policies that it will continuously increase credit support for green environment and other key sectors related to national interest and people's livelihood and regional development, so as to provide precise service to the real economy; it has set strict restrictions on new loans to the "two highs and one surplus" industries in violation of rules, and constantly improved its environmental and social performance. Meanwhile, the Bank has guided the use of green finance products, continuously followed up the relevant industrial policies and regulatory requirements of green finance, and guided eligible customers to fully utilise green finance products such as "Green Enterprise Loan" and "Carbon Emission Right Mortgage" in line with the calculation standard of green credit to support the holistic development of green finance across the Bank.

(III) Streamlining green credit management procedures

(1) Pre-lending identification of environmental risks

Risk identification. The Bank regards enterprises whose environmental credit is rated as red or yellow card as those failing to meet environmental standards, and prohibits the provision of new credit support to such enterprises in any form in principle; it does not provide credit support for projects that fail to pass the environmental impact assessment (EIA) approval or the acceptance of environmental protection facilities, as well as new projects that fall under the restricted or eliminated categories specified in the national industrial policies; if production enterprises with pollutant emissions fail to obtain the pollutant discharging licence, the Bank will not provide credit support for them either.

Due diligence. The Bank identifies the environmental risks of enterprises and projects through various methods, such as paying visits and reviewing credit materials to verify whether the enterprise or its project complies with relevant environmental protection policies and regulations, verifying whether the enterprise’s pollutant discharging licence is within the validity period, and inquiring about the enterprise’s latest environmental credit rating on relevant websites of the department of ecology and environment or the bureau of ecology and environment.

(2) In-lending assessment of environmental risks

Credit approval. The Bank strictly implements the policies and regulations on environmental protection and production safety to effectively prevent environmental risks. It strictly prohibits the provision of new credit support in any form to enterprises that fail to meet environmental standards or violate production safety; the Bank also strictly prohibits the provision of credit support for projects that fail to pass the EIA approval or the acceptance of environmental protection facilities, as well as new projects that fall under the restricted or eliminated categories specified in the national industrial policies; for customers and businesses in the “two highs and one surplus” industries, it will strictly prohibit the issuance of new credit facilities in violation of rules, and steadily exit from the excess capacity areas.

Resource allocation. The Bank will further allocate its credit resources to industries and areas with low energy consumption, low resource consumption, low pollution and low emission.

(3) Post-lending risk management

The Bank pays continuous attention to the environmental protection of enterprises after the project loan is extended, and constantly monitors and tracks environmental risks including the renewal of pollutant discharging licence, pollution discharge, acceptance results of environmental protection facilities, environmental credit rating results, and other environmental protection-related permits and facilitates. In case of any risk signals such as the failure to renew pollutant discharging licence, failure to meet the emission standards, failure to pass the acceptance of environmental protection facilities, or rating of red or yellow card for environmental credit, the Bank will suspend the extension of credit facility to such enterprises, and consider recovering the existing credit facility for gradual reduction and exit based on the re-investigation results.

6.6 Coping with Climate Change

Following the framework of the Task Force on Climate-Related Financial Disclosure (TCFD) the Bank takes the initiative to identify and respond to relevant physical and transitional risks brought by climate change.

Risk identification		Risk analysis	Risk response
Physical risks	Potential risks caused by extreme climate disasters or chronic climate change and environmental pollution	Affecting the continuous and stable development of business; Damaging the Bank’s assets; Threatening the health and safety of employees; Affecting data centres and communication networks	Developing emergency management measures for natural and meteorological disasters
Transitional risks	Potential risks brought by changes in policy, market, technology and investment preference	Increasing the Bank’s operating costs; Kicking out outdated assets and technologies; Affecting the Bank’s reputation	Answering the call of the state and local government for active participation in carbon neutrality; Developing top-level plans for green finance to guide the Bank’s green finance business; Empowering green transformation with technology; Advocating green office

To cope with climate change, the Bank has clarified its credit strategy for green loan business in its credit granting policy, actively utilized the policy advantage and location advantage of Guangzhou Green Financial Reform and Innovation Pilot Zone, strategically promoted green credit, facilitated the Bank's green transformation in investment and financing structure and business development, and continuously improved the Bank's environmental and social performance. In addition, the Bank has strengthened the classified management of customers' environment and social risks and the application of classification results in credit management, promoted the green transformation and upgrading of its asset structure, reduced financing to enterprises with high pollution and high carbon emissions, and increased the percentage of green loans.

First, in terms of credit access, it focuses on supporting the enterprises included in the green manufacturing list recognised by the Ministry of Industry and Information Technology, green projects included in the green project database by governments at all levels, projects in the national key energy-saving technology promotion catalogue, as well as enterprises and projects that have received national and local financial and other policy support or have been commended, recommended and encouraged by the national authorities.

Second, the Bank strictly prohibits the provision of new credit support in any form to enterprises that fail to meet environmental standards or violate production safety; it also strictly prohibits the provision of credit support for projects that fail to pass the EIA approval or the acceptance of environmental protection facilities, as well as new projects that fall under the restricted or eliminated categories specified in the national industrial policies; besides, the Bank will conduct targeted inspections on the environmental protection and production safety risks of existing loans, and take proactive measures to strictly control or gradually exit from loans extended to enterprises that violate environmental and production safety or fail to meet the standards.

Third, it will continue to regard customers and businesses in the "two highs and one surplus" industries as those under the "exit" and "restricted" category to strictly control new credit granting. Meanwhile, it will continue to implement the policy of orderly exit and reduction for existing business. The Bank ensures the reasonable financing needs of coal power, coal, iron and steel, nonferrous metal and other production enterprises, and supports the transformation and upgrading of traditional industries such as iron and steel and nonferrous metal. It encourages more investment in the energy security & supply and green and low-carbon areas to promote green and high-quality development.

6.7 Practicing environmental protection

The Bank actively organises its employees to participate in environmental protection activities, improves the environmental protection consciousness of its employees, organises employees to participate in afforestation and to clean up wastes in streets, making efforts to build a green and beautiful land. A total of 32 environmental protection activities were organised in 2022.

First, the Bank organised the volunteer activity of "Waste Classification, Starts from Me" to further promote waste classification and strengthen employees' environmental protection awareness. With practical actions, such as employees' promotion of waste classification in villages and communities under the coverage of respective outlets and environment and sanitation improvement campaign, the Bank encouraged more villagers (residents) to engage in the construction of civilised city, and further promoted the important concept that "cities are built by the people and for the people".

Second, the Bank organised tree-planting activities. Practising the development concept that "lucid waters and lush mountains are invaluable assets", the Bank vigorously encouraged employees to promote tree-planting activities in villages and communities under the coverage of respective outlets, to boost green development with persistent efforts, fulfil the responsibilities as a state-owned enterprise and make significant contribution to high-quality development of rural revitalisation and the country's goals of carbon peaking and carbon neutrality.



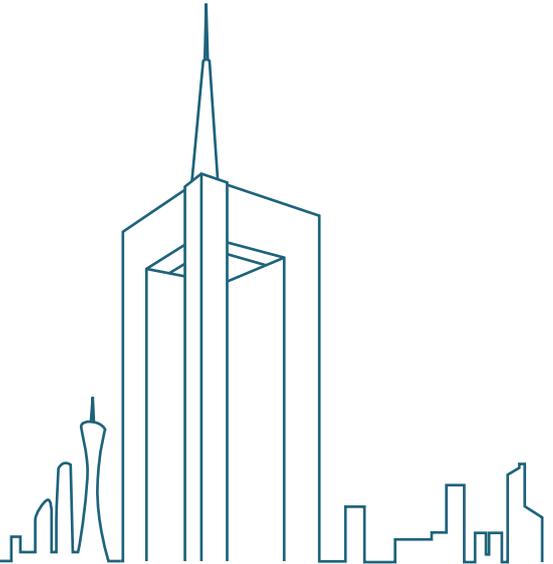
2022

Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

07

People-oriented, Care for the Staff



7.1 Protecting Staff's Rights and Interests

(I) Recruiting and dismissal

The Bank strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other labour laws and regulations, and has formulated the Implementation Measures for the Administration of Labour Contracts of Guangzhou Rural Commercial Bank (Revised in 2020) to protect the legitimate rights and interests of staff in accordance with laws and regulations. In 2022, the signing rate of contracts for all staff of the Bank was 100%. The contract terms include working hours, rest and vacation, labour remuneration, social insurance, labour protection, working conditions, occupational hazard protection and other statutory mandatory provisions. The Bank strictly abides by the Law of the People's Republic of China on the Protection of Minors and the Provisions of the People's Republic of China on Prohibition of Child Labour, strictly verifies the identity, age and other information of the recruits during the recruitment process, and opposes any form of discrimination, child labour or forced labour.

The Bank has formulated the Administrative Measures for Staff Recruitment of Guangzhou Rural Commercial Bank and the Administrative Measures for Campus Recruitment of Guangzhou Rural Commercial Bank. In accordance with the requirements of the Bank's development strategic plan for the 14th Five-Year Plan period and human resources budget targets, the Bank standardises personnel recruitment, actively introduces outstanding talents, and promotes the optimisation and adjustment of the Bank's workforce.

The Bank respects employees in making career choices, provides clear provisions for the term of contract, changes, release and termination of contract in relevant labour contracts, and deals with employees' resignation in strict compliance with applicable laws and regulations and the Bank's relevant policies.

As of the end of 2022, the Bank had a total of 8,860 employees, of which 4,108 were women, accounting for 46.37% of the total; 8,474 contract employees, accounting for 95.64% of the total; 6,644 employees with bachelor's degree or above, accounting for 74.99% of the total.

(II) Refining the promotion mechanism

In 2022, the Bank further improved its human resources management policies, strengthened the construction of a professional workforce, facilitated staff development channels, enhanced staff motivation and built a team of high-quality professionals to provide talent protection for the Bank's operation and management. The Bank actively carried out talent reserve and absorbed diversified talents, and at the same time, strengthened the construction of cadres and employees throughout the Bank, actively promoted the construction of various talent training projects, accelerated the selection and reserve of reserve talents, and strengthened the supervision of selecting and employing people. The Bank has established a fair and reasonable salary increment mechanism and job promotion mechanism, and guaranteed equal development opportunities for employees.

(III) Working hours and vacation

In 2022, in order to safeguard employees' rights of rest and vacation, and mobilise employees' enthusiasm for work, the Bank revised the Measures for the Administration of Employee Leave of Guangzhou Rural Commercial Bank (Revised in 2022). The Bank implements an 8-hour working day to eliminate forced labour. If employees are arranged to work overtime due to work needs, they will follow the principle of voluntariness and pay overtime pay in accordance with relevant regulations.

The Bank strictly abides by the Labour Law of the People's Republic of China and other relevant laws and regulations to stipulate the working hours. Public holidays include weekends and national statutory holidays, national statutory holidays are implemented in accordance with national regulations, and employee leave includes paid annual leave, maternity leave, marriage leave, funeral leave, personal leave, sick leave and family leave.

(IV) Ensuring equality and diversity

The Bank pays great attention to gender diversity, and maintains a reasonable and stable number of male and female employees. The Bank fully respects the decision-making opinions of female employees, and is committed to creating a fair and friendly career development environment for women in the areas of personnel promotion, remuneration and benefits, so as to achieve gender equality among employees and ensure that gender diversity has a positive impact on the Bank's business work.

(V) Pursuing democracy and communication

To protect the democratic rights of employees, the Implementation Measures of Employee Representative Assembly of Guangzhou Rural Commercial Bank (Trial) was issued to further standardize the operation procedures of the employee representative assembly and effectively safeguard the legitimate rights and interests of employees. To strengthen the management of bank affairs, the Implementation Measures of Guangzhou Rural Commercial Bank on Bank Affairs (Trial) was issued to promote the institutionalization and standardization of bank affairs and to protect the right of employees to participate in democratic decision-making, democratic management and democratic supervision of the Bank. It has also established a system of direct contact with the masses, carried out activities such as "union chairman reception day" and "league cadres meeting", to solve practical problems commonly reflected by employees, and made "reaching primary-level communities and integrating with the mass" a working norm.

(VI) Remuneration and benefits

The Bank's salary management adheres to the principles of distribution according to work, giving priority to efficiency with due consideration to fairness and sustainable development, follows the concept of "performance appraisal leads development", and establishes an incentive mechanism that meets the development requirements of modern financial enterprises according to the assessment idea of "keeping in line with strategy, viewing peers as benchmark, maintaining its nature unchanged, and emphasizing the core". The Bank has formed an effective employee incentive and constraint mechanism, effectively plays the role of salary guarantee and incentive, fully mobilizing the enthusiasm of employees.

In accordance with relevant laws and regulations, the Bank pays social insurance and housing wage funds for all employees, and has established a bank-wide enterprise annuity and supplementary medical security plan to improve the level of employee welfare and protect the legitimate rights and interests of employees.

7.2 Strengthening Staff Training

The Bank has always attached importance to improving the professional level and professional quality of its staff, continuously enhanced staff training, and actively implemented the strategic deployment of the Bank to build a team of talents in line with the development strategy of the 14th Five-Year Plan period.

First, the Bank conducted specialized learning activities. In 2022, the Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively implemented the spirit of the 19th Plenary Session of the Party and the 20th CPC National Congress, vigorously promoted education and training, highlighting the political, professional and effective nature, focusing on the four main themes of Party building leading development, reshaping the capacity of the 14th Five-Year Plan, and strengthening and humanistic literacy enhancement of cadres. The Bank have organised a total of more than 490 training programmes, covering more than 70,000 employees at all levels across the Bank. 410 live online training sessions were conducted with 82 hours of online learning per capita completed. The training programmes focused on key positions such as integrated account managers, risk managers, product managers and financial technology talents. Besides, a series of special training sessions were carried out solidly.

Second, the Bank continued to optimise the growth path of management cadres. In 2022, the Bank organised thematic training through internal training, external training and transfer training, with training programmes covering topics such as Party affairs, discipline inspection and supervision, internal audit, human resources management, financial management, performance management, office management and procurement management including 20 finance-related training sessions and 7 internal audit training sessions, in an effort to enhance the quality of staff and promote the Bank's high-quality development.



Third, the Bank launched the "Sailing Plan" talent training programme. The Bank launched the "Sailing Plan" product manager talent training programme in May 2022. Driven by product manager team building and professional capacity enhancement, the programme trains and empowers managers through systematic and diversified trainings. The four-month programme adopts the innovative hybrid learning and training model of "offline training plus online activities plus community learning", focusing on five major topics: market insight and research analysis, data management, financial product design methods, marketing and user thinking. A total of 793 participants including 120 product managers from 10 departments of the Head Office's corporate, retail and inclusive finance business lines were covered in the programme. The training programme achieved good results and was selected as A Typical Training Case Study in Guangdong Banking Industry in 2022.

7.3 Carrying out Staff Activities

First, opened the "Staff's Interest Programmes". The curriculum was dynamically optimised to meet the needs of employees' hobbies and interests. Throughout the year, trade unions at all levels provided training sessions on basketball, football, yoga and tai chi, and organised employees to participate in cultural and sports activities held internally or by third parties, to continuously enhance the cohesion and sense of engagement of employees.

Second, enriched employees' cultural life. The Bank have carried out festive activities such as the "Golden Tiger Welcomes the New Year - Ink Delivers Blessings", the "Greatest Goddess" celebration of the Women's Day, the "Mid-Autumn Festival - Warmth of Love" Mid-Autumn Festival DIY event, and bank-wide sporting activities such as the "Chasing our Dream together with You" badminton tournament to continuously meet the growing cultural needs of the staff.

Third, implemented the trade union brand creation action. Taking "organisation building", "position building", "integration of activities" and "assessment and evaluation" as the handshake, the Bank carried out inter-agency centralised observation, experience exchange and results display activities, and explored the effectiveness of the activities in a comprehensive and multi-dimensional manner.

2022 Chinese New Year Warmth Campaign

Before the coming of Chinese New Year, in order to further promote the traditional virtues of the Chinese nation, the Bank implemented the requirements of "I do practical things for the public" and send warmth and care to the staff. The Party Committee of the Bank, together with the trade unions, organised the Spring Festival activities. Members of the leadership team of the Party Committee formed nine condolence teams to go to the homes of the staff in difficulty and send them Spring Festival greetings.

“Chasing our Dream Together with You” 2022 Guangzhou Rural Commercial Bank badminton tournament

In response to General Secretary Xi Jinping’s important statement on building a leading sporting nation and for the purpose of promoting colourful sports activities for the people, the Bank held the 2022 “Chasing our Dream Together with You” badminton tournament. Taking the event as an opportunity, the Bank advocated the spirit of teamwork, fighting hard, pursuing excellence and higher achievement.



“Mid-Autumn Festival - Warmth of Love” Mid-Autumn Festival DIY event

In order to inherit traditional Chinese culture, enrich the amateur cultural life of staff and further enhance the cohesion of staff, the trade union of the Bank held a “Mid-Autumn Festival · Warmth of Love” Mid-Autumn Festival DIY event on the occasion of the Mid-Autumn Festival.

“Greatest Goddess” celebration of the March 8 event

On March 8, the Head Office organised the “Greatest Goddess- Meet the Best of Yourself” on Women’s Day event in the lobby on the first floor and selected 38 pictures that demonstrated the vitality and positive energy of our female staff. The pictures included the best “sports” series, the best “arts and culture” series and the best “life” series to showcase the versatile side of all female staff outside of work. Through this activity, we sent our festive wishes to all female staff, creating a warm and beautiful festive atmosphere in the Bank and enhancing the happiness of our staff.

Exhibition of Staff’s Handicrafts in Painting, Calligraphy and Photography

In order to welcome the 20th CPC National Congress, celebrate the 70th anniversary of the establishment of the Bank, and promote the construction of corporate culture by “Party building with industrial building”, an exhibition of staff’s paintings, calligraphy and photography was officially opened at Guangzhou Rural Commercial Bank Building on the morning of 6 September. As one of the Bank’s “70th anniversary series of activities”, the exhibition provided a platform for staff to discover themselves, express themselves and show themselves, enriched their spiritual and cultural life, and demonstrated the versatility and youthfulness of the Bank’s staff and their vigorous spirit.

History Museum Launching Ceremony

On December 28, the "Celebration of the 70th Anniversary of Guangzhou Rural Commercial Bank and the Launching Ceremony of the Bank's History Museum" was held on the 25th floor of Xinhe Building. Standing on the new starting point of the 70th anniversary, the Bank will adhere to the guidance of Xi Jinping's thought of socialism with Chinese characteristics in the new era, study and implement the spirit of the 20th CPC National Congress in depth, grasp the opportunities and challenges in the new situation under the guidance of the Bank's 14th Five-Year Plan, achieve new progress in the new journey, drive high-quality development with high-quality Party building, and fulfil the mission of state-owned enterprises in serving the development situation. The Bank will sharpen its heart in creating a better life together, and stride forward towards the goal of "becoming a first-class commercial bank in China" with a more energetic spirit, more determined stance and more vigorous pace.

7.4 Caring for the Health of the Employees

(I) Improving the caring and service system

The Bank has comprehensively promoted the special programme of "Caring Guangzhou Rural Commercial Bank – Warm Your Heart", formed three teams to help employees in difficulty, one health service consultation team and one psychological assistance service team, and also established and improved six operational mechanisms, including standardised project management, internal and external resource coordination and logistical service guarantee, to build a comprehensive and multi-level employee care system.

(II) Expanding the inclusive service

The Bank steadily promoted the Employee Assistance and Support Scheme and gradually improved the three-dimensional employee healthcare system covering hospitalisation, serious diseases and accidental injuries, putting into practice the "employee first" service concept.

(III) Supporting for employees in difficulty

Through regular visits to understand the needs of employees in difficulty, the Bank has established a file for employees in difficulty, and promoted the normalisation and standardisation of the work to help employees in difficulty. Throughout the year, the Bank offered care funds to 44 employees who suffered illnesses, disasters, and other difficulties, showing our comprehensive concern for their well-being.

(IV) Organising staff physical examination

The Bank attaches great importance to the health of its staff and regularly organises them to undergo physical examination. In 2022, in order to meet the diverse and personalised physical examination needs of employees, the Bank continued to choose Class-I, Grade-III public hospitals and physical examination institutions for employees to choose freely, and continued to optimise the physical examination packages to meet the needs of employees of different genders and ages. At the same time, we will continue to improve the work related to physical examination, and carry out special lectures on the interpretation and analysis of physical examination report data after physical examination, so that employees can truly understand the significance of their physical examination indicators, provide professional guidance for future daily health care or conditioning to maximise the value of physical examination, and escort the health of employees.

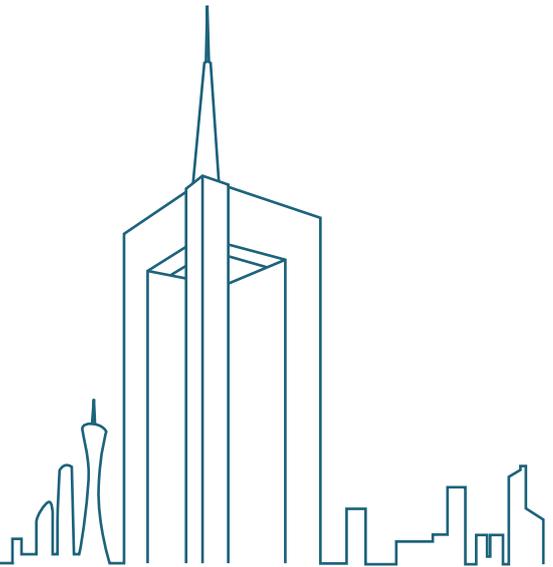
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Guangzhou Rural Commercial Bank

Corporate Social Responsibility Report

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Development for the Benefit of All and Contribution to Society



8.1 Fulfilling the Responsibility of Assistance

In 2022, the Bank convened Party Committee meetings to discuss pair-up assistance programmes for boosting rural revitalisation and conducted in-depth research in this respect. It donated RMB2 million to Qigong Town, Yangshan County, Qingyuan City, for the Demonstration Belt of Rural Revitalisation Led by Party Building, installation of additional street lights, road expansion, construction of school bus pavilions and other projects; RMB1.8 million to nine villages of Nayong County and Zhijin County, Bijie City, Guizhou Province, for improvement of safety and protection facilities, building better living environment and other projects. All of these efforts fully reflected the Bank's sense of responsibility as a state-owned enterprise and earned the Bank the honour of "Guangdong Silk Cotton Cup of Poverty Alleviation – Golden Cup".

In 2022, the Bank also actively participated in the consumption-driven poverty alleviation campaign, encouraging employees to help sell featured agricultural products from Qi County in Gansu and Taiping Town in Zhanjiang, and mobilizing trade unions at all levels to purchase agricultural products from poverty-stricken areas, thus relieving farmers from the worry of sales channels.

8.2 Practicing Public Welfare and Charity

In 2022, Jinmi Foundation shifted its coverage from the whole country to Guangdong Province, focusing on Guangzhou City. With rural revitalisation as its service pivot, Jinmi Foundation explored a new "public welfare + finance" mode and built the brand of "Jinmi Charity · Together Under the Banyan Tree". Its regional influence kept improving, and the expenditure for charity projects reached RMB8,197,200. The details of major projects are as follows:

(I) Bank-Social Organisation Cooperation for Rural Revitalisation Project

Jinmi Foundation cooperated with Guangzhou Federation of Social Organisations to promote the project in Huadu District and Zengcheng District, which focused on incubation of rural industrial projects, cultivation of talents for rural organisations and assistance to disadvantaged groups and offered donations of RMB2 million. A platform for incubating rural revitalisation-related industrial projects was built for a deep understanding of the assistance needs of villagers, veterans, entrepreneurial youth, women, and other rural revitalisation subjects, who would gain financial support. Industries boosted employment and provided people with stable income increases.

(II) Support to Rural Revitalisation Projects in Guangzhou

With facilitating rural revitalisation as the main task, Jinmi Foundation supported 261 villages and communities in Guangzhou concerning rural revitalisation, including constructing beautiful villages, improving public cultural and sports facilities, respecting the elderly, curing the sick, supporting students, and helping the disabled. The project had approximately 200,000 beneficiaries and an expenditure of RMB4,406,800.

(III) Other projects

First, Jinmi Foundation supported the inheritance of traditional Cantonese Opera culture by donating RMB1 million to Guangzhou Cantonese Opera Revitalisation Foundation. Second, it also assisted COVID-19 prevention and control by donating RMB440,000 to the Red Cross Society of China Guangzhou Branch for logistics management in hospitals and makeshift hospitals.

8.3 Fighting COVID-19 Together

The Party Committee of the Bank thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China and important directions upon pandemic control from General Secretary Xi Jinping, acted upon the principle "people first, life first", and strictly followed working requirements from the Organisation Department of the Guangzhou Municipal Party Committee and Guangzhou SASAC (State-owned Assets Supervision and Administration Commission). By acting fast and mobilizing forces from all channels, the Party Committee organised the "Jinsui Sunshine" volunteer service team of Party members for pandemic control, which went to assist medium- and high-risk regions including Haizhu, Huadu, Baiyun, and Liwan Districts. With concerted efforts, relentless determination, high political awareness, strong responsibility, and a pragmatic work style, the team accomplished the pandemic control tasks from superiors, especially in helping lift the lockdown in Kanglu Area in Haizhu District, offering the Bank's strength to tightening pandemic control.

(I) Creating a substantial line of pandemic control

The Bank strictly implemented the crucial requirement of ensuring effective COVID control, stable economic performance and safe and secure development, developed emergency response plans in a timely manner, formed a steering group in charge of emergency response, and proposed proactive initiatives to cope with pandemic influence and guarantee the Bank's normal production and operation by all means, all of which ensured the effective operation of businesses. It prepared and delivered notices and circulars to rigorously promote specific epidemic control measures and achieve scientific and precise epidemic prevention and control; adjusted epidemic control measures in the new stage to ensure steady and orderly transition; completely, accurately and comprehensively implemented the requirements of "new ten measures" to coordinate development and security.

(II) Accomplishing pandemic control assistance tasks comprehensively

In the year, the Bank gathered Party power against the pandemic by organizing over 32,000 people of the "Jinsui Sunshine" volunteer service team, who went to assist Haizhu, Huadu, Baiyun, Liwan, and Nansha Districts. First, the team won the fight against the pandemic in Kanglu Area with every effort. Faced with a complex situation, they coordinated all aspects and enhanced scheduling and command, supported nucleic acid tests for over 45,000 people, distributed over 50,000 antigen test kits, and achieved 82,000 deliveries of daily necessities. All those in need were tested (either through nucleic acid tests or antigen test kits) or transferred, and the team completed the assistance tasks in over a month. Second, the team aided in many areas in winning against the pandemic. The team strictly implemented the working requirements from the Organisation Department of the Guangzhou Municipal Party Committee, Guangzhou SASAC, and the Guangzhou Municipal Finance Bureau. Since 12 October 2022, it dispatched altogether over 1,500 people to assist risk areas including Haizhu District, Liwan District, Baiyun District, Nansha District, and Huadu District, actively donated about 60,000 packages of supplies, including masks, disinfectants and mineral water, to 29 sub-districts, villages and communities of Huadu District and Baiyun District, formed a 31-member elite support team to assist Nansha District, and donated RMB440,000 to support project operation and management. Third, the team succeeded in community pandemic control with joint efforts. Party cadres and workers were mobilised to work on local sites and actively went to approximately 700 communities in 11 administrative regions of Guangzhou, providing volunteer services of pandemic control to over 13,000 people.

(III) Providing care and guaranteed services with all strength

The Bank established and improved a working mechanism for providing care and guaranteed services and organised meetings on providing care. Leaders and cadres called or visited the sites many times to extend their regards and encouragement toward workers on the front line. A special working team for supply support was formed for unimpeded demand feedback, making every effort to address front-line workers' needs for anti-pandemic supplies, emergency medicines and daily necessities, arranging medical professionals to accompany the workers, and contacting professional agencies for nucleic acid tests and disinfection services and offering caring one-stop services for logistics support, to guard the workers' physical and mental health on all fronts.



8.4 Providing Good Community Services

The Party Committee of the Bank upheld the principle “people first, life first”, constantly consolidated the achievements of the practical activities of “I do practical things for the public”, and achieved full coverage of Party members for the “Two Micros Campaign”. The “Jinsui Sunshine” volunteer team of Party members went to approximately 700 communities in 11 administrative regions of Guangzhou, carried out activities including pandemic control, financial literacy publicity, waste classification, and building a civilised city, and claimed over 4,600 micro-projects and micro-wishes. They acted and solved the most pressing difficulties and problems that were of great concern to the people, giving full play to Party members’ exemplary vanguard role and displaying their responsibilities as Party members in a state-owned enterprise.

Enter into the Community to Achieve the Dreams of the Masses

Party members of Party organisations at all levels went to their communities and launched dream-achieving activities in batches to fulfil people’s micro-wishes. They visited aged Party members in distress and families with disabled members in communities within the jurisdiction and offered necessary supplies, conveying care and sympathy from Guangzhou Rural Commercial Bank through actions. The “last kilometre” toward serving the public was covered through concerted efforts.

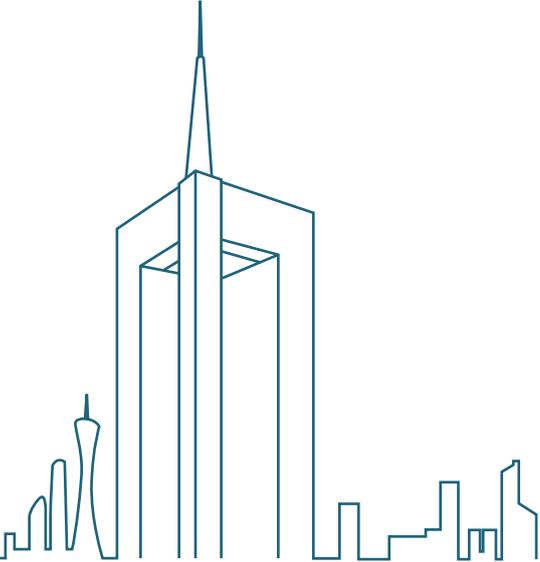
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Corporate Social Responsibility Report

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Social Responsibility Outlook



The year 2023 is crucial for the Bank to “deepen transformation, comprehensively intensify efforts, and have a year served as a link between past and future” during the “14th Five-Year Plan” period. The Bank will take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its fundamental guideline, comprehensively implement the spirit of the 20th National Congress of the Communist Party of China, and in accordance with the work arrangements of the central, provincial, and municipal Party committees and governments, practically assume the responsibility of orienting requirements for state-owned financial assets to “function around the general centre and their own centres”. In combination with the Bank’s development strategic plan for the 14th Five-Year Plan, the Bank will take adhering to and strengthening the Party’s comprehensive lead as the guiding principle, and “becoming a first-class commercial bank in China” as the strategic vision, to organically combine developing high-quality business with performing social responsibilities, hence achieving healthy, stable, and high-quality development.

In terms of economy, the Bank will take serving the real economy as its mission, firmly assume its responsibilities as a state-owned financial enterprise, and actively implement national, provincial, and municipal development strategies. It will assist Guangzhou in speeding up to build modern industrial systems, drive Nansha to intensify its comprehensive cooperation among Guangdong, Hong Kong, and Macao, and build the city into an international wealth management centre and consumption centre. Besides, the Bank will keep focusing on its main responsibilities and main business types, deeply cultivate local areas and sources, promote in-depth business transformation, continuously deepen reform and innovation, increase support to the real economy, drive the allocation of financial resources toward key sectors of economic and social development, and further boost the coverage, availability, and satisfaction of the services for inclusive finance and rural finance.

In terms of society, the Bank will keep centring on customers, focus on the growth of core and key customer groups, make solid progress on customer management and customer group development, and concentrate on the development of product service system; besides, the Bank will steadily advance the management of compliant and legal risks, improve the development of the system and mechanism for protecting consumer rights and interests, further consolidate the protection of financial customer rights and interests, better instruct and guide consumers, and make prevention, control, and governance from source; centring on support to business development, the Bank will establish a tiered and classified talent training system, promote the development and optimisation of sequences, and pay close attention to personnel’s physical and mental health; also, the Bank will continuously carry out various public benefit activities, support the rural revitalisation, society-and-livelihood development, and culture promotion of local region.

In terms of environment, the Bank will optimise its industrial distribution, and take green and environmentally friendly sectors as the entry points, to increase financial support to the enterprises in the sectors encouraged by policies; in order to accelerate the development of green finance, the Bank will centre on such sectors with transformation as green and low-carbon industries, ecological environment development, and carbon peaking and carbon neutrality strategy, to increase innovation on green services, and intensify the management and control of risk procedures for such sectors. Meanwhile, the Bank will also actively respond to the green and energy-conservation policies of the state, advocate and practice the philosophy of green and energy conservation, implement measures for handling official business in a way of energy conservation and environmental protection, and organise and carry out environmental protection activities, to assist the society in its sustainable development.

Key Performance Table

Environment³

ESG Index	Unit	2022 Data
A1 Emissions		
A1.1 types of emissions and relevant emission data ²		
A1.2 greenhouse gas emissions and density ^{1,2}		
Total Emissions ³	Ton-carbon dioxide equivalent	11632.15
Total Emissions ⁴	Tons—Carbon Dioxide Equivalent/m ²	0.10
Direct Emissions (Range 1)		
Gasoline	Ton-carbon dioxide equivalent	161.69
Natural gas	Ton-carbon dioxide equivalent	-
Liquefied Natural Gas	Ton-carbon dioxide equivalent	-
Indirect Emission (Range 2)		
Purchased Power	Ton-carbon dioxide equivalent	11470.45
A1.3 & A1.4 4 waste		
Waste Electronic Equipment ⁵	Piece	744
Waste electronic equipment/person	Pieces/person	0.30
A2 resource usage		
A2.1 Total Energy Consumption and Density ¹		
Total Energy Consumption ⁶	Tonnes of standard coal	2683.36
Energy consumption density ⁷	Tonnes of standard coal/ m ²	23.51
Direct energy consumption		
Gasoline	Liter	8076.99
Natural gas	m ²	-
Liquefied Natural Gas	Ton	-
Indirect energy consumption		
Outsourcing power	MWH	21761.44
Annual intensity of electricity consumption ^{6, 8}	MWH/m ²	
Gasoline consumption of official cars ⁹	Liter	8076.99

ESG Index	Unit	2022 Data
A2.2 Water consumption and density¹		
Office Water	Cubic meter	152580
Annual intensity of water consumption ¹⁰	M3/m2	1.34
A2.3 Resource consumption¹²		
Office Paper Consumption	Ton	21.7
Intensity of office paper consumption ¹¹	Kg/person	8.88
Proportion of Cross-Regional Video Conferences ¹	Percentage	80%
Coverage Rate of Video Equipment In Meeting Rooms ¹	Percentage	27%
Number of Cross-Regional Video Conferences ¹	Times	207
Total Number of Video Conferences ¹	Times	260

Note:

1. 2021 Annual Greenhouse Gas Emission, Energy and Water Use, and Video Conference Related Data Collection and Disclosure Scope: Head Office in Guangzhou (including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building and Panyu Training Center). As the emission data and energy and resource consumption data of the computer room cannot be measured separately, the greenhouse gas emission intensity, waste emission intensity, energy consumption intensity and office water consumption intensity of the Bank include the office area and the computer room.

2. On the basis of the business content of the Bank, the exhaust emissions generated in the operation process mainly come from greenhouse gases and official vehicle exhaust, among which, official vehicle exhaust includes nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations, the total amount of which pollutants is not significant compared to total greenhouse gas emissions, so it is not disclosed.

3. The greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide, which are mainly derived from purchased electricity and fuel. Greenhouse gas accounting is presented in terms of carbon dioxide equivalent and is based on the "Baseline Emission Factors of China's Regional Power Grid for 2019 Emission Reduction Cases" published by the Ministry of Ecological Environment of the People's Republic of China and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" published by the Intergovernmental Panel on Climate Change (IPCC).

4. The annual greenhouse gas emission density refers to the annual greenhouse gas emission per unit construction area of the Head Office calculated according to the total greenhouse gas emission of the Head Office and the total construction area of the Head Office in 2022.

5. 2022 Waste Electronic Equipment and Waste Electronic Equipment/Person Related Data Collection and Disclosure Scope: GRCB Head Office (Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building and Panyu Training Center). On the basis of the business contents of the Bank, the harmful wastes generated in the operation process are mainly waste fluorescent tubes and waste toner cartridge, and the total amount is not large, so it is not disclosed; The harmless waste generated is mainly waste electronic of the equipment that has not been disassembled, which are all handled by recyclers. Due to the variety of waste electronic equipment, it is impossible to accurately calculate its weight, so its weight is not disclosed for the time being.

6. The total energy consumption is calculated according to the electricity and fuel consumption, and the conversion factors in the National Standard of the Peoples Republic of China General Principles for Calculation of Comprehensive Energy Consumption (GB/T2589-2020).

7. Energy consumption density refers to the energy consumption per unit construction area of the Head Office calculated based on the total energy consumption of the head office and the total construction area of the Head Office in 2022.

8. Annual power consumption density refers to the annual power consumption per unit construction area of the Head Office calculated based on the power consumption of the head office and the total construction area of the Head Office in 2022.

9. Due to the continuous management of official vehicles, the consumption of petrol for official vehicles has decreased compared with 2021.

10. Annual power consumption density refers to the annual power consumption per unit construction area of the Head Office calculated based on the power consumption of the head office and the total construction area of the Head Office in 2022. All water that the Bank uses is from municipal water supply and has no problem in obtaining suitable water sources.

11. Office paper consumption refers to the per capita consumption of printing paper by staff of the head office in 2022.

12. On the basis of the business content of the Bank, the statistics and disclosure of package data are not applicable.

Society

ESG Index		Unit	2022 Data
B1. Employment ¹			
B1.1 Total number of staff by category	Total number of employees	Person	8,860
Gender	Number of male staff	Person	4,752
	Number of female staff	Person	4,108
Employment type	Contract staff	Person	8,474
	Labor dispatch staff	Person	386
Staff type	Senior management	Person	8
	Middle-level management	Person	246
	Management Level	Person	982
	General staff	Person	7,624
By educational background	Junior college and below	Person	2,216
	Undergraduate	Person	5,481
	Postgraduate or above	Person	1,163
By age	29 years old and under	Person	1,927
	30-49 years old	Person	5,505
	50 years old or above	Person	1,428
By region	China Mainland	Person	8,853
	Hong Kong、Macau、Taiwan	Person	7
	Overseas	Person	0
Other types	Number of Staff on Maternity Leave and Waiting for Maternity Leave	Person	235
	Number of Staff Eligible for Retirement in the Next Five Years	Person	970
B1.2 Staff Turnover Rate by Category			
	Turnover rate of total number of staff	Percentage	3.16%
Gender	Male staff	Percentage	52.50%
	Female staff	Percentage	47.50%
Staff type	Senior management	Percentage	0.00%
	Middle-level management	Percentage	0.71%
	Management Level	Percentage	5.36%
	General staff	Percentage	93.93%
By educational background	Junior college and below	Percentage	18.93%
	Undergraduate	Percentage	55.71%
	Postgraduate or above	Percentage	25.36%
Age	29 years old and under	Percentage	45.00%
	30-49 years old	Percentage	42.50%
	50 years old or above	Percentage	12.50%
Area	China Mainland	Percentage	100.00%
	Hong Kong、Macau、Taiwan	Percentage	0.00%
	Overseas	Percentage	0.00%
B2. Health and Safety			
B2.1 Number of work-related fatalities occurred in each of the past three years including the reporting year			
	Number of deaths due to work (2020)	Person	0
	Number of deaths due to work (2021)	Person	0
	Number of deaths due to work (2022)	Person	0

ESG Index		Unit	2021 Data
B2.2 Number of working days lost due to work-related injuries			
	Numbers of work-related injuries	Times	6
	Total number of days lost due to work-related injuries	Days	264
B2.3 Health and safety measures			
	Coverage rate of social insurance	Percentage	100%
	Coverage rate of staff medical examination	Percentage	100%
B3 Development and training ²			
B3.1 Percentage of staff trained by category			
Gender	Percentage of training sessions for male staff	Person-time	100%
	Percentage of training sessions for female staff	Person-time	100%
Staff type	Training for senior management staff	Person-time	100%
	Training for middle-level management staff	Person-time	100%
	Management staff training	Person-time	100%
	General staff training	Person-time	100%
B3.2 Training of staff by category and average number of hours			
Total Training Attendance		Person-time	77,552
Gender	Number of training sessions for male staff	Person-time	40,327
	Number of training sessions for female staff	Person-time	37,225
Staff type	Training for senior management staff	Person-time	11,232
	Training for middle-level management staff	Person-time	114
	Management staff training	Person-time	1,812
	General staff training	Person-time	66,320
Training type	Senior staff training	Person-time	114
	Middle-level staff training	Person-time	1,812
	Junior staff training	Person-time	75,626
Total training hours for all staff		Hour	832,043
Gender	Total training time for male staff	Hour	422,267
	Total training time for female staff	Hour	409,775
	Total training time for senior management staff	Hour	137,402
	Training time for middle-level management staff	Hour	446
Staff type	Total training time for management staff	Hour	33,809
	Total training time for general staff	Hour	694,640
Average training hours per employee		Hours/Person	102
Gender	Average training hours for male staff	Hours/Person	100
	Average training hours for female staff	Hours/Person	105

	ESG Index	Unit	2021 Data
Staff type	Average training hours for senior management staff	Hours/Person	100
	Average training hours for middle-level management staff	Hours/Person	56
	Average training hours for management staff	Hours/Person	139
	General training hours for general staff	Hours/Person	101
B5. Supply Chain Management			
B5.1 Number of suppliers by region			
Number of suppliers	Domestic		569
	Overseas		5
B6. Product Liability			
B6.2 Consultation complaints received about products and services			
Customer Service	Customer service handling capacity	Ten thousand calls	385.26
	Manual connection quantity	Ten thousand calls	132.56
	Manual connection rate	Percentage	71.28%
	Customer service satisfaction rate	Percentage	98.56%
	Customer satisfaction with complaint handling	Percentage	92.81%
Customer complaints	Complaints	Cases	1,263
	Complaint acceptance rate	Percentage	100%
B7. Anti-corruption			
B7.3 Describe the anti-corruption training provided to directors and employees			
Anti-money laundering training	Anti-money laundering training	Times	188
	Training of anti-money laundering	Person-time	77,255
B8. Community investment			
B8.2 Starting Resources in Focus Areas			
	Staff assistance input	RMB Ten thousand	160.18
	Helps for suffering workers	Person-time	44
	Hours of volunteer services	Hour	220,000
	Total poverty alleviation input	RMB Ten thousand	380
	Total charitable investment	RMB Ten thousand	819.72
	Beneficiaries of public welfare and charity projects	Person-time	200,000

1. The statistical scope of relevant data is from 1 January 2022 to 31 December 2022. The employee-related data of the Bank covers employees who have signed formal labor contracts with the Bank and labor dispatch employees.

2. Training-related data include online and offline training time, and the statistical scope of the data covers all staff training data within the Bank and external training data for bank leaders.

Independent limited assurance report

Independent Limited Assurance Report

The Board of Directors of Guangzhou Rural Commercial Bank Co., Ltd:

We have been engaged to perform a limited assurance on the selected key data in the 2022 Annual Corporate Social Responsibility Report (hereinafter referred to as "CSR Report") of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as "GRC Bank").

Selected Key Data

The selected key data in the CSR Report of GRC Bank for 2022 that is covered by this report is as follows:

- Building area (sq.m.)
- Annual electricity consumption (MW·h)
- Annual water consumption (Cubic meters)
- Gasoline consumption of official cars (liters)
- Printing paper consumption of office (tonnes)
- Total number of employees (Persons)
- Number of female employees (Person)
- Number of contract employees (Persons)
- Turnover rate of total employees (%)
- Total training hours of employees (Hours)
- Satisfaction rate for customer service (%)
- Customer complaint acceptance rate (%)
- Training in anti-money laundering (Person-time)
- Total poverty alleviation input (RMB 10,000)
- Total public welfare input (RMB 10,000)

Our assurance engagement is limited to the key data for the year ended 31 December 2022. Other information disclosed in the 2022 CSR Report and information of previous period are not included in our scope of engagement.

Basis of Reporting

The basis of reporting adopted by GRC Bank to prepare the key data of 2022 CSR Report is listed in the Basis of Reporting of key data in Appendix attached to this report (hereinafter referred to as "Basis of Reporting").

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors of GRC Bank to compile the key data of 2022 CSR Report according to the Basis of Reporting. The Board of Directors design, implementation and maintenance of internal control related to the compilation of the key data, so that there is no material misstatement caused by fraud or error in these data.

Our Independence and Quality Control

We perform the assurance process independently of GRC Bank. For the purpose of providing this limited assurance, we have no relationship with GRC Bank that would affect our independence. We follow the International Quality Control Standard No.1, and maintain a comprehensive and systematic quality control system, including policy and procedure documents related to compliance with professional ethics requirements, professional standards and applicable laws and regulations.

Our Responsibilities

Our responsibility is to publish our conclusions on the key data of the 2022 CSR Report on the basis of procedures performed.

We performed the assurance engagement according to the International Standard on Assurance Engagements 3000 (revised): Assurance Engagement Other Than Audits or Reviews of Historical Financial Information, which requires us to plan and implement the engagement to form the assurance conclusion.

The nature and duration of the procedures implemented by limited assurance engagement differ from those of reasonable assurance engagement, and the scope is smaller. Therefore, the assurance extent of limited assurance engagement is significantly lower than that of reasonable assurance engagement. We will not offer reasonable assurance opinions on whether the key data disclosed in 2022 CSR Report were compiled according to the Basis of Reporting in all major aspects.

Our assurance engagement includes assessing whether the key data of 2022 CSR Report have material misstatement risks caused by fraud or errors, the assurance procedure chosen depends on the judgment of our assessment of risks. Our procedures includes:

- 1) Interview the staff of relevant departments involved in providing the key data disclosed in 2022 CSR Report;
- 2) Implement analysis procedures for the key data;
- 3) Carry out sampling inspection on the key data in the 2022 CSR Report;
- 4) Recalculate.
- 5) Other procedures deemed necessary.

Inherent limitations

As that there is no recognized evaluation and measurement standard system available for non-financial data, so a non-uniform measurement method was adopted, which would affect the comparability of inter-company data.

Limited Assurance Conclusion

Based on the implemented procedures and obtained evidence, we did not notice anything that would lead us to believe that the key data disclosed in the CSR Report of GRC Bank for the year ended 31 December 2022 were not compiled according to the Basis of Reporting in all major aspects.

Limitations on use

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

Zhongcai Green Index (Beijing) Co.,Ltd

Beijing,China

7 April, 2023



Appendix

Basis of Reporting

- 1. Building area (sq.m.):** The Building area refers to the total building area (including office areas and plant rooms) of Guangzhou Rural Commercial Bank(including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building, and Panyu Training Center) in 2022.
- 2. Annual electricity consumption (MW·h):** The Annual electricity consumption refers to the total electricity consumption of Guangzhou Rural Commercial Bank(including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building, and Panyu Training Center) in 2022.
- 3. Annual water consumption (Cubic meters):** The Annual water consumption refers to the total water consumption of Guangzhou Rural Commercial Bank(including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building, and Panyu Training Center) in 2022.
- 4. Gasoline consumption of official cars (liters):** The gasoline consumption of official cars refers to the total gasoline consumption of official vehicles of Guangzhou Rural Commercial Bank in 2022.
- 5. Printing paper consumption of office (tonnes):** The Printing paper consumption of office refers to the total amount of printing paper consumed by Guangzhou Rural Commercial Bank(including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building, and Panyu Training Center)in 2022.
- 6. Total number of employees (Persons):** The total number of employees refers to the total number of employees of Guangzhou Rural Commercial Bank(excluding rural banks and holding subsidiaries) as of December 31st, 2022.
- 7. Number of female employees (Person):** The number of female employees refers to the total female number of employees of Guangzhou Rural Commercial Bank (excluding rural banks and holding subsidiaries) as of December 31st, 2022.
- 8. Number of contract employees (Persons):** The number of contract employees refers to the number of regular employees (excluding labor dispatch) of Guangzhou Rural Commercial Bank (excluding rural banks and holding subsidiaries) who had signed labor contracts throughout the year as of December 31st, 2022.
- 9. Turnover rate of total employees (%):** The turnover rate of total employees refers to the ratio of the number of former employees to the total number of employees of Guangzhou Rural Commercial Bank(including Xinhe Mansion, Tennis & Badminton Center, Jing Yun Building and Panyu Training Center) as of December 31st, 2022.
- 10. Total training hours of employees (Hours):** The total training hours of employees refers to the total training hours of participating employees of Guangzhou Rural Commercial Bank (excluding rural banks and holding subsidiaries) in 2022.
- 11. Satisfaction rate for customer service (%):** The satisfaction rate for customer service refers to the ratio of calls with a "Satisfied" evaluation compared to the total number of calls

that gave an evaluation rating, calculated by the Customer Service Center, with respect of calls placed to the 95313 customer service line for manual service in 2022.

12. Customer complaint acceptance rate (%): The Customer complaint acceptance rate refers to the ratio of the number of completed customer complaint incidents accepted to the number of customer complaint incidents participating in the statistics of Guangzhou Rural Commercial Bank's Consumer Rights Protection Centre in 2022.

13. Training of anti-money laundering (Person-time): The Training of anti-money laundering refers to the total number of person-times of anti-money laundering training that were carried out by Guangzhou Rural Commercial Bank in 2022.

14. Total poverty alleviation input (RMB 10,000): The Total poverty alleviation input refers to the total poverty alleviation investment of Guangzhou Rural Commercial Bank in 2022, including poverty alleviation investment such as counterpart poverty-stricken villages and regions, rural revitalization and consumption poverty alleviation, to help poor counties develop and improve living conditions of poor households.

15. Total public welfare input (RMB 10,000): The Total public welfare input refers to the total public welfare investment of Guangzhou Rural Commercial Bank in 2022, including public charity investment such as external donations and charitable help activities.

Policy List

In combination with the Bank's business operation, the Bank would regularly identify and track relevant national laws, regulations and regulatory requirements applicable to the Bank's business. Bank applies and strictly abides by the following laws, regulations and regulatory policies, including but not limited to the following. At the same time, Bank has formulated relevant internal policies to ensure that all work is carried out in accordance with laws and regulations. In 2022, Bank did not violate laws and regulations.

ESG index	Laws, regulations/policies	Internal policy
A1, A2, A3, A4 Environment	<p>Guidance on Building a Green Financial System</p> <p>Green Finance Guidelines for the Banking and Insurance Industry</p> <p>Implementation Plan for the Development of Green Finance in Guangdong Province in Support of Carbon Peaking Action</p> <p>Guidance on Promoting the Development of Green Finance in the Banking and Insurance Industry in Guangdong</p>	<p>Administrative Measures for Carbon Emission Rights Collateralized Financing Business (for Trial Implementation)</p> <p>Administrative Measures for Green Enterprise (Project) Series Loans of Guangzhou Rural Commercial Bank (for Trial Implementation)</p> <p>Guangzhou Rural Commercial Bank Green Financial Development Planning and Implementation Plan (2023-2025)</p>
B1. Employment	<p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Interim Provisions on Labor Dispatch</p> <p>Employment Promotion Law of the People's Republic of China</p> <p>Social Insurance Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Protection of Minors</p>	GRCB Management Measures on Staff Recruitment
B2. Health and Safety	<p>The Law of the People's Republic of China on Safe Production</p> <p>Regulations on Internal Security and Protection of Enterprises and Institutions</p>	<p>Provisions on the Safety Production Responsibility System of Guangzhou Rural Commercial Bank</p> <p>Safety and Security Management Measures of Guangzhou Rural Commercial Bank</p>
B3. Development and training	Guidelines for the Management of Practitioners in Banking and Financial Institutions	
B4. Labour Principles	<p>Labor Law of the People's Republic of China</p> <p>Provisions of the People's Republic of China on Prohibition of Child Labor</p> <p>Law of the People's Republic of China on the Protection of Minors</p>	Employee Leave Management Measures of Guangzhou Rural Commercial Bank (Revised in 2022)

ESG index	Laws, regulations/policies	Internal policy
B5. Supply Chain Management	<p>Law of the People's Republic of China on Bidding and Tendering,</p> <p>The Regulations on the Implementation of the Law of the People's Republic of China on Bidding and Tendering,</p> <p>The Provisions on Engineering Projects Subject to Bidding,</p> <p>The Interim Provisions on the Management of Centralized Procurement by State-owned Financial Enterprises</p> <p>Measures on the Administration of Bidding for the Selection and Appointment of Accounting Firms by Financial Enterprises</p>	Centralized Purchasing Series Management System of Guangzhou Rural Commercial Bank
B6. Product Liability	<p>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</p> <p>Implementation Measures for the Protection of the Rights and Interests of Financial Consumers of the People's Bank of China (People's Bank of China Order [2020] No. 5)</p> <p>Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industry (CBIRC Order No. 3 of 2020)</p>	<p>Management Measures for the Protection of Financial Consumers' Rights and Interests of Guangzhou Rural Commercial Bank</p> <p>Management Measures for Handling Consumer Complaints of Guangzhou Rural Commercial Bank</p> <p>Emergency Handling Plan for Major Consumer Complaints of Guangzhou Rural Commercial Bank</p> <p>Management Measures of Guangzhou Rural Commercial Bank on Financial Marketing and Publicity Standards</p> <p>Management Measures for the Protection of Consumer Rights and Interests of Guangzhou Rural Commercial Bank</p> <p>Provisions on the Protection of Personal Financial Information Security of Guangzhou Rural Commercial Bank</p>
B7. Anti-corruption	<p>Rules for Supervision and Enforcement of Discipline by Discipline Inspection Organs of the Communist Party of China</p> <p>Regulations on Disciplinary Punishment of the Communist Party of China</p> <p>Rules for Supervision and Enforcement of Discipline by Discipline Inspection Organs of the Communist Party of China</p> <p>Guangzhou Municipal Leading Group of Party Style and Integrity Construction (Guangzhou Municipal System of Supervisory Talks for Implementing the Main Responsibility of the Party in a Comprehensive and Strict Manner)</p> <p>Guiding Opinions on Promoting the Construction of Clean State-owned Enterprises in Guangzhou</p> <p>Anti-Money Laundering Law of the People's Republic of China</p>	<p>Accountability Measures of Guangzhou Rural Commercial Bank</p> <p>Guidelines on Disciplinary Decisions of Guangzhou Rural Commercial Bank for Disciplined Party Members (for Trial Implementation)</p> <p>The System of Supervisory Talks by the Party Committee of Guangzhou Rural Commercial Bank for the Implementation of the Main Responsibility of the Party in a Comprehensive and Strict Manner</p> <p>Implementation Opinions of Guangzhou Rural Commercial Bank on Promoting the Construction of a Clean State Enterprise</p> <p>Risk Management Measures on Money Laundering and Terrorist Financing of Guangzhou Rural Commercial Bank (Revised in 2022)</p> <p>Measures for the Management of Accountability of Guangzhou Rural Commercial Bank (Revised in 2021)</p>

ESG content index

This report has complied with all the mandatory disclosure requirements and the "comply or explain" clause set out in the ESG Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mandatory disclosure requirements		Disclosure of Sections
Governance structure	A statement issued by the Board containing the following. (i) disclosure of the Board's oversight of environmental, social and governance matters. (ii) the Board's ESG management approach and strategy, including the process for assessing, prioritising and managing significant ESG-related issues, including risks to the issuer's business; and (iii) how the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business	Chairman's Statement
Reporting Principles	Describe or explain how the following reporting principles have been applied in the preparation of the ESG report. Materiality, quantification, consistency	About this Report
Scope of reporting	Explain the scope of the ESG reporting and describe the process of selecting which entities or operations to include in the ESG report. Where the scope of reporting has changed, the issuer should explain the differences and the reasons for the changes.	About this Report
"comply or explain" clause		Report section

A. Environment

A1 emissions	General Disclosure: Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer	Policy List Practicing Green Operation
	A1.1 The types of emissions and respective emissions data	Key Performance Table
	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) directly (scope1) and indirectly (scope 2).	Key Performance Table
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Key Performance Table
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Key Performance Table
	A1.5 Description of measures to mitigate emissions and results achieved	Practicing Green Operation
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Practicing Green Operation

	"comply or explain" clause	Report section
A2 resource utilization	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	Policy List Practicing Green Operation
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Key Performance Table
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Key Performance Table
	A2.3 Description of energy use efficiency initiatives and results achieved	Practicing Green Operation Key Performance Table
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Practicing Green Operation Key Performance Table
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	On the basis of Bank business content, the statistics and disclosure of packaging data are not applicable.
A3 Environment and Natural	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Policy List Developing Green Finance Prevention and Control of Environmental Risks Environmental Goal Management Practicing Green Operation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Developing Green Finance Prevention and Control of Environmental Risks Environmental Goal Management Practicing Green Operation
A4: Climate Change	General Disclosure Policy for identifying and responding to significant climate-related issues that are already likely to have an impact on the issuer.	Coping with Climate Change Prevention and Control of Environmental Risks
	A4.1 Describe significant climate-related issues that have had and may have an impact on the issuer, and actions to address them.	Coping with Climate Change Prevention and Control of Environmental Risks

"comply or explain" clause		Report section
B.Society		
B1 Employment	General Disclosure: Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Policy List Protecting of Staff's Rights and Interests
	B1.1 Total workforce by gender, employment type, age group and geographical region	Key Performance Table
	B1.2 Employee turnover rate by gender, age group and geographical region	Key Performance Table
B2 Health and Safety	General Disclosure: Relating to providing a safe working environment and protecting employees from occupational hazards: (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer	Policy list Caring for the Health of the Employees
	B2.1 Number and rate of work-related fatalities for the past three years (including reporting year)	Key Performance Table
	B2.2 Lost days due to work injury	Key Performance Table
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Carrying out Staff Activities Caring for the Health of the Employees Key Performance Table
B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Strengthening Staff Training
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Key Performance Table
	B3.2 The average training hours completed per employee by gender and employee category	Key Performance Table
B4 Labour Code	General Disclosure: Relating to preventing child and forced labour: (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Policy List Protecting of Staff's Rights and Interests
	B4.1 Description of measures to review employment practices to avoid child and forced labour	Protecting of Staff's Rights and Interests
	B4.2 Description of steps taken to eliminate such practices when discovered	This item does not apply as there is no relevant situation in Bank.

"comply or explain" clause		Report section
Operational Practices		
B5 Supply chain management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Policy List Supplier Management
	B5.1 Number of suppliers by geographical region.	Supplier Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supplier Management
	B5.3 Describe the management of the identification of environmental and social risks at each stage of the supply chain, and the associated implementation and monitoring practices.	Supplier Management
	B5.4 Describe practices for promoting the use of environmentally friendly products and services in the selection of suppliers, and related implementation and monitoring methods.	Supplier Management
B6 product liability	General Disclosure: Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Policy List Improving Services through Technology Listening to Customers Protecting Customers' Rights and Interests Protecting Information Security Strengthening the Construction of Security
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	On the basis of the business content of Bank, this item is not applicable.
	B6.2 Number of products and service related complaints received and how they are dealt with	Listening to Customers Protecting Customers' Rights and Interests Key Performance Table
	B6.3 Description of practices relating to observing and protecting intellectual property rights	Brand and Intellectual Property Protection
	B6.4 Description of quality assurance process and recall procedures	On the basis of the business content of Bank, this item is not applicable.
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Protecting Information Security Strengthening the Construction of Security	

	"comply or explain" clause	Report section
B7 Anti-corruption	General Disclosure: Relating to bribery, extortion, fraud and money laundering: (1) Policies; And (2) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Policy List Good Governance with Integrity Anti-Money Laundering Management
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the report-ing period and the outcomes of the cases	Good Governance with Integrity
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Good Governance with Integrity
	B7.3 Describe the anti-corruption training provided to directors and employees.	Good Governance with Integrity Key Performance Table
B8 Community Investment	General Disclosure: Investment 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.	Fulfilling the Responsibility of Assistance Practicing Public Welfare and Charity
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Fulfilling the Responsibility of Assistance Practicing Public Welfare and Charity
	B8.2 Resources contributed (e.g. money or time) to the focus area	Practicing Public Welfare and Charity

GRI (Version 2021) Index

No.	Content	Section of disclosure
GRI 2: 2021 General disclosure		
Organisation and its reporting practices		
2-1	Organisation details	About this Report
2-2	Entities included in the organisation's sustainability report	About this Report
2-3	Reporting period, frequency of reporting and contacts	About this Report
2-4	Restatement of information	About this Report
2-5	External assurance	Independent Limited Assurance Report
Events and workers		
2-6	Activities, value chain and other business relationships	About this Report
2-7	Employees	07 People-oriented, growing together
2-8	Workers other than employees	02 Comply with Laws and Regulations and Prudently Operate 05 Providing Sincere Services and Ensuring Account Security
Governance		
2-9	Governance structure and composition	01 Deepening Ideas and Strengthening Management 02 Comply with Laws and Regulations and Prudently Operate
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
2-12	Oversight role of the highest governance body in managing impact	
2-13	Delegation of responsibility for managing impact	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	
2-16	Communication of key concerns	
2-17	Common knowledge of the highest governance body	
2-18	Performance evaluation of the highest governance body	
2-19	Remuneration policy	
2-20	Process for determining remuneration	
2-21	Annual total remuneration ratio	
Strategy, policy and practice		
2-22	Statement on Sustainable Development Strategy	01 Deepening Ideas and Strengthening Management
2-23	Policy Commitments	
2-24	Integration Policy Commitment	
2-25	Procedures for remedying negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	
2-27	Compliance with laws and regulations	
2-28	Membership of the Association	

No.	Content	Section of disclosure
Stakeholder engagement		
2-29	Approach to stakeholder engagement	01 Deepening Ideas and Strengthening Management
2-30	Collective bargaining agreements	02 Comply with Laws and Regulations and Prudently Operate 05 Providing Sincere Services and Ensuring Account Security 07 People-oriented, Care for the Staff
GRI 3: 2021 Substantive topics		
3-1	The process of identifying substantive topics	01 Deepening Ideas and Strengthening Management
3-2	List of substantive topics	
3-3	Management of substantive issues	
GRI 201: 2016 Economic performance		
G201-1	The economic value of direct production and distribution	03 Staying Deeply Rooted in the Local and Serving the Real Economy
G201-2	The financial impact of climate change and other risks and opportunities	06 Green and Low-carbon, Energy Saving and Environmental Protection
G201-3	Obligatory defined benefit plans and other retirement schemes	07 People-oriented, Care for the Staff
G201-4	Financial subsidies granted by the government	03 Staying Deeply Rooted in the Local and Serving the Real Economy
GRI202: 2016 Market performance		
G202-1	Ratio of standard entry level salary to local minimum wage by gender	07 People-oriented, Care for the Staff
G202-2	Proportion of executives hired from the local community	
GRI 203: 2016 Indirect economic impact		
G203-1	Infrastructure investment and support services	03 Staying Deeply Rooted in the Local and Serving the Real Economy 08 Development for the Benefit of All and Contribution to Society
G203-2	Significant indirect economic impact	
GRI 204: 2016 Purchasing practices		
G204-1	Proportion of procurement spend from local suppliers	02 Comply with Laws and Regulations and Prudently Operate

No.	Content	Section of disclosure
GRI 205: 2016 Anti-Corruption		
G205-1	Operational sites that have conducted corruption risk assessments	02 Comply with Laws and Regulations and Prudently Operate
G205-2	Communication and training on anti-corruption policies and procedures	
G205-3	Corruption incidents identified and actions taken	
GRI 206: 2016 Anti-competitive behaviour		
G206-1	Lawsuits against unfair competition, antitrust and antitrust practices	02 Comply with Laws and Regulations and Prudently Operate
GRI 207: 2019 Taxation		
G207-1	Tax Policy	02 Comply with Laws and Regulations and Prudently Operate
G207-2	Tax governance, control and risk management	
G207-3	Tax-related stakeholder engagement and management	
G207-4	Country-specific reporting	NA
GRI 301: 2016 Material		
G301-1	Weight or volume of material used	NA
G301-2	Recycled feedstock used	
G301-3	Recycled products and their packaging materials	
GRI 302: 2016 Energy		
G302-1	Energy consumption within the organisation	06 Green and Low-carbon, Energy Saving and Environmental Protection
G302-2	Energy consumption outside the organisation	
G302-3	Energy intensity	
G302-4	Reducing energy consumption	
G302-5	Reducing energy demand in products and services	
GRI 303: 2018 Water resources and sewage		
G303-1	Interaction of organisations and water as a shared resource	06 Green and Low-carbon, Energy Saving and Environmental Protection
G303-2	Managing impacts associated with drainage	
G303-3	Water abstraction	
G303-4	Drainage	
G303-5	Water consumption	
GRI 304: 2016 Biodiversity		
G304-1	Operations owned, leased, managed by the organisation in or adjacent to protected areas and biodiversity-rich areas outside protected areas	
G304-2	Significant impacts of activities, products, services on biodiversity	
G304-3	Protected or restored habitats	
G304-4	Species on the IUCN Red List and the National Register of Conservation in habitats affected by operations	

No.	Content	Section of disclosure
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GRI 305: 2016 Emissions

G305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	06 Green and Low-carbon, Energy Saving and Environmental Protection
G305-2	Indirect greenhouse gas (GHG) emissions from energy (Scope 2)	
G305-3	Other indirect greenhouse effect gas (GHG) emissions (Scope 3)	
G305-4	Greenhouse effect gas (GHG) emission intensity	
G305-5	Greenhouse effect gas (GHG) emission reductions	
G305-6	Emissions of ozone-depleting substances (ODS)	NA
G305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant gases	NA

GRI 306: 2020 Wastes

G306-1	Waste generation and significant waste-related impacts	06 Green and Low-carbon, Energy Saving and Environmental Protection
G306-2	Management of significant waste-related impacts	
G306-3	Waste generated	
G306-4	Waste transferred from disposal	
G306-5	Waste entering disposal	

GRI 308: 2016 Supplier Environmental Assessment

G308-1	New suppliers screened using environmental criteria	02 Comply with Laws and Regulations and Prudently Operate
G308-2	Negative environmental impacts of the supply chain and actions taken	

GRI 401: 2016 Employment

G401-1	New hires and staff turnover	07 People-oriented, Care for the Staff
G401-2	Benefits offered to full-time employees (not including temporary or part-time employees)	
G401-3	Parental leave	

GRI 402: 2016 Labour relations

G402-1	Minimum notice period for operational changes	07 People-oriented, Care for the Staff
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GRI 403: 2018 Occupational Health and Safety

G403-1	Occupational Health and Safety Management Systems	07 People-oriented, Care for the Staff
G403-2	Hazard identification, risk assessment and incident investigation	
G403-3	Occupational health services	
G403-4	OHS matters: worker involvement, consultation and communication	
G403-5	Occupational health and safety training for workers	
G403-6	Worker health promotion	
G403-7	Prevention and mitigation of OHS impacts directly related to business relationships	
G403-8	Workers to whom the OHS management system applies	
G403-9	Work-related injuries	
G403-10	Work-related health issues	

No.	Content	Section of disclosure
GRI 404: 2016 Training and education		
G404-1	Average number of hours of training per employee per year	07 People-oriented, Care for the Staff
G404-2	Employee skills enhancement programmes and transition assistance programmes	
G404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: 2016 Diversity and equal opportunities		
G405-1	Governance structure and employee diversity	07 People-oriented, Care for the Staff
G405-2	Ratio of basic salary and remuneration for men and women	
GRI 406: 2016 Anti-discrimination		
G406-1	Incidents of discrimination and corrective actions taken	07 People-oriented, Care for the Staff
GRI 407: 2016 Freedom of association and collective bargaining		
G407-1	Operating sites and suppliers where freedom of association and collective bargaining rights may be at risk	07 People-oriented, Care for the Staff
GRI 408: 2016 Child labour		
G408-1	Operating sites and suppliers with significant risk of child labour incidents	07 People-oriented, Care for the Staff
GRI 409: 2016 Forced or compulsory labour		
G409-1	Operating sites and suppliers with significant risk of forced or compulsory labour incidents	07 People-oriented, Care for the Staff
GRI 410: 2016 Security practices		
G410-1	Security personnel trained in human rights policies or procedures	Not involved
GRI 411: 2016 Aboriginal Rights		
G411-1	Incidents involving violations of Aboriginal rights	Not involved
GRI 413: 2016 Local communities		
G413-1	Operating sites with local community involvement, impact assessment and development plans	08 Development for the Benefit of All and Contribution to Society
G413-2	Operating sites with actual or potentially significant negative impacts on local communities	
GRI 414: 2016 Social assessment of suppliers		
G414-1	New suppliers screened using social criteria	02 Comply with Laws and Regulations and Prudently Operate
G414-2	The negative impact of the supply chain on society and the actions taken	
GRI 415: 2016 Public policy		
G415-1	Political donations	NA

No.	Content	Section of disclosure
GRI 416: 2016 Customer Health and Safety		
G416-1	Assessment of health and safety impacts on product and service categories	05 Providing Sincere Services and Ensuring Account Security
G416-2	Assessment of health and safety impacts on product and service categories	
GRI 417: 2016 Marketing and labelling		
G417-1	Requirements for product and service information and labelling	05 Providing Sincere Services and Ensuring Account Security
G417-2	Breaches involving product and service information and labelling	
G417-3	Violations relating to marketing	
GRI 418: 2016 Customer Privacy		
G418-1	Substantiated complaints relating to invasion of customer privacy and loss of customer data	05 Providing Sincere Services and Ensuring Account Security

Reader feedback form

Thank you for reading the Bank's 2022 Corporate Social Responsibility Report. In order to provide you and other stakeholders with more valuable information, Bank sincerely expect you to put forward valuable suggestions and opinions on this report and feedback to Bank through the following ways:

Tel:

Address:

1. Which of the following stakeholders do you belong to?

Government Regulatory Authority Shareholders Customers Staff Suppliers and Partners Communities Public and Media Others

2. What is your overall evaluation of this report?

Poor General Good Very good

3. Do you think this report completely covers your expectations of Bank?

Yes No

4. Do you think Bank has responded well to your expectations?

Yes No

5. Do you think the content layout and format design of this report are convenient to read?

Yes No

6. What other comments and suggestions do you have on Bank social responsibility work and this report?

Thank you for your concern and support for the Bank.